Minutes – Executive Policy Committee – July 15, 2009

Minute No. 338
Report– Standing Policy Committee on Downtown Development – July 13, 2009

Item No. 2 Review of Performing Arts Consortium of Winnipeg Inc. Business Plan - Pantages Playhouse Theatre Complex Strategic Planning Alternatives (Point Douglas Ward)
eFile F-6

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Downtown Development and submits the following to Council:

1. That the Public Service proceed with the issuance of an Expression of Interest and Qualifications (EOI&Q) for use of the Pantages Playhouse Theatre Complex.

2. That the Public Service be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Pagtakhan,

That the recommendation of the Standing Policy Committee on Downtown Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On July 13, 2009, the Standing Policy Committee on Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

ISSUE: **Pantages Playhouse Theatre Complex (PPTC): Review of Performing Arts Consortium of Winnipeg Inc. (PAC) Business Plan and PPT Strategic Planning Alternatives**

Critical Path: **Standing Policy Committee on Downtown Development**

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Evenson	D. Joshi	P. Olafson, Corporate Controller	P. Sheegl, Deputy CAO

RECOMMENDATIONS

That the Standing Policy Committee on Downtown Development recommends to Council:

1. That the Public Service proceed with the issuance of an Expression of Interest and Qualifications (EOI&Q) for use of the Pantages Playhouse Theatre Complex.

2. That the Public Service be authorized to do all things necessary to effect the intent of the foregoing.

IMPLICATIONS OF THE RECOMMENDATIONS

1. PAC has not established PPTC as a viable operation nor has PAC demonstrated in it's Business Plan future sustainable operations. As such, an EOI&Q would assess any qualified interest in use of PPTC.

2. EOI&Q preparation, evaluation, and any resulting award would consume approximately six months to a year before any proponent could begin operations.

3. PAC presently has leased out office space within the subject building. The Public Service would attempt to establish contractual agreements with the third party tenants within the building.

4. This alternative provides the City with potentially more flexibility, depending on proposals received, as well as ensures a competitive market bid price for use of PPTC.

5. This alternative likely results in PPTC remaining operational for the citizens of Winnipeg unless PAC becomes insolvent in the short-term.

6. While PAC is in default of numerous agreement clauses such that the City could terminate the Management Agreement immediately, it is recommended that the recent establishment of a 90 day written cancellation notice be adhered to as circumstances warrant.

7. Should PAC select to cease operations prior to January 31, 2010, the City would have to employ an alternative manager or mothball the PPTC in the short-term. If PPTC is to remain open for use, civic operation could be considered until a successful proponent is selected.

8. If an alternate use for PPTC cannot be found, the Public Service will re-assess strategic planning alternatives and report such alternatives and recommendations to the Standing Policy Committee on Downtown Development.

HISTORY

On January 28, 2009, Council concurred in the recommendation of the Standing Policy Committee on Downtown Development with respect to continued PAC management of PPTC by extension of the current annual management fee of $115,000.00 for one year to January 31, 2010, under the terms and conditions as contained in the existing Management Agreement but inclusive of a 90 day written cancellation notice by either party.

In addition, Council adopted the following items pertaining to the subject report:

1. That PAC prepare, at its sole expense, a valid business plan which demonstrates future self-sustaining operations no later than three years from commencement of the 2010 fiscal year.

2. That the City perform, at its sole expense, a Building Condition Assessment on PPTC to identify building deficiencies and, at the City's discretion, fund any remediation it deems appropriate. Further, that the condition assessment information be provided to PAC to assist in preparation of their Business Plan.

3. That the Public Service review and re-assess strategic planning alternatives for future operation of PPTC and, upon completion, report such alternatives and recommendations.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 12, 2009

Project Name:

PPTC: Review of PAC Business Plan and Strategic Planning Alternatives

COMMENTS:

Preparation and issuance of an EOI&Q will utilize existing staff (fixed costs) and is not material. As such, there is no financial impact associated the the recommendations in this report.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this Report there was consultation with:

N/A

SUBMITTED BY

Department Planning, Property and Development
Division Civic Accommodations
Prepared by: Brad Erickson, A/Manager, Asset & Accommodations Branch
Date: June 30, 2009
File No. CAD 2009-0021

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