

Sony Centre for the Performing Arts - Reallocation of 2017 State of Good Repair Capital Funds

Date: November 10, 2017

To: Budget Committee and Executive Committee

From: Acting Chief Financial Officer

Wards: All

SUMMARY

The purpose of this report is to transmit to City Council the request from the Board of Directors of The Hummingbird (Sony) Centre for the Performing Arts to apply permanent underspending from three projects in their 2017 Capital Budget to three new projects and one overspent project. These changes will deliver an energy cost savings initiative, AODA compliance for the theatre's concession stands, a fire curtain replacement, and rigging hoist automation projects.

RECOMMENDATIONS

The Acting Chief Financial Officer recommends that:

1. City Council approve reductions to the following underspent debt funded capital projects in the 2017 Capital Budget for the Sony Centre totalling \$0.799 million:
 - a) East Side Restoration project (CHU009-01; \$0.076 million)
 - b) Exterior Wall project (CHU008-01; \$0.648 million)
 - c) Stage Floor Replacement project (CHU010-06; \$0.075 million)

2. City Council approve an increase to the capital budget for the Fire Curtain Replacement project (CHU010-05) by \$0.075 million from \$0.261 million to \$0.336 million, and the addition of three new capital projects as follows, fully funded by debt reallocated in recommendation 1:
 - a) LED Auditorium Lighting for \$0.245 million,
 - b) Concession Stands for \$0.240 million, and
 - c) Automated Rigging Hoists for \$0.239 million.

FINANCIAL IMPACT

This recommendations in this report request changes to the 2017 Council Approved Sony Centre Capital Budget to apply permanent underspent debt funding from 3 projects to meet additional costs in one approved project and add 3 new capital projects to address other needs. The installation of LED lighting in the Sony Centre auditorium will reduce the current hydro budget from the current \$0.400 million annually, but due to the complexity of the lighting systems and the nature of the space, an advance estimate of savings is not possible. No other new financial impacts will arise from the approval of this report which requests the reallocation of debt funding. Detailed changes are the following:

Project cost reductions:	(\$ millions)
East Side Restoration	0.076
Exterior Wall	0.648
Stage Floor Replacement	0.075
Total reductions	0.799
Reallocate debt to:	
Fire Curtain Replacement cost increase	0.075
LED Auditorium Lighting	0.245
Concession Stands AODA compliance	0.240
Automated Rigging Hoists	0.239

DECISION HISTORY

In 2015, the Sony Centre commissioned a Building Condition Assessment which informed the capital investment needs to maintain and improve the current facility. www.toronto.ca/legdocs/mmis/2015/ct/bgrd/backgroundfile-84615.pdf

On February 15 and 16, 2017, City Council approved the 2017 Budget Committee Recommended Capital Budget for the Sony Centre for the Performing Arts with a total project cost of \$5.008 million, and 2017 cash flow of \$7.019 million and future year commitments of \$0.724 million which includes the capital budget for Exterior Wall, East Side Restoration, and Stage Floor Restoration projects. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2>

On October 26, 2017, the Board of Directors of The Hummingbird (Sony) Centre for the Performing Arts approved the 2017 Capital Budget reallocation request which is outlined in this report and asked that it be forwarded to Council through Budget Committee. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.HB24.1>

COMMENTS

In 2017, Sony Centre completed several capital projects below the approved level of debt funding. As a result, the underspent capital funds can be reallocated to the following projects:

- **Installation of LED auditorium lighting:** Current hydro costs at the Sony Centre are budgeted for to be excess of \$0.400 million annually. The change from conventional light bulbs to LED, costing \$0.245 million will reduce hydro and operational labour costs.
- **Installation of new concession stands:** The current concession stands at the Sony Centre are in very poor state of repair and do not adhere to AODA standards. This project for \$0.240 million will upgrade the concession stands to be AODA compliant with increased aesthetic and operational value.
- **Installation of automated rigging hoists:** In 2016 the Sony Centre replaced its rigging system although, the scope of the project was reduced to meet available funding. This \$0.239 million project will increase the number of automated rigging hoists (bringing it up to the original scope) which will save on labour costs.
- **Fire Curtain Replacement:** The existing fire curtain is original to the building (1960) and the additional \$0.075 million is needed to address the extent of the asbestos abatement required, increasing the project cost from \$0.261 million to \$0.336 million.

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SIGNATURE

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