



REPORT

Report Date: June 9, 2021
Contact: Harry Khella
Contact No.: 604-829-2087
RTS No.: 14537
VanRIMS No.: 08-2000-20
Meeting Date: June 23, 2021
[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities

FROM: City Manager, City of Vancouver
President and CEO, Pacific National Exhibition

SUBJECT: Hastings Park - PNE Master Plan Program: Amphitheatre Renewal

RECOMMENDATION

- A. THAT Council approve in principle the Amphitheatre Renewal project as outlined in this report.
- B. THAT Council direct staff to proceed to the planning and design phase of the Amphitheatre Renewal project, and provide Council an update prior to construction.
- C. THAT, subject to approval of Recommendations A and B, Council approve the addition of \$7.1M to the Multi-Year Capital Project Budgets and Annual Expenditure Budgets; sources of funding to be:
 - i. \$6.0M from the Capital Financing Fund to be added to the 2019-2022 Capital Plan for the planning and design work and preliminary project infrastructure upgrades associated with the Amphitheatre Renewal Project; and
 - ii. \$1.1M from the approved 2019-2022 Capital Plan funding (Hastings Park Reserve) for implementation of Hastings Park Master Plan for site-wide infrastructure renewal.

REPORT SUMMARY

The Hastings Park-PNE Master Plan seeks to renew and transform a great City space, and create a destination area for the residents and visitors of Vancouver. The renewal and upgrade of the Amphitheatre venue will create a world-class outdoor space enabling growth of community and commercial events, establish a vibrant, year-round cultural space, and increase revenues to make the site financially sustainable. This report outlines the business case for renewing the Amphitheatre venue, the design vision and the implementation schedule.

The Amphitheatre renewal project will serve as a catalyst for growth, provide increased access to arts, culture and musical groups to the space, build community, foster Reconciliation, and provide an opportunity for the events industry to recover from the COVID-19 downturn. Extensive community engagement has already taken place and as the project proceeds towards planning and design, further community dialogue is planned.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In December 2010, Council adopted the Hastings Park/PNE Master Plan, noting that implementation of the Plan was subject to future Capital Plans. The Hastings Park/PNE Master Plan proposed a transformation of Hastings Park into a significantly greener and more accessible public park while ensuring economic vitality and long-term sustainability.

In August 2013, Council approved the implementation plan for a new governance structure for Hastings Park/PNE.

In June 2015, Council approved the new Hastings Park/PNE Governance Review and By-Law Update.

In June 2016, Council approved in principle the Playland Redevelopment Plan to revitalize the amusement park within Hastings Park.

In September 2019, Council approved the Culture I Shift: Blanketing the City in Arts and Culture strategy, Vancouver Music Strategy, and Making Space for Arts and Culture Strategy.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The proposal to upgrade the Amphitheatre described in this report presents a significant opportunity to improve access and opportunities for arts, cultural and music groups, and fills a gap in the local venue market. It is supported by a strong business case, with a projected \$49 million net present value and twelve-year payback period and would be an important contribution to Vancouver's pandemic recovery. While the implementation of this project would take place over multiple years, its legacy would be experienced for generations. For these reasons, the City Manager recommends approval of the foregoing recommendations.

REPORT

Background/Context

Hastings Park-PNE

1) Summary

Hastings Park is one of Vancouver's largest urban parks encompassing 165 acres and draws visitors from across the region throughout the year. Hastings Parks is a site for celebration and social gathering that brings people together for both organized events and unstructured activities.

Within Hastings Park, the Pacific National Exhibition (PNE) operates as a non-profit organization wholly owned by the City of Vancouver. The organization is financially self-sufficient through its revenue-producing business streams. The site hosts hundreds of events, performances and community programs each year, as well as Playland amusement park and the annual PNE Fair. In 2019 (from April 2019 to March 2020), the PNE hosted 209 events, over 2.5 million guests, and brought in \$61M in revenue to the local economy.

As a not-for-profit organization, the PNE invests 100% of its proceeds back into the site, facilities and programs, and the care and maintenance of green spaces within Hastings Park.

The PNE is responsible for facility maintenance and park upkeep at Hastings Park. This includes day-to-day maintenance of onsite indoor facilities such as the Pacific Coliseum, Forum, Agrodome, Rollerland, Livestock Building and Garden Auditorium, and of outdoor public spaces such as the Sanctuary, Italian Gardens, Momiji Garden and Festival Park.

2) Site Overview

a) Location

Hastings Park is a 165 park public located in the Hastings-Sunrise community located in close proximity to səɪlɪwət (Burrard Inlet). Its boundary is bordered by McGill Street to the north, Pender Street to the south, Renfrew Street to the west and the Cassiar Connector to the east. It is a site that serves many purposes for the community. As a result, there are many stakeholders that operate within its boundaries. Figure 1 shows the site context.

b) Site Governance

Legal Framework

In 1889, the Hastings Park land parcel was donated in trust to the City by the Province for the "use, recreation and enjoyment to the public." The intent of the use of the land was clarified via the 'PNE Enabling and Validating Act' passed in 2003. This legislation deemed that the types of activities taking place on site currently and historically are consistent with the intent of the Trust.

The Enabling Act also confirmed the authority of the City to use Hastings Park for those specific uses and activities provided for in the Enabling Act and to authorize other uses and activities that are consistent with the specified uses and activities in compliance with the Trust.

In 2004, the Province transferred ownership of the PNE to the City of Vancouver and the PNE is now a City entity on City land. The PNE operates at arms-length, but is governed by a City Council appointed Board of Directors.

In 2010, as part of the City Council approved Hastings Park-PNE Master Plan, a governance review of Hastings Park was requested. For over 100 years, the site had been governed by the PNE. In 2013, after extensive review by third-party consultants in conjunction with City staff, a new governance structure was approved by City Council for Hastings Park and the PNE. This structure reaffirmed PNE activities on-site with a new Board of Directors appointed to oversee the PNE and Hastings Park.

PNE Board of Directors

City Council is responsible for decision making on the capital-funding envelope relating to initiatives as part of the HP-PNE Master Plan. City Council also appoints the PNE Board members on the basis of their combined skills and experience to ensure appropriate oversight of the diverse activities and facilities on site. City Council delegate to this Board of Directors the authority to govern Hastings Parks and the PNE, which includes the implementation of the HP-PNE Master Plan.

The Board of Directors consists of a maximum of nine members; one City Councillor, four senior City employees, and four non-City members. One of the City employee appointments is to be the General Manager of Vancouver Board of Parks and Recreation who serves as the Vice-Chair of the Board.

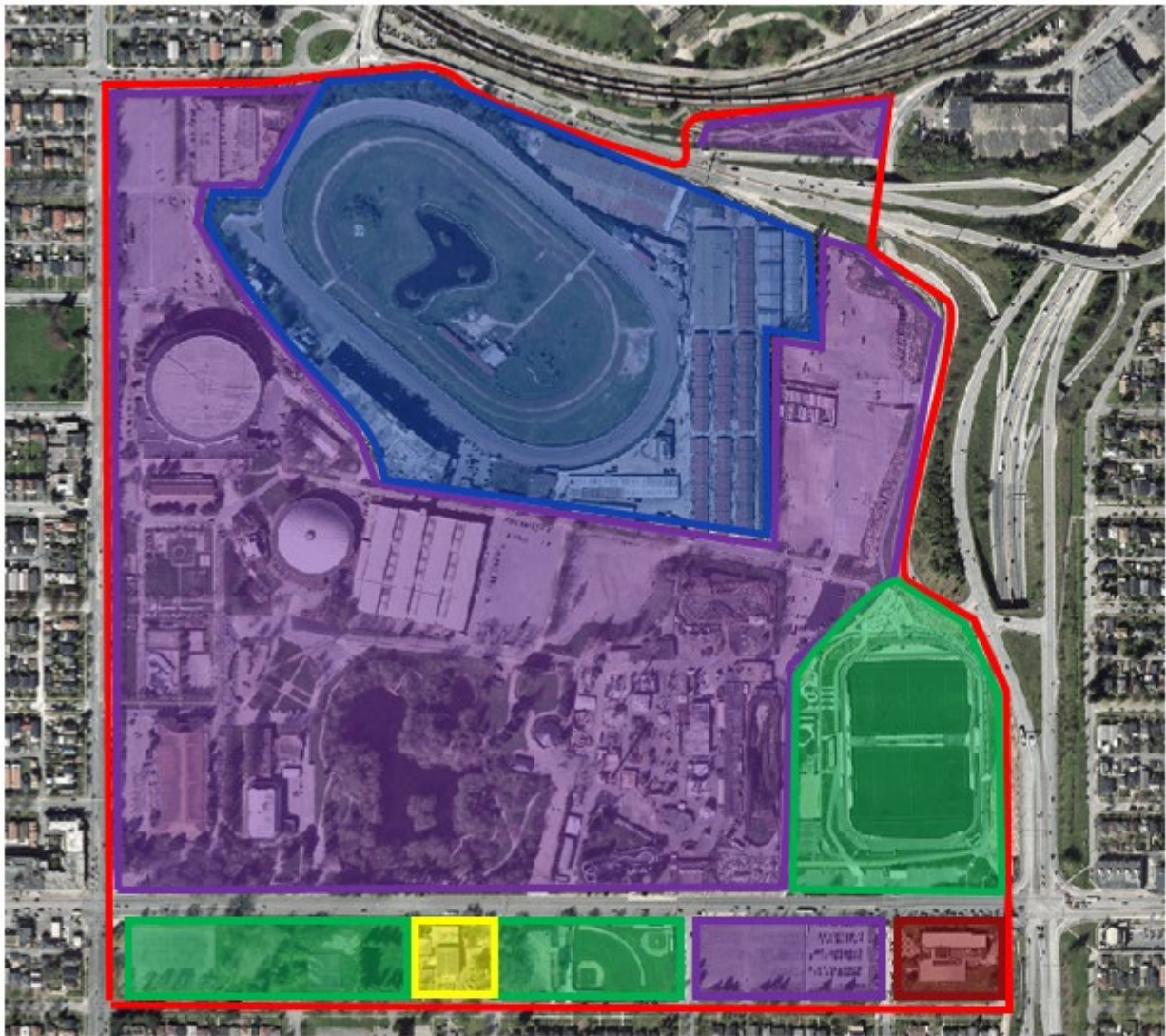
c) Site Operation

The PNE is the main operator within the Hastings Park footprint, but shares this space with several other organizations operating within its boundary. These organizations include:

- **Pacific National Exhibition:** The PNE operates close to 105 acres within Hastings Park and hosts a variety of events throughout the year. PNE staff are responsible for day-to-day maintenance.
- **Vancouver Board of Parks and Recreation:** The Park Board operates areas south of Hastings Street and is responsible for Empire Fields and Slidey Slides Park on the eastern edge of Hastings Park. They provide open space and recreational activities for the community in these areas.
- **Hastings Community Centre Association:** The Hastings Community Centre Association works in partnership with the Vancouver Park Board to operate the Hastings Community Centre to provide recreation, social, educational and cultural opportunities in the Hastings-Sunrise area.
- **E-Comm 911:** The southeast corner of the site is operated by E-Comm 911 that provides emergency communication services in the interest of public safety and public service. .
- **Great Canadian Gaming:** Great Canadian Gaming operates Hastings Racecourse under a separate lease agreement with the City of Vancouver.

Figure 1 highlights the overall Hastings Park site and outlines where different organizations operate within its boundary.

Figure 1 - Hastings Park Site Footprint and Stakeholders



- Hastings Park Boundry
- Operated by Great Canadian Casinos with lease to COV
- E-Comm 911

- Area operated by Hastings Community Association
- Area operated by Park Board
- Area operated by PNE

3) Community Benefits

The PNE has been a Vancouver institution for 111 years and its impact is felt in the community in many ways:

- **Employment:** The PNE is home to over 4,200 staff including over 4,000 employees that serve in the four (4) unions (CUPE Local 1004, IBEW Local 213, IUOE Local 882 and IATSE Local 118) that are active on the site.
- **Youth Employment and Mentorship:** The PNE is the largest employer of youth in the Province and provides an opportunity for younger generations to gain work experience, develop personal responsibility, and earn income. The PNE also supplies local teens to education, mentorship and skill development through the PNE Youth Council. Over 1,200 staff at the PNE are under the age of 21.
- **Economic Impact:** The PNE delivers more than \$200M in overall economic impact to the region helping support local retail, dining and service providers.
- **Events:** In 2019, the PNE held over 326 event days ranging from the Fair, Playland, concerts, family shows, trade and consumer shows, and site rentals.
- **Tourism:** The PNE draws more than 185,000 annual visitors from outside the city, region, and province to its events each year.
- **Social Connections:** The PNE site hosts over 2.5 million visitors per year¹ and has been a long-time destination for families and friends to share connections.
- **Community Investment:** The PNE contributes over \$1.5M in community grants, subsidies and donations each year to over 400 local charities, schools and community organizations.
- **Valued Entertainment:** The PNE was selected as BC's 10th most loved brand in 2020 by BC Business and the 7th most loved attraction for 18-34 year olds.
- **Environmental Leadership:** The PNE is a recognized leader for the environment, winning the Recycling Council of BC's 2018 Environmental Award for non-profits in recognition of the PNE's efforts towards zero waste.
- **Affordability and Education:** The PNE removes barriers with a dedicated focus on affordability, access and education to the local community through the Leisure Access Pass at Playland, accepting Access 2 cards for guests with development disabilities, free days and promotional days. The PNE also allows local elementary and high school students to experience science at work by showcasing Playland and the other amusement attractions.
- **Rights Recognition, Diversity, Inclusion and Access:** Targeted outreach to low-income, minority and marginalized groups is a cornerstone of the PNE business model, including an opportunity for rights recognition through engagement with Musqueam Indian Band, Squamish Nation and Tsleil-Waututh Nation.

¹ 2019 financial year

4) Hastings Park-PNE Master Plan

a) Vision

In 2010 and through public consultation, City Council adopted the Hastings Park-PNE Master Plan. The plan provided a roadmap for renewing Hastings Park and guides the capital investments needed to achieve the overall vision of the site as a multi-purpose destination for economic development, culture and entertainment, and as a park and public space for the local community and residents across the city and region.

The public consultation process helped develop a vision statement for the Hastings Park-PNE Master Plan outlining that:

- **Hastings Park is a place of renewal and transformation** – evolution of a great city park, the rebirth of a forgotten creek, the rejuvenation of Vancouver's historic fair and amusement park.
- **Hastings Park is a place of celebration** – a gathering place of year-round festivals, events, local markets, exhibitions and performances – a place that celebrates community pride, creativity and fun
- **Hastings Park is a place of connections** – a place to connect with culture, nature, and residents, with the past and the promise of the future, connecting land and water, linking the local community and the city to parkland, programs, and facilities
- **Hastings Park is a destination for local residents and visitors** – a dynamic, Citywide park that is an enabling and supportive environment for the arts, culture and events – a place of long-term economic vitality, sustainability, and innovation.

Delivery on the Hastings Park-PNE Master Plan provides an opportunity to incorporate First Nations and Urban Indigenous perspectives.

b) Goals

The overall Hastings Park-PNE Master Plan seeks to improve service to Vancouver residents through four main objectives.

- i) **Enhance the Environment and Park Space:** Increasing green space at Hastings Park from 27 to 76 acres and daylighting historic Hastings Creek down to Burrard Inlet will establish a public park space with natural beauty in an urban setting.
- ii) **Improve Physical and Social Connections:** Increasing physical and social connections in our city by improving the ways people can connect, share experiences, and enjoy the public space and events hosted by the PNE. This includes providing improved access for pedestrians and cyclists to access the surrounding community.
- iii) **Renew Facilities and Infrastructure:** Upgrading facilities and site infrastructure and heritage buildings will ensure Hastings Park continues to be a destination for events into the future.

- iv) Provide Economic Vitality:** Investing in revenue-generating facilities will help provide economic strength and financial sustainability to pay for the increased costs associated with maintaining redeveloped areas of the park and ensure financial sustainability for the PNE and Hastings Park into the future.

c) Projects

The Hastings Park-PNE Master Plan calls for a number of priority projects to be completed over the course of several decades. Some project have been completed, while others are contemplated.

Completed Work

Since 2010, the initial phase of Hastings Park-PNE Master Plan development was focused on green space and park access projects and facilities renewal and upgrades. As such, a number of projects have been completed on site, including:

- Redeveloping Creekway Park as a connection from Hastings Park to New Brighton Park.
- Adding temporary greenways throughout Hastings Park to facilitate pedestrian and bike traffic and to ensure east-west connectivity throughout the park.
- Developing new recreational spaces at Slidey Slides Park and Empire Fields
- Implementing a new signage and identity plan to improve park identity and wayfinding for guests within the park.
- Performing various capital maintenance and facility improvements to key historic buildings such as window replacement at the Garden Auditorium and Livestock Building, re-roofing at Hastings Room, Garden Auditorium and Agrodome, and partial seismic upgrades at the Livestock Building and Forum.
- Upgrading the Pacific Coliseum ice plant.
- Developing a Hastings Park Infrastructure (utility) Strategy.

Future Work

Future priority projects which are contemplated to be completed over the next 25 years as part of the Hastings Park-PNE Master Plan include:

- Renewing the Amphitheatre and creation of the new Festival Plaza.
- Daylighting Hastings Creek through the site to connect the Sanctuary and Burrard Inlet.
- Renewal and greening of the site-wide utility infrastructure.
- Redeveloping and expanding Playland.
- Improving transit and access within the site.
- Providing additional and improved greenspace (Festival Meadows, the Parade, the Green, the Alee and the Garden's Garden).

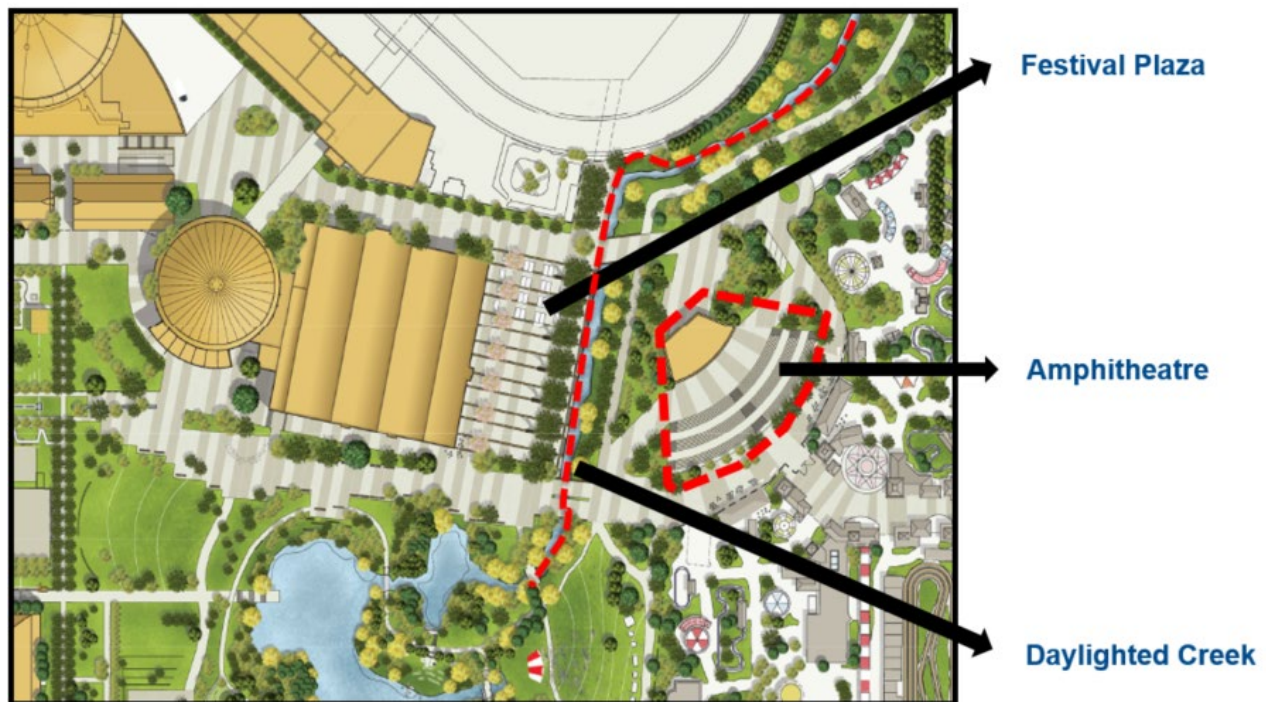
- Renewal of the administrative building.
- Adding new parking facilities to meet anticipated demand.

d) Heart of the Park

The “Heart of the Park” (see Figure 2) was identified as a distinct zone within the Hastings Park-PNE Master Plan. It is a proposed celebration space at the centre of the PNE with flexible, programmable areas for events and day-to-day use. The “Heart of the Park” is envisioned to be the centre of the park’s energy and vibrancy and a draw for visitors throughout the year.

The “Heart of the Park” consists of three integrated elements: Amphitheatre, Daylighted Creek and site wide infrastructure .

Figure 2 - Heart of the Park



- i) **Amphitheatre Renewal:** Envisioned to be a world-class outdoor venue, a renewed Amphitheatre is the biggest impact project in the “Heart of the Park”. It will enable growth for community and commercial events in the city, help establish a vibrant, year-round cultural space, and increase revenues to make the site financially sustainable and drive economic growth in the Vancouver music sector.

A future new adjacent **Festival Plaza** will be an urban plaza that provides open space and amenities for the year-round programming and accessible public space for active and passive recreational opportunities. High level planning of this area will be reviewed within the Amphitheatre Renewal planning process to ensure the site integration and potential synergies between the Festival Plaza and Amphitheatre are maximized. Festival Plaza project implementation will be in a future phase of the PNE renewal.

- ii) **Daylighted Creek:** One of the key concepts the 2010 Master Plan called for is expanded park space and habitat. Several completed projects have delivered on this intent including the Sanctuary, Italian Gardens, and Empire Fields. Connecting the existing Sanctuary pond in Hastings Park to səilwət (Burrard Inlet) is considered fundamental to the ecological function of the site and will be achieved through a riparian corridor centred on a creek leading to Burrard Inlet.

In order to inform the Amphitheatre project, staff will undertake high level planning to identify the proposed creek alignment and required environmental set-backs. Future phases of work may include the creation of an aquatic and terrestrial wetland with a strong focus on habitat, trails and boardwalks. Technical studies, detailed design and construction of the stream will follow the Amphitheatre Renewal, subject to funding availability.

The Hastings Creek stream restoration is intended to be part of a larger watershed analysis that will meet drainage needs while improving biodiversity and water quality to Burrard Inlet. The Amphitheatre site work can contribute to the overall watershed health by ensuring that the design adheres to the Rain City Strategy Principles, by treating and managing rainwater close to where it falls.

- iii) **Infrastructure Implementation:** Renewing existing and building new suitable utility infrastructure is required to support the vision of the Hastings Park/PNE Master Plan. This includes replacing aging utility assets and implementing sustainable utility infrastructure to reduce greenhouse gas emissions within Hastings Park as well as provide sufficient capacity for growth.

Strategic Analysis

1) Amphitheatre Renewal - Summary

a) Current State

The existing PNE Amphitheatre has been a valued asset to the City since its construction in the 1960s. As an outdoor venue with a current capacity of 7,000, the Amphitheatre has hosted large outdoor festivals and concerts, events, and served as the home to the PNE's Summer Nights Concert Series during the annual PNE Fair.

The existing open-air Amphitheatre is now in poor condition and no longer meets the needs of performers, artists and guests. The venue lacks permanent back-of-house facilities and cover for guests. The venue includes out-of-date concession areas, limited washrooms, and poor accessibility for guests, hindering the venue's ability to leverage the space to its potential. Temporary back-of-house facilities are installed which raises the costs to utilize the venue, pricing out many not-for-profit groups. Moreover, a lack of covered seating shortens the operational season and limits the financial return of the venue.

b) Vision for a renewed Amphitheatre

A redeveloped Amphitheatre provides a unique opportunity to advance a host of goals of the PNE, City, and region. The vision is to create a world-class venue that is a destination for large outdoor

festivals, concerts, community and cultural events throughout the year. The vision for a revitalized and renewed Amphitheatre includes:

- Providing flexible, programmable space that maximizes its commercial potential.
- Offering sociable, inviting, accessible space that can become a year-round destination venue with covered seating.
- Establishing a venue that enables dynamic programming and multi-use options (works well for a variety and scale of activities; passive, active and programmed) and is multi-disciplinary (i.e. used by an extensive range of groups including cultural and commercial).
- Supporting community and commercial events and activities.
- Utilizing environmental and organizational sustainable operations.
- Becoming a venue that positively impacts the surrounding neighbourhood and community.
- Embracing and reflecting x̱w̱məθḵw̱əy̱əm (Musqueam), and the Sḵw̱x̱w̱ú7mesh (Squamish) and sə̱ilw̱ətaʔ (Tsleil-Waututh) and Stó:lō First Nations culture and heritage.
- Being accessible to all citizens.

The Amphitheatre is envisaged to be used by the PNE to present its own shows and events, as well as being offered for rent to individuals, associations, and corporations who will promote, organize and deliver community events.

c) Alignment to the City's Strategic Goals

The PNE Amphitheatre is a valued asset to the City of Vancouver and a redeveloped Amphitheatre venue will support the City's mission "to create a great city of communities that cares about its people, its environment, and the opportunities to live, work, and prosper."

People: *Cultivate and sustain vibrant, creative, safe and caring communities for the wide diversity of individuals and families who live in, work, and visit Vancouver.*

- Increases participation in the arts.
- Provide increased access to the community groups².
- Provide an iconic venue for residents to gather for events.

Prosperity: *Provide and enhance the services, infrastructure and conditions that sustain a healthy, diverse and resilient local economy.*

- Fills the current gap in local event space to support growing demand for events.
- Provides increased venue capacity for the local event and music industry to grow.
- Increases the long-term financial sustainability of the PNE and Hastings Park in delivery of public programs.

² As referenced in strategic goals of D1, D2 and D3 Culture I Shift Strategy <https://vancouver.ca/files/cov/vancouver-culture-shift.pdf>

Environment: *Protect and enhance Vancouver's climate, ecology, natural resources and connections to the city's remarkable natural setting for future generations.*

- Improved sustainability through green infrastructure and renewable energy
- Creation of the One Water Strategy for the Amphitheatre, Hastings Creek and Festival Plaza, that will positively contribute to the stewardship of this land and water

d) Alignment to City Strategies and Policies

The proposed redeveloped Amphitheatre venue provides an opportunity to advance existing City strategies and policies:

City Policy / Strategy	Project Alignment
Culture I Shift – Vancouver Culture Plan 2020-2029 (2019)	<ul style="list-style-type: none"> • Centre arts and culture in city-building
Making Space for Arts & Culture (2019)	<ul style="list-style-type: none"> • Goes towards meeting city-wide 10 year targets of 800,000 square feet of affordable, accessible and safe cultural space, including 150,000 square feet of enhanced and renewed existing cultural space • Addresses target priority for large outdoor spaces with functional infrastructure for performances including both amplified and non-amplified music, particularly capacities from 8,000 to 50,000
Music Strategy (2019)	<ul style="list-style-type: none"> • Promote a sustainable, resilient, and vibrant music industry • Ensure music is represented in city planning and space-making • Foster collaboration and economic growth across the sector • Provide affordable, safe, and accessible places to create, produce, experience and share music • Amplify all genres and music cultures in the city • Attract and retain artists, businesses, tourism opportunities and events that strengthen the local economy
Greenest City Action Plan (2015)	<ul style="list-style-type: none"> • Eliminate dependence on fossil fuels
Healthy City Strategy (2014)	<ul style="list-style-type: none"> • Increase public participation and engagement in the arts
Tourism Master Plan (2013)	<ul style="list-style-type: none"> • Provide compelling destination experiences that reflect the culture and diversity of Vancouver
Vancouver Economic Action Strategy (2011)	<ul style="list-style-type: none"> • Growth of the music sector will promote a high-performing and diverse local economy • Attracting new artists/productions is vital to creating Vancouver's vibrant creative communities

2) Analysis

a) Summary

A business case report for an upgraded outdoor Amphitheatre venue was developed in 2019 and showed a strong business opportunity for a redeveloped PNE Amphitheatre. Analysis showed that a renewed Amphitheatre would fill a gap in the local venue market to meet the strong demand in the events industry. Findings showed:

- The event industry has shown a strong performance track record and anticipated continued growth in events and attendance.
- Flexible venue space that can serve 2,000 – 10,000 capacity events will fill a major gap in the local venue market.
- A venue with large capacity and an extended operating season provides the highest level of public and economic benefits
- Forecasted financial performance for the recommended upgrade showed a strong economic return with a 12-year payback, \$49 million 40-year net present value (NPV), and 9% internal rate of return (IRR).
- While several redevelopment scenarios were considered, significant labour relations impacts exist with pursuing a P3 partnership model. Other partnership options exist to pursue private sector equity and financing to reduce City funding pressures, such as sponsorship, naming rights and booking/access rights. Any sponsorship and/or naming rights partnership at the Amphitheatre would align with the City's naming rights policy.

b) Rationale and Benefits

The Amphitheatre Renewal project provides an opportunity to deliver a host of public benefits to the City and broader region including:

- **Catalysing growth:** A renewed Amphitheatre venue will serve as a growth catalyst within the City by driving commercial and community event growth, providing increased access to the arts and culture scene, and becoming a significant revenue generator.
- **Removing barriers:** The venue will eliminate existing barriers within the city by increasing space for the events industry to provide affordable access to arts, culture and community groups who are currently priced out of many venues.
- **Aligning strategically:** The Amphitheatre Renewal project aligns with many of the City's strategic priorities.
- **Building community:** The project brings arts and music to the forefront of community building through increased public engagement and participation in music and arts³.
- **Rights Recognition:** The project also offers an opportunity for rights recognition with Musqueam Indian Band, Squamish Nation and Tsleil-Waututh Nations, who will be engaged as part of planning and design.
- **Becoming financially sustainable:** A redeveloped Amphitheatre will increase revenue and margins at the PNE, allowing the PNE to meet the increased costs associated with future projects at Hastings Park and enhance the local music and event industry.
- **Stimulating economic recovery:** Post pandemic, a renewed Amphitheatre will play an important role in the economic recovery of Vancouver and the hard-hit music and events industry through increased employment during project design and construction, and the ability to host 49 events each year drawing visitors from outside the city, region and province.

A redeveloped venue will provide a host of tangible benefits at Hastings Park and the PNE including:

³ Per 'Vancouver Music Strategy' priorities.

- **Extended operating season from 5 to 12 months per year:** By providing covered seating, events will not be susceptible to the local weather and will be able to operate throughout the year. This will enable more events and allow guests to engage with the arts and culture scene in all seasons.
- **Increased annual community events:** Community events will increase from 0 to 22 each year through dedicated site access and reduced rates.
- **Increased capacity:** Venue capacity will increase from 7,000 to 9,340, adding more supply in the local venue industry and enabling a growth ladder in the local music and events market.
- **Improved amenities:** Improved amenities such as seating, washrooms, food and beverage offerings, venue accessibility, flex space and Wi-Fi. will enhance the guest experience.
- **Scalable venue size for diverse users:** A flexible and scalable venue arrangement ranging from 2,000-9,000 capacity will enable the Amphitheatre to host a variety of events ranging from local community groups to national tours. Providing local performance and cultural groups the same access as chart-topping artists will help support the local arts, culture and music community.
- **Increased revenue:** The updated venue is anticipated to increase the number of events outside of the annual Fair from 5 to 49 will result in revenue increasing from \$1.4M to \$9.7M (estimated average annual revenue over first 5 years), which represents an 600% increase in venue revenue.
- **Increased employment at Hastings Park:** The new venue is anticipated to create approximately 100 jobs during construction and result in over 40,000 hours of additional annual employment for union employees at the PNE.

c) Studies

A series of studies were completed as part of the planning phase of the Amphitheatre Renewal project. These were focused on identifying the project opportunity and identifying and mitigating potential risks associated with site development. These studies included the following reports:

- Demand Analysis and Business Case (April 2019)
- Renewable Energy Strategy (December 2020)
- Infrastructure Assessment (November 2019)
- Archeological Overview Assessment (October 2019)
- Environmental Assessment: Stage 1 and 2 Preliminary Site Investigation (April 2019)
- Arborist Study (January 2019)
- Traffic, Parking and Access Study (January 2019)

Findings from these reports will inform detailed designs and ensure that all due diligence is complete for the successful Amphitheatre renewal. To date there are no major risks identified with proceeding with Amphitheatre Renewal development.

d) Local Event and Performance Market

Analysis of the event industry shows a strong performance track record and anticipates continued growth in events and attendance. As noted in the Vancouver Music Strategy (2019) and in a report commissioned by Music BC⁴ conducted by Sound Diplomacy, the music industry has the following impacts in Vancouver:

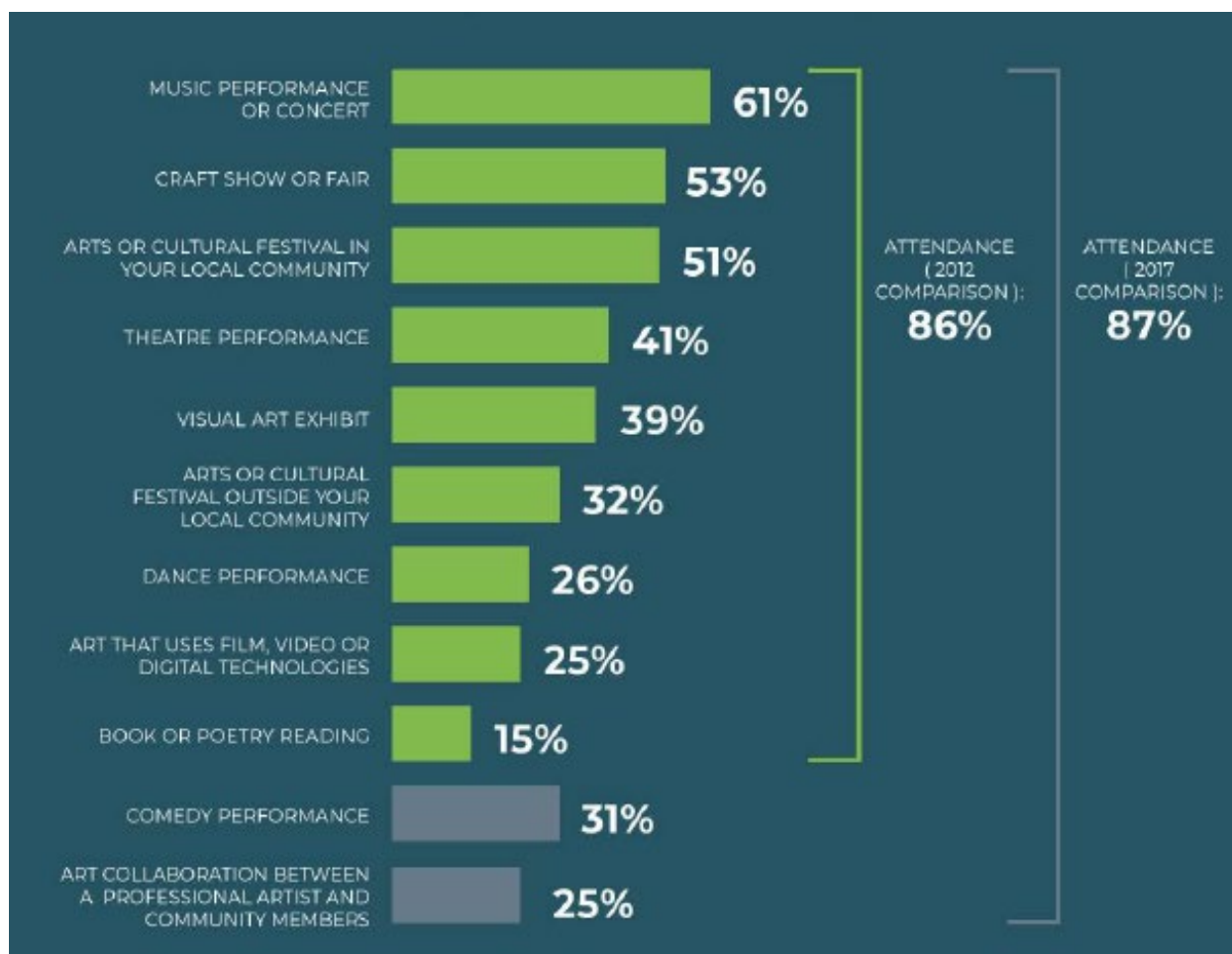
- **Economic Impact:** The economic impact of music in Vancouver, including employment and additional revenue is over \$690M. The induced Gross Value Added (GVA) of music is estimated to be over \$1.5B. Added to the direct economic impact, music is worth over \$2.2B to Vancouver.
- **Employment:** The music ecosystem supports 14,540 jobs, including 7,945 direct music jobs in Vancouver.
- **Income/Wages:** Employment impact of Vancouver's music industry is over \$520M annually, with the average income within the music venue industry at \$51,000 and the festival business at \$65,000.
- **Additional Economic Revenue:** Musicians, music festivals and music venues generate over \$172M per year in additional revenue (i.e. restaurants, parking, accommodations, etc.).
- **Epicentre for Music:** British Columbia is the third largest centre for music production and live music in Canada, placing Vancouver in a position to sustain a thriving local music industry. BC boasts over 160 recording studios, over 285 music companies, and more than 400 festivals that take place across the province each year; and
- **Anticipated Future Growth:** In the next year, 78% of festivals expect to see an increase in attendance, 59% of venues expect an increase in fill rates, and more than half of BC promoters expect to book more shows.

The strength of the local music industry is echoed by the strong demand for performance or arts events at the national level. A study conducted by Hill Strategies⁵ outlined the participation rates for many arts, culture and heritage activities and revealed that more than 80% of Canadians attended at least one performance or arts event in the last year. Figure 3 shows the percentage of people that attended live performances and events, including 61% attending music performances or concerts.

⁴ Sound Diplomacy and Secret Study – Vancouver Music Ecosystem Study (2018)

⁵ Hill Strategies – Canadians' Arts, Culture, and Heritage Participation in 2016 (2018)

Figure 3 - Attendance of live performance arts/events



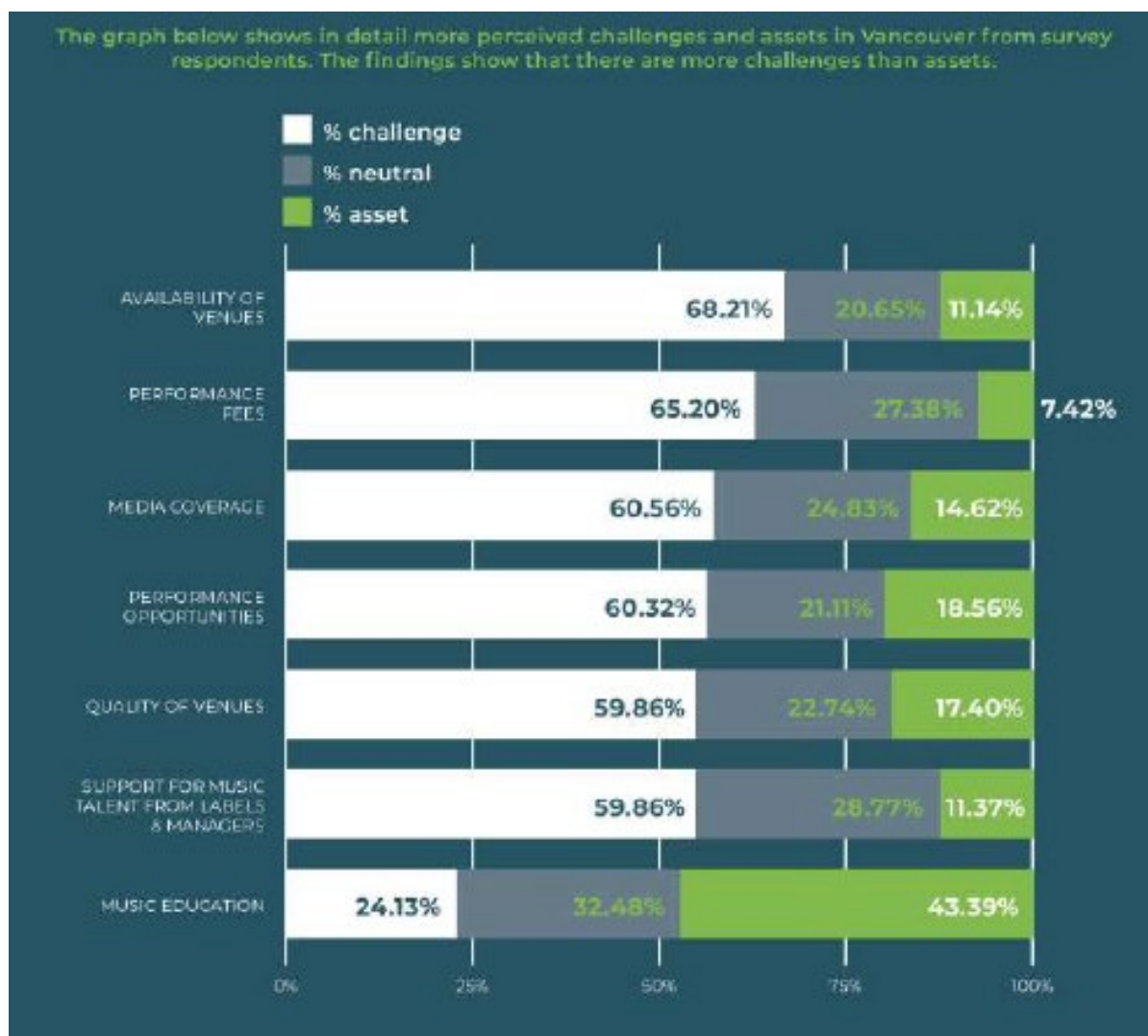
e) Local Venue Supply

Market studies and discussions with commercial and community event producers have shown that there is a supply gap in the local venue market to meet the historical market demand. New constraints have been introduced over the past 10 years have exacerbated the gap and led to a perceived decrease in availability of outdoor venues from event industry producers.

The Vancouver Music Ecosystem Study⁶ conducted in 2018 noted that availability of venues is the #1 challenge facing industry professionals as reflected in Figure 4.

⁶ Sound Diplomacy and Secret Study Projects – Vancouver Music Ecosystem Study (2018)

Figure 4 - Vancouver Music Ecosystem Challenges



The following gaps are demonstrated when combining demand research with the inventory of existing outdoor venues in the City of Vancouver:

- The capacity need for new venues is strong in the range of 1,000-5,000.
- There is a demonstrated demand for new venues in the range of 5,001 to 10,000.

This analysis reveals that a flexible venue space that can serve 2,000 – 10,000 capacity events with an extended operating season will fill a major gap in the local venue market and provide the highest level of public and economic benefits.

f) Design Vision, Recommendation and Impacts Mitigation

Design

Feedback was solicited from the event industry via interviews and a survey with 38 respondents from the commercial and non-profit event industry. This survey identified multiple design

considerations to meet the venue infrastructure needs of community and commercial users. Understanding these considerations ensures the venue meets industry needs, provides a financially sustainable venue for the PNE and City, and provides a first-class guest experience.

This feedback from industry users on venue design considerations was considered and incorporated into several potential redevelopment scenarios, including a financial assessment for each scenario.

Financial Assessment

A financial assessment was completed to forecast the revenues, expenses and net income of a redeveloped Amphitheatre. Several redevelopment scenarios were assessed for the purpose of a feasibility analysis, which are shown in Table 1:

Table 1 - Scenario Scope Analysis

	Capacity	Permanent Front-of-House and Back-of-House Facilities	Covered Stage	Covered Seating	Flex / Suite Space
Option 1 (Minimum Upgrade)	8,750	X	X		
Option 2 (Minimum Upgrade w/ Roof)	8,750	X	X	X	
Option 3 (Mid-Level Upgrade)	9,340	X	X	X	X
Option 4 (High-End Upgrade)	9,820	X	X	X	X

The event calendar assumptions ranged from 16 events for Option 1 up to 60 events for Option 4. Financial projections improved with an increase in events.

The mid-level upgrade shown as Option 3 is the recommended redevelopment scenario as it is the only scenario with a positive net present (NPV) that can be delivered within the contemplated funding envelope, with a projected forty-year NPV of approximately \$49 million and a 12-year payback period. Future upgrades involving additional capacity and front-of-house facilities will be feasible once funding through revenues becomes available.

The findings of the financial assessment (capital cost, net present value, internal rate of return and payback period) are shown in Table 2.

Table 2 - Scenario Financial Analysis

Redevelopment Scenario	Annual Revenue (yrs 1-5 avg)	Capital Cost	Net Present Value (NPV) – 40 years (@5%)	Internal Rate of Return (IRR) – 40 years	Payback Period
Option 1 (Minimum Upgrade)	\$3.5M	\$41.8M	(\$17M)	2%	32 years
Option 2 (Minimum Upgrade w/ Roof)	\$5.4M	\$50.4M	(\$1M)	5%	20 years
Option 3 (Mid-Level Upgrade)	\$9.7M	\$64.8M	\$49M	9%	12 years
Option 4 (High-End Upgrade)	\$14.0M	\$82.4M	\$99M	11%	10 years

Recommended Design

Based on industry feedback and the financial assessment, the recommended Amphitheatre redevelopment scenario is Option 3, a mid-level upgrade, which includes the following design considerations:

- **Increased capacity:** Increasing seated and standing capacity to approximately 9,340 will allow the site to be utilized more frequently and provide financial opportunities for event producers and the PNE.
- **Weather protection and roof:** Providing a covered stage and covered seating will benefit ticket sales and enable an extended operating season for outdoor events.
- **Flexible venue format:** Having a scalable venue design will maximize use of the venue. Stage design and floor plans should be able to accommodate smaller formats in the 2,000-4,000 capacity while also serving events in the 8,000-9,000 capacity range. Rigging points to be considered for full-floor events plus secondary locations for smaller events.
- **Permanent back-of house (BOH) infrastructure:** Building permanent BOH facilities will lower event set-up costs (lowering a key barrier to entry for community and not-for-profit groups), provide modern facilities and amenities for artists and staff, and optimize venue use and financial performance. These amenities include storage, dressing rooms, box offices, production offices, security office, and catering area.
- **Improved front-of house (FOH) infrastructure:** Building improved FOH guest amenities will enhance the guest experience and provide greater financial opportunities for venue users and the PNE. These permanent facilities include washrooms, box offices, food and beverage concession areas, prep kitchens, bar service, and improved accessibility for guests.
- **Improved sound management:** Incorporating innovative sound management design and technology will minimize impact to the surrounding community. A variety of noise mitigation elements to consider include a backstage wall, noise wall at venue perimeters, suspended

noise reduction panels, directional speakers, and continuing current policies for venue users and existing decibel monitoring systems.

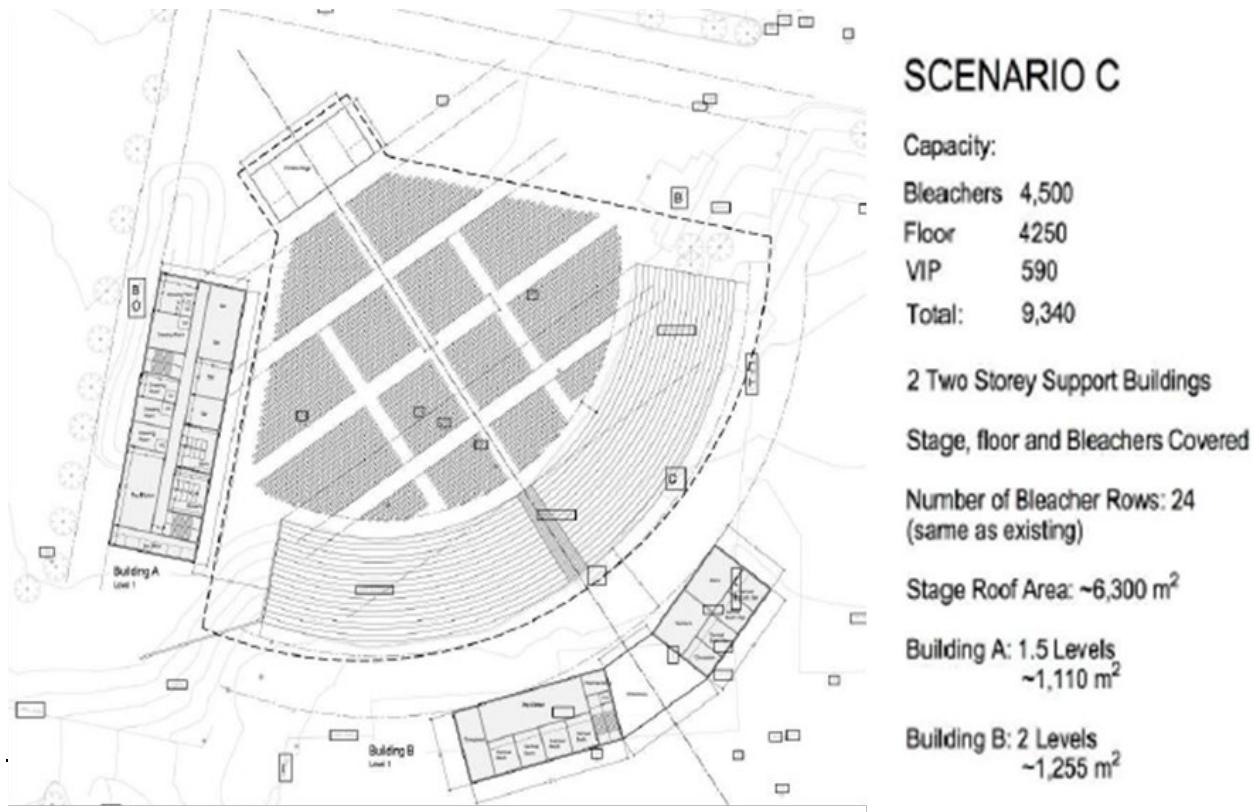
- **Improved utility infrastructure:** Providing sufficient electricity, potable water, grey water disposal, and internet access will be included in the new venue.

Image and footprint from the Business Case Study for the new venue feasibility options are shown in Figures 5 and 6.

Figure 5 - Amphitheatre Renewal Business Case Rendering (potential illustration, not final design)



Figure 6 - Business Case Amphitheatre Site Layout (potential illustration, not final design)



Impacts Mitigation

The Amphitheatre's location in the middle of a public park situated amid a residential neighborhood raises the potential for impacts to the surrounding Hastings-Sunrise community. The project has identified risks and made considerations to minimize negative community impacts.

- Traffic, Parking and Access:** The increased seating and potential events from the new Amphitheatre will have a negligible impact to on-street parking. A Traffic, Parking and Access study was completed in 2019 and determined that the 2,502 stalls of off-street parking onsite at Hastings Park is sufficient since the data showed many of the trips attending Playland were also attending a concert at the theatre.

The study recommended facilitating future mode shift and further reducing parking demand through dedicated passenger loading areas, carpool-only lots for ride sharing, improved onsite bicycle storage and enhanced pedestrian and bike greenways.

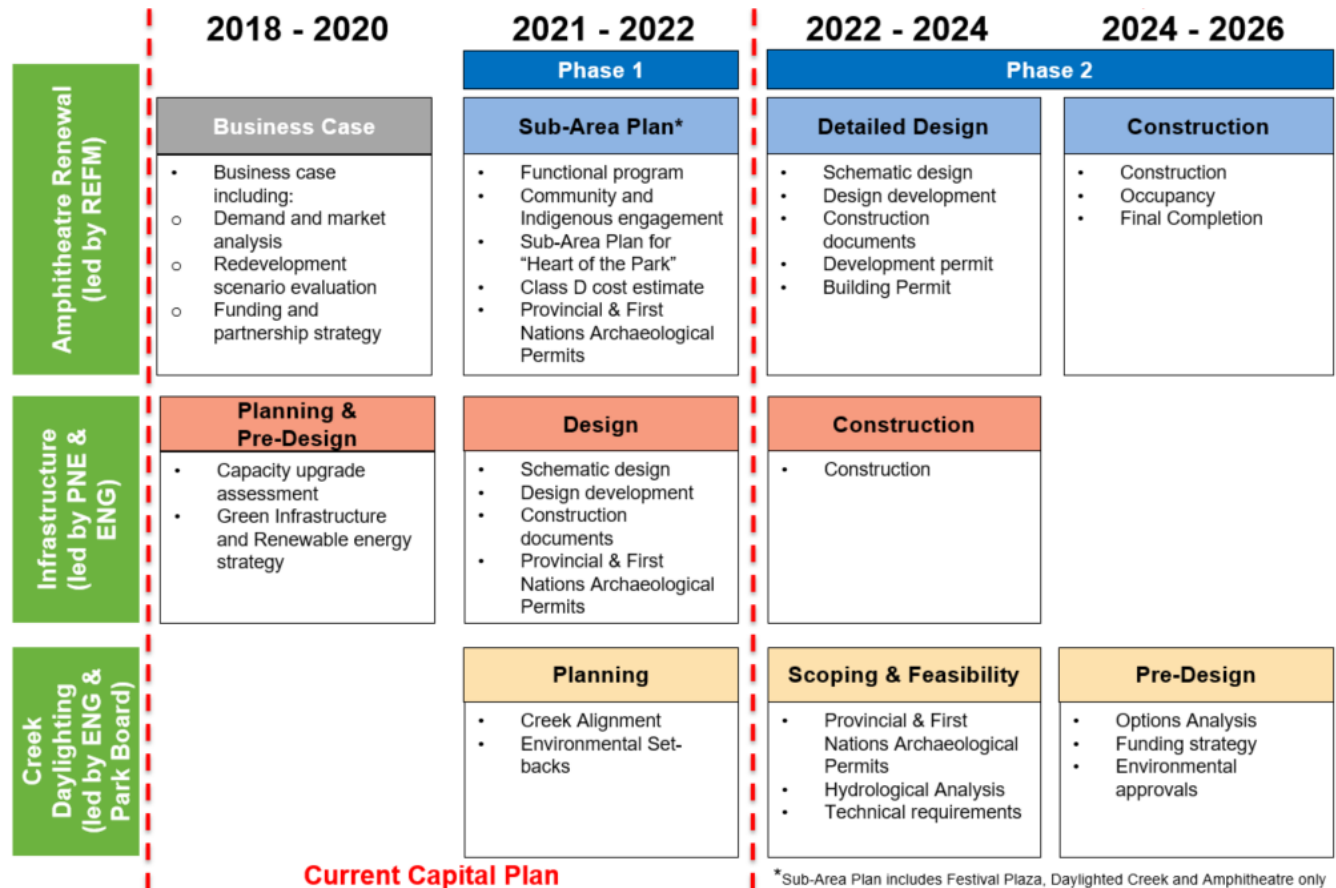
- Sound Management:** Outdoor event venues have the potential to have sound impact the surrounding community. An updated Amphitheatre has made sound management a top design priority to minimize any sound impact to local residents. A host of sound-mitigation techniques have been identified to direct and mitigate noise from events. These include backstage wall with sound baffling materials, a noise attenuation wall in the northeast

portion of the Amphitheatre footprint, suspended noise reduction panels from the roof and directional speakers to focus sound within the venue.

g) Implementation Schedule

The implementation schedule is a sequenced effort between the Amphitheatre Renewal, Infrastructure Implementation and Daylighted Creek projects that will take place over the course of several years. A high-level schedule for the three projects is shown in Figure 7.

Figure 7 - Heart of the Park Implementation Schedule



2021-2022:

Initial implementation stages will be focused on securing consultant teams for a sub-area plan within the "Heart of the Park" and design of utility infrastructure components required ahead of construction of the Amphitheatre venue.

- i) **"Heart of the Park" sub-area plan and Daylighted Creek:** The sub-area plan will focus on identifying and prioritizing detailed user needs, functions and space requirements of the Amphitheatre. In addition, the sub-area plan will include preliminary technical work required for Amphitheatre delivery related to the nearby future areas of the Daylighted Creek and Festival Plaza. These requirements include identifying the creek alignment and associated environmental setback, developing a watershed strategy and revitalization work program to identify the budget and schedule required to daylight the creek, a traffic

analysis of the Amphitheatre back of house and the potential for the Amphitheatre stage to be accessible for Festival Plaza events. This effort will also include the development of a detailed functional program and space requirements for the Amphitheatre and ensure that planning for adjacent areas is considered as part of the design process.

- ii) **Site-wide infrastructure implementation design:** Utility infrastructure required for the Amphitheatre venue is a schedule dependency and will be designed and constructed ahead of Amphitheatre venue construction. This work will include upgrading utility assets nearing their end-of-life (upgrades to electrical substation, transformers, communication cables, water mains and storm/sanitary sewer pipes) and ensuring the future demand of the Amphitheatre venue is designed and built ahead of Amphitheatre venue construction.

2022-2024:

Once planning and pre-design work is complete for the “Heart of the Park,” detailed design on the Amphitheatre facility will begin. The detailed design phase will include development of appropriate permitting and construction documents. Construction of the Amphitheatre venue is anticipated to begin in late 2024. Construction on the designed utility infrastructure will also be completed during this time. Technical studies and planning for the Daylighted Creek will occur during this phase.

2025-2026:

Construction of the Amphitheatre venue will be the major effort in 2025 with target occupancy anticipated to come in the first half of 2026. Detailed design of the Daylighted Creek will take place once the Amphitheatre venue is operational.

h) Infrastructure

Renewable Energy Strategy

A renewable energy strategy was completed for the “Heart of Park” and Playland to demonstrate innovation and climate leadership, reduce greenhouse gas (GHG) emissions, develop a cost-effective strategy that considers life-cycle costs and show alignment with PNE and City of Vancouver plans and policies. Further studies will be required to expand the renewable energy strategy to the entire site.

A baseline GHG emissions assessment was conducted and revealed that PNE, on average, emits 1,900 tonnes of CO₂e (carbon dioxide equivalent) per year. The study also revealed that natural gas consumption was the source of a vast majority of GHG emissions and pointed to the need to reduce natural gas consumption in buildings if significant GHG reductions are to be achieved.

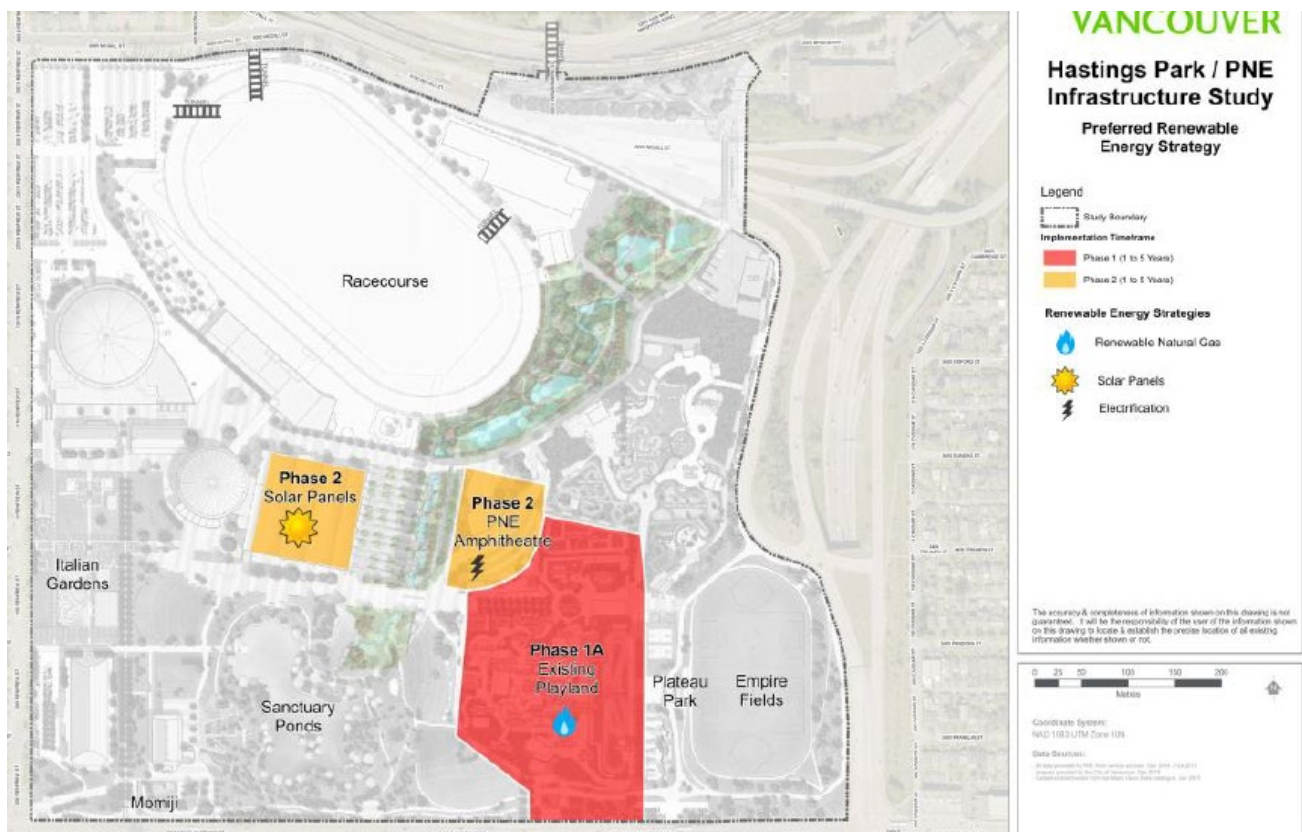
Several renewable options were explored including electricity, renewable natural gas, solar photovoltaic panels, wind biomass, geoexchange, district energy and air source heat pumps. A short-list of options were evaluated through a quantitative and qualitative assessment.

The recommended approach is a hybrid option that includes electrification for the updated Amphitheatre venue, installation of solar panels at Hastings Park, and renewable natural gas for existing facilities in the Playland footprint. This is shown in Figure 6.

Pursuing renewable energy options is expected to provide the following benefits:

- **Reduce GHG emissions:** The renewable energy strategy is anticipated to reduce greenhouse gas emissions by 521 tonnes of CO₂e/year.
- **Climate leadership and innovation:** The hybrid approach to reduce GHG will also facilitate broader City of Vancouver climate emergency targets (e.g. uptake of EV charging stations, carbon sequestration via green roofs).
- **Improved infrastructure resiliency:** Electrification of the Amphitheatre will enable site infrastructure systems to absorb disturbance and retain their basic function and structural capacity. Current gas-fired equipment requires both gas and electrical service to be maintained, making it more prone to system outages.
- **Public education opportunities:** Implementing and showcasing solar panels onsite will enable renewable energy education opportunities for guests at Hastings Park.

Figure 8 - Hastings Park Recommended Renewable Energy Strategy



Required Utility Infrastructure Design and Construction

Utility infrastructure components upgrades are required for an updated Amphitheatre venue. These include replacing some site-wide infrastructure assets nearing their end-of-life (substation upgrade, electrical transformers, communication cables, water mains and storm/sewer pipes) and implementing upgrades for water, storm water and sanitary sewer capacity for the Amphitheatre. Utility infrastructure required for the Amphitheatre venue is a schedule dependency and will be designed and constructed in conjunction with any Amphitheatre venue construction.

i) Partnership Models and Project Delivery

Potential partnership models were assessed based on industry benchmarks, market sounding to the private sector and responses from a formal Request for Expression of Interest (RFEOI) for Amphitheatre partnership. The market sounding revealed that there was interest in the private sector for potential partnership opportunities with the Amphitheatre venue. Based on this interest, a formal RFEOI was developed and sent to the market. The RFEOI received responses from four organizations with only a single respondent showing a willingness to provide upfront capital to assist with capital costs of the project.

Based on the responses received, partnership models were evaluated including no partner (publically owned and operated venue), naming rights, booking rights/priority access, venue operations, a public-private partnership where multiple elements of partnership are grouped into a single contract, and a combination of some of elements (e.g booking rights/priority access + venue operations).

The assessment took into consideration the options that would add the most value to the venue while maintaining public benefits at Hastings Park. Considerations included the potential investment from a private sector partner, impact to site operations, and maintaining the integrity of existing site collective agreements.

Following this assessment, the Hastings Park-PNE Board approved the following recommended partnership model that includes pursuing partnership in two key areas:

- **Naming Rights and Sponsorship:** Investment provided for ability to secure naming rights (entire venue or component piece) for a specified term to offset capital costs.
- **Venue Booking Rights/Priority Access:** Investment provided in exchange for a set of defined venue privileges including priority access to venue dates during the operating season. These privileges will not allow exclusive access to the site and will maintain a minimum number of dates for community/non-profit group access.

The PNE will pursue these partnership opportunities to obtain private sector investment to offset the capital costs of the Amphitheatre Renewal project following approval of the next phase of work. Preliminary discussions are ongoing and it is anticipated that partnership opportunities may result in investment up to \$600,000 per year. PNE naming rights and sponsorships would be aligned with existing relevant City policy.

The City's Facilities Planning and Development (REFM) team would lead project management of the design and construction phases of the Amphitheatre Renewal. This team has been successfully delivering multiple complex facilities projects for the city. PNE will leverage the City's existing technical and procurement subject matter experts and follow the City's procurement policies.

The final project delivery strategy would be confirmed during the phase one of the Amphitheatre work, with either design-bid-build or construction management at risk deliveries being considered. Staff will provide updates to Council prior to the construction phase.

j) Stewardship and Maintenance

Multi-Party Operating Policy (MPOP)

Stewardship and maintenance responsibilities at Hastings Park are outlined in the Hastings Park-PNE MPOP. The purpose of the MPOP is define the roles, responsibilities and accountabilities for all operational aspects of Hastings Park and the implementation of the Hastings Park-PNE Master Plan. The policy also outlines the decision-making and accountability framework. The City of Vancouver, the Park Board and the PNE are parties to the MPOP.

The MPOP is currently being updated to account for the proposed development at Hastings Park to provide further clarity on responsibilities between the PNE, Park Board, and City departments.

Amphitheatre Responsibilities

- **Day-to-day operations:** PNE is responsible for staffing day-to-day operations including inspection, preventative / planned maintenance, repairs and cleaning.
- **Long-term asset stewardship:** City of Vancouver (REFM and Engineering) is responsible for maintaining facilities and life-cycle replacement and mandatory upgrades.

k) Playland Redevelopment

The proposed Playland Redevelopment project has been impacted by the recent COVID-19 pandemic and escalating project costs for redevelopment at Hastings Park. A business case was completed for the Playland Redevelopment project and the findings revealed:

- Playland's business case has a lower return profile compared to the Amphitheatre Renewal project.
- Significant capital investment is required with estimated capital costs for Playland exceeding available funding sources
- Playland Redevelopment would require significant reinvestment of future revenues
- Phasing alone cannot deliver a fully expanded Playland within a 10-year timeframe; and
- Market interest in potential partnership is limited.
-

The Hastings Park-PNE Board made the decision in April 2021 to pause the Playland Redevelopment project and revisit the proposed redevelopment in Q1 2022 with a focus on reducing the project scope.

Public/Civic Agency Input

Extensive community engagement has already taken place (see Appendix A) and as the project proceeds towards planning and design, engagement with First Nations rights holders, community and stakeholders is planned.

Implications/Related Issues/Risk

Financial

Summary

Table 3 below shows a summary of the current cost estimates and proposed funding sources for the three projects: Amphitheatre Renewal (\$67M), Infrastructure Implementation (\$4.6M) and Daylighted Creek Planning (\$0.3M). A \$2.2M of savings target is set for the Amphitheatre Renewal project through value engineering during the design phase to reduce the overall budget from \$67M to \$64.8M. The proposed sources of funding are:

- Capital Financing Fund - \$60M
- Hastings Park Reserve - \$9.4M
- Parks DCL - \$0.3M

To reduce the pressure on the Capital Financing Fund and other City funding, PNE staff are actively exploring partnership opportunities for sponsorship, naming rights and booking/access rights in line with the City's Sponsorship and Naming Rights Policy, as well as federal and provincial funding opportunities. Preliminary discussions are underway and an update will be provided to Council later this year.

Table 3 - Current Cost Estimates and Proposed Funding Sources

Program	Sources of Funding			Project Cost Estimates	Funding Required in 2019-2022 Capital Plan
	HP Reserve	CFF	DCL		
Amphitheatre Renewal Project					
Planning and Design	\$4.8M	\$4.6M	-	\$9.4M	\$4.6M
Preliminary Amphitheatre Infrastructure	-	\$1.4M	-	\$1.4M	\$1.4M
Future Construction	-	\$56.2M	-	\$56.2M	-
	\$4.8M	\$62.2M	-	\$67.0M	\$6.0M
Savings Target through Value Engineering*		(\$2.2m)*			
SUB-TOTAL	\$4.8M	\$60.0M	-	\$64.8M	\$6.0M
Infrastructure Implementation Project					
Site-wide Renewal (existing funding)	\$3.5M	-	-	\$3.5M	-
Site-wide Renewal (to be allocated)	\$1.1M	-	-	\$1.1M	\$1.1M
SUB-TOTAL	\$4.6M	-	-	\$4.6M	\$1.1M

Daylighted Creek Planning					
Preliminary design (*detailed design and construction not included)	-	-	\$0.3M	\$0.3M	-
SUB-TOTAL	-	-	\$0.3M	\$0.3M	-
TOTAL	\$9.4M	\$60.0M	\$0.3M	\$69.7M	\$7.1M

Amphitheatre Renewal

As shown in Table 4 below, the current project cost estimates for the recommended mid-level upgrade of the Amphitheatre is \$67M based on the high-level feasibility analysis informing the business case. A \$2.2M of savings target is set for the Amphitheatre renewal project through value engineering during the design phase to reduce the overall budget from \$67M to \$64.8M.

Table 4 - Amphitheatre Renewal Project Cost Estimates

Current Project Cost Estimates (2025\$)	
Hard costs	\$40.4m
Soft costs	\$26.6m
	\$67.0m
Savings Target through Value Engineering*	(\$2.2m)
Total Project Budget:	\$64.8m*

The Amphitheatre renewal business case has considered the projected financial performance based on potential venue calendar of events under various conceptual design scenarios. The recommended mid-level upgrade concept anticipates annual revenue of \$9.7M (average over first 5 years), which is \$8.3M higher than its historical performance. The revenue projections were based on the following assumptions:

- An estimated 49 events would take place outside of the annual Fair during the first year of operation, which is consistent with the level of activity at other major arenas in Canada:
 - 22 community events (charity concerts, family festivals, cultural celebrations, etc);
 - 18 commercial events (concerts, festivals and ticketed events promoted by for-profit companies); and
 - 9 corporate events (gala dinners, conference events, motivations speakers or corporate celebrations with no public ticket sales).
- The new, state-of-the-art entertainment facility would increase the attractiveness and marketing value of the Amphitheatre.
- There would be opportunities for naming sponsorship from an organization wanting to establish a presence in Vancouver, similar to the Rogers Communications sponsorship of the arena that is home to the Vancouver Canucks.

The Amphitheatre renewal project (\$64.8M) will be funded from the Hastings Park Reserve (\$4.8M) and Capital Financing Fund (\$60M) repayable from future revenues. Table 5 below summarizes the financial analysis (NPV, IRR and payback period) of the business case.

Table 5 - Amphitheatre Renewal: NPV, IRR & Payback Analysis

Redevelopment Scenario	Annual Revenue (yrs 1-5 avg)	NPV – 40 years (@5%)	IRR – 40 years	Payback Period
Option 3 (Mid-Level Upgrade)	\$9.7M	\$49M	9%	12 years

Budget Allocation

The next phase of work on Amphitheatre renewal and infrastructure implementation requires \$15.4M of which \$8.3M has been allocated from the Hastings Park Reserve to Hasting Park/PNE Master Plan projects in the current Capital Plan:

- \$3.5M for replacing site-wide infrastructure assets required for the Amphitheatre Renewal project; and
- \$4.8M for planning and design for the Amphitheatre.

For the remaining \$7.1M, staff recommend that:

- \$6.0M to be added to the 2019-2022 Capital Plan for the planning and design work and preliminary project infrastructure upgrades associated with the Amphitheatre renewal project; source of funding to be the Capital Financing Fund repayable through future revenues; and
- \$1.1M from the approved 2019-2022 Capital Plan (Hastings Park Reserve) for implementation of Hastings Park Master Plan for site-wide infrastructure renewal.

COVID-19 Impacts

The COVID-19 pandemic has had a significant impact on the PNE's financial performance. Despite facing a difficult season from the impacts of COVID-19, the PNE is anticipating a return to financial health as provincial health mandates are eased and the COVID-19 vaccination rollout continues to have positive impact. This is in line with the Economic Forecast Council's prediction that B.C.'s real gross domestic product will grow by 4.7% in 2021 and 4.3% in 2022. The \$6 million in funding that is to be paid back to the City is a loan that is affordable for the PNE and represents a great recovery opportunity.

The COVID-19 financial impact to the PNE's financial performance are summarized below:

- The PNE's financial circumstances mirrored the overall event industry as the health mandates caused a significant downturn in demand for large-scale gatherings of any kind.
- Year-to-year revenues decreased by over 75% from almost \$61M in the fiscal year ending in March 2020 to just over \$14M in the fiscal year ending March 2021.

- This downturn in revenue led to a projected loss of \$8.9M before the Canada Emergency Wage Subsidy is considered. This performance differs from performance in recent years which resulted in consistent annual surpluses.
- In 2020, there was a 70% reduction in Playland operating days, all in person events and concerts were cancelled as the PNE business model shifted to focus on drive through events and as a venue for film rentals.
- The summer 2021 events are presently cancelled include Playland opening in June 2021 and a reduced capacity PNE Fair in August with broader industry event activity not returning until late Fall 2021. All events are subject to the guidance from the Provincial Health Officer.
- The PNE's financial performance over the past year initiated a request by the Mayor for \$8M in provincial financial assistance. Discussions are ongoing with the Province on this.

Table 6 highlights the PNE's financial performance over the past four fiscal years.

Table 6 - PNE Financial Performance

	FY2017	FY2018	FY2019	FY2020 (projected)*
Revenue	\$55,546,193	\$55,499,380	\$60,976,282	\$14,578,852
Expenses	\$53,122,727	\$53,586,843	\$59,644,874	\$22,631,300
Annual Surplus	\$2,423,466	\$1,912,537	\$1,331,408	(\$8,052,448)
Accumulated Surplus (end of year)	\$4,369,087	\$6,281,624	\$7,613,032	(\$439,416)

*Canada Emergency Wage Subsidy not included in FY2020 projected actuals

With anticipated occupancy of the redeveloped Amphitheatre targeted for early 2026, it is not anticipated that COVID-19 will have long-term financial impacts on the upgraded Amphitheatre venue.

Human Resources/Labour Relations

The upgraded Amphitheatre venue is anticipated to create additional employment at Hastings Park. It is estimated that the construction of the Amphitheatre will result in approximately 100 jobs during construction.

Existing site-wide collective agreements at Hastings Park will continue to be in place following redevelopment. The additional events at the venue will result in over 40,000 hours of additional annual employment for union employees at the PNE.

Environmental

Renewable Energy Strategy and Implementation

A renewable energy strategy was completed to identify the most appropriate and cost-effective way to achieve the goals of zero emissions at the new Amphitheatre venue. The recommended approach includes electrification for the new Amphitheatre venue, installation of solar panels at Hastings Park, and renewable natural gas for existing facilities in the Playland footprint.

Environmental Assessment:

An environmental assessment was completed to identify any environmental risks present in the “Heart of the Park”. Some levels of contaminants of concern in soil are present at the site at concentrations greater than the applicable CSR Urban Park Land Use standards.

For the proposed Amphitheatre redevelopment area, additional investigation will be completed to delineate the metals and hydrocarbon contamination in the area of environmental concern.

Arborist Report

An arborist report was completed to identify the existing condition of protected trees on and adjacent to the site, summarize the proposed tree retention and removal, and suggest guidelines for protecting retained trees during the construction process. The majority of 347 trees inventoried within the study area were rated to be in moderate overall health and structure. 93 trees had poor health and structure. The recommendation in most cases was that removal and replacement is the most appropriate treatment to ensure longevity of the landscape and public safety.

Archaeological Overview Assessment

In anticipation of future PNE upgrades and to assist with planning, the City engaged Inlailawatash Ltd. Partnership to conduct an Archaeological Overview Assessment (AOA) of the Hastings Park-PNE site in 2019. The AOA was conducted under First Nation permits issued by: Musqueam, Squamish, Tsleil-Waututh and Stó:lō. A preliminary field reconnaissance was also undertaken with involved Nations.

The AOA identified archaeological potential in the immediate vicinity of projected pre-urban (historic) creek locations within the PNE site. For areas of archaeological potential, the AOA recommends that an Archeological Impact Assessment (AIA) be undertaken for developments that may impact subsurface deposits, such as non-engineered fill.

The project team will be working closely with City Archaeologist and the Nations on heritage management aspects as they relate to the site.

Legal

No implications.

CONCLUSION

The upgrades to the “Heart of the Park” with its three interrelated projects is an exciting opportunity with big rewards for our City, region and its people. The Amphitheatre Renewal project presents a unique opportunity to provide increased public engagement and participation in music and arts, and remove barriers of access for culture and community groups. It will fill a gap in the local venue market, drive growth in the commercial and community event industries, and provide an opportunity for the event industry to recover from the COVID-19 downturn.

Implementation of this project will take place over multiple years, but the legacy will be felt for generations. This report seeks Council endorsement for staff to proceed with the planning and design of this next phase as described in this report.

* * * * *

APPENDIX A

Public/Civic Agency Input

A range of updates have been provided to the general public and key stakeholder groups on the Hastings Park-PNE Master Plan. Engagement efforts to date include:

- **PNE Community Advisory Group:** The PNE Community Advisory Group (CAG) have been actively engaged and updates on the Hastings Park-PNE Master Plan have been provided between 2017-2020. Membership from this group is drawn from the local Hastings-Sunrise community and Citywide stakeholders. This group includes 8 community and members who represent a larger interest group. Current membership includes representation from business and economic development; sport and recreation; neighbourhood agencies and associations; culture, events and festivals; park stewardship, sustainability and environmental education; and education institutions. The CAG provides constructive input and feedback to the PNE related to on-site programming, implementation of aspects of the Hastings Park/PNE Master Plan and operational aspects that affect the local community.
- **Arts & Culture Community:** Telephone and in-person interviews with 30 local venue users was conducted in October and November 2018, and included representation from the arts and culture community. Their input provided insight into the needs of the community for a new venue and the infrastructure requirements needed to most effectively stage events at an upgraded venue.
- **PNE Neighborhood Focus Group:** The PNE Neighborhood Focus Group received updates on the Hastings Park-PNE Master Plan and Amphitheatre Renewal project in August 2018 and October 2019.
- **Public Information Sessions:** Three in-person public information sessions were completed at the PNE in February 2020 to provide an update on the Master Plan projects. 89 members of the public attended these sessions.
- **Talk Vancouver Survey:** A Talk Vancouver survey was conducted on behalf of the PNE in February 2020. The survey included responses from 7,979 respondents. Key highlights of the survey include:
 - 96% of respondents agree that the PNE is an important Vancouver and British Columbia institution with 78% strongly agreeing.
 - 78% of respondents found it extremely or very important that the Amphitheatre increase space for year-round festivals and events with 37% believing it is extremely important.
 - 75% of respondents found it extremely or very important that it help to evolve the Vancouver's Music Strategy and give artists a range of places to perform with 35% believing it was extremely important.

- 74% of respondents found it extremely or very important that the Amphitheatre would bring a world-class venue to the east side of Vancouver with 37% believing it was extremely important.
- **PNE Unions:** PNE unions were updated on the project in February and October 2020, and in June 2021.
- **First Nations:** Representatives from Musqueam Indian Band, Squamish Nation, and Tsleil-Waututh Nation were notified of an archeological overview assessment that was completed in 2019. In May 2021, all three Nations were notified via the City's Intergovernmental Relations team, which has shared a referral letter apprising Musqueam, Squamish, and Tsleil-Waututh First Nations of the proposed development of the "Heart of the Park" and inviting them to further dialogue. Engagement with Musqueam Indian Band, Squamish Nation, and Tsleil-Waututh Nation will continue during the next phase of the planning and design process.