

TO: CITY MANAGER

2004 OCTOBER 27

FROM: DEPUTY CITY MANAGER

SUBJECT: INITIAL PAYMENT OF HOSTING FEE FOR THE 2009 WORLD POLICE AND FIRE GAMES

PURPOSE: To request that Council authorize the first payment of the hosting fee for the 2009 World Police and Fire Games.

RECOMMENDATION:

1. **THAT** Council authorize the payment of \$125,000 (U.S. funds) to the World Police and Fire Games Federation as part of the requirement of the \$750,000 hosting fee.

REPORT

The City of Burnaby was the initial partner in a bid process that resulted in the awarding of the 2009 World Police and Fire Games to communities within the Province of British Columbia. At the time the bid was awarded, at a ceremony held in April, 2003, the Bid Committee was presented with a contract which stated in part "whereas the host, being informed of the acceptance of their bid, understands that \$750,000 (U.S.) becomes due and owing upon the execution of this agreement as consideration for said agreement." The contract went on to describe how the fee is to be paid; \$125,000 (U.S.) was to be paid upon the signing of the agreement and thereafter in five (5) equal instalments of \$125,000 (U.S.), on September 01, 2004, September 01, 2005, September 01, 2006, September 01, 2007 and finally September 01, 2008.

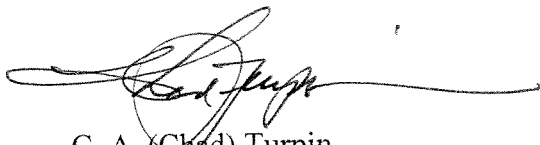
At the time the bid was accepted, there was no legal entity in place that could have become a party to the agreement. Subsequent to the awarding of the Games to the communities of British Columbia, a non-profit Society was formed to be known as the "British Columbia 2009 World Police and Fire Games". This Society would become the organization which would be the party to the agreement and signatory to this contract. The formation of the Society took some time and once the initial members had been appointed to the Board of the Society, the issue of the contract began to be addressed. Upon reviewing the wording of the contract, the Board determined it would be prudent to try and negotiate several changes which would close some open-ended sections in the contract that could result in significant additional costs to the host if certain circumstances arose.

These negotiations concluded in September and the Board has now signed the contract. As a result of this action, the initial payment is now due. The contract was revised to call for the subsequent

five equal payments to occur on January 01, 2005, September 01, 2005, September 01, 2006, September 01, 2007 and finally September 01, 2008.

There has not been a draw on the City's 2004 contribution of \$250,000 and expenditures for the next three years should consist of the payments required under the contract and promotional/marketing initiatives which are in the preliminary stages of formulation.

Therefore, Council is being requested to make the initial payment of the hosting fee.



C. A. (Chad) Turpin
Deputy City Manager

CAT:jh