

Edmonton Downtown Academic and Cultural Centre

The Galleria Project

Recommendation:

That Executive Committee recommend to City Council:

1. The approval of the Framework outlining the proposed Galleria Project as shown in Attachment 1.
2. That an agreement between the City and the Edmonton Downtown Academic and Cultural Centre Foundation for the purchase of City owned Lots 100-102, Plan 1919NY and the public road right of way, as shown in Attachment 2 and described in Attachment 3, on the terms outlined in Attachment 3 of the June 24, 2013, Sustainable Development report CR_280, be approved.

Report Summary

This report recommends support of the Galleria Project Framework and authorizes a contribution of certain surplus lands and public road (to be closed).

Previous Council/Committee Action

At the April 29, 2013, Executive Committee meeting, the following motion was passed:

That Administration enter into discussions with the Edmonton Public School Board to establish the cost to secure the property that is

currently functioning as the School Board Maintenance Building

Report

The Edmonton Downtown Academic and Cultural Centre Foundation was created from the Mayor's Arts Visioning Committee to pursue the potential for a Performing Arts Centre in Downtown Edmonton. On April 29, 2013, Executive Committee considered a report outlining the business case as prepared by AMS Planning and Research Corporation, and the results of the Financial Business Case and Economic Impact report as prepared by PricewaterhouseCoopers.

This is an ambitious project led by philanthropic contributions that requires the collaboration of both the Public and Private sectors. Financial assistance from the three orders of government is being pursued by the Edmonton Downtown Academic and Cultural Centre Foundation.

Attachment 1 outlines the framework Administration is using as the basis for ongoing discussions with the Edmonton Downtown Academic and Cultural Centre Foundation.

The University of Alberta, the Provincial Government, the Federal Government, the City of Edmonton, and the Edmonton Downtown Academic and Cultural Centre Foundation are expected to be the major contributors and partners to the project.

The proposed relocation of the School of Music and Department of Art and Design and one additional Department or Faculty into the Downtown, bringing up to 5,000 staff and students into the

Arts District, is a major initiative which aligns directly with the Capital City Downtown Plan.

The business model has been structured in such a way as to enable the Edmonton Downtown Academic and Cultural Centre Foundation to operate the Centre on an ongoing basis without reliance upon government subsidies for operating. The commitment by the City to support this project is being requested by the Edmonton Downtown Academic and Cultural Centre Foundation in order to advance discussions with the other orders of Government. While the contribution from the City relative to the other orders of government continues to be defined, the current model identifies the City's contributions as being limited to initial capital investment in both land and non-commercially viable infrastructure, with no ongoing operating subsidy from the City.

Time is of the essence for the financing required to support this business model as it would be highly sensitive to any increase in interest rates. In order to advance the project, the Edmonton Downtown Academic and Cultural Centre Foundation has asked the City to commit to five elements:

1. Provide a pedestrian link from the Churchill LRT Station to the Galleria to accommodate the University of Alberta component of the development.
2. Approve the Framework in Principle.
3. Continue to engage the Edmonton Public School Board in discussions to determine the cost to acquire the Edmonton Public

School Board site located at 10515 - 100 Street.

4. Proceed with the transfer of the surplus Re-Use Centre property with the understanding that the property would be returned to the City if the project does not advance.
5. Engage in discussions with other property owners in the vicinity to aid in establishing a value estimates for the purchase of additional lands deemed beneficial to the project.

The financial contributions the City may be requested to make include:

- Construction of the pedestrian connection from the Churchill LRT to the Galleria - \$11 million.
- Transfer of land currently under City ownership (Re-Use Centre and road rights-of-way) - \$8.3 million (no cash outlay required).
- Purchase of land required from the Edmonton Public School Board. The value must remain confidential as the City is in discussions with the Board as to the potential cost to purchase the site. (Administration is exploring the possibility of relocating the facility to existing City owned land in which case no cash outlay would be required).
- Cost for the relocation or construction of a replacement maintenance facility for the School Board is still under discussion, but the Board has confirmed its support to help facilitate this project (it is understood that the purchase cost for their property would include costs which would be

incurred by the Board to relocate their facility).

- Additional privately owned land that is needed for the full development of the Project. The total estimated value for all the remaining lands needed, not including the School Board property, is in the order of \$4 - \$8 million.
- Contribution at a future date towards the Galleria Roof (estimated total construction of \$35 million).

Next Steps

Upon approval of the recommendations contained within this report, the following items will be pursued:

- Development of the Governance model for the project, highlighting the roles of the Liaison Manager and Edmonton Downtown Academic and Cultural Centre Foundation Board Members
- Development of a Community Benefits Agreement outlining relationships between the Edmonton Downtown Academic and Cultural Centre Foundation and other stakeholders.

Policy

The proposed Edmonton Downtown Academic and Cultural Centre is consistent with the following policies:

The Way We Grow – Edmonton's Municipal Development Plan

The Way We Live: Edmonton's People Plan.

Capital City Downtown Area Redevelopment Plan – Bylaw 15200

The Art of Living: A Plan for Securing the Future of Arts and Heritage in the City of Edmonton 2008-2018.

Corporate Outcomes

This report is aligned with The Way Ahead, the City's ten-year strategic goals of transforming Edmonton's urban form and improving Edmonton's liveability.

Budget/Financial Implications

No funding has been identified for this project within the current 2012 to 2014 Capital Budget. The project has been identified as a potential catalyst project for consideration for funding through the Downtown Community Revitalization Levy but no specific amount has yet been identified.

Justification of Recommendation

1. Approval of the Framework in principle by the City is required for the Edmonton Downtown Academic and Cultural Centre Foundation to advance discussions with the University of Alberta and with the other orders of government.
2. The Waste Management Branch is proposing a relocation of the City Re-Use Centre regardless of whether the Galleria Project goes forward. Once the Re-Use Centre is relocated, the City owned lands which have served as the temporary home for the Re-Use Centre will be surplus to municipal needs. The transfer of the lands to the Edmonton Downtown Academic and Cultural Centre Foundation will facilitate the advancement of the Galleria Project. In the event the Galleria Project does not move forward, the lands would be returned to the City.

Attachments

1. Framework for the Galleria Project

2. Downtown Academic and Cultural Centre - Galleria Project
3. Information Sheet - Edmonton Downtown Academic and Cultural Centre - Galleria Project

Others Reviewing this Report

- L. Cochrane, General Manager, Community Services
- L. Rosen, Chief Financial Officer and Treasurer