

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend the Code of Virginia by adding in Title 2.1 a chapter numbered 56, consisting of sections numbered 2.1-818 and 2.1-819, relating to the Chesapeake Regional Olympic Games Compact.

[H 2699]

Approved

Be it enacted by the General Assembly of Virginia:
1. That the Code of Virginia is amended by adding in Title 2.1 a chapter numbered 56, consisting of sections numbered 2.1-818 and 2.1-819, as follows:

CHAPTER 56.

CHESAPEAKE REGIONAL OLYMPIC GAMES COMPACT.

§ 2.1-818. *Form of compact.*

The General Assembly hereby enacts, and the Commonwealth of Virginia hereby enters into, the Chesapeake Regional Olympic Games Compact with any and all states legally joining therein according to its terms, in the form substantially as follows:

CHESAPEAKE REGIONAL OLYMPIC GAMES COMPACT.

Article I.

Purpose and Findings.

A. The purpose of this compact shall be to create a regional authority to oversee the conduct of the 2012 Olympic Games, coordinated and managed by the local Organizing Committee for the Olympic Games (OCOG), and to assure that the region's guarantees and commitments accepted in conjunction with hosting the Olympic Games are fulfilled.

B. The General Assembly finds that:

1. For some time, the State of Maryland (including the City of Baltimore), the District of Columbia, and the Commonwealth of Virginia, through the nonprofit organization known as the Washington/Baltimore Regional 2012 Coalition (WBRC 2012), have been actively engaged in national competition to win the U.S. Candidate City designation and, subsequently, the Host City designation and the right to host the 2012 Olympic Games.

2. Hosting the Olympic Games will provide several major, lasting, and unique benefits for all of the citizens of the Chesapeake region, including:

a. Direct, positive economic impact on our regional economy;
b. An opportunity to showcase our region to the world;
c. A catalyst for regional action; and
d. A renewed sense of pride along with a tangible legacy (e.g. new and improved venues and enhanced transportation infrastructure).

3. Independent economic studies show that preparing for and hosting the Olympic Games will have a positive economic impact on the region, including:

a. Direct and indirect spending in excess of \$5,000,000,000;
b. The creation of approximately 70,000 jobs;
c. Increased tax revenues resulting from Olympic-related economic activity in excess of \$130,000,000, without raising or creating any new taxes; and
d. A lasting improvement in the region's competitive position within the travel/tourism industry, as well as the region's ability to attract new businesses.

4. The citizens of the region have responded positively to WBRC 2012's efforts and solidly embraced the cause to host the Olympic Games, expressed in part by the endorsement of scores of local business, civic, governmental, academic, and amateur sports organizations, and by survey results that show (i) eighty-two percent of the region's residents support the effort to bring the 2012 Olympic Games to this area and (ii) eighty-six percent of area residents believe that the Olympic Games will bring substantial economic benefits to our region.

5. Through the submission of the region's official bid proposal to the United States Olympic Committee (USOC) on December 15, 2000, WBRC 2012 reached a milestone in the process of capturing the Olympic Games by providing a 631-page logistical, operational, and financial blueprint for hosting the 2012 Games.

6. The bid proposal highlights the great venues and vistas found in our region and is developed around key principles, including (i) building less, not more and (ii) utilizing mass transit, and (iii) protecting the environment.

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7. In addition to the region's bid proposal, the USOC and the International Olympic Committee (IOC) require certain government guarantees and commitments in conjunction with hosting the 2012 Olympic Games, should our region win the U.S. Candidate City designation.

8. Our unique regional approach to winning the right to host the Olympic Games creates the added complication of determining which entities will provide the necessary guarantees.

9. It is incumbent upon WBRC 2012 and government leaders to move forward together now to craft the solution that best "lives regionalism" and maximizes the region's chances of winning the 2012 Olympic Games, and reaping the many benefits that come with this honor.

10. Given that all four jurisdictions, Virginia, Maryland, the District of Columbia, and Baltimore, will host a significant number of events and reap substantial benefits, the most effective solution for all four jurisdictions is to enter into a single agreement that gives the USOC (and subsequently the IOC) a single focal point and a united front that reflects the regional nature of our bid.

Article II. Definitions.

As used in this compact:

"Bid Proposal" means the bid formally submitted by WBRC 2012 to the USOC on December 15, 2000.

"Host City" means the entity that has been selected by the International Olympic Committee to host the 2012 Olympic Games.

"International Olympic Committee" and "IOC" means the International Olympic Committee, a body corporate under international law created by the Congress of Paris of 23 June, 1894, and having perpetual succession.

"Olympic Games" means any Olympic Games sponsored and governed by the International Olympic Committee and any other educational, cultural, athletic, or sporting events related or preliminary thereto.

"Organizing Committee for the Olympic Games," and "OCOG" means the Committee formed by WBRC 2012 to organize and conduct the Olympic Games, if WBRC 2012 is selected by the IOC as the host city in 2005.

"Signatories" means the Commonwealth of Virginia, the State of Maryland, the District of Columbia, and the City of Baltimore.

"U.S. Candidate City" means the entity that has received the United States Olympic Committee's endorsement to submit to the IOC the sole bid from the United States for the hosting of the 2012 Olympic Games.

"United States Olympic Committee" and "USOC" means the United States Olympic Committee, incorporated by Act of Congress on September 21, 1950, and having perpetual succession.

"WBRC 2012" means Washington/Baltimore Regional 2012 Coalition, a not-for-profit corporation organized under the laws of the State of Maryland, and its successors.

Article III.

Creation of Regional Authority.

A. The Signatories hereby provide the mechanism for the creation and termination of the "Chesapeake Regional Olympic Games Authority," hereinafter "Regional Authority," which shall be an instrumentality of the Commonwealth of Virginia, the State of Maryland, the District of Columbia, and the City of Baltimore, and shall have the powers and duties set forth herein, and those additional powers and duties conferred upon it by subsequent actions of the signatories.

B. The Regional Authority shall come into existence by the force of this compact when and if, and only if, the IOC awards the 2012 Olympic Games in year 2005 to WBRC 2012, as the U.S. Candidate City and the official representative of the Maryland, Virginia, District of Columbia, Baltimore region.

C. The Regional Authority shall, if ever brought into existence, cease to exist by the force of this Compact on January 1, 2014, unless extended by substantially similar future legislation passed by each of the Signatories.

D. Until such time as the Regional Authority comes into existence, the combined signatures of the Governors of Virginia and Maryland, and the Mayors of the District of Columbia and Baltimore, on any and all documents necessary and appropriate to the pursuit of the 2012 Olympic Games shall be deemed binding on future actions of the Regional Authority.

For the purposes of this subsection, (i) the above referenced signatures may be on the same document, on separate but materially and substantially similar documents, or any combination thereof; and (ii) no individual signature shall be deemed effective until such time as all four above referenced signatures are obtained.

Article IV.

Regional Authority; Composition; Terms; Accounting.

A. The Regional Authority shall be composed of eleven voting members, as follows: The State of

Maryland shall be entitled to three voting members, to be appointed by the Governor of Maryland; the Commonwealth of Virginia shall be entitled to three voting members, to be appointed by the Governor of Virginia; the District of Columbia shall be entitled to three voting members, to be appointed by the Mayor of the District of Columbia; the City of Baltimore shall be entitled to one voting member, to be appointed by the Mayor of the City of Baltimore; and the Washington/Baltimore Regional 2012 Coalition, a not-for-profit corporation created for the sole purpose of bringing the Olympic Games to the region, or the OCOG, shall be entitled to one voting member, to be appointed in a manner consistent with its usual procedure.

B. The Regional Authority shall cause to be formed a Regional Authority Advisory Committee, which shall be comprised of representatives (Advisory Members) from each of the local jurisdictions substantially impacted by hosting the Olympic Games in the region, in a manner to be determined by the Regional Authority.

C. Reasonable efforts should be made to ensure that appointments of voting members and advisory members (i) are residents of the regional community with relevant and useful experience, and with sufficient time to devote to the duties of the Regional Authority, to help facilitate the successful hosting of the Olympic Games; (ii) reflect the geographical diversity inherent in the regional nature of WBRC 2012's bid proposal; and (iii) reflect the cultural, ethnic, and racial diversity inherent in the Chesapeake Region.

D. Voting members shall not be compensated for their service on the Regional Authority, but shall be entitled to be reimbursed by the Regional Authority for normal and customary expenses incurred in the performance of their duties.

E. The terms of the voting members of the Regional Authority shall be two years. Each voting member shall hold office until his successor shall be appointed and duly qualified. Any voting member of the Regional Authority may succeed himself. All vacancies in the membership of the voting members of the Regional Authority shall be filled in the manner of the original appointment for remainder of the unexpired term.

F. The Regional Authority shall elect from its membership a chair, a vice-chair, a secretary, and a treasurer. Such officers shall serve for such terms as shall be prescribed by resolution of the Regional Authority or until their successors are elected and qualified. No voting member of the Regional Authority shall hold more than one office on the Regional Authority.

G. Regular meetings of the Regional Authority shall be held on such dates and at such time and place as shall be fixed by resolution of the Regional Authority. Special meetings of the Regional Authority may be called by resolution of the authority, by the chairman or vice chairman, or upon the written request of at least three voting members of the Regional Authority. Written notice of all meetings shall be delivered to each voting member, not less than three days prior to the date of the meeting in the case of regular meetings and not less than twenty-four hours in the case of special meetings.

H. A majority of the voting members of the Regional Authority shall constitute a quorum. A majority of the quorum is empowered to exercise all the rights and perform all the duties of the Regional Authority and no vacancy on the Regional Authority shall impair the right of such majority to act. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting to a fixed time and place, and notice of the time and place shall be given in accordance with subsection G, provided that if the notice period required by subsection G cannot reasonably be complied with, such notice, if any, of such adjourned meeting shall be given as is reasonably practical.

I. The Regional Authority shall establish rules and regulations for its own governance, not inconsistent with this compact.

J. The Regional Authority shall make provision for a system of financial accounting and controls, audits, and reports. All accounting systems and records, auditing procedures and standards, and financial reporting shall conform to generally accepted principles of governmental accounting. All financial records, reports, and documents of the Regional Authority shall be public records and open to public inspection under reasonable regulations prescribed by the Regional Authority.

The Regional Authority shall designate a fiscal year, establish a system of accounting and financial control, designate the necessary funds for complete accountability, and specify the basis of accounting for each fund. The Regional Authority shall cause to be prepared a financial report on all funds at least quarterly and a comprehensive report on the fiscal operations and conditions of the Regional Authority annually.

Article V.

Funding of Regional Authority.

A. The OCOG shall provide reasonable funds for the operation of the Regional Authority and the conduct of its business in accordance with the provisions of this compact.

B. For the purposes of this article, payment of any insurance premiums incurred by the Regional Authority under the authority granted to it by Article VI shall not be considered operations funds

referred to in subsection A. The OCOG shall pay only such insurance premiums as are reasonable.

C. The OCOG shall not be responsible for any financial liability that the Regional Authority may incur under Article VI.

D. The Regional Authority shall submit to the OCOG a planned budget for the Regional Authority's next fiscal year, adopted consistent with Article IV, no less than ninety days before the beginning of the next fiscal year.

Article VI.

Regional Authority Oversight of Organizing Committee of the Olympic Games; Additional Powers.

A. The Regional Authority, in recognition of its oversight responsibility over the OCOG, shall have access to (i) the quarterly financial statements of the OCOG, (ii) the annual business plans of the OCOG, and (iii) all other OCOG documents necessary to achieve its oversight purpose.

B. The Regional Authority shall have the power to enforce OCOG budgetary and planning changes when review by the Regional Authority of the OCOG financial statements, annual business plans, or other documents contemplated in this article suggests (i) economic shortfalls that would possibly trigger the Regional Authority's liability outlined in this article; or (ii) the OCOG fails to host the Olympic Games in a manner that would satisfy the requirements of the USOC or the IOC; and such changes are supported by a majority of the voting members of the Regional Authority, notwithstanding the quorum requirements of Article IV.

C. The Regional Authority, in recognition of its duties as overseer of the OCOG, shall:

1. Be bound by the terms of, cause the OCOG to perform, and guaranty performance of the OCOG's obligations under all documents necessary and appropriate to the pursuit of the Olympic Games;

2. Certify the OCOG's performance of such obligations as requested by the USOC from time to time;

3. Accept liability for the OCOG, if any, as far as required by all documents necessary and appropriate to the pursuit and hosting of the Olympic Games; and

4. Accept liability, if any, with the OCOG, for any financial deficit of the OCOG, or the Olympic Games, as follows:

a. The OCOG shall be responsible for any amount up to twenty-five million dollars;

b. The Regional Authority shall be liable for any amount in excess of twenty-five million dollars, but not to exceed an additional \$175 million; and

c. Except as set forth in existing applicable law, the OCOG and the Regional Authority shall not be limited in their choice of funding sources for covering possible financial losses, including but not limited to the purchase of insurance, if commercially available and reasonably priced.

D. The Regional Authority, in its financial oversight and safeguard role, shall ensure that no legacy programs, funds, or accounts shall be funded from any of the proceeds of the 2012 Olympic Games until all budgetary and operational financial obligations of the OCOG and the Regional Authority for hosting the Olympic Games are first met; and that no liability for any financial deficit resulting from the 2012 Olympic Games shall accrue to the Regional Authority (or the Signatories) until all budgetary and/or operational financial surpluses of the OCOG, if any, are applied to all outstanding financial obligations of OCOG and the Regional Authority, if any, accrued exclusively in connection with hosting the Olympic Games.

E. The Regional Authority, in order to facilitate its oversight responsibility over the OCOG, shall have the additional powers to:

1. Sue and be sued in contract and in tort;

2. Complain and defend in all courts;

3. Implead and be impleaded;

4. Enter into contracts;

5. Hire appropriate staff; and

6. Exercise any additional powers granted to it by subsequent legislation.

Article VII.

Indemnification.

A. Any liability incurred by the Regional Authority, not covered by insurance under Article VI, shall be further indemnified by the signatories to this compact, in proportion to the relative economic benefit currently expected to accrue to each signatory from hosting the Olympic Games, as follows:

1. The State of Maryland shall be liable for fifty-three percent;

2. The Commonwealth of Virginia shall be liable for nineteen percent; and

3. The District of Columbia shall be liable for twenty-eight percent.

B. Each of the signatories to this compact may provide for its share of any possible liability in any manner it may choose, as befits each signatory's independent commitment.

Article VIII.

Commitments of Signatories.

A. As appropriate to its individual jurisdiction and specific role in hosting the 2012 Olympic Games,

each Signatory agrees to:

1. Ensure that necessary facilities are built and transportation infrastructure improvements take place, including government funding as appropriate;

2. Provide access to existing state/city-controlled facilities and other important resources as specified in WBRC 2012's bid proposal, in accordance with applicable law and contractual obligations; and

3. Provide adequate security, fire protection and other government-related services at a reasonable cost to ensure for the safe and orderly operation of the Olympic Games.

Article IX.

Compliance With Local Law.

The Regional Authority shall make every effort to comply with the local laws of each of the Signatories to this compact, regarding disclosure, appointment, and open meetings.

Article X.

Effective Dates.

None of the duties or responsibilities encompassed in this compact shall have effect until substantially similar legislation is passed by each of the signatories, at which time this compact shall immediately be effective.

§ 2.1-819. Certain documents to be filed with Secretary of Commonwealth.

Copies of the Regional Authority's rules and regulations for its own governance required pursuant to Article IV shall be filed with the Secretary of the Commonwealth.