



The Canadian Council For Public-Private Partnerships
2011 National Award Case Study
Gold Award for Infrastructure

L'Adresse symphonique
Montreal, Quebec

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Quick Facts

L'Adresse symphonique

Project Type

Design-Build-Finance-Maintain (DBFM) with partial operation (excludes booking and sale of tickets)

Asset/Service

29-year partnership agreement for design, construction, maintenance and rehabilitation of the facility:

- Two years for construction
- 27 years for maintenance and rehabilitation

Partners

- Government of Quebec (represented by Ministry of Culture, Communications and the Status of Women and Infrastructure Québec)
- Groupe immobilier Ovation – one hundred per cent owned by SNC-Lavalin.

Other Participants

- Diamond and Schmitt Architects and AEdifica
- New York-based acoustics consulting firm – Artec
- Quebec-based engineering firm – Cima Plus
- Orchestre symphonique de Montréal
- Société de la Place des Arts de Montréal

Financing

- The total project cost was \$259 million present value.
- The project is financed through a mix of debt and equity. SNC-Lavalin provided up to \$16 million, which amounted to 100% of the equity.
- The remainder, \$137 million, was financed through a long-term bank loan set up by SNC-Lavalin.
- For the risks taken on by the partner, the partner received basic payments, per-event payments, payments for additional reception staffing requirements and payments for property taxes. In addition, SNC-Lavalin keeps all revenue generated by cloakrooms and the sale of bar service products.
- The Ministry introduced a \$75-million construction payment, paid upon substantial completion of the hall.

Construction Start and Finish

- In the Spring of 2009 an existing parking lot was demolished and construction commenced. Construction of the new hall began later that summer.
- In the Spring of 2010 the parking lot and concert hall structure were erected.
- The hall opened to the public in the Fall of 2011.

Other Features

L'Adresse symphonique provides many benefits and efficiencies to the Province of Quebec and citizens of Montreal. Many of the efficiencies were the result of P3 cost-saving measures. The project also benefited from innovations in acoustic design and construction specifically made for the challenging urban environment in which the hall is located.

The benefits and features include:

- Estimated cost savings of \$46.8 million over the duration of the agreement;
- Quebec's first P3 cultural facility project;
- Venue to attract world-famous acoustic performers;
- Renewal to the Place des Arts site and added cultural sophistication for the Quartier des spectacles entertainment district;
- Creation of a model for other infrastructure projects in the province;
- LEED certification; and
- Development of new and innovative construction methods (e.g., placing the auditorium on insulating rubber cushions).

Project Web Page

www.adressesymphonique.gouv.qc.ca

Project Agreement

www.infra.gouv.qc.ca/fr/projets/culture-communications/maison-symphonique

Overview

In September 2011, a new state-of-the-art 1,900-seat concert hall for the Orchestre symphonique de Montréal (OSM) was opened that exemplified the highest standard in world-class acoustics. This \$259 million project was the culmination of a five-year process incorporating a public-private partnership (P3) model of procurement, financing and construction, which was a relatively new approach to building cultural facilities for the Province of Quebec. This partnership brought together the Ministry of Culture, Communications and the Status of Women (The Ministry), Infrastructure Québec (IQ) and Group immobilier Ovation (GIO, a consortium led by SNC-Lavalin). Each partner had a unique role in the development of the business case, analysis of the project, the qualifying and selection of bids as well as in the financing and construction elements of the project.

The project includes the 2-year design and construction period and a 27-year operations agreement with GIO. L'Adresse symphonique was financed through an optimal mix of debt and equity. GIO provided 100% of the equity in the amount of up to \$16 million, and the remainder (\$137 million) was financed through a long-term bank loan, a unique achievement given the uncertainty created by the global financial crisis of 2008. While GIO was responsible for the construction, financing and ultimate operation of the facility, the Ministry retained responsibility for acoustics and stage design.

Because of the complicated nature of the project's specifications as well as the desire to provide a facility with state-of-the-art acoustic sound and design, the Ministry also hired a multi-disciplinary engineering firm, Cima Plus, prior to the bidding process. This allowed the Ministry to create the proper specifications that were eventually communicated to potential bidders, thereby attracting the appropriate bidders for this type of project.

The new concert hall forms part of the Place des Arts, a cultural complex with five other halls located in the heart of Montreal's entertainment district, the Quartier des spectacles. L'Adresse symphonique is LEED-certified and will save Quebecers an estimated \$46.8 million over the lifetime of the operations agreement. The facility was completed on time and within budget.

Background and rationale

For some time the Government of Quebec had been interested in providing a new and permanent home to the internationally renowned Orchestre symphonique de Montréal (OSM). The OSM's concerts were being held at the Salle Wilfrid-Pelletier, which had been designed as a multi-purpose space for plays, operas and other performances at the Place des Arts, and was not meeting the OSM's needs. The decision was made to design and build a facility that would better serve the OSM and meet international acoustic and design standards.

The new hall, designed solely for music, provides the OSM with the optimum acoustics required by virtuoso performers and their audiences. The OSM is expected to be the main user of the hall for nearly two-thirds of the year. The other third will be used by the Place des Arts for classical performances and prestigious concerts by internationally renowned performers.

After a lengthy business case and analysis from Infrastructure Québec, it was concluded that the P3 model would be the most efficient and effective way of completing the project on time and on budget, while at the same time delegating all of the financing and construction risk to a private partner. Also, beyond the other projects already incorporating a P3 procurement model (such as roads, bridges and other standard infrastructure projects), the Government of Quebec had made a deliberate decision to use the P3 model for the purposes of building a cultural centre.

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The project was well-suited to be designed and built through the P3 procurement model because the model allows all parties to know in advance how much the design, construction, operation, servicing and maintenance of a building will cost before work is even started.

Partnership agreements that are negotiated in advance of the project getting underway help to guarantee that assets are maintained over the long term and that project deadlines are met. In this case, GIO has a 29-year lease on the project including design and build time. The government will take on management of the building, returned in an appropriate condition, at the end of the partnership contract.