



Hamilton

INFORMATION REPORT

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: WARD 2
COMMITTEE DATE: March 20, 2013	
SUBJECT/REPORT NO: Canadian Ballet Youth Ensemble - Tivoli Theatre (PED13055) (Ward 2) (Outstanding Business List Item)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: Jacqueline Norton (905) 5465-2424 Ext. 4122 Hazel Milsome (905) 546-2424 Ext. 2755
SIGNATURE:	

Council Direction:

At the Committee of the Whole meeting held September 14, 2010, following a presentation by a delegation of Tivoli representatives respecting, "Tivoli, Soul of the City", the following resolution was approved and subsequently carried at the City Council meeting of September 15, 2010:

"That staff be directed to meet with the pertinent individuals to help streamline and facilitate the process for the Tivoli i.e., funding opportunities, and report back to Committee."

Information:

On September 14, 2010, Belma Diamonte, CEO, the Canadian Ballet Youth Ensemble, Gina Gentili, Campaign Chair and, Janis Barlow, Consultant, made a presentation to the Committee of the Whole respecting potential rehabilitation of the Tivoli Theatre and development options for the front portion of the property. A number of optional development schemes were presented but there was not a defined request for funding presented to the Committee of the Whole at that time.

Committee of the Whole members suggested that the Canadian Ballet Youth Ensemble should be part of the "Creative Catalyst" funding mix. Report PED13055 will provide an

update to Committee members on actions that have occurred since that time.

Creative Catalyst Background

Prior to the presentation regarding the Tivoli on September 14, 2010, the Committee of the Whole, at its meeting held June 25, 2010, approved the following:

- “(d) That \$500,000 for the Creative Catalyst Project (Project Number 3 from Appendix “A” of FCS10040) be funded from the Economic Development Initiative Capital Project 3620908900 with the proviso that:
- (i) A governance model for the Creative Catalyst Project must be approved by Council before any further expenditure of funds;
 - (ii) That a letter of agreement be signed by all partners in the catalyst project clarifying roles, responsibilities and obligations.”

The Creative Catalyst was intended to be a facility that would house a contemporary multi-purpose performance/rehearsal space, offices, studios, retail and hospitality uses. Tenants could include established or new businesses defined as creative industries (e.g. music creation, promotion, distribution, film production, digital media) and this facility would be located downtown with an educational or cultural institution as an anchor partner and tenant.

City staff continued to work throughout the latter half of 2010 and into 2011 attempting to find a suitable location for the Creative Catalyst and to firm up commitment from the potential partners in the project in order that a governance model could be created. Since staff was unable to achieve these goals, an Information Report (PED11173) was presented to the General Issues Committee on October 11, 2011, outlining some other alternative actions in keeping with the objectives of the Creative Catalyst. Staff worked through 2011 and into 2012 to establish partnerships with Eight: Digital Gaming Institute as a key partner for the Creative Catalyst project. One of the main partners of Eight: Digital Gaming Institute was Silicon Knights, a digital gaming company located in St. Catharines. A key component of Eight: Digital Gaming Institute was training in Digital Media and Gaming. This training was to be provided in partnership with McMaster University within the Creative Catalyst in downtown Hamilton. Unfortunately, Silicon Knights experienced some difficulties in the gaming market which continue today and they are no longer able to participate in the Creative Catalyst project.

Since these alternative options for the Creative Catalyst did not materialize, staff has been unable to move forward. Therefore, any hope that the Tivoli Theatre and the Canadian Ballet Youth Ensemble could be integrated into the “funding mix” for the Creative Catalyst was not possible.

The Canadian Ballet Youth Ensemble applied for one-time funding under the Community Partnership Program (CPP) in the amount of \$35,000 to hire the Hamilton Philharmonic Orchestra for the 2011 Hamilton Ballet Youth Ensemble production of "The Nutcracker". Staff's recommendation to the Grants Sub-Committee (GRA12003) at its meeting held April 24, 2012 was to deny the request, as applications under the CPP may not be considered if the applicant has any monies owing to any City of Hamilton departments. At that time the applicant owed monies to HECFI.

Staff undertook a review of potential funding for the Tivoli Theatre at the municipal level. However, apart from the financial incentives advanced to the Canadian Ballet Youth Ensemble described below in Report PED13055, there were no other funding sources available. Staff did connect Belma Diamonte with Corporate Services for the purpose of obtaining tax exemption status for the Tivoli Theatre.

Tivoli Theatre and Canadian Youth Ballet: Funding Received under the City of Hamilton's Financial Incentives

Notwithstanding the status of the Creative Catalyst project, staff from the Planning and Economic Development Department (Urban Renewal Section, Tourism and Culture Division and Development Planning Section) has met a number of times over the last two years with Belma Diamonte with varying results. During these discussions, Belma Diamonte advised staff that the Hamilton Ballet Youth Ensemble approached both the Federal and Provincial governments with regard to assistance with funding. To date, no funding has been confirmed by either level of government. Examples of Federally sponsored programs which Belma Diamonte may have been eligible for include the Canadian Cultural Spaces Fund and the Canadian Heritage Legacy Fund.

The Tivoli Theatre, located at 108-114 James Street North (as identified in Appendix "A" to Report PED13055), is a prominent landmark in Hamilton. The portion of the property fronting on James Street North contained a now-demolished structure built in 1875, which has most recently been used as a lobby for the Tivoli. The portion of the property fronting on Hughson Street North contains a structure that served as the Tivoli's auditorium. It was constructed in an Italian Renaissance style with intricate interior detailing.

The property was designated under Part IV of the Ontario Heritage Act by the City of Hamilton in 1990 (By-law 90-255), and in 2004 (By-law 04-256). The City of Hamilton offers financial incentives geared to the preservation/conservation of heritage properties that are designated under the Ontario Heritage Act.

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The Canadian Ballet Youth Ensemble received the following funding under the programs:

Hamilton Heritage Property Grant Program (HHPGP)

City Council, at its meeting held August 7, 2008, approved a maximum grant in the amount of \$20,000 for the Hamilton Ballet Youth Ensemble under the Hamilton Heritage Property Grant Program (HHPGP) for historical reports/assessments on the Tivoli Theatre. Subsequently, in December 2008, a grant in the amount of \$20,000 was advanced towards the cost of a Feasibility Study of Rehabilitation of the Tivoli Theatre prepared by Janis A. Barlow & Associates.

City Council, at its meeting held July 9, 2009, approved a grant in an amount of \$78,250 representing 25% of the estimated cost of \$313,000 for stabilization works to be undertaken on the Tivoli Theatre. The proposed works were based on a report prepared by PGA GBCA dated March 2009, outlining existing conditions and proposed stabilization works on the Tivoli Theatre. Subsequently in December 2009, in accordance with the terms and conditions of the HHPGP, a grant was advanced to the Hamilton Ballet Youth Ensemble in the amount of \$75,455.62 representing 25% of the paid invoices received which totalled \$301,822.50.

Hamilton Community Heritage Fund Loan Program (HCHF)

City Council, at its meeting held December 9, 2009, approved a loan in the amount of \$50,000 for the Hamilton Ballet Youth Ensemble under the Hamilton Community Heritage Fund Loan Program (HCHF) for roof repairs on the Tivoli Theatre. The loan was advanced in June 2010 in the amount of \$49,450.40 based upon the amount of paid invoices for the retrofit of the roof. The loan is secured by a third mortgage on title. A Notice of the Heritage Easement Agreement is also registered on title. Under the HCHF, repayment of the loan is based on one of the following options: i) principal is repayable in monthly loan payments of up to a maximum of ten (10) years; or, ii) principal is repaid commencing one (1) year following completion of construction. The balance outstanding will be paid by a balloon payment at the end of the five (5) year term. Upon the sale of the property, the loan is due and payable upon closing.

Summary of Municipal Loans/Grants to the Canadian Youth Ballet Ensemble for the Tivoli

Hamilton Heritage Property Grant Program (Feasibility Study)	\$20,000.00
Hamilton Heritage Property Grant Program (Stabilization Work)	\$75,455.62
Hamilton Community Heritage Fund Loan Program (Roof Repair)	<u>\$49,450.40</u>
Total	\$144,906.02

Current Status:

Over the last eight (8) months, staff from the Urban Renewal and Business Development Sections, along with the City Manager and Councillors Farr and McHattie have all met with Belma Diamonte and members of the board of the Hamilton Ballet Youth Ensemble to discuss options and the potential for sale of the property. Staff deferred completion of this Report (PED13055) to allow time for some of these meetings to take place.

In June 2012, Belma Diamonte advised staff from the Economic Development Division that the Tivoli property was available for sale and that there were a number of interested parties with whom she was working. Belma Diamonte advised that her goal remains focused on the restoration of the Tivoli Theatre, whether through the Hamilton Ballet Youth Ensemble or by selling the property to another developer.

Most recently, The Hamilton Spectator printed two articles, February 15, 2013 and February 17, 2013 with respect to the Tivoli, stating that the Tivoli property is being sold to a development company controlled by Belma Diamonte's husband, Domenic Diamonte. Belma Diamonte confirmed this information was correct during a meeting with staff. Staff is not privy to the details of the sale nor the date that the deal will be completed. However, staff of the Urban Renewal Section, Development Planning Section met with Domenic Diamonte on January 8, 2013 to discuss planning approval processes as well as financial incentive programs that would be available if the property was to be purchased by Domenic Diamonte and redeveloped. The financial incentive programs that were highlighted if Domenic Diamonte purchased the property included the following:

- Hamilton Downtown Multi-Residential Property Investment Program
- Hamilton Downtown Property Improvement Grant Program
- Commercial Property Improvement Grant Program
- Hamilton Heritage Property Improvement Grant Program (for the auditorium component of the property)

Staff also advised of the 90% exemption in development charges.

Staff will work with whoever becomes the new owner of the Tivoli property to assist them in the redevelopment process including applications to the suite of Urban Renewal programs for which the development might be eligible.

Should the sale of the Tivoli Theatre be completed, upon the close of the sale, the loan under the HCHF referred to earlier in this Report would become due and payable. If the Hamilton Ballet Youth Ensemble retains ownership of the auditorium portion of the property as part of a change of ownership, staff would have to consider whether or not the loan repayment should be transferred to the new owner, remain with the Hamilton Ballet Youth Ensemble or be paid back. In order for this to be considered as an option,

both the seller and the buyer would have to be in “good standing” with the City of Hamilton without any outstanding Municipal debt or tax arrears. Staff is aware that the City has recently issued a statement of claim against the Hamilton Ballet Youth Ensemble seeking payment of unpaid rental fees for the use of the Hamilton Place facility and expenses incurred as a result of the 2011 Hamilton Ballet Youth Ensemble production of “The Nutcracker”.

For the information of Committee and Council, the Hamilton Ballet Youth Ensemble is one and the same as the Canadian Ballet Youth Ensemble.

Outstanding Business List:

Report PED13055 addresses the item on the General Issues Committee Outstanding Business List with respect to “Canadian Ballet Youth Ensemble”. Therefore, this item can be removed from the List.

APPENDICES / SCHEDULES

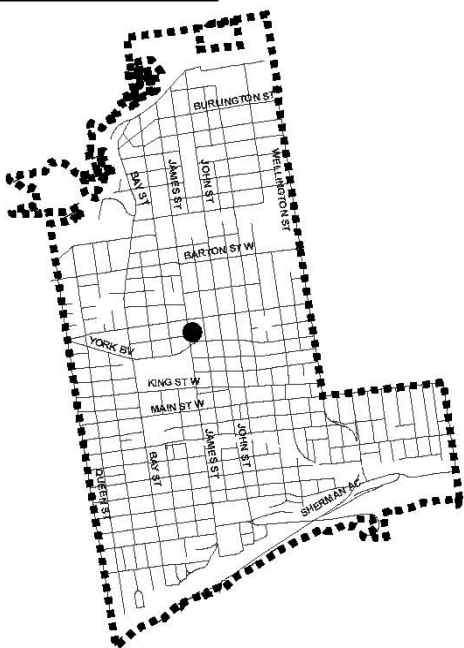
Appendix “A” to Report PED13055 – Location Map

JN/HM:dkm

Appendix "A" to Report PED13055



● Site of the Application



Ward 2 Key Map

N.T.S.



Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
108-114 James St N

Date:
July 15, 2008

Appendix "A"

Scale:
N.T.S.

Planner/Technician:
HM/LMM

Subject Property



108-114 James Street North