

Council Report

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Date: February 7, 2017
To: Peter Weeber, Chief Administrative Officer
From: Anthony Haddad, Director of Development Services
& Lori Mullin, Recreation & Culture Manager

File No:

Subject: South Okanagan Performing Arts Centre Society's Council Requests

Staff Recommendation

THAT Council support the South Okanagan Performing Arts Centre Society in their efforts to explore the potential for a performing arts facility in the downtown;

AND THAT Council support, in principle, the use of the property at 99 Nanaimo Avenue for a performing arts facility until December 31, 2018 subject to:

- SOPAC Society organizing a workshop/symposium
- SOPAC providing a Post-Symposium Report to Council outlining:
 - the best options for financing, operating and programming the SOPAC facility,
 - a detailed way forward, including an implementation schedule and a clear indication of required resources,
- SOPAC providing an update as to the status of their progress in June 2017, December 2017 and April 2018;

AND THAT should Council receive any additional interests, in the use or redevelopment of the subject lands, prior to December 31, 2018, a comprehensive public process be followed including consultation with SOPAC Society, prior to any decisions being made.

Strategic priority objective

Smart: "Use a fact, risk and consequence based plan for decisions, infrastructure and facilities."

Livable: "Ensuring the city is safe, healthy, welcoming and inclusive."

Background

South Okanagan Performing Arts Centre (SOPAC) Society representatives attended a Committee of the Whole Council meeting on Tuesday, October 18, 2016 to provide a Progress Report. The SOPAC Society

requested that Council support the long term vision and issue a public expression of support for the project and site security. They asked for a five year window to put together a plan and resources.

Council passed the following resolution:

It was MOVED and SECONDED

THAT Council refer to staff the request from the South Okanagan Performing Arts Centre for a public expression of support and site security and report to Council within 90 days.

CARRIED UNANIMOUSLY

South Okanagan Performing Arts Centre Society's background as referenced on website (www.sopac.ca):

Mission: "Our purpose is to unite the arts community and work towards the building of a sustainable state-of-the-art Performing Arts Centre that will serve the needs of our region for generations to come."

Financial implication

SOPAC is not requesting any City financial support at this time.

The Site – 99 Nanaimo Avenue

The site that is being requested by SOPAC for the proposed performing arts facility is the City owned property located at the corner of Ellis Street and Nanaimo Avenue which runs from Nanaimo Avenue to Penticton Creek. The site is currently vacant and being used as a parking lot, however was once home to Nanaimo Hall and is one of the largest vacant sites in the downtown.

The entire property encompasses six smaller parcels of land which total approximately 3,700m² (0.92 acres) in size. The site is currently zoned C5 – Urban Centre Commercial and is designated DC – Downtown Commercial within the Official Community Plan. With the site being located adjacent to Penticton Creek, the northern portion of the property is encompassed by Riparian and Environmental Development Permit Areas.

Prior to any development taking place on this parcel, further analysis is required including work around ensuring that the site, which is currently on the brownfield registry, is suitable for a proposed development. An environmental assessment will be required and remediation may need to be undertaken prior to any development taking place.

SOPAC Proposal

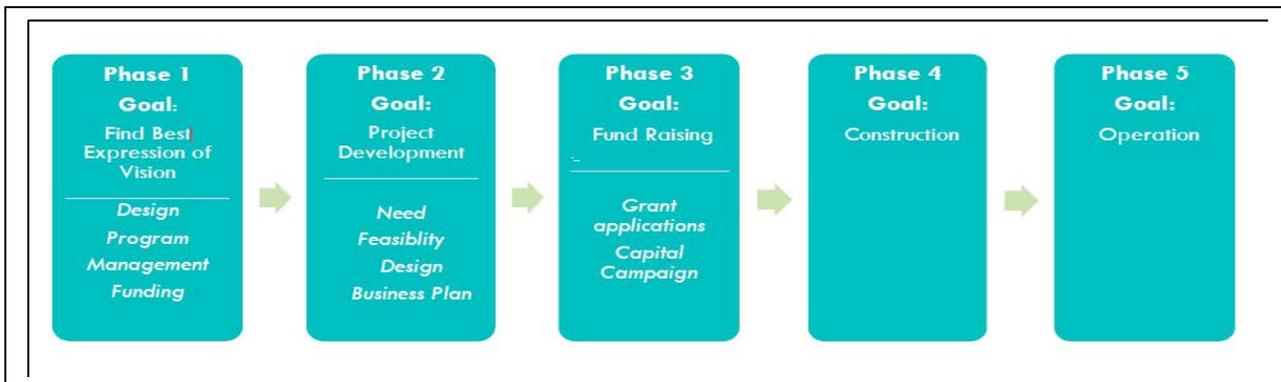
City staff met with SOPAC representatives on October 31 to follow up on the October 18, 2016 Council presentation. Staff requested that SOPAC provide more detail on their new vision of the Performing Arts Centre and more specifics regarding their requests of Council including proposed timelines. SOPAC representatives followed up with staff on January 6 with additional information and subsequently provided a proposal document (see Attachment A). The following provides a summary of the proposal document.

SOPAC Society has reviewed the original project as identified in 2008 through the conceptual planning and feasibility study and concluded that it remains valid but have augmented the vision with expanding the user base as well as a focus on growing the creative and high-technology economy.

The new vision includes:

- State-of-the-art technology and spaces for local performing and creative art groups
- A centre-piece and catalyst for a re-developed and enhanced downtown through new cultural infrastructure
- State-of-the-art performance spaces including a 750-seat main stage
- A regional training and innovation centre for arts production and presentation in collaboration with educational institutes
- Public gathering spaces
- Environment for public art
- Display space for visual arts
- Inclusion of environmental standards including LEED construction and Neighbourhood Development
- Dedicated showcase space for local enterprises such as the wine industry
- Collaborative model with involvement of the local and regional arts community

The updated proposal from SOPAC has identified a five phased approach to the development of this project, Phase 1 being the stage at which the group are currently at.



SOPAC Society has identified in their Proposal that the concept for the performing arts facility complies with the Official Community Plan, Cultural Tourism Plan and Downtown Plan. They identified that the Phase 1 work, which will provide for clarification of the proposed vision of this project will make a significant contribution with the current updating of the Official Community Plan.

The SOPAC Proposal outlines various “public good” benefits as well as direct and indirect economic benefits to the City and region including job and industry growth, attraction of skilled workers, destination city for cultural tourism, and urban revitalization. SOPAC Society has calculated the total economic impact of the project over the two years of construction and first four years of operations as over \$55 million.

SOPAC Request of Council

SOPAC have identified 4 requests to Council which they feel is imperative for them to move the project forward:

Request 1: Council supports the initiative of the SOPAC Society to explore fully and recommend the best options for realizing the SOPAC project with special reference to:

- a) Financing, Construction, Management, Operation
- b) Operating
- c) Programming

Request 2: Council agrees to refrain from selling, leasing or taking any other measures pertaining to City lands on or adjacent to Ellis Street and Nanaimo Avenue which would inhibit the future realization of the SOPAC project, for the period ending no sooner than at the conclusion of Phase Two (Year End 2018).

Request 3: Council provides access to staff resources, with special reference to:

- a) Supplying information on current official plans, policies, by-laws, data bases, regulations, etc.
- b) Sharing expertise on urban planning and cultural development
- c) Identifying external sources of funding
- d) Assisting with possible applications for project development support

Request 4: Council requires of SOPAC Society:

- a) to organize and convene a Workshop/Symposium designed to find the best fit between the special characteristics of the Region and successful experience elsewhere, and how that might shape the features of the SOPAC project. The workshop would bring together experts in contemporary creation and presentation of the performing arts with representatives of the area's arts community, the tourism industry and local planning professionals, all leading toward identifying the best options for realizing the SOPAC project, all in the context of current long range planning of the City of Penticton and surrounding communities of the Region. Target: On or before November 30, 2017.
- b) To provide a Post-Symposium Report, setting out:
 - the best options for financing, operating and programming the SOPAC facility
 - a detailed way forward, including an implementation schedule and a clear indication of required resources. Target: Three months after the event.

Analysis

Staff have reviewed the Proposal and requests from SOPAC and have identified that a significant amount of work is required in order to assist in moving a project like this forward. Key components such as those noted below will need to be developed at the appropriate time in order to inform Council's decision making process.

- **Needs Assessment** to conclude that there still is a current need for this type of facility in Penticton.
- **Feasibility Study** to confirm that Penticton is well positioned to manage this project; it fits within the current infrastructure deficit; and aligns with City priorities.
- **Business Case** to outline all associated costs with construction and operations and the associated funding requirements including an economic cost-benefit assessment.

In recognition of the work that has been undertaken by SOPAC and additional work needed to inform Council as to the appropriateness of such a proposal, staff have provided an analysis of the four requests from SOPAC, which are before Council for consideration.

Request 1: Support for the initiative and to explore options

The 2013 Downtown Plan and the 2010 Cultural Tourism District Plan, identified the site at the north east corner of Nanaimo Avenue and Ellis Street as a site for a future performing arts facility. Both plans have been incorporated into the Official Community Plan, so the proposed use that is being considered conforms to the future vision of the community plan. Considering that there is a vision in the OCP to create a vibrant downtown core, with a performing arts facility being a critical component to long term success, staff support SOPAC in their efforts to fully explore options for how a project like this may move forward. It will be important to ensure that a variety of partners are brought into this discussion and will be the responsibility of SOPAC to ensure that these partners are identified, committed and financially able to commit to a project like this – should the time come to move it ahead.

SOPAC will also need to work with the City in identifying how this project impacts the City from an operational and financial perspective, the costs of which may be significant.

Request 2: Allocate City owned land to SOPAC for 2 years

SOPAC representatives have stated that substantial work has taken place on identifying the site location for this project and stated that it is imperative that this site be confirmed for them to proceed. Their request before Council is to ensure that no other proposals be considered for use or redevelopment of this parcel until the end of 2018, at which stage SOPAC expect to have a better understanding if this project is viable to proceed.

The subject parcel of land on Nanaimo Avenue that has been identified for this facility is located in a key part of the downtown and is an important opportunity site for redevelopment and could be a catalyst for greater investment into the downtown core. As mentioned above, previous planning work has identified this site for the SOPAC facility.

With many unknowns at this stage of the development of this concept, it is difficult for staff to recommend that a key downtown site be reserved for two years. However, recognizing that the subject parcels of lands have been vacant for over 7 years and the vision created with the Downtown Plan, the request to withhold any alternative development should be considered.

Staff are recommending that Council support, in principle, the use of the subject lands for a performing arts facility until December 31st 2018 subject to:

- SOPAC Society organizing a workshop/symposium
- SOPAC providing a Post-Symposium Report to Council outlining:
 - the best options for financing, operating and programming the SOPAC facility
 - a detailed way forward, including an implementation schedule and a clear indication of required resources.

Once the symposium that is being proposed by SOPAC has been completed and a detailed report providing the outcomes of that meeting is presented to Council with proposed next steps, staff consider that when that time comes, further clarity will exist around the potential for use on this site. However, by supporting the site, in principle, Council will be confirming what is already supported within the Downtown Plan, Cultural District Plan and embedded within the OCP.

The City of Penticton do not own an abundance of land and the land it does own can be of strategic value in certain areas of our community. The City is often approached by groups wishing to partner with the redevelopment of City owned land for various initiatives. The most recent example is the Youth Centre that is currently in the process of being developed. The centre is proposed to be located in downtown Penticton and provide much needed support for young people to offer a “one-stop” hub of resources that will provide comprehensive and integrated care while providing holistic and responsive services.

Council will need to consider how to potentially integrate uses on a site that are compatible, given the City’s shortage of land assets to assist all groups. Both SOPAC and the Youth Centre have incredible merit and would serve a diverse demographic in our community that may have the opportunity to work well together, however, when suggested to consider options to combine the two projects, SOPAC Society representatives noted that the entire footprint of the City property is required for the SOPAC project and they did not feel that combining the projects was a good fit.

Should any other formal proposals be presented to or considered by Council in the future, a public process will be required before any decisions get made, which would include consultation with the SOPAC Society.

Request 3: Provision of staff resources to assist SOPAC

The request to have staff assist the Society in the manner being required is considered appropriate. Staff in the Planning and Recreation departments have the knowledge and records to be able to provide reasonable support. In terms of the request for assistance with grant writing, etc, there may be some costs attached to this process.

Request 4: Support for initiating Symposium / Workshop.

The SOPAC Society’s plan to gather industry experts to re-study the project is aimed to find the best expression of vision and develop recommendations on the best model for financing, operating and programming. Once this work has been completed, they will be able to come back to Council with more

comprehensive information in order to discuss the viability of moving to the next phase of project. This should tie-in well with the timing of the Official Community Plan update.

Staff believe that the request from SOPAC to initiate a symposium with the various parties identified in the report is an appropriate strategy to move this process forward. Staff will be able to assist with any background materials required to help initiate this meeting.

Recommendation

There is no doubt that a performance facility like what is being envisioned by SOPAC would be exciting for our community. The plan that SOPAC has laid out is considered to be logical and informed, however much work is needed within the first two phases of what is being proposed.

The recommendation proposed for Council is considered to provide SOPAC with the appropriate level of support to assist in moving their project forward, but also protect the City’s ability to keep options open for the redevelopment of these lands, should any proposals come forward. It will be important to ensure that the public process for consultation for any future development of this site, including the SOPAC proposal, be open and transparent to ensure community consultation is undertaken in the best interests of the community.

Alternate recommendations

- 1. THAT Council direct staff in an alternative manner.

Attachments

Attachment A: SOPAC Proposal to Council

Attachment B: Requested Property

Respectfully submitted,

Anthony Haddad
Director of Development Services

Lori Mullin
Recreation & Culture Manager

Approvals

DDS <i>AH</i>	CAO PW
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