

**From:** Office of the City Clerk  
**Date:** Tuesday, June 21, 2022  
**Title:** Performing Arts Centre Funding Model Approval

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Council, while acting in Committee, at its session held on April 11, 2022, considered an administrative report from the Deputy Chief Administrative Officer seeking Council approval for a revised funding model based on revised project costs which reflect inflation and significant market changes since the 2019 Performing Arts Centre (PAC) cost estimate

The City of Fredericton's top priority for new infrastructure development is a new PAC. It was determined in 2012 through a facility condition assessment, that the Playhouse was beyond its functional life and required replacement. Following a substantial amount of work to scope the project, get buy-in, lobby for funding, etc., Council approved the commencement of the design for the PAC in 2020, with the first phase focused on Pre/Schematic Design and Design Development (\$1,078,477 +HST). This work commenced in early 2021, with a focus on elements not specific to site.

This project will result in an iconic, generational facility befitting of our capital city and will be an anchor to downtown businesses. Demand for this new facility is mounting as our business community attempts to rebound from the devastation of the pandemic and as the arts community continues to grow and evolve.

### **Revised Estimate:**

The 2019 cost estimate of \$45.1M has been impacted by COVID-19 and the direct implications within the construction industry due to inflation and overall material and labour costs. The revised cost estimate of \$58.3M has been compiled using the most recent Hanscomb building cost benchmarks.

### **Funding:**

The City has worked hard to maintain the original commitment of council to borrow up to \$14M to fund the construction of the new Performing Arts Centre (PAC). As well, a significant amount of work has gone into attaining funding from other levels of government. The City has now secured \$23.2M in funding from the provincial and federal governments through the Integrated Bilateral Agreement infrastructure funding program (IBA). This allows the City to advance its core water and sewer renewal needs while

creating capacity for the City to direct existing federal funding from the Canada Community-Building Fund (CCBF, formerly known as the Gas Tax Fund, to the PAC.

<b>Contributions</b>	
CCBF offset by Fed/Prov IBA Investment	23,175,000
Remaining CCBF Allocation	18,025,000
City borrowing	14,000,000
Donations	3,000,000
Oromocto	100,000
	<b>\$58,300,000</b>

Accordingly, it was recommended that the following resolution be forwarded to City Council for consideration:

**BE IT RESOLVED** that the existing Canada Community Building Fund (formerly Gas Tax) funds totalling \$16,000,000 be allocated to the Performing Arts Center project and future allocations from 2024 to 2028 totalling \$25,200,000 also be allocated to the Performing Arts Centre project; and

**BE IT FURTHER RESOLVED** that the City of Fredericton submit an application to the Municipal Borrowing Board in the amount of \$14,000,000 for the Performing Arts Centre Project and that the remainder of funding for the Performing Arts Center is to be provided by private sector donations, regional support and additional funding from the Province and Federal Government Funding Programs; and

**BE IT FURTHER RESOLVED** that the Mayor and City Clerk be authorized to execute any agreements on behalf of the local government and such further legal documents as may be required to facilitate this resolution.