

From: OfficeofthePremier, Office PREM:EX  
Sent: March 22, 2021 10:42 AM  
To: 'dblack@blackpress.ca'  
Cc: Minister, TACS TACS:EX  
Subject: Letter from Premier Horgan

Dear Mr. Black:

Please find attached a letter from Premier John Horgan. If you have any difficulties with the attachment, please let us know. A hard copy will not follow by mail.

Sincerely,

Office of the Premier

cc: Honourable Melanie Mark, Minister of Tourism, Arts, Culture and Sport

From: David Black  
Sent: March 22, 2021 5:31 PM  
To: OfficeofthePremier, Office PREM:EX  
Cc: Minister, TACS TACS:EX  
Subject: RE: Letter from Premier Horgan

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Office of the Premier,  
Thank you for the detailed response. I will work to provide answers to your concerns.  
All the best,  
David



March 22, 2021

David Black  
Sent via email: dblack@blackpress.ca

Dear David Black:

Thank you for your incredible efforts in preparing the 2026 Commonwealth Games proposal. I appreciate all the energy and passion that has gone into this concept plan.

I agree with you that COVID-19 has hurt B.C. and it won't be easy to get our economy moving again quickly. That's why we launched our StrongerBC economic recovery plan, which includes:

- Better health care that puts B.C. on the path to a strong economic recovery by managing COVID-19 safely, while making sure people have better access to the care they need.
- Getting people back to work by creating jobs, training people to work in high-demand fields — like health care — and opening more childcare spaces faster, so more people can get back to work.
- Supporting B.C. businesses by delivering extra support — like small business grants and tax credits — to help businesses reopen, hire more people, adapt and grow.
- Strengthening communities by continuing to build a cleaner, stronger future with new infrastructure, essential services and supports for local governments. Even before the pandemic, B.C. was making the largest investment in community infrastructure ever.

B.C.'s tourism sector is of critical importance to rebuilding our economy. COVID-19 has had a devastating effect and has altered B.C.'s visitor economy. Our government consulted extensively with business owners, sector associations and marketing organizations to hear their priorities for recovery and ideas to help B.C. remain a globally competitive destination.

A Tourism Task Force, made up of leaders from industry, labour and First Nations, delivered its final recommendations to government on reigniting B.C.'s tourism sector and enhancing its long-term competitiveness. Based on the Task Force's recommendations, the government has

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Office of the  
Premier

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PO Box 9041 Stn Prov Govt  
Victoria BC V8W 9E1

Location:  
Parliament Buildings  
Victoria

specifically targeted \$100 million to tourism business recovery and we are also making investments to help small municipalities build, adapt and diversify their tourism infrastructure, such as trail construction, visitor centre improvements and safe amenities. In addition, through Destination BC, we are making additional investments to market B.C. domestically and secure its spot in the international tourism market, for when it is safe to welcome visitors back to our province.

Investments in and rebuilding of B.C.'s economy will provide social and economic benefits, including important revenues to help government deliver services. Our StrongerBC recovery plan includes new capital spending commitments over three years of over \$23 billion — the highest level in B.C.'s history. With B.C.'s population set to grow by more than one million people in the next 15 years, delivering the infrastructure and services that people need not just today, but also down the road, is key to maintaining a strong economic foundation and improving everyone's quality of life. The jobs and other stimulus created by the recovery plan and these investments will help create revenues needed to support families, businesses and the services delivered by government.

Like you, I share a deep passion for Vancouver Island and its communities. For that reason, I am very proud to acknowledge the investments that the provincial government has made over the last three years and currently for Vancouver Island communities. These include:

- Over \$500 million in K-12 education facilities, as well as extra student residences at University of Victoria.
- Almost \$950 million in provincial road projects to meet a growing population and keep roads safe.
- \$133 million for local community infrastructure projects and an additional \$240 million for the Capital Regional District's wastewater treatment facility.
- Approximately \$1 billion in 88 affordable housing projects.
- Over \$1 billion in health care facilities, improvements and equipment.

I believe that these investments create good jobs for families, support growing and thriving communities on Vancouver Island and will provide lasting social and economic benefits for generations to come.

Turning to the proposal to host the 2026 Commonwealth Games (2026 Games), we see that too many details remain unknown to fully understand the costs and risks with hosting such a large-scale event, including:

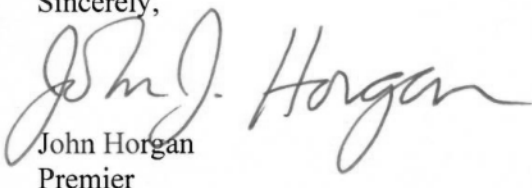
- Commitments from the federal government – while the proposal assumes a \$400 million contribution from Canada, the proposal lacks any commitment of Canada.

.../3

- Commitments of local governments – there is no evidence of firm support and commitment through a broader referendum or letters from the various councils, and I did not see this matter raised as a priority by local governments in meetings of the Union of BC Municipalities. Local governments will have a role to play in sharing the benefits, costs and risks of staging and hosting the 2026 Games.
- Commitments of venue owners – there are no express commitments of the owners of the various proposed venues, nor details of the feasibility of using such facilities.
- Infrastructure costs – we could not find a detailed plan for financing the \$770 million of new infrastructure that is required.
- Corporate sponsorship and own-source revenues – we could not find a detailed plan for realizing the approximately \$200 million assumed, representing about 20% of the proposed budget.
- Security – we could not find a plan that ensures that athletes, hosts, volunteers, sporting officials, dignitaries and the viewing public will be safe and secure within the 2026 Games operating areas.
- Other supports – we could not find a plan to address emergency response, as well as any added activities and costs to B.C. taxpayers, like transit, transportation infrastructure and health services that would likely come with the influx of athletes, coaches, dignitaries and visitors.
- Risk assessment – we could not find a thorough assessment of operating and financial risks associated with hosting an event of this magnitude, nor could we find an appropriate risk management plan to address those risks.

The Commonwealth Games have a long history of promoting sport and inspiring communities. I expect B.C. communities will bid for future Games, such as the 100th anniversary in 2030. As we indicated in 2017 when we received a proposal for the 2022 Games, the Province will happily consider proposals when the necessary work has been done to protect B.C. taxpayers from financial uncertainty.

Sincerely,



John Horgan  
Premier

cc: Honourable Melanie Mark, Minister of Tourism, Arts, Culture and Sport

From: David Black  
Sent: April 2, 2021 8:39 PM  
To: OfficeofthePremier, Office PREM:EX ; Wanamaker, Lori PREM:EX ; Minister, TACS  
TACS:EX  
Subject: 2026 Commonwealth Games. Additional answers to the detailed concerns in your letter of March 22nd.

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Premier Horgan,

I have also reached out to the 15 mayors in Victoria and Vancouver where the Games events will occur, to contact you as you requested.

Thanks for organizing the COVID vaccinating so well.<sup>s.22</sup>  
well done.

It was really

All the best,  
David

From: David Black  
Sent: Saturday, March 13, 2021 1:38 PM  
To: 'Office PREM:EX' ; 'Wanamaker, Lori PREM:EX' ; 'TAC.Minister@gov.bc.ca'  
Subject: 2026 Commonwealth Games

Premier Horgan, DM Wanamaker, Minister Mark,

Jon Victor published a Canadian Press article today. He quoted Destination Canada and said half a million employees of Canadian tourist firms have lost their jobs. Hotels in Vancouver, Toronto and Montreal lost 79% of their revenue, which was \$2.3 billion. Imagine what all the hotels, motels, inns, etc. throughout BC and Canada have lost. Destination Canada says it will be a long recovery. We need to work hard to rebuild tourism. It won't be easy.

I hope that you will allow BC to host the 2026 Commonwealth Games. That will get two to three billion people to watch beautiful and exciting videos that encourage them to visit BC and Canada. It will bring a lot of money into BC.

I have heard nothing from your Government, other than you want a Commonwealth Games business plan. You already have it and it is excellent. Your staff wouldn't even take a call from Brock Smith who did the UVic analysis showing your government will make a profit as we expand BC tourism.

John Wilson did a great job and got your government to help rebuild BC bus transportation. Please do the same for BC tourism. You will be thanked by all British

Columbians.

Sincerely,  
David

From: David Black  
Sent: Saturday, February 20, 2021 9:07 AM  
To: 'Office PREM:EX' ; 'Wanamaker, Lori PREM:EX' ; 'TAC.Minister@gov.bc.ca'  
Cc: 'Adam Walker' ; 'murray.rankin.MLA@leg.bc.ca' ; 'Foster, Doug FIN:EX' ;  
'bruce.wasylik@gov.bc.ca' ; 'brian@commonwealthgames.ca'  
Subject: 2026 Commonwealth Games

Premier Horgan, DM Wanamaker, Minister Mark,

s.13

David

From: David Black  
Sent: Thursday, February 18, 2021 4:18 PM  
To: 'Foster, Doug FIN:EX'  
Cc: 'Office PREM:EX' ; 'Wanamaker, Lori PREM:EX' ; 'Adam Walker' ;  
'murray.rankin.MLA@leg.bc.ca'  
Subject:

Doug,

s.13

s.13

Cheers,  
David

From: Foster, Doug FIN:EX  
Sent: Wednesday, February 17, 2021 2:07 PM  
To: 'David Black'  
Subject: RE:

Thanks david.  
s.13

d

From: David Black  
Sent: February 17, 2021 1:57 PM  
To: Foster, Doug FIN:EX  
Subject:

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Doug,  
I have one top fellow available for a phone conversation Monday at 3 PM. I am trying to get others.  
Will that work for you?  
Cheers,  
David

April 21, 2021

Dear Premier Horgan,

Thank you for your letter of March 22, 2021. It clearly shows that we are both focused on how to best position British Columbia for a successful recovery in a post COVID-19 world.

Your government's priorities for funding projects such as education, road construction, wastewater treatment, affordable housing, and health care are very important, but they, and all the rest of needed projects, will require a massive injection of cash at a time when the economy is struggling to survive.

Without strong businesses generating revenue to pay for these projects the BC government may end up with more debt than can be safely managed. Rebuilding the economy as quickly as possible is absolutely vital.

The major business problem in BC is the tourism industry. The 2026 Commonwealth Games, with its sport streaming that will pull in tourists, will solve it. Your announcement of funding \$100 million to help recover BC's tourism will be welcomed but much more will be needed to assist the industry to recover. We had annual tourism revenue in the order of \$22 billion dollars before the COVID pandemic, and most of it has disappeared. Similarly, most of your government's \$2 billion of tourism tax revenue has disappeared.

The difficulty in rebuilding BC's tourism is that every country in the world will compete and spend money to help recover their visitations. Therefore, it will not be easy for us to regrow our tourism via normal advertising expenditures. It is for that reason that we are so keen on getting up to three billion people in the world to continually watch beautiful tourism-oriented videos of BC, which will be provided if we host the 2026 Commonwealth Games. An additional key point is that the Games will not cost the BC government money, they will make money for the province.

You asked relevant specific questions about our bid for the Games. We have provided answers beneath your bold-faced questions below. The answers are solid, so we hope you will agree with us.

Sincerely,  
David Black

## **QUESTIONS AND ANSWERS:**

**Turning to the proposal to host the 2026 Commonwealth Games (2026 Games), we see that too many details remain unknown to fully understand the costs and risks with hosting such a large" scale event, including:**

**Commitments from the federal government - while the proposal assumes a \$400 million contribution from Canada, the proposal lacks any commitment of Canada.**

We reached out to Commonwealth Sport Canada to ask the Federal government last week if they will fund their \$400 million portion. Rick Powers, their CEO, said the federal answer is that they will consider doing so if they have a firm indication of support from BC and from the municipal mayors. That is what they said prior to the 1994 Games as well! We need a note from you saying that BC will fund if they will.

**Commitments of local governments - there is no evidence of firm support and commitment through a broader referendum or letters from the various councils, and I did not see this matter raised as a priority by local governments in meetings of the Union of BC Municipalities. Local governments will have a role to play in sharing the benefits, costs and risks of staging and hosting the 2026 Games.**

You asked us to confirm that the 15 mayors in Victoria and Vancouver, whose municipalities will provide the required locations for the Games events, agree in principle to host the Games. They have agreed and we will ask them for letters of support which we will send to you upon receipt. We have yet to meet with all their councillors because of COVID, but we will do so as soon as possible.

We need BC to agree quickly, in order to win the Games over other potential bidding cities. Afterward, if the local councils are not in favor of our hosting the Games, the BC government will be at liberty to withdraw its support if it so chooses. However, that is unlikely to happen as we are not asking local governments to cover costs for the Games. It will obviously be a source of profit for them, as it will be for the province.

**Commitments of venue owners - there are no express commitments of the owners of the various proposed venues, nor details of the feasibility of using such facilities.**

**Infrastructure costs - we could not find a detailed plan for financing the \$770 million of new infrastructure that is required.**

We have had thorough discussions with the municipal mayors and the universities in Victoria and in Vancouver. They agree with us in principle and unless the province

wants to take ownership of some of the facilities, they will all be given to these groups as was done by the 1994 Commonwealth Games. As always, the final contracts with them will be developed by the executives and the Board of Directors who run the project after we win the bid.

The general nature of the sport facilities we hope to build (size, seating, location, etc.) have already been approved by the Commonwealth Games Federation and Commonwealth Sport Canada, who are experts about this. The cost of building the facilities, including the 2,000 affordable apartments, have been discussed with top local contractors.

We have set aside \$200 million as a contingency to ensure there will be no shortfall, however we expect almost all those funds will be invested in a sport legacy fund after the Games, just as was done after the 1994 Games. The legacy fund will be used to help future generations of BC athletes.

**Corporate sponsorship and own-source revenues - we could not find a detailed plan for realizing the approximately \$200 million assumed, representing about 20% of the proposed budget.**

The budget detail we sent to you shows that the Commonwealth Games at The Gold Coast in 2018 made \$185 million from sponsorship and advertising. They also show Glasgow in 2014 made \$169 million for sponsorship and advertising. Because we will move from TV to video streaming and run the streaming for five years instead of the usual two weeks of Games TV, we expect to at least double the number of viewers. Therefore, we believe our Games will bring significantly more in advertising than \$200 million. We quoted only \$200 million as we are trying to be as conservative as possible with our budget.

**Security - we could not find a plan that ensures that athletes, hosts, volunteers, sporting officials, dignitaries and the viewing public will be safe and secure within the 2026 Games operating areas.**

Safety and security are vital and it has been a topic that involved much discussion with our committee. We do not see a likelihood of security issues as there have never been any instances of security problems at any of the Commonwealth Games since they began in 1930. Nevertheless, it is essential to ensure to the greatest extent possible that we will be prepared for any such eventuality. Fortunately, the federal government will look after the security, as well as the cost for the same. It will be professionally dealt with and will be included in their contract with us. We also have a huge local advantage as we have a 25

mile moat around us. In addition, we will ensure that Commonwealth royalty members will only be near anyone in the Beginning and Ending Ceremonies. They will be held in a stadium which will have entry screening similar to the equipment in airports. Furthermore, we expect to locate the senior Commonwealth officials and representatives in the Delta Hotel on Bear Mountain, which can be easily guarded and protected from any incoming people if necessary.

**Other supports - we could not find a plan to address emergency response, as well as any added activities and costs to B.C. taxpayers, like transit, transportation infrastructure and health services that would likely come with the influx of athletes, coaches, dignitaries and visitors.**

**Risk assessment - we could not find a thorough assessment of operating and financial risks associated with hosting an event of this magnitude, nor could we find an appropriate risk management plan to address those risks.**

Other good questions. You can see in the budget that we sent you, there is \$1 million for health and safety access in the CEO Office segment. Another \$2 million is budgeted for city activities and services in the Ceremonies segment. Risk management insurance costing \$2 million is shown in the Corporate Services/Administration segment. The catering and cleaning budget in the Games Services segment shows another \$15 million. Buses and other transportation costs in the Transport segment are budgeted at \$25 million. Airfare for Commonwealth athletes and other personnel are budgeted at \$17 million. Medical services located in the Sport segment show a budget amount of \$5 million.

All these estimates were made after we studied similar costs at other Commonwealth Games and spoke to experienced Games financial managers, so they are accurate. But detailed planning of everything involved with the Games, including a risk management plan, will be done by the Games personnel and Board of Directors, over the next few years. There is no danger: we have \$200 million set aside as contingency.