TO: CHAIR AND MEMBERS
FINANCE AND ADMINISTRATION COMMITTEE
MEETING OF MARCH 30, 2011

GRANT HOPCROFT, DIRECTOR OF INTERGOVERNMENTAL AND COMMUNITY LIAISON

SUBJECT FANSHAWE COLLEGE SCHOOL OF APPLIED AND PERFORMANCE ARTS

RECOMMENDATION

That, on the recommendation of the Director of Intergovernmental and Community Liaison, the following report BE RECEIVED for information purposes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Fanshawe College presentation to Committee of the Whole regarding the School for Applied and Performance Arts (February 10, 2011).

BACKGROUND

On February 10, 2011, Fanshawe College and LEDC presented to Council a business case to develop a School of Applied and Performance Arts in downtown London. Council resolved on February 28 to commit $10 million as well as a renovation grant to Fanshawe College to support this development.

It was requested at that time that Council be provided with further information regarding the following: historical examples where the City of London provided significant financial support to new, innovative projects; examples of other municipalities bringing post-secondary institutions into their downtown area; and finally the potential for Provincial and/or Federal funding to Fanshawe's proposed business case.

CITY OF LONDON EXAMPLES OF PREVIOUS FUNDING

Support to new and innovative projects is not unprecedented in the City of London. City Council has supported and partnered with a number of London's institutions in years past. Some examples include:

University of Western Ontario Research and Development Park
In 1996 the University of Western Ontario Research and Development Park was awarded funding in support of the National Research Council Institute for Advanced Manufacturing Technology and its Integrated Manufacturing Technologies Institute. The City's portion of this $10 million project was 7.5 million and was subject to the following grants being obtained under the Canada/Ontario Infrastructure Program (C/OIP): a) $2.5 million as the City's required contribution to the C/OIP; b) $2.5 grant to the City from the Government of Canada under the C/OIP; and c) $2.5 million grant to the City from the Province of Ontario under the C/OIP.

London Hospitals Restructuring Program
In 1998 the City of London became the lead funder when it approved a capital grant to the London Hospitals Restructuring Program, a $330 million project. This funding, $15 million over seven years, was approved in order to: (a) help launch the "Building Solutions for a Healthier Tomorrow" community fundraising campaign; and (b) help secure a $200 million commitment from the Province of Ontario. $2.5 million of this funding was conditional upon the Program receiving matching
contributions of $2.5 million from other municipalities; the grant being utilized solely for projects funded by the Ministry of Health in accordance with the London Hospitals' restructuring program; and the London Hospitals undertaking and contributing as appropriate to road and infrastructure improvements related to the Restructuring Program.

**University of Western Ontario Capital Renewal Programs**

From 1990 to 1999, the City of London provided $4 million to the University of Western Ontario's (UWO) Renaissance Campaign and $500,000 to the joint UWO and London Health Science Centre Fowler-Kennedy Sports Medicine Clinic project. In 1999, City Council supported UWO's Capital Renewal Program which targeted growth, research and renovation and construction of new facilities. Beginning in 2001, the University was given $10 million dollars over 10 years (funded through Major Public Sector Capital Grants Reserve Fund) in order to help stimulate/leverage other government funding and other possible non-government donors, support its 125th Anniversary Campaign and to renovate and build facilities. City funds were conditional in that they could only be utilized for projects where the City's contribution levered additional external funding.

**Biotechnology Commercialization Centre/ Stiller Centre**

On May 8, 2001 Council authorized a $5 million grant to the Biotechnology Commercialization Centre. Funding was subject to the following a) securing additional funding from other sources in an amount sufficient to meet start up requirements (e.g. federal and provincial governments, educational institutions, private sector, etc.); b) acquiring a suitable site for the incubator; c) obtaining written commitments from potential clients; d) completing a pro forma which ensures the viability of this venture, prior to project initiation; e) entering into suitable agreements with all participating partners and tenants. The City of London further confirmed its support to the now Stiller Centre in 2005 when the existing Technology and Economic Opportunity Reserve Fund was renamed 'The Stiller Centre Fund', providing $92,500 in 2005 with the expectation that Stiller obtain funding from the federal and provincial governments as well as other sources. Ongoing operational costs of the Stiller Centre were also supported through a $200,000 grant in 2008 and $85,000 per year in the previous three years.

**EXAMPLES FROM OTHER MUNICIPALITIES**

**City of Cambridge**

A Cambridge-based group of business owners approached the University of Waterloo with an idea to relocate the School of Architecture to downtown Cambridge. The group known as the Cambridge Business Consortium spearheaded the fundraising to support the project, first seeking support from the University of Waterloo and then the City of Cambridge.

The University of Waterloo School of Architecture relocated from the main campus in Waterloo to downtown Cambridge in 2004. The school was built at the vacant former Riverside Silk Mills site overlooking the Grand River. The facility is a three-level, 85,000 square feet facility which also includes a public café and a gallery built and operated by Cambridge Libraries and Galleries.

The total budget for the project was $27 million, including $21 million to acquire the property, remediate the soil, and renovate and furnish the building, and $6 million to be used for operating the school and improving its programs. The City of Cambridge supported the initiative by committing $7.5 million to the project over 15 years, plus a contribution of $1.4 million to the capital costs. The City also made the project its sole priority for the SuperBuild / Canada-Ontario infrastructure programs of the provincial and federal governments. An additional $13 million contribution was raised by the Cambridge Business Consortium.

Today the School is a landmark in downtown Cambridge, and accommodates more than 400 architecture students, faculty and staff. The School's website indicates that student activities have expanded significantly since the relocation to Cambridge including exhibitions of student works in the community, offering events and lectures which are also open to the community, as well as student athletic activities. These activities benefit the student through further integration into the community, and add energy and activity for the downtown. The School has also partnered with the City of Cambridge on numerous initiatives including urban design initiatives.
City of Stratford

In March of 2008, a partnership was announced between the City of Stratford, The Ontario Ministry of Research and Innovation, and Open Text Corporation to develop a University of Waterloo campus specializing in digital media and global business.

In January 2010, the City of Stratford acquired the “Cooper lands”, a downtown property that was then donated to the University to develop the campus. A temporary location has been set up on Wellington Street downtown, to be replaced once the permanent “Cooper” location is developed (anticipated for 2012).

The total cost of the project is estimated to be $30 million. The agreement between the City of Stratford and the University of Waterloo provides that the City will provide the University with a $10 million cash capital contribution provided in stages, as well as a commitment to secure an additional $5 million from the federal and provincial governments, the private sector and individual donors. The City is also providing land to the University at a cost of $1.

The University of Waterloo Stratford Campus will provide graduate and undergraduate programs, as well as industry-connected research activities. Working with industry partners, the Campus is also driven by commercialization by connecting research to business to bring new ideas and products to the market. Community outreach is also listed as a core activity, working with partners like the City and the Stratford Public Library to connect campus activities with the broader community. This is already evident with the Stratford Campus hosting many events in Stratford, including the largest one “Canada 3.0”, a national digital media conference drawing 1500 participants for its first year in 2009 and projecting the City of Stratford as a “world leader in the digital economy.”

City of Brantford

The City of Brantford has identified attracting educational institutions as a key economic driver for their future. The City has been home to one institution, Mohawk College, since the 1970s, but developed a plan in the 1990s to rebrand Brantford as an educational hub by attracting additional institutions and satellite campuses. A steering committee involving municipal, college, university and community representatives led this initiative.

Brantford has since attracted two university satellite campuses: Wilfred Laurier University and Nipissing University. The Laurier Brantford campus opened in 1999, and now has 1500 students. In 2002 Nipissing University developed a partnership with Wilfred Laurier where students could obtain a Bachelor of Arts degree from Laurier concurrent with a Bachelor of Education degree from Nipissing.

The City of Brantford has supported these developments in a variety of ways. The institutions have been provided with cash contributions totaling over $14 million, as well as donations of buildings (including a former library, municipal office building, post office and bank) and land, and well as forgivable and interest free loans of over $7 million.

These investments have led to a significant revitalization of Brantford’s downtown area over the past two decades. A 2005 Economic Impact report commissioned by the Grand Valley Educational Society found near unanimous consensus that the presence of post-secondary institutions in the downtown was the single most important element to the revitalization of Brantford’s downtown, and that continued support should be given to maintain the growth of this initiative. At present the City of Brantford is leading a new push for Mohawk College to move 1,800 students from its Elgin Street campus to the downtown area.

City of Kitchener

The City of Kitchener is home to three post-secondary institutions: Conestoga College, the University of Waterloo, and Wilfred Laurier University. Conestoga has been located in Kitchener since 1967, and is currently expanding near its existing campus off Highway 401. Both the University of Waterloo and Wilfred Laurier University locations are in downtown Kitchener.

The City of Kitchener initially attracted the School of Pharmacy as an anchor institution for the larger University of Waterloo Health Sciences Campus. The first class of the School of Pharmacy began in January 2008. Once fully developed, the Health Sciences Campus will be home to a regional
program for McMaster University's School of Medicine and a satellite for the University of Waterloo School of Optometry. The campus will support over 1,200 students. The collaborative environment provides unique opportunities for inter-professional learning and patient care. A full-service family health team, seeing approximately 200 patients per day, will also be situated on the site.

The school's new health sciences campus in downtown Kitchener, anchored by the UW School of Pharmacy, is positioned to become an innovative centre focused on medicine and health that will bring together education, diagnostics, treatment, research, and commercial applications in dramatic new ways.

The City of Kitchener has committed $30 million toward the Health Sciences Campus, funded from their $110 million Economic Development Investment Fund. An additional $6.5 million has been committed to another initiative, development of the Wilfred Laurier University Faculty of Social Work.

The Faculty of Social Work is located in a former high school in downtown Kitchener amongst neighbouring community agencies, and offers professional social work programs at the masters and doctoral levels. The Faculty is a key partner with the City and social service agencies and has contributed to the revitalization of the city core.

City of St. Catharines

In 2009 the City of St. Catharines received funding through the Building Canada Plan to develop a new Performing Arts Centre and Recital Hall in the downtown area, estimated to cost approximately $60 million. Both the federal and provincial governments agreed to contribute $18 million toward the project.

The City has also partnered with Brock University in this project. Brock's School of Fine and Performing Arts recently announced a $15 million donation to secure a historic Canada Hair Cloth Building in downtown St. Catharines for the School. The University and City have partnered to create the Niagara Centre for the Arts and a new home for the School of Fine and Performance Arts. Construction of this $101 million project is scheduled for late 2011 with an expected completion in 2013.

City of Kingston

Queens University recently announced plans to develop the Isabel Bader Centre for the Performing Arts along the waterfront in the City of Kingston. The fundraising efforts to raise the $63 million capital cost have been spearheaded by the private benefactors, Alfred and Isabel Bader, who pledged an initial $18 million with a promise to provide additional funding once other contributions had been confirmed.

The City of Kingston committed $6 million toward the project, with an additional $15 million each from the federal and provincial governments. The University raised the remaining $5 million to secure the final funding from the benefactors. The City and University are currently in the process of finalizing the financial arrangements of the property development and have contracted an independent firm to conduct an economic impact study to ensure that the work of the proposed centre is coordinated and augments the work of other community arts and culture organizations.

The Centre is scheduled to be open in Fall 2013, and will include an acoustically-superior concert hall, a black-box theatre, a screening room and rehearsal space. The Centre will support downtown and waterfront revitalization, as well as further develop the partnership between the City of Kingston and Queens University.

FANSHAWE COLLEGE SCHOOL OF APPLIED AND PERFORMANCE ARTS – POTENTIAL SOURCES OF FUNDING

Civic Administration was requested to meet with representatives of Fanshawe College and the federal and provincial governments to discuss potential funding for the project and report back on the result of those discussions. The Fanshawe School of Applied and Performance Arts was first discussed with our local MPPs during their February 11 meeting with the Finance and Administration Committee. At that time, all Members present indicated their willingness to work with Fanshawe and
the City in seeking support from the Ministry of Training, Colleges and Universities. Mayor Fontana, Civic Administration and Fanshawe Administration met again with provincial MPPs and staff on March 11, and our local members confirmed that each had spoken to the Minister of Training Colleges and Universities regarding support for this initiative. Discussions were positive and constructive, and several potential funding scenarios were explored. Any decision is in the hands of the Minister.

Discussions have also been held with the offices of MPs Ed Holder and Joe Preston. They remain supportive our efforts to locate a source of federal funding. The recent federal Knowledge Infrastructure Program (KIP) was the funding program for Fanshawe’s expansion into the former Small Business Centre – however, like the Infrastructure Stimulus Program, the KIP has now expired. At this time, there does not appear to be a specific federal program available to address the Fanshawe proposal, other than through Fed Dev Ontario. Fanshawe Administration have discussed possible funding opportunities with Fed Dev officials but to date have not identified any potential sources.

If further opportunities become available in the Federal Budget on March 22nd or the Ontario Budget on March 29th, an update will be provided on March 30.

CONCLUSION

Post-secondary institutions stimulate substantial economic activity. Universities and colleges are major employers, attract and train thousands of students who act as a key supply for the local labour market, and are generally perceived as major untapped reservoirs of potentially commercializable knowledge.

As illustrated in this report, several Ontario municipalities have made contributions to support their local post-secondary institutions, or attract non-local institutions to their community. There has been a particular focus on encouraging expansion in their downtown or core area to support economic development and revitalization initiatives. The municipal contribution can take a variety of forms including land or building donations, forgivable loans, grants, or operating and renovation costs. The local municipality has been an early partner in all of the examples provided.

Council’s recent commitment to support the development of a Fanshawe College School of Applied and Performance Arts fits within precedent as established by the City of London and other municipalities. The investments made to the London Hospitals Restructuring Program, UWO Capital Renewal Program and Stiller Centre and those made by other cities have realized both economic and social benefits for the broader community.