

## APPENDIX B

### Frequently Asked Questions – posted on [www.letstalkchatham-kent.ca/imagine-chatham-kent](http://www.letstalkchatham-kent.ca/imagine-chatham-kent)

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#### Who is behind the Imagine Chatham-Kent proposal?

In June 2021, it was announced that a group of local investors including Rob Myers, Pete Tsirimbis, Jessica Tsirimbis, Ron Nydam, Donald Tetrault and Jim Bullock had purchased the Downtown Chatham Centre (DCC) – collectively referred to as the “Community Partners” in the Imagine Chatham-Kent proposal. The proposal slides and video presentation can be viewed under Resources. Although referred to as the Community Partners, no final decisions have been made and a formal partnership with the Community Partners has not been entered into with the Municipality.

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#### What is the Imagine Chatham-Kent proposal?

A complete redevelopment proposal of the DCC property presented to the Municipality by the “Community Partners”. The proposal slides and video presentation can be viewed under Resources.

In short, the proposal includes:

- Redevelopment of the former Sears portion of the DCC into a Community Hub and promenade by the Community Partners under terms of sale to the Municipality. The parking garage will be included under those terms of the sale;
- Redevelopment of denoted portions of the DCC by the Community Partners for the purpose of constructing an Entertainment Complex under terms of sale to the Municipality;
- Retention of remaining lands on the property by the Community Partners for future private sector commercial and residential development.

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#### Why was this proposal presented to the Municipality?

Shortly after it was announced that the group of local investors had purchased the DCC property, on June 28, 2021, Council directed administration “to prepare a report regarding options for relocation or redevelopment of municipal assets including, but not limited to, the Civic Centre as part of the plans to redevelop the Downtown Chatham Centre property”. Administration also issued a survey on behalf of the investors to solicit ideas from the public on how the DCC site can be developed for future use - see Share Your Ideas-Downtown Chatham Centre. Subsequent to this engagement and initial feedback, the investors commissioned an architectural firm at their expense to prepare a preliminary design concept for the redevelopment of the DCC site.

This proposal was formally presented to Municipal Administration on May 5, 2022 and to Council on June 13, 2022.

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#### Why are you engaging the public now?

In the interest of transparency at the June 13 open Council meeting, Council directed further public engagement take place to solicit feedback on the proposal in its current form. While the proposal remains subject to further due diligence and potential negotiation, public comment will help inform

Council's decision whether or not to take additional steps with this proposal and what those next steps may be.

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**Are the Community Partners giving these facilities to the Municipality?**

No. Under terms of the proposal a significant financial commitment from the Municipality would be required for the Community Partners to develop the facilities and transfer ownership to the Municipality on a turnkey basis.

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**How much is this going to cost?**

Initial construction estimates were provided by the Community Partners to the Municipality. Council directed administration to verify or determine its own capital estimates, alternatives, and returns on potential asset divestiture as part of its due diligence. Differences in ongoing operating costs will also be part of this due diligence. A status update will be presented to Council on August 8, 2022.

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**Why are capital estimates not being shared publically?**

Administration was only provided capital estimates as calculated by the Community Partners and according to the proposal as presented. Council subsequently directed administration to verify or determine its own capital estimates as part of its due diligence. Part of this due diligence will also determine whether or not facility specifications are adequate for municipal needs – possibly further impacting capital costs. In short, we are at too preliminary of a stage to provide capital estimates to the public with confidence in accuracy.

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**You can't give me a ballpark cost?**

In 2020 staff provided Council with estimates of \$34M to purchase and renovate a building to relocate services from the Civic Centre and Community Human Services buildings, as well as \$56M to build a new facility for the same purpose ([Report Link\(External link\)](#)).

Council has received estimates for an Entertainment Complex anywhere from \$48M to \$86M – with variability due to specifications, land acquisition, procurement method, etc. In 2019 the Municipality estimated a multi-use recreational facility, with twin ice pads, at a total project cost of \$63M ([Report Link\(External link\)](#)).

These numbers are unrelated to the proposal but are provided to give the public a sense of the financial scope of projects with similar objectives. Capital commitment would also be considered against cost avoidance opportunities (i.e. renovations), asset sales, new revenue streams, and net operating cost differences.

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**What is a Community Hub?**

Simply put, a community hub is a collection of services in one location for the convenience of the public. The Community Hub in the Imagine Chatham-Kent proposal includes space for the services currently operating out of the Chatham-Kent Civic Centre, Chatham Library, and Cultural Centre.

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**Why would the Municipality be interested in a Community Hub?**

Reducing the number of buildings and infrastructure maintained by the Municipality is a priority for Council due to savings on maintenance and operation. Co-locating services in one location provides the possibility of maintaining existing services at a reduced cost to deliver those services.

In addition, the Core Services Base Budget Efficiency Review presented to Council by KPMG in November 2021 (Report Link(External link)) recommended balancing the financial costs of operating facilities and improving services by repurposing and consolidating facilities with specific action to move towards a “one-stop-shop” model of community hubs and multi-purpose facilities that offer residents access to multiple services at the same location.

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**What about the parking garage at the mall?**

The proposal includes transfer of a repaired parking garage to the Municipality.

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**Why do we need a new Civic Centre?**

A new Civic Centre is not necessarily required. However significant renovations are required to the existing building. The most recent report from 2020 detailed necessary renovations at an estimated cost of \$18.1M (Report Link(External link)). Updated renovation costs to the Civic Centre and other potentially impacted facilities are being calculated as part of the due diligence on this project.

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**Are municipal employees getting bigger offices?**

No. While final scope would be determined by the Municipality the preliminary design concept of the Community Hub would require a reduction in the number of personal office spaces available to Civic Centre employees, a permanent implementation of the Work from Home pilot program for select positions, and the incorporation of hot desk/flexible use spaces consistent with a modern office environment. A review of the project’s scope and operating impact will be conducted as part of due diligence.

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**Why do we need a bigger Chatham library?**

The proposal includes 30,000 sq. ft. of space within the Community Hub for the Chatham branch of the library. This is an increase from 22,960 sq. ft. available at the current location. On August 9, 2021 Council approved an expansion of the library footprint, consistent with the Library Master Plan, if services are moved to the DCC (Report Link(External link)). A review of the project’s scope and operating impact will be conducted as part of due diligence.

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**Do we have to close any municipal buildings under this proposal?**

Municipal building closures are at the sole discretion of Municipal Council and are not contingent within the terms of the proposal. Opportunities for asset divestiture will be explored as part of the due diligence of this project and presented to Council in the future.

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**Are the Community Partners asking for municipal buildings in return?**

No. However to mitigate risk to the Municipality the Community Partners are offering a guaranteed “floor price” for three municipal buildings they expect would be redundant with the creation of the Community Hub – Civic Centre, Chatham Library, and Cultural Centre. The proposal does not limit the

Municipality's right to sell these buildings on an open market or to not sell them at all. As part of the due diligence, the Municipality will be getting certified appraisals completed on each of the buildings.

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**What about the CK Museum, Thames Art Gallery, and Kiwanis Theatre?**

Current drawings of the Community Hub provide operating and exhibition space for the CK Museum and Thames Art Gallery. This preliminary design concept does not provide space for the inclusion of the Kiwanis Theatre. A review of the project's scope and operating impact will be conducted as part of due diligence.

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**What is an Entertainment Complex?**

An Entertainment Complex is a broad term to reflect a large multi-use facility for public performances, sporting events, business meetings, or similar events. The Imagine Chatham-Kent proposal includes an Entertainment Complex holding approximately 4,000 seats for the purposes of hosting a variety of sports and events, including an ice surface.

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**Do we need an Entertainment Complex?**

Entertainment Complexes or multi-use recreational facilities have been identified the Parks and Recreation Master Plan and have been discussed over many years by Council in response to aging arenas in Chatham. In 2020, the Municipality applied for senior government funding to construct a multi-use recreation complex capable of hosting two ice pads and various large events (Report [Link\(External link\)](#)). That funding was not approved and that project has not yet been revisited.

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**Don't we already have facilities capable of hosting events?**

Within the community of Chatham the Municipality owns the Capitol Theatre, John D. Bradley Convention Centre, three arenas, and an outdoor band shell. All facilities have their strengths and limitations when it comes to hosting various event types. Some arenas are also in need of significant renovation. If and how a new Entertainment Complex's operating strategy impacts events at these existing facilities, could attract new events, or any other impact on public or private facilities in Chatham-Kent, would be explored under proper due diligence.

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**Are we getting an OHL team?**

The proposal does not include any commitment from prospective Entertainment Complex tenants nor are operating specifications outlined at sufficient detail to determine if appropriate accommodations would exist for specific tenants – including an Ontario Hockey League team. The Community Partners have also publicly stated they have not purchased a hockey team. As the potential owners/operators of the Entertainment Complex, the Municipality's operating strategy would be informed through a feasibility analysis recommended under further due diligence.

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**What type of events would occur at the Entertainment Complex?**

The types of events occurring at the Entertainment Complex would be at the discretion of the Municipality, as its potential operator, and informed through a feasibility analysis and operating strategy recommended under further due diligence.

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**Is there enough parking for an Entertainment Complex?**

A traffic impact and parking supply analysis would be recommended under proper due diligence after an operating and event hosting strategy has been determined for the Entertainment Complex.

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**Do we have to close any arenas under this proposal?**

Arena closures are at the sole discretion of Municipal Council and are not contingent within the terms of this proposal. Opportunities for asset divestiture will be explored as part of the due diligence of this project and presented to Council in the future.

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**Do we have to commit to both a Community Hub and Entertainment Complex?**

The proposal as presented includes the construction of both facilities by the Community Partners and acquisition of both facilities by the Municipality.

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**Why do these facilities have to go in downtown Chatham?**

The proposal presented to the Municipality by the Community Partners was to develop these facilities on the property of the DCC – property which they currently own. Land for the Community Hub and Entertainment Complex would then fall under Municipal title upon project completion. There are no other location options presented within this proposal.

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**Will the Municipality be paying rent for these facilities?**

The proposal expects the Municipality to own the Community Hub and Entertainment Complex and their land upon completion of construction. This is not proposed to be a rental arrangement.

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**Were municipal dollars used to create this proposal?**

The Community Partners funded the preliminary design concept. No municipal dollars were spent putting together this proposal and no commitments were made by the Municipality. On June 13, 2022 Municipal Council approved up to \$50,000 for administration to conduct an initial due diligence review of this proposal (Report Link(External link)).

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**What are the next steps?**

Public feedback collected through this engagement, along with a status update on initial due diligence measures on the proposal, will be reported to Council on August 8, 2022. Further Council direction may be indicated at that time.