



City of Richmond

Report to Committee

Closed

To Closed General Purposes June 19, 2006

To: General Purposes Committee
From: Lee A. Malleau, EcD.
Manager, Economic Development
Re: Trade and Exhibition Centre Update


Date: June 19, 2006

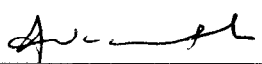

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Staff Recommendation

That:

1. Council receive for information this update on the Trade and Exhibition Centre initiative;
2. And that, Tourism Richmond be provided with an extension on the project timeline until such a time as a decision on the availability of the land is rendered.


Lee A. Malleau, EcD.
Manager, Economic Development
(4216)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> <i>SW</i>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/> 	NO <input type="checkbox"/>

Staff Report

Statutory Closed Meeting Criteria:

This report meets the following statutory closed meeting criteria:

90(1)(e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality

90(1)(j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act

Recommendation on Disclosure

This report will be subject to routine review to determine whether the need for confidentiality has passed and will be brought forward to Council with a recommendation on disclosure when appropriate.

It is anticipated that this matter could be released publicly upon the release of the Garden City Lands from the ALR, and subsequently the formalization of partnerships in the Trade and Exhibition Centre project.

Origin

At the September 12, 2005, General Purposes Meeting of Council, Tourism Richmond presented the most recent findings on their Trade and Exhibition Centre initiative.

At a closed meeting held immediately following the General Purposes Committee meeting, City Council adopted the following resolution:

That Richmond City Council support the use of up to 15 per cent of the DFO site for Tourism Richmond to construct a trade and exhibition centre, subject to staff analysis and further consideration of the required size and flexibility of such a facility, and subject to the following conditions being met in order to continue:

- a) The City would not have ownership in, or responsibility for the operation of, the trade and exhibition centre;
- b) There would be no property tax exemptions;
- c) There would be no preferential financing to the extent that the City is involved;
- d) Tourism Richmond would be responsible for obtaining the additional funding;
- e) The site for the trade and exhibition centre would be DFO lands and not in conjunction with the Oval; and
- f) A parking structure or alternative parking solution is very strongly encouraged to the extent that it would be extremely unlikely that Council would approve surface parking;
- g) That staff consider the various time frames which would be involved, including the time frames necessary to negotiate the final site requirements; the expected time lines for construction and the possibility of phasing; and
- h) That authorization be given for the release of the contents of this resolution to Tourism Richmond on a confidential basis.

Subsequently a report from staff was reviewed by Council at the December 19, 2005, Regular Meeting of Council whereby the following resolution was carried:

That Tourism Richmond be advised that the City will support the development of a Trade and Exhibition Centre facility at the DFO/Garden City Lands subject to the following:

1. That a business plan be requested from the proponent that includes a complete financial evaluation of both the construction and operation of a Trade and Exhibition Centre at an affordable and feasible scale, including all confirmed sources of funding, and based on the most efficient use of the allocated DFO lands that seeks to minimize the footprint for both the building and all its directly associated amenities - including and especially parking;
2. That in the detailed business plan options for paid parking be considered in association with a partner that can support the capital construction costs of a tiered parking system so as to guarantee the parking footprint will remain minimal; and further that a parking footprint that extends significantly beyond 10 per cent of the DFO lands will be considered if it is shared and supports adjoining public uses, and other parking strategies are impractical;
3. That the proponent work closely with staff to review any and all private sector involvement in order to ensure compliance with the Purchase and Sales Agreements for the DFO properties, given that commercial activities not directly related to the Trade and Exhibition functions will not be permitted;
4. That the proponent be advised of the Master Planning requirements for the project, including due public process associated with all development on the DFO lands; and
5. That a timeline be assigned to the completion of the proponent's detailed business planning phase, whereby a report can be brought to City Council by May 31, 2006.

Findings Of Fact

Since December, 2005, City staff worked collaboratively with Tourism Richmond on aspects of the planning process related to land-use, the investigation of parking options and investment.

Prior to May 31, 2006, representatives from Tourism Richmond arranged a formal meeting with City Staff to provide a project update and request what formal arrangements were required to make a formal presentation to City Council in accordance with the December resolution.

During the meeting Tourism Richmond informed staff that a detailed business plan for the operation of the Trade and Exhibition Centre was completed and demonstrates viability of the project from an operational perspective. Tourism Richmond advised that from a capital construction perspective they had received positive responses from both senior levels of government, and had explored a number of viable options with potential project partners who could share the cost of construction. They were however informed by senior levels of government that support would be conditional upon the completion of the ALR exclusion process and a demonstration of project viability that includes private sector participation.

Two partners have expressed serious interest in participating in the project, and one has formally signed a Memorandum of Understanding with Tourism Richmond, indicating they would support the project with capital construction investment as well as shared risk management on the operational side (should any operational losses occur) in exchange for use of some space for ad hoc trade and exhibition purposes. The second partner has demonstrated interest in providing ancillary uses to the Trade and Exhibition Centre in the form of technology and accommodation. Both these investors would bring additional investment and viability to the project, as well as building design options that would create an architectural legacy in Richmond. City Staff has

worked with Tourism Richmond in the examination of the viability of these partnerships and conclude that should negotiations with these potential partners be successful, their participation would add substantial value to the project. It should be noted that the partner 'uses' would be consistent with the definition of ancillary requirements to trade and exhibition.

At the meeting with the City in May, Tourism Richmond informed staff that finalizing the business plan for the project is contingent on the status of the partnership arrangements. The potential partners however, have indicated that their ability to proceed in entering into any formal agreements with Tourism Richmond on the project is conditional on the availability of the land, and the completion of the exclusion application from the Agricultural Land Reserve (ALR).

Analysis

At this time the completion of the business plan is contingent upon the conclusion of agreements with partners—whose willingness to enter into the formal stage of negotiations is subject to the availability of land, while support from senior levels of government is conditional upon both the availability of land and conclusion of partnership negotiations which are needed to demonstrate project viability.

Given these circumstances therefore, Tourism Richmond is requesting the opportunity to at this time provide Council with an update on this phase of the project, and request that Council agree to a presentation on a finalized business plan, that would include detailed partnership arrangements and sources of funding, at the time a final decision is made on the availability of the Garden City/DFO lands.

Financial Impact

None at this time.

Conclusion

That, in light of delays on the exclusion of the DFO/Garden City Lands from the ALR, the preceding update on the Trade and Exhibition Centre initiative be received by Council, and that the City support extended efforts by Tourism Richmond to finalize partnership agreements needed to support the capital viability of the project, until such a time as a decision on the availability of the land is rendered.



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