



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

2021 State of Good Repair and Facility Fee Reserve Fund

Date: February 8, 2021

To: Audit Committee of the Board of Directors of TO Live

From: President and Chief Executive Officer

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information supplied in confidence to the Board of Directors of TO Live, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

The purpose of this report is to seek Board project and spending approval for 2021 State of Good Repair (SOGR) and Facility Fee Reserve Fund (FFRF) projects.

RECOMMENDATIONS

The President and Chief Executive Officer recommends that the Board of Directors of TO Live:

1. Approve the 2021 SOGR capital projects including 2021 projects with multiyear components listed in Confidential Attachment 1 and all related purchase orders and/or tender awards over \$100,000 up to each individual project budget or adjusted budget, not to exceed the available SOGR funding available in the 2021-2030 Capital Budget and Plan scheduled for consideration at the February 18, 2021 City Council meeting.
2. Approve the FFRF projects and purchases listed as FFRF funded projects and all related purchase orders and/or tender awards over \$100,000 up to each individual budget or adjusted budget, not to exceed the available FFRF funding, as outlined in Confidential Attachment 2 scheduled for consideration at the February 18, 2021 City Council meeting.

3. Direct that Confidential Attachment 1 and 2 remain confidential in their entirety because they contain financial information supplied in confidence to the Board of Directors of TO Live, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

There is no financial impact other than those listed in the report.

DECISION HISTORY

At its February 4, 2021 meeting, the City Budget Committee recommended City Council approve TO Live's 2021 Capital Budget and 2022-2030 Capital Plan.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.BU30.2>

At its January 29, 2021 meeting, Board of Director of TO Live approved interim spending authority on select 2021 SOGR projects.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.CT20.7>

At its September 3, 2020 meeting, the Board of Director of TO Live approved a proposal for COVID-19 capital improvement projects.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CT14.8>

At its September 3, 2020 meeting, the Board of Director of TO Live received a report on the condition of the roof at the Meridian Arts Centre.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CT14.9>

COMMENTS

The current TO Live 2021-2030 Capital Budget and Plan includes \$127.184M in current and future year cash flow commitments from the City of Toronto. An additional \$32.545M in uncommitted projects remain in the TO Live SOGR backlog. Meridian Hall is scheduled to have a building condition assessment commissioned in 2021 which will require an update to the current capital plan. The 2021-2030 Capital Budget and Plan is based largely on the findings of building condition assessments and accessibility audits of TO Live venues.

The 2021 SOGR total funding is \$30.431M inclusive of estimated carry-forward funding. The 2021 interim spending authority approved by the Board at its January 29, 2021 meeting of \$4.03M is included in the 2021 total noted above.

The 2021 Capital Plan and Budget includes the following highlights:

Meridian Hall

- \$6.776M for accessibility improvements broken into the following work packages as listed in confidential #1:
 - **Work Package #1**
 - Back of house stairs, railings, and paths of travel.
 - **Work Package #2**
 - Stage door areas inclusive of the entrance, service counter, washrooms, and paths of travel,
 - Lower administrative work areas, washrooms, and lunch area,
 - Lower lobby ramp reconstruction.
 - **Work Package #3**
 - Modifications to front of house water fountains, railings, stairs, and interior doors to meet accessibility standards,
 - The creation of accessible and adaptable seating in the main auditorium,
 - A lift to allow all patrons access to the mezzanine level seating,
 - Relocating an existing lounge/meeting room to allow for wheelchair access to the stage level from the audience including the addition of a universal audience washroom on the lower audience level,
 - Accessible elements for the exterior heritage door project noted below.
- \$1.228M to address replacement and/or refurbishment of doors in conjunction with the accessible work noted above in work package #3.
- \$1.7M for theatre systems and equipment focusing on audio and video infrastructure and related equipment to, in part, assist with digital programming related to COVID-19 and beyond.
- \$0.666M in funding for COVID-19 capital improvement projects previously approved by the Board at its September 3, 2020 meeting. TO Live was successful in securing a Canada Culture Spaces Fund grant contributing \$0.165M between this project and the related project at the Meridian Arts Centre.
- A building condition assessment and carry forward projects totally \$0.381M.

Meridian Arts Centre

- \$6.510M for accessibility improvements broken into the following work packages as listed in confidential #1:
 - **Work Package #1**
 - Back of house stairs, railings, and paths of travel.
 - **Work Package #2**
 - Front of house offices, coat checks and washrooms including the creation of gender neutral and family washrooms,
 - **Work Package #3**
 - The creation of accessible and adaptable seating in all auditoriums including modifications to vestibules and stairs to address paths of travel,
 - Lift access to the stage in the Lyric Theatre,
 - Adaption of control rooms to allow for accessibility,
 - Installation of an elevator in the Greenwin Theatre for the use by staff and patrons.

- \$0.224M in funding for COVID-19 capital improvement projects previously approved by the Board at its September 3, 2020 meeting. TO Live was successful in securing a Canada Culture Spaces Fund grant contributing \$0.165M between this project and the related project at the Meridian Hall.
- \$8.345 for SOGR and roof improvements including,
 - Replacement of the boilers, chillers, and the cooling tower,
 - Rigging, audio and drapery replacement in the studio theatre,
 - Acoustic drapery in the George Westin Recital Hall,
 - Design of replacement performance lighting systems in the Lyric Theatre, Greenwin Theatre, Studio Theatre and George Westin Recital Hall,
 - Design for the replacement of the show relay and paging system and Lyric Theatre sound system,
 - Sound isolation improvements between the Lyric and Greenwin Theatres
 - Year one of a four-year project to replace the roof of the Meridian Arts Centre as brought before the Board at its September 3, 2020 meeting. Year one will replace the flat roof and the following years will replace the PVC roof.

St. Lawrence Centre for the Arts

- \$0.951M for SOGR projects including:
 - COVID-19 Capital Improvement projects,
 - Replacement of the Bluma Appel Theatre performance dimming system to avoid business interruption,
 - Repair and replacement of select doors used by the public and guests,
- \$3.650M for STLC NEXT redevelopment planning, studies, and consultants.

Confidential Attachment #1 provides a detailed project list and their associated budgets.

Accessibility Program

In 2018 TO Live commissioned an accessibility audit for its venues. In 2019 a funding requested was submitted to the City of Toronto as part of the 2020 capital budget submission to address most of the accessibility issues present in the audit. This initial request considered groupings of similar architectural features (water closets, thresholds, ramps, etc.) as presented and costed in the audit checklists of the accessibility audits. This choice was made to simplify the funding request and base it on these groupings as it was unknown to what extent the funding request would be successful. If only partial funding was received or single year funding committed, the audit groupings could be considered as standalone projects based on available funds, priorities, and operational impacts. It was anticipated this direction would change if the full funding request was successful and all work could be considered in its entirety as a single program.

When TO Live was successful in securing its full funding request for accessibility thought to 2025, Building Arts Architects were engaged under a public procurement process as the architecture firm to work with TO Live on the design and execution of most of the accessibility work at the Meridian Arts Centre and Meridian Hall. The work could now be considered as a single cohesive program and not as individual projects

based on the elements from the audit checklist. This new methodology considered work packages which could logically fit within a larger accessible program.

Due to COVID-19, all funding for new construction was withdrawn by the City of Toronto in the spring of 2020. Design work was able to continue however it was uncertain what funding and cashflows would be available in 2021 and beyond for the accessibility program.

At the time of the 2021 capital budget submission to the City of Toronto several variables existed. These variables included:

- The impact of COVID-19 on capital funding and cashflow,
- The impact of COVID-19 on activity levels at TO Live venues allowing for the possibility of uninterrupted construction work normally not possible and,
- Confirmation of the success of securing a multi-year grant for the accessibility work at the Meridian Arts Centre.

Due to these variables, a change was not made to the cashflow requests in the 2021 budget submission, which had previously been based on the groupings in the accessibility audit checklists. It was decided to continue to develop the accessibility program, work packages and refine their budgets to be able to react to any changes to the variables noted above once uncertainty was reduced.

At present, it is anticipated current cashflow will required work package #3 at the Meridian Arts Centre to continue into 2022. Management will try to fast-track the entire work package so it can be completed in 2021 to take advantage of the reduced activity in the venue due to COVID-19 and limit impacts to future programming in 2022. This may be possible upon confirmation of a successful multi-year grant application for accessibility at the Meridian Arts Centre. It is however unclear the impact of a successful grant application would have on cashflow as any increase in funding from a grant may be offset by a decrease in debt funding. Alternatively, management has the option to request the Board to request Toronto City Council to reallocated funding from projects with a positive cashflow to the accessibility work at the Meridian Arts Centre. Tender results expected in the next one to two months across all work packages will provide direction and next steps.

As part of the 2022 capital budget process TO Live anticipates it will be in a position to request adjustments to future cashflows for the accessibility program, while staying within the overall funding envelop for accessibility in the 10-Year Capital Budget and Plan. This request and adjusted 10-Year Capital Budget and Plan will be presented to the Board prior to being submitted to the City of Toronto. This plan will also contain updates due to the Meridian Hall Building Condition Assessment being conducted this winter.

CONTACT

Matt Farrell
Vice President of Operations
T: 416-368-6161
Matt.Farrell@tolive.com

William Milne
Vice President of Finance & Administration
T: 416-368-6161
William.Milne@tolive.com

SIGNATURE

Clyde Wagner
President and Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - TO Live's 2021-2030 Capital Budget and Plan
Confidential Attachment 2 - FFRF Funded Projects and Purchases