



**STAFF REPORT  
ACTION REQUIRED**  
with Confidential Attachment

**Adjustment to the 2016 – 2025 Economic Development and Culture Capital Budget and Plan for the Toronto Centre for the Arts Stage Reconfiguration**

<b>Date:</b>	September 16, 2016
<b>To:</b>	Budget Committee
<b>From:</b>	General Manager, Economic Development and Culture
<b>Wards:</b>	Ward 23 – Willowdale
<b>Reason for Confidential Information:</b>	This report involves the security of property belonging to the City or one of its agencies, boards, and commissions. This report contains information about litigation or potential litigation that affects the City or one of its agencies, boards, and commissions.
<b>Reference Number:</b>	

**SUMMARY**

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The purpose of the report is to seek City Council authority to approve an adjustment to the 2016-2025 Capital Budget and Plan for Economic Development and Culture to amend the capital project Toronto Centre for the Arts (TCA) Stage Reconfiguration Phase 2 by increasing the project cost by up to \$2.144 million, funded from reserve funds. The project is to convert the Main Stage Theatre into two smaller theatres, the Greenwin Theatre (Phase 1) and the Lyric Theatre (Phase 2). Phase 1, which began in 2014, was completed on budget and on time. Phase 2 has been delayed due to complicated site conditions and requires additional funding to complete the project and negotiate final costs with contractors.

**RECOMMENDATIONS**

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**The General Manger of Economic Development and Culture recommends that:**

1. City Council amend the 2016 Economic Development and Culture Capital Budget by increasing the 2016 cash flow for the capital project know as Toronto Centre

for the Arts – Main Stage, Phase 2, by \$2.144 million for a total project cost of \$10.570 million, funded by \$1.572 million from Toronto Centre for the Arts Improvement Reserve Fund (XR3007) and \$0.555 million from Toronto Centre for the Arts Stabilization Reserve (XQ1060), conditional on approval by the Toronto Centre for the Arts Board of Directors.

2. City Council direct that Confidential Attachment 1 remain confidential as it pertains to the security of property belonging to the City or one of its agencies, boards, and commissions; and as it pertains to litigation or potential litigation that affects the City or one of its agencies, boards, and commissions.

## **Financial Impact**

Approval of the recommendation will amend EDC's 2016 Approved Capital Budget by increasing the capital project Toronto Centre for the Arts – Main Stage by \$2.144 million gross, \$0 net in 2016 to complete the Phase 2 of the Main Stage Reconfiguration.

Funding recommended is available in the Toronto Centre for the Arts Improvement Reserve Fund (XR3007) and the Toronto Centre for the Arts Stabilization Reserve (XQ1060) in the amounts for \$1.572 million and \$0.555 million.

This adjustment increases the total project cost of the Main Stage Reconfiguration from \$8.425 million to \$10.570 million. These Toronto Centre for The Arts reserve sources are available and appropriate to be applied to this project. Actual costs may be lower.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

City Council, at its meeting of January 29, 2014, approved the 2014 Capital Budget for Economic Development and Culture which included the new capital project Toronto Centre for the Arts – Main Stage Reconfiguration.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX37.1>

City Council, at its meeting of February 17, 2016, approved the 2016 Capital Budget for Economic Development and Culture.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

At its June 30th, 2016 meeting, the Board of Directors of the Toronto Centre for the Arts received a report for information which provided an update on the Main Stage Reconfiguration Project and advised that an adjustment would be required to the approved budget.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.AC8.4>

Staff Report with Confidential Attachment on Toronto Centre for the Arts Main Stage Reconfiguration

## ISSUE BACKGROUND

Toronto Centre for the Arts is located in Ward 23 at 5040 Yonge Street. In 2014, the Main Stage Reconfiguration Project was approved which involved the creation of two new theatres within the existing envelope of the underutilized 1,800 seat Main Stage Theatre in order to meet community demand for smaller theatre space.

Phase 1 of the project was to create the 296 Greenwin Theatre by April 2015 at the latest in order to meet the deadline for the start of the first show and this was completed on budget and on time.

The second Phase of the project is to create a 578 seat Lyric Theatre. There are several main reasons why the total funding for the Main Stage Reconfiguration Project is greater than the current approved budget:

1. The amount of design time the TCA allowed as part of the project time line was not sufficient resulting in added scope items that were not covered under the initial construction scope. Although the first phase of the project was completed on budget and on time for the April 2015 opening performances in the 296 seat Greenwin Theatre, the far more complicated second phase, the construction of the 578 seat Lyric Theatre required additional scope to ensure the venue would be delivered as a fully functional performance venue.
2. The design and installation of the architectural enclosure, which is the most significant new element in the Lyric Theatre that defines the new 578 audience chamber followed a design build construction process. The actual design called for more significant structural elements than originally budgeted for causing added pressure on the approved budget for the project.

The theatre is expected to be completed in time for its first scheduled production on November 2nd.

## **COMMENTS**

This report requests a budget adjustment to fund the additional projected costs based on the final cost forecast, using funds available in Toronto Centre for the Arts reserves held by the City. The budget adjustment is required to ensure that Phase 2 of the project will be able to be completed with the required scope items and in time for the planned usage of the venue.

TCA management will provide the Board of Directors of the Toronto Centre for the Arts with a detailed cost report, including the nature of the cost increases, on September 29, 2016. City oversight of the project has been provided through Facilities Management and Economic Development and Culture

## **CONTACT**

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## **SIGNATURE**

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Mike Williams, General Manager  
Economic Development and Culture

## **ATTACHMENTS**

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