



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: November 18, 2024

Report: Showplace Funding Request, Report CDS24-004

Subject

A report to provide information following a request from the Showplace Performance Centre (Showplace) to the City for financial assistance to replace their roof.

Recommendation

That Council approve the recommendation outlined in Report CSD24-004, dated November 18, 2024, of the Commissioner of Community Services as follows:

That Report CSD24-004 be received for information.

Executive Summary

- Showplace is requesting financial assistance from the City to replace the roof of their performance centre.
- The estimated cost to replace the roof is \$1,052,050.
- Showplace is exploring grant options to cover some of the cost of this expense, however, may need matching funds to be eligible.
- Showplace is designated as a Municipal Capital Facility.

Background

Showplace is one of 15 local organizations that receive a Community Service Grant from the City. In April 2024, during their annual meeting with City staff to discuss their grant, Showplace shared that the roof of their performance centre needed to be replaced, and they were looking to the City to assist with covering the estimated \$1,052,050 capital cost.

Roof condition Overview

In late summer 2023, Showplace was experiencing issues with their ventilation and roof, which prompted them to hire a roofing consultant to conduct a full assessment. The consultant found many problems and recommended immediate replacement of the roof. In the past, Showplace responded to roof issues by overlaying a new roof onto the old one. This was done to save money but has led to the current situation where a new roof is the only solution to the problems.

With the assistance of their roofing consultant, Showplace undertook two procurement processes to resolve their roofing issues. The first procurement secured a qualified roofing company to complete short-term repairs intended to last through this past winter. The second procurement identified a company to complete the full roof replacement once funding was available. Showplace has spent \$50,905 on these repairs and services.

Showplace has been advised that the anticipated projected cost to replace their roof is \$1,052,050.

City funding highlights

In 1994, Showplace was the beneficiary of a federal/provincial infrastructure grant in the amount of \$1,280,000. The City's share of this grant was \$640,000, which was covered by Showplace. The City contributed \$40,000 while Showplace fundraised \$1,240,000 to meet the \$3.2 million budget to construct the performance centre.

At this time, Showplace was designated a Municipal Capital Facility (MCF) and was exempt from property taxes. In 1998, the Province legislated an exemption from property taxes for not-for-profit theatres with less than 1,000 seats. Showplace remains a MCF.

In 1996, the City provided Showplace with a loan of \$300,000, which was paid off in 2000. Between 2018 and 2019 Showplace received \$150,000 in capital funding from the City. Between 2001 and 2003 the City provided grants totaling \$210,000 for costs including equipment, operating costs, and deficit reduction.

Showplace has received an annual Community Service Grant since these grants were established in 2007. The Community Service Grant for Showplace in 2024 was \$145,855.

Municipal Capital Facility Agreement

As noted above, Showplace was designated a Municipal Capital Facility through an existing agreement signed on September 15, 1995. The relevant aspects of this agreement for the purposes of this report include:

- Showplace owns the property.
- Showplace must maintain the use of the property as a centre for the performing arts.
- Showplace is responsible for all maintenance and capital improvements to the property.
- The City has reversionary interest in the property if Showplace does not meet the obligations of the agreement.
- Showplace is exempt from property taxes for 5 years (however, Provincial legislation granted property tax exemption in 1998).

Funding Options

Since receiving their roofing consultant's report in 2023, Showplace has been investigating independent sources of funding to help pay for a new roof, including:

- **Canada Cultural Spaces Fund** has been approached to contribute 50% of project, or \$526,025. The remaining 50% needs to be secured before funding can be considered further.
- **Ontario Trillium Foundation** has been approached in connection with their Capital Grant program. This program can provide up to \$200,000, however, this program will not be open again until 2025.

Between 2018 and 2024, Showplace has financed projects totaling \$1,090,795 through grants, fundraising, City funding, and internal resources. They have recently hired a new Executive Director and formed a new Resource Development Committee. The Showplace Board of Directors feel that it would be unrealistic at this time to undertake a new capital fundraising campaign to finance a roof replacement.

Showplace background

Showplace is an incorporated not-for-profit and Registered Charity. They have 3 full-time staff, 11 part-time staff, and 120 volunteers. These volunteers contributed 6,209 hours of work, which is the equivalent to 3 full-time staff. Their operating budget was \$830,858 for the 2023/24 fiscal period. Showplace has an annual audience of over 45,000 people, with the majority coming from the City of Peterborough.

In May 2024, The Showplace Board of Directors adopted a new Strategic Plan which includes the following Strategic Directions:

1. Broaden Revenue Streams
2. Elevate Programming Experience
3. Embrace Diversity, Equity and Inclusion
4. Strengthen Human Resource Structure
5. Revitalize the Venue

Showplace recognizes the importances of their venue and that facility improvements must be prioritized. They recently approved a Facilities Management Policy which was reinforced by a facility assessment conducted in 2022 that provided these facility improvement estimates:

Safety (Fire Prevention)	\$177,000
Restrooms (Front of House)	\$500,000
Front of House Accessibility	\$550,000
Studio Upgrades	\$1,000,000
Lift to Stage	\$215,000
Back of House Accessibility & Washrooms	\$1,300,000
Lighting, Fire and Automation	\$370,000
Theatre Equipment	\$900,000
Architectural Fees	<u>\$387,000</u>
TOTAL	\$5,399,000

Strategic Plan

Strategic Pillar: Community & Well-being

Strategic Initiative: Enhance the natural, recreational, sports, the arts, and cultural aspects of our community

Engagement and Consultation

City staff have met with representatives from Showplace several times to discuss and understand their need for a new roof.

Budget and Financial Implications

There are no budget and financial implications of receiving this report for information.

Should Council decide to provide financial support to Showplace by approving one of options ii),iii), iv) or v) as presented in this report, the amount of grant or loan approved would need to be funded from tax levy for the budget year(s) when paid to Showplace. For 2025, adding \$500,000 of tax levy requirement to the budget would increase the All-Inclusive Rate by 0.24% and adding \$1 million of tax levy would increase the AIR by 0.47%.

Staff Direction

The following are provided as options to facilitate the contents of this report. Options (iii) and (iv) below were supplied by Showplace for the Council's consideration.

- i. Provide no support and allow Showplace to finance repairs through grants and fundraising.
- ii. Provide a \$500,000 interest-free loan to be paid back over 10 years to assist with securing matching funding through other sources.
- iii. Provide a \$500,000 grant payable in two installments over two years; and if matching funding is not secured from other levels of government, up to \$500,000 as an interest-free loan to be paid back over 10 years.
- iv. \$1,000,000 interest free loan to be paid back over 20 years, with any grant funds secured from other levels of government for the project to be paid to the City to reduce the loan.
- v. Provide a \$1,000,000 grant payable in two installments over two years.

If Council wishes to support Showplace financially and select one of options ii) to v), the following recommendations would be required for staff to move forward with implementing Council's direction.

- a) That Council approve to provide financial support to Showplace Performance Centre for roof replacement as described in option [i/ii/iii/iv]; and
- b) That this funding be added to the budget for the [2025 or 2025 and 2026] budget year[s], to be funded from tax levy;
- c) That the Mayor and Clerk be authorized to sign any required funding agreement with Showplace associated with this report on terms satisfactory to the Commissioner of Community Services and in forms acceptable to the City Solicitor.

Conclusion

Showplace Performance Centre have approached the City to assist with the replacement of their roof at an estimated cost of \$1,052,050. This expense is beyond the short-term financial capacity of Showplace to handle on their own. They do have options for applying for grants but are asking the City for assistance through a grant, loan, or both. This report is presenting options for Council to consider for assisting Showplace with their roof replacement.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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