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**In reply please quote:
Ref.: 24-EX17.17**

(Sent by Email)

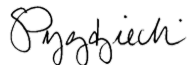
November 1, 2024

TO LIVE BOARD OF DIRECTORS:

tolboard@toronto.ca

**Subject: Executive Committee Item 17.17
Update on the St. Lawrence Centre for the Arts Redevelopment Project (Ward
13)**

City Council on October 9 and 10, 2024, adopted [Item EX17.17](#) as amended and, in so doing, has requested the Board of Directors of TO Live to develop an enhanced state of good repair plan for the St. Lawrence Centre for the Arts, utilizing the 2024 Building Condition Assessment as the baseline for the state of good repair requirements, such enhanced state of good repair plan to ensure that the project meets accessibility standards and achieves net-zero emissions in alignment with the City of Toronto's TransformTO strategy.

A handwritten signature in cursive script, appearing to read "Przewdziecki".

for City Clerk

S. Przewdziecki/wg

Attachment

c. City Manager

City Council

Executive Committee - Meeting 17

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|---------|--------|---------|--|----------|
| EX17.17 | ACTION | Amended | | Ward: 13 |
|---------|--------|---------|--|----------|

Update on the St. Lawrence Centre for the Arts Redevelopment Project

City Council Decision

City Council on October 9 and 10, 2024, adopted the following:

1. City Council request the Board of Directors of TO Live to develop an enhanced state of good repair plan for the St. Lawrence Centre for the Arts, utilizing the 2024 Building Condition Assessment as the baseline for the state of good repair requirements, such enhanced state of good repair plan to ensure that the project meets accessibility standards and achieves net-zero emissions in alignment with the City of Toronto’s TransformTO strategy.
2. City Council request the Deputy City Manager, Corporate Services in collaboration with the Executive Director, Corporate Real Estate Management, the General Manager, Economic Development and Culture, and the President and Chief Executive Officer, TO Live, to report to the December 10, 2024 meeting of the Executive Committee on the enhanced state of good repair plan for the St. Lawrence Centre for the Arts requested in Part 1 above.
3. Subject to the Board of Directors of TO Live proceeding with Part 1 above, City Council direct the Chief Financial Officer and Treasurer to propose funding in the 2025 Budget, for the Mayor’s consideration, for an enhanced state of good repair plan informed by the 2024 St. Lawrence Centre for the Arts Building Condition Assessment and limit the City allocation of funds to the budget provided within the associated Building Condition Assessment costing or as allocated through the 2025 budget process.
4. Should the Board of Directors, TO Live secure a commitment for additional external funding, from any combination of corporate donations, philanthropic contributions, or sponsorships, City Council request the Chief Financial Officer, in consultation with the President and Chief Executive Officer, TO Live, to bring forward a budget adjustment for the enhanced state of good repair plan consistent with the amount fully secured from external funding, wherein the additional funds shall be directed towards fulfilling outcomes identified in the community consultations as outlined in the report (September 6, 2024) from the President and Chief Executive Officer, TO Live on St. Lawrence Centre for the Arts Redevelopment Project.
5. City Council authorize the Executive Director, Corporate Real Estate Management to amend the St. Lawrence Centre for the Arts redevelopment contract with Hariri Pontarini Architects in a form satisfactory to the City Solicitor, as necessary, to modify their scope of work in accordance with Parts 1 and 4 above.
6. City Council direct that Confidential Attachment 1 to the report (September 6, 2024) from the President and Chief Executive Officer, TO Live, remain confidential in its entirety as it

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

Confidential Attachment 1 to the report (September 6, 2024) from the President and Chief Executive Officer, TO Live, remains confidential in its entirety in accordance with the provisions of the City of Toronto Act, 2006, as it contains financial information supplied in confidence to the Board of Directors of TO Live which, if disclosed, could reasonably be expected to significantly prejudice the competitive position, or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

Summary

At its meeting on September 12, 2024, Board of Directors of TO Live considered Item [CT11.2](#) and made recommendations to City Council.

Summary from the report (August 28, 2024) from the President and Chief Executive Officer, TO Live:

The purpose of this report is to provide an update on the redevelopment of the St. Lawrence Centre for the Arts ("STLC") project, as directed by the Board of Directors of TO Live (Item CT9.9) and City Council (Item CC15.1), on the refined project cost estimates upon completion of a schematic design with appropriate Class Estimates and status on the financing strategies. Included in this report is information regarding the completion of the schematic design phase and associated Class D estimate, with project management and oversight from Corporate Real Estate Management (CREM), as well as TO Live's fundraising strategy and the established project stage gate process. This report seeks approval from the TO Live Board and City Council to progress from the schematic design phase into the detailed design phase.

Included in the detailed report will be:

1. Recommendations for approval
 2. Financial Impact outlining costs for the associated Stage Gate
 3. Decision History
 4. Background:
 - a) About TO Live
 - b) About the STLC
 - c) Process Outline (How we got here)
 - d) Stage Gate Process Outline
 - e) Schematic Design Phase Process; cost estimates, valuation and cost management
 - f) Design Development Phase Progress Outline
 - g) Major Design Milestones
 - h) Funding Model
 - i) Next Steps
- Confidential Attachment: Funding Update.

Background Information (Committee)

(September 12, 2024) Letter from the Board of Directors of TO Live on Update on the St. Lawrence Centre for the Arts Redevelopment Project

<https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-248750.pdf>

(August 28, 2024) Report from the President and Chief Executive Officer, TO Live on St. Lawrence Centre for the Arts Redevelopment Project

<https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-248756.pdf>

(September 6, 2024) Report from the President and Chief Executive Officer, TO Live on St. Lawrence Centre for the Arts Redevelopment Project
(<https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-248752.pdf>)
Confidential Attachment 1 - Funding Update
Public Attachment 2 - Update on the Fundraising for the St. Lawrence Centre Redevelopment Project
(<https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-248774.pdf>)

Communications (Committee)

(September 27, 2024) E-mail from Alan Barthel (EX.Supp)
(September 27, 2024) Letter from Wendy Ross (EX.Supp)
(September 27, 2024) E-mail from Catherine Limbertie (EX.Supp)
(September 27, 2024) E-mail from Brenda Macdougall (EX.Supp)
(September 27, 2024) E-mail from Helene Buisson (EX.Supp)
(September 27, 2024) Letter from David Plant, Executive Director, Performing Arts Lodges (EX.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/ex/comm/communicationfile-183126.pdf>)
(September 27, 2024) E-mail from Lorraine Segato (EX.Supp)
(September 27, 2024) E-mail from Patricia Varas (EX.Supp)
(September 27, 2024) E-mail from Wenda R. Montgomery (EX.Supp)
(September 27, 2024) Letter from Barry G. Warner (EX.Supp)
(September 28, 2024) E-mail from Vince Freeman (EX.Supp)
(September 28, 2024) E-mail from Osbourne Codner (EX.Supp)
(September 28, 2024) E-mail from Ken Jackson (EX.Supp)
(September 28, 2024) E-mail from Len Kubas (EX.Supp)
(September 29, 2024) E-mail from Benjamin Lemieux (EX.Supp)
(September 29, 2024) Letter from Phyllis Tanaka (EX.Supp)
(September 29, 2024) E-mail from James A S Walker (EX.Supp)
(September 26, 2024) Letter from Al Smith, Executive Director, Old Town Toronto Business Improvement Area (EX.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/ex/comm/communicationfile-183160.pdf>)
(September 30, 2024) Letter from Stewart Linton, President, St. Lawrence Neighbourhood Association (EX.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/ex/comm/communicationfile-183131.pdf>)
(September 27, 2024) E-mail from Raymond M David (EX.Supp)
(September 30, 2024) Letter from Franco Boni (EX.Supp)
(September 30, 2024) E-mail from Steven Totosy de Zepetnek (EX.Supp)
(September 30, 2024) E-mail from Donna Patterson (EX.Supp)
(September 30, 2024) E-mail from Alan Dilworth (EX.Supp)
(September 30, 2024) E-mail from Michael McClelland, Principal, ERA Architects (EX.Supp)
(September 30, 2024) Letter from Kristyn Wong Tam, Member of Provincial Parliament for Toronto Centre (EX.New)
(<https://www.toronto.ca/legdocs/mmis/2024/ex/comm/communicationfile-183136.pdf>)
(October 30, 2024) E-mail from Vicki Preston (EX.New)
(September 30, 2024) E-mail from Linda Sheppard (EX.New)
(October 1, 2024) E-mail from Dawn Maracle (EX.New)
(October 1, 2024) E-mail from Syma Shah (EX.New)
(October 1, 2024) Submission from Phillip Silver (EX.New)
(October 1, 2024) E-mail from Isabel Vicente Menanno (EX.New)

Communications (City Council)

(October 5, 2024) E-mail from Valerie Hussey (CC.Supp)
(October 1, 2024) Letter from Amanda Ram, Interim Executive Director and CFO, The National Ballet of Canada (CC.Supp)
(<https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-183465.pdf>)

17a St. Lawrence Centre for the Arts Redevelopment Project - Supplementary Report

Summary

This supplementary report from the Chief Financial Officer and Treasurer has been submitted for Council's consideration in companion with the report from the President and Chief Executive Officer of TO Live entitled Update on the St. Lawrence Centre for the Arts Redevelopment Project (CT11.2).

During the 2024 Budget process, City Council approved preliminary project funding to complete the schematic design phase of the St. Lawrence Centre for the Arts (STLC) Redevelopment Project through the reallocation of \$8.560 million in funding originally planned for State of Good Repair (SOGR) requirements within TO Live's 10-Year Capital Budget and Plan.

City Council also requested the President and Chief Executive Officer, TO Live, in consultation with the Executive Director, Corporate Real Estate Management (CREM), to report back to Executive Committee on refined project cost estimates upon completion of a schematic design. Council also requested that reporting include the status of project financing strategies.

In response to this request, at its meeting on September 12, 2024, the Board of Directors of TO Live received an update from the President and Chief Executive Officer, TO Live on the STLC Redevelopment Project (Item CT11.2), which included:

- An updated project cost estimate of \$421.467 million at the conceptual design stage, upon completion of the schematic design based on a Class D estimate (+/- 20%-30% accuracy).
- Preliminary results of a building condition assessment that is nearly complete that estimates a total cost of between \$70 to \$80 million over the next 10 years to alternatively complete only SOGR and accessibility improvements to the venue.
- A proposed updated financing strategy that includes:
 - \$8.560 million in City funding already allocated to the project as part of the 2024 Budget process to complete the schematic design;
 - \$41.903 million in further City funding originally planned for SOGR requirements within TO Live's 10-Year Capital Budget and Plan, with its use contingent on federal and provincial funding commitments towards the project; and
 - \$371.0 million in project costs that are currently unfunded and would need to be secured from federal, provincial, third-party sponsorship, and further City contributions.
- The report also seeks Council authority to advance with the detailed design phase of the project at an estimated cost of \$8.779 million, to be funded by unspent funds from the \$8.560 million noted for the schematic design and an additional draw of \$7.0 million from originally planned SOGR funding within TO Live's 10-Year Capital Budget and Plan.
- If approved, completion of this next proposed phase would bring the total spent to advance the project to \$15.560 million.

TO Live staff have worked collaboratively with the City on this initiative and engaged staff from within Financial Planning, Economic Development and Culture and Corporate Real Estate Management in preparation of the report (CT11.2). However, City staff advised that they were not supportive of advancing the project further to detailed design or beyond given the project's outstanding financial risks.

- The financing strategy outlined in CT11.2 relies significantly on financial support from the federal and provincial governments, as well as a third-party fundraising, none of which TO Live and the City have yet to secure.

- In the absence of full funding commitments from other orders of government and third-parties, there is a financial risk that the redevelopment project will not be funded and completed as planned.

- Should funding not be secured from the other orders of government and third-parties, the project could not proceed without further City funding contributions. If the project does not proceed, any amount reallocated from the originally planned SOGR funding within TO Live's 10-Year Capital Budget and Plan will not be available to meet the immediate needs identified in for TO Live's SOGR plan.

- Furthermore, the City's Financial Planning Division considered this project through the newly developed Capital Prioritization Framework, and the project scored poorly based on established evaluation criteria that aligns with Council priorities.

Given the continued financial risk of the project coupled with its poor rating within the Capital Prioritization Framework, the City's Chief Financial Officer and Treasurer is recommending that the redevelopment project not proceed to the detailed design phase and instead consideration be given to accelerating and fully addressing SOGR needs at the venue.

Background Information (Committee)

(September 17, 2024) Supplementary report from the Chief Financial Officer and Treasurer on St. Lawrence Centre for the Arts Redevelopment Project

(<https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-248944.pdf>)