1. **ADOPTION OF MINUTES:**

Minutes of the 2004-SEP-27 Meeting of the Economic Development Standing Committee held in the Board Room, City Hall at 10:08 a.m.

2. **INTRODUCTION OF LATE ITEMS:**

3. **RECEIVING OF DELEGATIONS:** *(green)* *(10 MINUTES)*

4. **REPORTS OF ADVISORY BODIES:** *(tan)*

   **Downtown Nanaimo Partnership:**

   (a) **Purchase of Theatrical Lighting**

   The Downtown Nanaimo Partnership (DNP) has received a request from the Western Edge Theatre Company to purchase theatrical lighting equipment at a cost of $11,811 plus any applicable taxes. The lighting equipment would be owned by the DNP but would be available for use by Western Edge, the Port Theatre, and other community performing arts groups. The DNP passed a motion in support of the request on 2004-Oct-05. The source of funding would be the DNP Capital Budget – Arts/Culture Projects which has a current balance of $49,500.

   Authorization from City Council is required for any purchase made by the DNP in excess of $5,000. The purpose of this report is to seek Council authorization for the above-noted expenditure.

   The DNP has been marketing the Downtown on the basis of three distinct character areas: the Old City Quarter; the Arts District; and the Waterfront. With regards to the Arts District, the DNP encourages and supports the establishment of a variety of cultural and performing arts venues in the Downtown area.

   One of the top priorities of the DNP 2004 Action Plan for the Arts, Culture, and Entertainment Sub-committee is to “Convert an existing assembly space (e.g. Bay Theatre) to a reusable performance space for small performing arts groups.”
The proposed lighting would be owned by the DNP and would be available to Western Edge and other local theatre and performing arts groups. The equipment list has been reviewed by the technical staff at the Port Theatre and meets the specifications of the Port Theatre and could be used in their productions as well. On 2004-Oct-05, the DNP passed the following resolution:

"MOVED by D. Brennan, SECONDED by B. McGuffie that the DNP purchase, at a cost of $11,811 plus taxes if applicable, the lighting equipment outlined in the letter from Western Edge Theatre dated 2004-Aug-27, with retained ownership by the DNP and subject to the condition that a usage agreement complete with adequate insurance, maintenance, sub-lease and contingency clauses be negotiated to the satisfaction of the DNP. CARRIED."

Recommendation: That Council authorize the expenditure of $11,811 plus any applicable taxes from the DNP capital budget for the purchase of theatrical lighting equipment as outlined in the letter from Western Edge dated 2004-Aug-27.

New Nanaimo Centre Advisory Committee:

(b) Recommendations Arising from the 2004-SEP-30 Meeting:

As attached.

(c) Recommendations Arising from the 2004-OCT-14 Meeting:

As attached.

5. **CITY MANAGER'S REPORT:** (blue)

As attached.

6. **INFORMATION ONLY ITEMS:** (white)

7. **CORRESPONDENCE:** (pink)

8. **NOTICE OF MOTION:**

9. **CONSIDERATION OF LATE ITEMS / OTHER BUSINESS:**

10. **QUESTION PERIOD:** (Agenda Items Only)

11. **ADJOURNMENT:**
REPORT TO: ECONOMIC DEVELOPMENT STANDING COMMITTEE

FROM: DOWNTOWN NANAIMO PARTNERSHIP

RE: PURCHASE OF THEATRICAL LIGHTING

RECOMMENDATION:

That Council authorize the expenditure of $11,811 plus taxes if applicable from the DNP capital budget for the purchase of theatrical lighting equipment as outlined in the letter from Western Edge dated 2004-Aug-27.

BACKGROUND:

The Downtown Nanaimo Partnership (DNP) has received a request from the Western Edge Theatre Company to purchase theatrical lighting equipment at a cost of $11,811 plus taxes if applicable. The lighting equipment would be owned by the DNP but would be available for use by Western Edge, the Port Theatre and other community performing arts groups. The DNP passed a motion in support of the request on 2004-Oct-05. The source of funding would be the DNP Capital Budget – Arts/Culture Projects which has a current balance of $49,600.

Authorization from City Council is required for any purchase made by the DNP in excess of $5,000. The purpose of this report is to seek Council authorization for the above-noted expenditure.

DISCUSSION:

The DNP has been marketing the Downtown on the basis of three distinct character areas: the Old City Quarter, the Arts District; and the Waterfront. With regards to the Arts District, the DNP encourages and supports the establishment of a variety of cultural and performing arts venues in the Downtown area.

The DNP 2004 Action Plan includes as a top priority for the Arts, Culture & Entertainment Subcommittee, “Convert an existing assembly space (e.g. Bay Theatre) to a reusable performance space for small performing arts groups.”

Western Edge is a local theatre company now in its second season of operation. It has leased the Bay Theatre for two years as the home of its theatrical productions.

In August, Western Edge submitted a request to the DNP requesting assistance in the purchase of theatrical lighting at an approximate cost of $12,000. The lighting equipment is listed in the attached letter dated 2004-Aug-27 from Frank Moher, Artistic Producer of Western Edge, A Theatre Company.

☑ Council
☑ Committee EDSC
☑ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2004-OCT-19
The proposed lighting would be owned by the DNP and would be available to Western Edge and other local theatre and performing arts groups. The equipment list has been reviewed by the technical staff at the Port Theatre and meets the specifications of the Port Theatre and could be used in their productions as well.

On 2004-Oct-05, the DNP passed the following resolution:

"MOVED by D. Brennan, SECONDED by B. McGuffie that the DNP purchase, at a cost of $11,811 plus taxes if applicable, the lighting equipment outlined in the letter from Western Edge Theatre dated 2004-Aug-27, with retained ownership by the DNP and subject to the condition that a usage agreement complete with adequate insurance, maintenance, sub-lease and contingency clauses be negotiated to the satisfaction of the DNP. CARRIED."

The source of funding is the DNP Capital Budget for "Arts/Culture Projects" which has a current balance of $49,500.

Any expenditure proposed by the DNP which is in excess of $5,000 requires the authorization of City Council.

RECOMMENDATION:

That Council authorize the expenditure of $11,811 plus taxes if applicable from the DNP capital budget for the purchase of theatrical lighting equipment as outlined in the letter from Western Edge dated 2004-Aug-27.

Respectfully submitted,

Ron Cantelon, Chair
Downtown Nanaimo Partnership

g:\complan\admin\DNP theatrical lighting
August 27, 2004

Mr. George Hanson,
Managing Director,
Downtown Nanaimo Partnership,
150 Commercial Street,
Nanaimo, B.C.

Dear George:

Having consulted with representatives of the various performing arts companies mentioned in my previous correspondence, including Bruce Halliday at The Port Theatre and Robin Boxwell, Technical Director for Theatre BC, Crimson Coast, TheatreOne, and the Vancouver Island Children’s Festival, I am pleased to submit this revised proposal to purchase lighting equipment for use in The Bay Theatre, and possibly other downtown venues as well.

The following equipment would serve the core needs of all the companies, and is compatible with current systems at The Port Theatre as well.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Unit Price</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 ETA Source 4 Ellipsoidal Fixture (Lamps) with C-clamps, Gel Frames, HPL 575w Lamps, Safety Cable, lens, 15-amp U-Ground plugs (used from Q1 Prod. Technologies)</td>
<td>$350</td>
<td>$4200</td>
</tr>
<tr>
<td>6 Fe 6” Fresnels c/w Gel Frames, BTL lamps, safety cables, c-clamps (from F.E. Lighting)</td>
<td>149</td>
<td>894</td>
</tr>
<tr>
<td>6 Barn Doors (F.E. Lighting)</td>
<td>43</td>
<td>258</td>
</tr>
<tr>
<td>1 ETC Smart pack, 12 Channel Dimmer pack (from Christie Light)</td>
<td>2758</td>
<td>2758</td>
</tr>
<tr>
<td>1 Strand Series 200 24 ch Console (Go Audio)</td>
<td>1649</td>
<td>1649</td>
</tr>
<tr>
<td>8 25’ TLG 12/3 AC Cables (Go Audio)</td>
<td>36</td>
<td>288</td>
</tr>
</tbody>
</table>
8  50' TLG 12/3 AC Cables
(Go Audio)  50  400

4  100' TLG 12/3 AC Cables
(Go Audio)  93  372

2  96 ft. DMX 5-pin XLR Lighting Control Cable
(Go Audio)  96  192

4  Heavy duty three rise stands with T-bar  200  800

GRAND TOTAL  $1181

You will note that this amount is higher than in our previous proposal. While the earlier figure ($4920) would have been adequate to meet Western Edge Theatre’s immediate lighting needs in The Bay, the equipment above will make it useable by all groups.

I’d also like to propose a scenario for considering this request.

As you know, the Western Edge season opens Sept. 24th. For that reason we would like to expedite your decision; as we are already absorbing the costs of stage and wings construction in The Bay, we are hoping to reduce the costs of also renting lighting equipment for our first, and perhaps subsequent, shows. For that reason, we kept our earlier proposal to under $5000, so that a decision could be made internally by the DNP.

We still hope that, in part, that might be possible. We would ask that you consider a request from us at this time to provide capital funding for the acquisition of the dimmer pack and lighting console shown above, in the amount of $4,407. You could then carry the balance ($7404) forward to City Council for approval.

We feel that by committing to move into The Bay we have already met one of our goals as a company, which is to contribute significantly to downtown Nanaimo, and to the community in general. We hope that you will look favourably on this request to assist us, and to make The Bay an attractive small scale space for other performing arts groups as well.

Sincerely,

[Signature]
Frank Moher
Artistic Producer

/fm
REPORT TO NANAIMO CITY COUNCIL
FROM THE NEW NANAIMO CONFERENCE CENTRE ADVISORY COMMITTEE
RE: RECOMMENDATIONS ARISING FROM THE 2004-SEP-30 MEETING

The following items were considered by the New Nanaimo Conference Centre Advisory Committee at its meeting held 2004-SEP-30:

(1) New Nanaimo Centre - Feasibility, Launch, Communication and Pre-Development Budget:

Committee’s Recommendations: That the New Nanaimo Conference Centre Advisory Committee recommend that Nanaimo City Council approve the budgets for the New Nanaimo Centre as follows:

- project feasibility $200,000
- referendum $75,000
- communications $100,000
- pre-development $250,000

(2) “Build Wood”:

Committee’s Recommendations: That the New Nanaimo Conference Centre Advisory Committee recommend that Nanaimo City Council authorize staff to consider using wood in the construction of the New Nanaimo Centre.

Respectfully submitted,

Councillor Ron Cantelon, Chair
New Nanaimo Conference Centre Advisory Committee

[Reference to source]
FOR CITY MANAGER’S REPORT

REPORT TO: A. C. KENNING, GENERAL MANAGER, CORPORATE SERVICES

FROM: B. E. CLEMENS, DIRECTOR OF FINANCE

RE: NEW NANAIMO CENTRE – REFERENDUM COSTS & PRE-DEVELOPMENT COSTS

RECOMMENDATION:

It is recommended that Council approve the budgets for the New Nanaimo Conference Centre as follows:

- Project feasibility - $200,000
- Referendum - $75,000
- Communications - $100,000
- Pre-development - $250,000

BACKGROUND:

The decision to proceed to referendum on the New Nanaimo Centre has cost implications that are not presently included in the 2004 annual budget. In recognition of this, Council has already approved that the $128,000 remaining in Council contingency be allocated to pay for these costs.

The purpose of this report is to provide more detail on the project-related costs for 2004 and the source of funds.

DISCUSSION:

The costs to construct the New Nanaimo Centre have been established at $52.5 million. In addition, there are additional costs required to bring the project to the construction phase. The costs can be broken down into four categories:

1. Project feasibility – costs to determine the project’s viability, location, components, partners, etc.
2. Referendum – direct costs of holding the referendum
3. Communications – costs to provide the public with information about the project prior to the referendum
4. Pre-development costs – costs to prepare the sites, develop the plans and provide detailed budget information on all three sites (Foundry, 3rd Street, Downtown)

Council
Committee
Open Meeting
In-Camera Meeting
Meeting Date: 2004-OCT-18
Project Feasibility

These are costs for Triarc (up until the Heads of Agreement was signed), architects, and consultants for determining feasibility of the conference centre. These costs have largely been incurred already and are estimated at $200,000.

Referendum:

The costs to hold a referendum are the same as having an election. There will be expenses for staffing the election, advertising, supplies and space rental. The estimated cost is $75,000.

Communications:

In addition to the costs listed above, it is necessary for Council to provide the voters with the information that they will require in order to make an informed choice. Staff has developed a communication plan that utilizes open houses, brochures and other printed materials to get the information out to the public. This plan contains no costs for existing staff, but does use consultants to assemble the written material. The estimated costs are $100,000.

Pre-Development Costs:

As noted above, the construction budget for the New Nanaimo Centre is $52.5 million. In addition, there are some costs that will have to be incurred by the City before the design & construction phase can be completed. There are also some new costs that are associated with the other sites, i.e., the Foundry/Civic Arena site and the 3rd Street site for the new arenas.

These costs include: legal fees for developing the many agreements, environmental assessments, traffic studies, conceptual design work for the arenas and park development, architectural and landscape consultants. The total estimated pre-development costs are $250,000.

Source of Funds:

Council has already reallocated the remaining contingency of $128,000 for these purposes. In addition, the 2004 Annual Budget contains $100,000 for operating costs related to the proposed conference centre. This leaves a total of $397,000 to be funded from other sources. Staff has reviewed the 2004 operating results to date and has identified that there will be sufficient funds within the budget to cover these costs. The largest portion comes from the RCMP contract being under budget to date, but a portion of these funds will be obtained by reducing consulting costs in other departmental budgets.
RECOMMENDATION:

It is recommended that Council approve the budgets for the New Nanaimo Conference Centre as follows:

- Project feasibility - $200,000
- Referendum - $75,000
- Communications - $100,000
- Pre-development - $250,000

Respectfully submitted,

[Signature]

Brian E. Clemens
Director of Finance

BEC/cc

Council: EDSC 2004-Sep-30
g:\rept\Referendum costs.doc
REPORT TO NANAIMO CITY COUNCIL
FROM THE NEW NANAIMO CONFERENCE CENTRE
ADVISORY COMMITTEE
RE: RECOMMENDATIONS ARISING FROM THE 2004-OCT-14 MEETING

The following item was considered by the New Nanaimo Conference Centre Advisory Committee at its meeting held 2004-OCT-14:

(1) **Grant Thornton Report:**

**Committee’s Recommendations:** That the New Nanaimo Conference Centre Advisory Committee recommend that Council receive the report.

[NOTE: The Grant Thornton Report is available for viewing in the Corporate Administration Office.]

Respectfully submitted,

Councillor Ron Cantelon, Chair
New Nanaimo Conference Centre Advisory Committee
ECONOMIC DEVELOPMENT STANDING COMMITTEE

2004 OCT 18

TO: The Members of the Committee

(5) CITY MANAGER'S REPORT:

DEVELOPMENT SERVICES:

COMMUNITY PLANNING:

(1) Gusola Block Tax Exemption Application – 104 Commercial Street

The Downtown Residential Conversion Tax Exemption Program was created by the City in May, 2002 with two primary goals. One, to encourage residential conversion of existing heritage commercial buildings, and two, to encourage the preservation of heritage buildings in the Downtown Core.

An application under the program has been submitted by the owners of the Gusola Block located at 104 Commercial Street to rehabilitate and adapt the existing building to accommodate new commercial uses on the main and basement floors and to create three residential units on the upper floor.

The estimated total project cost is approximately $534,000, of which $129,000 would be devoted to seismic, building code, sprinkler and external building façade improvements.

Property taxes for 2004 were $5,458.14. Based on the estimate provided of $129,000, in eligible work and the property tax exemption formula used by the tax exemption program, the applicant would qualify for the maximum tax exemption term, which is ten years.

The tax exemption proposal was reviewed by the Downtown Partnership on 2004-OCT-05 and the following motion passed:

“MOVED by B. McGuffie, SECONDED by D. Backhouse to recommend that the Downtown Residential Conversion Tax Exemption Application from Zaicana Pacific Realty Ltd. for 104 Commercial Street (Gusola Block) be approved for a ten-year tax exemption term.”

Staff has reviewed and evaluated the project proposal and note that it satisfies all requirements and objectives of the program and, as such, Staff recommends that Council provide approval, in principle, a 10-year full tax exemption for the property.
Recommendation: That the Economic Development Advisory Committee recommend that Council approve, in principle, a ten-year full property tax exemption for the Gusola Block located at 104 Commercial Street, subject to the conditions specified in this report.

Respectfully Submitted,

G. D. Berry
CITY MANAGER
FOR CITY MANAGER’S REPORT

REPORT TO: B.N. MEHAFFEY, GENERAL MANAGER, DEVELOPMENT SERVICES
FROM: A.J. TUCKER, MANAGER, COMMUNITY PLANNING
RE: GUSOLA BLOCK TAX EXEMPTION APPLICATION – 104 COMMERCIAL STREET

RECOMMENDATION:

That Council approve in principle a 10-year full property tax exemption for the Gusola Block located at 104 Commercial Street, subject to the conditions specified in this report.

BACKGROUND:

The Downtown Residential Conversion Tax Exemption Program was created by the City in May, 2002 with two primary goals. One, to encourage residential conversion of existing heritage commercial buildings, and two, to encourage the preservation of heritage buildings in the Downtown Core.

An application under the program has been submitted by the owners of the Gusola Block located at 104 Commercial Street to rehabilitate and adapt the existing building to accommodate new commercial uses on the main and basement floors and to create three residential units on the upper floor (see attached elevation and floor plans).

The estimated total project cost is approximately $534,000 of which $129,000 would be devoted to seismic, building code, sprinkler and external building façade improvements.

Property taxes for 2004 were $5,458.14. Based on the estimate provided of $129,000 in eligible work and the property tax exemption formula used by the tax exemption program, the applicant would qualify for the maximum tax exemption term, which is 10 years.

The tax exemption proposal was reviewed by the Downtown Partnership on 2004-Oct-05 and the following motion passed:

"MOVED by B. McGuffie, SECONDED by D. Backhouse to recommend that the Downtown Residential Conversion Tax Exemption Application from Zaicana Pacific Realty Ltd. for 104 Commercial Street (Gusola Block) be approved for a 10-year tax exemption term."

DISCUSSION:

Staff have reviewed and evaluated the project proposal and note that it satisfies all requirements and objectives of the program. Consequently, Staff recommends that Council provide approval in principle to a 10-year full tax exemption for the property.
Approval Conditions:

Should Council provide approval in principle for tax exemption, Staff recommends that the following conditions apply:

- The project must be fully completed prior to introduction of the required tax exemption bylaw. A property tax exemption bylaw must be referred to the City’s Finance Department by September 1st, and adopted by Council no later than October 31st, in order for tax exemption to be applied in the following year.
- The owner must agree to the placement of a Heritage Conservation Covenant on the property title to ensure the building’s long-term protection and maintenance.
- During the term of the tax exemption bylaw, the tax exemption amount received by the owner must be repaid to the City if the heritage building is destroyed or altered without proper authorization under the requirements of the Heritage Conservation Covenant (other than by natural disaster), or if the heritage conservation covenant is rescinded by Council at the request of the owner.
- The proposed upgrades must comply with all City bylaws and policies. A heritage alteration permit is required where upgrade work results in exterior structural alterations to the building. The external improvements must follow the guidelines set out in the City’s Downtown Design Guidelines, B.C. Heritage Trust’s “Rehabilitation Principles and Guidelines”, Technical Paper Series II, 1989, and Parks Canada’s Standards and Guidelines for the Conservation of Historic Places in Canada.
- All property taxes, business license fees, and user fees must be paid in full before the tax exemption bylaw is adopted.
- The building alterations must be substantially underway within six months of the tax exemption approval in principle and completed within one year.

Budget Considerations:

The tax exemption request will not require a specific budget allocation. As noted in this report, the value of the tax exemption over time would be approximately $55,000 based on the current tax levy. This value will be greater if the land/building value increases significantly over the exemption period.

Council should also note that the investors have indicated an interest in applying for grant money under the Downtown Partnership’s Façade Improvement Grant Program.

Wharf Street Outdoor Seating Area:

The applicant would like to create an outdoor seating area to be used by the building’s primary commercial tenant. The preferred location for the seating area is on the Wharf Street right-of-way. This encroachment would necessitate the removal of 4-5 parallel parking spaces currently adjoining Harbour Front Plaza. Staff is in the process of discussing the viability of the proposed encroachment with the applicant. Engineering staff have confirmed that there is adequate road width to allow outdoor seating and sidewalk with the removal of parking. The applicant is meeting with surrounding property holders, such as the Credit Union and the Library, to determine whether or not they would support the encroachment proposal and the consequent loss of parking. The proposal will also be referred to the Parking Committee for their
consideration. The response from the adjoining landowners and the Parking Committee will determine whether the encroachment receives further staff consideration or is simply rejected.

Also considered by Staff will be the impact of the proposed New Nanaimo Centre on the encroachment proposal in light of the following considerations:

- 400+ new public parking spaces will be created in the complex;
- A new road right-of-way will be created connecting Commercial and Gordon Streets.

Council should be aware that the Downtown Partnership passed the following recommendation to Council at its 2004-Oct-05 meeting in addition to the motion of support for the 10-year tax exemption:

"MOVED by B. McGuffie, SECONDED by D. Backhouse that the DNP enthusiastically encourage the City to work with the applicants to look at all forms of roadway sharing, including relaxation of current standards and the use of alternative standards, to create an animated space at the side of the Gusola building on Wharf Street."

**RECOMMENDATION:**

That Council approve in principle a 10-year full property tax exemption for the Gusola Block located at 104 Commercial Street, subject to the conditions specified in this report.

Respectfully submitted,

Andrew Tucker,
Manager, Community Planning
DEVELOPMENT SERVICES

To: CITY MANAGER
FORWARDED FOR CITY MANAGER'S
REPORT TO COUNCIL
GENERAL MANAGER OF DEVELOPMENT SERVICES

g:\commplan\admin\Gusola Block Tax Exemption Report.doc

5(i)3
Lower Level Plan

scale: 1/8" : 1'-0"
Upper Level Plan

scale: 1/8" : 1'-0"