

# Fort Edmonton – Capitol Theatre

## Budget Adjustment

### Recommendation:

That Community Services Committee recommend to City Council:

That the 2011 budget for capital program 06-21-5354 (Fort Edmonton Park Master Plan Implementation) be increased by \$2,750,000 to a total of \$15,045,000, with \$1,200,000 being advanced from the Community Services Enterprise Reserve, \$1,350,000 from General Financing and \$200,000 from the Fort Edmonton Park Foundation.

### Report Summary

**This report recommends a budget adjustment of \$2,750,000 for the Fort Edmonton Capitol Theatre project to address a funding shortfall due to higher tender prices associated with the complexity of the work.**

### Previous Council/Committee Action

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

That the 2010-11 Capital Budget be amended by adding \$3 million to capital project Ft. Edmonton Park Master Plan Implementation (06-21-5354), as outlined in the April 29, 2010, Finance and Treasury Department report 2010FTB004, Attachment 3, item 3.2.

### Report

- The 2001 Fort Edmonton Master Plan identified an activity zone in the future development of the Park

- including the Blatchford Hangar, Hotel Selkirk, the 1920's Midway and Exhibition, and the Capitol Theatre.
- In 2009, City Council approved the creation of the Fort Edmonton Management Company to manage the Park, which includes the development of all capital projects subject to the approval of City Council.
- In the fall of 2009, Fort Edmonton Management Company undertook a comprehensive review of the Park and engaged an international attractions consulting firm to assist in updating the vision and recommend potential capital and program elements that would achieve the vision. City Council approved the Fort Edmonton Park 2010 Master Plan Update on May 12, 2010.
- The Capitol Theatre project was approved in December 2009, for a total cost of \$8,110,000, which included the construction of an authentic 1920's replica theatre and show.
- Fort Edmonton Management Company hired EDG, an international attractions consulting firm to design an authentic 1920's theatre and produce an interactive show.
- During the schematic (preliminary) design phase, EDG indicated that more funds would be required to support an interactive theme park type of show into the project.
- As part of the 2010-11 Supplemental Capital Budget Adjustment report in May 2010, an additional \$3,000,000 was approved for the Fort Edmonton Park Master Plan implementation for sound and lighting equipment for the interactive show.

- The project proceeded utilizing a construction management approach so that design and construction could occur concurrently. PCL was retained as construction manager in May 2010, to develop trade packages for tendering and coordinating the work on site.
- There are several factors that have led to increased costs on this project such as:
  - Snow clearing and additional heating and hoarding associated with the 2011 winter which amounts to \$250,000.
  - As trade packages were developed and tendered, prices came in higher than expected. This is due to both the level of detail required to replicate the authentic 1920's theatre and complexities of integrating an interactive show into the building construction. Attachment 1 outlines some of the cost overruns associated with the different trade packages that have been finalized and totals \$1,960,000.
  - The final costs associated with several trade packages are still outstanding such as millwork, signage, landscaping, sidewalks, lighting fixtures, site servicing and theatre curtains. Additional budget in the amount of \$540,000 is required to cover potential additional costs for these trade packages.
- If approved, the Fort Edmonton Park Master Plan Implementation Program will be increased by \$2,750,000 to a total of \$15,045,000. The Capitol Theatre portion is \$13,860,000.
- Advancing \$1,200,000 from the reserve will have an implication for future capital projects. Alternative funding will need to be found for future projects associated with the plan.
- Investment earnings are directed to general financing. The 2010 preliminary results identify higher earnings from investments than budgeted that have been directed to general financing. Although general financing for the 2009 to 2011 capital program is oversubscribed, \$1,350,000 can be managed within the increase to the budgeted 2010 investment earnings allocated to general financing.

### Justification of Recommendation

The additional funding will allow the project to be completed as set out in the Fort Edmonton Park 2010 Master Plan. Updating and moving towards achieving its vision of expanded attractions will stimulate visitation which will result in higher attendance and revenues.

### Attachments

1. Tendered Trade Package Results
2. Project Profile 06-21-5354 (Fort Edmonton Park Master Plan Implementation)

### Others Approving this Report

L. Rosen, Chief Financial Officer and Treasurer

### Others Reviewing this Report

L. Cochrane, General Manager, Community Services Department

### Corporate Outcomes

Improve Edmonton's Livability

### Budget/Financial Implications

- In order to complete the Capitol Theatre project a budget adjustment is required.