

PALACE Theatre

ARTS COMMONS

March 4, 2022

City Clerk's Office
City of London
300 Dufferin Ave.
P.O. Box 5035
London, ON N6A 4L9

Re: Palace Theatre Arts Commons (PTAC) Loan Forgiveness Business Case

Dear Council Members,

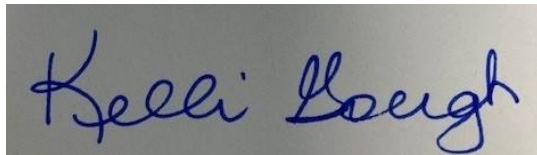
Palace Theatre Arts Commons is requesting forgiveness on the Building Code loan with the current balance of **\$78,749.83** (started at \$100,000.00).

Forgiving the loan would greatly reduce the work involved in renegotiating PTACS's mortgage with Libro Credit Union. Currently we have extensive communication between Libro, the City's legal team and ourselves to postpone the City's loan position in favour of Libro.

Loan forgiveness would also put PTAC in a better position to recover from the pandemic.

We would like to take this opportunity to thank the City of London for deferring our loan payments during the pandemic. PTAC is, and continues to be, a viable organization in Old East Village and wishes to continue to operate community theatre for decades to come.

Sincerely,



Kelli Gough
Chair, Palace Theatre Arts Commons
info@palacetheatreartscommons.ca

Palace Theatre Arts Commons (PTAC) Pandemic Recovery – Business Case

Executive Summary

PTAC is the unification of two long-standing London theatre pillars; London Community Players (LCP) and the London Fringe Festival. After extensive stakeholder, membership and community consultation and with the expert assistance of the Centre for Organizational Effectiveness the Palace Theatre Arts Commons (PTAC) was created in February 2020.

Pre-pandemic PTAC was in the midst of purchasing the building next to the theatre to expand its programming, wardrobe storage and rehearsal space to further cement its roots in the East end of London. The Theatre was full of optimism, staffing, programming and playbill that was finalized and in production. PTAC owns 710-712 Dundas St, the Palace Theatre, Proconier Hall and Maryse Leitch Hall/offices.

Fast forward to 2022. Currently there are no fulltime staff for operation and administration of the theatre. Operations is carried out by a Board of Directors and approximately 50 volunteers. Grants were procured which provided for short term staffing to execute grant responsibilities. The only staff PTAC was able to re-hire was the Director of the London Youth Theatre Education as this is funded through registration fees. Layoffs and having to let staff go was a hardship for PTAC but could not have been avoided. This was not an easy decision.

A fundraising event for April 2020 was well underway with its planning committee, sponsorship and ticket sales, most of which had to be refunded. Keeping in compliance with government regulations for cleaning, sanitizing and fogging was costly.

The theatre has managed to survive the pandemic due to grants received from Ontario Trillium Grant, London Arts Council and the Ontario Arts Council. We utilized federal and provincial Covid-19 relief programs, i.e CEBA, CERB for which special donation appeals have been made to facilitate timely repayment. Strategic negotiations with existing vendors were realized to reduce monthly costs by approximately 60%, a 'bare bones' strategy was necessary to keep the lights/heat on. Finally, we are grateful for our patrons who have donated significant funds as PTAC navigated closures. Revenue from theatre performances was greatly missed.

Background

Our vision: 'To be a thriving performing arts nucleus that entertains, provokes and inspires community participation and creativity.'

Our mission: 'To create opportunities in the performing arts for everyone in our community.'

PTAC has four programming groups under our umbrella. These are the core purposes for each. **Fringe** - 'A platform for independent, self-producing, emerging artists'. (A successful short run Fall of 2021).

London Community Players (LCP) - 'Theatre for the community by the community where Londoners play a part'.

London Youth Theatre Education (LYTE) - 'Accessible, experiential youth program providing performing arts fundamentals'.

New Stage - 'Teaching theatrical fundamentals for inspired adults'. (Currently on hold due to the Pandemic.)

London Community Players purchased the Palace Theatre's historic building 30 years ago. With the support of various grants and copious volunteer hours, The Palace Theatre has been lovingly restored over the last three decades to continue to be a cultural mainstay and anchor tenant in London's beloved Old East Village community.

The Palace Theatre Arts Commons was formed in February 2020, marking the unification of London Community Players (LCP), London Youth Theatre Education (LYTE), New Stage and London Fringe Theatre Festival (Fringe).

This unification synergized new and historic London Arts organizations and brought hope for future opportunities for transformational programming. This unification combined years of experience (LCP - 45 years, LYTE - 15 years, New Stage - 2 years and Fringe - 20 years) and housing them together at the iconic Palace Theatre.

As such, PTAC is the culmination of decades of artistic experiences brought to London audiences by local, national and international performers.

Proposed Pandemic Recovery Strategy

PTAC was able to accomplish key priorities despite pandemic restrictions.

1. PTAC had one of the few Fringe Festivals that put on live theatre and did not resort to digital streaming. Feedback from artists in the community encouraged PTAC to make a Fringe Festival live and viable despite limitations.
2. PTAC, once government restrictions lessened in 2021, took it's first focused opportunity to produce a more inclusive and diverse theatrical production through the fundraising event "All Together Now". With the rights being donated through Musical Theatre International (MTI) this musical was an inclusive celebration of our return to the stage. It was well received, featured a multicultural cast, character representation from the 2SLGBTQIA community and raised \$12,000.
3. PTAC was able to restart LYTE and hire back the Director. This program is self-funded through registration fees and has already produced a successful production.
4. Through the Ontario Trillium Grant, PTAC was able to hire a Grant Program Coordinator as well as a Social Media Coordinator who managed the development of content and posting to social media, Facebook and Instagram, an overhaul of our Mail Chimp database, the development of a monthly newsletter, the development of a new website being launched in March 2022 and the purchase of required personal protective

equipment and items to cope with Covid such as protective plexiglass barriers, hand sanitizer stations, masks, signage, fogging equipment etc.

5. Through the Ontario Trillium Grant new sound equipment was purchased as well as equipment for online streaming. PTAC was not able to provide this when the shutdown happened.

In order to ensure that our programming remains relevant and serves the London community inclusively, through 2022/23, we are re-evaluating the language we use to describe ourselves, seeking new ways of understanding who our community has been; and we committed to developing partnerships to expand our community toward a more inclusive PTAC in the future. A Board member took part in the "Local Indigenous Learning Series". She reported to the Board recommendations to acknowledge and identify the settler/colonizer history of our organization; break our cycle of inaction, through creating conversations with diverse community partners to establish proactive next steps. She will act as our ongoing Board Liaison leading EDI discussions into actions through volunteer onboarding and training, and ongoing discussions with the PTAC Production Committee toward the inclusion of diverse playwrights.

PTAC's strategic planning meetings were rescheduled twice due to government restrictions. PTAC has reached out to PILLAR and are finalizing the proposal for a Strategic Planning session in March 2022. This is an important next step as all those supporting PTAC are volunteers and need to present a cohesive strategy going forward. Funding for the Strategic Planning session has already been procured.

Request

On February 15, 2015, the City of London and London Community Players (now PTAC) entered into a loan agreement for the eligible completed work to repair damages to the building. The current balance of the loan is \$78,749.83. Payments up to the March 31, 2019, Covid-19 induced pause were made faithfully each month without interruption.

The City has been very generous in deferring the loan repayments during the closures due to the pandemic. It is at this time we ask forgiveness for the remaining balance. Loan forgiveness gives PTAC a quicker path to recovery.

As the theatre is opening and the pandemic seems largely behind us, and despite the challenges the East end of the city is experiencing through homelessness and drug abuse, PTAC feels they can begin to rely again on ticket revenues, pursue fundraising events and eventually get back to pre-pandemic revenues. PTAC will remain a viable business.

Business Case Financial Impact

Revenues	<u>2019-2020</u>	<u>2020-2021</u>	<u>FYTD 2021-2022</u>
	\$683, 782	\$200, 433	\$310, 872
Expenditures	\$756, 327	\$240, 504	\$193, 479

*PLEASE NOTE: The 2016 Libro mortgage renewal process lasted 6 months, involved 5 City Hall departments, and ultimately took the City Treasurer’s direct intervention to complete. The original mortgage was 3 months beyond its expiry date when the new contract with the City of London was finally signed. In 2021 we updated the contract to PTAC, conditions were left the same with Libro to avoid going through this sort of delay a third time.

Any future mortgage renewals will need to be initiated a minimum 6 months prior to the expiry date to allow the time for City of London to follow this general process (not official committee titles):

- dissolution of the current contract and preparation of a new contract by City staff
- introduction of the contract to the planning committee for approval
- if approved, moving onto the agenda for a City Council meeting
- being published in the City Council agenda to allow for public input to Councillors
- being publicly debated by Councillors at the City Council meeting and then being voted on
- if approved, returning to the legal department to be finalized and the signed by all parties

LCP/PTAC’s 4 incentive loans	Loan Term	Start Date	Loan Amount	Monthly Payment	Status Of Loan	Balance Owing
<i>HVAC – main auditorium</i> Building Improvement Unsecured	10 yr	2006	\$50,000	\$395.17	6/15/2016 paid in full	\$0
<i>Replacement of Lobby Doors</i> Façade Improvement Unsecured (LCP Opted to repay this loan 16 months early) Received Grant for forgivable Façade Loan	10 yr	2011	\$9,000	\$79.36	3/31/2019 paid in full	\$0
<i>Procurier Hall Restoration</i> Upgrade to Building Code Unsecured. Received Grant for forgivable Upgrade Loan	10 yr	2012	\$50,000	\$438.59	3/31/2019 Paused due to Covid	\$9,649.72
<i>Emergency Repairs to Exterior Auditorium Walls</i> Secured Special Loan*	20 yrs	2016	\$100,000	\$416.67	3/31/2019 Paused due to Covid	\$78,749.83

In 2015, LCP requested a \$100,000 grant from City Council to affect emergency repairs to the exterior auditorium walls. The original 1929, yellow brick cladding was failing as it approached the end of its 90-year life cycle. Water infiltration was exponential and causing catastrophic damage to the heritage plaster applications on the interior auditorium walls.

LCP requested the grant from City Council, as the failure of the brick occurred midway through a planned \$150,000 roof replacement over the Box-office/lobby/Procurier Hall - an unrelated roof at system at the front of the building. The planned roof replacement was funded 50% by an Ontario Trillium Fund Grant and 50% by LCP fundraising efforts. City of London funds were not involved in the roof replacement.

When City Council voted against LCP's grant request, the Special Loan was a compromise solution put forth by a Councillor, which LCP accepted, as delaying would have meant the complete loss of the decorative heritage plaster on the interior auditorium walls.

The total cost to repair the exterior walls was \$126,000. Through fundraising LCP paid for the costs not covered by the City loan. LCP fundraising also covered the \$40,000 cost of repairs to the interior walls the following year. LCP never missed a loan repayment for the next 5 years, right up until the City postponed all loan repayments due to COVID.

Photos of Building damage





Banished By The King Productions

banishedproductions.ca



banishedbytheking@gmail.com

To Whom It May Concern;

When asked, I jumped at the chance to write a letter in support of the Palace Theatre Arts Commons. As an independent theatre group, creating original work here in London, Banished By the King Productions has been tremendously supported and promoted by Palace Theatre Arts Commons.

By carving out spaces for artists to establish themselves and perform, Palace Theatre Arts Commons is unparalleled in London. The ability to reach the wider London community through their long-standing patrons and outreach into sometimes overlooked groups has allowed for Banished to grow and develop as a group of writers, actors, directors, technical artists, and citizens right here in our home town.

Banished produces original theatrical works written by local London authors. Palace Theatre Arts Commons has provided the space and resources for our authors to hone and improve their scripts through staged readings. The process has been invaluable to improving our output and the quality of shows we perform.

I cannot overstate how lucky London is to have Palace Theatre Arts Commons. The Palace Theatre itself is a real gem. The people who volunteer their time, effort, energy, sweat, tears, and talents all deserve a hearty thank you from the wider London community. Everyone at Banished echoes that thank you to the people who create and create spaces for other creations to occur.

I would be more than happy to answer any and all questions about Banished's involvement and reliance on Palace Theatre Arts Commons.

Sean Brennan

Co-Founder, Banished By the King Productions

FPT THEATRE ~250 Colette Drive~London, ON N6E 3S9
519 857 2352~FPTLondon@gmail.com



February 12, 2022

TO WHOM IT MAY CONCERN

Re: Letter of Support – Palace Theatre Arts Commons

Funeral Pyre Theatre (London) began operation in 2012. Our very first production was in the London Fringe. Even though the Palace Theatre was not part of the Fringe festival that year, the project coordinator at the time provided our company with rehearsal space and printing assistance (including use of the colour photocopier, and expertise in creating programs) for no cost. The only request was for the placement of an advertisement in our program. This gesture provided our company with the opportunity to have a successful production and make some money which we used towards our next production. Without the assistance at the time, perhaps our company would not have continued to be able to produce and showcase plays over the next ten years.

During the pandemic, the Palace Theatre Arts Commons continued to work with our company and helped us produce two additional plays which otherwise would not have been possible. The members of the team we worked with were invested in helping make our productions successful and of the highest quality.

We truly appreciate the work this company has done within the theatre community in London, Ontario and for our independent theatre.

If you require any additional information, please do not hesitate to contact me.

Yours truly,

Valerie Grunte
Producer