

Telus World of Science

(J. Batty)

Recommendation:

That the May 9, 2011, Community Services Department report 2011CSR009 be received for information.

Report Summary

This report provides a response to a Councillor Inquiry regarding the TELUS World of Science in Edmonton.

Previous Council/Committee Action

At the February 2, 2011, City Council meeting, Councillor J. Batty made the following inquiry:

I understand that the Telus World of Science has completed a Master Plan to guide its plans for expansion. I would like Administration to work with the Telus World of Science to review the Plan and the anticipated costs and to identify any potential implications for the City of Edmonton. I would like this information to return to Community Services Committee.

Report

Background

- The Edmonton Space and Science Foundation has developed a master plan for the TELUS World of Science – Edmonton that integrates architectural, theatre and exhibit concept plans into a revitalized science centre.
- Since opening in Coronation District Park in 1984, this will be the third expansion of the centre, the first having taken place in the early 1990's. In 1999 the Edmonton Space and Science Foundation presented a plan to expand the facility into a "world-class" broad based science centre, the first phase of expansion to achieve this objective was completed in 2001. The current Master Plan proposes further expansion to complete that objective.
- The proposed expansion and redevelopment of existing spaces will more than double the current facility, increasing the square footage to 256,388 square feet.
- The expansion and redevelopment of the facility will allow the TELUS World of Science to become a world class science centre, attracting approximately 100,000 more annual visitors by 2020, while inspiring life long learning and connections to real science and real scientists.
- The total project costs are estimated at \$284.6 million. The TELUS World of Science has requested \$95 million of capital funding from the City towards this project. Other capital funding sources have not yet been confirmed; however, the Foundation is expected to develop a capital funding campaign that will require similar investments from the provincial and federal governments, as well as securing private sector funding to support the ongoing operation of the expanded centre.
- It is the desire of the Edmonton Space and Science Foundation to complete the expansion and redevelopment of the facility by November 2015.
- The project involves four construction phases:

- Phase 1 (May 2012 - December 2013): new construction (facility expansion) - digital visualization theatre, Canadian Circumpolar Science Centre and lobby.
 - Phase 2 (January 2014 - August 2014): repurposing the main building - new exhibit galleries, lobby connection and 500 stall parking structure.
 - Phase 3 (September 2014 – June 2015): repurposing the Cardinal Building - includes Learning, Conference and Dialogue Centre and administrative offices.
 - Phase 4 (June 2015 - November 2015): repurposing IMAX Theatre, includes conversion to digital technologies.
 - Administration's cursory review suggests this as an optimistic schedule.
- The new facility plan calls for a partially submerged 500 stall parking structure, with green roof technology designed to blend in with the surrounding park space. If the parking structure is not developed due to the high cost per stall, additional surface parking will be required which would increase the impacts on the Park. Creation of the parking structure would also permit some of the current surface parking area to be reclaimed as green space.
 - The Edmonton Design Committee's involvement will be required as this is a City facility and there is a significant financial request from the City for this project.
 - The capital funding model requires more detail to outline the various sources of funds and to assess the risk associated with securing these funds.
 - The cost estimates have not been reviewed by Administration.

Risks and Impacts

- A number of assessments will be required to determine the impacts of the expansion on this site including a parking and traffic impact assessment and utility infrastructure and drainage assessments.
- The Coronation District Park site would be impacted by the proposed expansion. The expansion is larger than was originally identified in the Coronation Park Master Plan. The original Park Master Plan proposed an approximate facility expansion of 33 percent, while the new facility plan calls for an expansion of the existing facility from approximately 5,000 square metre to approximately 14,000 square metre. This will have an impact on the amount of available green space, location of existing trails, walkways and road, picnic sites and trees.

Operating Impacts

- The Edmonton Space and Science Foundation will be responsible for the increased operating costs including utilities (water, power, telephone, sewer and gas), custodial and janitorial services within the facility, as well as increased insurance and staffing costs.
- Under the current lease, the City is required, at its expense, to continuously, actively and diligently keep, inspect, repair and maintain in good order and condition the facility and all structures, buildings, improvements, fixtures and machinery. The Plan is built around this practice continuing to be provided and funded by the City.

- The cost for capital repair and maintenance of the current facility, provided by the Asset Management and Public Works Building Trades Branch, was \$302,000 in 2010. This amount will increase as the construction phases are completed. The repair and maintenance cost estimates are \$2.2 million in 2014, \$3.1 million in 2015 and \$3.2 million in 2016 and beyond.
- The TELUS World of Science Master Plan shows the City of Edmonton contribution increasing to \$3.087 million by 2020 up from \$1.825 million budgeted for 2011. This amount is reflected as a consistent percentage of the overall operating budget which also increases.
- The Asset Management and Public Works Parks Branch provides site maintenance to grass and landscaped areas and flowerbeds. This includes horticultural services, snow removal on sidewalks and parking lots and garbage removal from exterior park areas. Horticultural costs are not expected to increase. Additional park maintenance costs can be anticipated with increased visitation related to the indoor and outdoor elements of the Master Plan.

Economic Impact

- An Economic Impact Analysis was prepared by the Economic Planning Group, based out of British Columbia. The source of the analysis was the Alberta Government Input-Output model operated by the Alberta Finance and Enterprise Ministry.
- The economic impact of construction spending is estimated at just over \$587 million. The Gross Domestic

Product effect of this spending is estimated at approximately \$253 million while the total employment created is 2,470 jobs. Total government revenues generated by the construction activity are approximately \$73 million.

- The economic impact of a year of operations spending is estimated to be just over \$30 million. The Gross Domestic Product effect is estimated at over \$17 million while the total employment created is 451 jobs. Total government revenues generated annual operations spending are estimated at just over \$5 million.

Immediate Request

- The Edmonton Space and Science Foundation has secured two major feature traveling exhibitions that will visit Edmonton in 2012 and 2013. Each of these major exhibitions require 10,000 square feet of exhibit space plus additional queuing and auxiliary retail space. While the TELUS World of Science is able to facilitate hosting these exhibitions within its current facility, doing so requires the removal of permanent exhibits.
- While important to the product mix offered by the TELUS World of Science and vital to its financial success, facilitating exhibits of this size and nature within the present facility diminishes the overall visitor experience, severely limits the maximum visitors achievable and makes it extremely difficult to convince other exhibition distributors to consider the facility for their major traveling exhibitions.
- The Edmonton Space and Science Foundation is requesting the City to

provide either a \$2 million grant to allow for the creation of 16,000 square feet of temporary exhibit space or, alternately, to provide \$7 million to provide for the addition of 16,000 square feet of permanent exhibit space that would be considered Phase One of the proposed expansion.

Policy

Policy C187A - Enhancing Community Facility Services through Partnerships

Corporate Outcomes

Improve Edmonton's Livability

Public Consultation

- To date, there has not been any public consultation for this project.
- A Public Involvement Plan will need to be developed to ensure effective consultation is completed as part of this project.

Budget/Financial Implications

- The request for \$95 million will be included in the 2012-2014 capital budget submission. Administration will continue to work with the Edmonton Space and Science Foundation regarding their request to allow for it to be ranked with other projects.
- The request for \$7.0 million will come to City Council as part of the 2011 Spring Supplemental Capital Budget Adjustment report.
- An analysis of cash flow requirements for the project was also conducted by the Economic Planning Group. This analysis was based on information provided by Dialogue (formerly Cohos-Evamy Architects), Ledcor Construction and AldrichPears exhibit designers.

- The cash flow requirements would be \$10.6 million (3.7 percent) in 2011; \$14.94 million in 2012 (5.3 percent); \$108 million (37.9 percent) in 2013; \$110 million (38.6 percent) in 2014; \$40.4 million (14.2 percent) in 2015; \$840 thousand (0.3 percent) in 2016.
- Any capital expansion of the facility has operating implications for both the direct operational funding provided to the facility as well as to the Corporate Properties Branch for required building maintenance. The operating impacts of capital will be noted in the capital project profile. The business plan as presented would require an operating grant increase of approximately \$1.3 million and increased building maintenance costs of up to \$2.9 million.

Others Reviewing this Report

- L. Rosen, Chief Financial Officer and Treasurer
- M. Koziol, General Manager, Capital Construction Department and Acting General Manager, Asset Management and Public Works Department