

Hugh's Room Live Feasibility Report – for inclusion in the Business Plan

Background

Hugh's Room Live is applying to the Cultural Spaces fund for assistance in purchasing and re-purposing an historic church at 296 Broadview Avenue, Toronto, ON. In preliminary discussions with Cultural Spaces officials, we have been directed toward submitting a grant application that falls broadly under the construction part of the grant and we have focused our efforts on answering the questions and submitting a business plan, budget and other supporting materials required in that application stream.

We are not applying for funding to conduct a feasibility study which often is a precursor to a major construction grant application because we believe that we have undertaken extensive due diligence and planning work that satisfies us, and, we hope, satisfies the grant reviewers that this construction project indeed is extremely feasible. That is the purpose of providing this summary document as part of the larger grant application.

I. The Building and Site

We have been investigating the possibility of purchasing this building for several months now. As a result, we have undertaken several studies, all of which lead to the conclusion that the building is solid and there are no structural issues or environmental concerns. A Heritage accessibility study has confirmed that accessibility is very doable. A planning study gives us confidence that we can achieve our required uses through a Committee of Adjustment application and not a more extensive and time-consuming zoning application. We are able to provide the following reports in support of these conclusions:

1. Architectural site plan – 2012
2. An Environmental Site Assessment conducted in October 2018 – Andre Breberina – no environmental concerns
3. A Site Investigation Report carried out by Blackwell Structural Engineers on June 30, 2021 – structurally sound
4. Building Conditions Report conducted by CMG Engineering – October 2021 – building is in good condition – no major issues
5. Accessibility Memo prepared by ERA Architects in October 2021 advising that accessibility in this Heritage Building can be achieved via a ramp outside and elevator inside
6. Planning Memo prepared by Gladki Planning Associates – November 2021, indicating that HRL has a strong case to achieve required use approval through a minor variance application to Committee of Adjustment
7. Main floor layout prepared by Architect Kaj Devai showing a seating layout that has sufficient seating for our business model
8. Parking Study conducted by NexTrans Consulting Engineers in October 2020

II. Financial Planning

We have developed two sets of spread sheets. One set outlines the funding requirements to purchase the premises, renovate it and provide the working capital over the next several years while we are getting the premises ready for live music. The other set is a high-level pro forma

that sets out a business model for operating in the steady state as a place where performances will happen and there will be community uses. These projections are based on actual results operating for several years prior to Covid. We have conservatively forecasted two years of operating losses with positive cash flow being generated in the third full year of operations. Since our team already has direct experience running a Live Music Performance Space, we feel that positive cash flow could be reached sooner. The forecast assumes that all other uses of the community centre will be operated on a break-even OR sponsored basis.

III. Market Analysis

Will there be a market for our performances and other uses at 296 Broadview? While we have not conducted a formal market analysis, we are extremely confident that HRL will be a successful performance venue and music-focused community centre in East Toronto. We arrive at this conclusion for the following reasons:

- a. 60,000 patrons saw shows at our previous location at 2261 Dundas Street West over a period of three years. This location was much further west of the downtown core than 296 Broadview is to the east of downtown. It became and still is a destination venue. It was worth the drive or the transit trip to see the amazing shows we presented. 296 Broadview is on or very close to three streetcar lines and parking.
- b. Further evidence that our audiences will follow us for the quality of the performance is the fact that we are presenting shows at two temporary locations in the west end and close to downtown which are being well-attended.
- c. We have been reaching out to some organizations in the neighbourhood and are finding that there indeed is a lot of interest in doing partnerships with them. (Jen and MJ to provide more info here).

IV. Community and Political Support

In addition to the above building due diligence, we have done extensive outreach to City of Toronto and other levels of government officials and are actively working on a plan to reach out to and engage the local community and other communities in creating a music-focused community centre:

1. We are in regular contact with the local Councillor – Paula Fletcher. She is absolutely behind our efforts to purchase the property and use it for a music-focused community centre that includes involvement of artists, other communities and presentation of concerts and performances. We also have the support of Councillors Brad Bradford and Joe Cressy.
2. We meet as required with Mike Tanner and Patrick Tobin from the City's Arts and Culture Department and they are very supportive of having HRL move into 296 Broadview. It would provide that area of Toronto with much-needed music and cultural opportunities at a time when the City is losing many of its small- to mid-sized venues and in an area that is underserved for live music.

3. We have a team that is developing the concept of what a music-focused community centre might include. The team includes at least one individual with strong roots in the community and a track record of successfully engaging local support for projects such as this one. A synopsis of the scope of our community centre thinking is part of the Case for Support that we are using for fund-raising and that is included with this application.
4. We are in the process of reaching out to Provincial and Federal riding representatives to ensure they are aware of our interest in the premises and to seek their support.
5. We have been working with artists throughout this process and have created an HRL Artists Advisory group of twenty significant artists to consult on building design and program development. This group also includes emerging and veteran professional artists, students, amateurs, independent teachers, and representatives from post-secondary institutions.

V. A Strong and Active HRL Team

None of this happens without lots of committed individuals and HRL is indeed fortunate to have assembled a team of close to fifty people from all walks of life – artists, business, government, music industry – all of whom share a passion for live music and re-building the wonderful intimate listening experience that HRL is known for. Our org chart which is included in our Case for Support shows:

1. An experienced nine-person Board of Directors
2. A venue search committee with real estate, architectural and planning expertise
3. A Music-focused Community Centre team of artists and music lovers
4. A Programming team that already is booking highly successful shows in two temporary locations – 3030 Dundas St. W and El Mocambo
5. A Marketing and Brand committee to support all the work we are doing
6. A Capital Campaign group that is in the process of raising funds for this project.

IV. Fund-Raising

Now that there is a serious prospect of purchasing our own venue, our Capital Campaign group has launched a fund-raising campaign built around a Case for Support (would include this document). The work effort here includes:

- Establishing a series of bridge bonds which have generated \$400K in loan money to purchase the property.
- Creating a campaign cabinet and an Honorary Advisors' group to reach out to potential donors
- Undertaking outreach to the thousands of fans of HRL. Already we have raised \$130K in donations.
- Exploring potential sources for funding and other support at the Provincial level, including the Ministry of Heritage, Sport, Tourism, and Culture industries, and the Ministry of Infrastructure.
- Initial discussions with a credit union about sponsorships opportunities, including naming rights

It should also be noted that we successfully raised \$220,000 in donations over the three years we operated prior to Covid.

V. Conclusion

We are confident that the steps we have taken, as outlined above, lead to a conclusion that this project is extremely feasible and will make a big difference to the lives of artists who want to perform on our stage, audiences who want a return to the intimate listening experience for which we are famous and the many communities who will turn to 296 Broadview as a wonderful resource and community centre.

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