



DOWNTOWN CULTURAL HUB

DETAILED ANALYSIS AND
PROJECT DEVELOPMENT
APPENDIX A

June 2014



OAKVILLE

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VIEW OF SIXTEEN MILE CREEK/WATER STREET

EXECUTIVE SUMMARY

The Town of Oakville has a reputation as a distinct cultural venue, with flourishing performing arts groups and a broad and engaged audience. That cultural presence has been an important and defining part of the life of the town. Since the downtown cultural buildings were built fifty years ago the town has grown almost four-fold in population and the range and depth of its cultural offering has grown alongside. The centennial-era performing arts centre, library and gallery are however badly in need of renewal. They do not fit the needs of the broad and growing range of arts users for contemporary performance and exhibition and they are sub-standard with respect to accessibility and other requirements.

The overall intent of the Downtown Cultural Hub (DCH) Study has been to find the optimal mix and make-up of new cultural facilities that will best serve Oakville for the next fifty years and more. Two overall conclusions can be stated. First, that the needs for a refreshed, dynamic and exciting cultural presence in downtown Oakville can be met within a reasonable financial framework for the town and its performing and funding partners. And second, that to do nothing is not an option and would involve significant costs.

The existing Centennial buildings occupy an important and symbolic site in downtown Oakville, a district of great importance in the life and history of the town. The other great challenge therefore is to find the strategy for cultural renewal that best serves the retail, restaurant and business success of the downtown and fits with its unique heritage and locational character. Downtown Oakville's main streets are about to undergo a comprehensive re-design and the emerging strategies for cultural renewal described in this report will help re-establish the district as one of the most interesting, diverse and vibrant places in the GTA.

The Downtown Cultural Hub Study has now been underway for nearly one-year. Over the past six-months a thorough process of engagement with all those with an interest in the downtown has been undertaken, involving performing arts groups, local businesses and residents and all those with an interest in the historic heart of Oakville. What has been evident, and highly encouraging, is the affection demonstrated for the cultural role of their downtown and the broad support for its renewal. A course for that regeneration is set out below. Oakville has the opportunity in its own unique way to create a cultural hub in its centre that can compare with Stratford and Niagara-on-the-Lake, creating a distinctive destination in the GTA that celebrates its remarkable history and location.

This report sets out the Town of Oakville's objectives for a downtown cultural hub in Oakville, details the components of that hub and establishes their relation to the wider downtown. Several themes for the cultural hub, combining different types of cultural facilities and utilizing different downtown locations, are examined and assessed in terms of their provision of required cultural spaces and their fit in the downtown. The capital and operating costs have also been reviewed. The report recommends a future course of action for the town and others to advance the realization of the hub. The principal findings of the study are listed below:

- The establishment of a downtown cultural hub is a viable concept that will make a valuable contribution to the cultural life of Oakville and greatly contribute to the economic health and attractiveness of the downtown;
- The existing cultural facilities on Centennial Square are unlikely to be worth retaining without major and expensive modification;
- The pressing need to address the accessibility and functional shortcomings of the existing buildings mean that even a minimum program of required improvements would still involve substantial expense;

- A re-invigorated downtown cultural hub would consist not only of buildings but of a range of programmes, places and spaces to complement the primary cultural facilities;
- A range of new active and passive open space areas to accommodate cultural programming and recreational activities should form an important part of the cultural hub;
- Complete redevelopment of Centennial Square would require phasing to minimize 'go dark' implications for cultural providers;
- The visitation generated by cultural hub activities is a critical contribution to the economic health of the downtown, generating significant retail and restaurant activity;
- The attractiveness of the cultural activities to patrons is greatly enhanced by their presence in an interesting downtown with excellent shopping and dining opportunities and a very attractive natural setting;
- Associated residential and office development will help facilitate the establishment of the cultural hub and increase the vitality of the downtown;
- Planning amendments will be required to enable more intense uses on the Centennial Square and Fire Hall site;

- A comprehensive financing strategy must be developed to support the DCH. The initial financial analysis concluded that the cost to maintain existing facilities ranges from \$27 to \$33 million, the cost to expand existing facilities ranges from \$67 to \$85 million, and the cost to create new higher performing facilities ranges from \$95 - \$120 million;
- The downtown Oakville community is generally supportive of the cultural hub in the forms presented in the various themes set out in this report.

The next steps in the Downtown Cultural Hub Study process involve refinement of the optimal funding, financing and implementation strategies for the successful achievement of the project, on the basis of which a more definitive selection of the final cultural mix, locations and theme can be made.

01/ PROJECT OVERVIEW

1.1 Introduction

Oakville's Cultural Plan (2009) along with the Downtown Strategic Action Plan (2010) describe the downtown as a cultural hub with Centennial Square, now accommodating the Oakville Public Library the Oakville Galleries and the Oakville Centre for the Performing Arts (OCPA), representing a core element of the hub. Many of the cultural facilities on the site are in need of major renewal or replacement. New investment is required to ensure the long-term viability of these public facilities, not only to support enhanced programming but also to enable compliance with the provincial Accessibility for Ontarians with Disabilities Act (AODA).

The organization of the existing buildings is also not appropriate to their future functions; the Oakville Galleries have no distinct identity and both the Oakville Public Library and the OCPA have spaces located on lower floors difficult to access or advertise from the main access road (Navy St). In addition, the town's Parks, Recreation and Library Facilities Master Plan (approved in 2013) concluded that the Centennial Pool presented a number of barriers to users in its current location and will be demolished and relocated to the Oakville-Trafalgar Memorial Hospital Lands.

Urban Strategies Inc. (USI) and N. Barry Lyon Consultants Limited (NBLC), in association with Culture Capital, were retained by the Town of Oakville to conduct a preliminary feasibility study that would explore the potential of developing a cultural hub in downtown Oakville. The preliminary study was completed

in September 2013 and provided a high-level analysis of key issues relating to the range of planning, land use, facilities investment, location and financial strategies which must be addressed to establish a cultural hub in the downtown.

At its meeting of October 21, 2013, considering the accompanying staff report, Council endorsed the initiation of a more detailed study of the downtown cultural hub. This Phase Two Study – Detailed Analysis and Program Development builds on the work undertaken in the first phase by defining the full program in greater detail, assessing the implication of the development sites and their market potential, and detailing capital and operating costs of new cultural facilities.

The Phase Two study also outlines several themes for the DCH and illustrates the program and preferred sites for each of its proposed components both in terms of the facilities they would offer and their relation to the wider downtown. Extensive public consultation has been key to the Phase Two analysis. The input received from the public has helped shape and inform the development of the various themes.

Each of the themes has been the subject of a preliminary financial analysis to examine the capital costs, operating revenues, and potential development and market risks associated with each concept. In addition, a preliminary phasing strategy for each concept has been considered to ensure continuity of the downtown's cultural offer.

The study is informed by three complementary Needs Assessment Studies for each of the primary cultural hub components: the Oakville Centre for the Performing Arts Centre (OCPA), the Oakville Public Library, and the Oakville Galleries. A comprehensive Transportation and Streetscape Study (DTS), which is running in parallel with this DCH study, has been coordinated to support and inform the DCH project.

1.2 What is a 'Cultural Hub'?

A vibrant cultural presence has been at the heart of Oakville's life since the founding of the town in the early 1800s. Today that activity is marked by the high levels of community-generated arts activity throughout the town and by the many outdoor festivals for which downtown is known across the region.

Arts and cultural activity is increasingly recognized not just as inherently enjoyable and enriching but as something central to the health and vitality of a community. Ontario has several good examples of smaller centres that have established a presence and economic vibrancy on the basis of their cultural offering - Niagara-on-the-Lake, Stratford and Picton being places with a reputation across the province and beyond. Oakville has a unique opportunity in this regard; it already has an established cultural reputation, it has a very distinctive heritage and 'main street' character that offers a complete experience to the cultural visitor and it is located in the GTA, within easy reach of a very large population. Its future, as a well-loved centre for the citizens of Oakville and as a remarkable, enjoyable destination for visitors, can be readily achieved.

For the purpose of this study a cultural hub or Centre is defined as an area that houses a number of cultural activities, venues and creative industries including art galleries, libraries, performing art centres, cafés and museums.

By intentionally clustering these activities together or within a defined geographic zone, a catalyzing effect can be created, drawing other cultural activities and businesses to locate in or near that zone.

Cultural hubs also provide a range of community, social and economic benefits. Community life can be enriched as the local population can more easily identify with its cultural activities and the clustering can make it easier to take in more than one activity in a span of time. Patrons can also enjoy the benefits of the downtown in which the hub is located, its shopping, restaurants and cafés. A successful cultural hub can be a valuable branding tool for a municipality, enhancing its sense of place and engendering its reputation as a creative community. Further, cultural hubs can become vibrant economic and social scenes as they often act as a meeting place for creative workers, making a neighbourhood more desirable and generating additional employment opportunities.

One of the things that became clear in the study was the important relationship between the cultural activities and downtown restaurant and retail activity. Some 80 per cent of OCPA patrons go to a store, café or restaurant before or after a show. That's part of their evening experience, and a critical component of local business.

1.3 Sites for Consideration

While the town's cultural facilities are now all located on Centennial Square, other locations were also considered as a part of the study, both as potential homes for cultural components or as opportunities for co-development. The site currently occupied by Oakville Fire Station #3 is located immediately north of Centennial Square, at the top of a sloping terrain which allows for unimpeded views of Sixteen Mile Creek on most of the north, south and west sides and thus has considerable private development potential. For the purpose of this study we have assumed that the Fire Station function could be relocated to a site at Kerr and Rebecca St, which would continue to provide required fire service to the downtown. The former Canada Post office property, a heritage building, has also been reviewed as part of this study. This corner site has the advantage of direct access to and frontage on three different streets (Randall, George and Church Streets) and offers excellent ravine views of Sixteen Mile Creek to the north of Randall.

As part of the initial DCH Phase One Study a number of town-owned surface parking lots in the downtown were examined for their potential redevelopment opportunity. These properties currently function as a key resource to business owners throughout the downtown, as readily accessible surface parking is convenient and generally preferred by local patrons. While potentially underutilized from a land use perspective, the replacement of surface parking is costly and could disrupt business in the downtown if alternative parking was not provided expeditiously. As a result, these surface parking lots have been excluded from inclusion as part of the DCH analysis, although mixed parking and commercial development is contemplated if the post office site is used for cultural activity. The future uses of the other parking lots may be reconsidered at a later date as they could be useful and valuable towards achieving other town objectives in the evolution of Oakville's downtown.

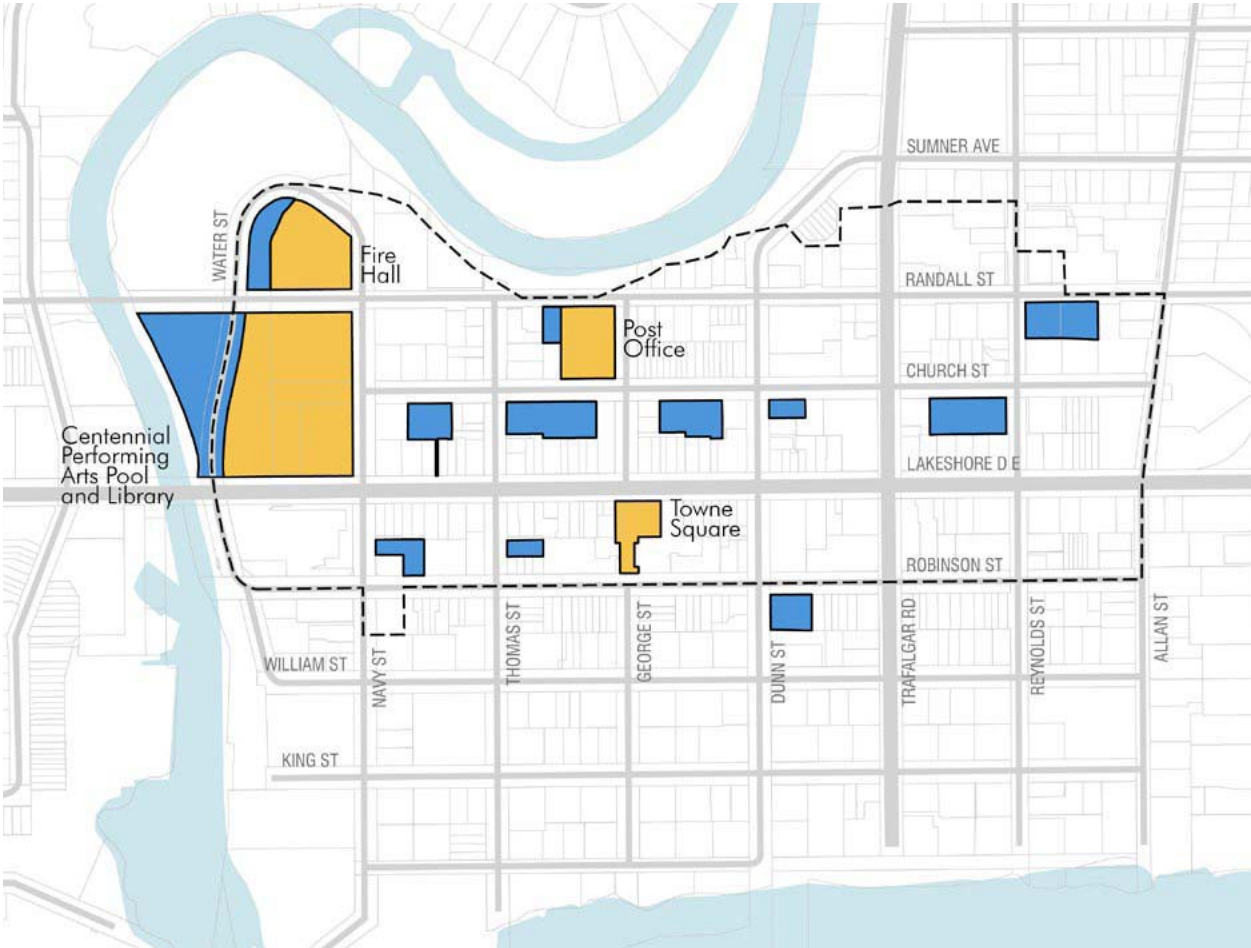


FIGURE 1: TOWN-OWNED PROPERTIES CONSIDERED IN DCH STUDY

- programmed sites
- surface parking lots / non-programmed sites

1.4 Study Objectives

The consultant team met with town staff including Planning Services, Engineering and Construction, Recreation and Culture, Parks and Open Space, Oakville Public Library, Oakville Galleries and Oakville Centre for the Performing Arts staff to identify their requirements and ambitions for their facilities. Through these discussions it was determined that either investments in new facilities or the enhancement of existing facilities would be needed to establish a cultural hub in the downtown that would meet the objectives set out in the Cultural Plan, the Downtown Strategic Action Plan and the town's Official Plan - the Livable Oakville Plan.

The objective of the Phase Two study was to provide a comprehensive assessment of the cultural components that would form the cultural hub, and determine themes for the nature and location of these cultural components. To support this work, Needs Assessment Studies of the existing cultural and performing arts facilities in the downtown were developed. A summary of the Needs Assessments are detailed in Section 3.

To properly assess the choices before the town and identify the preferred direction, the town also established overall objectives for the DCH to aid in the decision making process. These four objectives are set out here.

The optimal plan for the downtown must:

1. Contribute to a Successful, Economically Vibrant Downtown
2. Create a Cultural Focus for the Town and the Downtown
3. Provide Facilities that Meet Existing and Future Needs
4. Protect and Enhance the Natural Environment and Historic Importance of the Downtown

These qualitative objectives about the nature of the downtown and of the cultural facilities desired are set within the overarching fifth objective to develop a cultural hub that is affordable to the town in terms of its capital and operating costs and minimizes financial, funding, management and governance risks. Using these objectives an Evaluation Framework has been created to help guide the DCH project towards a preferred development option. The Framework will be used at a later stage in the DCH project.

1.5 Study Process

The Phase Two study commenced in December 2013 and has involved a highly collaborative consultation process. Building on the Town of Oakville's Public Engagement Guide (2012) a number of accessible methods of meaningfully engaging different audiences have been employed. These activities have included a project launch, three community open houses, targeted stakeholder workshops, online surveys and monthly newsletters. A dedicated project webpage, developed and

monitored by town staff, was also created on the town's website to house project materials and to allow the public to stay up-to-date on the events and activities associated with the project. Along with encouraging awareness for the project, these activities have helped to establish a shared vision for the cultural hub and have ensured the ideas and concerns expressed by the community are appropriately reflected in the project outcomes. Input gathered from town staff, stakeholders and the community during this phase of work has served to enhance our understanding of the downtown and the needs of various cultural groups. A detailed outline of findings from specific stakeholder activities is provided in each of the Needs Assessment Studies, but a brief summary of the major inputs received from consultation participants are outlined below:

Attracting Visitors to the Downtown:

Downtown residents have showed to be tremendously proud of the unique places of interest already available in downtown Oakville. However, many residents have expressed a need for a more diverse range of activities and facilities that attract a greater number of visitors from outside the core.

Connecting the Downtown to its Surroundings:

Downtown's beauty is reflected in its proximity to Lake Ontario and Sixteen Mile Creek, and in its historical character. Consultation participants outlined a need to

consider linkages to the waterfront and the heritage district. High quality open spaces that connect to Sixteen Mile Creek, while supporting active and passive uses were identified as an important element of the proposed new cultural hub. Participants also commented on the need to provide connections to popular shopping destinations within the downtown but also on the adjacent side of the Sixteen Mile creek towards the Kerr Village.

Improved Cultural Facilities:

The existing cultural facilities in the downtown are highly valued but they must be renewed and reinvented to serve the needs of existing and future users. In particular, flexible spaces that accommodate a range of different uses were highlighted as an important feature that should be considered for modernized or new cultural buildings in the downtown.

Supporting Uses:

New cultural spaces in the downtown should be supported by a range of complementary uses.

Participants agreed that the establishment of the cultural hub will provide an opportunity to introduce new housing and office uses in the downtown to help support the existing restaurant and retail offering.

Urban Design:

A number of participants expressed a desire for compelling new buildings that contribute positively to the image and activity of surrounding streets. Potential new facilities introduced at the hub should be at the forefront of design quality and should maximize the locational advantage to the waterfront.

1.6 Coordination with Supporting Studies

The DCH Study is being conducted as part of the Downtown Plan project. This larger initiative includes both the DCH Study and the Downtown Transportation and Streetscape (DTS) Study. The DTS study will provide a comprehensive assessment of the current traffic and roadway conditions in downtown Oakville. A series of recommendations to enhance the roadways, beautify streets, improve pedestrian/cycle ways and revitalize Towne Square will be proposed through the DTS study.

Together, the DCH and DTS studies will explore ways to improve the downtown core by maximizing facility space, enhancing accessibility, leveraging existing roadways and increasing the cultural character. The DTS construction will proceed in advance of the implementation of the cultural hub and associated open spaces, representing a complete re-imagining of the downtown, and will thus set the context for the specific urban and architectural design of new buildings and places.



OPEN HOUSE · APRIL 12



STAKEHOLDER WORKSHOPS · MARCH 3 & 4

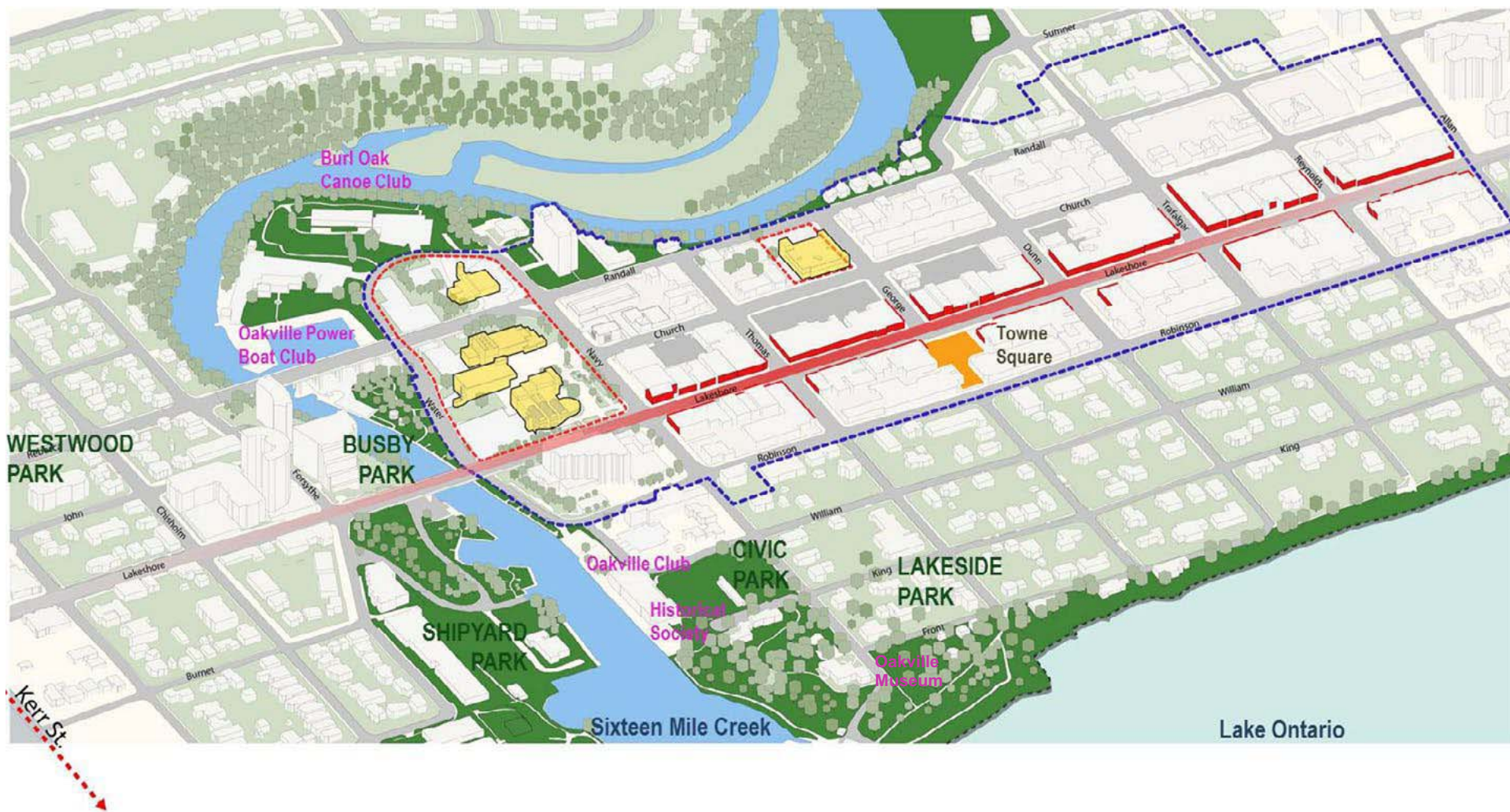


FIGURE 2: THE CREEK AND LAKESHORE SPOKES

02/ THE DOWNTOWN CONTEXT TODAY

2.1 Characteristics of the Downtown Today

The DCH site opportunities are indicated on Figure 1, which also identifies other town-owned land currently used for surface parking. Lakeshore Road is the principal retail street of the downtown and is almost continuously developed, with the other east-west streets – Randall, Church and Robinson - having more secondary activities, more vacant sites and important traffic handling functions.

One of the objectives of the DCH and DTS studies is to ensure that the health of Oakville's 'main street' is enhanced as a result of the two initiatives and by the encouragement of more living and working space in the downtown. Church St in particular has been identified as having the potential to accommodate new development activity that might occur on the municipally-owned parking lots. The re-working of the one-way traffic system proposed in the DTS could also encourage such development. While the enhancement of Lakeshore Road's current retail and restaurant character is the principal goal of the proposed streetscaping initiatives, the creation of the new cultural hub and other downtown improvements could also transform Church St into a much more attractive street that could become a major arrival route for Centennial Square. The downtown's short north/south local streets will also improve in quality, providing links between Lakeshore and the rest of the downtown. George St is a particularly important street, as it connects the Canada Post

building and Towne Square into the heart of the downtown. One of the central issues for the DCH study has therefore been to assess the optimal degree of concentration and dispersal of cultural facilities to determine where they will have the greatest benefit for the downtown.

Access to the downtown is focused onto two streets, Lakeshore and Trafalgar, because of the configuration of the Sixteen Mile Creek valley. As the downtown develops it will be important to enhance connectivity to Kerr Village and take advantage of the north/south traffic connections to the west of the creek. Another consideration for the study is to appreciate the impact of any road access and parking constraints on the operation of the DCH.

The downtown is located close to the Lake Ontario shoreline, although the links are now not always obvious or well developed. Visual and pedestrian connections can be enhanced, particularly along George St and Navy St, the latter linking the Oakville Museum and the Centennial Square. To the immediate west of Centennial Square is the Sixteen Mile Creek valley, an attractive green corridor animated with many water activities. The section immediately west of the cultural buildings is however the least attractive, with large parking lots, poor landscaping and limited water's edge access. The redevelopment of the site at Centennial Square offers a major opportunity to connect the downtown and new cultural buildings with the lake and river valley and provide access to underused green and water spaces.

The new cultural facilities will form a cultural hub within the downtown; the streetscaping and other open space improvements will become the spokes connecting that hub to the downtown's retail and business activity, its adjacent residential communities, its public spaces, the creek and the lake.



VIEW OF CENTENNIAL SITE

03/ KEY CULTURAL INPUTS/ SUMMARY OF NEEDS ASSESSMENTS

Each of the proposed cultural facilities has been the subject of a detailed needs assessment, which are appended to this report. A summary of the major findings and conclusions from each report is provided below.

3.1 Performing Arts Centre

Webb Management Services Inc. was retained by the Town of Oakville to prepare a detailed assessment of the needs for performing arts space in downtown Oakville. The assessment included an analysis of the current operations and audiences in the existing Centennial Square performing arts centre, an assessment of the adequacy of the existing building and an extensive analysis of the market for performing arts events and other potential meeting space demand both locally and across the Greater Toronto Area. This work also examined the size, facilities and performance of competitive centres across the region.

This research found that there is a strong demand across the Greater Toronto Area for cultural programming that serves all population segments. In 2010, nearly all Ontarians aged 15 or older (99.7 per cent) participated in at least one arts, culture, or heritage activity; 39.4 per cent attended a popular musical performance such as pop/rock, jazz, blues, folk, country and Western; and 12.6 per cent attended a symphonic or classical music performance. Survey results from the 2011 Ontario Arts Engagement study also highlighted that 60 per cent of Ontarians attend professional music concerts at least once a year; 55 per cent attend professional plays or musicals; and 51 per cent visit art museums or galleries.

The Needs Assessment Study also explored changing consumer behaviours. According to the findings of the report cultural consumers are seeking more stimulation, more convenience and more opportunities for an interpretation-rich experience. They are also more motivated by the social experience around the performance, rather than the performance itself.

To meet these growing demands for cultural events and activities, and to respond to changing consumer behaviours, cultural facilities must provide spaces and services that are able to enhance the social experiences for audiences. They must also be flexible enough to provide options for audiences to engage with performances, and for the community to actively participate in activities that help express their own creativity. Further, facilities must be physically appropriate for a wider range of programming and their audiences.

To better understand the demand for cultural offerings and spaces within downtown Oakville, a number of key stakeholder interviews and group meetings with facility staff were organized, and two public surveys were issued. A series of important themes emerged from the meetings and interviews including the

following; the majority of constituents are enthusiastic about the idea of culture in the downtown; there is consensus that current outdoor facilities in the downtown area are insufficient; there is a desire to take advantage of the landscape and river to create better outdoor performance facilities; there is an opportunity to develop downtown Oakville as a visitor destination.

Using the research findings as well as the responses collected from the Oakville Community, Webb Management proposed a series of development options for the provision of future performing arts space in downtown Oakville. These included the following options:

- A modification of the existing performing arts centre building, to remedy its accessibility deficiencies and poor back-of-house facilities and other shortcomings. The study looked at an absolute minimum improvement program, to fix the most immediate accessibility shortcomings, as well as at a more developed re-use of the existing buildings. This latter alternative would maintain the existing 495 seat multi-purpose theatre, introduce a 250 seat studio theatre on the main floor, and add to the existing building to incorporate a large event lobby and two mid-sized meeting rooms.

- an 'Edge City' performing arts centre, that would be comparable to several other sub-urban or GTA edge city facilities, that would comprise a 650 seat multi-purpose theatre, a 350 seat studio theatre, a large event lobby and two mid-sized meeting rooms. The Edge City concept represents a flexible model that provides adaptable spaces to accommodate a range of uses.
- a 'Regionally Distinctive' performing arts centre, with a quality standard superior to that of any other regional centre between downtown Toronto and the new facility proposed for St. Catharines, that would comprise a 750 seat hall customized for music and dance, a 325 seat courtyard-style spoken word theatre and a large event lobby. The Regionally Distinctive Centre aims to differentiate new Oakville facilities from other regional spaces in terms of capacity, quality and distinctiveness, drawing aggressively from the overall regional market and more directly supporting meeting and event activity.
- a 'Boutique' performing arts centre, consisting just of a 325 seat courtyard-style theatre and a 100 person event lobby. The boutique concept assumes that a larger facility would be developed outside of the downtown but developed in coordination with the remaining downtown cultural facilities. This larger theatre could achieve the standards of either Edge City or Regionally Distinctive model.

Required floor areas, functional requirements and capital costs were prepared for each of the cultural components identified above. Each also has very different operating costs, market risk and performer and audience satisfaction characteristics.

The components have been carried through in various combinations to form the comprehensive Cultural Hub themes and subsequent assessment discussed in Section Five of this report.

3.2 Oakville Public Library –Needs Assessment

A detailed needs assessment of the Oakville Public Library (OPL) was undertaken by Ward99 Architects. Their analysis involved an assessment of the current library building, a review of the state of contemporary library facilities design, and an understanding of the role a new central library might play within the overall Oakville Public Library system.

Stakeholder interviews and group meetings were conducted with Oakville Public Library staff as part of the Needs Assessment Study. Staff discussions focused on the existing conditions of the Oakville Public Library, the state of the existing library system, library programming and their ideas and vision regarding a revitalized downtown library building and library system. Through these discussions staff noted the following issues; the central Branch building is an obstacle to promoting

library services and programs and is a place that is physically inaccessible and where creativity is hampered instead of encouraged; the exterior main entrance is not inviting, it is hidden and not obviously identifiable from the exterior and it is not accessible; a welcoming community space where the public can catch up on the latest events (local and global) is absent; the auditorium is described as too small to provide the majority of library programs; less paved areas and more green spaces for exterior interaction is needed.

In addition to the staff meetings a public survey was developed to understand the public's satisfaction with the Oakville Public Library's buildings, services and programs. Thirty-five percent of survey respondents indicated physical and visual accessibility is a problem inside and outside of the library and that the existing configuration of the stairs was problematic. Over 40 per cent of respondents indicated that the existing building is dated, dark, uninteresting, uninviting and requires maintenance and upgrading. Nearly 30 per cent indicated that the interior layout is poor, cluttered, cramped, disorganized, inefficient and confusing. The existing library building was described as too small and the variety of spaces poor.

An analysis of these findings generated two alternatives that were carried forward to the comprehensive cultural hub themes.

- a 'Flagship' library, that would act as a true destination for downtown Oakville providing a full range of library

facilities serving all user groups. If a new building, it would comprise approximately 30,000 sq ft on one or two floors; if a renovation of the existing building, it would involve the retention of the first floor and a 14,200 sq ft addition.

- a 'Specialized' library, that would provide very distinctive programming and spaces not found in other Oakville libraries. If a new building, it would comprise approximately 20,000 sq ft; if a renovation of the existing building, it would involve the retention of the first floor and a 4,200 sq ft addition.
- Both alternatives would provide a digital focus with spaces that offer equipment for use and loan (computers, laptops, e-readers, tablets), access to special programs (software training, gaming, recording and editing of music and videos, creation, design and production of art, objects or books) and physical spaces for social interaction, business, study and research that allow for the interaction of digital interfaces (touch screens, simulation rooms, interacting with virtual environments, gaming, etc).

This assessment does not specify the location of administration and management offices and bibliographic/technical services as these spaces are not specific to any one branch and can therefore be relocated to any of the Oakville Public Library branches.



IMAGE OF THE EXISTING OAKVILLE PUBLIC LIBRARY AT
THE CENTENNIAL SITE

3.3 Oakville Galleries – Needs Assessment and Business Plan

The Oakville Galleries independently retained a consulting team to prepare a Needs Assessment and Business Plan for the Gairloch Gallery (located in Gairloch Gardens) and the Centennial Gallery (located in the Central Branch of the Oakville Public Library). This assessment found that the Galleries' potential and future growth was limited by the size and nature of its current facilities and that there is a strong need for the Oakville Galleries to co-locate its storage, exhibition, administrative and programmatic space under one roof. The findings of this work concluded that a new, separately identifiable gallery of approximately 21,000 sq ft, including visitor services, exhibition space, educational/program space and other required elements was needed in downtown Oakville. This new integrated facility would provide shared spaces for a range of uses including teaching/education space.

For the purposes of this study and at the request of Oakville Gallery staff, we have carried through a new Gallery space of 25,000 sq ft. The modest increase in the overall size of the new facility is intended to help accommodate new program synergies, and to allow for increased activity in the cultural hub.

3.4 Open Spaces

As part of the overall analysis of the downtown and its potential cultural role, the need for different sizes, types and locations of open spaces was assessed. At present three open spaces accommodate outdoor performance, cultural and festival events; Towne Square, on a year-round basis; Lakeshore Road, on a limited number of days; and the forecourt of Centennial Square, on an occasional basis.

Towne Square, although a useful and well-loved outdoor space, has significant limitations because of its size, grading pattern and relationships to surrounding building activities. Lakeshore Road, while popular for events such as Midnight Madness, is an important thoroughfare for Oakville and is the location of the downtown's primary retail activity and thus has limitations on the frequency of closure. The DTS study is examining in detail major changes to both these spaces.

This study, in conjunction with the DTS, identified the following system of downtown open spaces that could be used for various kinds of cultural and community programming.

1. Towne Square: The square would continue to be used for small performance events and seasonal programming.
2. Centennial Square: In its current design, the Centennial Square is an awkward space with poor visibility and connection to the rest of the downtown. Through the redevelopment of the cultural hub and the streetscape improvements the square could be transformed into a more attractive location for outdoor events which could be properly serviced and programmed for a range of performances and activities. The space could also accommodate an exterior outdoor reading garden for a new or redeveloped Oakville Public Library.
3. Navy St: Navy St fronts onto Centennial Square and could be redesigned to support the Square. Temporary closure of the street from Church to Lakeshore will provide for a significant expansion of outdoor activities on Centennial Square. This space could accommodate more frequent events such as farmers markets, festivals and celebrations that complement the existing events in the downtown.

3.5 Other Cultural Hub Opportunities

Along with the new cultural facilities outlined above, the Needs Assessment Studies for the Oakville Centre for the Performing Arts Centre, Oakville Public Library and Oakville Galleries also identified a series of other recommendations for consideration.

Partnerships with Cultural Facilities:

In any cultural district or hub, it is important for artists and arts organizations of all disciplines to co-mingle and collaborate. Each of the needs assessments encourage either program or space partnerships to help enhance the level of services and programs offered and to help attract new visitors.

Flexible Innovation Space:

A review of existing facilities and programs in downtown Oakville has revealed very few spaces for new and digital media. New facilities developed as a component of the library or other cultural buildings might include digital exhibition spaces, labs, editing bays, workshop and meeting rooms, recording booths and otherwise that provide new opportunities for artists of all ages to explore and express their creativity.

Artist in Residence Facilities and Programs:

An important part of the cultural hub will be its ability to connect the public with artists. The Oakville Centre for the

Performing Arts Centre, Oakville Galleries, and Oakville Public Library are considering the development of artist-in-residence programs, providing space and tools that allow for artists to create while the public can watch or experience a work-in-progress.

Program Synergies:

There are also a number of opportunities for program synergies between each of the major cultural facilities that will form the cultural hub. As noted in the Library Needs Assessment the Artist in Residency Program could become a shared program between each of the cultural facilities. The artist could potentially use any one of the collaborative spaces and become available to the entire community and not only the patrons of each specific venue. This type of joint program has been used by the Toronto Public Library (TPL) through its new Innovator in Residence Program. This program supports TPL's objective to connect and support Toronto's innovators and creators by offering cultural and learning experiences that stimulate and support creativity, encourage collaboration and spark experimentation.

3.6 Phasing

Where complete redevelopment of the site at Centennial Square is proposed, development is expected to occur in two phases to allow for performances and activities to continue. For example, in the Theme 2 described in Section Five, the existing Oakville Public Library would be demolished to allow for a new performing arts facility to be developed on the site. A temporary location for library and gallery services would be established in the downtown. Once the construction of the new performing arts centre was completed, the construction of the new library on Centennial Square would commence.

More detailed program and design work will allow for the development of a comprehensive phasing strategy.



VIEW OF CHURCH ST LOOKING WEST

04/ SITE ANALYSIS

4.1 Issues and Constraints

Centennial Square

The site at Centennial Square is the largest town-owned site in the downtown, bounded by Navy St on the east, the Sixteen Mile Creek valley lands to the west and the road bridges of Lakeshore and Randall. It is an attractive, well-located site that is an appropriate location for the renewal of Oakville's cultural facilities. However, there are a number of constraints on the site that impact its development.

Heritage Issues - The south-east portion of the site is either within or is adjacent to the Heritage Conservation District boundary. Some mitigative measures or alternative development approaches may be required to respond to the heritage attributes of adjacent properties. In addition, the intersection of Lakeshore Rd and Navy St represents an important entranceway to and from the downtown heritage district. A gateway feature such as a landscaped open space or public art may need to be explored at this location when more detailed design considerations are contemplated. Town records also indicate that eight trees were dedicated on this site through the "The White Oaks Centennial Tree Trust" in 1967. Preservation of these trees should be considered in terms of their contribution to the cultural heritage value of the district.

Conservation Halton Issues - While the primary street frontage along Navy St is 145 metres, additional frontage along Water St currently provides rear parking and loading access to the existing cultural facilities. The site also slopes towards the

Sixteen Mile Creek, with an 11 metre height difference between Navy St and Water St. The site's proximity on the south-side to the floodplain and top-of-bank hazard lines restricts development on the rear of the site.

In July 2013, the Town of Oakville initiated discussions with Conservation Halton staff to explore the opportunities for creating a cultural hub within the downtown. In its review of the development potential of the site, Conservation Halton staff recommended that site-specific policies for this area be implemented to enable the proposed development. The modified policies indicate a maximum westerly development line and all primary accesses to the underground parking structures be located beyond the stable top of bank. In addition, all residential and commercial spaces must be located beyond the stable top of bank on the tablelands portion of the site abutting Navy St.

Post Office Site

The Post Office site, municipally addressed as 193 Church St, is bounded by Church, George and Randall St. The site is rectangular in shape, with a frontage of 68 metres on George St. About half of the site is presently occupied by the former Canada Post building.

Heritage Issues - The site's location within the Heritage Conservation District requires that new development on the Post Office site respect heritage conservation district

guidelines. The existing building on the site was determined to be of heritage value in the Heritage Research Report undertaken by the town in 2011. This report assists us in understanding the specific importance of the Post Office in addition to the heritage district policies. The existing building is also listed on the town's Register of Properties of Cultural Heritage Value or Interest. Retention of the heritage resources on the current building including the curtain wall construction, limestone cladding, fenestration pattern is strongly recommended.

Conservation Halton Issues - New residential development fronting Randall St was initially considered for the northern portion of the Post Office site. Through discussions with Conservation Halton it was determined that this site would require further review and engineering analysis prior to new development being considered.

Fire Hall Site

The Fire Hall site is located at 125 Randall St. The site is irregularly shaped with a frontage of 85 metres on Navy St and 72 metres on Randall St.

Conservation Halton Issues - The existing Fire Hall building and adjacent parking lands sits within the area identified as the valley lands and the stable top-of-bank. Working with Conservation Halton, an appropriately defined development area that is in keeping with policy 3.35 (major valley system), 3.37.1 (replacement) and 3.37.2 (additions) of Ontario 162/06 has been established for the site and is outlined in Figure 4.

4.2 Environmental, Geotechnical and Archeological Studies

A justification memorandum was issued to Conservation Halton in support of the DCH development proposal. In review of the proposal Conservation Halton staff has recommended site-specific policies for the Centennial Square and Fire Hall site. Staff note that the recommended policies and principles will result in reduced natural hazard risks, but will also allow for some redevelopment incorporating mixed uses in areas outside of the natural hazard zones. The Conservation Authority Board of Directors approved the modified site-specific policies and principles, in principle on May 22, 2014.

A Preliminary Geotechnical Investigation of the sites was conducted by AMEC Environment & Infrastructure in February, 2014. This investigation noted that the risk of erosion on the subject sites is mitigated by the bend in the creek, and any potential risk associated with stream erosion could be feasibility addressed and managed through subsequent phases of the DCH project. The study also recommended that the existing top of bank on the Fire Hall and Centennial Square sites be considered the long term stable top of bank. The DCH study has used AMEC's long term stable top of bank line to determine the development limits on the Fire Hall and Centennial Square sites.

A Stage One Background Study and Property Inspection were also conducted by AMEC Environment and Infrastructure in support of the DCH project. The Study recommended that Stage Two archeological assessments be carried out prior to development-related disturbance.

In addition to the reports listed above, a Phase One Environmental Site Assessment (ESA) of the Post Office, Fire Hall and Centennial Square sites were conducted by AMEC in January, 2014. The ESA's recommended a Phase Two assessment be undertaken at a later stage of the DCH project.

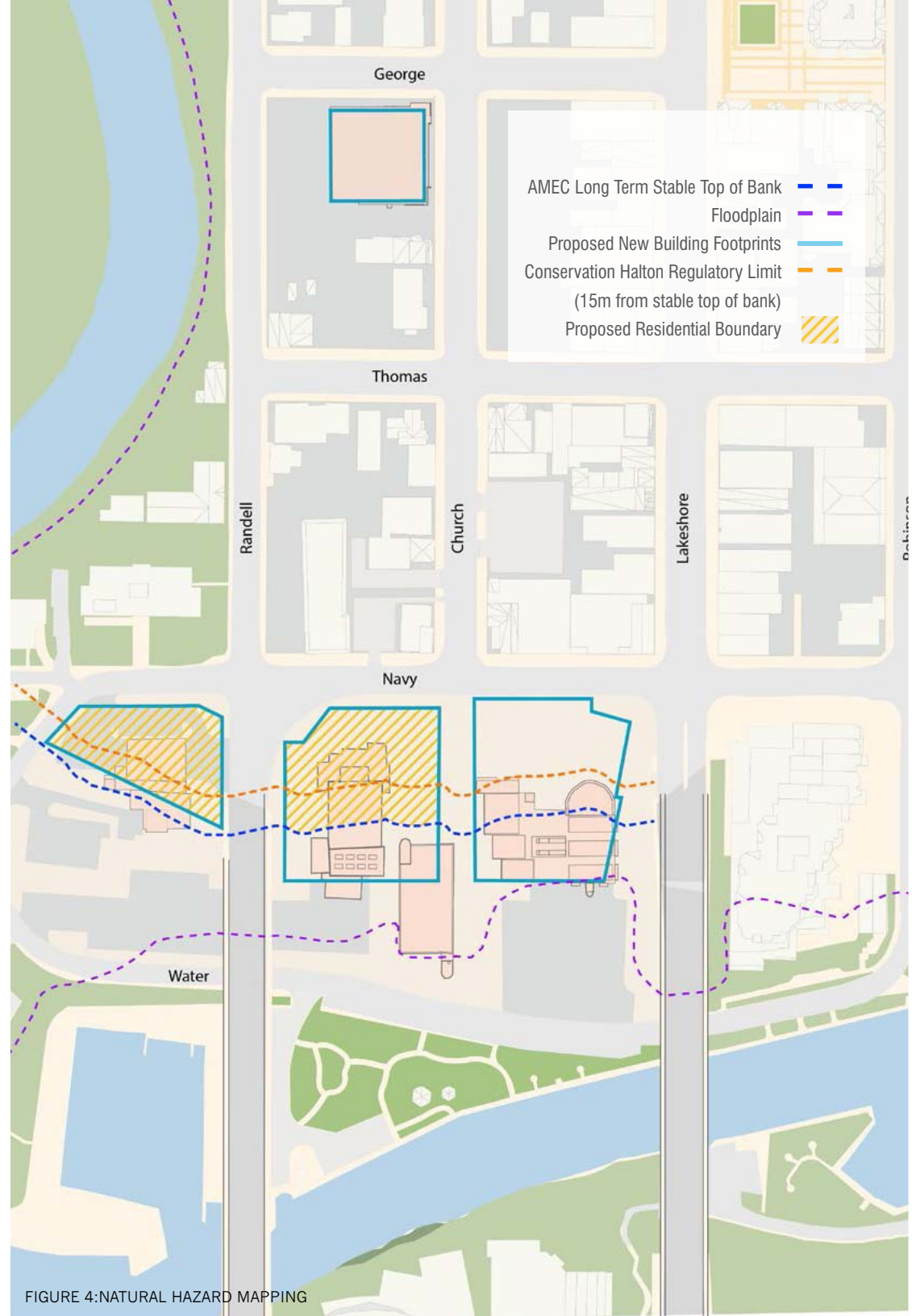


FIGURE 4: NATURAL HAZARD MAPPING

05/ CULTURAL HUB THEMES

5.1 Approach and Inputs

For purposes of analysis and evaluation the study developed a number of themes that explored combinations of different cultural building programs in various locational arrangements. These cultural buildings and associated uses are deployed on the site at Centennial Square, the Fire Hall site and the Post Office site. The themes also vary in the degree to which the existing Centennial Square library and OCPA buildings have been retained.

There are numerous ways in which each of the alternatives identified for each major cultural facility can be arranged together. To make an analogy - the major and minor cultural and related development are the 'chess pieces' and the downtown is the 'chess board'. A table summarizing the components of this chess boards is shown in Figure 5.

As many strategic variations are possible as in a game of chess, but to simplify analysis and communication the cultural pieces and available sites have been structured into four combinations, described as 'themes' in the following section.

The alternative programmatic elements for each of the primary cultural facility components are set out in Figures 7 -10. Along with the primary cultural uses, the opportunities for residential, office, restaurant and retail uses have been added to the use mix for each theme.

For purposes of the analysis, development on these sites was assumed to be constrained within the guidelines established by Conservation Halton. With respect to the height of buildings, development was proposed within the framework suggested in Section 5 indicating maximum heights for new development of 4 storeys on the Post Office site, 6 storeys on the Lakeshore frontage of Centennial Square and 8 storeys on its Randall frontage, and 12 storeys on the Fire Hall site.

It was also assumed that the pool will be demolished and relocated to the Oakville-Trafalgar Memorial Hospital Lands and the Fire Hall site would be relocated outside of the downtown.

The open space system as suggested in Section 3.4 including the new Centennial Square, the 'calming' of Navy St as a location for major events, the development of Sixteen Mile Creek Park and the new amphitheatre at the base of

the cultural buildings has been adopted in the themes that anticipate new development. Similarly, retail and restaurant uses are assumed to be located around the Navy St frontage of new development on Centennial Square. Residential and/or office development are added where appropriate.

The development themes outlined below are based on preliminary design work. The ultimate design of the cultural hub will require a detailed analysis to ensure compatibility with adjacent areas. In future phases of the DCH project a Master Plan for the DCH will be developed. The Master Plan will provide a planning and design framework to guide the development of the new buildings proposed. A vision for the new cultural hub, including how new buildings and open spaces will fit within the existing and planned context will be included in the plan.


























CULTURAL HUB COMPONENTS		THEME 1 ADAPT EXISTING FACILITIES	SIZE (Sq.ft)	THEME 2 CENTRALIZED HUB AT CENTENNIAL SQUARE	SIZE (Sq.ft)	THEME 3 DISPERSED HUB DOWNTOWN	SIZE (Sq.ft)	THEME 4 BOUTIQUE CULTURE	SIZE (Sq.ft)
OCPA	CENTENNIAL	 Existing Multipurpose Theatre 495 seats  Studio Theatre 250 Seat	30,500 26,500	 Music / Concert Hall 750 seats  Courtyard Theatre 325 seats	81,900	 Multipurpose Theatre 650 seats  Studio Theatre 350 seats	88,000	 Main Theatre Not in Downtown 650- 750 seats  Courtyard Theatre 325 seats	36,000
LIBRARY	CENTENNIAL	 Existing Library  Addition to Library + Innovation Space	14,200	 New Flagship Library + Innovation Space	30,000	 New Flagship Library + Innovation Space	30,000	 New Specialized Library + Innovation Space	20,000
GALLERY	POST OFFICE	 Art Gallery  Residential	25,000	 Art Gallery	25,000	 Art Gallery	25,000	 Art Gallery	25,000
RESIDENTIAL / OFFICE	FIRE HALL	 Residential		 Residential  Office/ Residential		 Residential  Office/ Residential		 Residential  Office/ Residential	

FIGURE 5: KIT OF PARTS

5.2 Range of Themes

Maintain Existing Facilities

As a starting point for this analysis this study explored an option where by the existing cultural facilities on the site at Centennial Square were maintained largely in their current conditions.

While a modest expansion of the OCPA is proposed to meet federal and provincial accessibility requirements, no other programmatic or building changes are anticipated for the OCPA or Oakville Public Library.

To support the long-term maintenance of the existing cultural facilities and to enable other improvements within the downtown, the Post Office and Fire Hall sites are expected to be sold.



EXISTING OAKVILLE PUBLIC LIBRARY



EXISTING PERFORMING ARTS CENTRE

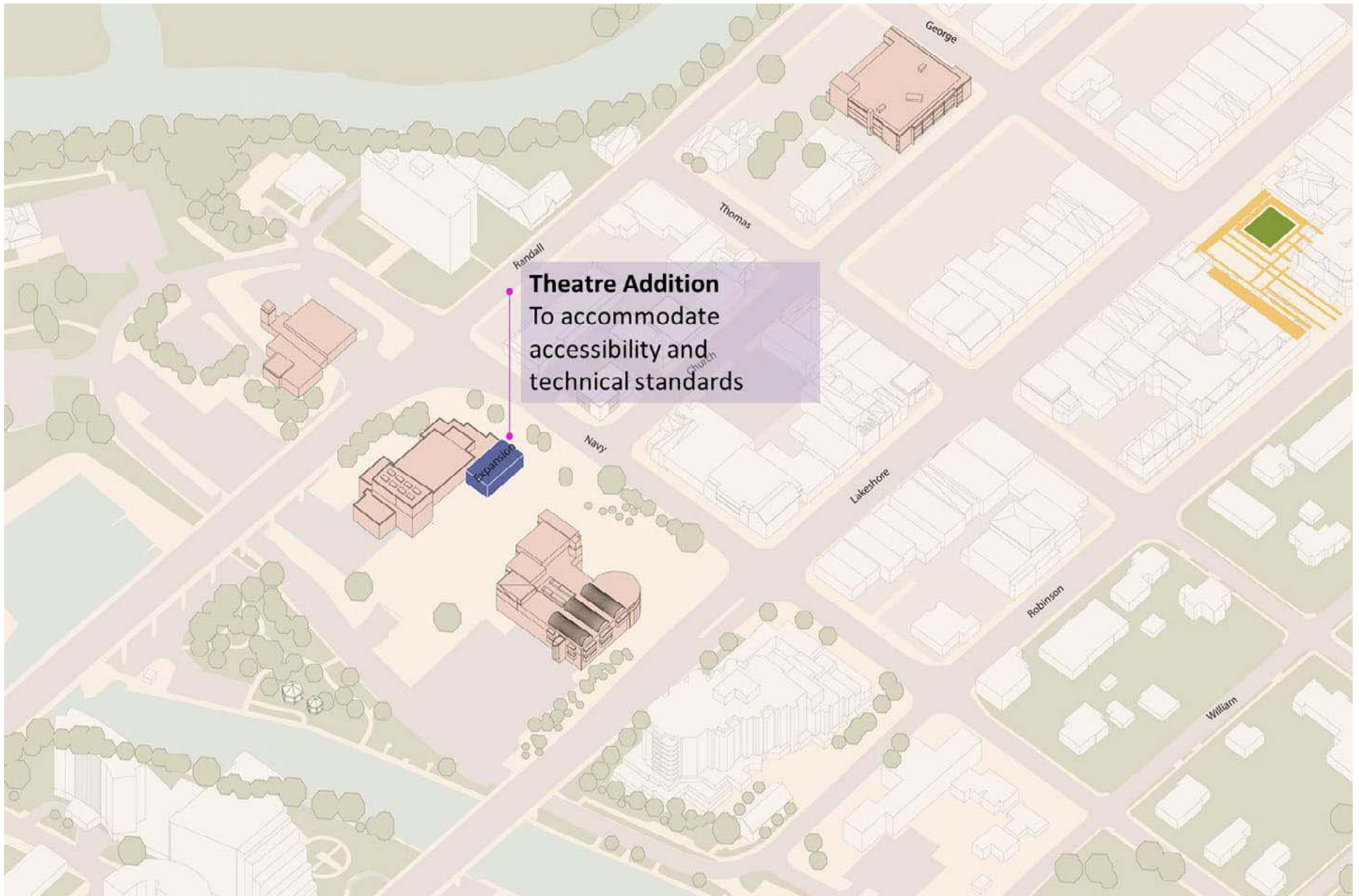


FIGURE 6: MAINTAIN EXISTING FACILITIES

Theme 1: Adapt Existing Facilities

Theme 1 suggests that the existing Oakville Public Library and OPCA are retained and expanded to improve overall program functions. The existing main stage of the OPCA is retained at 495 seats and its accessibility and back of house deficiencies are remedied. A new studio theatre is built to the south of the remodeled OPCA sharing a new lobby space on the Navy St frontage. At the Oakville Public Library a new Navy St frontage addition is developed and the library's existing lower floors decommissioned. To help extend the cultural program offer into the downtown the Oakville Galleries are relocated to the former Post Office site.

In this theme residential uses are proposed for both the Post Office and Fire Hall site. The Post Office building would include two-storeys of residential development above the re-located Oakville Galleries. At the Fire Hall site a mid-rise residential building fronting Randall and Navy St is anticipated, a development form common to all themes. The building would include a six storey podium and an additional six storeys of residential above, for a total building height of 12 storeys.



FIGURE 7: ADAPT EXISTING FACILITIES

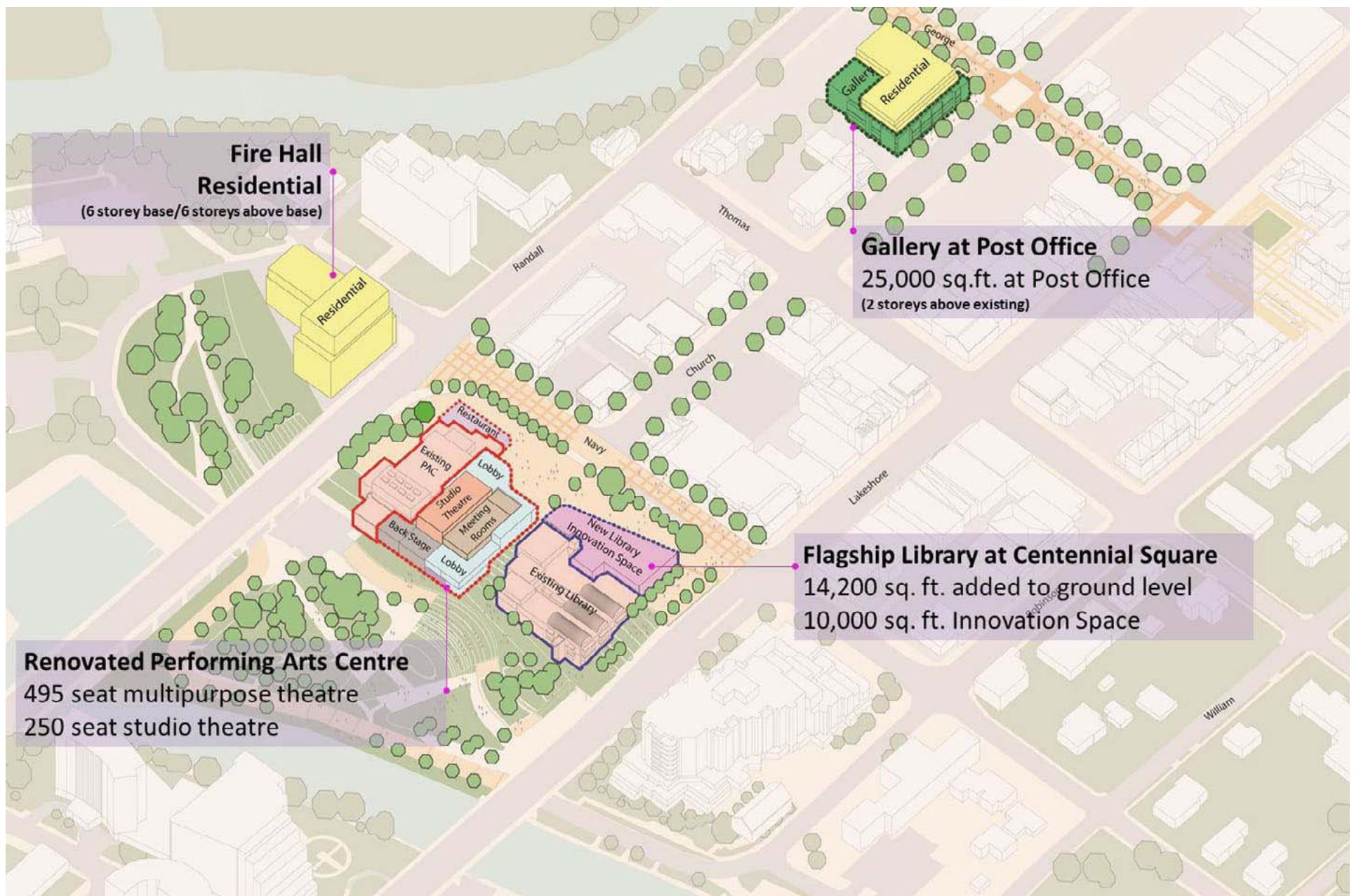


FIGURE 7: ADAPT EXISTING FACILITIES



FIGURE 7: ADAPT EXISTING FACILITIES (LOOKING NORTH-EAST)



FIGURE 7: ADAPT EXISTING FACILITIES (LOOKING NORTH-WEST)

Theme 2: Centralised Hub at Centennial Square

Theme 2 considers a complete redevelopment of the site at Centennial Square. The existing OCPA and Oakville Public Library will be demolished and replaced with higher quality facilities. The OCPA will be located on the southern end of the site and will feature a high quality hall for music and dance. A new larger space for the Oakville Galleries will be developed alongside the performing art centre. The Oakville Public Library will be positioned on the northern end of the site and will become a landmark building offering visitors a range of services and amenities.

At Centennial Square, a new residential/ office building is introduced alongside the library. The building includes a six storey podium with office development at the base, and eight storeys residential development. This theme also converts the former Post Office building into a mix of office and residential space. At the Fire Hall site residential uses are proposed at the same scale as in Theme 1.



FIGURE 8: CENTRALIZED HUB AT CENTENNIAL SQUARE

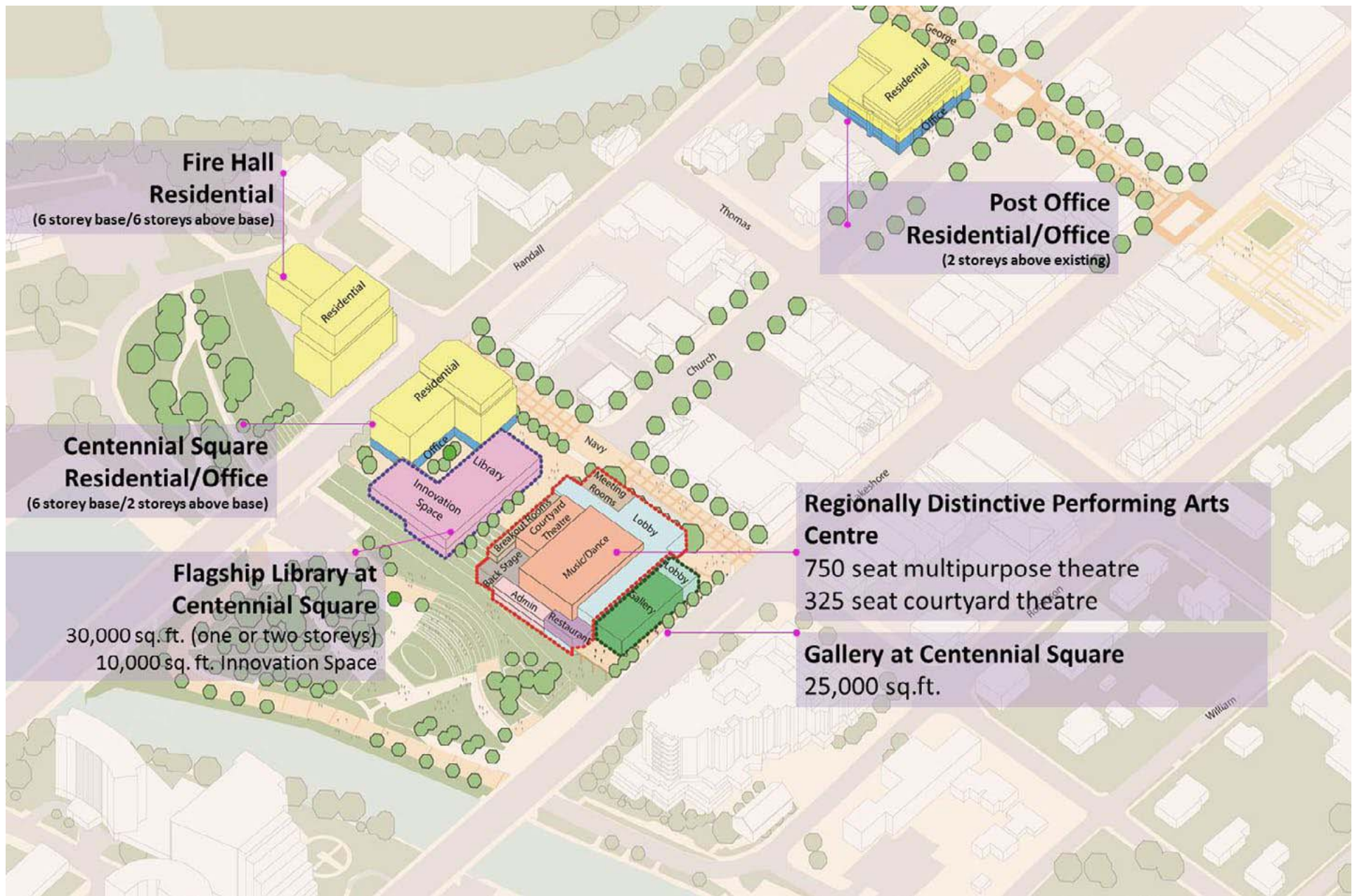


FIGURE 8: CENTRALIZED HUB AT CENTENNIAL SQUARE



FIGURE 8: CENTRALIZED HUB AT CENTENNIAL SQUARE (LOOKING NORTH-EAST)



FIGURE 8: CENTRALIZED HUB AT CENTENNIAL SQUARE (LOOKING NORTH-WEST)

Theme 3: Dispersed Hub in the Downtown

Theme 3 suggests a somewhat dispersed cultural development model. The cleared site at Centennial Square is the home to a multi-purpose theatre and the new library, with the new studio theatre and gallery sharing the Post Office site.

A new residential/ office building is introduced alongside the library. The building includes a six storey podium with office development at the base, and eight storeys residential development.

At the Fire Hall site residential uses are proposed at the same scale as in Theme 1.



FIGURE 9: DISPERSED HUB IN THE DOWNTOWN

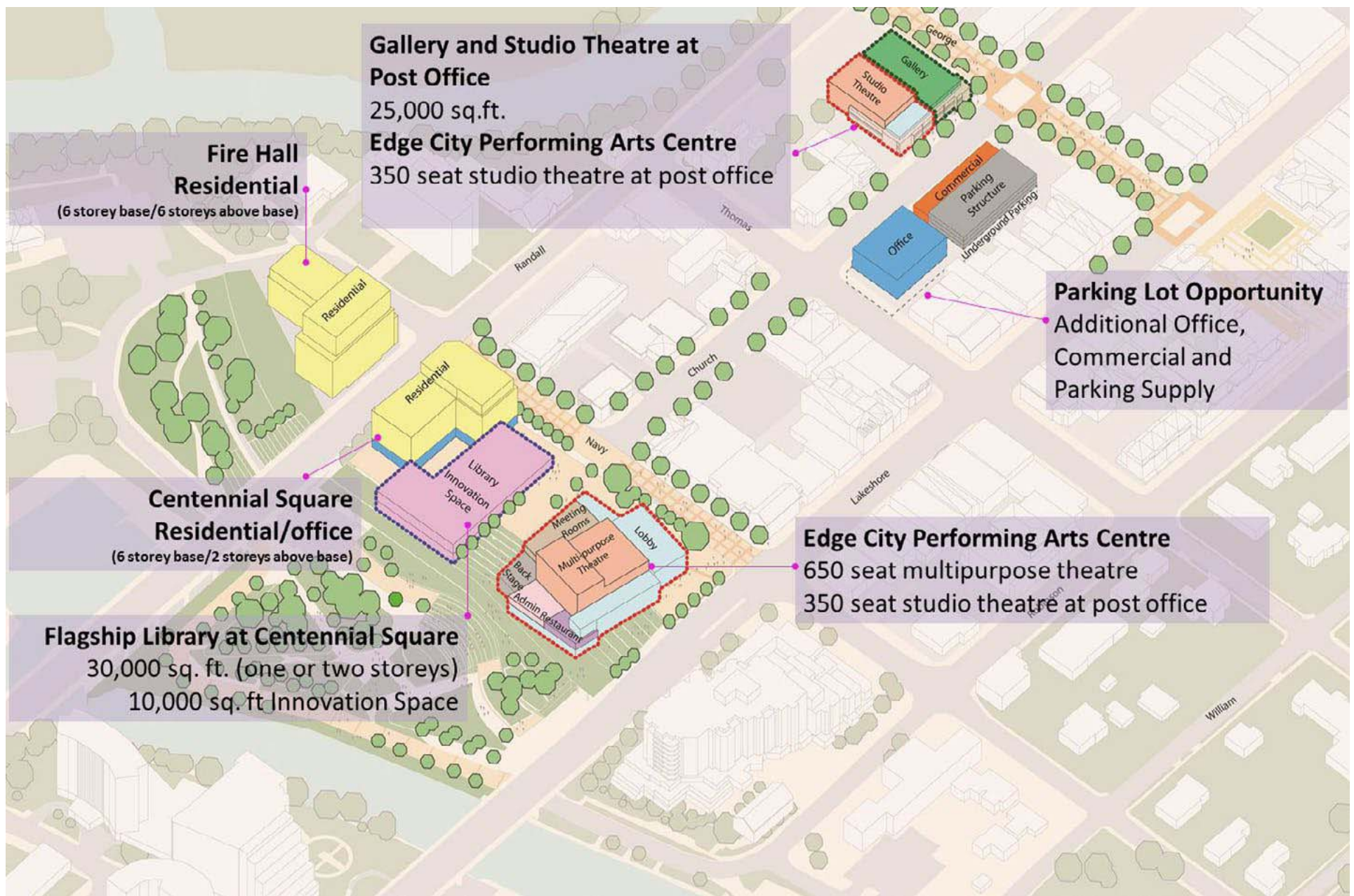


FIGURE 9: DISPERSED HUB IN THE DOWNTOWN



FIGURE 9: DISPERSED HUB IN THE DOWNTOWN (LOOKING NORTH-EAST)



FIGURE 9: DISPERSED HUB IN THE DOWNTOWN (LOOKING NORTH-WEST)

Theme 4: Boutique Culture

Theme 4 suggests that only one new performing arts space – a 325 courtyard theatre - be built in the downtown cultural hub, with another larger stage to be constructed at a location outside of the downtown in close proximity to the QEW/GO with good visibility and access.

The new boutique theatre within the downtown would be developed on the southern end of the site alongside the Oakville Galleries. In this theme the Oakville Public Library moves to the former Post Office site, freeing up the northern portion of Centennial Square for residential development.

A new residential/ office building will occupy the entire north end of the Centennial Square block. The building includes a six storey podium with office development at the base, and eight storeys residential development. At the Fire Hall site residential uses are proposed at the same scale as Theme 1.



FIGURE 10: BOUTIQUE CULTURE

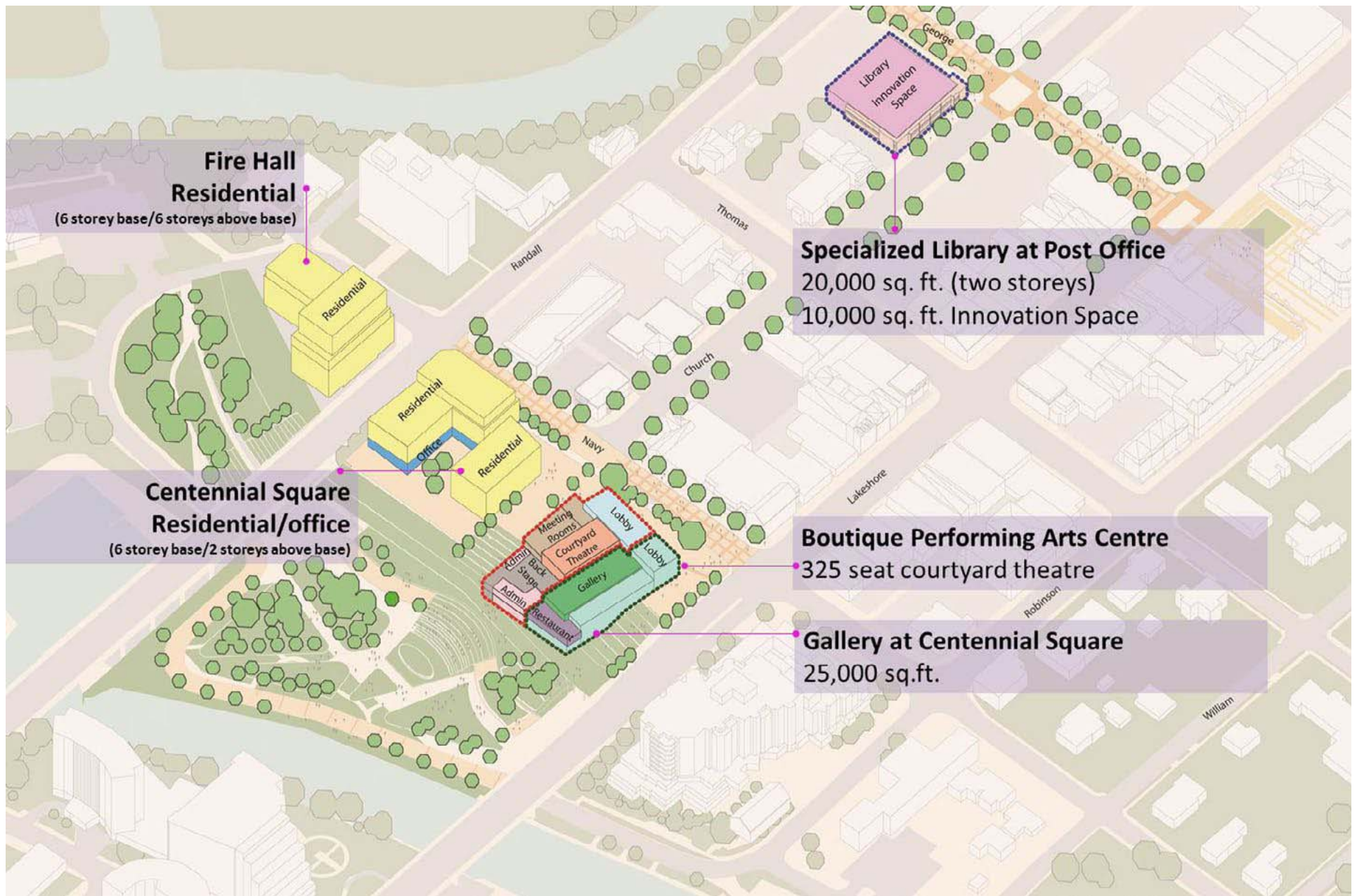


FIGURE 10: BOUTIQUE CULTURE



FIGURE 10: BOUTIQUE CULTURE (LOOKING NORTH-EAST)



FIGURE 10: BOUTIQUE CULTURE (LOOKING NORTH-WEST)

06/ PLANNING FRAMEWORK

6.1 Town of Oakville Official Plan - Livable Oakville

As noted above, the DCH development options for the Centennial Square and Fire Hall sites propose new eight and twelve storey buildings. These buildings are above the permitted height limit in the Central Business District of downtown Oakville. Amendments to the town's Official Plan and zoning bylaw would be required to permit an increase in height and density on these sites. While the Post Office site is being considered for a cultural facility, it would be limited to four storeys given the building's character and its location within the heritage conservation district.

This section provides a planning justification for height increases at the Centennial Square and Fire Hall sites. It demonstrates that the development options and proposed heights for the sites are appropriate, support the overall policy objectives for the downtown, and represents good planning.

The Town of Oakville's official plan - the Livable Oakville Plan was adopted by Oakville council in June 2009. The Livable Oakville Plan was later approved with modifications by Halton Region in November 2009, and subsequently approved by the Ontario Municipal Board in May 2011. The Livable Oakville Plan guides all land use planning decisions in Oakville. It establishes the desired land use pattern for lands within the town and coordinates land use and infrastructure requirements to ensure that anticipated growth can be accommodated over the longer-term.

The plan designates downtown Oakville as one of six growth areas. It is expected that the majority of intensification and development within the town is to occur within the growth areas. The subject sites are further designated as part of the Central Business District (CBD) in Schedule Q – Downtown Oakville Land Use. Areas with this land use designation shall accommodate new retail, service commercial and residential uses through intensification.

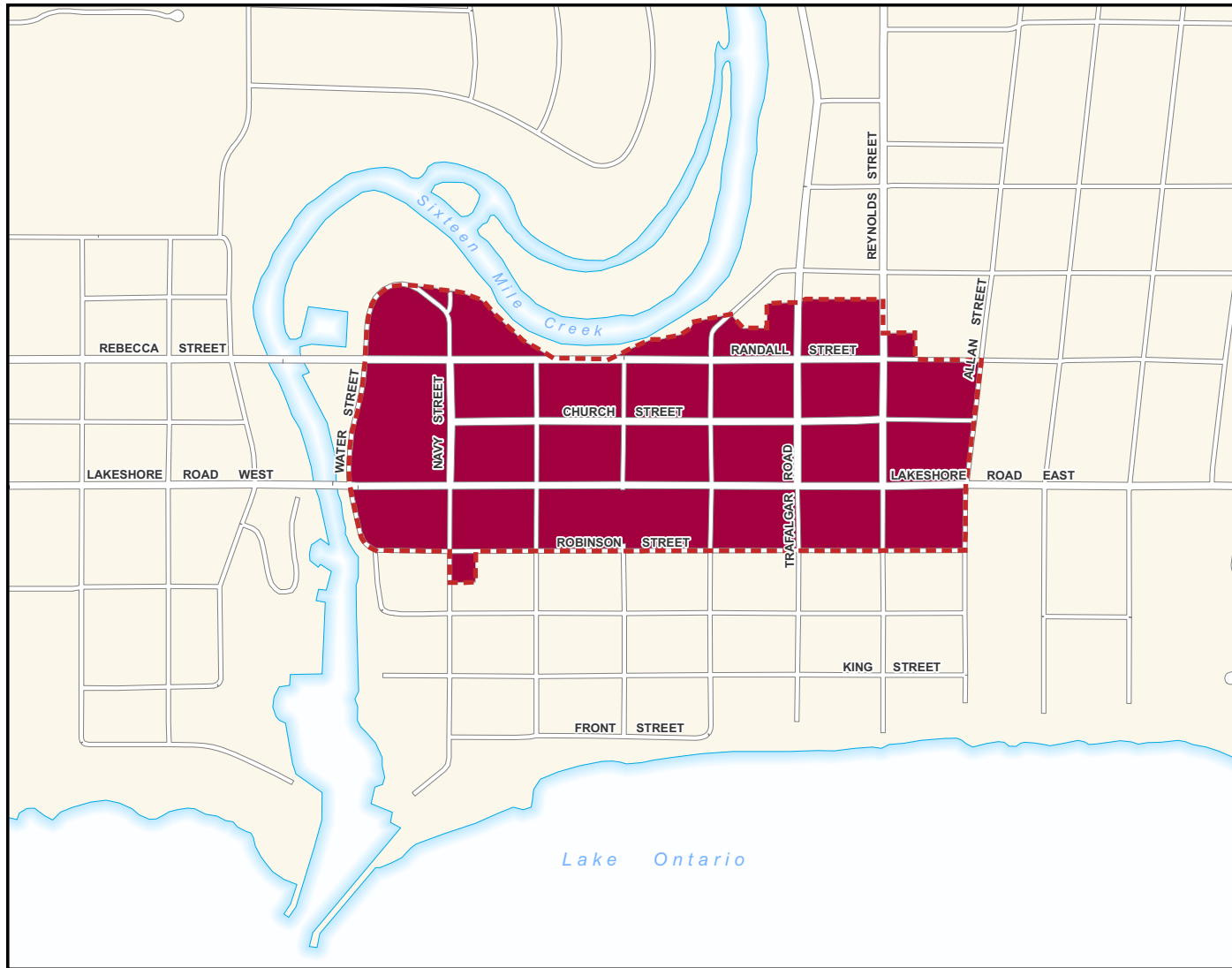
Though downtown Oakville is categorized as part of the town's growth areas, it is expected that the area will provide for intensification opportunities only within its defined planning framework. Policy 25.4.2 states that the maximum building height shall be four storeys; and all development

within downtown Oakville shall be a high quality design that considers the integration of new and existing buildings, as well as building façade and treatment. However, the town may consider additional building height through an official plan amendment and in accordance with Section 28.6 of the Plan.

6.2 Zoning By-law 2014-014

In February 2014, Oakville council approved the new comprehensive Zoning By-law 2014-014. The new bylaw will implement the policies of the town's Livable Oakville Plan and will reflect the key policies outlined in the 2012-2014 Strategic Plan.

The Sites are zoned Central Business District (CBD) under By-law 2014-014. This zoning category extends across the entire downtown. A range of uses including residential, retail, service commercial, office, community uses, and open spaces are permitted under this zoning category. Building heights in the CBD are restricted to a maximum of four storeys (15m).



SCHEDULE Q DOWNTOWN OAKVILLE LAND USE



- GROWTH AREA BOUNDARY
- CENTRAL BUSINESS DISTRICT

Refer to Part E, Bronte Village, Land Use Policies



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September 7, 2012

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6.3 Rationale for Proposed DCH Height Increases

In our view, an increase in the permitted height limit on the Centennial Square and Fire Hall sites is appropriate for the following reasons:

a) Mid and high rise development surrounds the downtown

The area immediately surrounding the downtown is transforming. New development, in the form of mid and high-rise residential buildings, has occurred over the last several years. Figure 11 illustrates the number of buildings above four storeys to the immediate west and east of the downtown. The DCH development options propose heights that are similar in nature to the residential development to the south and north-east of the sites. These adjacent buildings establish a context of building height within which the proposed DCH options are appropriate for the sites and become part of this higher density transition in areas surrounding the downtown.

While both sites are designated as part of the CBD, and subject to the four-storey height limit, their historical land use and built form context differs significantly from that of the surrounding area. Unlike the area of the downtown along the Lakeshore Road spine, the lands bordering Sixteen Mile Creek were at one point industrial in nature and over time

have included such activities as a ship building, customs houses, a tannery, a steam machinery factory and a sawmill, resulting in a hub of activity around the creek area. This former use pattern, combined with the site's existing function as a community use area, suggests that the creek edge lands are appropriate locations for exceptions to the planning standards adopted for the balance of the downtown and that the consideration of additional building heights beyond the currently permitted limit is warranted.

The Lakeshore/Navy and Randall/Navy intersection also form important gateways into the downtown. Positioning additional taller buildings at these locations will help establish an urban design approach whereby higher buildings frame the downtown at both the east and west ends. Future phases of the DCH project will explore specific design consideration that will ensure the proposed new buildings respect the low-rise CBD communities in the downtown and recognize adjacency to the heritage district.

b) The Centennial Square and Fire Hall sites are currently underutilized and well positioned to support intensification

The Centennial Square and Fire Hall sites are particularly unique locations within the downtown. The sites are positioned on relatively isolated and underutilized properties

at the far west end of the downtown. They are also bordered on the west side by the Sixteen Mile Creek. The creek edge location along with the sites position away from the close knit fabric of the historic district, suggests that new higher intensity development at these properties will have little adverse impact on the surrounding area.

Development on these sites will be necessary to improve the existing conditions of the downtown. There is currently a very limited supply of available properties in the downtown that are both unencumbered and are of sufficient size to accommodate any form of infill development. As with most historic downtown areas, the pattern of development originated with small lots, often with narrow frontages, to maximize the value of heavily travelled retail streets. As a result, a fragmented pattern of ownership complicates land assemblies. As town-owned properties, these sites will play an important role in revitalizing the downtown. The introduction of new uses on the site will serve to enhance the vibrancy and attractiveness of the downtown, by providing additional housing options for Oakville residents, and by supporting the downtown restaurant and retail base. Appropriate revenue generating development on publicly-owned lands will also help achieve a project at the core of the downtown renewal strategy, the cultural hub.

c) The Fire Hall and Centennial Square lands should be designated as sites eligible for bonusing

Given the extent of public benefits that will result from the DCH project, specific bonusing policies that apply to the cultural hub lands and all associated development will be important. The ultimate DCH development option will create two gateway intersections at Lakeshore/ Navy and Randall/ Navy. These locations are best positioned to accommodate increased heights. This report recommends identifying these sites as lands eligible for bonusing within the downtown in exchange for specific public benefits.

Further study will be required to determine priority matters with regard to bonusing on these sites.



FIGURE 11: CONTEXT HEIGHTS

6.4 Downtown Growth Targets

Policy 25.4.4 of the town's official plan states that downtown Oakville can accommodate an additional 80 residential units. This target is meant to serve as a minimum estimate for new growth in the downtown. This modest growth increase was established to recognize the limited number of available sites for intensification and in accordance with the 4-storey height limit in the downtown.

The projected number of new residential units as part of the downtown cultural hub is approximately 105 units at the Fire Hall Site and 90 units at the Centennial Square site.

Within the central downtown, the promotion of intensification and redevelopment must be reconciled with regard to other matters of town interest including the preservation of historic districts. The DCH proposal directs new growth towards the periphery of the downtown, away from the Heritage Conservation District. This approach best optimizes the lands outside of the heritage boundary for new residential and office development to help meet broader downtown development and renewal objectives.

6.5 Required Planning Amendments

As noted above, the Centennial Square and Fire Hall site are currently designated as part of the CBD in the official plan. To enable the DCH proposal this study recommends that the town consider the creation of a site specific height exception for the Centennial Square and Fire Hall sites. An official plan amendment to maintain the CBD designation and add a site specific height exception in Section 26 of the plan would be required. Details of the proposed exception are outlined below.

Schedule G (South East) Exceptions

On the lands designed Central Business District on the west side of Navy Street, between Lakeshore and Randall Street:

- Residential uses will generally be located on the northern portion of the lands facing Navy Street;
- Notwithstanding the four storey height limit in the Central Business District, the lands may be permitted to develop to a maximum of 8 storeys
- The following specific criteria will also apply:
 - A minimum of XX (to be defined) square metres of building floor area should be devoted to institutional/ cultural uses;
 - The location and form of residential uses will be subject to the Downtown Cultural Hub Master Plan;

- The maximum height limits shall be conditional upon a developer entering into an agreement for the provision of public benefits under Section 37 of the *Planning Act* and in accordance with the town's bonussing policies in Part F, Section 1.3 b of the Official Plan.
- Applicable urban design guidelines will also apply to ensure appropriate design objectives are achieved.

On the lands designed Central Business District on the west side of Navy Street, between Randall Street and Sixteen Mile Creek:

- Residential uses will generally be located outside of the valleylands;
- Notwithstanding the four storey height limit in the Central Business District, the lands may be permitted to develop to a maximum of 12 storeys.
- The following specific criteria will also apply:
 - The maximum height limits shall be conditional upon a developer entering into an agreement for the provision of public benefits under Section 37 of the *Planning Act* and in accordance with the town's bonussing policies in Part F, Section 1.3 b of the official plan.
 - Applicable urban design guidelines will also apply to ensure appropriate design objectives are achieved.

Recognizing that the town will be undertaking its five-year municipal comprehensive review in late 2014, the town should consider this amendment to the Livable Oakville Plan to allow the proposed height increases on the Centennial Square and Fire Hall site as part of that broader review process.

07/ PARKING, TRAFFIC & ACCESS CONSIDERATIONS

The proposed themes have been vetted to meet the necessary parking demands. A fundamental prerequisite to all parking solutions is to ensure any improvements created by new facilities, public realm and street investments are not adversely impacted by any parking solution.

For all themes there is a consistent approach to parking for the primary sites. Centennial Square will maximize the underground parking provided and replace any lost parking due to the new riverfront park proposed. The Fire Hall site will deliver all its required residential parking with two to three levels of underground parking. The Post Office site will continue to maintain its surface parking. Any parking shortages will need to be delivered either at the Centennial Square site, the adjacent Church St parking lots or on-street parking. The following describes the particular parking differences for each theme:

Theme 1: Adapt Existing Facilities

Working within the constraints of maintaining and expanding the existing facilities, an underground parking facility is proposed between the existing OCPA and Oakville Public Library. The underground parking would also extend under the current Centennial Square public realm along Navy St. It is estimated a minimum of three levels would be required to meet parking requirements.

Theme 2: Centralized Hub at Centennial Square

The entire Centennial Square site is being converted to cultural and residential uses and therefore utilized for underground parking. It is estimated that a minimum of three levels can meet all the parking needs.

Theme 3: Dispersed Hub in the Downtown

For the Dispersed Hub theme, the entire Centennial Square site is being utilized for underground parking, however only the main theatre and its required parking is at Centennial Square and requires only two levels of parking. The studio theatre and gallery uses are dispersed to the Post Office site, therefore additional parking should be provided near these facilities. Parking is delivered by intensifying the adjacent parking lot at Church and George Streets, with a downtown infill project. This infill will deliver additional office and commercial uses while accommodating for all the parking needs of the Post Office renewal. Active Church St frontages will screen three levels of structured parking and two levels of underground parking.

Theme 4: Boutique Culture

For the Boutique Culture theme, the entire Centennial Square site is still being converted to cultural and residential uses and the entire site will still be utilized for underground parking.

Less theatre parking is required than in other options since the main theatre is being located outside of the downtown. It is estimated that two levels of underground parking meets the needs of this theme.

Considerations for Parking Entries, Servicing and Circulation:

All themes will need to deliver a clear and efficient drop-off, parking and servicing strategy for the cultural components while also managing the variety of land uses on the Centennial Square site. Due to Conservation Halton requirements for flood management, only non primary and service access would be allowed from Water St. This requirement necessitates locating primary entries to the site's below-grade parking on Navy St, with potentially negative impacts on the public realm character and flexibility from Lakeshore to Randall. Potential solutions that will need greater study include:

1.Reconfigure the Navy / Randall Streets intersection:

this may allow for the introduction of the main parking entry to occur away from Lakeshore yet in clear proximity of all the main addresses.

2. Enter from Church and Navy:

the public realm spine that connects Church St to the new Riverfront Park could be used to manage parking entries. Unfortunately this will likely be in direct conflict with the character and program imagined for this space.

3. Enter Under the Randall Bridge:

opportunity may exist to create a main entry where clearance allows under the Randall Bridge. This roughly occurs where the existing parking lot west of the Fire Hall is located. From this grade, it may be feasible to enter while adjusting for erosion regulations. Although not near the primary address for the OCPA sight lines to the facility may be accommodated. This solution may allow for an unimpeded public realm on Navy St.

4. Exit Under the Randall Bridge:

another opportunity to alleviate the scale of singular parking entries is to provide a parking exit that would start from a high point of the Randall / Navy intersection and ramp down and exit west then under the Randall St. bridge to connect to Water St.

5. Service from Water St:

As permitted, all servicing for the Centennial Square themes will occur from Water St and be well integrated into the new Riverfront Park design. Water St will diverge at the two bridge thresholds at Randall and Lakeshore to become a new creek side promenade and boulevard. At the thresholds however, there is opportunity to service any new facilities directly.

In support of the DCH Study, a comprehensive transportation analysis has been developed that identifies the traffic impact and details access requirements for parking and loading of cultural and related development on the Centennial Square, and Fire Hall sites.

08/ RANGE OF CAPITAL COSTS

An objective of the Downtown Plan is to develop solutions that are financially sustainable considering three main financial components – operating costs, capital investment and risk management. An order-of-magnitude assessment of costs and revenue opportunities relating to each of the DCH themes has been developed as part of this study. These costs are presented in current dollars and represent a one-time capital requirement. Additional project costs relating to financing and maintenance costs as well as project risk will be assessed in a later phase of work through a business plan analysis which evaluates procurement and implementation strategies for the DCH.

8.1 Capital Cost Assessment

Order of magnitude estimates of net costs relating to each of the potential DCH themes has been developed through input from the town, public stakeholder groups and other consultants including MHPM Project Managers (MHPM), Ward99 Architects (Ward99), Webb Management Services Incorporate (Webb), Diamond Schmitt Architects Incorporated (DSAI), Hatch Mott MacDonald (Hatch) and Strybos Barron King Landscape Architects (SBK). This assessment relies on cost information and precedent research provided by the project team consultants and town staff in order to synthesize the order of magnitude capital costs in each theme. It should be noted that the capital cost of each facility is based on initial programming requirement estimates

developed by the town and its consultants with construction cost experience from similar projects. As this project moves forward, further detailed program evaluation and design work will provide opportunities to explore these costs in greater detail.

A number of key assumptions have been incorporated in the capital cost estimates for each DCH theme. These assumptions are outlined in Appendix E.

A range of expected gross cost estimates for each of the DCH themes is provided below. These capital cost estimates exclude the cost of the Oakville Galleries space which would be funded independently. The cost of a new art gallery space is estimated between \$13 and \$17 million in each of the four DCH themes.

- The costs of required maintenance on the existing facilities are significant, estimated at between \$32.4 and \$38.7 million;
- The renovation and expansion of existing facilities in Theme 1 is estimated to cost between \$72.8 and \$90.7 million;
- In Theme 2, a new centralized cultural hub including a new flagship library, regionally distinctive performing arts centre and specialized courtyard theatre are estimated to cost between \$100.8 and \$126.7 million, however this could increase with more detailed analysis given interest to create an iconic regional destination;

- The dispersed downtown cultural hub in Theme 3 with edge-city performing arts facilities is estimated at between \$100.9 and \$126.8 million; and,
- The boutique downtown cultural hub in Theme 4 with specialized library, boutique downtown performing arts space and edge-city performing arts centre outside of the downtown is estimated to cost between \$102.9 and \$129.4 million.

8.2 Potential Revenue from the Sale of Land

For the purposes of this study, three of the town-owned sites are considered available for potential sale or use as part of the near-term redevelopment of the DCH. This includes the Centennial Square site itself, the existing Fire Hall site, and the former Post Office site. The revenues associated with the sale of redevelopment rights or the outright sale of parcels would be subject to the determination of height and density through planning policy, as well as prevailing market conditions at the time of sale. It is understood that there may be an opportunity in the near future to reconsider the appropriate height and density for important locations in the downtown.

Based upon gross floor area estimates for these three parcels in each of the varying DCH themes, a land value analysis for the redevelopment sites has been produced. The analysis seeks to establish the estimated land value (RLV) based on what a developer building out the site and requiring a 15 per cent profit on gross revenue, might be willing to pay for the land.

The methodology employed is a Residual Land Value (RLV) analysis. The basic methodology determines the revenue attributed to the project, less the hard and soft costs of developing the project, resulting in a calculated “Residual Land Value and Profit”. The profit value is then subtracted from this amount to determine the residual land value (in future dollars), or the value attributed to the site once all revenues and costs associated with the proposed development are accounted for. The resulting calculation is the “Residual Land Value” in future dollars. This value is then discounted to the present day to give the RLV, or land value of the site, in present dollars.

An RLV analyses has been prepared for each relevant parcel in the varying DCH themes. Market inputs have been developed through a review of actively marketing condominium apartment projects and a review of recent commercial lease activity in downtown.

A number of key assumptions have been incorporated in the pro forma analyses used to estimate potential land sale

revenue for each DCH theme. These assumptions are outlined in Appendix E.

For the purposes of this analysis, the estimated revenue potential from the subject sites if sold today could range from \$10.5 to \$22.7 million in present dollars, depending on the DCH theme, associated building heights and the pro forma assumptions herein. The summary tables at the end of this section summarize the range of potential revenue estimates in each theme.

Of note, a sensitivity analysis indicates that if building heights were to remain at four storeys throughout the downtown, land sale revenues would likely be reduced by a magnitude of between 36 per cent and 48 per cent.

8.3 Capital Avoidance

The existing DCH facilities that would be demolished in each theme were determined in order to facilitate the construction of a new DCH facility or renovation of the existing structures. Where structures would be demolished, the existing town-budgeted maintenance items become redundant, resulting in the avoidance of capital expenditures, which this study has treated as a revenue input to in this analysis. Capital budget cost estimates for required maintenance and accessibility upgrades to the current Centennial Square buildings were provided by the Town of Oakville.

8.3.1 Other Revenue Sources

Other opportunities for revenue generation are also important to note. While the following potential revenue sources have not been included within the financial models at this stage of the analysis, cultural facilities typically attract significant amounts of public and private funding. It is anticipated that a program to solicit donations would be part of any capital funding strategy. Provincial and federal funding programs have, in the past, provided funding for similar facilities. However, for the purposes of this analysis, we have not assumed any funding from these sources.

Among others, potential revenue sources that should undergo further study as the DCH project progresses include:

- Opportunities for the sale of naming rights or sponsorships;
- Fundraising and endowments from philanthropic sources; and,
- Contributions from senior levels of government.

It is also important to note that the Oakville Galleries components of any DCH redevelopment plan would require its own funding sources (both capital and operating) as the gallery is not an entity of the town.

8.4 Summary – Potential Capital Investment

To the extent possible, the cost estimates for each item in the DCH themes are illustrated in the following tables as modules which account for total estimated project costs. That is, the costs illustrated include hard building construction costs, parking costs, FFE and soft costs.

It is important to note that while the inclusion of space for the Oakville Galleries forms an important cultural component of the DCH themes, the capital cost of this facility is beyond the purview of the town. The costs for new art gallery space as part of a DCH redevelopment would have to be funded independently and would not be incurred as a town cost. For the purposes of this study, gallery costs are illustrated separately from town facilities.

While potential land revenues are calculated on a parcel by parcel basis, the following tables illustrate a combined potential land sale revenue in each theme. The following tables illustrate order-of-magnitude estimates of project costs in present dollars. We note that these costs are estimates as detailed architectural plans or quantity survey analyses have not been undertaken. Moreover, these costs represent a snapshot of one-time costs and exclude financing costs, operating and maintenance costs, construction escalation, as well as costs relating to project risk. These elements will be evaluated with a life cycle cost analysis within the business plan component in a future phase of work in the DCH study.

The following tables summarize the order of magnitude capital costs and revenues for each DCH theme.

As noted, from a potential capital cost perspective, the results indicate that with the exception of the Required Maintenance scenario or Theme 1, where existing facilities are maintained or expanded upon, the costs of the more intensive new cultural developments in downtown Oakville are relatively similar at around \$101 to \$129 million. This is because the scale of the facilities contemplated in Theme 2, 3 and 4 are very similar. However, their configurations, ability to meet the needs of local arts groups and potential impacts on the function of downtown Oakville will become distinguishing factors as the evaluation of these themes progresses in later phases of work.

When considering potential capital avoidance opportunities and land sale revenue, the town's potential capital investment in Theme 1 might range between about \$61 and \$75 million. In Themes 2, 3 and 4, the town's potential capital investment might be in the order of \$80 to \$103 million.

Again, we note that that the costs of the Regionally Distinctive theatre model in Theme 2 may increase as the DCH project progresses given the notion to create an iconic and memorable destination.

We also note that in Theme 4, the costs assume a budget placeholder for an Edge-City performing arts centre which would not be located in downtown, the cost estimate assumes that 50 per cent of the facility's parking would be provided underground, and 50 per cent at grade.

Maintain Existing Facilities									
Estimate of Project Costs									
Item		Est. GFA Sq. Ft.	Est. Cost \$PSF (-/+ 12.5%)			Est. Total Cost (-/+ 12.5%)			
1	Demolition - Pool Only	17,600	\$16	-	\$21	\$289,000	-	\$371,000	
2	Open Spaces	30,000	\$38	-	\$49	\$1,149,000	-	\$1,477,000	
3	Library Renovation	47,200	\$267	-	\$344	\$12,616,000	-	\$16,220,000	
4	Theatre Renovation	27,200	\$235	-	\$302	\$6,396,000	-	\$8,224,000	
5	Theatre Expansion	5,000	\$328	-	\$422	\$1,641,000	-	\$2,109,000	
Subtotal - Cost Estimate		127,000	\$174 - \$224			\$22,091,000 - \$28,401,000			
Parking Reserve Fund Repayment						\$4,600,000 - \$4,600,000			
Fire Hall Relocation						\$5,700,000 - \$5,700,000			
Total Cost Estimate			\$255 - \$305			\$32,391,000 - \$38,701,000			
Estimate of Revenue Opportunities									
Capital Avoidance						\$0		-	\$0
Sale of Land						\$12,512,000		-	\$16,086,000
Net Cost Estimate						\$19,879,000		-	\$22,615,000

With input from MHPM Project Managers Inc.

Theme 1: Adapt Existing Facilities

Estimate of Project Costs

Item		Est. GFA Sq. Ft.	Est. Cost \$PSF (-/+ 12.5%)	Est. Total Cost (-/+ 12.5%)
1	CPA - Reno Existing - 495 seats	27,200	\$704 - \$905	\$19,152,000 - \$24,624,000
	CPA - Studio Theatre Expansion - 250 seats	26,000	\$578 - \$744	\$15,040,000 - \$19,337,000
2	Exterior Space - Amphitheatre & Centennial Sq.	64,000	\$32 - \$41	\$2,062,000 - \$2,651,000
	Exterior Space - Navy Streetscape	32,000	\$53 - \$68	\$1,704,000 - \$2,191,000
	Exterior Space - New Riverfront Park Area	121,000	\$59 - \$76	\$7,150,000 - \$9,193,000
3	Library - Reno Existing	15,800	\$365 - \$469	\$5,764,000 - \$7,411,000
	Library - Expansion	14,000	\$616 - \$792	\$8,624,000 - \$11,088,000
4	Innovation Space	10,000	\$273 - \$352	\$2,734,000 - \$3,516,000
5	Demolition - Pool Only	17,600	\$16 - \$21	\$289,000 - \$371,000
Subtotal - Cost Estimate		327,600	\$191 - \$245	\$62,519,000 - \$80,382,000
Parking Reserve Fund Repayment				\$4,600,000 - \$4,600,000
Fire Hall Relocation				\$5,700,000 - \$5,700,000
Total Cost Estimate			\$222 - \$277	\$72,819,000 - \$90,682,000
Estimate of Revenue Opportunities				
Capital Avoidance				\$1,575,000 - \$2,025,000
Sale of Land				\$10,544,000 - \$13,556,000
Net Cost Estimate				\$60,700,000 - \$75,101,000

6	Gallery - Post Office	25,000	\$523 - \$673	\$13,087,000 - \$16,827,000
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To be funded independently

Theme 2: Centralised Hub at Centennial Square

Estimate of Project Costs

Item		Est. GFA Sq. Ft.	Est. Cost \$PSF (-/+ 12.5%)		Est. Total Cost (-/+ 12.5%)	
1	CPA - Regionally Distinctive - 750 seats	71,000	\$660 - \$848		\$47,064,000 - \$60,511,000	
	CPA - Courtyard Thearte - 325 seats	11,000	\$809 - \$1,040		\$8,536,000 - \$10,974,000	
2	Exterior Space - Amphitheatre & Centennial Sq.	64,000	\$36	- \$46	\$2,308,000 - \$2,967,000	
	Exterior Space - Navy Streetscape	32,000	\$53	- \$68	\$1,704,000 - \$2,190,000	
	Exterior Space - New Riverfront Park Area	121,000	\$59	- \$76	\$7,150,000 - \$9,192,000	
3	Library - New Flagship	30,000	\$575	- \$740	\$17,262,000 - \$22,194,000	
	Library - Admin & Technical Elsewhere	10,000	\$273	- \$352	\$2,734,000 - \$3,516,000	
4	Innovation Space	10,000	\$273	- \$352	\$2,734,000 - \$3,516,000	
5	Demolition	63,000	\$16	- \$21	\$1,033,000 - \$1,329,000	
Subtotal - Cost Estimate		412,000	\$220 - \$282		\$90,525,000 - \$116,389,000	
Parking Reserve Fund Repayment					\$4,600,000 - \$4,600,000	
Fire Hall Relocation					\$5,700,000 - \$5,700,000	
Total Cost Estimate			\$245 - \$307		\$100,825,000 - \$126,689,000	
Estimate of Revenue Opportunities						
Capital Avoidance					\$3,850,000 - \$4,950,000	
Sale of Land					\$17,655,000 - \$22,699,000	
Net Cost Estimate					\$79,320,000 - \$99,040,000	

6	Gallery - Centennial Square	25,000	\$523	-	\$673	\$13,087,000	-	\$16,827,000
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To be funded independently

Theme 3: Dispersed Hub in the Downtown

Estimate of Project Costs

Item		Est. GFA Sq. Ft.	Est. Cost \$PSF (-/+ 12.5%)			Est. Total Cost (-/+ 12.5%)	
1	CPA - Edge City - 650 seats	64,000	\$636	-	\$818	\$40,713,000	- \$52,346,000
	CPA - Studio Theatre at Post Office - 350 seats	24,000	\$630	-	\$810	\$15,112,000	- \$19,430,000
2	Exterior Space - Amphitheatre & Centennial Sq.	68,000	\$32	-	\$41	\$2,155,000	- \$2,770,000
	Exterior Space - Navy Streetscape	32,000	\$53	-	\$68	\$1,704,000	- \$2,190,000
	Exterior Space - New Riverfront Park Area	121,000	\$59	-	\$76	\$7,150,000	- \$9,192,000
3	Library - New Flagship	30,000	\$575	-	\$740	\$17,262,000	- \$22,194,000
	Library - Admin & Technical Elsewhere	10,000	\$273	-	\$352	\$2,734,000	- \$3,516,000
4	Innovation Space	10,000	\$273	-	\$352	\$2,734,000	- \$3,516,000
5	Demolition	63,000	\$16	-	\$21	\$1,033,000	- \$1,329,000
Subtotal - Cost Estimate		422,000	\$215 - \$276			\$90,597,000 - \$116,483,000	
Parking Reserve Fund Repayment						\$4,600,000 - \$4,600,000	
Fire Hall Relocation						\$5,700,000 - \$5,700,000	
Total Cost Estimate			\$239 - \$300			\$100,897,000 - \$126,783,000	
Estimate of Revenue Opportunities							
Capital Avoidance						\$3,850,000 - \$4,950,000	
Sale of Land						\$14,851,000 - \$19,095,000	
Net Cost Estimate						\$82,196,000 - \$102,738,000	
6	Gallery - Post Office	25,000	\$523	-	\$673	\$13,087,000	- \$16,827,000

To be funded independently

Theme 4: Boutique Culture

Estimate of Project Costs

Item		Est. GFA Sq. Ft.	Est. Cost \$PSF (-/+ 12.5%)		Est. Total Cost (-/+ 12.5%)	
1	CPA - Boutique Theatre - 325 seats	36,000	\$686	-	\$882	\$24,704,000 - \$31,762,000
2	Exterior Space - Amphitheatre & Centennial Sq.	34,000	\$45	-	\$58	\$1,537,000 - \$1,976,000
	Exterior Space - Navy Streetscape	32,000	\$53	-	\$68	\$1,704,000 - \$2,190,000
	Exterior Space - New Riverfront Park Area	121,000	\$59	-	\$76	\$7,150,000 - \$9,192,000
3	Library - Specialized @ Post Office	20,000	\$663	-	\$852	\$13,259,000 - \$17,048,000
	Library - Admin & Technical Elsewhere	10,000	\$342	-	\$439	\$3,418,000 - \$4,394,000
4	Innovation Space	10,000	\$273	-	\$352	\$2,734,000 - \$3,516,000
5	Demolition	63,000	\$16	-	\$21	\$1,033,000 - \$1,329,000
Subtotal - Cost Estimate		326,000	\$170 - \$219		\$55,539,000 - \$71,407,000	
Parking Reserve Fund Repayment					\$4,600,000 - \$4,600,000	
Fire Hall Relocation					\$5,700,000 - \$5,700,000	
Total Cost Estimate			\$202 - \$251		\$65,839,000 - \$81,707,000	
Estimate of Revenue Opportunities						
Capital Avoidance					\$3,850,000 - \$4,950,000	
Sale of Land					\$16,312,000 - \$20,972,000	
Net Cost Estimate					\$45,677,000 - \$55,785,000	

* Budget Placeholder - Edge-City Elsewhere - 650 seats	64,000	\$525 - \$675	\$37,078,000 - \$47,672,000
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Not including land, assumes 50% surface parking

Net - Including Edge-City Theatre			\$82,755,000 - \$103,457,000
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6 Gallery - Centennial Square	25,000	\$523 - \$673	\$13,087,000 - \$16,827,000
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To be funded independently

8.4.1 Areas for Further Analysis

As the DCH process advances and themes are narrowed down and plans and programming spaces become better defined, key areas that will require more detailed research with respect to costing will include:

- Renovation costs – in any theme involving a renovation, deep retrofit or addition to an existing building, further building condition assessment and/ or specific costing analysis should be undertaken to confirm both the technical and financial implications of the project. This would apply to the Required Maintenance model, Theme 1, and the component of all concepts which envision the reuse of the Post Office structure (which also has heritage implications).
- Geotechnical and environmental costs – it will be important for continued analysis to occur in order to refine and establish an appropriate build-to line along the Sixteen Mile Creek valley lands as well as to identify any potential cost implications relating to slope stability or environmental contamination.
- Parking – some further detailed analysis of parking considerations, primarily on the Centennial Square site, should be undertaken to confirm the technical feasibility and capacity of the site, as well as opportunities for

phasing. It will also be important to ensure that the amount and types of parking provided contemplated within a parking strategy associated with a preferred DCH theme supports the economic function of the downtown as a whole.

- Streetscape and open spaces – as designs progress, further detailed design and costing analysis of the Navy streetscape and open spaces along the valley lands should be undertaken.
- Library, innovation space and gallery costs – costs assumptions in this analysis are based on precedent research. Further design and costing analysis should be conducted, particularly in order to better define the use and associated costs of the ‘innovation space’, as well as the specific requirements of the gallery spaces.

8.5 Operating Environment

A detailed business and marketing strategy has not yet been prepared to evaluate each of the potential cultural programming themes being considered as part of the DCH study. Generally, larger and more specialized spaces may be more costly to build and operate, as they are more likely to be exposed to risks relating to design, construction delays, ongoing operation and maintenance.

The business plan process, which is to be undertaken in a later stage of the DCH study process, will evaluate operating costs in greater detail. However, some initial impressions of the relative viability of the DCH themes are as follows:

- Maintaining only one relatively small performance space in the town limits the operating revenue potential and capacity for growth among local cultural user groups. It has been demonstrated that larger theatre facilities are likely required to sustain the town’s local arts groups.
- Increasing the potential for new or expanded programming options could create an opportunity to attract additional revenue sources. However, there are likely to be risks in attracting these revenues. Risks may increase proportionately with the intensity and specialized nature of varying cultural themes.
- Dispersing performing arts spaces in various locations throughout the downtown or in various locations throughout Oakville as per Theme 3 or Theme 4 may create some duplication or inefficiency in the operating model which could add to costs.

The following table illustrates a preliminary estimate of the range of potential annual town operating subsidy requirements for each of the DCH themes. This information has been compiled with information from the town, Webb, Ward99 and Oakville Galleries and is intended to illustrate the magnitude of potential operating costs versus the existing town costs with respect to downtown cultural facilities.

The estimates illustrate that overall annual town operating subsidy requirements are likely to increase in all of the DCH themes, with Theme 3 being the most expensive due to

the disbursement and scale of its facilities. However, when examining the estimated town operating subsidy requirements on a per square foot basis, each of the new DCH development appear likely to be more efficient in comparison to the maintenance of existing facilities. The current facilities are estimated to require an annual operating subsidy in the order of \$15 per square foot, whereas a new DCH development might result in an annual operating subsidy requirement of between \$7 and \$9 per square foot, depending on the Theme.

These annual operating subsidy estimates exclude project financing costs, capital reserves, as well as costs relating to project risk. These other facility and life cycle costs will be evaluated in future phases of work.

Est. Annual Town Operating Subsidy			
DCH Option	Facility	Town Op. Cost.	GFA & Est. Op. Cost PSF
Existing Facilities	OPCA	\$759,000	127,000 sf
	Library	\$843,000	
	Gallery	\$343,000	
Est. Annual Operating Subsidy		\$1,945,000	\$15.31
Option 1	OPCA	\$1,156,000	352,600 sf
	Library	\$1,770,000	
	Gallery	\$343,000	
Est. Annual Operating Subsidy		\$3,269,000	\$9.27
Option 2	OPCA	\$1,153,000	437,000 sf
	Library	\$1,770,000	
	Gallery	\$343,000	
Est. Annual Operating Subsidy		\$3,266,000	\$7.47

Est. Annual Town Operating Subsidy			
DCH Option	Facility	Town Op. Cost.	GFA & Est. Op. Cost PSF
Option 3	OPCA	\$1,254,000	447,000 sf
	Library	\$1,770,000	
	Gallery	\$343,000	
Est. Annual Operating Subsidy		\$3,367,000	\$7.53
Option 4	OPCA - Downtown	\$674,000	415,000 sf
	OPCA - Off-Site	\$754,000	
	Library	\$1,180,000	
	Gallery	\$343,000	
Est. Annual Operating Subsidy		\$2,951,000	\$7.11

Compiled with information from the Town, Webb, Ward 99 and Oakville Galleries. Options assumes one year of full operation and represent net Town costs. Figures exclude financing costs and maintenance costs, as well as costs relating to project risk.

9.1 Opportunities for Broad Economic Impacts

It is important to note that each DCH theme will create spinoff economic impacts for downtown Oakville. With the level of public investment being contemplated, any of the DCH themes are likely to produce broad, transformative impacts in the downtown. As part of the business plan phase of work an economic impact assessment of the DCH themes will be conducted in order to evaluate the direct, indirect and induced impacts of the potential redevelopment. This will include the impact of visitor spending, taxes and job creation generated through the development of new cultural facilities and residential or commercial development as part of a preferred DCH plan. Together with the J.C. Williams Group evaluation of retail market impacts in downtown Oakville, this work will illustrate the potential for economic uplift as a result of new DCH investments.

9.2 Risk Management

An important consideration for the town from a cost perspective is the ability to implement the DCH project in a way that minimizes project risks. In redeveloping the DCH, several key risk management strategies should be considered by the town; some of these strategies are already in progress.

A key risk mitigation measure is to ensure that the project scope of any DCH component is well defined and supported by a sound business case. Part of this risk management process is already well advanced as the town has been engaged in a through consultation strategy which has informed both the public and stakeholders of the project parameters, collecting feedback and managing expectations.

In future phases of work, a business plan evaluation will test the marketability of the DCH redevelopment and implementation tools available to the town. It will also be important to conduct market soundings with potential development partners in order to respond to the business case by screening potential project risks and highlighting opportunities for partnership.

When entering into potential private sector partnership or joint venture arrangements the town can manage project risks by structuring project agreements to incent private sector performance and protect town assets. These partnership structures can allow the town to transfer project risks to the

private sector (for a cost), allowing the private sector to inject their expertise into the development.

A well-structured project agreement can ensure that land is never transferred out of town hands until a detailed set of pre-established project specifications are achieved. Moreover, project agreements can be structured to assign responsibility and penalties for project deficiency; through regular construction and life cycle plan monitoring and enforcement the town can work to ensure that high quality projects are constructed and retain their value. Another risk management tool for the town is to manage the complexity of the DCH project. In scenarios where DCH project components have private and public sector components the town is likely to take on some market risk which could impact project costs and timing. Moreover, as a project becomes more complex, the potential is greater for design risks and construction overruns to occur.

Where possible, the town should look to put forward themes that are able to be developed in manageable phases. Dispersing capital projects over time will allow the town some financial flexibility and provide an opportunity to mitigate potential market risks or disruptions to community services.

9.3 Alternative Procurement Strategies

The implementation of a DCH redevelopment in Oakville's downtown could use a variety of potential procurement strategies that offer opportunities to transfer certain risks to the private sector. Descriptions of three potential procurement methodologies available to the town are outlined below.

A key consideration in evaluating these themes is the proportion of project risk that is retained by the town in each strategy; this risk will be quantified in the business plan evaluation to illustrate the town's possible financial exposure in a redevelopment.

The following chart highlights a sample of these potential procurement strategies which are also described in more detail within Appendix F.

TRADITIONAL

- Design Team(s)
- Construction Team
- Construction Management
- Cost Consultant
- Enhanced and operated by town
- Town has maximum control
- Town has maximum risks

DESIGN, BUILD

- Single Design-Build Entity
- Risks mitigated by single entity
- Financed and operated by town
- 35% risk premium in models

DESIGN, BUILD, FINANCE
OPERATE, MAINTAIN

- Single Entity to design build finance and operate
- Construction and operating risks are transferred to private sector
- Private sector financing
- 15% risk premium in models



JOINT VENTURE

Surplus land is developed for commercial/residential purposes - profits are shared

9.4 Evaluating Procurement Models

The net capital investment projections discussed in the previous sections reflect the one time capital cost of constructing the facilities. However, in the upcoming business plan analysis of the DCH study, an evaluation will be conducted that accounts for the various revenues and operating costs which would be associated with each theme. These figures are then applied to the financing costs and potential risks associated with each procurement approach.

A project of this scale with multiple buildings and uses is inherently exposed to risks, the majority of which translate directly to additional costs, in the form of construction delays, design errors, etc. As discussed, there exists a wide spectrum of procurement strategies available to the town of Oakville. Each offers opportunities to mitigate these risks. The business plan evaluation of the DCH will evaluate potential procurement strategies through the use of both a Life Cycle Cost Analysis and a Value for Money Analysis.

9.5 Life Cycle Cost Analysis

Varying procurement strategies not only impact the capital cost of the delivered product, but also have significant bearing on the long term cost of operations, maintenance, and financing of a project over its lifetime. The analysis utilized to tie together both upfront capital costs and long term costs over 20 to 30 years is known as Life Cycle Cost Analysis (LCCA).

The methodology uses an annual cash flow breakdown for the project from the perspective of the town's ongoing liabilities under each of the proposed procurement strategies. This cash flow strategy is then discounted utilizing the town's estimated borrowing cost at the time of project commencement to determine the Net Present Value of each procurement strategy, or the total funds required on day one, to sustain.

9.5.1 Value for Money Analysis

As mentioned, the LCCA analysis is able to estimate the total lifetime project cost to the town under each procurement scenario (i.e. the net present value of ownership over the life of the project). However, projects on the scale of an enhanced DCH are exposed to significant risks that can manifest themselves in terms of cost overruns, delays during design and construction phases and longer term issues associated with ongoing operations and maintenance. In order to quantify these risks and profits across the various

procurement strategies, a Value for Money analysis (VFM) is used which allows for an apples-to-apples comparison between the Net Present Values (NPV) of the project under each procurement strategy. The VFM analysis applies a dollar value to identified risks retained by the town in each procurement strategy.

These risks may not be applied evenly across all procurement strategies. Each strategy offers a varying level of exposure for a given risk. In each of the potential procurement strategies discussed, the town would transfer a certain amount of its risk to the private sector partner. In exchange for this transfer of risk, the private sector partner assigns a profit to the project which is accounted for in the Value for Money analysis.

The underlying logic of a P3 strategy is that the private sector, being experienced in large scale projects of this nature, will assume less risk and apply a lower cost to this risk. The combined cost of the lower risk, profit and financing costs of the private sector partners should be lower or comparable to the town's risk and financing costs for the P3 approach to be considered. In the business plan analysis of the DCH, we will apply the Infrastructure Ontario (IO) recommended VFM methodology for municipalities weighing the costs and benefits of private sector involvement in municipal capital projects. The Infrastructure Ontario methodology outlines the retained risk in each procurement strategy as a percentage of a project's expected NPV determined in the Life Cycle Cost Analysis.



VIEW OF OAKVILLE PUBLIC LIBRARY LOOKING SOUTH-WEST

10/ CONCLUSIONS & NEXT STEPS

At the conclusion of Phase 2 of the Downtown Cultural Hub Study a clear picture of the potential way forward for the project is emerging. While much detailed work remains to be done, the following conclusions set a framework for future decision making. Those conclusions can be summarised as follows:

- The establishment of a downtown cultural hub is a viable concept that will make a valuable contribution to the cultural life of Oakville and greatly contribute to the economic health and attractiveness of the downtown;
- The existing cultural facilities on Centennial Square are unlikely to be worth retaining without major and expensive modification;
- The pressing need to address the accessibility and functional shortcomings of the existing buildings mean that even a minimum program of required improvements would still involve substantial expense;
- A re-invigorated downtown cultural hub would consist not only of buildings but of a range of programmes, places and spaces to complement the primary cultural facilities;
- A range of new active and passive open space areas to accommodate cultural programming and recreational activities should form an important part of the cultural hub;
- Complete redevelopment of Centennial Square would require phasing to minimize 'go dark' implications for cultural providers;
- The visitation generated by cultural hub activities is a critical contribution to the economic health of the downtown, generating significant retail and restaurant activity;
- The attractiveness of the cultural activities to patrons is greatly enhanced by their presence in an interesting downtown with excellent shopping and dining opportunities and a very attractive natural setting;
- Associated residential and office development will help facilitate the establishment of the cultural hub and increase the vitality of the downtown;
- Planning amendments will be required to enable more intense uses on the Centennial Square and Fire Hall site;
- A comprehensive financing strategy must be developed to support the DCH. The initial financial analysis concluded that the cost to maintain existing facilities ranges from \$27 to \$33 million, the cost to expand existing facilities ranges from \$67 to \$85 million, and the cost to create new higher performing facilities ranges from \$95 - \$120 million;
- The downtown Oakville community is generally supportive of the cultural hub in the forms presented in the various themes set out in this report.

The next steps in the Downtown Cultural Hub Study process involve refinement of the optimal funding, financing and implementation strategies for the successful achievement of the project, on the basis of which a more definitive selection of the final cultural mix, locations and theme can be made.

10.1 Preliminary Observations

This phase of the Downtown Cultural Hub Study explored a set of themes for a new cultural hub. The next phase of work will involve a thorough assessment of these themes. To help guide this next phase, a preliminary analysis of the themes presented in this report are summarized below.

- The minimum costs involved in bringing the existing buildings to acceptable accessibility and other required standards are substantial and would represent no improvement in the functional operation or audience experience of the OCPA or the quality and presence of the library and gallery;
- Theme 1, involving a program of substantial improvements to the existing buildings involves a capital cost approximately three-quarters that of the complete new build themes. It does however not significantly address the shortcomings of the existing OCPA auditorium in terms of size, performance space and back and front of house facilities. With respect to the library, renovation of the existing building involves retirement of large below-grade floor areas with no obvious future purpose;

- Theme 2, involving the location of all cultural facilities on the Centennial Square site, has efficiency benefits in the ability to share common spaces between the large and small performance spaces. The specification of a ‘regionally-distinctive’ performance space does however raise questions about the market and operational risks associated with the need to draw substantial audiences from across the GTA;
- Theme 3, involving the location of the studio theatre and gallery on the Post Office site has advantages in terms of dispersing the energy of the cultural hub through the downtown, but would involve some inefficiencies in requiring a separate lobby and the building of a supporting parking garage on Church St;
- Theme 4, involving the development of a boutique theatre on Centennial Square and a larger theatre outside the downtown, while perhaps responding to the heritage and retail ‘small town’ character of downtown Oakville, could have negative consequences for local merchants by removing the business associated with a large performance hall.
- The capital costs of Themes 2 – 4 are remarkably similar, suggesting that the decision on the optimal make-up of the cultural hub can be made substantially on the basis of criteria related to the quality of performance venues, the minimization of operating risks and the maximization of benefits to the surrounding downtown.

10.2 Next Steps

The next steps in the Downtown Cultural Hub Study process involve refinement of the optimal funding, financing and implementation strategies for the successful achievement of the project, on the basis of which a more definitive selection of the final cultural mix, locations and themes can be made.

Specifically the following further analysis is required:

- Analysis of the market, operating and capital cost risks associated with each of the preferred themes emerging from this Stage 2;
- Careful review of the performance and operating characteristics of each of the preferred themes with to respect to future management, marketing and risk minimization capacity;
- Refinement of the preferred procurement and implementation process;
- Assessment of funding potential at federal and provincial government levels;
- Assessment of philanthropic funding potential;
- Continued work with the BIA, downtown merchants and landowners to ensure maximization of the benefits of the cultural hub and coordination with the implementation of the streetscape improvements;
- Continued liason with Conservation Halton regarding the implementation of conservation policies on cultural hub site planning;
- Forwarding the suggested planning strategy for the cultural hub for review by Oakville planning staff as part of the upcoming official plan review process.

11/ APPENDICES

- A - Performing Arts Centre Needs Assessment
- B - Oakville Library Needs Assessment
- C - Oakville Galleries Needs Assessment and Business Plan
- D - DCH Planning Study
- E - Financial Model Assumptions
- F - Description of Potential Procurement Models
- G- Conservation Halton Planning Memorandum
- H - Conservation Halton Board Report
- I - Conservation Halton Board of Directors Meeting Minutes

