

Telus World of Science

Funding Agreement Amendment

Recommendation:

That Community and Public Services Committee recommend to City Council:

That an amendment to the funding agreement between the City of Edmonton and the Edmonton Space and Science Foundation, as outlined in the July 6, 2017, Citizen Services report CR_4902, be approved, and that the amendment be in form and content acceptable, to the City Manager.

Report Summary

This report addresses the requirement to amend the existing funding agreement with the Edmonton Space and Science Foundation to continue the development of the TELUS World of Science - Edmonton Phase 2a: The Aurora Initiative, specifically the refurbishment of Margaret Zeidler Star Theatre and the Space Gallery.

Report

Background

The Telus World of Science - Edmonton's Aurora Project, Phase 2a of their 2009 Master Plan, adds approximately 28,000 square feet to the facility. A new Arctic Gallery and Entry Portal will be created and three existing spaces will be renewed:

- the Margaret Zeidler Star Theatre (the North Dome)
- the Hole and Allard Gallery (the Science Galleries)
- the Space Place Galleries (Early Childhood Education Centre)

As part of the 2015-2018 capital budget, City Council approved \$12 million towards the \$40 million project. In April 2015, City Council approved the execution of the funding agreement between the City of Edmonton and the Edmonton Space and Science Foundation.

In accordance with the funding agreement, the City released \$4 million to the foundation in December 2015 following City approval of their updated business case for the Aurora Project. These funds were used to complete the renewal of the Cafe, as well as to complete the detailed design of the expansion portion of the project.

As outlined in the funding agreement, the remaining \$8 million of City funding is to be released upon confirmation that the foundation has secured the remaining \$28 million required to complete the project.

Project Update

The Edmonton Space and Science Foundation is continuing its efforts to secure the remaining \$28 million. To date, the foundation has secured \$4.5 million.

- The federal government's Cultural Spaces Fund has committed \$3.35 million towards the Aurora Project, specifically the refurbishment of the Margaret Zeidler Star Theatre and the Space Gallery, which has an estimated cost of \$8 million.
- A local family has committed a \$1 million philanthropic gift towards the project.
- A community campaign has raised approximately \$150,000.

TELUS World of Science - Edmonton has been identified in the Government of Alberta's Capital Plan at \$12 million; although currently unfunded.

Next Steps

The Edmonton Space and Science Foundation has requested that the City release \$5 million of the remaining \$8 million capital funding to complete the refurbishment of the Margaret Zeidler Star Theatre and the Space Gallery. This, combined with the secured federal and private donor capital, will fully fund the refurbishment.

Policy

City Administration Bylaw 16620

Corporate Outcomes

This report contributes to the corporate outcomes "Edmonton is attractive and compact" and "The City of Edmonton has sustainable and accessible infrastructure" as it supports the investment in existing infrastructure to help build and sustain great places - Telus World of Science in Coronation Park. The redevelopment in existing neighbourhoods continually improves Edmonton as a place where people want to live, work and play.

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score	Current Mitigations	Potential Future Mitigations
Financial	If City funds are not released, the advancement of the project will be	3 - Possible	3 - Major	9 - Medium	Project will remain on hold until additional funds are secured.	

	delayed.					
Financial	If the City funds are released, the remaining projects in the initiative may be in jeopardy without additional funds.	3 - Possible	3 - Major	9 - Medium	Partners have demonstrated responsible fund management on existing projects and are committed to realizing their fundraising goal to complete the projects.	
Legal	If the funding agreement is not amended, the advancement of funds can not occur.	3 - Possible	3 - Major	9 - Medium	Partners will continue to follow the existing agreement.	
Intergovernmental	\$3.35 million in federal funding has been received for the project. Without the release of funds from the City, the federal funding can not be used for the intended phase of the project. May jeopardize future federal funding opportunities.	2 - Unlikely	4 - Severe	8 - Medium	Project will remain on hold until additional funds are secured.	

Public Perception -	The Telus World of Science is a popular attraction for citizens and visitors; stalling the project may cause negative publicity for the City and facility.	3 - Possible	2 - Moderate	6 - Low	Public will continue to use the Facility in its current state.	
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Public Engagement

TELUS World of Science - Edmonton worked through an extensive public consultation plan for 2008-2020, which was initiated with the unveiling of its master plan in 2008. Through the consultation process over the last few years, community input has resulted in accommodation for phasing, neighbourhood design revisions, alignment with the City's The Way Ahead, and other adaptations. Ongoing implementation of the public consultation plan will ensure engagement of the community throughout the project.

Budget/Financial Implications

As part of the 2015-2018 capital budget, capital profile 15-21-6600 Telus World of Science was approved, in the amount of \$40 million, with \$12 million from Pay-as-You-Go, \$20 million from other orders of government and \$8 million from other partners.

Legal Implications

If the funding agreement is amended in accordance with this report, Administration will have the ability to advance \$5 million dollars of the remaining \$8 million dollars in approved funding prior to the foundation having secured all necessary funding to complete the project.

Metrics, Targets and Outcomes

Metrics	Targets	Outcomes
2015 \$12 million City of Edmonton Contribution approved	2017 \$5 million is released to Foundation	Edmontonians are able to enjoy access to a refurbished Margaret Zeidler Star Theatre and

2016 \$4 million released to Foundation		Space Gallery.
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Justification of Recommendation:

City Council approval is required to execute the required amending agreement between the City of Edmonton and the Edmonton Space and Science Foundation.

Attachments

1. Capital Profile 15-21-6600 TELUS World of Science

Others Reviewing this Report

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services