

SOCIO-ECONOMIC IMPACT STUDY OF A

CALGARY 2026 WINTER GAMES



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The Canada West Foundation is an independent, evidence-based public policy research think tank that focuses on policies that shape the West, and by extension, Canada. Through our evidence-based research and commentary, we provide practical solutions to tough public policy challenges facing the West, and Canada as a whole, at home and on the global stage.

This report was commissioned by the Calgary 2026 Bid Corporation to assess the costs, risks, benefits and opportunities of hosting a Calgary 2026 Winter Games. The findings are those of the Canada West Foundation. Any errors in fact or interpretation remain the sole responsibility of the Canada West Foundation.

Disclosure: The President and CEO of the Canada West Foundation is the Chair of the Board of Alpine Canada. Alpine Canada is the national governing body for alpine, para-alpine and ski cross racing in Canada. **She has recused herself from the analysis and production of this report.**

Executive Summary

The Winter Olympic and Paralympic Games are a celebration of winter sport – and winter spirit. That is part of what makes the idea of the Winter Games so exciting to Canadians. But the Games are also a major undertaking. Before a Calgary 2026 Winter Games bid goes ahead, the communities involved need to ask hard questions about whether or not a bid is worth it. The economics of the Games receive a lot of attention, and that makes sense – how governments spend money is important to us. But there is also more to the Games than just money.

The assumption underlying this report is that a fiscally responsible bid is necessary, but it is not sufficient. There also needs to be something more. The personal and community social benefits from hosting the Games and the capital investment legacy is that “something.”

This report explores the costs, risks, benefits and opportunities of a Calgary 2026 Winter Games from economic, social, cultural, environmental, political and other perspectives.

From this analysis, two key questions stood out:

Is the Calgary 2026 Games bid an economical, cost-effective and responsible approach?
 Would the Games provide significant benefits for the host region?

The answer to both these questions is **yes**.

To answer these questions, we looked at components of the Games that apply to every host region:

- **Delivery of the Games/operations:** The activities required to make the Games happen: planning, management, hosting athletes, teams and officials, medical services/anti-doping, ceremonies, information technology, media relations, financial management and ongoing progress reporting. These activities begin with the bid planning, accelerate after the bid is awarded and peak during the Games, and then drop off quickly after the Games.
- **Legacy investments:** The facilities used for the Games, including competition venues, broadcast and press centre, housing required beyond what is available, and endowments. These investments live on after the Games are done. For this reason, these are considered separately from the costs of delivering the Games activities.

Is the Calgary Games bid an economical, cost-effective and responsible approach? **Yes**

Have costs been minimized? Yes

- The International Olympic Committee (IOC) has introduced “Agenda 2020,” under which requirements and contributions by the IOC have changed, reducing the costs of both Games delivery and capital requirements. (Page 19)
- The legacy of venues from the 1988 Calgary Games and 2010 Vancouver Games means that 11 of the 13 venues needed are already built and operating. (Page 19)
- Games delivery costs are also minimized because existing venues come with experienced operators – the “kinks” are worked out of facilities and operations. (Page 19)
- Existing venues have experience hosting world class events. (Page 21)
- Calgary does not require any major transportation infrastructure to host the Games, unlike many other cities. (Page 21)

Are budgeted costs reasonable to deliver a successful Games? Yes

- Vancouver 2010 provides the best comparison of Games delivery costs for Calgary 2026. Calgary’s delivery budget is \$2.45 billion, compared to Vancouver’s final delivery cost of \$2.39 billion (both in 2018 dollars, or \$2018). One key difference is the inclusion in the Calgary budget of \$220 million in contingency funds that are not relevant to Vancouver’s final cost. (Page 29)
- Calgary Hosting Plan budgets build on what was learned in Vancouver. The plan has the benefit of the experience of former members of the VANOC (Vancouver Organizing Committee) team and the 2015 Toronto Pan and ParaPan American Games. (Page 28)

The 2026 hosting plan budget includes two other elements that suggest it is not understating expenses.

- The plan includes essential government services. These are services governments provide every day. But during the Games, they will need to deal with the influx of people and multiple venue clusters. It is like having the Calgary Stampede in different parts of the city as well as Kananaskis, Canmore and Whistler. The hosting plan includes them in the full list of government spending expectations, even though they are not part of the Games operations *per se*. (Page 18)
- The hosting plan also includes over 2018\$745 million and 2026\$1 billion in contingency funds in as spent dollars in 2026. (Page 30)

The total cost of the Games, including delivery and Games operations, all venues, housing, Legacy Endowment and contingency funds, comes in at \$5.1 billion in \$2018.

This report uses 2018 dollars unless otherwise stated. Some tables also list \$2026, or “money spent.” This accounts for spending that will not take place until 2024 (e.g., accommodation construction) or 2026 (Games delivery spending), and inflation that is expected in the intervening years. The information from the September 11, 2018 hosting plan has been revised to incorporate new funding information and changes in the plan as of October 30, 2018.

Table 1 summarizes the hosting plan budgeted costs and contingencies.

TABLE 1: ESTIMATED COSTS FOR CAPITAL AND OPERATIONS INCLUDING CONTINGENCIES OF A CALGARY 2026 GAMES (*in millions 2018\$*)

	Total Cost \$2018	Contingency \$2018
Games Delivery	\$2,451	\$330
Venues	\$959	\$154
Housing	\$493	\$141
Legacy Endowment	\$180	
Unrestricted contingency fund	\$120	\$120
Essential government services	\$755	
TOTAL	\$4,958	\$745

Is the Games budget balanced? **Yes**

- The Winter Games delivery operations budget includes the Olympic Games and Paralympic Games. Each has its own delivery budget. The Olympic Games budget is balanced. Non-government sources of revenue are budgeted to cover 100% of the cost of delivering the Olympic Games. (Page 19)
- The Paralympics delivery budget is balanced. A contribution from government is typical for the Paralympic Games. The hosting plan includes a contribution of \$218 million, which is traditionally funded by the federal governments. Non-government sources are budgeted to contribute 25% toward the cost of running the Paralympics. This is due to the Paralympic Games having fewer revenue sources. (Page 19)
- A historical note: The Calgary 1988 Games operations (OCO’88) generated a surplus of over \$32 million that was transferred to legacy endowments after the Games. (Page 32)

TABLE 2: OLYMPIC AND PARALYMPIC GAMES DELIVERY – REVENUE AND COSTS
(in millions)

	Total Cost (\$2018)	Total Cost (\$2026)
Cost	\$2,451 (including \$220 contingency)	\$2,749 (including \$246 contingency)
Revenue: IOC and Other (i.e., merchandise sales)	\$2,233 (including \$110 contingency)	\$2,504 (including \$124 contingency)
Revenue: Government Paralympic Contribution	\$220	\$245
BALANCE	\$0	\$0

Are there measures to prevent cost overruns? Yes

Until all the bills are paid, potential cost overruns remain unknown – but measures to prevent overruns are in place.

- Contingency funds are included in the hosting plan budget for: operations, sponsorship revenue, venue upgrading and construction, and housing construction. In 2026 – the total contingency is valued at over \$1 Billion in \$2026 (\$745 million 2018\$). (See Table 1, p. 6)
- An additional Games Contingency Fund satisfies IOC guarantees for the Broadcast Refund Agreement (after insurance and other contingencies are exhausted), as well as operating and capital cost overruns of the Games. If the fund is not required to provide contingency funding, it will become an endowment legacy of the Games. (Page 27)
- IOC funding commitment, as part of the reforms of 2018, provides a specific dollar amount of cash and value-in-kind, that is set in advance as part of the hosting agreement, which reduces revenue uncertainty. (Page 19)
- The budget process used reduces the risk of cost overruns. Hosting plan budgets for 2026 Games delivery and capital projects (venues and accommodations) involved a level of detail that does not typically occur until after the bid is awarded. The budget process, involved detailed, bottom-up budgeting of over 30,000 line items, with project-by-project contingencies. It was conducted by subject matter experts, including experienced team members from the Vancouver 2010 Games and Toronto 2015 PanAm and ParaPan Games. (Page 28)

- The benefit of experienced venue operators is that they are less likely to experience “surprises” either for operations or construction. (Page 19)
- The City of Calgary has a track record of building infrastructure on budget and on time, which should help keep the Games infrastructure that way as well. (Page 27)

Are all costs included? **Yes and No**

- The hosting plan budgets includes all operational costs (including government essential services) based on the experience of VANOC 2010 and Calgary 1988. (Page 19)
- The hosting plan budgets includes all capital costs for venues and accommodation. (Page 17-18)
- No related infrastructure costs are required to host the Games (roads, airports, rapid transit). (Page 17)
- Discretionary government costs for business development and other programming that are not part of the Games are not included. (Pages 20-21)
- Additional engagement opportunities outside venue communities are not included. (Pages 21)

Are there other financial costs that are not included? **Yes**

Opportunity costs represent the extent to which funds allocated to the Games by government and others would no longer be available for other purposes such as social programming or debt reduction.¹

Facilities that are used during the Games but are repurposed in keeping with local priorities would have required those upgrades anyways. Evidence of local priorities could include existing spending programs (e.g., affordable housing programs), or inclusion in existing medium or long-range plans (e.g., Rivers District Master Plan or City Recreation Facilities Plan). There are questions of timing – was the spending moved forward or the “typical” time frame compressed – but the overall opportunity cost is not a Games cost. In fact, the Games are an opportunity to build facilities that communities need with willing partners.

Would the Games provide significant benefits for the host region? **Yes**

Are there economic benefits from hosting the Games that diversify Alberta's economy? **Yes**

Based on an adjustment of the Conference Board of Canada economic impact forecast, an increase in gross domestic product (GDP), wages and taxes to all levels of government is predicted before, during and after the Games. Calgary will experience most of the benefits – almost \$1.5 billion in net incremental economic activity. The rest of the province will experience an additional \$554 million in GDP growth. Benefits will also be experienced in the rest of Canada of \$350 million from direct and indirect purchases of goods and services.

The benefits begin to rise in 2022, peak in 2026 and are expected to drop off sharply after 2026, when tourism and the business development efforts determine how much impact will remain after the Games.

The impact of construction activities is not included in the forecast. Therefore, this forecast, which includes only the impact of games operations and tourism, would be considered to be a **conservative** estimate. It includes the effects of spending on Games operations sourced primarily outside the province and the portion spent in Canada. (Page 36-39)

TABLE 3: ECONOMIC IMPACT SUMMARY 2026 WINTER GAMES, 2018-2040
(in millions, \$2018)

	GDP	Low Estimate	High Estimate	Wages	City Taxes	Province Taxes	Federal Taxes
Calgary	1,478	1,375	1,582	1,082	35		
All of Alberta	2,032	1,889	2,174	1,433	*	158	*
Rest of Canada	351	326	375	259	*	*	*
All of Canada	2,382	2,216	2,549	1,692	58	188	307

- Source: Conference Board of Canada “Evaluating the Economic Impacts of Calgary’s Olympic Bid, May 29, 2017, adjusted by Canada West Foundation
- Notes: Incremental economic impact compared no Games base case
- Does not include impact from construction/renovation of accommodation or venues.
- Includes direct and indirect impact from Games and tourism.
- The Conference Board does not provide a range for its estimates. Range of plus or minus 7% based on PWC impact assessment of Vancouver 2010
- Taxes * not listed for clarity – Canada includes Calgary, Alberta and rest of Canada
- Adjusted to \$2018

- **Economic growth of \$2.032 billion in Alberta** comes from an injection of money from outside Alberta that would not have occurred without the Games.
- **Return on investment from operations (government spending on operations)**
Paralympics, security and essential services = \$975 million. Assume 50/50 split Federal government with Alberta and Calgary + Canmore.
- **Return on investment to the province of \$2,032 million/\$294 million = 7/1**, which compares incremental Alberta GDP to Government of Alberta and City of Calgary spending on operations, essential services and security costs, net of taxes returned to the province of Alberta and the City of Calgary. Even with the lower GDP estimate of \$1,889 million, the return is 6.3/1.
- **Return on investment to Canada of \$2,382 million/\$181 million = 13/1**, which compares incremental Canadian GDP to Government of Canada spending less taxes. For the lower GDP estimate, the return is 12/1. See appendix for detailed calculation.
- Projected tourism growth includes visitors during Games and following years due to increased awareness of Calgary and Alberta as a winter destination. The Conference Board forecasts an increase in overnight visits from outside Alberta of 9% in the three years following the Games. This forecast does not consider the impact of the 2026

Games, immediately following the Beijing Winter Games, which provides an opportunity to attract newly inspired Chinese winter recreation enthusiasts. For example, the Chinese government has launched a nationwide initiative to create 300 million skiers before the Beijing Winter Games in 2022.²

- Games procurement policies will provide opportunities during the Games for local small and medium businesses as well as Indigenous businesses. (See page 49 for Vancouver example)
- Business development activities that are not included in the forecast can take advantage of the opportunities presented by the Games to attract potential visitors, investors, talented people as well as export customers for Canadian goods and services. (Pages 20-21)

Are there economic benefits from legacy investments? Yes

New and renewed venues contribute to the economy through their operations and from hosting national and international competitions. By the time the 2026 Games take place, WinSport will have contributed over \$4.5 billion (\$120 million annually) to the Alberta economy since 1988. (Page 40)

Affordable housing creates social benefits, and it also reduces rent subsidies from government to low-income Albertans. (Page 46)

Are there social and personal benefits from hosting the Games? Yes

Social benefits are perhaps the most important benefits of the Games, but they are difficult to measure. Economists do not include them in cost/benefit calculations. For that reason, they typically do not receive as much attention in academic research. For most people who are satisfied that the Games are fiscally responsible, social and personal benefits are what matters.

- National pride and community belonging are increased by watching the Games in person or through broadcasts. (Page 43)
- The Olympic values of friendship, respect, and excellence and Paralympic values of determination, inspiration, courage and equality can inspire us to be better as individuals and members of our community. (Page 52)
- There are benefits from hosting the Paralympic Games, particularly their impact on perceptions of what people with disabilities can accomplish. It encourages sport for all and accessibility. (Page 46)
- Volunteer opportunities build communities by providing a sense of belonging, particularly for newcomers. (Page 47)

- Partnership with the host Indigenous Peoples provide not only economic opportunities, but also opportunities for residents and visitors to engage with Indigenous people and their culture, which is a key aspect of reconciliation. (Page 53)

Are there social benefits from legacy investments? **Yes**

- Affordable accommodation would be created as the Athletes' Villages in Calgary and Canmore, and housing for the Games workforce, are made available after the Games for seniors, low-income individuals and families, students and Indigenous people living in the city. Given the need in Calgary and Canmore for affordable housing, this legacy will make a major difference in these communities. Calgary has the lowest percentage of affordable housing among major Canadian cities and Canmore currently has none. (Page 22-23, 46)
- Legacy venues from 1988 provide recreation opportunities that would be given new life after upgrades for the 2026 Games. These facilities are a big part of the life of community members as well as high-performance competitors and hosting world-class events. (Page 22, 47)

Finally, it is also important to note that there are two additional questions beyond the scope of this report that a consideration of costs and benefits cannot address:

Can we afford the Games?
Is this what we want to spend our money on?

The answer to these questions lies outside an analysis of the bid proposal itself.

The bid proposal presents a spending plan to deliver the Games and leave a legacy of new and renewed venues, affordable housing and a legacy endowment. Forecasting governments' financial position out to 2026 makes answering the affordability question challenging. With respect to priorities, at the end of the day, those are questions that individuals must answer for themselves based on their values and the priorities they set for themselves, their community, their province and their country.

The Games' lasting legacy will be its ability to lift up and inspire Canadians. Canadians are indeed known for our warm welcome to athletes and visitors from around the world. The Games can also inspire us to do more – to open our arms to our neighbours at home and make a difference.

Introduction

The Winter Olympic and Paralympic Games are a celebration of winter sport – and winter spirit. That is part of what makes the idea of the Winter Games so exciting to Canadians. But the Games are a major undertaking. Before a Calgary 2026 Winter Games bid goes ahead, the communities involved need to ask hard questions about whether or not a bid is worth it. The economics of the Games receive a lot of attention, and that makes sense – how governments spend money is important to us. But there is also more to the Games than just money.

The assumption underlying this report is that a financially responsible bid is necessary, but a financially responsible bid alone is not sufficient. There also needs to be something more. The social benefits from hosting the Games and the capital investment legacy is that “something.”

This report explores the costs, risks, benefits and opportunities of a Calgary 2026 Winter Games in the years leading up to, during and after Games from economic, social, cultural, environmental, political and other perspectives. This analysis will answer two questions:

Is the Calgary Games bid an economical, cost-effective and responsible approach?

Would the Games provide significant benefits for the host region?

Hosting the Winter Olympic and Paralympic Games provides an opportunity to create something that lasts for the region, province and country. That legacy can be economic – through continued benefits from tourism or business development. It can also be social – by strengthening the sense of belonging and inclusion when Albertans and Canadians come together as successful hosts and volunteers, from shared cultural and sporting experiences, and shared legacy benefits of affordable housing and greater accessibility to world-class recreation facilities.

Clearly, there are costs, too. Money will be spent that could have been spent on other things or not spent at all. Money will also be spent on things that are existing priorities, like federal spending on hosting international sporting events, affordable housing and recreation facilities. There are risks that anticipated economic benefits will not materialize; that costs will escalate over the intervening seven years between bid and delivery of the Games; that scandal will tarnish the reputation of the Games; and that the attention of the world will also bring the attention of protestors. While risks exist, it is also important to examine the extent to which they can be reduced or mitigated.

This report has been prepared by the Canada West Foundation at the request of the Calgary 2026 Bid Corporation based upon information available as of September 11, 2018, and revised October 30, 2018. This report provides a meta study of the costs, risks, benefits and opportunities of hosting the 2026 Winter Olympic and Paralympic Games. This report has been informed by: academic analyses of the economics of hosting the Games, economic and social impact assessments by consulting organizations (Deloitte, Conference Board of Canada, and Halcyon Consulting) and reviews of those impact assessments (Tombe³ and Humphreys⁴); post-Games impact assessments of the sport and athletic venues created for 1988 Calgary Games; reviews of the Vancouver 2010 experience; and the hosting plans prepared by the Calgary 2026 Bid Corporation and Bid Exploration Committee.

Both the bid itself, and if successful, the execution of the plan, are subject to changing conditions, which we have attempted to capture in the risks and opportunities sections of this report. While we did not undertake new economic impact assessments, we considered the results of the Conference Board and Deloitte assessments in the context of subsequent reviews and presented them accordingly, as a meta study of all work that preceded this report.

COSTS, RISKS, BENEFITS & OPPORTUNITIES:
**CALGARY WINTER OLYMPIC
& PARALYMPIC GAMES**

SOCIO-ECONOMIC IMPACT STUDY OF A CALGARY 2026 WINTER GAMES

Costs

Financial Costs

When it comes to costs there are two key questions:

How much?

Who pays?

“How much” generally includes:

- **Operation costs** for delivering the Games: Planning, food and accommodation for athletes and the Olympic family, medical services, running the competitions, technology and ceremonies.
- **Direct capital costs:** Sports venues, Olympic villages, broadcast and media centres that remain as long-term legacies of the community.

“Who pays” generally includes:

- **Private sources** such as TV revenue and international sponsorships (a portion of which come from the IOC), domestic sponsors, ticket and merchandise sales, and other private sources largely pay for operations.
- **Three levels of government** – city, province and nation – contribute mainly to capital costs but also operations.

The 2026 Calgary Game Hosting Plan requests government funding for:

Operations

- A contribution toward operations of the Paralympic Games. The rationale is that the Paralympic Games have fewer sources of revenue available.
- Provision of essential services by all three levels of government, including security.

Capital investment

- Renewal and modernization of existing, and construction of new community sporting and hosting venues where Games will be hosted.
- Accommodation for athletes and teams, officials and workforce in the Athletes’ Villages and other new housing to fill the gap between what is available from existing facilities. The Hosting Plan proposal is that this investment will provide over 1,350 units of affordable and attainable housing legacy after the Games.

- A Legacy Fund endowment to provide ongoing funding for several initiatives and programs after the Games.

The Calgary 2026 bid hosting plan includes no indirect capital costs (such as transportation infrastructure). This is not an oversight. These investments are not required to host the Games. In many previous Games, governments have chosen to build major infrastructure to coincide with the Games. These indirect costs are commonly included in reviews of past Games. It is important to understand exactly what costs are being included when the cost of hosting the Games are considered.

Tables 4 to 6 below provide budgeted expenses and revenue for operations and direct capital costs for venues and accommodation. The budget information in this report is based on the Calgary2026 Winter Olympic and Paralympic Games Hosting Plan as of September 10, 2018 and revised October 30, 2018.

This report uses 2018 dollars unless otherwise stated. Some tables also list \$2026, or “money spent.” This accounts for spending that will not take place until 2024 (e.g., accommodation construction) or 2026 (Games delivery spending), and inflation that is expected in the intervening years.

TABLE 4: OLYMPIC AND PARALYMPIC GAMES DELIVERY / OPERATIONS
– REVENUE AND COSTS (*in millions*)

	Total Cost (\$2018)	Total Cost (\$2026)
Cost	\$2,451 (including \$220 contingency)	\$2,749 (including \$246 contingency)
Revenue: IOC and Other (i.e., merchandise sales)	\$2,233 (including \$110 contingency)	\$2,504 (including \$124 contingency)
Revenue: Government Paralympic Contribution	\$218	\$245
BALANCE	\$0	\$0

TABLE 5: CAPITAL COSTS (GOVERNMENT FUNDED) *(in millions \$2018)*

	Total Cost \$2018
Venues – renewal	\$532
Venues – new	\$427
VENUES TOTAL	\$959
HOUSING TOTAL	\$493
Legacy Endowment Fund	\$180
TOTAL	\$1,632

TABLE 6: OTHER GOVERNMENT COSTS *(in millions)*

	Total Cost \$2018
Essential Government Services	\$300
Security	\$455
Unrestricted Games Contingency Fund	\$120
TOTAL	\$875

Operations costs/revenue

Games delivery: For Calgary 2026, total operating costs for Olympic and Paralympic Games are budgeted at \$2.45 billion. This includes planning, management, marketing, food and accommodations for athletes, coaches, officials, and the Olympic workforce, operation of competitions, site operations, as well as ceremonies and torch relays and a contingency allocation of \$330 million for overruns (\$220 expenses and \$110 revenue).

To provide as sense of scale, Calgary 2026 delivery costs are projected to be slightly more than Vancouver 2010 (\$2.39 billion adjusted for inflation to 2018⁵). Most of the difference is because Vancouver's spending is final, so any contingency would have been rolled in the final cost assessment.⁶

Compared to Vancouver’s operating expenses, Calgary plans to spend more on securing sponsorships to achieve higher target sponsorship revenues. Lower anticipated costs for ticketing and competition operations and technology are due to use of IOC resources. Clustering facilities within Calgary also creates a smaller Games footprint compared to Vancouver, meaning lower transportation costs within clusters and fewer jurisdictions to co-ordinate than Vancouver 2010. Smaller budgets for Torch Relay and Ceremonies suggest somewhat more modest ceremonies are planned.

In addition, the Calgary 2026 Games delivery budget benefits from two key factors:

- **Changes in International Olympic Committee requirements:** The “New Norm” reforms adopted in February 2018 enable significant savings for host cities.⁷ Turnkey infrastructure and services (e.g., Olympic Broadcasting services, Olympic information systems, ticketing and credit card services) will reduce costs for Games under the new regime.⁸
- **Experienced venue operators:** By reusing 11/13 required venues, Calgary 2026 benefits from facility operators who know their facilities and how to host international competitions. The 1988 legacy venues have hosted over 175 events to 2018. Calgary and the Bow Valley corridor have hosted more international winter events than any other region in North America. The expertise is available to deliver Games competitions successfully and efficiently.

The Games operations budget is balanced. And private revenue sources pay for 91% of the total operating cost for the Olympic and Paralympic Games. The Olympic Games will be 100% paid for from private sources. The Paralympic Games operations budget is balanced by a contribution from government. The Paralympic Games, at least for the time being, do not attract the same sources of revenue. Therefore, federal governments in the past have provided contributions to top up external contributions. For Calgary 2026, government is requested to contribute 75% (\$218 million) of Paralympic Games budgeted costs, which is 9% of total operational costs for the Games.

Revenue from IOC broadcast rights and sponsors – \$751 million – provides approximately 30% of budgeted operating costs. As part of the IOC reforms of 2018, the IOC funding commitment is set in advance as part of the hosting agreement, including a specified dollar amount of cash and value-in-kind (VIK). The VIK contributions balance out specific costs and are not included in the budget, but combined cash and VIK are expected to be about \$1.2 billion.

Domestic sponsors, ticket and merchandise sales and other revenue provide the other 70% – \$1.4 billion. Vancouver, despite the 2008 financial crisis, managed to raise \$835 million (\$2018) from domestic sponsorship. Calgary2026 plans to raise \$1.1 billion from additional national sponsorships, ticket sales, and merchandising (\$2018) (including a contingency of \$110 million).

Other operations costs

Essential services: Each government (Canada, Alberta, Calgary, Canmore and Whistler) will also need to provide essential services; namely, services that the governments already provide, but on a larger scale to accommodate the influx of people. Examples of essential services from the Government of Alberta include snow removal, provincial policing, food inspection and protocol. While these expenses are important considerations for government budgeting, they are not directly under the control of or flow through the accounts of the Games Corporation and are therefore budgeted separately. These costs are budgeted at \$300 million – shared across all three governments.

It is difficult to compare these costs with those of other Games – for example, the City of Vancouver did not have snow removal costs, and traffic management costs would be unique to each city. Transportation infrastructure costs and venue costs were allocated jointly between federal and B.C. government.

Security costs: The federal government was primarily responsible for security costs in 2010. They were not included in VANOC's operations budget as they were not under their control. They are a specialized essential service. Calgary's revised Hosting Plan has budgeted \$455 million (\$2018) compared to Vancouver's costs of between \$900 million and \$1 billion. The physical layout (rivers, coastline, bridges and mountains, as well as several port locations) of Vancouver and surrounding communities as well as increased security threats account for the difference. For 2010 Games security, 4,500 Canadian soldiers were required.⁹ For the Calgary 2026 host plan budget, an Integrated Security Unit working group, headed by the RCMP and involving all levels of law enforcement and first responders created a preliminary security vulnerability assessment that was used to produce the budget included in the hosting plan.

Other unbudgeted operating costs:

Other unbudgeted expenses that could fall on three levels of government are discretionary for the most part.

If the provincial government, for example, decides to expand engagement throughout the province during the Games, the costs of Live Sites or additional Torch Relay activities across the province outside the venue clusters would fall to it. There is funding for the cultural component of the Games in the operating budget, but there may be additional costs to set up large screens, stages, sound equipment and other activities.

Marketing and hosting activities that are undertaken by the municipal, provincial and federal governments to support tourism and other business development opportunities are not included in the Hosting Plan budget. These expenditures are a normal part of economic development budgets, however any increased spending, or reallocation of funds, during the lead up to and during the Games would be discretionary. Governments may choose to increase or shift business development budgets in time and/or partner with private organizations to take

advantage of the opportunity presented by the Games to attract potential visitors, investors, customers for Canadian (particularly Alberta) goods and services, and talented people.

Capital costs

No transportation infrastructure required: Unlike Los Angeles, Vancouver, Sochi, PyeongChang and others, Calgary does not need to use the Games to spur transportation infrastructure development. Calgary's light rail transit system already services the Stampede Park and Foothills venues clusters. Recent (2018) highway improvements have improved access to the WinSport cluster. A new international terminal at the airport opened in 2017, doubling passenger and cargo capacity.¹⁰

Venue costs

The communities that would host the Games (Calgary, Canmore, and Whistler) have the benefit of already having 11/13 venues in place. The Games will require only two new facilities – a fieldhouse and a mid-sized arena – both of which will be reused after the Games as year-round world class community facilities. The Hosting Plan requests \$959 million in contributions from government for venue renewal (\$532 million) and the construction of two new facilities (\$427 million) (including contingency funds of \$154 million).

Calgary's total venue costs are budgeted to be more than Vancouver (\$603 million¹¹) but compare favourably to Salt Lake City (\$1.97 billion¹²), PyeongChang (>\$1.8 billion¹³) and Sochi (\$9.4 billion¹⁴).

The City of Calgary would be the owner of the new facilities, both of which are earmarked for the Foothills cluster near the Olympic Oval and McMahon Stadium.¹⁵ The mid-size arena, which includes a second ice sheet, would replace the Calgary Corral and eventually Father David Bauer arena, which are nearing end of life. The multi-sport, all season fieldhouse was identified in strategic plans several years ago as a top facility priority.¹⁶ Investment in facilities is needed to maintain and expand access to recreational opportunities, as well as to maintain Calgary's position as a world-class winter sport city. Where the City owns the facility, it would have an ongoing interest in the facilities from which it would receive rent or other consideration.

The investments are focused on long term renewal and exceed the amount that would be needed just to host the Games – the capital plan and associated budget was designed to ensure that sufficient renewal was undertaken to provide another 30 years of life. These venues would be approaching 40 years of age by 2026 and would otherwise require significant ongoing maintenance to keep them open to their communities and used for international sporting events.

Currently, funding for recreational facilities comes through the City from its own sources of funds and from provincial funding via the Community Facility Enhancement Fund (Alberta Lottery Fund, \$2 million over the past eight years on 979 projects across the province) and the Alberta Municipal Sustainability Initiative, which is being redesigned and is forecast to decrease

significantly in 2018 and beyond. Funding for specific culture and tourism capital projects was included in the Alberta Jobs Plan in 2016. The Calgary component included \$10 million for the refurbishment of the WinSport (CODA) sliding track in 2017-19.¹⁷

Housing costs

Two categories of accommodation are required for the Olympic and Paralympic Games:

- **Athletes' Villages** will house Olympic and Paralympic athletes in Calgary, Canmore, Kananaskis and Whistler. The existing Athletes' Centre in Whistler is a legacy from the 2010 Games that is expected to be reused, as is Pomeroy Lodge (supplemented with temporary housing) in Kananaskis. The Village in Calgary is planned be built on land owned by the City of Calgary or under negotiation for the Victoria Park Transit Centre relocation. The plan is consistent with Rivers District Master Plan (2018). It will be developed by the Calgary Municipal Land Corporation with private sub-development partners, similar to the East Village development. It will provide a mix of market, attainable and affordable housing, some of which will meet the standards for Paralympic athlete accommodation. Only the affordable and attainable portion is included in the request to government. The Canmore Village is being developed by the Canmore Community Housing Corporation's PAH (Perpetually Affordable Housing) program.
- **Accommodation for the Olympic Family and workforce (contractors, volunteers and security)** requires approximately 28,000 rooms. The estimated hotel availability shortfall is approximately 2,300 rooms (revised).¹⁸ The three levels of government are asked to meet this gap through an investment in affordable housing that would be available to low-income individuals, families, and seniors and used by the Games for less than a month before being transferred to their long-term legacy use. These projects would begin construction in 2024 for completion in late 2025, with an estimated cost of \$461 million.¹⁹

The total housing request of \$493 million includes over \$140 million in contingency funds. Private funding will provide a portion of the required developments. Over 1,350 (revised) affordable and attainable housing units will be created, including 240 perpetually affordable units for Canmore.

The accommodation request has been framed to be consistent with the need for affordable housing in Calgary and the province's affordable housing priority. There is an acute need for housing in Calgary and Canmore. While the housing built for the Games and turned into affordable housing after the Games will not provide all the housing that is needed, it will provide more housing sooner than would happen without the Games. The majority of spending would occur in 2024-25, so timing of budget allocations and shifting resources to Calgary for those years (perhaps compensated by lower funding in following years) is a consideration. The province's affordable housing strategy provides \$1.2 billion from 2016 through 2021. That

program has a provincial goal of 4,100 new units and renovations to seniors' lodges. The requested accommodations could not come on stream before 2026, after the current plan expires. Approximately 15,000 affordable housing units are needed in Calgary, and Canmore currently has no affordable units, despite a significant need.²⁰

The federal Canada Mortgage and Housing Corporation memorandum of understanding²¹ with Alberta continues through 2033. The case to fund the next tranche of affordable housing in Calgary has a framework with which to proceed. Funding through the agreement may need to be renegotiated as to timing.

Legacy Fund

The Legacy Fund of \$180 million as proposed in the hosting plan provides a Games Legacy endowment, which is aimed specifically at local youth programs, with an emphasis on Indigenous youth, disadvantaged youth, sport development, sport facilities operations, environment, and culture.²² The Games Legacy Fund endowment provides a stream of benefits associated with the sunk cost of the endowment. As such it can reduce operating costs for facilities or programming into the future depending on how it is designed, in conjunction with stakeholders and community prior to the Games. Essentially, future expenses are traded off for current investment.

Games Contingency Fund

The Games Contingency Fund of \$120 million serves as the financial backstop to repay IOC broadcast sponsors if the Games are cancelled, or if there are overruns. Such a fund provides a guard against future surprises and it recognizes in a concrete way that risks exist. If there is no call on the fund for contingencies, it will become a legacy endowment to be used by the partners. It is only one of several contingencies in the budget. This fund is unrestricted for both capital and operations overruns. Other contingency funding has been built into the Games operations/delivery cost and revenue budgets (\$330 million), as well as directly into specific capital project budgets and unrestricted capital budgets (\$295 million) for a total available contingency fund of \$745 million in 2018\$ and over \$1 billion by the time the Games conclude in 2026 (2026\$).

Other economic costs

Opportunity costs represent the extent to which funds allocated to the Games by government and others would no longer be available for other purposes such as social programming, debt reduction or just left in the pockets of taxpayers.²³ Facilities that are used during the Games, but are repurposed in keeping with local priorities, are in fact the opportunity to which funds would have been allocated regardless. Evidence of local priorities could include existing spending programs (e.g., affordable housing programs), or inclusion in existing medium or long-range plans (e.g., Rivers District Master Plan or City Recreation Facilities Plan). There are questions of timing – was the spending moved forward or the “typical” time frame compressed – but the overall opportunity cost is not a Games cost.

Displacement costs: Similar to opportunity costs, when local consumers or sponsors choose to purchase Games tickets or sponsor the Games, that represents dollars that they could have spent elsewhere in the jurisdiction.²⁴ Sources of revenue from outside the province do not displace local spending from one activity for another. Sources of funding from outside Canada are a net gain to the country, without a Canadian displacement cost.

Local economic disruption: There can be “crowding out” of regular economic activity (retail, restaurant, entertainment) when crowds either keep locals at home or locals spend their money on tickets and food at Games venues instead of their regular neighbourhood pizza place, although February is typically a slower month for tourism and hospitality.²⁵

The other source of economic disruption, which is difficult to quantify, is the effect on local productivity. People may be encouraged to work from home to avoid traffic congestion which may increase or decrease their productivity. The Games and related activities present a distraction that could influence productivity. Calgarians have practice managing the disruption of the Stampede; they also know how to use the event as an opportunity to do business with out-of-town business leaders.

Social Costs

Many negative social impacts are uncertain and are therefore treated as potential risks in the risk section of this report. Only the negative social impacts that are certain are considered here.

Disruption: There will be personal disruption, particularly for Calgarians and residents of Canmore, due primarily to adjustments for security and traffic management. Even though Calgarians are used to Stampede disruption, there may be an added level of security that makes it more difficult to move in the city, particularly in the venue cluster areas.

The 1988 Games created dislocation of low-income Calgarians from their homes in the area around the Stampede grounds for construction of the Saddledome.²⁶ If the Athletes’ Village is located within Rivers District Master Plan, it could involve redevelopment of bus barns (which has been in the City of Calgary’s plans for several years in the Rivers District Vision), but does not extend into neighbourhoods.

One of the five objectives in the bid plan is inclusion, which includes enhancing “social equity for those most vulnerable through programming and housing legacies.”²⁷ The plan requires no disruption or relocation of vulnerable populations for the Games.

Environmental Costs

Adverse environmental impacts: There will be a short-term hike in adverse environmental impacts from hosting. This includes increased energy consumption, for heating and transportation, leading to an increase in greenhouse gas emissions. There will also be a related increase in consumables, such as water, waste, etc. The hosting plan includes plans to reduce emissions where possible and mitigate the remainder using offsets and has a “zero waste” goal (minimal waste to landfills). The two new buildings also mitigate this to a certain extent by having LEED qualifications, and the upgraded buildings will also be made more environmentally efficient.²⁸

Risks

The risks we include here are anything that *could* have a negative impact during the bid process or the Games. These can, to varying degrees, be mitigated, and this is noted where relevant.

Financial & Economic Risks

One of the leading academic critiques of the Games states, “In most cases the Olympics are a money-losing proposition for host cities; they result in positive net benefits only under very specific and unusual circumstances.”²⁹

The question is whether Calgary meets those unusual circumstances – and can therefore avoid the financial risk.

Cost overruns: One of the common themes of the Games during the last several decades has been cost overruns, although the extent has varied.³⁰ A report from Saïd Business School claims that all Olympic Games have had cost overruns since 1960, and that the average cost overrun for the Winter Games is 142%.³¹

For Calgary, however, there are three reasons that the risk of cost overruns for Calgary are expected to be much lower than previous Games.

First, not all Games are created equal. The Saïd Business School study claims that all Olympic Games have had cost overruns since 1960, and that the average cost overrun for the Winter Games is 142%.³² At first glance, that number – 142% – is disconcerting. But there is more to it than is first apparent. Since 1960, the Winter Games fall into three distinct categories: small cities/towns (less than 200,000 people); cities in undemocratic societies; and everyone else. The first two categories are prone to major cost overruns, whereas the last category is not. Small cities/towns do not have the fiscal capacity to host the Games, and that shows in the cost

overruns. Games in undemocratic societies are often used to showcase the country to the world; no cost is spared, and citizens often do not have the ability to pressure their officials to keep costs under control. Some hosts need to build a complete suite of venues and infrastructure – others do not. Vancouver is included in the “everyone else” category. Vancouver is the most appropriate comparator. It had a Games operations cost overrun of 12%, which was largely due to security cost escalations.³³ It should also be noted that the cost overrun was matched by a 12% revenue overrun. Venue costs in Vancouver exceeded the bid estimate by 13%.

One other factor that jumps out of the Oxford study data is wide variation across cities. Winter Games costs ranged from \$US2015 21.9 billion, to Vancouver at \$US2015 2.5 billion, for Games operations and venues. Overruns also demonstrated considerable variation – Lake Placid in 1980 was over 300%, but Vancouver was only 13%. The average is pretty much irrelevant in describing an expectation for Calgary.

TABLE 7: WINTER GAMES COST OVERRUN COMPARISON BY CATEGORY³⁴

Small Communities Cost Overrun	Communities in Undemocratic Societies Cost Overrun	Everyone Else Cost Overrun
Grenoble, 1968: 181% Lake Placid, 1980: 324% Albertville, 1992: 137% Lillehammer, 1994: 277%	Sarajevo, 1984: 118% Sochi, 2014: 289%	Calgary, 1988: 65% Nagano, 1998: 56% Salt Lake City, 2002: 24% Turino, 2006: 80% Vancouver, 2010: 13%

Second, the cost overruns tell a different story when they are broken down into operational (the money spent on operating the Games) and capital (the money spent on building capital projects, like venues, for the Games). A recent study conducted by the Johannes Gutenberg University Mainz in co-operation with Panthéon Sorbonne University, considered operations of the event and main Olympic venues separately. They did not include major projects built for the Games but not part of the Games, such as transportation infrastructure. A large portion of the often-cited cost overruns occur for these non-Olympic expenditures. The authors found that:

- The costs of organizing and hosting the Games operations were almost entirely funded by private sources, including the IOC contribution.
- Operations expenditures were either balanced by revenues or generated a surplus. Any operational cost overruns were covered by revenue overruns. All cities hosting in the last 20 years have underestimated their revenues, producing revenue that exceeded

expectations and all of the past 10 Winter Games operations have ended up with either a balanced budget or surplus.

- Cost overruns occurred for directly related capital construction at the same levels as found for other non-sporting projects.³⁵

FIGURE 2: RECENT GAMES OCOG (ORGANIZING COMMITTEE FOR THE OLYMPIC GAMES) OPERATIONS DELIVERY COSTS AND REVENUE OVERRUNS³⁶

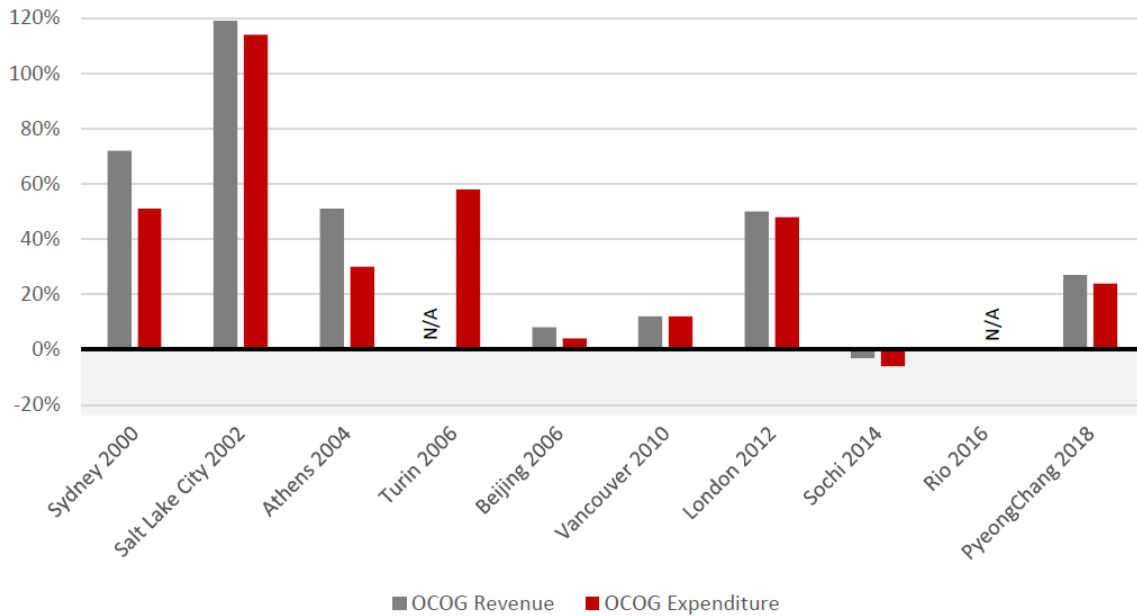
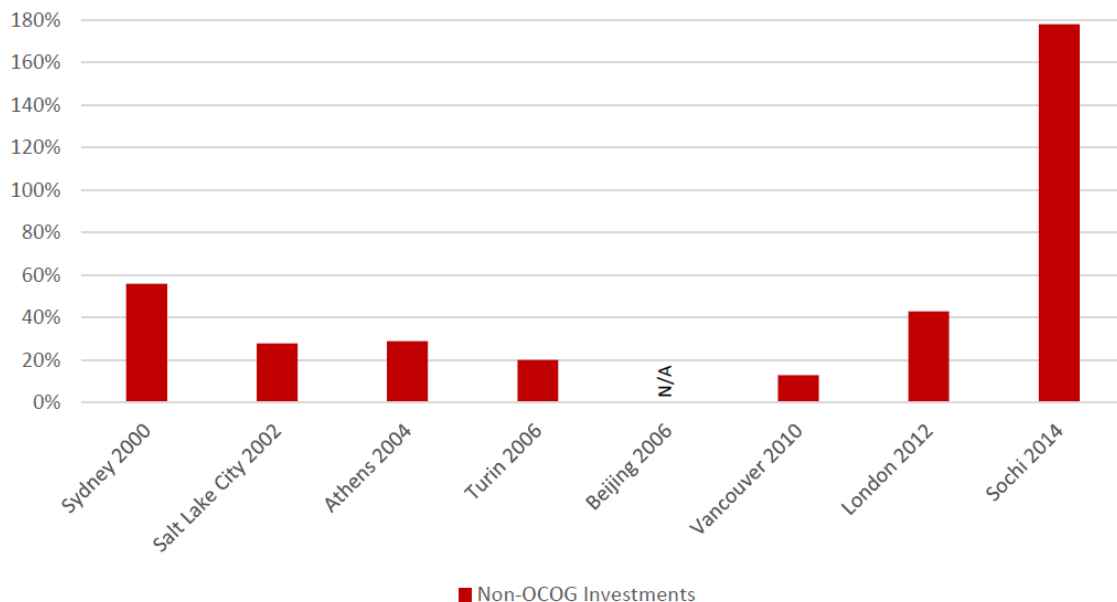


FIGURE 3: WINTER GAMES COST OVERRUN COMPARISON- RECENT GAMES NON-OCOG COSTS³⁷



Finally, every host city is different. Calgary is different.

Given the large variation in overruns across host cities it makes sense to consider Calgary on its own merits.

First, the city needs to build very little new infrastructure, much less so than most other host cities.

Second, Calgary has experience hosting international winter sport competitions – this experience will lead to fewer surprises in both Games delivery and venue construction and renovation. And importantly, the City of Calgary, who will be the owner of the new venues, has a record of building major capital projects on time and on budget. The latest examples are progress on the Crowchild Trail widening and southwest BRT projects, and the new downtown library was actually \$10 million under budget.³⁸

Third, the Calgary host plan budget is far more detailed than other cities at the bid stage and it has incorporated the experience of the teams that operated the 2010 Winter Games and the 2015 PanAm ParaPan Games. This kind of detailed budgeting for events and construction several years out – with no guarantee that they will occur – is highly unusual.

COMPARING VANCOUVER 2010 & CALGARY 2026 FINANCIAL INDICATORS

Vancouver 2010 is the most comparable Games to a potential Calgary 2026 Games. The Calgary 1988 bid was developed in a very different, less formal bid era. It was not possible to find all the comparable financial indicators between the two (different descriptions and categorizations are a factor), but the indicators that we did find were very similar. For example, the cost for the delivery of the Games for Calgary is budgeted at \$2.45 billion; in Vancouver, it was \$2.39 billion (both \$2018). Another indicator is the Paralympic contribution from government – for Vancouver it was \$218 million and for Calgary it is budgeted at \$218 million (\$2018). The similarities between the two are promising, as Vancouver has been the most on-target budget for Winter Games in recent decades.³⁹

Calgary has had the benefit of the experience of former VANOC and 2015 PanAm Games team members in developing these estimates as well as the expertise of venue operators and international championship hosting experience.

There is a significant difference in the cost of security for Vancouver 2010 and the budgeted cost for Calgary 2026. In Vancouver, it was slightly over \$900 million, and in Calgary it is budgeted at \$455 million (\$2018). The difference is due to several factors, including the geography (many kilometres of coast line for example) multiple police forces in the lower mainland region of Vancouver and surrounding communities, the presence of the Port of Vancouver, and security threats at the time – plus the evolution of security strategy over the last eight years as the RCMP has gained significant experience from other major events such as the G8 summit.

Cost overrun mitigation

The Calgary 2026 Bid Corporation has included more than \$745 million in contingency funds in the budget, roughly 13% of the entire budget – (\$1.1 billion as spent in 2026).⁴⁰ The budget,

with more than 30,000 line items, has an unprecedented amount of detail – most Games budgets are not nearly as detailed before the host city is selected.

Three types of contingency budgets have been included in the hosting plan budgets for a total of \$745 million 2018\$ and \$1.1 billion (2026\$).

- Operations/Games delivery includes a cost contingency of \$220 million (approximately 9% of Games operating budget) and revenue contingency of \$110 million (10% of domestic sponsorship revenue).
- Capital investment budgets for venues include contingencies of \$154 million. Housing budgets include contingencies of approximately \$140 million.
- The Games Contingency Fund of \$120 million satisfies required IOC guarantees for the Broadcast Refund Agreement (after insurance and other contingencies are exhausted), as well as operating and capital cost overruns of the Games. If the fund is not required to provide contingency funding, it will become an endowment legacy of the Games, supporting priorities of principal government funders.
- Contingencies are also built into essential services and security.

Inflation: If Calgary is at full employment, during and/or in the lead-up to the Games, the added Games spending would put pressure on local wages and prices of locally sourced goods.⁴¹ Calgary has considerable experience ramping up non-residential construction and economic activity and attracting people from outside the province. Costs have been adjusted for inflation and timing of the spend. Budgets in the hosting plan are presented in both \$2026 and \$2018. It should also be noted that construction spending on venues will begin before accommodation. In addition, Games operations spending is not sector specific – it will include spending on both people and supplies for marketing, accounting, human resources, artists and performers, hospitality and other activities.

Economic benefits do not materialize: It is important to realize that forecast economic benefits are not certain. Positive tourism impacts, for example, are not a guarantee – in fact, studies have shown that some visitors avoid the city because of the event.⁴² Some scholars argue that forecasts of benefits are overstated, either due to bias of overenthusiastic promoters and/or inappropriate economic methods used to estimate the benefits.⁴³

The economic benefits presented in the Benefits section of this report have taken the concerns associated with previous Games as well as reviewers Tombe and Humphreys' comments into consideration, presenting a conservative forecast with positive economic benefits that are more likely to be achieved than forecasts from past Games. Only incremental spending from outside the province is included in the tourism estimates, for example.

Insufficient funds: A shortage of funds from any one partner could cause failure of the entire Bid Plan. This includes:

- *Governments:* A lack of support from any of the governments involved would be fatal for the Calgary 2026 bid. Clear, legally binding agreements from all government parties involved, early in the process, are crucial.
- *IOC:* If the IOC's reputation deteriorates, this could make international sponsorship revenue more difficult to raise. IOC contributions to the Games have been set in advance of the bid. There are insurance instruments and contingency funds to address this risk.
- *Domestic sponsorship:* If national economic conditions deteriorate, domestic sponsorship targets will be harder to achieve. Realistic revenue contingencies as well as expenses for raising sponsorship funding are necessary to mitigate, both of which are included in the hosting plan. That Vancouver managed to survive the 2008 financial crisis is a positive indicator of what can be achieved in difficult times.
- *Other sources of revenue:* including merchandise, e-commerce, ticket sales, etc. Careful, conservative planning and contingency plans address this risk.

Social Risks

Marginalization: The Games have the potential to benefit many Calgarians and Albertans. However, it is often those who are in the greatest need who do not see any benefits from the Games. This can contribute to higher levels of marginalization.⁴⁴ This can happen even if plans are put in place to protect the most marginalized. Even though the Vancouver Organizing Committee specifically planned to protect the city's most vulnerable, a number of factors prevented it from fully doing so, including planning delays, the economic crisis and other binding commitments.⁴⁵

The most marginalized are often not considered in planning for the Games – this is something the Calgary 2026 Bid Corporation can plan to mitigate. Engaging new immigrant groups, the disabled community, seniors and homeless champions, for example, can give a more comprehensive picture of how to include these groups in the Games. The Bid Corporation holds inclusion as one of its main purposes for wanting to host the Games, so it is certainly something it intends to mitigate.⁴⁶

Crowding out funding for social and culture programs: Many social and cultural program providers are non-profits, funded through corporate and private donations. With the approach of the Games, some private funding may be diverted, but the request to government is for capital and essential services which would not compete with social and culture operations budgets directly. Programming for the cultural Olympiad will provide opportunities for participation from cultural organizations.

Housing: There are two main housing risks

- Rent/prices increase: Could benefit some, but this would compound Calgary's affordable housing problem. For example, in the lead up to the Barcelona 1992 Games, rental units decreased in availability by 7%, and housing prices increased by 25%.⁴⁷
- Evictions and displacement: Landlords looking to make more money from incoming Games tourists, or host cities trying to make room for athletes and/or redevelopment of poorer neighbourhoods, can cause displacement. Calgary has a history of this; in 1988, rent spikes before the 1988 Games led to evictions. Redevelopment actions also impacted the same neighbourhood. This resulted in displacement of 2,000 people, most of whom lived in the Victoria Park area, which at the time was one of Calgary's poorest communities.⁴⁸ There are short-term strategies planned for the Games, for Calgary as well as Canmore and Whistler, to prevent this.

Public safety: The Olympic and Paralympic Games carry the potential of a terrorist attack. Even with stringent security measures, the host of a Games can never completely guarantee against a terrorist threat.

Environmental Risks

Greenwashing: Critics believe that the environment requirements from the IOC are quite hollow, meaning that hosts can "greenwash" the event to look legitimate, but without creating actual positive environmental impacts.⁴⁹ To mitigate this, hosts should ensure that the environmental targets set for the Games are measurable and transparent, and align with the Government of Alberta Climate Leadership Strategy.

Damage to provincial parks: Damage could happen to these protected areas, particularly given the high traffic that will flow into the areas. To mitigate, careful planning and enforcement of stringent environmental protection rules will be needed. The Bid Corporation has included mitigation under the Environmental Stewardship objective.⁵⁰

Cultural Risks

Lack of cultural emphasis: Even though many people think the Games are all about sport, they are actually intended to be a blend of "sport with culture and education."⁵¹ Culture has been treated as an afterthought in some cases, and is one of the first things to be cut when budgets run tight.⁵² But if the host wants the Games to have a greater, nation-building impact on their country, celebrating culture is essential. The Cultural Olympiad will mitigate this through Indigenous participation in its organizing committee.

Imagery used exploitatively: Canada has a proud history of multiculturalism. However, it is possible when incorporating this heritage into the Games that these cultural elements would be appropriated, particularly to the exclusion of the members of the cultural groups themselves. While Indigenous Peoples were included to different degrees in Montreal 1976, Calgary 1988, and Vancouver 2010, critics “have pointed out the continued exploitation of such imagery for corporate and financial gain.”⁵³ Active participation of Indigenous people from the earliest stages is the best way to achieve authentic cultural presentation of both historical and modern Indigenous culture. Recently, the Chiefs of the Treaty 7 Nations have said that they support Calgary’s bid for the 2026 Games, which is a good start.⁵⁴ A Culture and Protocol Committee planned for the 2026 Games should also help prevent this.

Political Risks

Resistance to spending: Public disapproval of the Games could arise from perceptions of spending on “circuses, not bread” at a time when some Albertans are struggling economically, and the provincial budget is in deficit. The hosting plan has clearly laid out who pays for what. Government spending is going to long-term infrastructure investment for the most part, and private sources are paying for Games-related activities.

Games unpopular:

- *Plebiscite loss:* Losing the plebiscite in Calgary could end a potential Calgary 2026 Winter Games Bid. It would mean that either the public has decided that the Games are not worth the risks and costs compared to the benefits and opportunities, or that the public did not receive enough clear information about the Games and so felt they could not make an informed decision.
- *Loss of public support over time:* Should the plebiscite pass in Calgary, and the Games be awarded to Calgary, the Games could still decline in popularity over time. Any of the risk factors identified in this section could contribute to a loss of public support. It would be both costly financially and to the city’s reputation to pull out after the bid has been awarded – although it has happened in the past when Denver pulled out in 1972 after being awarded the 1976 Winter Olympic Games in 1970.

Public support for 1988 Games was an issue right up until the Games were held as noted by the Official Report of 1988 Games.

“The media tended to report financial information negatively, especially in the initial stages, when the Organizing Committee was putting its plans together. This was particularly true during media discussions of the prospects of a deficit, the possible burden on taxpayers and rising costs. Public opinion surveys showed that the citizens of Calgary were not confident in OCO’88’s financial management until the very end of the Games. It is doubtful whether more financial information would have helped improve public confidence, given the nature of the Games and its finances. The XV Olympic Winter Games were a financial success—a savings

was produced and the Games had a positive impact on taxpayers. The three-year-old target of a \$32-million contingency was bettered and the enormous contribution to sports organizations is one of the Games' most important legacies."⁵⁵

IOC reputation failure: In the past,⁵⁶ the IOC's reputation has been damaged by scandal involving a very few, but high-profile, individuals. While the IOC has "turned over a new leaf" with new policies, the possibility of new improprieties exists. While there is little Calgary can do to mitigate any scandal itself (besides not engaging in illegal or inappropriate behaviour with the IOC), host regions can lead by example. The reforms adopted by the IOC in early 2018 should contribute to a more transparent and ethical Games.

Protests: The Games tend to draw protests due to their global nature and visibility.⁵⁷ Protests are not necessarily focused on the host region (although they can be). Careful security planning and the provision of safe protest zones mitigate this risk. There is always the risk of protests targeted to the host region itself – for example, environmental protests aimed at the oil and gas industry in Alberta. In 1988, a protest by the Lubicon Lake Cree raised awareness of their land claim, but did not disrupt the Games or the "Spirit Sings" exhibit of Indigenous artifacts at the Glenbow Museum.⁵⁸

Other

Weather: There are a number of risks associated with weather, including lack of snow and sub-arctic temperatures impacting outdoor events. There is no way to mitigate bad weather (unfortunately), but the bid must plan like any good Canadian. State-of-the-art forecasting services are built into the Games operations budget and planning for too little or too much snow is part of the preparation; improved snow machine technology also reduces the risk compared to 1988 and even 2010.

Failure on Indigenous engagement: Engaging Indigenous peoples in the Games is not only important, it is particularly relevant for reconciliation, following the Truth and Reconciliation Commission. Call to Action 91 states:

*"We call upon the officials and host countries of international sporting events such as the Olympics, Pan American, and Commonwealth games to ensure that Indigenous peoples' territorial protocols are respected, and local Indigenous communities are engaged in all aspects of planning and participating in such events."*⁵⁹

There are four other calls to action that focus specifically on sport, highlighting the importance of sporting events in reconciliation in Canada. The risk is that engagement, which should result in partnership, is insufficient or is done poorly, causing relationships to go backwards in Canada.

The Bid Corporation is committed to true partnerships as allies, engaging with all involved Indigenous groups, creating a true dialogue where all groups are heard and represented, and co-

creating unique opportunities that align with the goals of Indigenous Peoples in the host territories.⁶⁰

Benefits

The Games have in the past been a highly desired prize, often a driver of transformative change. Cities have sought global recognition as a tourism destination or as an open trading economy. Others have used the Games as a change agent to drive redevelopment or fulfill civic needs for housing or transportation infrastructure.

Estimating the economic benefits of Games spending comes with several challenges:

- The direct economic costs are relatively easy to quantify (although they may be hard to track down through the various funding sources, such as Crown corporations, or unofficial sponsorships not involving the Organizing Committee).
- Benefits, however, can accrue for many years after the Games. Sports facilities, convention centres, housing, transportation infrastructure, and even awareness as a desirable tourism destination have ongoing benefits. Each will decline over time at different rates, but nonetheless, if costs are to be assessed against benefits then appropriate time frames are necessary. For example, Vancouver's SkyTrain to the airport and Richmond reached its forecasted ridership levels for 2013 in 2010,⁶¹ much earlier and higher than forecasted; yet those benefits (economic and social) were not recognized in many benefit assessments⁶² because they occurred after the Games. The economic benefits to the region are apparent to those who live and work there – but calculating them is another matter.
- Benefits can be hard to measure if they are broadly dispersed. Small businesses that gain a new customer for their technology, or people who rent their homes through Airbnb, are not normally counted among the beneficiaries.

Financial & Economic Benefits

Vancouver 2010

Vancouver provides a recent example of an *ex-post* assessment of the effects of hosting the Winter Games that is fairly similar in scale to Calgary's bid.

One could conclude, from an operations perspective, the Vancouver Games paid for themselves in two ways. First, revenue from non-government sources mostly external to the province paid for 100% of the Olympic Games operations, and VANOC balanced its operations budget.⁶³

PwC estimated the *ex-post* economic impacts of hosting the 2010 Winter Games.⁶⁴ The incremental impact on GDP from Games-related expenditures by non-British Columbia residents, businesses and government from January 2003 through December 2010 was estimated at \$1.3 billion to \$1.5 billion (not including construction activity). An additional \$130 million to \$150 million incremental GDP from tourism (including accommodation, restaurants, transportation, retail and recreation) was produced. Had there been no Games, there would have been no incremental GDP increase.

London 2012

For the London 2012 Games, the “GREAT Britain” campaign was launched to bring awareness to all of Great Britain, not just London, for the Games. The campaign was so successful it is still ongoing, and there have been significant financial benefits. In 2015/16, an additional £800 million was generated by overseas visitors, and the number of nights overseas visitors spent in Scotland increased by 30%, and by more than 300% in Wales.⁶⁵ The GREAT Britain campaign is a good example of how the Games can be leveraged to bring long-lasting benefits to the whole country.

Construction – a cost or benefit?

Analyzing the impact of spending on construction of Games-related infrastructure is challenging for a number of reasons:

- First, economists do not support an approach that includes costs as benefits.⁶⁶ The PwC assessment of Vancouver and Deloitte and Conference Board of Canada include the effects of construction spending on the economy. Economists, however, argue that because construction spending is a cost, it cannot also be counted as a benefit. Nonetheless, to the extent that the spending results in wages and purchase of goods and services in the region, the money spent does not disappear from the economy.
- As noted earlier, opportunity costs are an issue. To the extent that government capital spending is consistent with government priorities, this is spending that is not incremental to the economy and so should not be “double counted.”
- The third challenge is that the real benefits from the facilities “for the Games” to the citizens in the region depends upon how those buildings are used after the Games. If the construction becomes a “white elephant” there is no ongoing benefit, because the purpose was solely to win the bid and host the Games. Calgary has extensively used its Games legacy infrastructure, and the bid plans to renew many of these, so white elephant facilities are not a relevant concern.

Based on these concerns, construction spending is not considered an economic benefit here and therefore the economic benefits presented below err on the side of caution.

Economic impact assessments

The Conference Board of Canada and Deloitte consultants were invited by the Calgary Bid Exploration Committee to provide estimates of the expected economic impacts of the Games based on the budget information available at the time. Both reports forecast incremental economic benefits from hosting the Games using similar methods with different assumptions.⁶⁷

Both studies have strengths and weaknesses, but we have chosen to rely on an adjustment to the Conference Board assessment, for several reasons. The Conference Board projected the impacts through 2040 to capture the post-Games effects, estimated operations impacts separately from construction impacts, estimated tourism impacts only from visitors from outside Alberta, and provided a baseline comparison of the economy with no Games. The benefits begin to rise in 2022, peak in 2026 and are expected to drop off sharply after 2026, when tourism and the business development efforts determine how much impact will remain after the Games. Neither firm included transportation infrastructure, export or economic development benefits.

To address the issues raised by other reviewers and the academic literature, the Conference Board estimates were adjusted as follows:

- Removing induced effects as those effects have the largest margin of error.
- Removing construction impacts for venues and accommodation.
- Job impacts are not included. Wage impacts are provided instead. Turning wage impacts into jobs requires an assumption of the average wage that that is expected to be paid across different industries. It uses “full-time equivalents” which are not the same as full-time jobs. There will be a mix of full-time, part-time, short-term jobs, overtime, and job redesign to adjustment to the activity created.
- Adjusted to \$2018.

The estimates presented below are a conservative estimate of the incremental economic impact of the Games on the Calgary, Alberta and Canadian economies based on incremental outside revenue attracted to the province because of the Games.

The adjusted Conference Board estimates forecast that the Games will produce a net increase in economic output (including tourism) of \$2.38 billion in total for Canada, \$2.03 billion for Alberta (including Calgary) and \$1.48 billion for Calgary, which is somewhat higher than the PwC results for Vancouver 2010. The Conference Board does not provide a range for its estimate. The PwC impact study after the 2010 Vancouver Games estimated a GDP range of 14%.⁶⁸ Given that it had the advantage of doing the analysis after the fact, the Calgary2026 Bid Corporation estimates would be expected to have a similar or even larger range. Table 9 uses the Conference Board estimate as an average and provides estimates of plus or minus 7%.

Taxes returned to the City of Calgary are estimated at \$34 million; to the Province of Alberta at \$158 million; and to the Government of Canada at \$309 million. Given that other economic development benefits that are unknown will likely be lower (e.g., taxes received from facility operators), then governments will not make up their operating contributions in returns from taxes.

However, it is possible to estimate a return on investment for non-capital spending that relates incremental provincial GDP to provincial spending on operations, essential services and security (assuming a 50% split with the federal government and net of taxes in \$2018).

This would generate a **return on investment to Alberta and Calgary of \$2,032/\$294 million= 7/1 (even at the lower GDP forecast, the return is over 6/1)**. The return on investment for Canada would be **\$2,382 million/\$180 million = 13/1 (and 12/1 for the lower GDP estimate)**. These assessments compare apples to apples – the GDP estimate includes no capital construction and neither does the government investment. Endowments are not included because they would have no impact on the economic impact assessment – even if they would in reality. (See appendix for calculation.)

It should be noted that these economic benefits are created by the injection of money from private sources outside Alberta that would not have occurred without the Games.

What the impact assessment captures are the benefits of Games procurement policies that will provide opportunities during the Games for local small and medium businesses as well as Indigenous businesses. In addition, the Cultural Olympiad will provide paid opportunities to artists and performers, as well as exposure to visitors from all parts of Canada and beyond.

The impact of business development activities is not included in the impact. Activity by government and partners can attract potential visitors, investors and customers for Canadian (particularly Alberta) goods and services, and talented people. Meetings, investor forums, trade shows/showcases can highlight specific sectors such as culture, food, environmental technology and services that build the reputation of Alberta as a great place to live, invest and source of world-leading goods and services.

Real GDP impacts are expected to peak during the Games year; they become more pronounced through 2022. Bidding and operations are set to be responsible for the majority of impacts in the pre-Games and Games periods; tourism impacts would dominate the post-Games period. Benefits decline sharply after 2026.

TABLE 9: ECONOMIC IMPACT SUMMARY 2026 WINTER GAMES, 2018-2040
(in millions, \$2018)

	GDP	Low Estimate	High Estimate	Wages	City Taxes	Province Taxes	Federal Taxes
Calgary	1,478	1,375	1,582	1,082	35		
All of Alberta	2,032	1,889	2,174	1,433	*	158	*
Rest of Canada	351	326	375	259	*	*	*
All of Canada	2,382	2,216	2,549	1,692	58	188	307

Venues and facilities benefits

The hosting plan requests \$959 million in contributions from governments for Games venues for renewal (\$532 million) and the construction of two new facilities (\$427 million).⁶⁹ The City of Calgary would be the owner of the new facilities, and the mid-size arena would replace the Calgary Corral, which is at the end of its life. The fieldhouse was identified in strategic plans several years ago as a top priority for the City.⁷⁰ A survey of Calgarians identified ice rinks and arenas, followed by multipurpose recreation centres, as the most-needed facilities in Calgary.⁷¹

These new facilities would also be appropriate for attracting new high-performance sport hosting for hockey, curling, tennis, volleyball, martial arts, basketball, as well as for as an entertainment venue.

To maintain the ability to host competitions and train athletes, as well as to serve children and those active for life, 1988 legacy facilities will need to be updated.

Facilities which exist because of 1988 Games, such as Canada Olympic Park, have brought significant economic benefits to the region. For example, WinSport's incremental direct and indirect economic impact on the local economy is \$120 million annually, including \$68 million in wages. (WinSport receives \$13.7 million per year from the 1988 Olympic endowment to support operations.⁷²) These kinds of economic benefits are not included in the Conference Board estimates or any other cost-benefit assessment of Olympic and Paralympic Games (including Vancouver 2010).

WinSport's co-located partner organizations, including Alpine Canada, Hockey Canada, Calgary Gymnastics Centre, the National Sports School and others, employ 370 Albertans. The facilities themselves have a payroll of \$18 million. In addition, 234 local athletes receive scholarship funding to train at WinSport. These individuals (and their coaches) would otherwise leave the city.⁷³

Calgary Sports and Entertainment Corporation operates the Saddledome. It hosted 102 team sports events and 36 entertainment events in the facility in 2016, with an estimated direct economic impact of \$238.6 million on the Calgary economy for the same year.⁷⁴

National and international sporting events

Calgarians and Albertans have a lot of experience hosting championships.

The 1988 Winter Games put the Calgary-Bow Valley Corridor on the map for other major winter sport events, as the facilities showcased during the Games attracted international attention. Visitors for national and international competitions provide another source of ongoing incremental revenue from the venue legacy.

Legacy venues across Calgary and Canmore have hosted 175 World Cup events since the 1988 Games, to 2018.⁷⁵ An additional seven World Cup-level events are planned to be hosted by WinSport in the 2018-19 season alone. As a rough estimate of the impacts of each event, a 2011 report assessed the average incremental economic impact on Alberta from hosting winter championships at \$2.7 million per event.⁷⁶

WinSport has hosted World Cups in bobsled and luge, national championships in halfpipe/slopestyle, curling, and synchronized skating. Ski jumping alone has four major events in the Calgary region annually. Beyond winter sports, it hosted Canadian badminton championships and the Alberta Science Olympics. In 2016 alone, as many as 67,000 visitors attending events at WinSport facilities spent \$6.4 million for hotels and other expenses in Calgary and surrounding area.

Tourism Calgary estimates that amateur sport spectators and participants represented 17% of overnight visitors to Calgary in 2014.⁷⁷

These events are beneficial for training not only athletes, but also Canadian winter sport officials and technical experts, ensuring a world-class level of training for other high-performance sport events.

**ECONOMIC IMPACT OF HOSTING WINTER SPORT EVENTS:
LAKE LOUISE AUDI FIS WORLD CUP, 2017**

The 2017 Lake Louise Audi FIS World Cup Event is a prime example of the economic impact that hosting world class winter events has on the economy. The event, which lasted for one week, brought in a net economic activity of \$17 million for Banff/Lake Louise; an additional \$5 million to the rest of Alberta; and an additional \$3 million for the rest of Canada, totaling \$25 million. The direct GDP impact of the event added \$13.5 million to the Canadian economy – 62% to the Banff/Lake Louise area, 27% to the rest of Alberta, and 11% to the rest of Canada. An estimated 23,000 people from outside the Banff/Lake Louise area came to the event.

Additionally, it was broadcast widely around the world, providing an opportunity to showcase the area and Canada more broadly. The events had more than 200 million viewers, with audiences mainly in Europe.

Sources: Thomas McGuire, “Economic Impact Assessment, 2017 Lake Louise Audi FIS Ski World Cup,” April 23, 2018, and infront Sports & Media, “2017-2018 FIS Alpine Ski World Cup TV Audience Report,” June 2018.

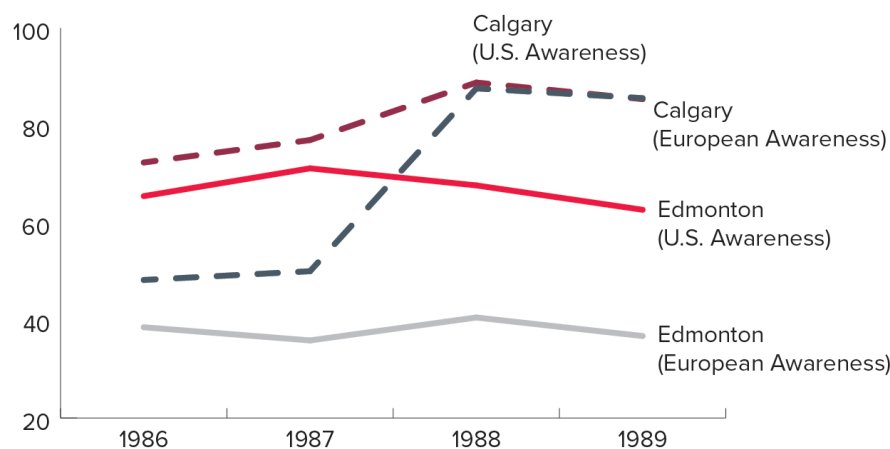
Games tourism benefits

Tourism benefits follow from three sources: 1) visitors to the province during the Games, 2) visitors to the province before and after Games based on the increased awareness of the attractiveness of Alberta as a destination, and 3) visitors to the province to attend national and world sport championships that use Games venues especially in the low season of January – March (see previous section).

The Conference Board's economic analysis of the impact of the Games on tourism revenues over the period 2024-2040 is \$548.3 million to Alberta, including \$364 million to Calgary, from out-of-province spending. This will in turn have an impact on Canadian GDP of \$590 million for Canada, of which \$549 million will be in Alberta and \$364 million in Calgary. This excludes spending by visitors from within Alberta, as that has the potential to displace other spending by Albertans within the province and therefore does not represent incremental impact.

Tourism spending benefits are also contentious in Games research. Failures tend to fall into one of two categories. Communities like PyeongChang, Lake Placid, Sochi and Lillehammer were too small or too remote to achieve the desired tourism boost. At the other end of the spectrum, Athens, London and Los Angeles were already well-established as destinations – their reputations had no real room to grow. Calgary, Salt Lake City and Barcelona are in the sweet spot – not too big and not too small, with room and potential for growth.⁷⁸ While Calgary tourism benefited at the time from hosting the Games in 1988, the battle for global awareness is not a once and done effort.⁷⁹ So, a reboot presents an opportunity regain that position.

FIGURE 1: AWARENESS OF CALGARY, U.S. AND EUROPEAN RESIDENTS, 1986-1989



Source: Brent Ritchie and Brian H. Smith, "The Impact of a Mega-Event on Host Region Awareness: A Longitudinal Study" *Journal of Travel Research*, Summer 1991.

Calgary 1988 was successful in building awareness of Calgary as a tourism destination. A survey of U.S. and European residents showed dramatic increases in awareness of Calgary as a city and as the host of the Winter Games, between 1986 and 1988. In 1988, awareness reached a peak among both groups of 89% and 88% respectively, up from 72% and 49% in 1986. Awareness began to decline slightly in 1989. Edmonton, used as a control city, did not experience the same effects, so it is fair to attribute the increase in awareness to the Games.⁸⁰

This awareness is driven by media exposure during the Games. The Vancouver 2010 Games had a target of 2.4 billion audience reach on Games and Canada tourism media. The actual result was 12 billion global audience reach – equivalent to an advertising value of \$1 billion.⁸¹ The 2017 Lake Louise World Cups (five events) achieved estimated viewership of over 213 million people in 21 countries.⁸²

After 1988, Calgary increased its both its share and number of international travelers entering Alberta. The awareness data, combined with the number of entering international travelers, suggests that while there may be many causes of the dramatic increase after 1988, at least some part of that can be attributed to the effect of the Games.

Social Benefits

Nation-building

Sport and culture bring people together, and the Olympic and Paralympic Games bring people together from across the world like no other event. The social benefits of watching, participating and volunteering in the Games are hard to quantify but that makes them no less valuable to us as Canadians, Albertans and individuals.

The international format of the Games with teams competing under their respective flags is a source of national pride. In 2010, more than 90% of Canadians said the performance of our athletes at the Vancouver Games had a positive effect on Canadian pride, and 93% were proud that Vancouver hosted the 2010 Games.⁸³

In a multicultural country with a dispersed geography, national solidarity involves a “conscious decision [of individuals] to pledge themselves to the nation, even though the ethnic culture may not be theirs.”⁸⁴ Symbols emerge that represent a shared sense of identity. Governments at all levels invest in creating these symbols – Canada Day celebrations are an obvious example, but increasingly in Canada, international sport and international sport hosting contribute to an emotional opportunity to embrace and express national identity.⁸⁵ International sport, where athletes perform under their flag provide an opportunity for people to come together, sharing a common experience.

Who can forget watching k.d. Lang’s performance at the Vancouver Games opening ceremony, or the men’s hockey victory in 2010 or the women’s heartbreaking hockey loss and the soaring

gold medal performance in ice dancing in PyeongChang in 2018. These moments create powerful shared emotional experiences.

In research conducted at Western University, a review of Canadian Olympic press coverage found that national pride and identity were among the top four themes identified.⁸⁶ In addition to coverage of costs, disappointing medal finishes, weather challenges, there was also coverage like this extract from the Montreal Gazette following the Calgary Games in 1988:

“Take a bow Calgary you did yourself proud, take a bow Canadian athletes, you did us all proud. The Games were a success on every count, we showed the world a city with spectacular scenery, impressive know-how and distinct flavour and friendliness. Canada was not a big medal winner but the Games are about more than medals, they bested their personal best, stretched themselves to new limits, and showed they are contenders in the highest levels of international competitions. Their performance should be an inspiration to young Canadians dreaming of excellence in winter sports – from one Canadian city to another, well done Calgary.”⁸⁷

Following the Nagano Games, the Toronto Star wrote: “It kindled our pride in being Canadian. It reminded us that winter is our time to shine.”⁸⁸

And then after Vancouver, 2010:

“It may have cost \$1.76 billion, not including the mega sums for mega infrastructure projects, but the legacy is priceless, far beyond permanent new venues built for the purpose. With these Games, Canada came out of its shy and insecure shell. Suddenly, it was cooler than ever to be Canadian. It felt good to be us... Most of all, of course, it was about the athletes and all the wow moments of sport. Here’s to you, Vancouver. Here’s to us, Canada.”⁸⁹

But perhaps, the most colourful evidence of individual Canadians’ public support not only for the Winter Games, but for Canada’s place in winter sport is the success of the “red mittens.” There are many hand warmers sold in Canada every winter, but none so distinctively patriotic as the almost 30 million pairs of red mittens sold since 2010 with their distinctive maple leaf and Canadian Olympic Foundation logo.⁹⁰

Other evidence of the value Canadians place on the pride in their athletes was demonstrated by a research that asked people how much they were willing to pay in taxes for the “Own the Podium” program, before and after the 2010 Winter Games. The percentage of respondents who said they would certainly support an increase in taxes to support the program rose to 57% after the Games, up from 52% before. A specific tax increase of \$35 was supported by 66% of respondents after the Games. The same survey reported that 93% of Canadians were proud to host the 2010 Winter Olympics after it wrapped up, up from 88% before.⁹¹

Pride in Canadian Olympic and Paralympic athletes and hosting the Games creates a sense of belonging. But sports at all levels are important in creating a sense of inclusion and belonging.

To the extent that the Games build interest in sport, increase access to facilities, coaches and volunteers, and increase participation in sport, the Games can help build strong communities.

- 85% of Canadians agree that participation in sport builds stronger communities.⁹²
- More than half of all Canadians are involved in community-level sport as participants, spectators, volunteers, coaches or officials. And while we experience the benefits of sport most immediately as individuals, it can also play a major role in strengthening communities by bringing people together, building social capital and fostering greater inclusion of excluded groups.⁹³
- 87% of new citizens say watching their children play sports makes them feel more connected to the community.⁹⁴
- 65% of volunteers had their first volunteer experience through sport and recreation.⁹⁵

Games have increasingly become celebrations of diversity. In PyeongChang, many of the most popular athletes broke the mold: Norwegian curlers' Valentine's Day themed pants, a cross-country skier from Tonga, and of course the South Korean women's "Garlic Girls" curling team are examples of the "social media celebrities" of the PyeongChang Games.⁹⁶ The Games represent a growing celebration of diversity that the Calgary 2026 Games can embrace.

The PyeongChang Games were also noted for LGBTQ athletes making history at the Games – a record number of LGBTQ athletes open about their sexuality participated in the Games and won medals. Notably, Eric Radford, a Canadian figure skater, is the one of the first openly gay athletes to celebrate winning an Olympic gold medal.⁹⁷

Paralympic Games and Paralympic Athletes' Village

Inclusion of people with disabilities and the values associated with the Paralympic Games – determination, equality, inspiration and courage – can inspire everyone.

The Paralympics are, of course, a key opportunity for the disability community to demonstrate their wide range of abilities. The Paralympics leave strong, positive legacies for the countries in which they are held. They create positive role models for children with disabilities, and they can change the perceptions of people with disabilities among the public. After the 2010 Paralympic Games, 32% of Canadians surveyed credited the Paralympic Games with increasing their overall acceptance of people with disabilities.⁹⁸

Facilities upgrades, Paralympic Athletes' Village accessibility features, as well as improvements to increase accessibility of civic infrastructure provides direct benefits to those needing consideration and demonstrate to other builders and facilities the latest designs, and approaches. Only 3.5% of Calgary's non-market housing units are currently wheelchair accessible.⁹⁹

Affordable housing legacy benefits

Among the eight largest cities in Canada, Calgary ranks last in affordable housing, behind Edmonton and Toronto for example. The current waitlist in Calgary is over 4,000 households.¹⁰⁰ Without question, Calgary needs more subsidized housing. Calgary 2026 has proposed an affordable housing legacy in Calgary of the Games: over 1,350 units of below market value housing for families and individuals, including subsidized seniors' units and accommodation for urban Indigenous people, and Canmore 242 perpetually affordable units.¹⁰¹

Affordable housing is the key to greater stability, health, employment, education and inclusion benefits for residents. People can afford to spend more on nutritious food, they more consistently attend school and work, they feel safer and more accepted by the community.¹⁰²

Recreation and personal development benefits

World-class facilities mean that world-class athletes and coaches are attracted to live in Calgary and Alberta. These athletes participate in school programs and coaching programs to encourage children and youth to participate in sport. Headquarters of national sport associations are also here – Hockey Canada, Alpine Canada, Bobsled and Luge Canada, the Canadian Sport Institute, among others. Benefits trickle down from world-class training sports medicine facilities to the broader community. The level of coaching knowledge in the city is raised by this community.

WinSport's underwater and zero gravity treadmills, fitness testing facilities and highly trained professional staff provide rehabilitation and diagnostic services to the public and train other medical professionals.

Calgary's sports and athletics facilities are well-used. WinSport offers a range of opportunities to get involved from beginners to Olympic athletes and world champions. In 2016, WinSport taught 36,000 ski and snowboard lessons, had 40,000 school children in school programs, served 550,000 recreational users and hosted 1.2 million visitors. These experiences include 229,000 runs down WinSport's sliding track since the start of the 2004 season, and nearly 20,000 runs during the summer/winter 2016/17 season alone.¹⁰³

In 2016, Calgarians spent over \$2,000 per household on average, or \$961 million city-wide, on amateur sport alone, including: equipment, training, facility use, spectator costs, and sport-related travel and social activities. Over 400 local organizations offer sport programs in Calgary that attract over 360,000 registrants annually.¹⁰⁴

Improvements for the 1988 Winter Games are still benefitting Calgarians. Electrical and mechanical upgrades and seating expansion at McMahon Stadium extended the timeframe for the stadium to host high-performance sports and events. The similarly aged Max Bell and Father David Bauer arena complexes received upgrades for 1988 as well and were still used by 427,000 and 104,000 attendees in 2016, respectively although they will be facing end-of-life issues soon.

Volunteering benefits

The volunteers are one of the enduring memories of the Games for many visitors. Calgary's volunteerism and community spirit is in a class unto itself – for example, the Calgary Stampede draws in thousands of volunteers each year, with 2,300 for the 2018 Stampede.¹⁰⁵ The 1988 Calgary Games had more than 10,000 Calgary volunteers (from a population then of 657,000).¹⁰⁶ This volunteer spirit is regularly attributed as the reason behind the growth of community spirit and belonging during and after the 1988 Games.¹⁰⁷

Olympic volunteering is an expression of support for the Games and support for volunteering. Surveys of Games volunteers after the Vancouver Games and the London 2012 Games, found the same top five reasons for volunteering:

- It was a chance of a lifetime;
- I wanted to make the Games a success;
- I am interested in the Games;
- I wanted to do something worthwhile;
- and in Vancouver – I am proud of B.C., Vancouver and Whistler.

In Vancouver, over 60 per cent of volunteers intended to maintain their pre-Games level of volunteering and 24 per cent planned to increase their volunteering after the Games. In London, the effect on intentions to increase volunteering was even greater – 45 per cent.¹⁰⁸

The opportunity for a new generation of Calgarians to experience the pride of welcoming the world as one of 18,000 volunteers provides no better way to encourage a sense of belonging to a team among diverse people – in this case a team of volunteers. These are volunteers that will go on to provide volunteer hours to amateur sport, community services and culture. The Games volunteer opportunities, sport and cultural activities will have a lasting impact on Calgary and Canmore.

“Volunteerism is a basic expression of human relationships. It is about people’s need to participate in their societies and to feel that they matter to others. We strongly believe that the social relationships intrinsic to volunteer work are critical to individual and community well-being.”¹⁰⁹

The Alberta Culture Survey in 2015 estimated that 21% of volunteer hours were amateur-sport related.¹¹⁰ Another study released in 2018 estimated that volunteers contributed over 13.6 million hours to amateur sports.¹¹¹

Security benefits

It is true that security costs of the Games are high. But local police forces will learn from the Games experience, working with national and international security experts to create safer communities in Alberta.

Cultural Benefits

The Cultural Olympiad provides a platform for local artists, designers and performers to tell our stories to ourselves and to the world. These performances can accompany the Torch Relay across the country to engage Canadians more fully in the Games. Live Sites in Calgary, Canmore and Whistler with big screen TV’s, artistic and cultural heritage performances, medal ceremonies are only one venue. Corporate and country host pavilions also provide performance, art and crafts display and sale locations.

When we think of the Games, we tend to think of sports. While that is important, it is not everything – culture has been a significant component of every Games since Barcelona in 1992.¹¹² The Cultural Olympiad, which occurs during the four years before the Games, shows off different elements of the hosts’ culture. The Cultural Olympiad has often been treated as a sideshow to the sporting events, but the new IOC “Agenda 2020” plan makes culture a more important part of the Games.¹¹³ The 2010 Vancouver Cultural Olympiad drew in significant audiences – 5.8 million people attended more than 1,000 events over 60 days. Ninety-six Indigenous artists were contracted to produce permanent installations of artwork for the Vancouver 2010 venues. The medals themselves were co-designed by an Indigenous artist.¹¹⁴

Opportunities

Financial & economic opportunities

Tourism and China: For Calgary 2026, a major opportunity to increase winter tourist visits to Alberta lies with China. The growth of the Chinese middle class and its impact on tourism are well known. The United Nations World Tourism Organization forecasts that the double-digit growth of this decade is merely the beginning, as 200 million Chinese tourists are projected travel abroad in the next few years.¹¹⁵

Meanwhile, interest in winter sport will likely only increase with the Winter Games in China in 2022. As a complement to the Games, the Chinese government has launched a nationwide initiative to create 300 million skiers before the Beijing Winter Games in 2022.¹¹⁶ Already the number of winter activity enthusiasts in China is equal to that of Germany – 14 million people and growing.¹¹⁷ The growing number of Chinese visitors to Alberta is currently concentrated in the summer months; that could change following the Winter Games. The Chinese women curlers training in Alberta are the pioneers.

Employment: According to Deloitte, there is the possibility of positive lasting labour market effects on “human capital attraction, retention, and skills development.”¹¹⁸ The extent to which attraction occurs will depend on many factors, including presentation of Calgary as an investment-friendly city and availability of opportunities. By 2026, the unemployment concerns of 2014-2018 will hopefully have been resolved.

Facility improvement – increased economic impact: Winter sport facilities from the 1988 Games clearly have a positive economic impact (see infrastructure section for more). An Olympic Games in Calgary would require facility improvements, which could increase the economic impact of the venues. This could include greater seating/ticketing capacity, renewed attraction of sport events, and attraction of professional athletes to train.

Business/economic development opportunities: It is difficult to predict exactly what these opportunities could be. Ultimately, the value depends on measures taken to build the opportunity.

Attracting investment, head offices, customers to purchase Canada goods and services, visitors and talent is a tough business. The Games provide the opportunity to present the region and the country as a great place to live, work, invest and visit. It will take co-ordinated effort.

Vancouver 2010 provides several examples: Air China increased its weekly direct flights between Vancouver and Beijing from seven to 10 at the time of the Games. In the summer of 2010, China Eastern Airlines announced it would expand service between Shanghai and Vancouver to daily

direct flights. In 2010, Emirates Air added daily service to Vancouver, adding approximately 50,000 new travelers to Vancouver.¹¹⁹

The Vancouver Games provided growth opportunities for local businesses through procurement. Approximately 75% of procurement contracts were awarded to British Columbian firms, worth about \$1.35 billion. Self-identified Indigenous businesses received \$54 million in construction contracts.¹²⁰

Business development which is not strictly Games related can also be spurred. The Four Host First Nations (FHFN) signed additional contracts worth \$776,000 that were not Games related, but arose out of relationships that had been developed because of the Games.¹²¹

In 2010, federal government hosting programs included roundtables, bilateral meetings and a major conference promoting the attractiveness of Canada for global investors. British Columbia hosted over 100 events that attracted over 15,000 attendees. That is the equivalent of several years of trade missions and showcases. The various metro-Vancouver municipalities also came together to attract trade, talent and investment resulting in the expected creation of over 1,500 direct jobs.¹²² The Games also provide an international showcase for the cultural industries, including artists and performers.

London 2012 provides another example of post-Games economic development. The British government took advantage of Summer Games to launch the GREAT campaign targeted at attracting visitors, buyers, international students, and investors by unifying all attraction efforts under a single brand worldwide. (e.g., Great Britain: Culture is Great, Fashion is Great, Technology is Great, Education is Great, Innovation is Great, Business is Great ...). Its target was £11 billion of additional economic benefits over time for the UK from inward investment, exports and high value opportunities. One year after the 2012 Games, £10 billion had been achieved.¹²³

Unfortunately, like any other business, mere exposure does not mean the world will beat a path to your door. To benefit from the international exposure, entrepreneurial training and support will be necessary.

Social/cultural opportunities

” Sport has a unique power to attract, mobilize and inspire. By its very nature, sport is about participation. It is about inclusion and citizenship.

— The United Nations on Sport for Development and Peace¹²⁴

Inclusion: One of the greatest opportunities of the Olympic and Paralympic Games movement is the potential for a wide variety of people to be included and welcomed. This can leave lasting impacts after the Games. Inclusion means making a special effort to include people who may feel marginalized in our society. Successful inclusion would create social benefit for:

- People with disabilities: There are two parts to this – people with disabilities feeling respected and included; and changing the attitudes of society in general about the capabilities of people with disabilities. The host communities have the opportunity to make people with disabilities feel welcome by ensuring all venues and civic infrastructure used are accessible, and that they are included in ceremonies and performances. After Vancouver 2010, people reported having higher regard for those with disabilities than before, and employers reported being more likely to hire someone with a disability.¹²⁵
- People with low incomes: There are a number of ways people with low incomes can be included in the Games, both during and as part of its legacy. Many Games events – particularly the Cultural Olympiad – are free. Many tickets (70%) for the Olympics are guaranteed to be under \$150, and under \$40 for the Paralympics.¹²⁶ The Vancouver Organizing Committee purchased tickets specifically for distribution to residents of the Downtown Eastside – and approach that could be adapted for Calgary.
- People with ongoing difficulties finding employment: Games procurement can provide skills development opportunities for difficult to employ individuals. For example, Vancouver provided employment opportunities and skills training. Partnerships with sponsor RONA led to 120 at-risk people with few skills completing a construction readiness program, 51 completed a carpentry training program and 37 achieving Level 1 of the Red Seal carpentry apprenticeships in a shop that used timber donated by British Columbian communities to build the podiums for the medal ceremonies.¹²⁷ A partnership between a non-profit and a business taught underemployed women to arrange flowers – they provided the bouquets for medal winners and podium arrangements.

Volunteer legacy: The Games rely on volunteers; in order for them to be successful, thousands are required. This increased level of volunteerism can leave a legacy after the Games. This may be either the recruitment of new people to volunteering, and/or an increase in volunteering from existing volunteers. However, in order for this to be realized, development and training strategies are required.¹²⁸ The experience of the volunteers themselves is also essential. Volunteers who were less satisfied with their training experience were less likely to volunteer after the Games.¹²⁹

Albertans and Canadians outside host regions: There are a number of ways to include all Canadians. The Cultural Olympiad and Torch Relays funded by through the Games operations and governments engage Canadians outside the host region. The Torch Relay connects Canadians across the country to the excitement of the Olympic spirit. Communities turn out to not only see the torch but also celebrate their own commitment to the Olympic values. During the Games, live viewing sites and community activities throughout the province and the country can use the Games to bring their own community together. Live sites can host Cultural Olympiad performances and exhibits, as well as Games broadcasts, celebration of Games and local sports heroes (including athletes of all ages, coaches and volunteers) and participation “fun” winter sports like street hockey, toboggan luge and road curling. This is another way, in addition to the Torch Relay, that the Games can be more inclusive of those who are not able to attend in person.

Environmental opportunities

Legacy benefits: As per the Bid Corporation hosting plan, there will be a sustainable sourcing program in place, which will “emphasize local sourcing, environmental benefits, waste reduction, and safe, ethical, fair wage practices in supply chains.”¹³⁰ Effective procurement and leading-edge standards for venues and housing can create lasting capacity in the province.

Demonstration effects: Similar to the legacy effects, there can be greater adoption of environmental practices after the Games, because they have proven to work. This could apply to a number of things, including the plan’s zero waste goal, green transportation, and sharing learnings from design, construction, measurement and reporting programs, etc.

Reputational opportunities

The Games have the potential to both boost awareness of a host region, and to manage perceptions of it.¹³¹ Calgary has a distinct reputation from both the Calgary Stampede and its connection to the oil and gas industry, but this is an opportunity to show that there is more to Calgary than just these two elements. People may be surprised to learn, for example, that 11% of Calgarians are more likely to speak Punjabi than English at home.¹³² This is an opportunity to present a more nuanced Calgary to the world.

Presenting Calgary and the host region in a positive and authentic¹³³ way with a strong cultural and recreational lifestyle, in addition to a highly diverse and educated population, can attract both businesses and people to the city.

Other – Indigenous engagement

As discussed in the risks section, engagement and partnership with Indigenous Peoples is an essential component of any Games. There is a potential for a Calgary 2026 Games to further build relationships between Indigenous Peoples and other Peoples in Canada, particularly in Alberta.

” As a First Nation leader, a British Columbian and a Canadian, one of the proudest moments of my life was to be at the announcement of the Olympic emblem with members of my family like my grandchildren, and other Host First Nations. The four nations coming together for the first time in this way, for the Olympics, was history-making. We got a standing ovation from the audience – we all felt that we are part of something special. It made me wonder why we ever thought that there were any differences. This opportunity will provide us a better future.

— Leonard George, Tsleil-Waututh Nation¹³⁴

Vancouver 2010 is often cited as an example of best practice as it “achieve[d] unprecedented levels of meaningful participation of First Nations and other Indigenous peoples in planning and delivery.”¹³⁵ While there certainly were many good things that resulted from the engagement of the Vancouver Organizing Committee/British Columbia and the Four Host First Nations,¹³⁶ not everyone was happy with the engagement process. Some Indigenous people, in the aftermath of the 2010 Games, reported feeling that the relationships built were nothing more than a “business transaction.”¹³⁷ A Calgary 2026 Games could learn from this experience and improve on it.

A Final Word

Recent research of previous Games has concluded: “In most cases the Olympics are a money-losing proposition for host cities; they result in positive net benefits only under very specific and unusual circumstances.”¹³⁸ An analysis of the costs, benefits, risks and opportunities of the Calgary 2026 Winter Olympic and Paralympic bid shows that, if the conditions as outlined in this report are met, Calgary *can* truly be different.

In the end, the Games’ lasting legacy may be their ability to lift up and inspire Canadians. Canadians are indeed known for our warm welcome to athletes and visitors from around the world. The Games can also inspire us to do more – to open our arms to our neighbours and make a difference in our lives.

Endnotes

- ¹ Trevor Tombe, "A Review of Two Economic Impact Studies of Calgary Hosting the 2026 Winter Games," June 2017, 7.
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Appendix A

TABLE 10: Canada GDP/Federal Contribution – Return on Investment (ROI)
(millions, in \$2018)

Federal Contribution	Total
Total Govt. Operations request	975
Federal contribution (50% of total)	487.5
less Federal taxes received	(307)
Net Federal Contribution	181
Canada GDP increase	2382
Divided by net federal contribution	/181
Canada GDP/Federal contribution ROI	13/1

TABLE 10: Alberta GDP/Provincial Contribution – Return on Investment (ROI)
(millions, in \$2018)

Provincial Contribution	Total
Total Govt. Operations request	975
Provincial + City of Calgary Contribution (50% of total)	487.5
less taxes received	(158) Alberta (35) Calgary
Net Provincial + City Contribution	294
Alberta GDP	2032
Divided by net Province + City contribution	/294
Alberta GDP/Provincial contribution ROI	7/1