

## Framework For The Galleria Project

### Purpose:

The philanthropically led Edmonton Downtown Academic and Cultural Centre Foundation is spearheading the development of the Galleria Project which provides a transformational opportunities to the City of Edmonton through:

- The City gaining four new state of the art theatres that are financially self sustaining and would not require operating or maintenance subsidies
- Cultural program expansion to offer additional context for the community
- Complementing the flagship arts and cultural facilities along 99th Street from the Shaw Conference Centre and CKUA to the Citadel Theatre, Winspear and Stanley Milner Library to the Galleria and Royal Alberta Museum, creating a cultural core
- Market-making through growing, broadening and diversifying audiences and visitors to the City of Edmonton
- Proposed relocation of the School of Music and Department of Art and Design and one additional Department or Faculty into the Centre which brings up to 5,000 staff and students into the district
- Facilitating an additional potential 3 million sq.ft. of development that would bring up to an additional 15,000 people to the district
- Realistic operating economics achieved through the Cultural Trust and the EDACC Foundation managing operating and maintenance costs; and
- Formation of the Cultural Trust that insures all excess revenue is reinvested in the Downtown Arts District and the arts community

### Project Components:

The Edmonton Downtown Academic and Cultural Centre would consist of the following components:

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|---|----------------|
| • University of Alberta, School of Music  | 150,000 sq.ft. |
| • University of Alberta, Dept. of Art & Design  | 200,000 sq.ft. |
| • University of Alberta, other academic Dept.   | 300,000 sq.ft. |
| • Commercial Office Space   | 300,000 sq.ft. |
| • Edmonton Performing Arts Theatres<br>(Large Theatre, Mid-Size Theatre, Recital Hall, and Small Theatre) | 300,000 sq.ft. |
| • Galleria (covered and open)   |                |
| • Parking underground   | 600 stalls     |

Total institutional, commercial, and public space up to 1,250,000 sq.ft.

### Part 1 – Key Elements

1. Edmonton Downtown Academic and Cultural Centre Foundation is a Charitable Not-For-Profit Foundation and would remain so under this agreement.

2. Economically, the sustainability of the Edmonton Downtown Academic and Cultural Centre Foundation (The Galleria Project) is to own, manage, and operate the facilities with no expectation for ongoing funding being provided by the City of Edmonton.
3. Preliminary cost estimations of the project are expected to be in the order of magnitude of \$850M with funding comprised of:
  - a. Support from: +/- \$200M  
City, Province, Federal, and Charitable Donations
  - b. Arranged Financing +/- \$650M - \$750M

#### Part 2 – City of Edmonton Contribution

1. The amount of financial support from the City of Edmonton and from the other orders of Government is being determined. The non commercially viable elements that are expected to be funded with assistance from the City include:
  - a. Up to \$10 million in value of City owned land which includes roads closures. The initial City contribution would be the surplus City owned land (Lots 100-102, Plan 1919NY) and closed portion of 104 Avenue (valued at \$8.3 million) to enable the Foundation to consolidate the lands with those already purchased by the Foundation in order for the Galleria Project to commence.
  - b. Up to \$11 million to extend the Churchill Station LRT pedway under 103A Avenue to the forecourt of the Royal Alberta Museum and Galleria. This is a condition precedent to University of Alberta advancing with the development.
  - c. Up to \$35 million in additional land purchases (including the School Board property).
  - d. A future contribution towards an estimated \$35 million for the development of the roof over the Galleria which is not deemed for commercial purposes; and
  - e. Public realm (area under the Galleria roof) to be secured for ongoing public enjoyment by way of Public Easement.
2. The City of Edmonton would provide a full-time Liaison Manager for the Edmonton Downtown Academic and Cultural Centre project. Candidate selection would be at the discretion of the City of Edmonton.
3. The City of Edmonton would provide two Board Members from members of City Council for the Edmonton Downtown Academic and Cultural Centre Foundation.

### Part 3 – EDACC Contribution

1. The Edmonton Downtown Academic and Cultural Centre Foundation have acquired a key piece of property between 101 Street and 103 Avenue, at a cost of \$17.5 million.
2. The Edmonton Downtown Academic and Cultural Centre Foundation are to secure an agreement with Station Lands (Qualico) for the land where the University of Alberta School of Music will be located and the land for the Galleria.
3. The Edmonton Downtown Academic and Cultural Centre Foundation would be the project lead and would be responsible for the following:
  - a. Raising or arranging the balance of the finances to develop the Project
  - b. Obtaining philanthropic donations of \$50 million of which \$37.5 million has been committed to date and has invested greater than \$1.5 million in front end costs plus \$17.5 million in acquired land
  - c. Managing the project
  - d. Creating a Cultural Trust to manage and maintain the cultural facilities over the long-term
  - e. Arrange long-term leases of academic space with the University of Alberta and the commercial office space
  - f. Develop the cultural facilities
  - g. Arrange for the project financing
  - h. Raise charitable dollars required for the project
  - i. Responsible for pursuing Provincial and Federal funding
  - j. Responsible for any additional funding methods such as fundraising and sale of naming rights
  - k. Engage professional management as required for the development and operation of the stages at the venues
  - l. Maintain, and operate the open space under the Galleria roof in cooperation with Station Lands (Qualico). Programming of the space will fall to the Foundation on which the City of Edmonton has two members to provide a City of Edmonton perspective
3. Edmonton Downtown Academic and Cultural Centre Foundation will liaise and work with cultural and other downtown stakeholders in the development of the Cultural Trust and Galleria Project.
4. Edmonton Downtown Academic and Cultural Centre Foundation will explore establishing a Community Benefits Agreement (CBA) with residents and stakeholders in the areas surrounding the Galleria. This will endeavor to build relationships and engage key stakeholders during this process.

5. The Edmonton Downtown Academic and Cultural Centre Foundation as the Project Lead and Principle Borrower, would use the University of Alberta lease, the commercial leases and facilities as security for financing. No guarantees or funding from the City of Edmonton are required or requested to secure any financing for the Galleria Project.
6. Edmonton Downtown Academic and Cultural Centre Foundation are to operate the Centre and are to pay all operating expenses, capital maintenance and repair.
7. The Edmonton Downtown Academic and Cultural Centre Foundation are responsible for obtaining any necessary memorandums of understandings from:
  - a. Qualico Developments
  - b. University of Alberta
  - c. Provincial Government
  - d. Federal Government

Part 4 – University of Alberta Contribution

To Be Determined

Part 5 – Provincial/Federal Government Contribution

To Be Determined