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<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON MARCH 19, 2019</b>
<b>FROM:</b>	<b>SCOTT STAFFORD MANAGING DIRECTOR OF PARKS AND RECREATION</b>
<b>SUBJECT:</b>	<b>GRAND THEATRE GRANT AGREEMENT 2019 - 2023</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Parks and Recreation, the by-law attached as Appendix A, **BE INTRODUCED** at the Municipal Council meeting of March 26, 2019:

- (a) to approve a Grant Agreement (2019 – 2023) for \$500,000 in operating funding annually with Grand Theatre; and
- (b) to authorize the Mayor and Clerk to sign the Agreement.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- CAIP Policy, June 2000
- CAIP Policy Update, February 9, 2009
- Strategic Funding Framework for Council Directed Funding to Non-profit Organizations, May 23, 2012
- City of London CAIP Category #1 Policy amendment, December 18, 2013
- Community Arts Investment Program (CAIP) Policy and Funding Amendment, October 27, 2015
- Grand Theatre Multi-Year Operating Agreement, October 27, 2015

<b>BACKGROUND</b>
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Council at its meeting on October 27, 2015 resolved that: *“The Director of Community and Economic Innovation **BE DIRECTED** to develop a three-year (2016 – 2018) operating agreement for \$500,000 annually with the Grand Theatre for approval by Municipal Council at the beginning of 2016.”*

As per this Council Resolution, Council approved a three year (2016 – 2018) operating agreement for \$500,000 annually with the Grand Theatre, through the Culture Office budget.

The purpose of this report is to re-establish a formal multi-year Agreement, as the previous multi-year Agreement with the Grand Theatre will expire on April 5, 2019. It is proposed that the term of this new Agreement commence on May 1, 2019 and end on December 31, 2023.



The Grand Theatre is an incorporated non-profit organization with its own Board of Directors that manages its operations independent of the City of London. The Grand Theatre is one of only 13 large size “Category A” professional theatres in all of Canada. It owns the Grand Theatre lands, which includes an 839 seat theatre building. The Grand Theatre puts on approximately 15 productions with 210 performances, and throughout each year the theatre season hosts over 100,000 visitors.

**FINANCIAL IMPACT**

There is no new funding being requested by the Culture Office for the operation of the Grand Theatre, and therefore, there is no impact on the approved budget.

The Grand Theatre operates London’s only professional theatre with operating revenues over \$5 million, and has received funding support from the City of London for many decades. In October 2015 Council approved the elimination of the CAIP Category 1 granting program and annual funding of \$500,000 to the Grand Theatre was continued through a separate multi-year (2016 – 2018) operational agreement.

It is proposed that the disbursement of the grant funding for years 2019 - 2023 remain the same as the previous (2016- 2018) Agreement:

*The following portions of the grant will be paid upon the following triggering events occurring:*

- (i) the sum of \$250,000 will be paid by the City to the Recipient within thirty (30) days of execution of this agreement;*
- (ii) the sum of \$125,000 will be paid by the City to the Recipient within thirty (30) days of receipt of the Mid-year Report satisfactory to the City;*
- (iii) the sum of \$125,000 will be paid by the City to the Recipient within thirty (30) days of receipt of the audited financial statement due in November to the satisfaction of the City.*

**GRAND THEATRE AGREEMENT MODIFICATIONS**

The following two modifications from the previous Agreement have been made to this proposed Grand Theatre (2019 – 2023) Agreement:

1. The term of this multi-year Agreement is proposed to extend for this term of Council, and be consistent with the City’s multi-year budget process.  
**Schedule A**  
**The Funded Activity**
  - 2. Funded Activity Start Date (date for which funding will be commenced): 2019 May 1*
  - 3. Funded Activity End Date (date for which funding will end subject to budget approval noted in Clause 24 of this Agreement): 2023 December 31.*
  
2. Reporting clause 5.1(d) is proposed to be removed:  
*5.1(d) Third Quarter Financial Monitoring Report – due May 30; to include:*  
*5.1(d) (i) Financial Reporting – 3<sup>rd</sup> quarter financial monitoring includes January, February and March revenue and expenditure statement; to be signed by the Recipient Board Chair or Treasurer of the Board and authorized employee of the Recipient.*

This change is proposed because the Third Quarter Financial Monitoring Report is provided to the City, as part of un-audited financial report given each year after the Grand Theatre’s June 30<sup>th</sup> year end is completed. The final Audited Financial Statement is provided to the City after it has been approved by the Grand Theatre Board of Directors, at its annual general meeting held in November.

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<b>CONCLUSION</b>
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The Grand Theatre makes a significant contribution to the economy of London and the stability of the organization is vital to London’s culture and economy. The Grand Theatre requires this level of multi-year funding to enable it to continue to provide top quality programming and to be able to leverage funding from other levels of government. This municipal funding provides stability for performances, the revenues from which can fluctuate significantly from year to year.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>ROBIN ARMISTEAD MANAGER, CULTURE PARKS AND RECREATION</b>	<b>JON-PAUL MCGONIGLE DIVISION MANAGER, CULTURE, SPECIAL EVENTS AND SPORT SERVICES PARKS AND RECREATION</b>
<b>RECOMMENDED BY:</b>	
<b>SCOTT STAFFORD MANAGING DIRECTOR PARKS AND RECREATION</b>	

cc: Grand Theatre, c/o Deb Harvey, Executive Director