

Jerry Forbes Centre

Recommendation:

That Community Services Committee recommend to City Council:

That the fund be released and the expenditures be approved.

Report Summary

This report provides additional information pertaining to the Jerry Forbes Centre Service Package presented during 2013 operating budget deliberations.

Previous Council/Committee Action

At the November 27, 2012, City Council Budget meetings, the following motion was passed:

That the Community Services, Community and Recreation Facilities Branch 2013 Operating Budget be increased by \$289,000 to fund the Jerry Forbes Centre, from funding available for City Council (one-time funding), and that expenditure of such funds be subject to: a report through Committee on the possibility of using capital funds for the operational need; Committee recommendation to Council on whether to release the funds; and Council approval of the expenditure.

At the May 26, 2010 City Council meeting, the following motion was passed:

That \$200,000 capital funding be committed for the Jerry Forbes Centre (Santa's Anonymous),

subject to the Centre securing the remaining financing required and the City of Edmonton contributing from the 2010 Operating surplus, if any, or from future capital surpluses.

Report

- The site for the Jerry Forbes Centre for Community Spirit is located at 4803 Roper Road, on 4.65 acres of land leased from the City in the Pylypow Industrial Area in southeast Edmonton.
- In 2010 City Council approved a \$5.25 million contribution for development of this facility. The contribution is via a long term land lease (land value calculated at \$3.25 million) and a cash contribution of \$2 million.
- The Jerry Forbes Centre Foundation has followed a rigorous planning process and has been actively pursuing a capital fundraising campaign in key sectors such as government (provincial and federal), the corporate sector, and the private sector (Attachment 1).
- The proposed design for the 70,000 square foot Jerry Forbes Centre includes 40,000 square feet of office space and 30,000 square feet of warehouse space. This facility will accommodate 15 to 20 Edmonton non-profit organizations that require office space year round. Tenants will benefit from stable long-term leases with predictable operating costs and below market rate rent. The facility will also allow for flexible, short-term leases and

- event space in the shared areas and warehouse.
- The Foundation received schematic designs from their architect in December 2012, which depict the functional spaces and amenities proposed for the facility (Attachment 2).
- Since this request was before Council in December 2012, the Foundation has reallocated and secured resources to complete one deliverable and make some progress on another. The revised funding request is now for \$246,000 rather than \$289,000 (Attachment 3).
- The funding requested by the Foundation is for critical planning documents that fall outside the scope of the capital construction component of the project and are required prior to the facility becoming operational in 2014. The deliverables (outlined in Attachment 3), are required to:
 1. mitigate risks
 2. prepare a successful platform for the on-going operations and sustainability of the Centre prior to opening
 3. assure tenants of plans for successful turn-key operations including having shared services and space usage policies in place
 4. define and gather metrics for a base-line of measurable impacts before the Centre opens (demonstrating that the business model is successful)
- 5. develop a capital reserve plan (determines funds needed for required reserve)
- As well, these deliverables will provide assurance to potential donors that the facility will be sustainable and will add value and impact to the community.
- The \$2 million that City Council committed in 2010 towards the Jerry Forbes Centre Capital Project is funded from the City's operating funds. As such, City Council could direct that a portion of that funding (\$246,000) be assigned to the development of the facility operating plans.
- Utilizing funds from the \$2 million would accommodate the Foundation's immediate need to proceed with the necessary plans that are required before the facility opens in 2014.
- This decision, however, would place the Foundation in the position of needing to raise the reassigned \$246,000 for the capital component of the project which already has a goal of fundraising over \$8 million privately. The Foundation has indicated that they would prefer additional one-time funds and not an early release from the \$2 million City of Edmonton commitment for the capital component.
- The Foundation has indicated that all the planning document deliverables funded would become the property of the City of Edmonton to share with other like-minded projects. This suite of documents will provide a comprehensive and current best

- practices model for other multi-tenant centres.
- Should Council approve the funding of \$246,000 as requested by the Foundation, a funding agreement will be required.

Corporate Outcomes

Improve Edmonton's Livability

- Citizens are connected to their diverse communities and have pride in their city.
- Complete collaborative communities that are accessible, strong and inclusive with access to a full range of services.

Budget/Financial Implications

During the 2012 budget deliberations Council approved one-time funding in the amount of \$289,000 to support the development of the facility operating plans, but held it in abeyance, subject to a report to Community Services Committee on with a recommendation to Council on whether to release the funds; and Council approval of the expenditure.

Attachments

1. Project Schedule and Capital Campaign Funding Model
2. Facility Schematic Drawings
3. Description of Deliverables

Others Reviewing this Report

- D. H. Edey, General Manager, Corporate Services
- L. Rosen, Chief Financial Officer and Treasurer.