



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

St. Lawrence Centre for the Arts Redevelopment Project

Date: September 6, 2024

To: 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 significantly prejudice 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 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.

RECOMMENDATIONS

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

1. Subject to adoption of recommendation #2, direct the President and Chief Executive Officer, TO Live, in consultation with the Executive Director, Corporate Real Estate Management and the Executive Director, Financial Planning, to complete detailed design and permitting with further City Council approval required to proceed to the contract documents and tender phase, in accordance with the established stage gate process as outlined in this report page 9 and page 10 entitled *Stage Gate Process*.
2. Recommend that City Council request the Board of Directors of TO Live to direct the President and Chief Executive Officer, TO Live, in consultation with the Executive Director, Corporate Real Estate Management and the Executive Director, Financial Planning;
 - a) to proceed with the detailed design phase, in accordance with the established stage gate process as outlined in this report page 9 and page 10 entitled *Stage Gate Process*, and
 - b) to amend the 2024-2033 Capital Budget and Plan for TO Live to reallocate \$8.779 million in funding commitment from the remaining cash flow funding originally intended for state of good repair to advance the Detailed Design phase.
3. Direct that Confidential Attachment 1 remain confidential in its entirety because 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 negotiations or other negotiations of a person, group of persons, or organization.
4. Recommend that City Council direct that Confidential Attachment 1 remains confidential in its entirety because 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.

FINANCIAL IMPACT

Updated Project Cost Estimate

Following City Council approval on July 19, 2023 of item EX6.13, Corporate Real Estate Management (CREM) was authorized to enter into a consulting service agreement with the prime architect Hariri Pontarini Architects (HPA) to assist with the Schematic Design phase of the STLC Redevelopment project.

HPA completed the schematic design based on a Class D estimate (+/- 20%-30% accuracy). The major component of the project cost includes a construction cost of \$318.828 million as well as a contingency/risk allowance of \$106.639 million, for a total of \$421.467 million at the conceptual design stage.

This refined project cost estimate (is in 2027 dollars) provides an order of magnitude for the STLC Redevelopment project with construction anticipated to commence in mid-2027. The total project cost would need to be adjusted for inflation in the event of any project timeline changes which can have a significant impact on the overall project cost and funding requirements. Based on current estimates, any delays that push the construction start date past mid-2027, will result in escalation costs of approximately \$0.500 million per month. The details of a comparative project cost estimate, inclusive of value engineering recommendations, are outlined under the Comments section of this report.

Project Budget and Funding Strategy:

Included in the existing TO Live 10-Year Capital Plan is a Council approved funding commitment of \$8.560 million dedicated to the schematic design phase of the project. TO Live has the spending authority up to \$8.560 million to complete the schematic design phase. To date, \$6.781 million has been spent to complete the schematic design activities. Therefore, the remaining funding from the schematic design phase is \$1.779 million.

This \$8.560 million commitment is part of the \$50.463 million that had previously been budgeted for planned SOGR works at the venue over the 10-year planning period from 2024-2033 Capital Budget and Plan for TO Live.

Beyond that \$50.463 million (\$8.560 million Council approved reallocation of SOGR, and the remaining \$41.903 million of potential reallocation of SOGR contingent on matching federal and provincial commitments), the currently unfunded balance of \$371.0 million in project cost is to be secured from Federal, Provincial, Third Party Sponsorship, and further City contributions.

Securing Federal and Provincial funding commitments will require partnership and collaboration with the City of Toronto whereby the STLC Redevelopment would need to be included as a priority project in the City's coordinated asks for capital funding from these other levels of government.

The funding strategy (see Confidential Attachment 1) relies on financial support from the federal and provincial governments, as well as a third-party capital fundraising campaign under the leadership of the TO Live Foundation, combined with the STLC SOGR / Accessibility / Transform TO as part of TO Live's 10-Year Capital Plan.

Financial Impact Associated with TO Live Staff Recommendations to Proceed with Detailed Design:

The next phase of the project, Detailed Design, is expected to cost \$8.779 million, requiring City Council approval to reallocate this amount further from the \$41.903 million

remaining SOGR over and above Council approved \$8.560 million for the Schematic Design. Table 1 below provides a breakdown of costs:

Table 1: Funding required for Detailed Design Phase (Gate 1 to Gate 2)

Description	Cost (\$ millions, net of HST recoveries)
Design Services	6.820
Consulting Fees	0.490
Project Management and TO Live Administration	1.345
Miscellaneous Costs, Fees, and Permits	0.050
Soft Cost Contingencies (1%)	0.075
Funding Required	8.779

Building Condition Assessment:

An updated building conditions assessment is nearly completed indicating that the preliminary SOGR and accessibility funding requirements for the venue now totals \$70-80 million over the 10-year planning horizon. These requirements reflect the necessary updates to align the venue with the City's TransformTO Strategy which was not factored into the last building assessment completed in 2016. The building condition assessment, once completed, will inform the condition of the venue and the state of good repair needs.

DECISION HISTORY

At its April 24, 2024 meeting, the Board adopted Item CT9.9 directing the President and Chief Executive Officer, TO Live, in consultation with the Executive Director, Corporate Real Estate Management, to continue to advance the Schematic Design of the St. Lawrence Centre for the Arts Redevelopment project funded through TO Live's existing approved capital budget, and report back to Executive Committee during the fourth quarter of 2024 on the refined project cost estimates upon completion of a schematic design with appropriate Class Estimates and status on the financing strategies as

outlined in the report EX6.13 entitled “St. Lawrence Centre for the Arts Redevelopment” for City Council consideration prior to the next phase of development.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.CT9.9>

At its February 14, 2024 meeting, City Council adopted Item CC15.1 (#18), requesting the Board of Directors of TO Live to direct the President and Chief Executive Officer, TO Live, in consultation with the Executive Director, Corporate Real Estate Management, to continue to advance the design refinement of the St. Lawrence Centre for the Arts Redevelopment project funded through existing approved capital budget, and report back to Executive Committee, during the first or second quarter of 2024, on the refined project cost estimates upon completion of a schematic design with appropriate Class Estimates, and status on the financing strategies, as outlined in the report [EX6.13](#) entitled “St. Lawrence Centre for the Arts Redevelopment”, for City Council consideration prior to the next phase of development.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.CC15.1>

On July 19, 2023, Council adopted item EX6.13, which approved the St. Lawrence Centre Design Competition jury's selection of Hariri Pontarini Architects, LMN Architects, Tawaw Architecture Collective, Smoke Architecture and SLA as the winning submission for the St. Lawrence Centre for the Arts Design Competition. This report also transitioned the next stages of this building program, including design and construction of the St. Lawrence Centre, within existing approved, and other available funds, to City Corporate Real Estate Management, to enter into an agreement with Hariri Pontarini Architects to complete the schematic design phase at a total cost not to exceed the existing approved capital budget for St. Lawrence Centre for the Arts - Studies and Redevelopment Planning of \$8.560 million (exclusive of Harmonized Sales Tax). TO Live was directed to seek consideration to reallocate the remaining \$50 million in approved St. Lawrence Centre State of Good Repair funding towards the next phases when preparing the 2024 budget, incorporating information provided in the Business Case.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.13>

On May 11, 2022, City Council adopted EX32.10, endorsing the building program for the new reimagined Centre for the Arts, and directed CreateTO, in consultation with TO Live, to explore the opportunity for a renovation option and costing for the existing building.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX32.10>

On January 29, 2020, City Council adopted item EX12.6, which endorsed the replacement of the STLC, located at 27 Front Street East, with a newly reimagined centre as a state-of-the-art civic hub for the City's creative communities and directed CreateTO, in consultation with TO Live, to engage in a consultation process with key stakeholders in the cultural community, the St. Lawrence neighbourhood and City divisions and agencies to develop a building program, which would inform a project budget, business model and funding strategy and a project plan and schedule to deliver

a new St. Lawrence Centre for the Arts for subsequent consideration and approval by City Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX12.6>

COMMENTS

BACKGROUND

About TO Live

- As one of the largest national multi-arts institutions, TO Live boasts seven stages, an art gallery and numerous public spaces. TO Live is the only institution in Toronto that offers such a wide range of performance spaces, with capacities ranging from 10 to 3,100 – including the largest soft-seat theatre in Canada. TO Live actively embraces partners from an array of communities and strives to authentically represent the rich cultures of Toronto.
- In 2018, TO Live secured the largest corporate sponsorship in the City of Toronto to rename the Sony Centre with Meridian Credit Union for \$30 million (over 15 years) which supports minor capital improvements, equipment and chattels that support operations.

TO Live's Impact 2023

- TO Live operations supported 650 jobs across the Greater Toronto Area, with \$25 million in total wages and salaries.
- Attracted 523,000 visitors to enjoy over 900 performances, events, and workshops, with visitors from outside the Greater Toronto area spending over \$19.0 million in the local economy, generating \$41.0 million in output and supporting 345 jobs.

About the St. Lawrence Centre for the Arts

Today, STLC provides Toronto's not-for-profit theatres, music and dance companies and diverse cultural communities with a professional, service-oriented, equipped theatrical and entertainment facility. It provides a focal point to function as a focus for Canadian performing arts by attracting, facilitating, and presenting varied high quality

cultural, artistic and public events. The Canadian Stage Company, Music Toronto, Hannaford Street Silver Band, Toronto Operetta Theatre, and other non-profit performing arts organizations are long-standing tenants of the STLC and utilize the two stages for performances.

Despite its remarkable 54-year history, the physical, economic, and functional life of the building has reached the end of its usefulness. The performance spaces no longer reflect current industry wide standards for performing arts companies, those being accessible facilities that are flexible, adaptable, and configurable. The pandemic and its impact to the cultural and creative sector have also identified and shown more acutely the necessity to utilize civic assets for public gathering spaces and alternative uses beyond conventional performance times.

A confluence of forces - an aging building with a significant capital backlog, inflexible and inaccessible spaces that do not meet current industry standards, the needs of the community and the cultural and creative sector, carbon reduction obligations, and the immediate needs stemming from the pandemic creates a once-in-a-lifetime opportunity to reimagine the facility, better utilize a City asset, accelerate the creation of Toronto's creative hub through federal and provincial partnerships, and propel the recovery of the culture sector and the economy.

A new cultural landscape is emerging that calls for a [reimagining of the STLC](#) that builds upon the renewed values and themes heard throughout the robust consultation process. These values and themes also align with the vision articulated in TO Live's five-year Strategic Plan, including programming priorities, flexible spaces, equity, access and affordability, creative process, and delivery systems that will support the next generation of artists, performers, creatives and the local community.

How We Got Here

TO Live, working with CreateTO, was directed by City Council to engage in a facilitated, open consultation process with key stakeholders in the cultural community, the local St. Lawrence Market neighbourhood and implicated divisions and agencies from the City of Toronto, to develop a building program which reimagines the STLC as a new cultural and civic hub.

The newly reimagined STLC will answer the long-term goal of providing an accessible, uniquely flexible civic cultural centre with ample public spaces that will serve the cultural sector and reflect the neighbourhood and communities of Toronto. The STLC will be the first digitally enhanced 21st century facility in the country that will capture live streaming, recording, and broadcasting.

The redevelopment of the STLC will create a cultural corridor through the east downtown from Union Station providing an opportunity to galvanize the cultural community as well as stimulating the local economy.

Public Consultations

An independent third-party facilitator assisted in developing and executing a community engagement, facilitation, and communication strategy. Feedback received through this process supported the creation of a vision, design principles, and design brief that informed the building program. Consultations included:

- **Phase O: Setting the Stage Contextual Research.** The full report can be found here: [Setting the Stage: Reimagining the St. Lawrence Centre for the Arts. It summarizes the effect of the pandemic on performing arts in Toronto with a focus on under-represented populations.](#)
- **City-wide Survey.** Prioritized distribution to groups included arts workers, the St. Lawrence Business Association, St. Lawrence Neighbourhood Association, community organizations and traditionally marginalized constituents. The full report can be found here: [Executive Summary: STLC NEXT Survey Findings](#)
- **Stakeholder Working Group.** A stakeholder working group was comprised of representation from all arts disciplines (music, dance, theatre, visual arts), Black, Indigenous and racialized people, and neighbourhood/community groups to collaborate with industry experts. The group developed the following Design Principles and Vision Statements:
 - Ensure dynamic and highly flexible spaces.
 - Build for extreme usability.
 - Create a bold and open building that fits the neighborhood.
 - Be future facing for a decarbonized world.
- **Gap Analysis.** [Net+Gain](#) consultants focused on the gap between the current level of sufficiency afforded by the existing inventory of performing arts venues, and the desired level of sufficiency relative to anticipated changes in community cultural needs. <https://secure.toronto.ca/council/agenda-item.do?item=2021.CT29.6>
- **Test-fit.** [DTAH](#), along with technical consultants, developed a test fit based on the target building program for the STLC re-imagining, and those test fit documents were used as a basis of a construction cost D estimate (see 2023 CT5.5 background file [Test Fit Comparison: New Build vs Renovation](#)).
- **Public Town Hall – March 2024.** On March 26, 2024, TO Live hosted a public Town Hall (live and virtual) at the St. Lawrence Centre (Jane Mallet Theatre), with the winning design team's presentation of the schematic design, followed by a Q&A session.
- **Indigenous Consultations – Ongoing.** Roundtable discussions, led by Eladia Smoke (Smoke Architecture) and Wanda Della Costa (Tawaw Architecture Collective), have been held with Indigenous community members. TO Live is committed to support and develop an arts landscape that is deeply ingrained with

Indigenous perspectives, stories, struggles and aesthetics, and supportive of sovereignty of voice.

- **Legacy Tenants – Ongoing.** Roundtable discussions and consultations have been held with Canadian Stage, Hannaford Street Silver Band, Music Toronto, Voicebox Opera in Concert and the not-for-profit cultural sector.

Design Competition

On November 29, 2022, CreateTO and TO Live announced the shortlist for an international design competition to reimagine the STLC. Five shortlisted teams, each of which included an Indigenous design partner, were invited to develop a concept based on a detailed project design brief. The five shortlisted design teams, listed in alphabetical order, were:

- Brook McIlroy | Trahan Architects | Hood Design Studio
- Diamond Schmitt Architects | Smoke Architecture | MVVA
- Hariri Pontarini Architects | Tawaw Architecture Collective | Smoke Architecture | SLA
- RDHA | Mecanoo | Two Row Architect | NAK Design Strategies
- Zeidler Architecture | Diller Scofidio + Renfro | Two Row Architect | PLANT Architect

On March 7, 2023, TO Live hosted a public Town Hall (live and virtual) at the St. Lawrence Centre (Jane Mallet Theatre), where each of the above-noted design teams presented their design concepts. On March 10, 2023, the winning team of Hariri Pontarini Architects | Tawaw Architecture Collective | Smoke Architecture | SLA was announced.

Stage Gate Process

On July 19, 2023, as part of Council's adoption of the St. Lawrence Centre Design Competition jury's selection of HPA, City Council requested the Board of Directors of TO Live to direct the President and Chief Executive Officer, TO Live, in consultation with the Executive Director, CREM and the Executive Director, Financial Planning, to establish a stage gate process once the 2024 budget was approved.

Corporate Real Estate Management ("CREM") Division undertook Council direction to started to negotiate a consulting services agreement which limited the procurement to the completion of Schematic Design ("SD"), with a total cost not to exceed the existing capital budget for the STLC – Studies and Redevelopment Planning of \$8.560 million (exclusive of Harmonized Sales Tax).

Contract negotiations for the next phase of design development resulted in an executed agreement for RFP 2022-075 on December 14, 2023 between the project's prime architect (Hariri Pontarini Architects, "HPA") and the City of Toronto that embedded a stage gate process which allowed the subsequent design phases (Detailed Design, Contract Documents, Contract Administration, and Closeout) to only proceed following the submission of appropriate Class Estimates that were aligned with TO Live's

fundraising strategy. If these estimates were above the planned hard costs of construction, HPA would be required to provide a list of value engineering resolutions for review and approval by the City and TO Live, with each recommendation tested for feasibility by their design team, along with an accompanying itemized cost verified by their cost consultant for incorporation in the subsequent design phase.

To this end, using industry best practices for stage gating, with a value engineering exercise in each phase to mitigate the risk of escalation, the following process was established and incorporated into the consulting services agreement for HPA:

- Gate 1: Schematic Design Development
 - Completion of updated estimate at 90% completion of schematic design
 - Comparison of estimate against baseline budget
 - Review and acceptance of updated estimate if aligned with baseline budget, or development of value engineering recommendations, validated by a cost consultant, that could be incorporated into next stage of design development, bringing the estimate in alignment with the baseline budget
- Gate 2: Detailed Design Development
 - Engage with construction manager to assist in validating design and costing information at 50% completion of detailed design
 - Completion of updated estimate at 90% completion of detailed design
 - Comparison of estimate against baseline budget
 - Review and acceptance of updated estimate if aligned with baseline budget, or development of value engineering recommendations, in consultation with the retained construction manager, that could be incorporated into next stage of design development, bringing the estimate in alignment with the baseline budget
- Gate 3: Contracts and Tendering Phase
 - Development of an intermediate phase estimate at 50% of contract documentation development, working with the retained construction manager to make adjustments to improve constructability and reduce costs where possible
 - Updated cost estimate at 90% contract documentation development, with a final reconciliation exercise with the retained construction manager to mitigate errors in estimating or any omissions
 - Review and acceptance of updated estimate if aligned with baseline budget, or development of value engineering recommendations, in consultation with the retained construction manager, that could be incorporated into the issue for tender specifications and drawings to ensure alignment with the baseline budget.

At the conclusion of the tendering phase, the project would be required to seek approval at Council to enter into a construction services agreement with a successful contractor.

STLC SCHEMATIC DESIGN PHASE

Schematic Design ("SD") Process

Following the execution of their agreement with the City, HPA started their work on the schematic design phase of the project, based on their successful design competition submission. This phase looked to progress the following areas:

- undertake thorough due diligence of the existing conditions of the building to determine what further areas required additional investigation.
- advance planning discussions, including those around the feasibility of the proposed partial closure of Scott Street needed to facilitate the planned outdoor plaza.
- determine all relevant codes and areas requiring design compliance.
- conduct workshops including all relevant City stakeholders, informed by the comprehensive public consultation and communication strategy carried out prior to the design competition, with the objective of evaluating the various design options under development.
- continue to hold roundtable discussions, facilitated by Smoke Architecture and Tawaw Architecture Collective, with Indigenous community members, as part of the Indigenous consultation process.
- support a Public Town Hall on March 26, 2024, hosted by TO Live and attended by over (600) participants both in-person and virtually, to inform the public about ongoing project progress and provide the opportunity to ask the design team any questions.
- produce schematic design sketches and sample boards for the interior renovations and finishes for client group consideration and approval; and
- based on a thorough design consultation process, informed by feedback from all stakeholders, develop the selected scheme, to the schematic design level, providing a Class D cost estimate and any subsequent value engineering efforts required to bring hard costs of construction into alignment with the Council approved budget.

At the end of this process, the selected scheme had made the following major changes, detailed in Table 2, to address feedback received during design workshops and public consultation (subject to approvals):

Table 2: Changes from competition to completion of Schematic Design Phase

Program Area	Variance from Competition
Main Hall	<ul style="list-style-type: none">- seat count increased from 700 and 950 following value engineering- increased complexity in seating flexibility with gala system- removal of orchestra shell and increase of orchestra pit capacity

Program Area	Variance from Competition
Acoustic Hall	<ul style="list-style-type: none"> - seat count increased from 300 to 400 - removed catwalks, added motorized pipes
Dressing Rooms	<ul style="list-style-type: none"> - individual washroom in each dressing room - inclusion of star dressing room
Front of House/Public Spaces	<ul style="list-style-type: none"> - reduced living room area on second floor - creation of public space in bridge connection to Meridian Hall, subject to approvals
Back of House Support	<ul style="list-style-type: none"> - added pit musicians' room and instrument storage - optimization of workshop and crew spaces
Rehearsal Halls	<ul style="list-style-type: none"> - added multi-purpose community room - removed small rehearsal hall, 2 practice rooms and audio recording suite
Kitchen and Food Services	<ul style="list-style-type: none"> - catering and warming kitchen now put in place of full-size kitchen - restaurant changed to tenant restaurant
Artist Studios	<ul style="list-style-type: none"> - reduced artist studios from 10 to 8 - integrated audio recording room into individual studios
Exterior Façade	<ul style="list-style-type: none"> - removal of existing heritage façade
Indigenous Architectural Elements	<ul style="list-style-type: none"> - longhouse structures of bent wood arches in the lobby spaces on the third floor - wood stair extending from the Lower Level through to upper floors as an expression of the Great Tree of Peace (the foundation of the Six Nations Confederacy) - the structure and materiality of the canoe expressed in the performance halls - a public entrance inspired by the traditional Wood's Edge Ceremony

Class D Cost Estimate and Value Engineering

The winning submission from HPA was based on a building program of 174,237 square feet (gross floor area) with a 650-1000 flexible seat Main Theatre, a 300 seat Acoustical Hall, program spaces, a bridge connection to Meridian Hall, and Scott Street improvements. The resulting hard cost estimate, based on a Class D cost estimate, was \$212.4 million in 2023 dollars. At the time, HPA's hard cost estimate of \$212.4M aligned with the third-party cost estimate, retained during the test fit, of \$212.2M.

Following the completion of the schematic design phase, as part of the stage gate process, a Class D estimate was required to ensure alignment to the project's budget and fundraising strategy. Within the agreement with HPA, if hard costs were not in alignment with the Council approved budget, the Consultant would work with the client TO Live and derive a list of value engineering resolutions with estimated costs (verified by their cost consultant) that could be implemented during the detailed design phase.

Without factoring in escalation, on account of the significant gap between hard construction costs at the completion of schematic design and the approved HPA competition proposal, the following items outlined in Table 3 were put forward by HPA, were costed by a professional quantity surveyor, and resulted in potential savings of \$9.120 million:

Table 3: Value Engineering Recommendations and Costing

Program Area	Reduction	Estimated Savings (\$ million, exclusive of HST)
Main Hall	<ul style="list-style-type: none"> - reduced main hall height - remove motorization of chandelier feature - reduction to motorized rigging - AV projection in lieu of LED screens - use of relay panels over dimmers for LED lighting - 	4.420
Acoustic Hall	<ul style="list-style-type: none"> - eliminate cantilever over Scott Street 	0.600
Front of House/Public Spaces	<ul style="list-style-type: none"> - reduction in bridge area and glazing - reduce area and glazing 	2.600
Systems Support	<ul style="list-style-type: none"> - reduced PV installation 	0.770
Mechanical Systems	<ul style="list-style-type: none"> - use of emergency generator for back-up boilers 	0.730

A summary comparison of the building program GFA and hard cost estimates are set out in Table 4, along with the adjusted costs following a final review of the Schematic Design estimate and at the conclusion of the value engineering exercises for this phase.

Table 4 - Building Program and Cost Estimate Comparison

	Test Fit May 2021	HP Design Team March 2023	Completion of Draft Schematic Design, May 31, 2024	Adjusted for Value Engineering Recommendations, August 19, 2024
Total Building GFA (SF)	177,541	174,237	171,847	170,516
Main theatre Seats and Area GFA (SF)	700 seats	650-1000 flexible seats	1053 seats	950 flexible seats
	27,660	24,775	32,997	32,872
Acoustical hall	300 seats	300 seats	400 seats	400 seats
	6,300	6,450	9,455	9,481
Front of House/Public Spaces GFA (SF)	29,590	43,110	35,397	35,292
Rehearsal, Education and Artist Spaces GFA (SF)	17,800	11,564	10,935	10,885
Back of House Facilities GFA (SF)	6,050	2,600	3,327	3,431
Administration GFA (SF)	1,300	1,290	1,050	1,044
Meridian Hall Bridge Connection GFA (SF)	1,600	1,250	2,700	1,895
Scott Street Public Realm Improvements GFA (SF)	16,000	16,000	16,000	16,000

Design Development Progress Update

As part of Staff Report EX6.13, TO Live was to seek consideration to reallocate the remaining \$50 million in approved St. Lawrence Centre State of Good Repair funding towards the next phases of design development as part of the 2024 budget. Table 5 now details an update to the targeted major design milestones, progress complete, and updated forecasts and actual dates achieved:

Table 5: Major Design Milestones

Milestones	Target	Forecast/Actual
Design Services Contract Executed	Oct-30-2023	Dec-15-2023
Schematic Design Completion	Mar-1-2024	May-30-2024
Gate 1: Council Approval	Mar-20-2024	Oct-11-2024
Pre-Consultation Meeting with Planning	Apr-30-2024	Nov-30-2024
Detailed Design 50%, Engage w. Construction Management Firm	Aug-30-2024	May-30-2025
Site Plan Application Submission	Nov-30-2024	June-30-2025
Detailed Design Completion	Jan-30-2025	July-31-2025
Gate 2: Council Approval	March-30-2025	August-28-2025
Contract Documents Completion	Jan-30-2026	July-31-2026
Gate 3: Council Approval	March-30-2026	August-29-2026
Procurement of Construction Services	June-1-2026	Nov-30-2026
Contract Award for Construction Services	June-30-2016	December-31-2026
Construction Start	Dec-31-2026	May-1-2027
Substantial Performance	June-29-2029	Dec-31-2029
Total Performance and Handover	Dec-31-2029	June-30-2030

FUNDING MODEL

HPA's competition proposal included a construction cost of \$295.6 million, assuming a 2026 construction start, coupled with a contingency/risk allowance of \$125.9 million (inclusive of construction escalation costs) to reflect a total project cost of \$421.4 million. Following a third-party peer review of HPA's Class D cost estimate, it was the professional opinion of the third-party that the hard cost estimates submitted by the HPA Design Team were within the anticipated range of costs and represented a feasible, realistic, and achievable budget that can be implemented with appropriate cost control measures during upcoming design stages and through to construction.

At the completion of the Schematic Design phase, an updated Class D estimate (+/- 20%-30% accuracy) was submitted by HPA's cost consultants for initial review and generated a \$247.959 million hard cost estimate, approximately \$35.559 million above the approved competition design's construction costs. However, based on updated escalation forecasts, when including contingencies and the reduction of the design

contingency following the completion of Schematic Design, the difference shrinks to \$16.790 million in hard costs, while reductions to professional fees lowered soft costs to bring the total project cost to \$442.358 million. The overrun in hard costs triggered the requirement for HPA to work alongside the client TO Live and generate value engineering recommendations, which resulted in \$9.120 million of potential savings. Once escalation and contingency are applied to those options, the total project cost is lowered to \$421.467 million, which is aligned with the pre-competition budget.

A summary of the capital costs and funding commitments are outlined in Table 6.

Table 6: Comparison Summary - Total Project Costs, Contingencies and Funding:

ITEM	COST ESTIMATE (TO REFLECT 2027 DOLLARS)	
	Approved HPA Proposal	Updated Schematic Design, inclusive of Value Engineering Proposal
Hard Costs	\$212,205,000	\$242,161,608
Soft Costs	\$83,366,000	\$76,665,953
TOTAL	\$295,571,000	\$318,827,561

CONTINGENCIES / RISK ALLOWANCES	CONTINGENCIES (TO REFLECT 2027 DOLLARS)	
Design Contingency ¹	\$38,251,000	\$36,324,241
Construction Escalation Contingency (25%) ²	\$62,364,000	\$40,490,000
Construction Contingency (7.5%) ³	\$23,387,000	\$23,923,200
Soft Contingency (1%)	\$1,902,000	\$1,902,000
TOTAL	\$125,904,000	\$102,639,441

TOTAL COSTS (2026 DOLLARS)	\$421,475,000	\$421,467,002
CITY FUNDING CONTRIBUTION	\$100,000,000	\$100,000,000
PROVINCIAL FUNDING CONTRIBUTION	\$100,000,000	\$100,000,000
FEDERAL FUNDING CONTRIBUTION	\$100,000,000	\$100,000,000
TO LIVE CAPITAL CAMPAIGN FUNDING	\$121,475,000	\$121,467,002

NOTES:

1. A 20% design contingency is drawn down as the design develops.
2. Original projected construction start of December 2026 allowed for 8% per annum (2022); 5% per annum (2023-2026). Based on current timelines, updated to mid-2027 start date (16.8% total escalation).
3. Construction Contingency reflects change orders during the construction period.

Revenue and Cash Flow

Advancing the schematic design into the next phase, TO Live will escalate the fundraising campaign. Leveraging the City contribution, the TO Live Capital Campaign includes seeking funding from provincial and federal governments and a corporate and private philanthropic fundraising campaign.

City of Toronto

There is currently approved funding in TO Live's 10-Year Capital Plan to address the STLC's SOGR capital improvements and accessibility upgrades. The City funding contribution is leveraged up to \$8.560 million to support the schematic design for the STLC project from this plan, in accordance with the established stage gate process.

The redevelopment project will create a radically accessible venue while also meeting Transform TO's sustainability goals by becoming Canada's first net-zero performing arts centre.

Federal and Provincial Levels of Government

In conjunction with the City, TO Live would continue its work to seek funding from the federal and provincial governments for the redevelopment project. A City endorsement of the redevelopment project will be critical to the success of securing these commitments.

Fundraising Capital Campaign

TO Live, in concert with Arts & Communications consultants, has been boldly pursuing a significant corporate and/or private sponsorship/donation program which will include the naming rights of the STLC Redevelopment project. As noted in the introduction, TO Live has a bona fide track record in securing naming rights and is confident that, with adequate time, this legacy project will attract and inspire the right person/corporation, aligning with TO Live and the City's shared values. (see Confidential Attachment 1)

Fundraising support can only be delivered against a full-scale redevelopment project that meets and enhances the needs of the Toronto's cultural communities and will not be successful against a renovation option.

Conclusion

TO Live believes greater access to culture and shared spaces are core to building a thriving city. The STLC Redevelopment project will set a global standard for dynamic,

flexible, and inclusive public spaces embracing 21st-century technology, and capturing the vital alchemy of community and the arts.

- Active both day and night, the new building is designed to blur the lines between inside and out, nature and city, audience, and performer, all in the pursuit of a radical openness.

- The four floors of the new building function as a cultural ecosystem that embraces the entire process of performing arts creation, from ideation and development to presentation and engagement.

- The reimagined STLC will be an engaging destination that offers tremendous diversity in the building's program and spaces, inviting the public to participate and utilize a valuable civic asset.

Next Steps

Following the City Council's approval of the recommendations contained herein, Corporate Real Estate Management, in collaboration with TO Live, will direct HPA to progress into detailed design and continue to be guided by the City's budget process for Major Capital Projects and the established stage gate process.

CONTACT

Leslie Lester, Vice President, STLC Redevelopment, TO Live
416 368-6161, leslie.lester@tolive.com

Lisa Barroso, Director, Project Management Office, Corporate Real Estate Management
416 981-2466, lisa.barroso@toronto.ca

SIGNATURE

Clyde Wagner
President and Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - Funding Update

Public Attachment 2 – Update on the Fundraising for the St. Lawrence Centre Redevelopment Project