

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON MARCH 9, 2015
FROM:	CITY MANAGER ART ZUIDEMA
SUBJECT:	PERFORMING ARTS CENTRE – REVIEW OF “CELEBRATION CENTRE” PROPOSAL

RECOMMENDATIONS

That, on the recommendation of the City Manager, the following actions **BE TAKEN** with respect to the “Celebration Centre”, Music London Business Plan:

- a) the review of the “Celebration Centre” Business Plan undertaken by Novita **BE RECEIVED**;
- b) that on the recommendation of Novita Interpares **NO FURTHER ACTION BE TAKEN** with respect to the “Celebration Centre”, Music London Business Plan;
- c) subject to the approval of recommendation b) above, in the event that the Municipal Council is interested in exploring the performing arts concept, the Novita Interpares recommendations **BE CONSIDERED**.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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1. January 23, 2012, *Developing a Strategic Investment and Economic Prosperity Plan (Presentation)*, Investment and Economic Prosperity Committee.
2. March 27, 2012, *Investment and Economic Prosperity Plan: Communicating the Plan- Engaging the Public*. Investment and Economic Prosperity Committee.
3. December 18, 2012: *A Path to Prosperity: Community Business Ideas to Stimulate our Economy*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
4. January 28, 2013, *Investment and Economic Prosperity Proposal Assessment Process Update*. Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
5. February 19, 2013: *Investment and Economic Prosperity Proposal Assessment Process Update #2*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
6. April 29, 2013: *Investment and Economic Prosperity Project Updates*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
7. May 21, 2013: *Investment and Economic Prosperity Projects – Public Input*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
8. November 4, 2013: *Mixed-Use Development Including a Performing Arts Centre – Review of Proposals and Public Input*. Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.

9. December 2, 2013: *Mixed-Use Development Including a Performing Arts Centre – Update*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
10. February 24, 2014: *Mixed-Use Development Including a Performing Arts Centre: Business Plan Proposed Conditions*. Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
11. July 21, 2014: *Mixed-Use Development Including a Performing Arts Centre: Business Plan Proposed Conditions – Update*, Investments and Economic Prosperity Committee, Corporate Investments and Partnerships.
12. August 27, 2014: *Performing Arts Centre Studies*, Strategic Priorities and Policy Committee.

NOVITA INTERPARES RECOMMENDATIONS

Based on the business plan review, Novita recommends the following:

- that the City should close its file on Celebration Centre/Music London, re-focus its efforts and pursue other options including a building concept which reflects current market realities and an appropriate site;
- that the City should reconsider the Centennial Hall Site as a location for a major cultural facility;
- that the City prepare a list of potential Performing Arts Centre (PAC) sites with related acquisition strategies concurrent with the engagement process.
- that the City proceed on the basis of the September 2, 2014 resolution to carry out a community engagement program to be completed in 2015.

BACKGROUND

On January 23, 2012, Municipal Council was presented with the “*Developing a Strategic Investment and Economic Prosperity Plan*” report, where a process was proposed for the purpose of developing the Strategic Investment and Prosperity Plan. Through the implementation of this plan, prosperity projects would move from conception to implementation. Subsequently, the “*Investment and Economic Prosperity Plan: Communicating the Plan, Engaging the Public*” report presented to Investment and Economic Prosperity Committee (IEPC) on March 27, 2012, proposed community engagement, where members of the public would be invited during the months of June and July to provide proposed ideas with respect to accelerating economic growth and moving London forward.

In respect to the prosperity process, on December 18, 2012, the Corporate Investments and Partnerships team prepared a report for the IEPC in which a shortlist, for the purpose of accelerating London’s economy and fostering private sector investment in the city, was presented. The report discussed the Industrial Lands Development Strategy and analyzed 49 proposals/ideas previously presented to the IEPC. Identified in the report were five proposals best suited to the advancement of the goal and objectives of London’s Prosperity Plan:

The Goal: The Investment and Economic Prosperity Committee is developing a 10-year plan that will move London’s Economy forward faster and ensure long term prosperity for our community.

The Objectives: Create jobs; Leverage investment; Stimulate spin-off benefits; Build beneficial partnerships; Benefit key sectors; Fuel transformational change in London’s economy.

As a result of the proposals submitted by the Grand Theatre and Music London, a mixed-use development/investment including an expansion or development of a new Performing Arts Centre was one of the five proposals identified in the December 18, 2012, “*A Path to Prosperity: Community Business Ideas to Stimulate our Economy*” report. Municipal Council received the report on January 15, 2013 and directed Civic Administration to make the necessary

arrangements to hold a public participation meeting and to circulate the above noted report in order to obtain public input (*Appendix A: Council Resolution, January 15, 2013*).

On January 28, 2013, Civic Administration presented an updated investment and economic prosperity proposal assessment plan to guide the timeline by which proposals would be developed, and the process by which selected proposals would evolve from ideas to executable projects, including the proposed public engagement plan; endorsed by Municipal Council on February 12, 2013 (*Appendix B: Council Resolution, February 12, 2013*).

On February 19, 2013, the “Investment and Economic Prosperity Proposal Assessment Process Update #2” report outlined the prosperity projects next steps. With respect to the “Investment in the Downtown: Mixed Use Development Including a Performing Arts Centre” recommendation, this report identified that a second community consultation would take place once business plans were received from both project proponents and reviewed by an external party.

In June of 2013, two proposals (business plans) were submitted by Music London and the Grand Theatre. Subsequently, the Corporate Investments and Partnerships Team engaged Novita Interpares Limited, Cultural Facilities Consultants, to assess the two proposals (business plans). Novita’s review of the proposals recommended that more work needed to be done with respect to the development of a formal business plan (Novita Interpares Limited, August 2013). As a result, at the November 4th, 2013 IEPC meeting, based on the public engagement results (September 11th/26th, 2013) and the Novita Interpares report, additional information was requested of both project proponents.

Subsequently, on November 22, 2013 the Civic Administration received a joint letter from both project proponents, Music London and the Grand Theatre, requesting that a Joint Task Force be formed. The purpose of the Joint Task Force was to advance the existing process and present a joint business plan. The Joint Task Force was to be led by an independent chair and was to be responsible for facilitating collaboration between Music London and the Grand Theatre.

The Performing Arts Joint Task Force was formed on December 2, 2013 with a mandate to develop a business and operational plan for a proposed Performing Arts Centre in the City of London (*Appendix C: Council Resolution December 17, 2013*). On February 10, 2014 at a Special IEPC meeting the Joint Task Force presented a “Community Cultural Investment Feasibility Study for a Downtown Arts and Entertainment District” (*Appendix D: Council Resolution February 11, 2014*). The “Mixed-Use Development Including a Performing Arts Centre” idea has passed the Concept¹ and Consultation² stage and moved to the Business Plan development stage.

On February 24, 2014, Civic Administration presented the “Mixed-Use Development Including a Performing Arts Centre: Business Plan Proposed Conditions” report, which presented a proposed Performing Arts Centre (PAC) Business Plan development approach, where a number of key questions were outlined, that at minimum, should be addressed in a formal business plan (*Appendix E: Business Plan Questions*). Subsequently, on February 25, 2014 Council approved the amount of up to \$75,000, to retain Novita to perform a thorough review of the joint business plan submitted by the project proponents. Council also endorsed the proposed Performing Arts Centre Business Plan development approach, and directed staff to review the formal business plan when submitted by the project proponents, and present the findings to the Investment and Economic Prosperity Committee for further direction. In addition, the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer was directed to explore alternate sources of funding and to report back to the Investment and Economic Prosperity Committee (IEPC) prior to the 2015 Budget process (*Appendix F: Council Resolution, February 25, 2014*).

The “Celebration Centre Business Plan” was presented to the IEPC on May 14, 2014. On May 20, 2014, Municipal Council referred the “Celebration Centre Business Plan” to staff for review and an independent peer-review by Novita Interpares Ltd., with a report back to the IEPC, as soon as possible (*Appendix G: Council Resolution, May 20, 2014*). Based on preliminary review, Civic Administration in collaboration with Novita has determined that supplementary information

¹ **Concept:** The initial phase in which an idea is identified or brought forth through both internal and external communication channels. At this point in the process, only a high level understanding of the potential project costs and returns are known.

² **Consultation:** Through this triage-like process, the idea evolves into a more tangible proposal through the satisfaction of due diligence activities. Examples include: initial legal review; initial financial review; due diligence checklists; public engagement and initial cost/benefit and return investigations.

with respect to the latest “Celebration Centre Business Plan” submission was required.

On July 29, 2014, Council authorized Civic Administration to expand the scope of the work being undertaken by Novita to perform a thorough review of the business plan submitted by the project proponents, to also include undertaking the following studies, intended to assist in the development and evaluation of a business plan: Market Analysis³; Facility Program and Design Criteria⁴; Site Analysis and Criteria⁵ (*Appendix H: Council Resolution, July 29, 2014*).

By undertaking the studies, it showed that the City was seriously considering the development of a new music and entertainment facility, as these studies would assist not just the project proponents but also the City to properly evaluate the proposed plan⁶. Ultimately, the City’s purpose with respect to this work was to create background and planning guidelines and to give the City further benchmarks for assessment.

Subsequently, at the same Council meeting, the project proponents were requested to provide additional information that was necessary to perform an evaluation of the Celebration Centre business plan. As a result, on August 7, 2014, 13 additional documents were submitted to the Corporate Investments and Partnerships Office for evaluation⁷.

On August 27, 2014 a report entitled “Performing Arts Centre Studies” was presented to the IEPC where the three studies identified above (market analysis; design criteria and space function program; site analysis and criteria) undertaken by Novita were presented. Summaries of the three studies are noted below:

Market Analysis (Novita, August 2014):

In 2007, the future use study for Centennial Hall determined that this facility needed to be replaced. This conclusion was based on the fact that Centennial Hall was sub-standard in all respects as a live performance venue and that further capital investment was not warranted because it was a poor quality building⁸.

In the intervening years, there have been changes occurring in the live performance industry which point to the need to re-examine the market context for a new performing arts facility in London.

The present analysis of the live performance market in London reaches the following conclusions:

- The new performing arts centre should not simply replicate the features of Centennial Hall but should be a refined and expanded concept;*
- This concept should be created for the tastes, preferences and styles of a new generation who are seeking multiple modes of participation;*
- The new performing arts centre should be a gathering place, a place for making performing arts products as well as a place to experience live performance;*
- It should also be a gathering place even when there are no performances;*

³ *Market Analysis: To provide a comprehensive and current picture of the performing arts market in the London catchment area for use in informing both facility design and operations planning.*

⁴ *Facility Program and Design Criteria: To quantify the requirements for a mid-size performing arts centre including key design criteria and dimensions, functional spaces and relationships, net area and volume requirements for each function, estimated gross area.*

⁵ *Site Analysis and Criteria: To identify the characteristics and physical requirements of a site to support a mid-size performing arts facility.*

⁶ *It’s important to note that the preparation and distribution of this material did not, and will not, commit the City to any specific proponent, nor is the use of this material binding upon any proponent.*

⁷ *The 13 additional documents included: Global Spectrum: 5 Year Projections (Assumptions); Building Exterior Concept-Architectural Drawings; Performing Arts – Project Cash Flow Projection; Performing Arts – Projected Cash Flow Projections (again-same as above); Draft Celebration Centre – Furniture, Fixtures & Equipment Requirements; Budget Exclusions; Budget Write Up-Estimate Development; Global Spectrum-Celebration Centre Pro-Forma 5 Year Projections; Ellis Don- Preliminary Trade Budget Summary; Ellis Don – Trade Budget Summary; Ellis Don- Building Area Summary; Concert Hall Specific- Architectural Drawings; Kirkness Consulting- Professional Land Use Planning Opinion.*

⁸ *Further to the 2007 study, the Corporate Investments and Partnerships Division has consulted with the Facilities Division to gain a better understanding of the current and future condition of the facility, as such, the Facilities Division advised that there is \$180K budgeted annually over the next 10 years for life cycle renewal work. This amount is adequate to continue to operate this facility in its current state, and to a condition that is up to current building codes, life safety standards and meeting most of the operational expectations of the current managing service provider. It’s important to note that over the past few years, a number of life cycle renewal projects have been completed including but not limited to; barrier free enhancements, washroom upgrades, sound system upgrades, painting, flooring, window and door replacement, roof replacement, electrical and mechanical component upgrades.*

- *It should be driven by an artistic vision and purpose;*
- *The business case for the performing arts centre should be based on cultivating a multiplicity of local niche market products and audiences;*
- *The management of the performing arts centre should be a catalyst and collaborator not just a venue landlord;*
- *A market development initiative beginning now is required to ensure market readiness when the facility opens;*
- *The market development program will include strategies for creating demand and strategies for supporting supply. (Please refer to Appendix I: Market Analysis)*

Design Criteria and Space Function Program (Novita, August 2014)

A total of 35 criteria for the development of a new performing arts facility were developed under the following headings: Public policy criteria, service delivery criteria, operating criteria, facility design criteria.

In order to benchmark the dimensions of a typical performing arts centre having a 1,200 seat main hall and a 400 seat secondary hall, diagrammatic scaled plans and sections were developed.

A list of 71 functional areas for a typical facility having a 1,200 seat main hall and a 400 seat secondary hall was also developed together with a general relationship diagram. Each functional area was further illustrated in a sketch showing footprint dimensions and proportions for each.

The estimated net area for a typical facility was identified as about 63,500 square feet or about 5,900 square meters. Notes on the net-to-gross calculation were provided. (Please refer to Appendix J: Design Criteria and Space Function Program)

Site Analysis and Criteria (Novita, August 2014):

As an aide to determining site suitability, a set of 33 criteria were developed under headings which include: availability, zoning, adjacencies and urban planning, encumbrances, site surface, site sub-surface, ambient noise, visibility, traffic and access.

The footprint requirements for a facility having a 1,200 seat main hall and a 400 seat secondary hall were defined as being about 200 feet by 250 feet or about 60 meters by 75 meters. The footprint requirements for the facility's service yard were also defined as being about 100 feet by 150 feet or about 30 meters by 45 meters. (Please refer to Appendix K: Site Analysis and Criteria).

On September 2, 2014 Municipal Council received the three studies noted above and directed Civic Administration to work closely with Novita in order to review the business plan submitted by the project proponents, while utilizing the findings of the studies intended to help with the evaluation process *(Please refer to Appendix L: Council Resolution of September 2, 2014).*

Furthermore, on November 12 and 21, 2014, an email was sent out to all of the members of the Joint Task-Force requesting that if there was any other supplemental information that the project proponents wanted to include as part of their business plan to submit it to the Corporate Investments and Partnership Office. As a result, a Celebration Centre Fact Sheet was submitted at a meeting held at City Hall on December 3, 2014. It's important to note that all information submitted to date by the project proponents was used to complete Novita's evaluation.

DISCUSSION

In direct response to Municipal Council's direction of September 2, 2014, Novita's review findings of the Celebration Centre submission are as follows:

(Please refer to Appendix M for the full Novita report: Performing Arts Centre- Planning Status Report and Recommendations).

Market Development Plan:

Novita was not able to compare the market development plan for the Celebration Centre with the City's Market Analysis study because no market development plan was provided. The Proponent only committed to undertake such a program once the project had been approved by Municipal Council to proceed. This was identified as a fundamental omission given that the marketing plan typically drives both the facility plan and the operational plan.

Facility Plan:

Novita compared the facility plan for the Celebration Centre with the City's Design Criteria and Space/Function Program study. As a result, this comparison raised many fundamental issues of concern:

- The discrepancy in net area between the proposed scheme and the City's standard
- The overall fit of the proposed scheme to the site
- Size and relationship of spaces on the main floor level
- The unresolved nature of the Rehearsal Hall
- The lack of a life safety analysis and exiting plan

According to Novita, the greatest concern is about the Celebration Centre's basic concept as it appears to be based on a facility formula which has not stood the test of time in other communities and markets like London.

Site Location:

Novita compared the proposed location for the Celebration Centre on the Centennial Hall site with the City's Site Analysis and Criteria study. Novita indicated that the proposed site for a cultural facility on the east side of Victoria Park may be too remote from the related cultural, entertainment and retail in the downtown core. Further, Novita pointed out that the proposed site is considerably smaller than the City's study indicates as required for the building footprint. It was also identified that the provision of dedicated parking for this proposal is also not resolved among other key issues.

State of Compliance:

Novita also assessed the "state of compliance" under 15 headings and concluded that in every instance the Proponent's information was deemed to be incomplete; site plan, functional program, systems and equipment, design criteria, facility schematics, general contract cost, market analysis, market development, pre-opening plan, operating revenues, operating costs, key terms and principles, capital development budget, capital development plan, and corporate profile.

Novita found the Music London's Business Plan to be incomplete, and identified 17 items for further development by the Proponent and noted that it may be unrealistic for the City to expect that Music London will be successful in addressing the 17 planning issues identified below in a timely fashion:

- Complete an analysis of the preferred site using the City's criteria in order to confirm the suitability of this site;
- Confirm site acquisition;
- Complete a comparison of its functional program with the City's Space and Function

- Program and to note both conformity and variance between the two;
- Refine and clarify the Systems and Equipment list and budget
 - Complete a comparison of its design criteria with the City's Design Criteria and to note both conformity and variance between the two;
 - Continue working to resolve all the fundamental design issues;
 - Engage a Life Safety consultant to review the schematic plans to ensure that all exiting requirements are met;
 - Prepare a comprehensive physical development budget which identifies and quantifies all the costs associated with constructing this facility;
 - Make the market development plan the highest priority and use the City's background document as a guide -- with specific reference to the development of a diversity of niche products and audiences in London;
 - Complete and submit a strategic plan for market development;
 - Identify all the operational development tasks to be completed through to opening day, in sequence and with responsibilities and costs identified, cash flow, etc.
 - Revise its capital revenue estimates and adjust its capital revenue generating strategies accordingly;
 - Revise and re-submit the revenue forecast and demonstrate how the market development program will support the revenue projections for the initial years;
 - Revise and re-submit the cost estimates and demonstrate their strategy for achieving a balanced operating budget;
 - Provide a description of roles, relationships and responsibilities for all parties related both to the capital development of the project, the ownership and the ongoing operations;
 - Prepare a capital development plan and budget which will assist in identifying the true and complete cost of the project;
 - Identify an existing and qualified legal entity which will be the constant authority for the project;

In conclusion, Novita determined that after nearly two years of effort by the Proponent, the Business Plan for Celebration Centre remains an incomplete document. Its marketing plan is based on an outdated concept; the concert hall concept which this Proponent is proposing is not aligned with the market and no market development plan is underway to test the concept in its market. The functional program and design submitted by the Proponent has significant unresolved issues and appears to be too small. The site which has been selected by this Proponent appears to be too small for their proposed program (60% the size of the footprint for a typical facility) and is probably not the optimal location for a PAC. The full and true cost of the project remains unknown, but will be significantly greater than the \$40 million estimated construction cost due to a number of budget exclusions⁹. The operating cost is about half the industry standard (the projected operating revenues are about \$1.93m, half the likely cost of operations, at least \$3.5m). These aforementioned items are some of many other fundamental deficiencies identified with the submission.

Novita's Recommendations:

Based on the business plan review Novita recommends the following:

- that the City should close its file on Celebration Centre/Music London, re-focus its efforts and pursue other options including a building concept which reflects current market realities and an appropriate site;
- that the City should reconsider the Centennial Hall Site as a location for a major cultural facility;
- that the City prepare a list of potential PAC sites with related acquisition strategies concurrent with the engagement process.
- that the City proceed on the basis of the September 2nd resolution¹⁰ to carry out a community engagement program to be completed in 2015.

⁹Budget exclusions as identified by Ellis Don: Demolition of Centennial Hall and parking garage; Construction of new underground parking garage below building; Residential towers; Roadwork to extend Princess Ave.; Hazardous material removal and disposal; Unforeseen soil conditions; Dewatering system; Shoring; Owners - FF+E including all loose furniture; Site plan approval; Legal fees; Development Levy; HST.

¹⁰...the Civic Administration BE DIRECTED to work closely with NOVITA Interpares Limited in order to review the business plan submitted by the project proponents, while utilizing the findings of the above-noted three (3) studies, in the addition to the engagement of the Music Strategy Task Force, Arts Groups and Millennials, intended to help assist with the evaluation process..."

In the event that Municipal Council resolves to keep the “Celebration Centre” file open, Novita recommends that the Proponent should be advised to carry out Planning Issue #9¹¹.

Alternatively, if Municipal Council resolves to take no further action on the “Celebration Centre” file, but expresses interest in the Performing Arts concept, Novita recommends that an engagement process be undertaken, which would allow for a proper way to develop a viable concept by ensuring:

- that all Londoners will have input;
- that the audience of tomorrow (Millennials) will have input; and
- that the local presenter market (Music Strategy Task Force, Arts Groups) will have input.

As such, Novita has prepared a set of criteria for the community engagement process, and has identified conditions for its success. In its report, Novita has described the outcomes which will flow from the process and demonstrated that, at the end, a viable concept for a Performing Arts Center (PAC) will have been formed. (Please refer to Appendix M for more details).

CONCLUSION

It’s important to note that the culture sector offers many benefits to the local economy. The sector possesses an opportunity to strengthen and embrace London’s diversity and cultural identity, as well as build vibrancy in the downtown. Culture generates an opportunity to create jobs, attract investment and stimulate the local community through tourism. For example: music halls, theatres and studios produce economic activity by attracting local and distant visitors. Cultural facilities can be a powerful community revitalization asset, as they can become hubs for various kinds of activity, attracting people for many different reasons: from local gatherings, civic events to world renowned performances. Performing Arts facilities possess the ability to generate community and economic benefits that justify the required subsidy, as these types of facilities possess the potential to generate numerous social, civic, cultural and economic benefits.

In conclusion, Civic Administration recommends a) that the review of the “Celebration Centre” business plan undertaken by Novita be received; and b) that on the recommendation of Novita Interpares no further action be taken with respect to the “Celebration Centre”, Music London Business Plan; and c) subject to the approval of b), in the event that the Municipal Council is interested in the performing arts concept that the Novita Interpares recommendations be considered. It being noted that the Strengthening our Community area of focus of the Municipal Council’s draft 2015-2019 Strategic Plan includes a strategy recommending to “*explore the potential for a mixed-use performance venue(s) in London*”.

PREPARED AND SUBMITTED BY:	REVIEWED AND RECOMMENDED BY:
CATHY DZIEDZIC SPECIALIST, CORPORATE INVESTMENTS AND PARTNERSHIPS	ART ZUIDEMA CITY MANAGER

cc. Brian Arnott, Novita Interpares Limited
Kate Graham, Manager, Corporate Initiatives

¹¹ Planning Issue #9: make the market development plan the highest priority and use the City’s background document as a guide -- with specific reference to the development of a diversity of niche products and audiences in London.

Robin Armistead, Manager, Culture and Municipal Policy
Jennifer Smout, Solicitor, Legal and Corporate Services
Bill Warner, Manager, Realty Services
Tim Wellhauser, Division Manager, Facilities

Appendices:

- Appendix A: Council Resolution January 15, 2013
- Appendix B: Council Resolution February 12, 2013
- Appendix C: Council Resolution December 17, 2013
- Appendix D: Council Resolution February 11, 2014
- Appendix E: Business Plan Questions
- Appendix F: Council Resolution February 25, 2014
- Appendix G: Council Resolution May 20, 2014
- Appendix H: Council Resolution July 29, 2014
- Appendix I: Market Analysis (attached)
- Appendix J: Design Criteria and Space Function Program (attached)
- Appendix K: Site Analysis and Criteria (attached)
- Appendix L: Council Resolution September 2, 2014
- Appendix M: Novita – Performing Arts Centre- Planning Status Report and Recommendations)

Appendix A: Council Resolution January 15, 2013

M. Hayward
Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

H. Filger
Director of Corporate Investments & Partnerships

I hereby certify that the Municipal Council, at its session held on January 15, 2013 resolved:

3. That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and the Director of Corporate Investments and Partnerships, the following actions be taken with respect to the development of a Strategic Investment and Economic Prosperity Plan:
 - a) the document entitled "A Path to Prosperity: Community Business Ideas to Stimulate our Economy" attached to the staff report dated December 18, 2012, **BE RECEIVED**; it being noted that reference to J. Malkin in the above-noted document should read "London Multicultural Community Association";
 - b) the Civic Administration **BE DIRECTED** to make the necessary arrangements to hold a public participation meeting and to circulate the document noted in part a) above, to obtain public input; and,
 - c) the Civic Administration **BE DIRECTED** to report back at a future Investment and Economic Prosperity Committee (IEPC) meeting providing information with respect to the public comments received through the consultation process;

it being noted that the IEPC heard the attached presentation from the Director of Corporate Investments and Partnerships and M. Daley and C. Dziedzic, Specialists, Corporate Investments and Partnerships, with respect to this matter, and heard a verbal update from J. Yanchula, Manager, Community Planning and Urban Design, with respect to the Fincore project for the SOHO development, advising that a report will be going forward to the Planning and Environment Committee on February 5, 2013, related to this matter. (3/1/IEPC)

C.Saunders
City Clerk
/rr

cc: A. Zuidema, City Manager
J. Fleming, Managing Director, Planning and City Planner
G. Hopcroft, Director, Intergovernmental and Community Liaison
B. Warner, Manager, Realty Services
J. Yanchula, Manager, Community Planning & Urban Design
M. Daley, Specialist II - Corporate Investments & Partnerships
C. Dziedzic, Specialist II - Corporate Investments & Partnerships

Appendix B: Council Resolution February 12, 2013

H. Filger
Director of Corporate Investments & Partnerships

I hereby certify that the Municipal Council, at its session held on February 12, 2013 resolved:

3. That, on the recommendation of the Director of Corporate Investments and Partnerships, the following actions be taken with respect to the proposed updated investment and economic prosperity proposal assessment process:
 - a) the updated investment and economic prosperity proposal assessment plan to guide the timeline by which proposals will be developed, and the process by which selected proposals will evolve from ideas to executable projects, including the proposed public engagement plan **BE ENDORSED**; and,
 - b) the synopsis of the January 12, 2013 public consultation **BE RECEIVED**.
(3/2/IEPC)

C. Saunders
City Clerk
/rr

cc: M. Hayward, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer
J. Fleming, Managing Director, Planning and City Planner
G. Hopcroft, Director, Intergovernmental and Community Liaison
E. Gamble, Director of Corporate Communications
M. Daley, Specialist II - Corporate Investments & Partnerships
C. Dziedzic, Specialist II - Corporate Investments & Partnerships

Appendix C: Council Resolution December 17, 2013

H. Filger
Director, Corporate Investments and Partnerships

I hereby certify that the Municipal Council, at its session held on December 17, 2013 resolved:

5. That, on the recommendation of the Director, Corporate Investments and Partnerships, the following actions be taken with respect to the proposals submitted by Music London and the Grand Theatre for a Mixed-Use Development including a Performance Centre:

- a) the joint letter provided by Music London and the Grand Theatre BE RECEIVED for information;
- b) based on the request outlined in the above-noted letter, as well as the consistent theme throughout the public consultation process, the creation of a proposed "Joint Task Force" for the purpose of advancing the "Mixed-Use Development Including a Performing Arts Centre" proposal, between Music London and the Grand Theatre BE ENDORSED; and,
- c) the Civic Administration BE DIRECTED to review the revised business plan submitted by the Joint Task Force, and continue to engage Novita Interpares for a third party review; it being noted that, previously identified milestones may need to be amended at the request of the Joint Task Force. (5/1/IEPC)

C. Saunders
City Clerk
/rr

cc: The Grand Theatre, 471 Richmond Street, London, Ontario, N6A 3E4
Music London, 185 Queens Avenue, London, Ontario, N6A 1G7
M. Hayward, Managing Director, Corporate Services, City Treasurer, Chief Financial Officer
C. Dziedzic, Specialist, Corporate Investments and Partnerships
M. Daley, Specialist, Corporate Investments and Partnerships

Appendix D: Council Resolution February 11, 2014

H. Filger
Director, Corporate Investments and Partnerships

I hereby certify that the Municipal Council, at its session held on February 11, 2014 resolved:

2. That the following actions be taken with respect to a community cultural investment proposal for a Downtown Arts and Entertainment District:

- a) the proposal dated February 2014, and the attached revised pages 3-9 and 3-10, from S. Ritchie, Downtown Performing Arts and Entertainment Task Force, M. Faulkner, Music London and R. Koudys, The Grand Theatre, with respect to this matter BE RECEIVED with thanks; and,
- b) the above-noted proposal BE REFERRED to the Civic Administration for consideration and a due diligence review with a report back at the next IEPC meeting; it being noted that the report back should include recommended governance relationships, next steps, financing required and recommended consultants for further review and business plan development. (2/3/IEPC)

C. Saunders
City Clerk
/rr

cc: S. Ritchie, Downtown Performing Arts and Entertainment Task Force
(scott.ritchie@siskinds.com)
M. Faulkner, Music London, 185 Queens Avenue, London, Ontario, N6A 1G7
R. Koudys, The Grand Theatre, 471 Richmond Street, London, Ontario, N6A 3E4
J. Fleming, Managing Director, Planning and City Planner
M. Daley, Specialist, Corporate Investments and Partnerships
C. Dziedzic, Specialist, Corporate Investment and Partnerships

Appendix E: Business Plan Questions

That Council support the Performing Arts Venue concept conditional on the following:

The development of a proper (predictable and stable) business plan, prepared by a respected Cultural Sector Consulting firm; specialising in facilities planning/theatre consulting, such as Novita or ARUP. (*Please see requirements of the business plan below*).

That the City contribution not exceed 25% of total cost (*Council may wish to set an upper limit*) and be conditional on the successful commitment for the remaining 75% of the total project cost, satisfactorily contributed by the Federal and Provincial Government and a Community Fundraising Campaign.

PROJECT TIMETABLE

- What are the significant project milestones and where do they fall in the proposed project development calendar?

CONSTANT AUTHORITY FOR DEVELOPMENT

- What corporate entity will have full and final authority for development of the project?
- What are the qualifications and capacities of this corporation related to this project?
- Who will guarantee the construction costs? (EllisDon?)

OWNERSHIP

Upon completion of the project:

- Who will own the fixed asset? (*If not the City, the proposed organization should provide their audited financial statements, highlighting their assets and liabilities*).
- If multiple owners, how is ownership divided and what are the relative rights and responsibilities of the parties?
- Who would be on the Board of Directors?

FACILITY OPERATIONS

- Will the various components of the mixed-use project be operated separately? If so, what are the relative rights and responsibilities of each operator?
- What, if any, usage conflicts might exist and how would they be resolved?
- What corporate entity will have full and final authority for the operation of the live performance venue?
- Should the management contract go out for tender, and if so, who will award the contract? (What are the rules surrounding the issue where the proposed operator has equity in a competing facility, should the operator be required to provide a detailed operations plan?)
- What are the qualifications and capacities of this corporation as a live performance facility operator?
- What is the full list of operating costs for which the live performance facility operator will be responsible?
- What is the full list of operating revenue sources?
- What is the plan for unanticipated revenue shortfalls and risk management of the operating budget?
- What is the plan for a capital reserve/capital maintenance fund?

CAPITAL FINANCING

- What costs will be incurred prior to signing a General Contract tender and how will these costs be financed?
- How will construction be financed and what are the cash flow and sequence?
- Will the project require density bonuses or other allowances (that are not cash or assets) from the City?

CAPITAL COST CONTROL AND RISK MANAGEMENT

- What is the plan for cost estimating and cost control for the overall project?
- What is the plan for capital cost contingencies for the overall project?

LIVE PERFORMANCE DESIGN, COSTING AND FINANCING

- Identify the key requirements for the live performance venue as a component within the mixed-use development? (Footprint, height and volume, relation of main floors to grade, access and egress, structural implications, mechanical implications, etc.)
- Will the cost of the live performance venue be a separate section of the project budget? If so, how will joint, common and related costs (e.g., common structure, etc.) be identified and what is the cost sharing mechanism?
- Will the live performance venue (as defined within the project) be funded independently? If so, what are the cash flow requirements to meet the overall project schedule?
- What strategies are to be used in raising capital revenues through grants and donations?
- What, if any, capital or operating funds will flow from the other project components to the live performance component?

FACILITY SCHEMATICS

- Is the proposed site big enough? The fit-to-site of a 1,300 seat hall in this location needs to be demonstrated.
- Is the proposed 1,300 seat hall the appropriate size, or should it be bigger?
- Is this the right location for this hall? Is it too remote from the rest of the downtown's cultural/entertainment and related assets?

OTHER COMPONENTS

- How do the residential, commercial and parking components relate to urban development and market needs in London?

MARKETING PLAN

- The potential market and target customers should be described.
- Estimate the total potential market (number of potential customers and the immediate target market); these estimates should be supported with factual data.
- The competitive advantage should be defined and how the offering satisfies the needs of this market.
- The growth potential of the immediate market and possible future markets, including national and international markets should be estimated.

WORKING WITH THE CITY OF LONDON

- What are your expectations of the City in the development period leading up to the start of construction?
- What are the expectations of the City once the project is operational?

Appendix F: Council Resolution February 25, 2014

M. Hayward
Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

H. Filger
Director, Corporate Investments and Partnerships

I hereby certify that the Municipal Council, at its session held on February 25, 2014 resolved:

2. That, on the recommendation of the Director, Corporate Investments and Partnerships, the following actions be taken for the purpose of advancing the proposal associated with a mixed-use development including a Performing Arts Centre:
 - a) the amount of up to \$75,000, previously identified for the development of the proper Business Plan, BE APPROVED, to retain Novita to perform a thorough review of the business plan submitted by the project proponents;
 - b) the proposed Performing Arts Centre (PAC) Business Plan development approach, as outlined by the Civic Administration on pages 7 and 8 of the staff report dated February 24, 2014, BE ENDORSED;
 - c) the Civic Administration BE DIRECTED to review the formal business plan submitted by the project proponents, as also noted in part a), above, and present the findings to the Investment and Economic Prosperity Committee for further direction; and,
 - d) concurrent with c), above, the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer BE DIRECTED to explore alternate sources of funding and to report back to the Investment and Economic Prosperity Committee (IEPC) prior to the 2015 Budget process; it being noted that the above-noted actions will be subject to the acceptance of an appropriate business plan;

it being noted that the IEPC reviewed and received a communication dated February 24, 2014 from B. Brock, with respect to this matter. (2/4/IEPC) (AS AMENDED)

C. Saunders
City Clerk
/rr

cc: B. Brock (via email)
B. Arnott, Founding Partner/Consultant, Novita Interpares Ltd., 1110 Yonge Street, Suite 200, Toronto, Ontario, M4W 2L6
M. Daley, Specialist, Corporate Investments and Partnerships
C. Dziedzic, Specialist, Corporate Investment and Partnerships

Appendix G: Council Resolution May 20, 2014

M. Hayward
Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

I hereby certify that the Municipal Council, at its session held on May 20, 2014 resolved:

3. That the Music London Business Plan dated May 2014, for a mix-use development including a Performing Arts Centre BE REFERRED to the Civic Administration for further review and for an independent peer-review by Novita Interpares Ltd., with a report back to the Investment and Economic Prosperity Committee (IEPC), as soon as possible; it being noted that the IEPC received the attached presentation from J. Caskey, Chair, Downtown Performing Arts and Entertainment Task Force and M. Faulkner, Music London, with respect to this matter.

(Secretary's Note: an electronic copy of the above-noted business plan is available on the city website; a hard-copy is available for viewing in the City Clerk's Office.) (3/8/IEPC)

C. Saunders
City Clerk
/rr

cc: J. Caskey, Chair, Downtown Performing Arts Entertainment Task Force -
jim.caskey@siskinds.com
M. Faulkner, Music London, 185 Queens Avenue, London, Ontario, N6A 1G7
A. Zuidema, City Manager
C. Dziedzic, Specialist II, Corporate Investments & Partnerships

Appendix H: Council Resolution July 29, 2014

M. Hayward
Managing Director, Corporate Services, Chief Financial Officer and City Treasurer

I hereby certify that the Municipal Council, at its session held on July 29, 2014 resolved:

5. That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to a Mixed-Use Development, including a Performing Arts Centre:

- a) the Civic Administration BE AUTHORIZED to expand the scope of the work being undertaken by Novita to perform a thorough review of the business plan submitted by the project proponents, to also include undertaking the following, which will assist in the development and evaluation of a business plan:
 - i) market analysis;
 - ii) facility program and design criteria;
 - iii) site analysis and criteria; and,
- b) the proponents BE REQUESTED to seek the financial support of the Provincial and Federal Governments on the basis that the City of London is giving serious consideration to a Mixed-Use Development, including a Performing Arts Centre; it being noted that the City's approval of the project would be subject to the provision of a satisfactory business plan which would, at a minimum, address the components outlined in Appendix "B" to the staff report dated July 21, 2014;

it being noted that the Investment and Economic Prosperity Committee heard the attached presentation from the Managing Director, Corporate Services and City Treasurer/Chief Financial Officer with respect to this matter. (2014-M16) (5/10/IEPC)

C. Saunders
City Clerk
/bm

cc: B. Arnott, Novita Interpares Ltd., 1110 Yonge Street, Suite 200, Toronto, ON M4W 2L6
C. Dziedzic, Specialist, Corporate Investments and Partnerships

Appendix I: Market Analysis (Attached)

Appendix J: Design Criteria and Space Function Program (Attached)

Appendix K: Site Analysis and Criteria (Attached)

Appendix L: Council Resolution September 2, 2014

Art Zuidema
City Manager, Corporation of the City of London

I hereby certify that the Municipal Council, at its session held on September 2, 2014 resolved:

3. That, on the recommendation of the City Manager, the following actions be taken with respect to the Performing Arts Centre studies:

- a) the following three (3) studies undertaken by NOVITA Interpares Limited BE RECEIVED for information:
 - i) Market Analysis;
 - ii) Design Criteria and Space Function Program; and,
 - iii) Site Analysis Criteria;
- b) the Civic Administration BE DIRECTED to work closely with NOVITA Interpares Limited in order to review the business plan submitted by the project proponents, while utilizing the findings of the above-noted three (3) studies, in the addition to the engagement of the Music Strategy Task Force, Arts Groups and Millennials, intended to help assist with the evaluation process;
- c) based on the review findings, noted above, the Civic Administration, in collaboration with NOVITA Interpares Limited, BE DIRECTED to provide advice to Council; and,
- d) the Civic Administration, through its Intergovernmental Liaison, BE REQUESTED to advise the provincial and federal governments of the City of London's continued due diligence with respect to the Performing Arts Centre project;

it being noted that public/private partnership opportunities continue to be considered; it being further noted that the Investment and Economic Prosperity Committee heard the attached presentation from B. Arnott, Consultant, NOVITA Interpares Limited, with respect to this matter. (3/11/IEPC)

C. Saunders
City Clerk
/ab

cc: B. Arnott, Novita Interpares Ltd., 1110 Yonge Street, Suite 200, Toronto, ON M4W 2L6
G Hopcroft, Director, Intergovernmental and Community Liaison
C. Dziedzic, Specialist, Corporate Investments and Partnerships

**Appendix M: Performing Arts Centre: Planning Status Report and Recommendations
(Attached)**