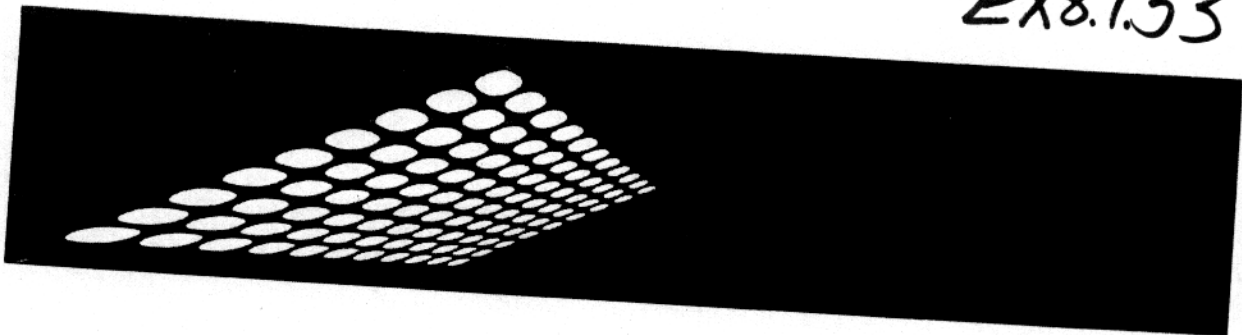


EX8.1.53



July 27, 2011

The City of Toronto Executive Committee
10th Floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Members of the Committee,

Re: Core Service Review - 2011.EX8.1 on July 28, 2011

OUR SHARED CHALLENGE

On Wednesday July 20, 2011, KPMG delivered to City Council their thoughts on how we might best reconcile the need to provide services to Torontonians while addressing mounting fiscal pressures.

The message delivered by KPMG is clear: Toronto's financial challenges are urgent and real. We must find more efficient ways to build and maintain a stronger city. Management of the Sony Centre for the Performing Arts agrees with the options presented in KPMG's analysis while holding to the belief that without a vibrant artistic centre that represents and programs to the more than 200 cultures that co-exist in Toronto today, Toronto will suffer, and so too will the social and economic contributions that come as a result of a healthy artistic community.

OPPORTUNITY FOR COST SAVINGS, EFFICIENCIES, AND SERVICE

As part of their recommendations, KPMG have identified a number of options for cost synergies between the City's theatres. The Sony Centre sees strength in some of these recommendations and is willing to work closely with the City to craft the best solution.

Of the options presented, amalgamation presents the City with the most immediate opportunity for success. It provides time for sound planning, ensures Toronto is able to continue offering a full suite of services, and provides the City with immediate, responsible, and meaningful cost savings.

SONY CENTRE FOR THE PERFORMING ARTS

1 FRONT STREET EAST, TORONTO, ON, CANADA M5E 1B2 sonycentre.ca

While KPMG suggests that amalgamation could not occur before 2013, the Sony Centre believes this could occur as early as 2011. Financial benefits derived from cost efficiencies and enhanced revenue generation could be seen as early as 2012.

Preliminary planning suggests that approximately \$1 million dollars in savings from an amalgamated operation is achievable, representing a cost savings of more than 30 per cent of the grants annually paid by the City to the three theatres.

The other option for the City to consider is the sale or lease of the theatres. We do not see this option as being mutually exclusive to the option of amalgamation. Amalgamation could be simply the first step.

If the City decides to pursue the option of amalgamation, our view would be one that seeks to gain even greater efficiencies over the next few years so as to relieve the City of all financial obligations for the theatres in the near future. In this regard, we believe a central leadership team consisting of the members of the theatre Boards as well as representatives from the City should undertake the careful review of all opportunities for the eventual sale, lease, or even the redevelopment of one or more of the theatre sites, while preserving the benefits that the theatres offer to the citizens of Toronto and the numerous arts groups that use the venues.

LOOKING FORWARD

During my time at the Sony Centre for the Performing Arts, I have been steadfast in my belief that strong arts and cultural centres are key to strong and vibrant cities (such as New York, Chicago, Los Angeles, Seattle, etc). Yet, we at the Sony Centre are not naive to the realities of the economic downturn, and its collateral effects. We are focused on finding innovative ways to meet the challenges that face our city.

Our goal is, and will remain to respond to both the needs of the City and the cultural needs of the communities we serve. Together with the City, we are strategically positioned to maximize our collaborations with other theatres, nonprofit organizations, various levels of government, and the business sector to leverage the most impact for Toronto.

Please note that the Board of the Sony Centre has not had the opportunity to deliberate on the findings of the KPMG report in time to provide a response to the Executive Committee, thus the comments contained herein are those of management only.

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iel Brambilla
Chief Executive Officer