

Vision 2017

A Community Cultural Investment Proposal for a Downtown Arts and Entertainment District

Feasibility Study - February 2014

Executive Summary

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1 An Economic Direction

City Council has established the Investment and Economic Prosperity Committee (IEPC) which has prioritized five targeted areas of investment to support the transformation and growth of London’s economy. One of the five identified areas for priority investment is Downtown London.

Arts and cultural experiences, both for residents and visitors, have become an increasingly important economic opportunity for the City. They contribute significantly to the quality of life for residents similar to other municipal investments involving recreation facilities, parks and trails, neighbourhood services, supports for those experiencing life challenges and a host of other community services.

Collectively, these community investments contribute to a healthy, sustainable, vibrant and successful City that has the continuing ability to attract contemporary business and industrial investments that build a dynamic and growing local economy and provide an array of employment opportunities for all ages. They also attract younger workforce members needed for the emerging economy and develop a downtown environment aligned with the desires and interests of younger generations to live, work and be entertained in downtown urban areas.

2 The Opportunity

In support of enhancing and growing Downtown London as an economic driver, a community investment opportunity is proposed for London to build on its current arts, culture and entertainment assets. This initiative will both enhance the arts and entertainment offerings for London residents and visitors, and establish a vibrant and diversified Arts and Entertainment District in the Downtown, significantly contributing to the area’s capacity to be a vital destination and economic hub. Two London arts and cultural organizations have come together to undertake a joint development initiative in partnership with the private sector to make a significant strategic investment and contribution to both the transformation of Downtown London as a vital economic hub and to broaden and enrich London’s arts and culture opportunities and development: Music London and The Grand Theatre. This strategic investment proposed for the downtown will leverage important private sector development and senior government financial contributions.

EXECUTIVE SUMMARY

A VIBRANT AND DIVERSIFIED ARTS AND ENTERTAINMENT DISTRICT

MUSIC LONDON AND THE GRAND THEATRE

3 The Vision

The Task Force has developed the following Vision to foundation this project proposal.

A uniquely dynamic Arts and Entertainment District that will be an economic driver for both the transformation of Downtown London and contribute to the development of a thriving arts and culture sector while celebrating Canada's 150th Birthday.

Proposal Goals

Three goals have been established for the joint proposal which give focuses and directions to the Vision:

<i>Goal 1:</i>	To strategically contribute to the economic transformation of Downtown London as an increasingly important destination for Londoners and visitors by creating an Arts and Entertainment District.
<i>Goal 2:</i>	To increase the quality, scale and diversity of London's cultural assets, their performance offerings and community engagement.
<i>Goal 3:</i>	To partner with the private sector to substantively increase the economic impact and benefits of the joint proposal by incorporating mixed use residential, commercial and tourism investment in Downtown London that align with the proposal's Vision, goals and outcomes.

This proposal and its vision have been formed around the following directions:

- The City's Cultural Prosperity Plan
- Creative Cities Movement
- Rethink London outcomes
- The City of London's Downtown Master Plan

4 The Proposal

The primary dimensions of this proposal incorporate a series of connected initiatives that both support immediate outcomes for an Arts and Entertainment District, as well as act as a catalyst for longer term cultural and private sector developments in Downtown London. The key development components of this investment proposal are as follows:

- The Grand Theatre’s current efforts are first focused on expanding its land base through acquisition of three adjoining neighbouring properties on Richmond Street that have been identified as available. This acquisition creates the basis for the Grand Theatre to both reconfigure and expand its existing space to maximize use and efficiencies. Without the land, the expansion and reconfiguration of The Grand cannot occur. The investment in enlarging the site allows for the addition of performance, production and rehearsal capacity; increased community, education and support spaces; and improved entrances, facades, amenity and administrative areas. The initial land investment allows the Grand Theatre to undertake the planning, design and fund development efforts necessary to achieve its primary stated goal: to realize improved artistic and visitor experiences, increased programming spaces and enhanced urban integration connections for the Theatre with Richmond Street and the neighbouring downtown community.
- Music London would undertake the development of the Celebration Centre on the Centennial Hall site, also incorporating part of the adjoining London Life parking lot. London Life has expressed its interest in this project via continuing discussions as per correspondence attached in Appendix I. The development of the Celebration Centre would be the cornerstone to a broader mixed use development initiative that would provide a world class performance hall for music, dance, choral and other uses for professional, community-based arts organizations and travelling performances.

5 The Partners

Music London	A not-for-profit, community volunteer organization with the goal of realizing the development and commissioning of the Celebration Centre.
The Grand Theatre	A long standing and valued cultural venue since 1901 that has hosted significant performances and stage performers, attracting 115,000 people to Downtown London annually.
York Development Consortium	A London development firm since 1983 experienced in major residential, institutional and commercial development project of over \$500 million, who will undertake, with their consortium partners and potential London developers, the development of the two condominium towers. The private consortium would undertake all responsibility and all risks for the project financing, design, construction and sales requirements of their development.

6 The Investment

The planned investment involves over \$164.027 million.

Proposal Investment Profile

Celebration Centre	50,027,000
Grand Theatre	5,000,000
Condominium / Hotel Development	100,000,000
Celebration Centre Parking Facility	9,000,000
Total Investment	164,027,000

7 Funding Sources

The sources of capital funding involves six partners :

Economic Investment Funding Profile

Governments of Canada and Ontario	30,000,000
City of London (<i>funding, land and demolition</i>)	16,730,000
Community Support	3,497,000
Private Development Partner	100,000,000
Parking Partner	9,000,000
Sale of Land for Development	4,800,000
Total Investment	164,027,000

8 The Economic Benefit

The economic benefits of this investment in Downtown London represent significant one time and annualized impacts with the City of London contribution paid back in ten years from the property taxes generated.

Economic Impact Profile

1 Development Charges

Private Development		
Residential	4,200,000	
Commercial / Retail	2,330,000	
Parking Garage	580,000	
Celebration Centre	3,400,000	
Total Development Charges		10,510,000

Economic Impact Profile

2 Annual Property Taxes		
Residential	1,600,000	
Commercial / Retail	<u>52,500</u>	
Total Annual Property Taxes		1,652,500
3 Downtown Parking		
New Parking Spaces	Over 300	
Possible Increased Annual City Hall Parking Revenues		50,000 to 75,000
4 Employment		
Construction		
Private Development	922 / FTE	
Cultural Facilities	346 / FTE	
Permanent		
Private Development	37 / FTE	15 to 20 / PTE
Cultural Facilities	9 to 16 / FTE	50+ / PTE
5 Annual Economic Impact Activity		
The Grand Theatre		
115,000 visitors x \$75 average	8,625,000	
Celebration Centre		
100,000 visitors x \$75 average	<u>7,500,000</u>	
Total Annual Economic Impact		16,125,000

The economic benefits to the City of London area outlined below:

Economic Benefits

Annual Property Taxes (\$)	1,652,000
Development Charges (\$)	10,510,000
City ROI (%)	9.9
(Property Taxes over City Contribution)	
Payback in Years	10.1

9 City of London Investment Profile

The City of London's investment contributions are:

- \$15 million in direct funding;
- 30% of the Centennial Hall site and facility demolition valued at \$1.73 million
- Continuation of the current annual operating grants to The Grand Theatre, \$500,000; Orchestra London, \$500,000; and Centennial Hall's \$250,000 in building support and \$100,000 management fee.

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1 Introduction

1.1 Overview

The City of London has actively pursued targeted economic development investments that will contribute significantly to transforming and growing the local and regional economy. The need to develop infrastructure and to generate conditions that enhance economic development opportunities, investments and employment outcomes is paramount to ensuring the long term sustainability of London's quality of life and attractiveness.

To support this strategic priority, City Council has established the Investment and Economic Prosperity Committee (IEPC) which has prioritized five targeted areas of investment to support the transformation and growth of London's economy. The identification of the targeted investment envelopes was undertaken based on broad community consultation, economic analyses and other inputs. One of the five identified areas for priority investment is Downtown London.

Downtowns are vital contributors to vibrant, healthy and successful communities. They typically house the one of a kind and most significant services needed by residents, whether civic, institutional, business, heritage, arts and cultural or related community contributors. Over the last decades, London has seen significant investment and transition in its downtown with the development of the new Central Library, Budweiser Gardens, the Covent Garden Market, park and recreation opportunities at the Forks of the Thames, the evolution of Richmond Row, significant residential development, transformation of malls and retail store fronts and a host of other initiatives. These investments have built on the long traditions of Downtown London as the cross roads of the community; the presence of the Thames River and its adjoining lands and landscapes; the significant parks, such as Victoria and Harris Parks and linked trail systems; the public transit system; unique and varied business and retail services; and related community development elements.

1.2 Downtown London and Arts and Culture

One of the unique dimensions of Downtown London has been the ongoing development of its cultural assets. These include The Grand Theatre, Museum London, Centennial Hall / Orchestra London, the Original Kids Theatre Company, the Arts Project, Fanshawe College's new Centre for Digital and Performing Arts and the Canadian Medical Museum, along with several private initiatives, including the Aeolian Hall, the London Music Hall and number of selected private art galleries and related enterprises. Peripheral to the downtown area are other important cultural venues, including the London Children's Museum, the Palace Theatre, the First Hussar's Museum and related cultural assets that contribute significantly to the overall cultural fabric and experiences in London.

Downtown London has seen a revival and continuing growth in its arts, culture and entertainment offerings that support a broad range of interests and engagement opportunities for London and region residents and visitors which has created an emerging Arts and Entertainment District as a valued London destination. Cultural experiences, both for residents and visitors, have become an increasingly important economic opportunity for the City. They contribute significantly to the quality of life for residents similar to other municipal investments involving recreation facilities, parks and trails, neighbourhood services, supports for those experiencing life challenges and a host of other community services.

Collectively, these community investments contribute to a healthy, sustainable, vibrant and successful City that has the continuing ability to attract contemporary business and industrial investments that build a dynamic and growing local economy and provide an array of employment opportunities for all ages. Such investments both retain existing and attract new residents and workers that significantly support economic growth and who meaningfully add to London's unique and desirable quality of life for themselves, their families and future generations.

These community investments in Downtown London also attract younger workforce members needed for the emerging economy and develop a downtown environment aligned with the desires and interests of younger generations to live, work and be entertained in downtown urban areas.

1.3 The Importance of Downtown Arts and Cultural Investment

The significance of cultural investments in Downtown London has increased over the last decade based on several important strategic trend and policy perspectives:

- The City's Cultural Plan and the Creative City Movement which have identified the significant positive economic impacts of cultural resources investment as economic drivers in the growing cultural enterprises sector. Provincial and federal governments have also identified cultural activities as economic enablers and have invested significantly in the development of these facilities within many communities in Canada. These proposals represent a unique opportunity to contribute economically to the long term growth and sustainability of London's cultural arts and the economic potential of downtown;
- The Grand Theatre is a long standing and valued cultural organization in the community that has invested over \$8.0 million in recent years in upgrading its Richmond Street venue. It has reached a strategic point in its evolution where planning for both expansion of its footprint and creating greater presence on Richmond St. are vital to its long term vision, sustainability, and the delivery of dramatic arts and educational programming for all ages. The Grand Theatre's ongoing planning, identifies the need for additional rehearsal and performance spaces, and needs to expand storage, wardrobe and props, offices and administration. Additional community, education, assembly and amenity areas would enhance the quality and range of performances offered, improve the audience experiences and services, and achieve important operational efficiencies. In order to achieve its future strategic directions The Grand needs to, in

the immediate term, secure an increased adjoined land base to support its expansion and planning.

- Centennial Hall has reached the end of its life expectancy and has significant music quality, attendee and related challenges that materially depreciate both performer and audience experiences as outlined in the 2007 Novita Report. A new concert hall, with world class capabilities for non-amplified music, would support a host of community choral, music, dance and other groups in their productions and organizational development, as well as attract travelling shows that require facilities beyond Centennial Hall's capacity. This vision has resulted in the Celebration Centre proposal which has evolved as a community-based initiative to build a high quality platform for the advancement of music and dance development and entertainment in London and Southwestern Ontario in collaboration with a significant aligned private sector investment.

The proposed investment strategy outlined in this proposal will support a range of cultural activities and services enhancements involving, travelling shows, community and volunteer organization productions, child and youth education, cultural development and other offerings that contribute significantly both to the quality of life for Londoners and to the creation of jobs and economic development that will enhance economic prosperity in London. Without investment in arts and cultural assets and activities, London will be a less competitive alternative as per Novita's 2013 Report which indicated London is the last major community in Canada not to have a Performing Arts Centre.

2 The Opportunity – The Arts and Entertainment District

2.1 The Community Coming Together

In support of enhancing and growing Downtown London as an economic driver, a community investment opportunity is proposed for London to build on its current arts, culture and entertainment assets. This initiative will both enhance the arts and entertainment offerings for London residents and visitors, and establish a **vibrant and diversified Arts and Entertainment District** in the Downtown, significantly contributing to the area’s capacity to be a vital destination and economic hub.

This strategic investment proposed for the downtown will leverage important private sector development and senior government financial contributions. For the private sector, the construction involves condominium towers, business and retail opportunities and the potential for additional future land development initiatives all of which generate Development Charge fees and added annual property taxes to the City that will offset the City’s initial capital contributions over time. For the cultural sector, the proposed investments have the potential to be a catalyst for future development and intensification of the Arts and Entertainment District by both the public and private sectors which will further enhance the range of offerings, sustainability and the economic value of the arts and culture sector within London.

In bringing this opportunity to fruition, two London arts and cultural organizations have come together to undertake a joint development initiative in partnership with the private sector to make a significant strategic investment and contribution to both the transformation of Downtown London as a vital economic hub and to broaden and enrich London’s arts and culture opportunities and development.

The Grand Theatre, a long established and valued cultural organization, and Music London, a new organization focused on developing more integrated and substantive opportunities for a broad range of musical and dance offerings, have collaborated to develop this **joint investment proposal** for Downtown London.

This joint proposal has evolved from and is built upon the Request for Proposals by the London IEPC and the submission of two independent proposals to enhance The Grand Theatre and to build a new Celebration Centre for music and dance in Downtown London, that were presented at two public presentations held at the London Convention Centre in October 2013. One of the most prominent outcomes of this cultural proposal development process and the aligned community consultation was the evident and substantive response for the two proposing parties to work collaboratively towards a common goal and focus via an integrated plan that effectively meets the economic and cultural growth needs of the City of London and its residents, and the long term professional, technical and sustainability requirements of the two arts and culture organizations.

To this end, the partners, in November and December 2013 formed a Project Development Task Force involving a London citizen as Chair and two Board members from each organization to develop this plan.

A series of Board of Director level and technical and staff meetings and planning and Task Force sessions were convened resulting in Vision 2017 – A Community Cultural Investment Proposal for a Downtown Arts and Entertainment District. This proposal is a unique opportunity to strategically invest in enhancing Downtown London’s economic development through establishing a more intensive and broadened Arts and Entertainment District. This investment will ultimately bring more people to the downtown, which will increase business and economic opportunities for current and future retail and business operators. As well, the private sector partnership will create a multi-use venue in conjunction with the Celebration Centre that will increase the number of residents living in the downtown area, and the proposals overall economic impact and employment opportunities. This investment in Downtown London arts and cultural assets will both contribute meaningfully to the vibrancy and sustainability of Downtown London, and deliver distinctive residential living and retail options for current and emerging generations.

2.2 The Arts and Cultural District

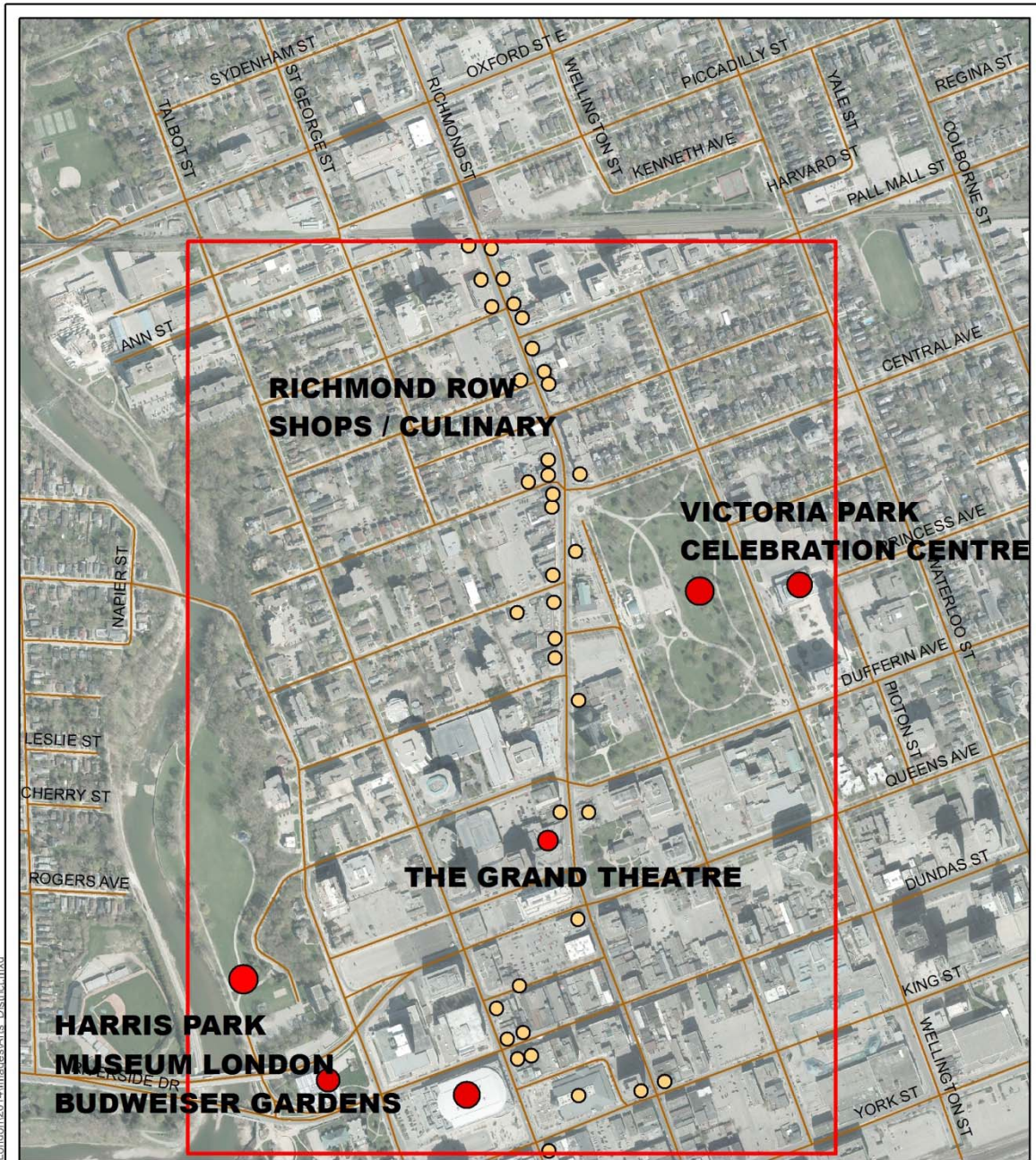
This joint proposal has been based on the strengths and shorter and longer term needs of each of the two cultural partners and their submissions to IEPC. This new initiative incorporates a two-site, one integrated investment initiative working in conjunction with the private sector. All three components collectively enhance the development of the Arts and Entertainment District in Downtown London.

The Vision

A successful planning strategy in many urban centres is to create arts, culture and entertainment Districts or districts. The success of these areas is based on developing a defined area that has a critical mass and variety of arts, culture and entertainment offerings with aligned services, such as restaurants, pubs, special event venues, unique retail outlets, appealing streetscapes and parks / open spaces and other dynamic features. This aggregation of venues and ambience results in a distinctive and appealing destination that can attract large numbers of people and their associated economic spending on admissions, food and beverage services, transportation, retail purchases and other expenditures. This critical mass of aligned services and experiences attracts both local residents and tourists. It results in more people being attracted to the District area, walking, assembling and enjoying the multiple range of experiences and venues.

London has many of the structural elements in place to initiate the development of a distinctive Arts and Entertainment District. These include Museum London, the Forks of the Thames, The Grand Theatre and many of the other venues outlined in Section 1. This proposal strategically supports the development of a defined Arts and Entertainment District, Figure 1, building on the significant infrastructure and venues currently available by enhancing one of the primary cultural assets in London and developing a new significant cultural asset. The District would be anchored in the south by a node of venues involving Museum London, the Budweiser Gardens, the Forks of the Thames and Harris Park. The northern anchor would involve The Grand Theatre, the proposed Celebration Centre and Victoria Park. In between these two anchor points are a host of other arts, culture and entertainment venues, food and beverage establishments and supporting retail, heritage and related contributors. This proposed investment is intended to create two strong anchors as a basis to develop the platform upon

which the Arts and Entertainment District can evolve on a connected basis, as has occurred around Budweiser Gardens, particularly on King Street and along Richmond Street.



Document Path: G:\681_Orchestra_London\Music_London\2014\Images\Arts_District.mxd

PROJECT			
CULTURAL INVESTMENT PROPOSAL			
TITLE			
ARTS AND ENTERTAINMENT DISTRICT DOWNTOWN LONDON			
PROJECT NO. 681		SCALE AS SHOWN	REV. 0.0
DESIGN			
GIS	REM	1/23/2014	
CHECK			
REVIEW			

FIGURE 1

LEGEND



The Task Force has developed the following Vision to foundation this project proposal.

A uniquely dynamic Arts and Entertainment District that will be an economic driver for both the transformation of Downtown London and contribute to the development of a thriving arts and culture sector while celebrating Canada's 150th Birthday.

Proposal Goals

Three goals have been established for the joint proposal which give focuses and directions to the Vision:

<i>Goal 1:</i>	To strategically contribute to the economic transformation of Downtown London as an increasingly important destination for Londoners and visitors by creating an Arts and Entertainment District.
<i>Goal 2:</i>	To increase the quality, scale and diversity of London's cultural assets, their performance offerings and community engagement.
<i>Goal 3:</i>	To partner with the private sector to substantively increase the economic impact and benefits of the joint proposal by incorporating mixed use residential, commercial and tourism investment in Downtown London that align with the proposal's Vision, goals and outcomes.

The Grand Theatre's site investment proposal enhances both qualitative and capacity dimensions of one of London's cultural 'jewels' by physically positioning the Theatre for expansion as is currently being planned. The Theatre, as a professional arts organization, has contributed significant economic benefits through its ongoing operations for decades, attracting over 110,000 to 115,000 people per year to various performances, shows, meetings and events in the Downtown. This dimension of the integrated proposal is designed to sustain and grow The Grand's current level of economic legacy to the Downtown and the community by investing in its site as a basis to expand its venue in order to improve the range of programming, audience and performer experiences, and to gain significant operational efficiencies and enhanced space utilization. This site-based investment will position The Grand Theatre to deliver increased culture and economic contributions, while improving the sustainability of one of London's most valued heritage facilities. The future economic impacts of its proposed expansion involves a significant construction program that will create employment and economic spin-offs, as well as increase the Theatre's current economic impact contributions derived from its long history of well attended productions and events.

The Celebration Centre component of this joint proposal introduces an important new cultural asset for music and dance that will have both construction and ongoing performance-based economic benefits. The Centre will become an evident destination, attracting considerable audiences to the downtown area estimated at some 200 plus events per year, attracting 100,000 plus attendees annually. This investment in a new cultural asset creates potential market synergies with The Grand Theatre's investment by creating increased critical mass cultural offerings and by generating new economic benefits.

The third component of this joint proposal initiative involves private sector development. Two condominium / hotel towers will bring potentially 800 to 1000 new people into a downtown residential setting that will increase both the levels of economic activity and the dynamics of Downtown London. This investment aligns with key trends in downtown residential living preferences of younger generations. It will support the attraction and retention of these individuals in London, which have become an important community goal. This development would also have main floor retail / commercial offerings that will increase business activity in the Downtown. Through increased business activity, as well as annual property taxes and one time Development Charges, there are both immediate and continuing economic benefits to London and the Downtown.

2.3 Proposal Investment Framework

Building on the work completed to date by The Grand Theatre and Music London, the results of the community consultation sessions and the goals of the Investment and Economic Prosperity Committee of Council, a collaborative proposal has emerged that has the potential to be a significant development catalyst for both Downtown London and the arts and culture sector. This investment proposal builds on the opportunities for The Grand Theatre and Music London, and on the strengths of their two initial proposals within a comprehensive and economically beneficial Vision for Downtown London as a vibrant, growing and diverse Arts and Entertainment District that will become an evident and attractive destination.

The primary dimensions of this proposal incorporate a series of connected initiatives that both support immediate outcomes for an Arts and Entertainment District, as well as act as a catalyst for longer term private sector development in Downtown London. The key development components of this proposal are as follows:

- The Grand Theatre's current efforts are first focused on expanding its land base through acquisition of three adjoining neighbouring properties on Richmond Street that have been identified as available. This acquisition creates the basis for the Grand Theatre to both reconfigure and expand its existing space to maximize use and efficiencies. Without the land, the expansion and reconfiguration of The Grand cannot occur. The investment in enlarging the site allows for the addition of performance, production and rehearsal capacity; increased community, education and support spaces; and improved entrances, facades, amenity and administrative areas. The initial land investment allows the Grand Theatre to undertake the planning, design and fund development efforts necessary to achieve its primary stated goal: to

realize improved artistic and visitor experiences, increased programming spaces and enhanced urban integration connections for the Theatre with Richmond Street and the neighbouring downtown community;

- Music London would undertake the development of the Celebration Centre on the Centennial Hall site, also incorporating part of the adjoining London Life parking lot. London Life has expressed its interest in this project via continuing discussions as per correspondence attached in Appendix I. The development of the Celebration Centre would be the cornerstone to a broader mixed use development initiative that would provide a world class performance hall for music, dance, choral and other uses for professional, community-based arts organizations and travelling performances.
- Private sector interest to partner in the development of the two significant downtown investment projects proposed has been expressed by several firms. York Developments Inc., has proposed the following:
 - A condominium tower of 200 units of fourteen storeys on Princess Avenue that would provide a unique downtown residential experience based on its direct proximity to Victoria Park, Richmond Row and the Celebration Centre.
 - A condominium / hotel tower of 200 units of twenty-four storeys that would overlook Victoria Park and give a Central Park ambience and connection to the development.
 - The inclusion of retail elements on the main floors of the two towers that would increase the mixed use scope and economic benefits of this proposal.
- The City of London would have the opportunity, if desired, to redevelop Reg Cooper Square as a more contemporary and attractive urban amenity that could complement City Hall, Victoria Park, Wellington Street and the Celebration Centre, as well as to extend Princess Avenue westward to Wellington Street. Opportunities would also exist for additional land development initiatives in the future by the City on the south side of Princess Avenue.
- The joint development of a 300 unit underground parking facility associated with the Celebration Centre that would meet London Life's daytime, Monday to Friday, staff parking requirements, add additional public parking capacity, and together with the City Hall parking area, provide 550 to 600 parking spaces for weekday evening and weekend use for Celebration Centre and Victoria Park events, as well as downtown shopping and related business needs. This public parking capacity could increase to over 900 spaces if integration with the condominium / hotel tower parking facility were incorporated.

This Celebration Centre development would result in a world class music facility that would be added to the City's culture asset mix, community organizations would have a high quality facility to offer and develop their programs, and a range of travelling productions and shows could be brought to the community that are beyond the ability of Centennial Hall to support. Based on its targeted seating size of 1,300 people, the venue would not compete with the RBC Centre at Budweiser Gardens or other private performance sites.

This joint proposal would also act as a catalyst for longer term redevelopment opportunities on Wellington and Richmond Streets, Queens Avenue and other aligned areas of the Downtown London by the broader private sector that could generate additional economic development benefits for London.

3 Celebration Centre Mixed Use Venue Proposal

3.1 Introduction

The following information outlines the Celebration Centre Mixed Use Development based on source materials from Music London’s Celebration Centre submission of June 2013, subsequent meetings and discussions with project consultants, partners, the Task Force and other project development sources.

3.2 Partners

The development of the Celebration Centre has been based upon partnerships across a spectrum of development and management dimensions central to the success of this proposed investment initiative.

Music London	A not-for-profit, community volunteer organization with the goal of realizing the development and commissioning of the Celebration Centre.
York Development Consortium	A London development firm since 1983 experienced in major residential, institutional and commercial development project of over \$500 million, who will undertake, with their consortium partners and potential London developers, the development of the two condominium towers. The private consortium would undertake all responsibility and all risks for the project financing, design, construction and sales requirements of their development.
Ellis-Don Corporation	A London firm responsible for the project’s development, management and construction processes. Based on their over fifty years of experience on major construction initiatives, including the development of numerous cultural facilities, they provide a strong construction risk management capacity for this proposal.
Global Spectrum Limited	The day-to-day managers of the Celebration Centre, building on their extensive major venue operating experiences associated with Budweiser Gardens in London, and over 100 other sport, entertainment and culture venues across North America, including the 1300 seat Sandler Centre in Virginia Beach, Virginia; Hamilton Palace Theatre and the Memorial Community Centre, Lowell Massachusetts.
City of London	A catalyst and financial contributor to the realization of the mixed use development proposal, and the Celebration Centre as a key community cultural asset.

3.3 Celebration Centre

3.3.1 Concept

The concept proposed by Music London is to develop a world class, non-amplified sound music venue that will support professional orchestra; such as Orchestra London; community-based choral, music and dance groups; and travelling performances. The proposal calls for the replacement of Centennial Hall which will be fifty years old in 2017 and has significant performer and audience experience challenges. In 2007, the Novita Report on Centennial Hall commissioned by the City of London identified the preferred strategy for the City was to replace this facility with a more contemporary and functional facility rather than to undertake a reinvestment strategy, and that the end of life value of the building would occur in approximately 2017.

The new Celebration Centre would involve:

- The City's contribution of part of the Centennial Hall site to Music London ;
- Music London acquiring the adjoining London Life surface parking lands;
- The development of a new Celebration Centre of 55,832 square feet, comprising a 1,300 seat theatre; a 400 seat recital theatre; and associated box office, facility management, foyer / reception hall, storage, technical support, and related spaces for a building of this quality and range of uses. The Celebration Centre would be a standalone building at the northeast corner of Princess Avenue and Wellington Street, as illustrated in Figure 2.

As with any project of this nature, some evolution of the number of theatre seats could occur as additional market information, partnerships, funding outcomes and related perspectives emerge through the venue development process. Also, the proposed design would have a minimum of twenty fly ceiling points capable of 2,000 to 2,500 pounds each that would be masked within the fifty-five foot height of the stage ceiling that would support the needs of travelling music, opera, dance and other shows relative to flow tower requirements. This strategy emerged from production team discussions with the Royal Winnipeg Ballet staff.

The proposal would also create opportunities for the City of London to extend Princess Avenue westerly to connect with Wellington Street, improving traffic flow in the area, as well as opening up potential redevelopment opportunities both in terms of the lands on the south side of Princess Avenue and the possibility of enhancing the attractiveness, functionality and urban design and integration perspectives of Reg Cooper Square as per Figure 3.

Figure 2 – Venue Context

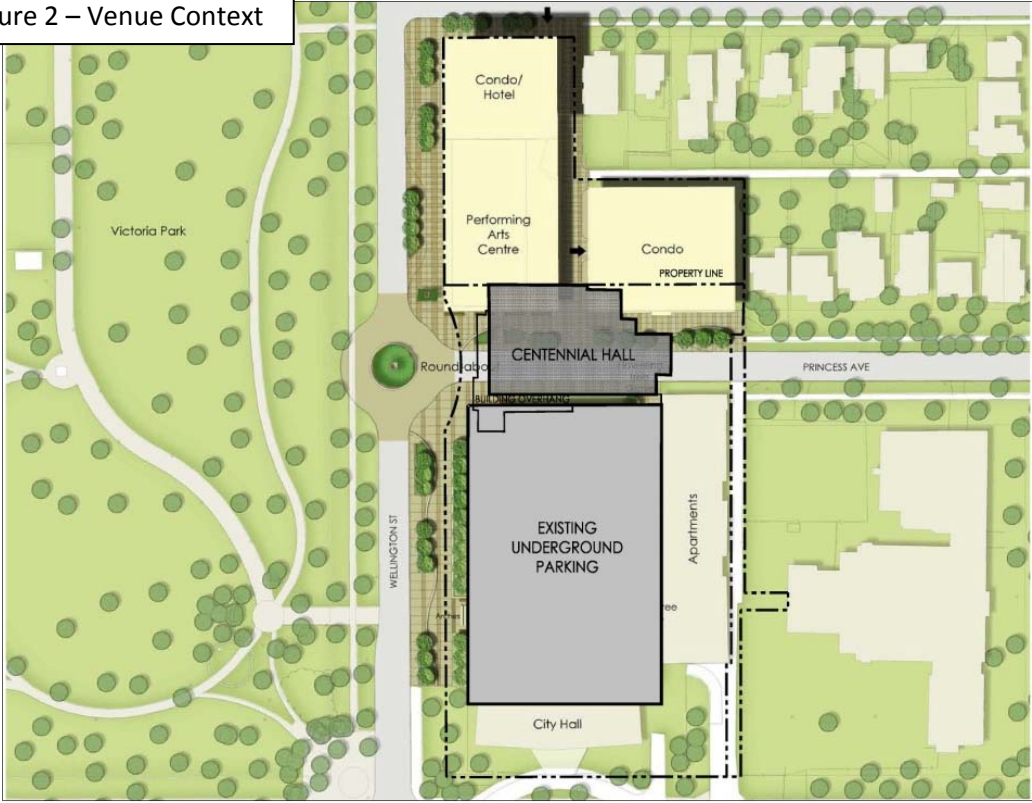


Figure 3 – Proposed Development Overlay



3.3.2 Vision and Direction

The Celebration Centre would have a diverse user mixed capacity to meet professional, community-based and travelling music and dance performance needs. Over thirty community organizations have had discussions with Music London with respect to their possible ongoing engagement with the Celebration Centre.

Beyond the users' input, the proposal has also been built upon the Novita 2007 report's artistic goals for London:

- Support artists and works that address or reflect contemporary life in London;
- Encourage a diversity of voices in multiple forms of cultural expression;
- Create synergies between artists, presenters, sponsors and audiences;
- Foster a better understanding and appreciation of culture;
- Reflect the richness and vibrancy of London's cultural heritage to the widest possible audience;
- Provide exposure and access for London residents to performers and audiences from outside London;
- Help realize the potential of new media and technology to extend the range of artist expression and to facilitate greater access to contemporary culture.

Based on this series of inputs and development discussions, the following vision and goals have been developed for the Celebration Centre.

<i>Vision</i>	A new Celebration Centre for London that: <ul style="list-style-type: none">• Musicians will love to perform in;• Audiences will be thrilled to attend;• A world class facility for world class talent, and a focal point for celebration, civic pride, intelligent design and a community legacy.
<i>Goals</i>	<ul style="list-style-type: none">• To support local talent and to attract quality international performers;• To strengthen and shape London's identity and future economic prosperity;• To support, develop and define London as an attractive and competitive visitor destination that is home to a thriving and modern music and entertainment culture.

Principles

- Move London's economy forward faster while contributing to its long term prosperity;
- Create jobs;
- Leverage private sector investment;
- Stimulate spin-off benefits;
- Build beneficial partnerships;
- Benefit key downtown and culture sectors;
- Contribute to transformational change in London's economy and its downtown.

The community use of the Celebration Centre would involve the following:

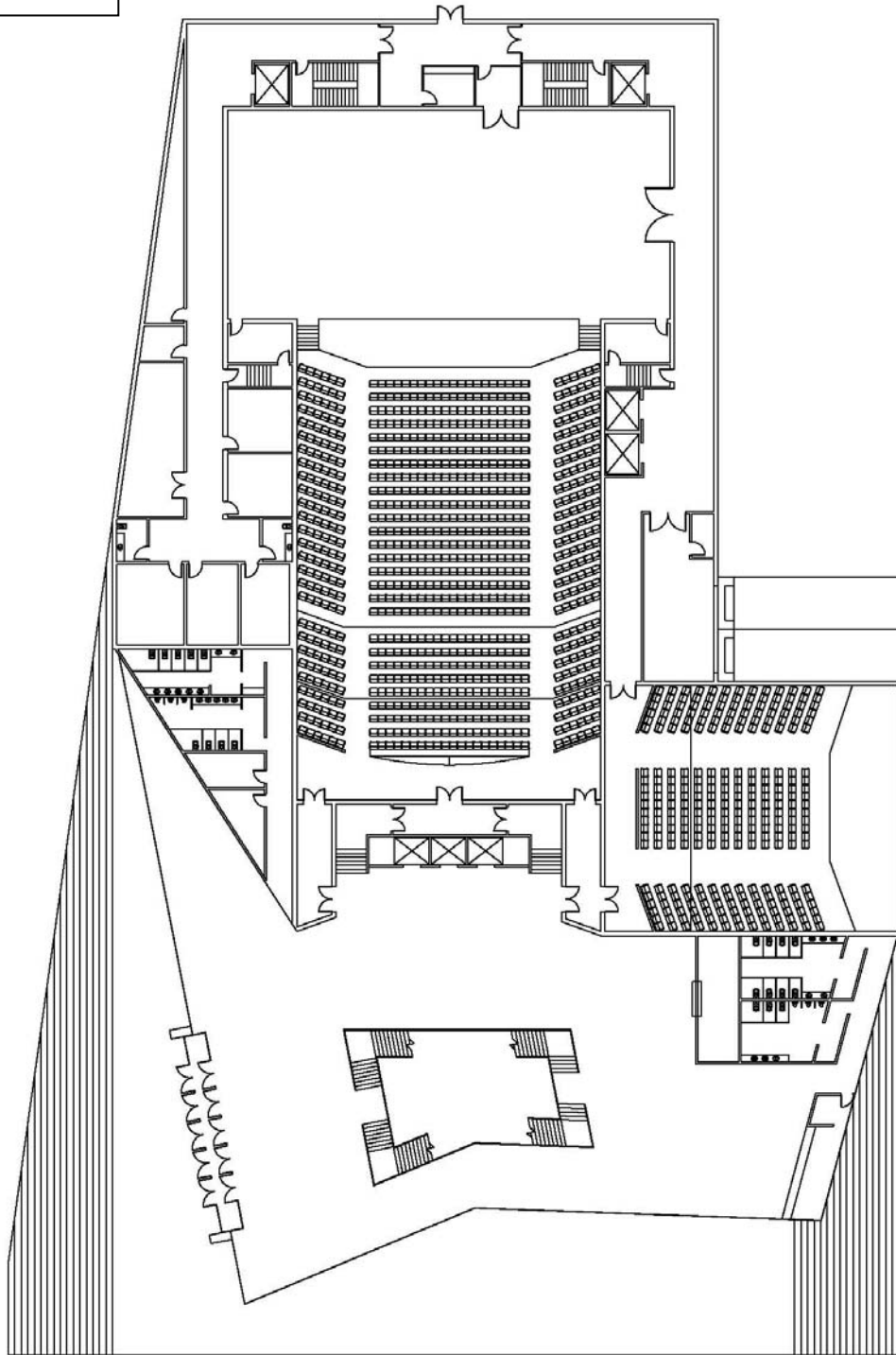
- A venue for community choral, music, dance and other groups, covering all age ranges and capacities to use a venue that supports their individual development / rehearsal and event / performances requirements.
- A venue for Orchestra London, which has provided live orchestra music performances since 1937, some sixty years, to Londoners, regional residents and visitors.
- A venue for educational experiences in music and dance for multiple community audiences involving school groups, community organizations, individual residents and visitors to London.
- A centre for civic receptions, meetings, special events and other community assembly activities that could benefit from a uniquely different venue.

Figures 4 to 5 provide concept images of the facility exterior and possible floor template.

Figure 4
Celebration Centre Concept



Figure 5
Concert Hall Floor Template

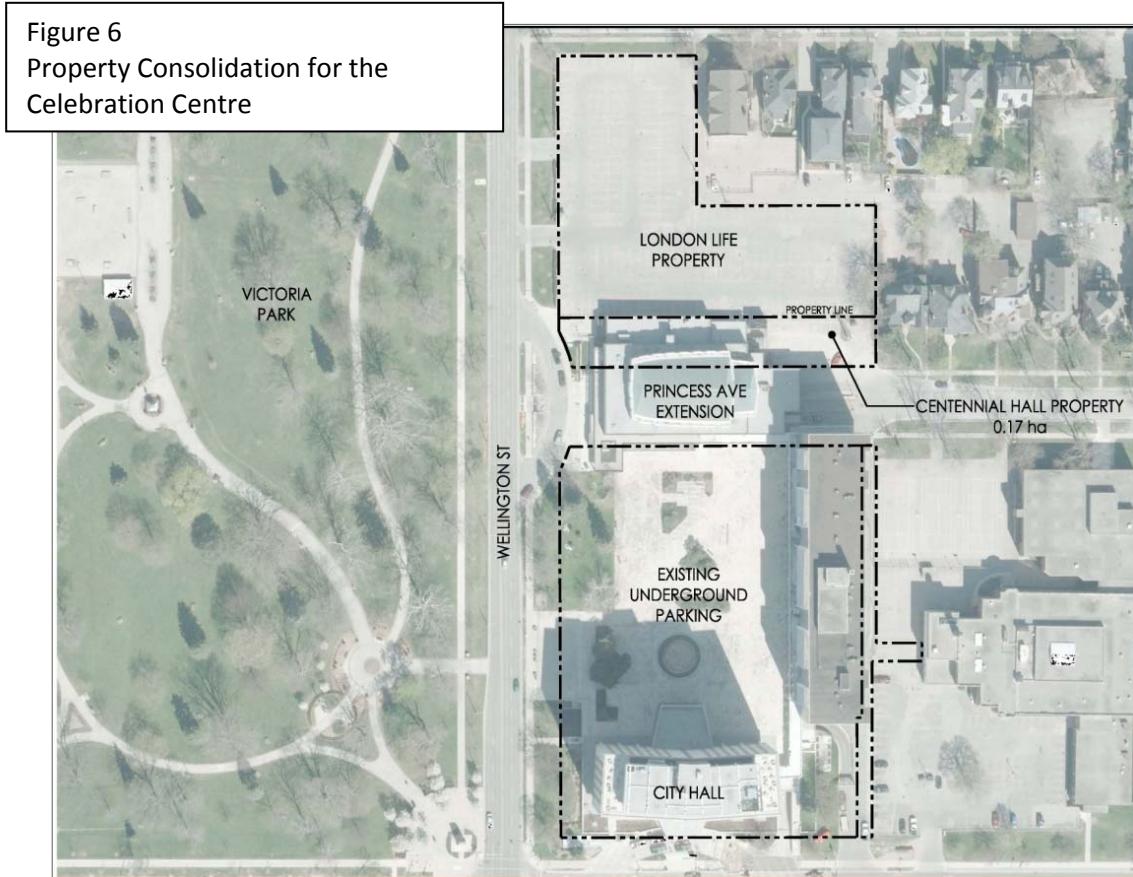


3.3.3 Venue Consolidation

The site for the Celebration Centre involves two parcels of land on Wellington Street as per Figure 6:

- 550 Wellington Street which is Centennial Hall owned by the City. This is a site of approximately .40 hectares or 1 acre, comprising of 43,560 square feet.
- The adjacent London Life parking lot north of Centennial Hall, owned by the London Life Insurance Company. It totals .615 hectares or 1.52 acres involving 66,211 square feet.

Based on CBRE Real Estate Brokerage site reviews, the sites are zoned as DA-1(1) which represents a special Downtown Area zoning that has broad development applications. For both sites, the zoning allows for 350 residential units per hectare. Based on CBRE's estimated land value for the area of \$75 per square foot, the London Life property is valued at approximately \$5.0 million.



Stantec

Figure 2 also provides the geographic context of the current Reg Cooper Square, the existing apartment, the current Centennial Hall and Princess Avenue. It also depicts the location of the proposed Celebration Centre and the two proposed condominium towers. Based on this assessment, the following site consolidation requirements have evolved:

- 100% of the London Life property is required for the condominium / hotel and second condominium towers, and the Celebration Centre;
- 30% of the City’s Centennial Hall site is required for parts of both the Celebration Centre and the condominium tower. The residual Centennial Hall land would support the extension of Princess Avenue and the future development of Reg Cooper Square and / or future land development opportunities that the City could pursue on the south side of Princess Avenue.

The contribution from the City would involve the transfer of the identified lands, with Centennial Hall demolished, to Music London. The timing of the Centennial Hall site transfer could occur approximately six months prior to construction starting on the Celebration Centre. The City’s contribution of land would entail approximately 13,068 square feet of the existing 43,560 square feet valued, with demolition, at \$1,730,000 involving \$980,000 for the land value and \$750,000 for demolition.

Music London would consolidate the land area via the contribution from the City and would acquire the London Life site resulting in a total land area of approximately 97,000 square feet. Some 60,000 square feet, would be required for the two condominium towers and would be sold to the development partner at \$80 per square foot or \$4.800 million. These land allocations are tentative at this time until onsite legal surveys and final design drawings are completed.

The leasing of the needed portions of the Centennial Hall site could be considered. However, such a strategy could create challenges for the private partners to secure financing for their project that requires some of the Centennial Hall site.

3.3.4 Capital Cost Profile and Community Endowment Fund

Table 3-1 profiles the projected capital costs for the Celebration Centre based on inputs from Ellis-Don Corporation, Global Spectrum Limited, Novita Consultants, Stantec Consultants and via the assessment of similar facilities in North America.

**Table 3-1
Celebration Centre Capital Costs**

1 Land Consolidation		
0.1	London Life (.615) ha / 1.52 a)	4,966,000
0.2	30% Centennial Hall Site and Demolition	1,730,000
	Subtotal Land Consolidation	6,696,000
 2 Facility Contribution		

Table 3-1**Celebration Centre Capital Costs**

0.1	Site Planning and Servicing	575,000	
0.2	Building Construction		
	Main Performance Centre & Facilities		
	(51,832 sq. ft @ \$500)	25,916,000	
	Additional Theatre		
	4,000 sq. ft @ \$400	1,600,000	
	Subtotal Facility Contribution		<u>28,091,000</u>
3	Professional Fees		
0.1	Architects & Engineers (10%)	2,809,100	
0.2	Specialized Consultants (2%)	561,820	
0.3	Fees for Service (1%)	280,910	
	Subtotal Professional Fees		<u>3,651,830</u>
4	Equipment & Furnishings		2,495,000
5	Miscellaneous Expenses		<u>1,079,650</u>
6	Estimated Land, Design and Construction Costs		42,013,480
7	Project Support Costs		
0.1	Contingency @ 5%	2,100,674	
0.2	Bridge Financing	1,000,000	
0.3	Community Endowment Fund	5,000,000	
	Subtotal Project Support Costs		<u>8,100,674</u>
8	Total Project Cost		<u><u>50,114,154</u></u>

The estimated project capital costs for the Celebration Centre are \$50.1 million. The primary capital costs involve land, facility construction, fit-out and bridge financing for the Celebration Centre estimated at \$45.1 million.

The second, and a vitally important capital cost component incorporated in Table 3-1 is the \$5 million Community Endowment Fund. The Community Endowment Fund is an essential funding tool in maximizing community group access to, and engagement with, the Celebration Centre, as well as supporting the educational, music and dance skills development and performances of Londoners of all ages. The Fund could be managed as to its investment by a third party, such as the London Community Foundation, and the earned income allocated by the facility manager based on Board of Directors' policies and directions to community users.

The key requirements for the Celebration Centre have been identified as profiled in this report as to seating, square footage, etc. The sources of information and input have been based on fourteen other concert halls in North America including visitation to Koerner Hall in Toronto and Centre in the Square in

Kitchener, as outlined in Appendix III. The expertise of Ellis-Don Corporation in building such facilities and Global Spectrum in managing them has been drawn on extensively to develop the capital cost forecasts. Final design efforts, once the project is approved and funded, will solidify the actual physical data on the facility.

3.3.5 Estimated Operating Cost Pro Forma

The venue operating program will focus on maximizing revenue generation, particularly from travelling shows and productions and using the main hall for ticketed performances. The strategy will therefore focus on the following two approaches:

- Local professional and community music, choral and dance groups will primarily be booked for Monday to Thursday use of the Celebration Centre. Up to ten to fifteen weekend dates will be allocated to these groups to support their main performances. They could also use the main hall if no bookings are in place.
- Rehearsals and practices will be undertaken in the smaller theatre or off-site. No ticketed revenue events will be displaced for these types of uses which can occur in selected different locations.

Table 3-2 profiles the updated 2017 to 2020 estimated operating pro forma related to revenues and expenses for the Celebration Centre. In Appendix IV are the supporting materials that have been utilized to develop related utilization levels by type of use, various revenue sources and operating costs that collectively supported the development of this summary as sourced from the original Music London, June submission, and updated as new information has been developed. The development of the three year operating pro forma has been based on Music London assessing fourteen other similar performance centres, an analysis of the intended uses and users for the Celebration Centre, thirty years of Orchestra London experience using Centennial Hall and as reviewed by Global Spectrum Inc., based on their multiple venue management experience.

**Table 3-2
Celebration Centre
Three Year Operating Budget Pro Forma**

	2017	2018	2019	2020
REVENUE				
Sponsorship	30,000	30,000	30,000	30,000
Box Office Service Fees	49,000	157,238	175,952	178,497
Concessions, Merchandising	42,000	160,458	161,034	161,219
Advertising and Commissions	13,000	58,000	61,700	63,100
Rental Revenue <i>(as base rate)</i>	270,000	943,300	967,875	977,495
Rental Revenue <i>(as recovered operating costs)</i>	150,000	543,820	600,000	650,000
Fundraising and Donations	50,000	100,000	100,000	100,000
Federal Grants	0	0	0	0

**Table 3-2
Celebration Centre
Three Year Operating Budget Pro Forma**

	2017	2018	2019	2020
Provincial Grants	0	0	0	0
City - Operating Grant	500,000	750,000	750,000	750,000
Other Grants	0	20,000	5,000	5,000
Amortization/ Capital Renewal Reserves	30,000	105,498	117,974	119,671
One-Time Funding for Start-Up Costs	340,000			
Revenue Total	\$1,474,000	\$2,868,314	\$2,969,535	\$3,034,982
EXPENSES				
Human Resources	757,500	1,263,272	1,322,500	1,377,500
Operating Expenses	536,690	1,008,300	1,065,000	1,115,900
Start up costs	500,000			
Expense Total	\$1,294,190	\$2,271,572	\$2,387,500	\$2,493,400
Projected operating surplus/ (deficit)	\$179,810	\$596,742	\$582,035	\$541,582

Based on the operating pro forma developed for the Celebration Centre, the City of London would be asked to sustain and transition its current annualized operating contributions for Centennial Hall to the Celebration Centre. This includes the \$100,000 management fee and the \$250,000 facility costs the City currently funds for that venue.

Based on this financial operating model, the Celebration Centre is positioned to break even, with no additional grants being requested from the City beyond the current contribution levels.

3.3.6 Project and Capital Risk Management

For the Celebration Centre, Music London has retained Ellis-Don Corporation as its project construction managers. The firm has extensive experience over the last fifty plus years in the managing of major construction projects. This expertise would be a significant contributor to the risk management dimension of ensuring the project is on time, on budget and within the parameters established.

The role of the construction project manager is the team player who guides and leads the project through the preconstruction and construction processes, providing expert construction related input on all phases of the project across design, commissioning and warranty inspections. It is important for the project manager to be involved in the design process, giving input on constructability, availability and cost. Ellis-Don's program experience in this regard is built upon an experienced understanding and analysis that achieves design and intent, functional requirements, budget constraints and scheduling goals. One of the key deliverables of the project manager will be a comprehensive value engineering

process. This process identifies areas where significant contributions can be made to reduce costs, accelerate construction processes and enhance the overall value of the project while maintaining the intended quality and performance capacities.

By integrating Ellis-Don into the project management role, an experienced partner is in place to optimize and assist in the selection of the preferred design and construction alternatives that will be available to the Celebration Centre project. This process has had proven success in other projects undertaken by Ellis-Don and will balance benefits of the multiple interests and needs associated with the Celebration Centre.

If the capital cost projections for the Celebration Centre building were to increase beyond those cited, Music London and its partners would take responsibility to adapt the project and / or undertake additional community and corporate fund development to cover such costs.

3.3.7 Celebration Centre Operations and Risk Management

The operations and management of major cultural assets is an increasingly complex, competitive, financially-driven and challenging area of endeavour. Management capacities today have to be more market-based, proactive and continually connected to evolving audience and performer trends and interests.

To meet this need, it is proposed that the Celebration Centre would be operated by Global Spectrum Limited. This firm has operated the Budweiser Gardens successfully for over ten years, and is currently operating over 100 facilities across North America, including a number of significant cultural venues.

Global Spectrum also has access to aligned companies that operate within the food and beverage services and performance / production and travelling show sectors that will add significantly to the Celebration Centre's ability to attract performances that align with the capacity of the facility, and which will enhance the financial performance of the Centre's ancillary services and overall financial pro formas.

The Celebration Centre will be a world class, music and dance venue that will also have a mix of professional touring and community organization performances and uses. The experience of Global Spectrum across the array of intended uses, their significant understanding and experience in London and their broader corporate capacities, in terms of both experience and aligned industries / services, will be a valuable management contribution to the success of the Celebration Centre.

It is proposed that Music London, would enter into a contract with Global Spectrum to manage and operate the facility within the performance targets that are agreed to. The effective use of an experienced management company will be a significant contributor to the risk management strategy of the Celebration Centre in sustaining the projected operating budgets. Global Spectrum has undertaken a review of the proposed operating pro forma and has indicated it reflects its experiences in similar venues.

3.3.8 Celebration Centre Governance and Ownership

Music London’s goal is to bring to fruition the development of a world class music and dance venue. It is proposed that once the development of the venue moves forward, Music London will become incorporated as Music London Foundation Inc. It would undertake ownership of the facility and contract out the management and related components.

The Board of Directors of Music London Foundation Inc., is proposed to comprise twelve volunteer community individuals, of which one would be allocated to a representative appointed by Orchestra London. The other eleven Director positions would be secured from the community based on a skills-based selection process that would cover key areas of interest with respect to community development and relations, fund development, legal and accounting, and related need areas. The Board of Directors also needs to be reflective of the overall community in terms of multi-culturalism, age, gender, users and areas of interest which will be important to the Centre’s successful ongoing operations, and the achievement of its goals.

3.3.9 Initial Financing and Project Development Schedule

The Celebration Centre will require approximately \$8.0 million prior to the start-up of construction as follows:

- \$3.5 million for professional design, legal, processing, financial / fund development and related costs;
- Approximately \$5 million to acquire the London Life site.

Related to initial capital revenues to cover the \$8.5 million, approximately \$4.80 million would come from the selling of the two condominium tower sites. Both the consolidation and sale of the London Life lands are planned to be finalized simultaneously, approximately one to two weeks prior to onsite construction start-up. The City’s initial 2015 and 2016 funding contributions of \$2 million per year would support the design, start-up and related costs prior to the initiation of the Celebration Centre’s construction.

TD / Canada Trust has indicated that they would undertake the bridge financing requirements of the development of the Celebration Centre during the construction phase based on Music London successfully achieving the capital funding required for the project.

The Centre’s development schedule is proposed as follows depending on funding support and approvals.

Presentation to the IEPC Council	January 27, 2014
City of London Approval of Contributions	April 2014
Funding Submission to the Two Senior Governments	May 2014
Senior Government Funding Approvals	December 2014
Centennial Hall Demolition Initiated	February 2015
Celebration Centre Design and Construction Preparations and Tendering Finalized	August 2015

3.4 Private Sector Development Partnership

The private sector partners will undertake to design, develop, finance and sell 400 condominium and condominium / hotel tower units across two towers and the first floor commercial / retail space.

The development partner will undertake the following actions:

- Accept risks and responsibilities for the two proposed condominium towers as to design, development, construction, financing and sales.
- Enter into a possible joint integrated underground parking strategy that benefits the Celebration Centre, London Life, the City of London and the private developer.
- Enter into a Vacant Land Condominium Agreement with Music London for the integrated design, development, construction, financing and maintenance of the external areas of the mixed use development to ensure consistency of quality and flow, and to maximize site benefits.

Table 3-3 profiles the private sector development components investment profile as provided by York Development, and Ellis-Don Corporation.

Table 3-3
Private Sector Tower and Parking Facility Investments

1 Condominium Tower Investment Including Commercial Spaces			
Condominium / Hotel Tower I	200 units x \$250,000	50,000,000	
Condominium Tower II	200 units x \$250,000	50,000,000	
Subtotal Condominium Investment			100,000,000
2 Parking Facility at the Celebration Centre			
	300 spaces @ \$30,000 per space		9,000,000
Total Private Sector Investment			109,000,000

3.5 Parking Strategy

Table 3-4 outlines the parking strategy that could be developed for this area of Downtown London. It involves all underground parking with the potential availability of 1,050 spaces in three components – self-contained parking of 250 spaces for the condominium tower, conjoint development of 550 spaces for the condominium / hotel tower and the Celebration Centre, and potential integration with City Hall’s underground parking involving approximately 250 spaces.

**Table 3-4
Mixed Use Development Parking Profile**

Component	Spaces	Status
Condominium Tower	250	Dedicated to users
Condominium Tower / Hotel	250	Dedicated or integrated with Celebration Centre
Celebration Centre	300	250 for London Life staff Monday to Friday daytime use. Available for weekday evenings and weekend public use
City Hall	Approx. 250	Dedicated Monday to Friday daytime, available for weekday evening and weekend use
Total	1,050	

The parking strategy would allow 250 parking spaces to be guaranteed for Monday to Friday day time parking for London Life employees. The current London Life lot supports 217 spaces for employees but a waiting list exists. A short term parking strategy during construction would be developed between Music London and London Life to ensure continuity of parking availability.

The parking strategy would result in 50 parking spaces being available for public day time proposed parking Monday to Friday, plus 250 parking spaces for the condominium / hotel tower that could be operated conjointly and contribute another 50 public weekday daytime spaces.

For Monday to Friday evenings and on weekends, approximately 250 City Hall underground parking spaces, plus the 300 parking spaces under the Celebration Centre and some of the condominium / hotel tower spaces would be available for parking for Celebration Centre and Victoria Park events or other downtown parking needs. In total, 1050 parking spaces could be made available for mixed use opportunities, all underground, thus enhancing the urban design and aesthetics of City Hall and the Victoria Park area, and the Wellington Streetscape.

From an ownership and operating perspective, the self-contained condominium tower would own and operate its own parking. The City of London would continue to own and operate its City Hall parking. A potentially conjoined parking facility, involving the condominium / hotel tower and the 300 parking spaces under the Celebration Centre could be owned and potentially operated via different approaches. These strategies could involve the condominium / hotel tower corporation or the City of London or the Celebration Centre owning and / or operating them directly or via a parking services contract. A final approach to the ownership and operation of the Celebration Centre parking would be a point of negotiation with the City, the condominium / hotel developer and Music London.

Music London is also sensitive to the fact that the Kiwanis Club generates approximately \$60,000 a year via volunteer parking staff for events at Centennial Hall and Victoria Park from the London Life site. It is proposed that the Kiwanis Club would continue to have that relationship and would receive the first \$5 per entry up to a total of \$60,000 per year to the Celebration Centre's 300 parking spaces, with any revenues beyond the first \$5 going to the owner and / or operator of the Celebration Centre's parking facility as per the agreement(s) to be developed.

The capital costs of the underground parking at the Celebration Centre is estimated at \$9 million based on \$30,000 per parking space and has not been included in the Centre's capital costs as it will be a self-financing investment as to its capital repayment and operating costs. It would likely not involve Music London directly but only as a beneficiary of the spaces being available. The development of the parking facility under the Centre is proposed to be developed and operated by a private sector partner, the City of London or an integration of parties involved. Any proportionate revenues to the Celebration Centre are not known at this time as they are dependent on final agreements. At this time, parking revenue has not been incorporated into the Celebration Centre's operating pro forma.

4 The Grand Theatre

4.1 Introduction

The Grand Theatre opened September 9th, 1901, and has been serving Londoner's entertainment and professional performing arts interests for 113 years. The theatre building has gone through an eventful history as an opera house from 1901 to 1924 and a movie theatre from 1924 to 1944. It housed the London Little Theatre from 1945 to 1971 and became a professional regional theatre known as The Grand Theatre starting in 1971.

The Theatre underwent a \$5 million renovation in 1977 and has had significant upgrades and renovations made to its facilities since that time.

The Grand Theatre has hosted innumerable stage productions and performing arts shows involving many acclaimed artists over its long history, including W.C. Field, Michael Redgrave, Jessica Tandy, Hume Cronyn, Michael Burgess, Maggie Smith, William Hutt, Martha Henry, Karen Kain, Victor Garber and others.

The Grand Theatre's Board of Directors, for a number of years, has been planning the need to expand the Theatre's capacities to allow it to reach an enhanced level of stage productions, operational efficiency, improved performer and audience experiences and to continue to expand the array of stage productions and related performances that have long been supported by Londoners and visitors. This acquisition of the Richmond Street properties allows The Grand to create and solidify the land footprint it needs to undertake its future expansion and growth strategy. Without access to this land, and due to the complicated lands configuration in the area, the securing of the necessary lands to undertake both an expansion and major reconfiguration of The Grand Theatre would be severely constrained or impossible. The vital first step in The Grand Theatre's vision and future is achieving the land base necessary for its future growth and development as a vital arts and cultural resource for Londoners and visitors.

This initiative represents a significant advancement in cultural assets' development for London by continuing The Grand Theatre's capability to grow and improve the availability of quality stage productions and related performances and community uses for the next generation of Londoners and visitors.

4.2 Vision and Goals

The Grand Theatre has developed its expansion strategy based on its continuing Vision and Values.

Vision

A vibrant, inviting and architecturally-significant space for creative expression in the heart of the Downtown London.

Values

All our choices are governed by an inherent respect for the arts, the community and the City of London, through:

- Artistic excellence
- Inclusivity
- Sustainability

The Grand Theatre has built its proposal on key City initiatives and policy directions, all having strongly endorsed the value of having a vibrant cultural presence in Downtown London.

- Rethink London
- The City's Cultural Prosperity Plan
- the Downtown Master Plan
- Associated cultural resource mapping.

The Grand Theatre's renewal and expansion strategy will significantly contribute to the presence and capacity of the existing Downtown Arts and Entertainment District, which now includes The Grand Theatre, the new Fanshawe Centre for Digital and Performing Arts, Museum London, the Original Kids Theatre Company, the Arts Project, Jonathons, the Fringe Festival, dance studios, music venues, the proposed Celebration Centre and other venues.

The Grand Theatre's vision as a valued performing arts asset within the community is to achieve a growth strategy that will contribute significantly to strengthening London's position, and particularly that of Downtown London, as a more popular and diverse cultural destination.

4.3 Capital Development Plan

The request of The Grand Theatre within this proposal is for \$5 million from the City to secure the land necessary to support the future growth of the Theatre. Enlarging the footprint is a vital first step in achieving the Theatre's venue scale, performance flexibility and operating efficiency goals.

Figures 7 to 11 identify initial facility perspectives for The Grand Theatre's expansion that the site enlargement strategy would achieve. This strategy would entail five floors, 45,000 square foot expansion plan plus 13,000 square feet of renovations for a possible total development profile of 58,000 square feet. Table 4-1 identifies the functional additions and realignments providing square footages that could be considered. An expanded lobby / reception area across two floors; a new rehearsal hall on floors 4 and 5; a members' lounge; classroom and educational spaces; increased rehearsal, wardrobe and props areas; as well as café / restaurant, box office and administrative areas.

**Table 4-1
Grand Theatre Expansion Profile**

Floor	Total Per Floor	Room	Area (sq. ft)
1	11,219	Elevator	265
		Dressing Room	2,542
		Washroom / Janitorial	500
		Lobby / Reception	3,862
		Classroom / Rehearsal	1,910
		New 150-seat Theatre	2,140
		2	11,237
Rehearsal	960		
Props Room	1,450		
Washroom	269		
Café / Restaurant	2,510		
Lobby / Reception	4,200		
Box Office	1,180		
3	10,870	Lobby	3,450
		Members' Lounge	1,850
		Props Room	1,406
		Classroom / Rehearsal	1,645
		Elevator	260
		Kitchen	610
		Café	1,649

Floor	Total Per Floor	Room	Area (sq. ft)
4	12,912	Lounge / Reception	6,624
		Costume / Wardrobe	1,514
		Rehearsal Hall	2,310
		Elevator	260
		Kitchen / Bar	2,204
5	12,147	Administration	5,880
		Classroom	1,540
		Upper Rehearsal Hall	2,310
		Lunchroom	948
		Boardroom	1,204
		Elevator	265
	58,385	Total Square Footage	58,385

Figure 7
Grand Theatre Concept



Figure 8
Level 2 / Ground Floor

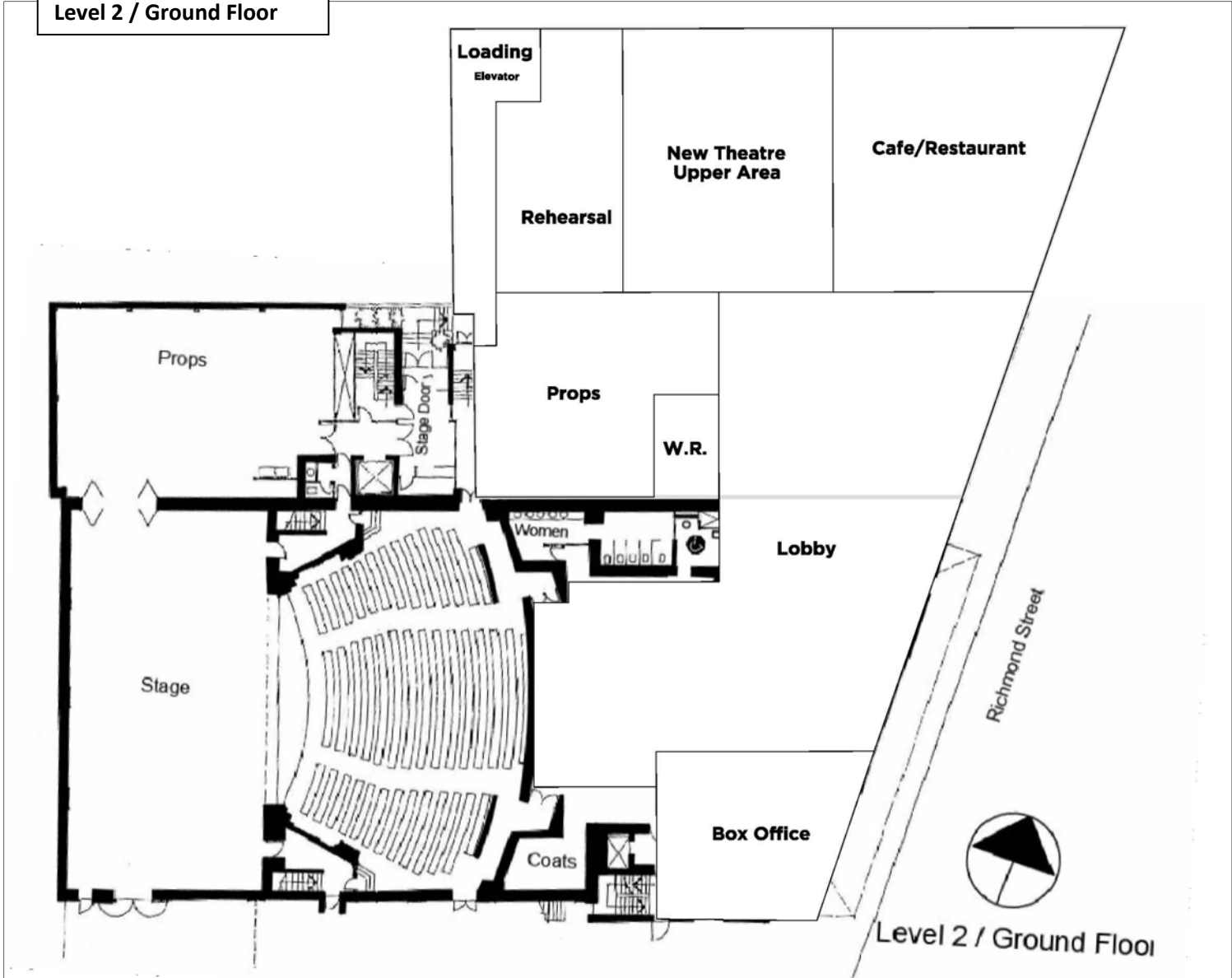


Figure 9
Level 3

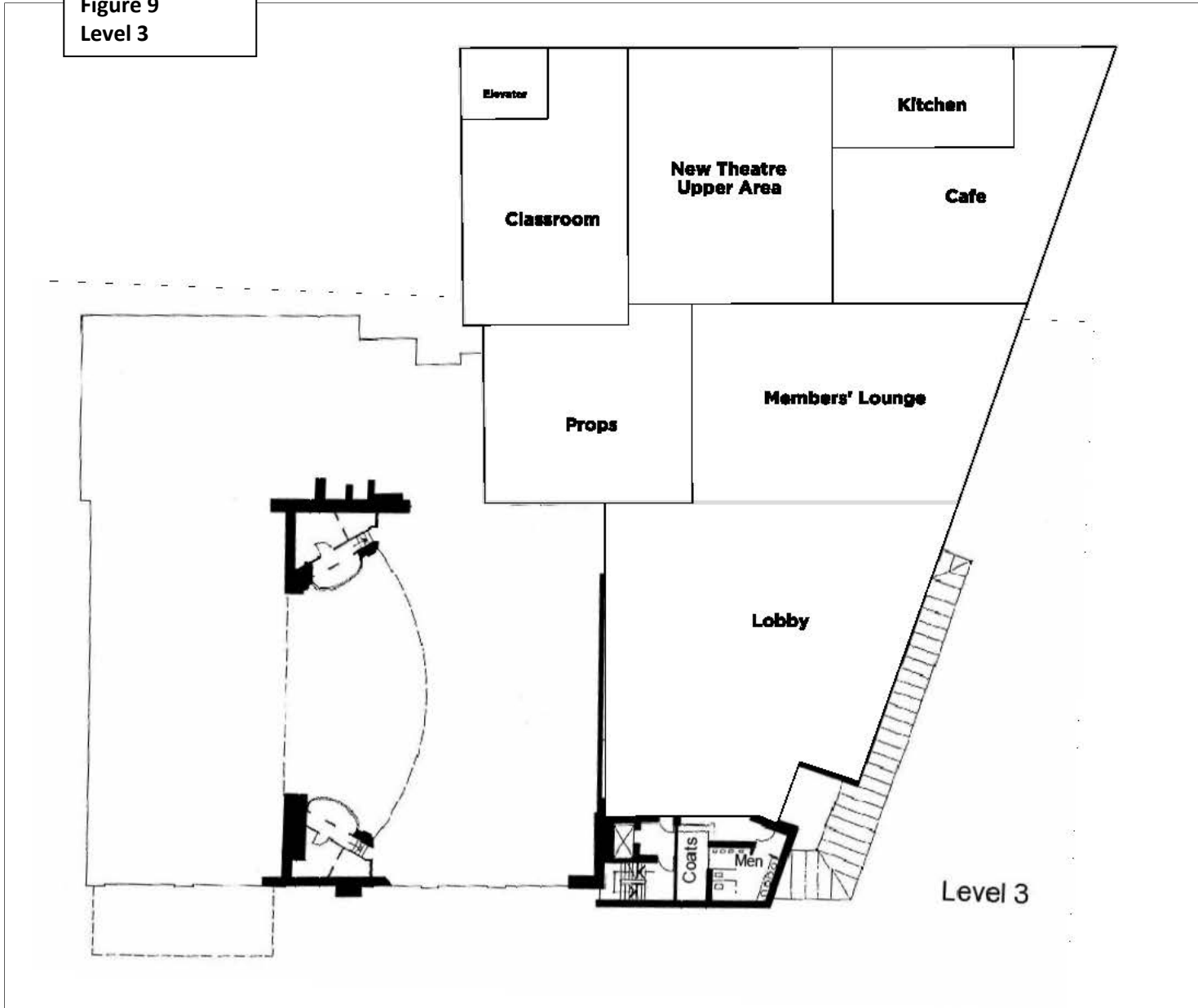


Figure 10
Level 4

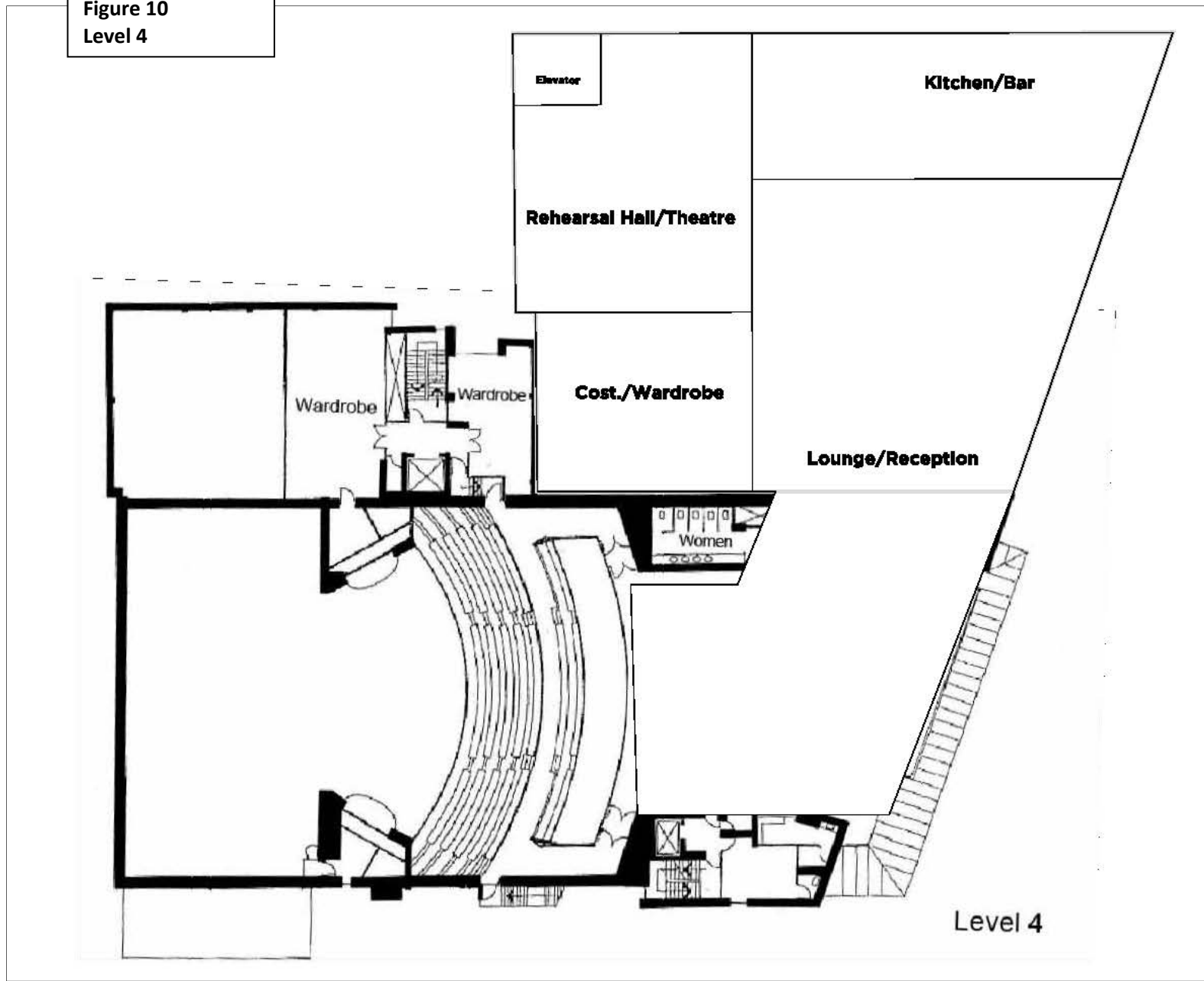
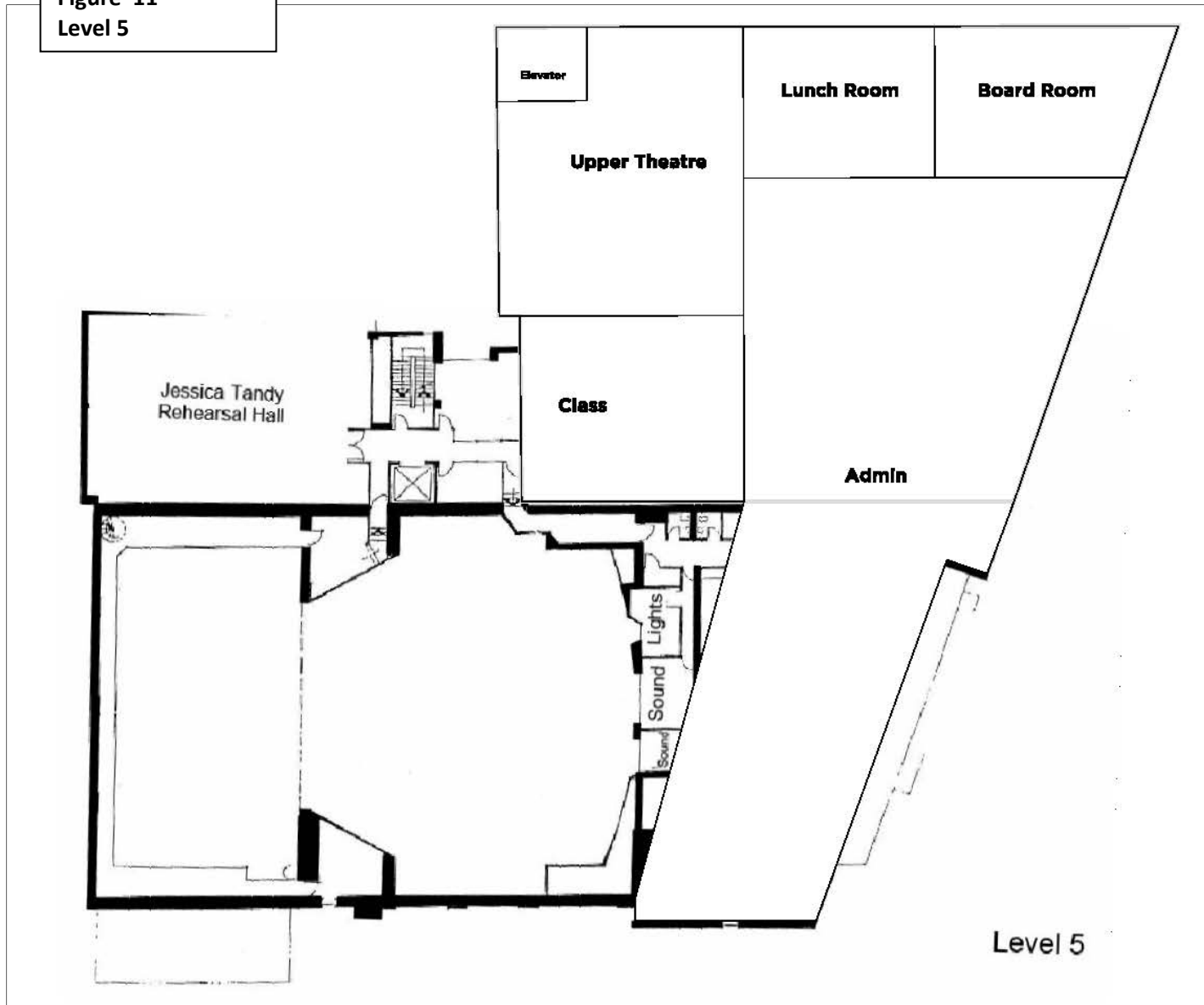


Figure 11
Level 5



To facilitate the renewal and expansion, The Grand Theatre is proposing to purchase three properties on Richmond Street as outlined in Figure 12. The properties cover 9,888 square feet and have an acquisition value based on CBRE Real Estate Brokerage’s site review plus the cost of demolition and site servicing, of approximately \$5 million. All the space additions and realignments will create an enhanced venue operating platform that will allow for increased performance opportunities in terms of both quality and offerings. This is particularly relevant with respect to the addition of a new rehearsal hall which will support smaller community organizations in delivering their performances in a venue suited to their scale and delivery levels. The Fringe Theatre Festival and similar organizations and events could be accommodated within this enhanced venue opportunity.

The Grand Theatre has consulted widely with community organizations to assess the need for educational, smaller performance venues and related supporting spaces, as well as the opportunity to provide these organizations with box office and related support services in developing the overall strategy.

Figure 12
Richmond Street Properties
For the Grand Theatre Expansion



4.4 Parking

No additional parking is planned as the current area’s resources are adequate for Monday to Friday evenings and on weekend with over 1000 parking spaces available on neighbouring streets, the two parking garages off Fullarton Street, the parking lot on Dufferin Avenue and other lots. This capacity will continue to be more than adequate for the needs of Grand Theatre patrons.

4.5 Estimated Capital Costs of Planned Expansion

Table 4-2 profiles the estimated capital costs for the broader Grand Theatre Plan involving the current land investment proposal and future venue expansion and reconfiguration. Only the land component is part of this proposal.

Table 4-2
Grand Theatre Development Capital Cost Profile

1	Land	5,000,000
2	Facility Construction	23,200,000
	58,000 sq. ft. x \$400 / sq. ft	
3	Professional Fees	
0.1	Architects & Engineers @ 10%	2,320,000
0.2	Specialized Consultants	400,000
4	Equipment & Furnishings	750,000
5	Other	350,000
6	Estimated land and Facility Costs	<u>32,020,000</u>
7	Bridge Financing	500,000
8	Project Contingency @ 5%	1,601,000
9	Total Estimated Project Cost	<u><u>34,121,000</u></u>

4.6 Operating Pro Forma

Table 4-3 identifies, based on calculations The Grand Theatre’s Board of Directors and management team, the adjustments to their current budget that will be required to support the proposal. The revenue generation would be in the order of \$286,500 across the five sources identified. The operating costs for the additional 45,000 square feet would entail approximately \$213,750 resulting in an increased contribution from the proposal of \$72,750 per year to The Grand Theatre’s financial results.

Table 4-3
The Grand Theatre Proposal Operating Revenues and Costs Estimates

Revenues	
Rentals: studios, rehearsal halls, classrooms, reception areas	30,000
Bar and Concessions	42,000
Increase in attendance (6,000 new patrons @ \$25 per ticket)	150,000
Restaurant Rental (2,500 sq. ft @ \$21 per sq. ft)	52,500
Box Office Revenues - processing tickets for rental clients	12,000
Total Revenues	<u>286,500</u>
Operating Costs (45,000 sq. ft @ \$4.75 per sq. ft.)	<u>213,750</u>
Net Operating Costs	<u><u>72,750</u></u>

The Grand Theatre would not require any additional annualized granting support from the City beyond the current \$500,000 it currently receives, as this proposal is self-financing operationally.

4.7 Management and Governance

For The Grand Theatre, there would be no fundamental change in ownership, governance or management. The Grand Theatre, as an asset and operating venue, would continue to be owned by the Grand Theatre Foundation. Governance of The Grand Theatre would continue via its community, volunteer Board of Directors as currently configured. The Theatre would continue to be managed by the existing staff team, lead by an Executive Director, who have managed and operated the facility successfully over many years.

5 Proposal Capital Investment and Funding Profile and Economic Benefits

5.1 Capital Investment and Funding Sources

This multi-faceted cultural assets and land development proposal has a range of economic benefits that will support the ongoing development and transformation of the Downtown London, positively impact employment opportunities and contribute significantly to the prosperity of London.

Table 5-1 profiles the investments that had been integrated to develop this proposal. The total investment involves \$164,027 million across the four identified components. The cultural assets investments involve \$55,027 million while the private sector investment comprises \$109 million.

**Table 5-1
Proposal Investment Profile**

Celebration Centre	50,027,000
Grand Theatre	5,000,000
Condominium / Hotel Development	100,000,000
Celebration Centre Parking Facility	9,000,000
Total Investment	164,027,000

Table 5-2 identifies the sources of capital funding. Some \$30 million is identified jointly from the Governments of Canada and Ontario. The City of London is being asked for \$15 million in direct funding as well as approximately 30% of the Centennial Hall site along with facility demolition at \$1.73 million. Community support, through a Capital Fund Development Campaign, would provide \$3.497 million. The sale of residential lands to the private development partners would contribute approximately \$4.8 million. The private sector partners would contribute \$109 million in direct capital investment funding.

**Table 5-2
Economic Investment Funding Profile**

Governments of Canada and Ontario	30,000,000
City of London (<i>funding, land and demolition</i>)	16,730,000
Community Support	3,497,000
Private Development Partner	100,000,000
Parking Partner	9,000,000
Sale of Land for Development	4,800,000
Total Investment	164,027,000

5.2 City of London Capital Contributions

The City of London is being asked for the following project investment contributions:

- \$15 million in direct funding - \$5 million to support The Grand Theatre’s site acquisition needs and \$10 million towards the Celebration Centre;
- 30% of the Centennial Hall site and facility demolition which is estimated at \$500,000 to \$750,000, totalling \$1.73 million.

The timing of the City’s contributions would be as follows:

- \$5 million at the acquisition date for the Richmond Street properties in 2014/2015;
- \$2 million per year towards the Celebration Centre in 2015, \$4 million in 2016; and \$2 million each year in 2017 and 2018;
- Transfer of 30% of the Centennial Hall site and demolition of the existing building by the first quarter of 2016.

Table 5-3 profiles the economic impact benefits of the project proposal. The Development Charges to the City of London would total \$10.496 million. The annualized property taxes from the private sector development will be in the order of \$1.65 million per year. Employment opportunities during the construction phase will total over 1,250 full time equivalents (FTE). On a permanent employment basis, approximately 30 to 40 full time positions and between and 60 to 70 part time positions will be created across the private and cultural asset dimensions of this investment. See Appendix V for formulas

Table 5-3
Economic Impact Profile

1 Development Charges		
Private Development		
Residential	4,200,000	
Commercial / Retail	2,330,000	
Parking Garage	580,000	
Celebration Centre	<u>3,400,000</u>	
Total Development Charges		10,510,000
2 Annual Property Taxes		
Residential	1,600,000	
Commercial / Retail	<u>52,500</u>	
Total Annual Property Taxes		1,652,500
3 Downtown Parking		
New Parking Spaces	Over 300	
Possible Increased Annual City Hall Parking Revenues		50,000 to 75,000

Table 5-3

Economic Impact Profile

4 Employment

Construction

Private Development	922 / FTE
Cultural Facilities	346 / FTE

Permanent

Private Development	37 / FTE	15 to 20 / PTE
Cultural Facilities	9 to 16 / FTE	50+ / PTE

5 Annual Economic Impact Activity

The Grand Theatre		
115,000 visitors x \$75 average	8,625,000	
Celebration Centre		
100,000 visitors x \$75 average	<u>7,500,000</u>	
Total Annual Economic Impact		16,125,000

Another component of the economic impact is the cultural venues attendance. Based on current and forecasted total attendance, at an average of \$75 per attendee in expenditures, involving admissions, meals, transportation, etc., a total annual economic impact from the two venues is forecasted at \$16,125,000 annually.

Table 5-4 profiles the economic benefits to the City.

Table 5-4

Economic Benefits

Annual Property Taxes (\$)	1,652,000
Development Charges (\$)	10,510,000
City ROI (%)	9.9
(Property Taxes over City Contribution)	
Payback in Years	10.1

From a City of London perspective, a \$16.73 million investment would generate a payback of 10.1 years based solely on property tax generation from the private development investment within the proposal or 9.1 years for the direct \$15 million funding investment. The return on investment of property taxes over City contribution is 9.9%. The Development Charges generated, on a one time basis, represent approximately 62.8% of the total City investment requirement. Beyond these direct economic benefits, are the benefits associated with the employment opportunities that are generated, as well as the expenditures and property taxes these individuals contribution annually to the City's economy. Enhancements to the food, beverage and other aligned sectors that would benefit from these cultural assets investments would also occur, building off the potential \$16.125 million in annual attendee and visitor expenditures.

In the terms of the City of London's Prosperity Plan Objectives, the following outcomes are identified:

- Employment creation, both construction and permanent;
- Leveraged investment involving senior governments, the private sector and the community;
- Stimulation of spin-offs in terms of the food and beverage, retail, transportation and private land development sectors;
- Development of key partnerships between the private sector, two significant cultural organizations and the many community arts and cultural organizations that will benefit;
- Invest in what is becoming increasingly recognized as one of the key sectors of local economies, arts and culture;
- Contributing to transformative change within Downtown London, that will have a positive impact on that area and London's economy.

In addressing the objectives of the Prosperity Plan, this proposal provides significant mixed use development in the downtown area, is based on multiple partnerships, provides both professional and community arts and cultural organizations with unique and new opportunities to enhance their programming, and will benefit Londoners across economic, cultural experiences and quality of life perspectives. The development of the Arts and Entertainment District, with its two significant anchoring areas, will have the capacity to attract, in future years, additional arts and cultural and private sector investment that can build on the foundation that is being proposed.

Appendix I

Expression of Interest Letter, London Life



London Life Insurance Company

100 Osborne Street North
Winnipeg, MB R3C 3A5
204-946-1190

January 27, 2014

Music London and Grand Theater Joint Task Force

Re: London Life Wellington Street Property

The London Life Insurance Company has been approached by a Joint Task Force of Music London and the Grand Theater to determine whether the company would be willing to enter into a negotiation for the sale of its Wellington Street property for the proposed multi use development. The London Life Insurance Company has been a long time supporter of the arts in the London area and would consider entering in to a negotiation for the sale of its Wellington Street property as long as;

- A development proposal is presented that has the support of the City of London
- An effective and affordable solution could be provided to replace the staff parking spaces currently located in that lot.

The London Life Insurance Company looks forward to further discussion relative to the proposed development project.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Mahon". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul Mahon
President and CEO
London Life Insurance Company

Appendix II

Celebration Centre: Furnishing and Miscellaneous Expense Listing

Celebration Centre: Furnishings and Miscellaneous Expenses

Equipment and Furnishings

1. Dimming, Controls, Distro, Fixtures (Performance Hall Only)	675,000
2. Staging Drapes, Music Shells (Performance Hall Only)	675,000
3. Seating (1200-1400) (Performance Hall Only)	540,000
4. South – AV Systems (Performance Hall Only)	330,000
5. Lobby & Dressing Furniture, Office Equipment	275,000
Subtotal Equipment and Furnishings	\$2,495,000

Miscellaneous Expenses

1. Legal, Fundraising & Misc.	404,650
2. Construction Testing Services	195,000
3. Project Administration	230,000
4. City Review and Permit	250,000
Subtotal Misc. Expenses	\$1,079,650

Appendix III

Facility Rental Comparators

Facility	Capacity	Commercial	Non-Commerical	Non-Profit	Non-Ticketed	Other
Sanderson Centre						
Theatre	1125	\$2,500 against 12% net (\$4,000 cap)	\$1,500	\$900		
Main Lobby						\$450 or \$90 hourly (min 2 hours)
Rehearsal Hall						\$350 or \$70 hourly (min 2 hours)
Stage						\$650 (note stage events are subject to IASTE 129 agreement, additional charges may apply)
Centre in the Square						
	2047	\$4,000 or 11% of gross receipts (Thu. to Sat.)			\$5,500 flat rate (Thus. To Sat)	
		\$2,500 or 11% or gross receipts (Mon to Wed)			\$4,000 flat rate (Mon. to Wed)	
River Run Centre						
Main Stage	785	> of \$1,285 or 12% gross sales			\$1,545	
Co-Operators Hall	22	> of \$450 or 12% gross sales			\$500	
Canada Company Hall		> of \$1,735 or 12% gross sales			\$2,045	
The Grand Theatre						
Main Stage	839	\$2,000	\$1000			
McManus Studio Theatre	150	\$450	\$125			
	80 (seated)	\$450				
The Poster Lounge	300 (standing)					
Centennial Hall						
Upper level		\$3,000 vs. 10% of gross sales capped at \$4,000				IATSE 105 stagehands \$28.50/ hr. min 2 union members min 4 hour call
Lower Level		\$1,000				IATSE 105 stagehands \$28.50/ hr. min 2 union members min 4 hour call
Milton Centre for the Arts						
Main Hall	500	\$1,140				\$950 peak time \$850 off peak per hour (3 hour min.) \$70 Peak \$50 off peak
MinMaxx Hall	197					Per day \$325 peak \$270 off peak

Facility	Capacity	Commercial	Non-Commerical	Non-Profit	Non-Ticketed	Other
Aeolian Hall		\$1,176 (Sun-Sat 10am-3pm) \$1,356 (Sun-Thur 3pm-12am) \$1,560 (Fri-Sat 3pm to 12am)				Also offer hourly rates, 2 hour minimum rental, Rate depends on time of day, day of week and length of rental
Charles W. Stockey Center	415	\$606 + \$1 per tick sold	\$909 + \$1 / ticket sold or 12% gross ticket sales (ticket price up to \$39.00) \$212 + \$1 /ticket sold or 12% of gross ticket sales (ticket price \$40+)	\$379 + \$0.50 per ticket sold (ticket price up to \$19.99) \$379 + \$1 per ticket sold ticket price \$20+)	\$404	
Chrysler Theatre	1200	\$2,500 vs 12% gross ticket sales (capped at \$4,000)	\$1,400 (Fri-Sat: 5 hrs) \$1150 (Sun-Thur: 5 hours)			
Thunder Bay Community Auditorium	1497	\$2,000 vs 10% of gross receipts		\$800 to \$1,800 depending on day vs evening and day of week		
Brockville Arts Centre		> of \$850 or 10% of sales		> of \$580 or 10% of sales		2nd show same day half price
St. Lawrence Centre for the Arts						
Bluma Appel Theatre	868	\$8,500 + depending on tech requirements				
Jane Mallett Theatre	497	\$3,500 + depending on tech requirements				
Market Hall Performing Arts Centre						
Theatre	348					
Cabaret	302	\$800		\$675		
Madison Canadian Studio						
Theatre	422	\$1,000 single performance \$1,500 two performance (same day)				
Standing	550					

Appendix IV

Background Operating Financial Information

Projection Facility Usage (2018)

Projected Utilization					Projected Rental Revenue			
User group	Studio	Lobby	Main Stage		Studio	Lobby	Main Stage	
			Sun-Th	Fri-Sat			Weekdays	Fri/Sat
OLC (Masterworks)	14	2	7	0	\$4,200	\$100	\$7,000	\$0
OLC (Pops)	7	2	7	0	\$2,100	\$100	\$7,000	\$0
OLC (Classics & Beyond)	14		7	0	\$4,200	\$0	\$7,000	\$0
OLC (Red Hot Weekends)	0	7	0	14	\$0	\$350	\$0	\$35,000
OLC (Schools & Family)	5		10	2	\$1,500	\$0	\$10,000	\$5,000
OLC (Community)	4	4	4	4	\$1,200	\$200	\$4,000	\$10,000
OLC (Other)	4	2	4	4	\$1,200	\$100	\$4,000	\$10,000
Choral groups		3	6	6	\$0	\$180	\$9,000	\$21,000
Dance groups	2	4	6	6	\$800	\$240	\$9,000	\$21,000
Touring performance	5	5	10	5	\$4,750	\$500	\$30,000	\$30,000
Local performance	5	3	5	5	\$4,000	\$240	\$12,500	\$25,000
Community events	5	5	4	4	\$2,000	\$300	\$6,000	\$14,000
Annual commercial events	4	4	2	4	\$3,200	\$320	\$5,000	\$20,000
Weddings & Ceremonies	6	6	2	4	\$3,600	\$420	\$4,000	\$16,000
Private & Corporate events	20	20	5	5	\$16,000	\$1,600	\$12,500	\$25,000
Women's Canadian Club			7	0	\$0	\$0	\$10,500	\$0
City of London	2	1	1	1	\$800	\$60	\$1,500	\$3,500
Other, performance	2		1	1	\$1,200	\$0	\$2,000	\$4,000
Other, event	2	2	1	1	\$1,200	\$140	\$2,000	\$4,000
TOTALS	101	70	89	66	\$51,950	\$4,850	\$143,000	\$243,500
TOTAL - ALL RENTAL REVENUES 2018								\$443,300

Rental Rates (by category)	Studio	Lobby	Main (weekday)	Main (Fri/Sat)
Local non-profit > 20 days	\$300	\$50	\$1,000	\$2,500
Local non-profit < 20 days	\$400	\$60	\$1,500	\$3,500
Non-local, non-profit	\$600	\$70	\$2,000	\$4,000
Local, commercial	\$800	\$80	\$2,500	\$5,000
Non-local, commercial	\$950	\$100	\$3,000	\$6,000

(Rental rates are base rates & do not include crew, FOH, reception, catering or special set up impacts)

Priorities

1. Annual users, repeatable on the same day(s) every year
2. Annual users, not necessarily same day(s) each year
3. Other Local users, non-profit
4. Commercial performance applications
5. Non-performance applications

Projection Facility Usage (2019)

Projected Utilization					Projected Rental Revenue			
User group	Studio	Lobby	Main Stage		Studio	Lobby	Main Stage	
			Sun-Th	Fri-Sat			Weekdays	Fri/Sat
OLC (Masterworks)	14	2	7	0	\$4,340	\$100	\$7,175	\$0
OLC (Pops)	7	2	7	0	\$2,170	\$100	\$7,175	\$0
OLC (Classics & Beyond)	14		7	0	\$4,340	\$0	\$7,175	\$0
OLC (Red Hot Weekends)	0	7	0	14	\$0	\$350	\$0	\$35,700
OLC (Schools & Family)	5		10	2	\$1,550	\$0	\$10,250	\$5,100
OLC (Community)	4	4	4	4	\$1,240	\$200	\$4,100	\$10,200
OLC (Other)	4	2	4	4	\$1,240	\$100	\$4,100	\$10,200
Choral groups		3	6	6	\$0	\$180	\$9,180	\$21,360
Dance groups	2	4	6	6	\$830	\$240	\$9,180	\$21,360
Touring performance	5	5	10	5	\$4,900	\$500	\$30,750	\$30,875
Local performance	5	3	5	5	\$4,150	\$240	\$12,750	\$25,750
Community events	5	5	5	5	\$2,075	\$300	\$7,650	\$17,800
Annual commercial events	5	5	3	5	\$4,150	\$400	\$7,650	\$25,750
Weddings & Ceremonies	6	6	2	4	\$3,720	\$420	\$4,100	\$16,400
Private & Corporate events	20	20	5	5	\$16,600	\$1,600	\$12,750	\$25,750
Women's Canadian Club			7	0	\$0	\$0	\$10,710	\$0
City of London	2	1	1	1	\$830	\$60	\$1,530	\$3,560
Other, performance	2		1	1	\$1,240	\$0	\$2,050	\$4,100
Other, event	2	2	1	1	\$1,240	\$140	\$2,050	\$4,100
TOTALS	102	71	91	68	\$54,615	\$4,930	\$150,325	\$258,005
TOTAL - ALL RENTAL REVENUES 2019								\$467,875

Rental Rates (by category)	Studio	Lobby	Main (weekday)	Main (Fri/Sat)
Local non-profit > 20 days	\$310	\$50	\$1,025	\$2,550
Local non-profit < 20 days	\$415	\$60	\$1,530	\$3,560
Non-local, non-profit	\$620	\$70	\$2,050	\$4,100
Local, commercial	\$830	\$80	\$2,550	\$5,150
Non-local, commercial	\$980	\$100	\$3,075	\$6,175

(Rental rates are base rates & do not include crew, FOH, reception, catering or special set up impacts)

Priorities

1. Annual users, repeatable on the same day(s) every year
2. Annual users, not necessarily same day(s) each year
3. Other Local users, non-profit
4. Commercial performance applications
5. Non-performance applications

Projection Facility Usage (2020)

Projected Utilization					Projected Rental Revenue			
User group	Studio	Lobby	Main Stage		Studio	Lobby	Main Stage	
			Sun-Th	Fri-Sat			Weekdays	Fri/Sat
OLC (Masterworks)	14	2	7	0	\$4,480	\$110	\$7,350	\$0
OLC (Pops)	7	2	7	0	\$2,240	\$110	\$7,350	\$0
OLC (Classics & Beyond)	14	2	7	0	\$4,480	\$110	\$7,350	\$0
OLC (Red Hot Weekends)	0	7	0	14	\$0	\$385	\$0	\$36,400
OLC (Schools & Family)	5		10	2	\$1,600	\$0	\$10,500	\$5,200
OLC (Community)	4	4	4	4	\$1,280	\$220	\$4,200	\$10,400
OLC (Other)	4	2	4	4	\$1,280	\$110	\$4,200	\$10,400
Choral groups		3	6	6	\$0	\$195	\$9,300	\$21,720
Dance groups	2	4	6	6	\$840	\$260	\$9,300	\$21,720
Touring performance	5	5	10	5	\$5,000	\$525	\$31,500	\$31,250
Local performance	5	3	5	5	\$4,250	\$255	\$13,000	\$26,250
Community events	5	5	5	5	\$2,100	\$325	\$7,750	\$18,100
Annual commercial events	5	5	3	5	\$4,250	\$425	\$7,800	\$26,250
Weddings & Ceremonies	6	6	2	4	\$3,780	\$450	\$4,200	\$16,800
Private & Corporate events	20	20	5	5	\$17,000	\$1,700	\$13,000	\$26,250
Women's Canadian Club			7	0	\$0	\$0	\$10,850	\$0
City of London	2	1	1	1	\$840	\$65	\$1,550	\$3,620
Other, performance	2		1	1	\$1,260	\$0	\$2,100	\$4,200
Other, event	2	2	1	1	\$1,260	\$150	\$2,100	\$4,200
TOTALS	102	73	91	68	\$55,940	\$5,395	\$153,400	\$262,760
TOTAL - ALL RENTAL REVENUES 2020								\$477,495

Rental Rates (by category)	Studio	Lobby	Main (weekday)	Main (Fri/Sat)
Local non-profit > 20 days	\$320	\$55	\$1,050	\$2,600
Local non-profit < 20 days	\$420	\$65	\$1,550	\$3,620
Non-local, non-profit	\$630	\$75	\$2,100	\$4,200
Local, commercial	\$850	\$85	\$2,600	\$5,250
Non-local, commercial	\$1,000	\$105	\$3,150	\$6,250

(Rental rates are base rates & do not include crew, FOH, reception, catering or special set up impacts)

Priorities

1. Annual users, repeatable on the same day(s) every year
2. Annual users, not necessarily same day(s) each year
3. Other Local users, non-profit
4. Commercial performance applications
5. Non-performance applications

EXPENSES (Human Resources)	2017	2018	2019	2020
Full Time Salaries (note 1)	350,000	503,800	515,000	520,000
Part Time Wages (note 2)	400,000	749,472	800,000	850,000
Benefits (inlcuded in above)	0	0	0	0
Development and Training	7,500	10,000	7,500	7,500
Total Human Resources Expense	\$757,500	\$1,263,272	\$1,322,500	\$1,377,500

Note 1-Ten personnel are defined as Full Time, as follows:

Facility Manager, Community Animator, Administrative Assistant, Technical Director, Operations/Building Manager, Building Services Manager, Head Ticket Sales, Head Stage Carpenter, Head Electricians, Head Audio.

(Special note: Wages of Head Stage Carpenter, Head Electricians, and Head Audio are primarily user related, and these factors are mostly recovered.)

Note 2: this figure includes administrative support (outsourced and internal), building maintenance and set up crews, box office support staff, concession and bartending staff, FOH Management, ushers, ticket takers, merchandising staff, and all technical crew and stage hands required by users. (Most of these expenses are recovered).

EXPENSES (Other Operating Expenses)	2017	2018	2019	2020
Advertising & Promotion	149,500	150,000	160,000	170,000
Appreciation Events (food, beverage etc)	14,000	30,000	31,000	32,000
Artist Riders	0	0	0	0
Artist Selection	0	0	0	0
Audit Fees	5,500	5,500	5,500	5,500
Building Materials	2,200	3,000	3,000	3,000
Building Maintenance	2,200	5,000	5,000	5,000
Building Supplies and Services (Janitorial)	26,000	78,100	81,300	93,800
Computer Hardware	-	2,500	2,500	2,500
Computer Software	-	2,000	2,000	2,000
Contracted Services	30,000	80,000	80,000	80,000
Credit Card Charges (incl bank chgs)	20,400	79,200	86,200	87,400
Downtown Business Imp levy	4,000	16,000	16,000	16,000
Equipment Rental	500	2,000	2,000	2,000
Equipment Repairs and Maintenance	3,800	8,300	8,300	8,400
	0	0	0	0
	0	0	0	0
General Office Supplies	16,500	32,000	32,000	32,600
Grounds Maintenance	4,000	12,000	12,000	12,000
Hydro (Electricity)	57,900	193,000	208,500	224,000
Heating fuels	30,000	80,000	85,000	90,000
Insurance	13,600	13,600	14,000	14,000
Licenses and Permits	900	2,400	2,400	2,400
Meeting Expenses	1,500	2,000	2,000	2,000
Membership Fees	1,200	1,700	1,700	1,700
Mileage & Staff Parking	3,290	3,200	3,200	3,200
Office equipment	1,000	4,000	4,000	4,000
Leases (TBD)	5,000	5,000	5,000	5,000
Postage	500	800	800	800
Printing and Reproduction	1,000	2,000	2,000	2,000
Professional Services	10,000	30,000	30,000	30,000
Security Services, alarms	4,800	4,800	4,800	4,800
Small Tools and Equipment	1,500	1,500	1,500	1,500
Special Events	33,000	500	500	500
Telephone, Internet services	4,500	10,800	10,800	10,800
Telephones (Cellular)	3,600	4,800	4,800	4,800
Transportation	5,000	10,000	10,000	10,000
Uniforms	7,800	2,600	2,200	2,200
Web Site (Creation, Design & Maintenance)	35,000	10,000	10,000	10,000
Reserve Fund (Capital Refurbishment)	37,000	120,000	135,000	140,000
TOTAL (Other Operating Expenses)	\$536,690	\$1,008,300	\$1,065,000	\$1,115,900

Main Stage Revenue forecasts 2018-21

Projected Utilization (Main Stage)					Projected Attendance			
User group	2018	2019	2020	2021	2018	2019	2020	2021
OLC (Masterworks)	7	7	7	7	5,600	5,950	5,950	5,950
OLC (Pops)	7	7	7	7	7,000	7,000	7,000	7,000
OLC (Classics & Beyond)	7	7	7	7	4,200	4,200	4,200	4,200
OLC (Red Hot Weekends)	14	14	14	14	16,800	16,800	16,800	16,800
OLC (Schools & Family)	12	12	12	12	30,000	30,000	30,000	30,000
OLC (Community)	8	8	8	8	4,000	4,400	4,640	4,800
OLC (Other)	8	8	8	8	4,800	5,200	5,600	6,000
Choral groups	12	12	12	12	9,600	10,200	10,800	10,800
Dance groups	12	12	12	12	9,600	10,200	10,800	10,800
Touring performance	15	15	15	15	15,000	15,000	15,000	15,000
Local performance	10	10	10	10	8,000	8,000	8,000	8,000
Community events	8	10	10	10	5,600	7,000	7,000	7,000
Annual commercial events	6	8	8	8	6,000	8,000	8,000	8,000
Weddings & Ceremonies	6	6	6	6	0	0	0	0
Private & Corporate events	10	10	10	10	8,000	8,000	8,000	8,000
Women's Canadian Club	7	7	7	7	0	0	0	0
City of London	2	2	2	2	0	0	0	0
Other, performance	2	2	2	2	1,600	1,600	1,600	1,600
Other, event	2	2	2	2	0	0	0	0
TOTALS	155	159	159	159	135,800	141,550	143,390	143,950

Projected Average ticket prices				
User group	2018	2019	2020	2021
OLC (Masterworks)	\$60	\$65	\$65	\$65
OLC (Pops)	\$60	\$65	\$65	\$65
OLC (Classics & Beyond)	\$50	\$55	\$55	\$55
OLC (Red Hot Weekends)	\$80	\$85	\$85	\$85
OLC (Schools & Family)	\$0	\$0	\$0	\$0
OLC (Community)	\$20	\$20	\$20	\$20
OLC (Other)	\$60	\$65	\$65	\$65
Choral groups	\$40	\$45	\$45	\$45
Dance groups	\$40	\$45	\$45	\$45
Touring performance	\$60	\$60	\$60	\$60
Local performance	\$50	\$55	\$55	\$55
Community events	\$30	\$35	\$35	\$35
Annual commercial events	\$30	\$35	\$35	\$35
Weddings & Ceremonies	\$0	\$0	\$0	\$0
Private & Corporate events	\$0	\$0	\$0	\$0
Women's Canadian Club	\$0	\$0	\$0	\$0
City of London	\$0	\$0	\$0	\$0
Other, performance	\$50	\$55	\$55	\$55
Other, event	\$20	\$25	\$25	\$25
TOTALS				

Main Stage Revenue forecasts 2018-21

Projected Ticket Revenue				
User group	2018	2019	2020	2021
OLC (Masterworks)	\$336,000	\$386,750	\$386,750	\$386,750
OLC (Pops)	\$420,000	\$455,000	\$455,000	\$455,000
OLC (Classics & Beyond)	\$210,000	\$231,000	\$231,000	\$231,000
OLC (Red Hot Weekends)	\$1,344,000	\$1,428,000	\$1,428,000	\$1,428,000
OLC (Schools & Family)	\$0	\$0	\$0	\$0
OLC (Community)	\$80,000	\$88,000	\$92,800	\$96,000
OLC (Other)	\$288,000	\$338,000	\$364,000	\$390,000
Choral groups	\$384,000	\$459,000	\$486,000	\$486,000
Dance groups	\$384,000	\$459,000	\$486,000	\$486,000
Touring performance	\$900,000	\$900,000	\$900,000	\$900,000
Local performance	\$400,000	\$440,000	\$440,000	\$440,000
Community events	\$168,000	\$245,000	\$245,000	\$245,000
Annual commercial events	\$180,000	\$280,000	\$280,000	\$280,000
Weddings & Ceremonies	\$0	\$0	\$0	\$0
Private & Corporate events	\$0	\$0	\$0	\$0
Women's Canadian Club	\$0	\$0	\$0	\$0
City of London	\$0	\$0	\$0	\$0
Other, performance	\$80,000	\$88,000	\$88,000	\$88,000
Other, event	\$0	\$0	\$0	\$0
TOTALS	\$5,174,000	\$5,797,750	\$5,882,550	\$5,911,750

Box Office Service Fees (3%)				
User group	2018	2019	2020	2021
OLC (Masterworks)	\$10,080	\$11,603	\$11,603	\$11,603
OLC (Pops)	\$12,600	\$13,650	\$13,650	\$13,650
OLC (Classics & Beyond)	\$6,300	\$6,930	\$6,930	\$6,930
OLC (Red Hot Weekends)	\$40,320	\$42,840	\$42,840	\$42,840
OLC (Schools & Family)	\$0	\$0	\$0	\$0
OLC (Community)	\$2,400	\$2,640	\$2,784	\$2,880
OLC (Other)	\$8,640	\$10,140	\$10,920	\$11,700
Choral groups	\$11,520	\$13,770	\$14,580	\$14,580
Dance groups	\$11,520	\$13,770	\$14,580	\$14,580
Touring performance	\$27,000	\$27,000	\$27,000	\$27,000
Local performance	\$12,000	\$13,200	\$13,200	\$13,200
Community events	\$5,040	\$7,350	\$7,350	\$7,350
Annual commercial events	\$5,400	\$8,400	\$8,400	\$8,400
Weddings & Ceremonies	\$0	\$0	\$0	\$0
Private & Corporate events	\$0	\$0	\$0	\$0
Women's Canadian Club	\$0	\$0	\$0	\$0
City of London	\$0	\$0	\$0	\$0
Other, performance	\$2,400	\$2,640	\$2,640	\$2,640
Other, event	\$0	\$0	\$0	\$0
TOTALS	\$157,238	\$175,952	\$178,497	\$179,374

Main Stage Revenue forecasts 2018-21

Facility Fees (Capital Investment Fund, 2%)				
User group	2018	2019	2020	2021
OLC (Masterworks)	\$6,720	\$7,735	\$7,735	\$7,735
OLC (Pops)	\$8,400	\$9,100	\$9,100	\$9,100
OLC (Classics & Beyond)	\$4,200	\$4,620	\$4,620	\$4,620
OLC (Red Hot Weekends)	\$26,880	\$28,560	\$28,560	\$28,560
OLC (Schools & Family)	\$0	\$0	\$0	\$0
OLC (Community)	\$1,600	\$1,760	\$1,856	\$1,920
OLC (Other)	\$5,760	\$6,760	\$7,280	\$7,800
Choral groups	\$7,680	\$9,180	\$9,720	\$9,720
Dance groups	\$7,680	\$9,180	\$9,720	\$9,720
Touring performance	\$18,000	\$18,000	\$18,000	\$18,000
Local performance	\$8,000	\$8,800	\$8,800	\$8,800
Community events	\$3,360	\$4,900	\$4,900	\$4,900
Annual commercial events	\$3,600	\$5,600	\$5,600	\$5,600
Weddings & Ceremonies	\$0	\$0	\$0	\$0
Private & Corporate events	\$0	\$0	\$0	\$0
Women's Canadian Club	\$0	\$0	\$0	\$0
City of London	\$0	\$0	\$0	\$0
Other, performance	\$1,600	\$1,760	\$1,760	\$1,760
Other, event	\$0	\$0	\$0	\$0
TOTALS	\$105,498	\$117,974	\$119,671	\$120,256

Concessions, Merchandising (net projections)				
User group	2018	2019	2020	2021
OLC (Masterworks)	\$560	\$595	\$595	\$595
OLC (Pops)	\$700	\$700	\$700	\$700
OLC (Classics & Beyond)	\$420	\$420	\$420	\$420
OLC (Red Hot Weekends)	\$67,200	\$67,200	\$67,200	\$67,200
OLC (Schools & Family)	\$0	\$0	\$0	\$0
OLC (Community)	\$400	\$440	\$464	\$480
OLC (Other)	\$480	\$520	\$560	\$600
Choral groups	\$960	\$1,020	\$1,080	\$1,080
Dance groups	\$960	\$1,020	\$1,080	\$1,080
Touring performance	\$60,000	\$60,000	\$60,000	\$60,000
Local performance	\$24,000	\$24,000	\$24,000	\$24,000
Community events	\$560	\$700	\$700	\$700
Annual commercial events	\$600	\$800	\$800	\$800
Weddings & Ceremonies	\$0	\$0	\$0	\$0
Private & Corporate events	\$0	\$0	\$0	\$0
Women's Canadian Club	\$0	\$0	\$0	\$0
City of London	\$0	\$0	\$0	\$0
Other, performance	\$1,600	\$1,600	\$1,600	\$1,600
Other, event	\$0	\$0	\$0	\$0
TOTALS	\$160,458	\$161,034	\$161,219	\$161,276

APPENDIX B: Recoverable/Non-recoverable Human Resources Expense Summary

2018 only

	<u>Full time</u>	<u>Part time</u>	<u>Fixed</u>	<u>Recovered</u>	<u>TOTAL</u>			
Facility Manager	\$80,000		\$80,000	\$0	\$80,000			
Administrative Assistant	\$30,000		\$30,000	\$0	\$30,000			
Community Animator	\$50,000		\$50,000	\$0	\$50,000			
Part time administrative support		\$20,000	\$20,000	\$0	\$20,000			
Outsourced administrative support		\$10,000	\$10,000	\$0	\$10,000			
Technical Director	\$60,000		\$60,000	\$0	\$60,000			
Head Stage Carpenter (Crew Chief)	\$49,600		\$12,400	\$37,200	\$49,600	\$30/hr recovery base, min 12 hours per event, with 4 of these hours incl in house rental	240	360
Head Electrics	\$49,600		\$12,400	\$37,200	\$49,600	\$30/hr recovery base, min 12 hours per event, with 4 of these hours incl in house rental	240	360
Head Audio	\$49,600		\$12,400	\$37,200	\$49,600	\$30/hr recovery base, min 12 hours per event, with 4 of these hours incl in house rental	240	360
Head Video		\$28,600	\$10,000	\$18,600	\$28,600	\$30/hr recovery base, min 12 hours per event, 50% of events		
Additional stage hands & technicians		\$201,000	\$15,000	\$186,000	\$201,000	\$30/hr recovery base	960	1920
Operations/Building Manager	\$60,000		\$60,000	\$0	\$60,000			
Building Services Manager	\$35,000		\$35,000	\$0	\$35,000			
Building Services Assistant		\$25,000	\$25,000	\$0	\$25,000			
House set up crew		\$160,280	\$50,000	\$110,280	\$160,280	\$15/hr recovery base, estimating average of 40 man hours per Main Stage day, 16 per other	600	600
Head Ticket Sales	\$40,000		\$40,000	\$0	\$40,000			
Assistant Ticket Sales (#1)		\$30,000	\$30,000	\$0	\$30,000			
Assistant Ticket Sales (#2)		\$20,000	\$20,000	\$0	\$20,000			
Ticket Sales staff (casual)		\$38,600	\$20,000	\$18,600	\$38,600	\$15/hr recovery base; estimating average 8 man hours per Main Stage day	120	120
Head Bartender/Concessions		\$44,736	\$31,296	\$13,440	\$44,736	\$24/hr base; estimating avg 4 hours per event, avg 8 man hours per Lobby as recoverable	192	192
Assistant Bartender		\$31,296	\$31,296		\$31,296	no recovery base		
Concession/ bartending staff		\$57,760	\$52,160	\$5,600	\$57,760	\$20/hr recovery base; estimating average 4 man hours per Lobby reception recoverable	160	160
FOH Manager		\$39,700	\$2,500	\$37,200	\$39,700	\$30/hr recovery base; avg 8 man hours per Main Stage day	240	240
Ushers, ticket takers		\$27,000	\$0	\$27,000	\$27,000	\$20/hr recovery base (100%); factoring \$1,000 per Commercial Main Stage day	1000	1000
Merchandise sales staff		\$15,500	\$0	\$15,500	\$15,500	\$20/hr recovery base (100%); factoring \$100 per Commercial Main Stage day	100	100
(All other personnel at full recovery)		\$0	\$0	\$0	\$0	100% recovery	4092	5412
							(projected recoverable costs per event day, combined house and stage crews)	
TOTALS	\$503,800	\$749,472	\$709,452	\$543,820	\$1,253,272			
			(Fixed)	(Recov.)				

Full time personnel are in **BOLD**

Appendix V

Calculations of Economic Benefits

Calculation of Economic Benefits

Development Charges Condominium Towers	\$10,500 per unit
Commercial Space	\$15.50 per square foot
Reduced Institutional	\$6.07 per square foot
Property Taxes	\$4,000 per unit (200 units) \$3.50 per retail square foot (15,000 square feet)
Employment	1 / 250 square foot for commercial
City Hall Parking	50 additional events at 100 cars x \$10