



Staff Report PRC2024-07

Standing Committee 2024-07-08

Council 2024-07-22

Amendments ☐

Submitted To: Committee of the Whole | Council
Prepared By: Karen Cubitt, Acting Director, Parks, Recreation & Culture
Subject: Collingwood Arts Centre Feasibility Study Phase 3 Report

Recommendation

THAT Staff Report PRC2024-07, Collingwood Arts Centre Feasibility Study Phase 3 Report, be received;

AND THAT Council approves an expenditure of \$40,000 from the Arts and Culture Legacy Fund to extend the consulting services contract with Colliers Project Leaders to complete a prioritization and scope reduction exercise with respect to the options presented in the June 2024 Collingwood Arts Centre Business Case.

Amendments

None.

1. Executive Summary

Following two robust study phases, Phase 3 of the Collingwood Arts Centre Feasibility Study utilized the services of Colliers Project Leaders to develop a Business Case that addresses a final site and design option, functional programming model, cost/benefit analysis, fundraising framework, and implementation strategy. The goal of the Business Case is to support Council in its decision-making regarding the development of a new arts and culture centre for the region. This phase was conducted between September 2023 and June 2024, was informed by consultations with the community and Collingwood Arts Centre Feasibility Steering Committee, and resulted in the attached Business Case (Appendix A).

The Business Case recommends:

- Deferring decision-making until after the Downtown Visioning Master Plan is completed (planned completion for September 2024). This is recommended so plans for downtown parking, transit, and community spaces (Farmers Market and planned greenspace) can be encompassed within the Downtown Vision.
- As the cost options presented in this report are significantly higher than what was contemplated at the onset of the development of this business case, that Council and Staff define an upset limit budget for the facility (aligning with capital and operating financial capacity) and that a prioritization/scope reduction exercise be undertaken to reduce the facility functional program to achieve the agreed upon budget.

Staff support these recommendations and propose a two month extension to the Colliers consulting services contract at an upset limit of \$40,000 to accomplish the objectives outlined.

1. Analysis

Background

Since February of 2021, the Parks, Recreation & Culture Department has been working with consultants and the community to conduct a Collingwood Arts Centre Feasibility Study for the Town of Collingwood. The study was completed in phases as outlined below:

Phase 1 Objectives

Conducted by Nordicity Group Ltd in partnership with Giaimo Architects, the purpose of this phase was to evaluate the needs of the arts and cultural sectors in the community, and to determine if and to what degree an arts and cultural centre would be feasible in Collingwood.

Phase 1 Results

The results of the Phase 1 study suggest that there is indeed demand for an arts and culture centre in Collingwood and that it would be feasible, “provided certain design,

development, and start-up conditions can be met and the overall implementation executed capably". Nordicity advised that "success depends on many factors from ensuring continued community buy-in, strong leadership particularly related to market attraction, programming and promotions, as well as a commitment from the Town towards the annual subsidy."

Phase 2 Objectives

Conducted by Nordicity Group Ltd in partnership with Giaimo Architects, and building on the findings of Phase 1, Phase 2 had the following objectives:

- Validate the feasibility of the new arts facilities, including the market, operational, financial, economic, fundraising, and social-impact aspects that would underline a recommendation on size and seating capacity.
- Assess the feasibility of a short list of sites and recommend a single site that Council would put forth for any further consultation deemed to be required.
- Determine the target arts disciplines that would be served by the facility, which would include space for live performance theatre/music and dance, and public galleries and exhibition space for the visual arts.

Phase 2 Results

The Phase 2 report was presented to the Corporate & Community Services Standing Committee at its April 3rd meeting and made the following recommendations regarding size, scope, and site for a potential Arts Centre in Collingwood.

Size

The research supports an overall preference towards having a smaller ~400 seat main performance facility.

Scope

The community re-affirmed the need to have the following kinds of spaces in the facility:

- Public gathering areas
- Front-of-House
- Theatre 1 (higher capacity, fixed seating)

- Theatre 2 (smaller capacity, flexible seating)
- Administration
- Theatre support spaces (green rooms, dressing rooms, etc.)
- Studios/Classrooms
- Additional office and catering spaces
- Retails and market spaces

Site

The six short-listed sites from Phase 1 were assessed and studied by Giaimo through a site selection evaluation framework. Based on this, the short-list was narrowed to two potential sites that both meet the needs of the size, scope, and vision for a new arts centre. These were:

- 48 Ste. Marie St – a new 45,000 sq.ft. arts centre constructed on 35,000 sq.ft of parking lot in Downtown Collingwood.
- Collingwood Terminals Redevelopment – a new 45,000 sq.ft. arts centre integrated with the larger Grain Terminal Redevelopment project currently underway by Streetcar Developments Inc. and Dream Unlimited Inc.

While the initial intention of the Phase 2 study was to recommend one final site, Giaimo determined that both sites offer feasible, non-comparable approaches, and as such recommended that both be considered further in consultation with Streetcar, the Town, stakeholders, and the public to determine which approach is preferred. Given this, staff recommended extending the consulting contract with Nordicity & Giaimo to engage in additional site discussions with Streetcar Developments Inc. and to facilitate further public consultation with respect to the two recommended site options. This recommendation was defeated in favour of focusing solely on the 48 Ste. Marie Street site (or comparable downtown parking lot if deemed necessary) with direction for staff to report back to Council with plans for proceeding to Phase 3 of the project.

Phase 3 Objectives

Conducted by Colliers Project Leaders, the purpose of this phase was to develop a Business Case that addresses a final site option, functional programming model,

cost/benefit analysis, fundraising framework, and implementation strategy. The goal of the Business Case is to support Council in its decision-making regarding the development of a new arts and culture centre for the region.

Phase 3 Scope of Work

The process included:

- Review of Phase 1 and Phase 2 data
- Site selection
- Concept Design
- Costing
- Public Consultation
- Fundraising Framework and Viability Assessment
- Business Case Development

Phase 3 Results

The Business Case proposes the following:

Core programming

Must-have programming spaces include a 600-seat main hall, 300-seat recital hall, multi-purpose rooms, and administrative space. Should-have amenities include outdoor gathering spaces, catering facilities, and parking.

Site

The 48 Ste. Marie Street parking lot and the two comparable downtown parking lots at 140 Ste. Marie Street and 101 Pine Street were assessed. The property at 84 Hurontario Street was also identified as an opportunity within this phase and added for assessment. This work resulted in two options being proposed. Option 1 is a stand-alone building at 101 Pine Street totaling 107,974 sq ft while Option 2, totaling 128,522 sq ft, combines the stand-alone building at 101 Pine Street with a secondary building at 84 Hurontario Street connected by a 'skywalk' bridge. The secondary

building would provide frontage on the main street and accommodate “community hub” programming including a gallery, restaurant, and tourism centre.

The 48 Ste. Marie Street lot was determined to be too constrained by size and bordering buildings, whereas 101 Pine Street offers greater flexibility in terms of height, layout, orientation, and future expansion possibilities.

Capital Costs

A class D estimate associated with each option was developed and includes all direct construction costs determined at the conceptual design stage.

	Option 1	Option 2
Building Capital Cost	\$61,597,367	\$72,778,448
Underground Parking	\$18,863,265	\$18,863,071

Funding

The most likely funding sources are identified as the Canada Community Building Fund, Canada Cultural Spaces Fund, and Capital Project Construction of New Sustainable Municipal and Community Buildings Fund. The total funding projection assumes maximum funding from each funding source and projected Capital Fundraising donations of \$10M for either option.

	Option 1	Option 2
Total Potential Funding	\$50,756,405	\$56,251,288
Building Capital Costs	\$61,597,367	\$72,778,448
Funding Shortfall	\$10,298,684	\$15,889,224

Town Investments

It is recognized that performing arts centres in the region typically require annual municipal support at an average rate of 30% of their annual operating budgets. In this model the required municipal subsidies are estimated to be 26% and 31% for Options 1 and 2 respectively. Factoring in both capital and operating costs, the Town can expect to invest the following:

	Option 1	Option 2
Estimated Annual Operating Subsidy	\$938,454	\$1,190,102
Town's Capital Investment Shortfall	\$10,298,684	\$15,889,224
Parking	\$18,863,265	\$18,863,071

Next Steps

Through public consultations, Town consultations, and working with the Collingwood Arts Centre Feasibility Steering Committee, the desired functional programming for a prospective arts and culture centre in the Town of Collingwood was determined. Due to the size of the project, a larger capital investment than initially estimated in previous project phases is required. Given these findings, Colliers recommends two additional steps prior to making a decision to move forward:

- Deferring decision-making until after the Downtown Visioning Master Plan is completed (planned completion for September 2024). This is recommended so plans for downtown parking, transit, and community spaces (Farmers Market and planned greenspace) can be encompassed within the Downtown Vision.
- As the cost options presented in this report are significantly higher than what was contemplated at the onset of the development of this business case, that Council and Staff define an upset limit budget for the facility (aligning with capital and operating financial capacity) and that a prioritization/scope reduction exercise be undertaken to reduce the facility functional program to achieve the agreed upon budget.

Financial Impacts

The proposed additional work is estimated to take two months and cost an upset limit of \$40,000. The funds will need to be drawn from the Legacy Funding for Arts and Culture which has a current balance of \$1,292,000 (net of funding for Phase 3 work completed in 2024).

Opening Balance:	\$1,500,000
Arts Centre Feasibility Study	(\$269,519)
Interest Accumulated	\$61,804
Current Balance	\$1,292,321

Conclusion

Given the significant increase in estimated capital investment required for either Option, Staff concur that a scope reduction exercise would be beneficial. Arts Centres are ineligible to be funded through Development Charges, requiring that the anticipated minimum capital shortfall of \$10M and annual operating subsidy ranging between \$938,454 and \$1,190,102 be supported through taxation. The implication of supporting the operating subsidy would mean a tax rate increase of between 2.5% and 3.5% and any borrowing and/or resulting decrease in reserves for the capital component could mean a tax rate increase of approximately 2.25% (for a total of 4.75% to 5.75%). While not presupposing Council's will, a scope reduction exercise would provide additional options for consideration at lower price points.

Furthermore, Staff agree that it would be valuable to defer further decision-making until the completion of the Downtown Visioning Master Plan, allowing for greater insight into the impacts of an Arts Centre on the long-term evolution of the Downtown core.

2. Input from Other Sources

This report was reviewed by Department Heads.

The Business Case was reviewed by the Collingwood Arts Centre Steering Committee.

3. Applicable Policy or Legislation

Community Based Strategic Plan – Encourage Diverse Culture and Arts Offerings

PRC Master Plan – Recommendation #29: Review feasibility and sustainability of a multi-functional arts and cultural centre for Collingwood.

4. Considerations

☒ Community Based Strategic Plan: Consistent with CBSP

- ☐ Services adjusted if any
- ☐ Climate Change / Sustainability: Not Applicable
- ☒ Communication / Engagement: Public Engagement has occurred
- ☐ Accessibility / Equity, Diversity, Inclusion: Not Applicable
- ☐ Registered Lobbyist(s) relating to content:

Next steps and future action required following endorsement:

Future Report to Council required.

5. Appendices and Other Resources

Appendix A: Collingwood Arts Centre Feasibility Study Phase 3 Report/Business Case

Appendix B: Collingwood Arts Centre Feasibility Study Phase 3 Fundraising Framework

Resource 1: [Collingwood Arts Centre Feasibility Study Phase 1 Report](#)

Resource 2: [Collingwood Arts Centre Feasibility Study Phase 2 Report](#)

6. Approval

Prepared By:

Karen Cubitt, Acting Director, Parks, Recreation & Culture

CAO Comments:

Endorsed, Amanda Pegg, Acting Chief Administrative Officer, July 5, 2024