

Monday, September 29, 2008



# The London Free Press

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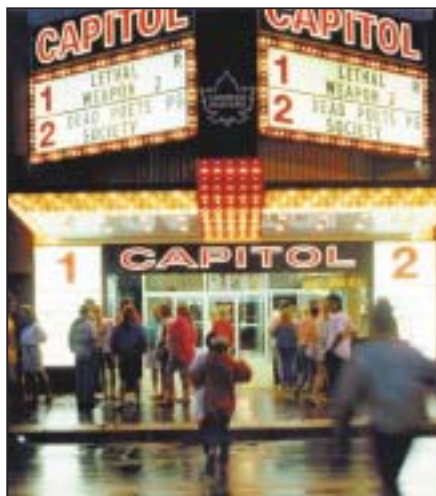
**KNIGHTS DEFEATED**

Read what went wrong at yesterday's game

**CORE LANDMARK:** Council is set to debate a long-term lease of the former Dundas Street theatre with building owner Shmuel Farhi

# City mulls Capitol lifeline

BY CHIP MARTIN  
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File photo  
The Capitol was a going concern in 1989.

Grudging acceptance of a city hall plan to lease space in the former Capitol Theatre to help save the core landmark, is the mood of some council members heading into a vote tonight.

Under the proposed deal with owner Shmuel Farhi, the city would sign a long-term lease on the Dundas Street site at premium rent, with Farhi renovating the building and the adjacent Bowes Building.

The deal would give heritage preservation a boost and city hall more room.

Some business leaders have already said the extra cost may be worth it, if the city finds a way to use the project as a catalyst for broader area renewal.

"I am very torn on this issue," Controller Gina Barber said over the

weekend. "I want to see the streetscape preserved."

That sentiment was echoed by others on council, who tonight will consider the 20-year deal tonight that would see city hall move some office workers into the building at 204 Dundas St.

see **CAPITOL** | Page A9

### Capitol Theatre

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**1924:** Renovated and rebranded as Capitol Theatre.

**1976:** Remodelled, it reopens with two cinemas.

**2002:** Closes, though a "temporarily closed" sign dangles faint hope of a comeback.

**2006:** Sold to Shmuel Farhi.



MORRIS LAMONT Sun Media  
The scene at 204 Dundas St. yesterday.

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## NEWS LOCAL

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By CHIP MARTIN

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"I am very torn on this issue," Controller Gina Barber said over the weekend. "I want to see the streetscape preserved."

That sentiment was echoed by others on council, who tonight will consider the 20-year deal tonight that would see city hall move some office workers into the building at 204 Dundas St.

Board of control and city administration have recommended the plan, under which the city would pay \$5.6 million over 20 years to occupy the Capitol and Bowes buildings, and Farhi would renovate both.

The move is seen by some as one that would preserve the heritage facade of the two properties and prevent the further slide of Dundas Street.

But the rent, at \$9 a square foot more than comparable office space downtown, would cost taxpayers an extra \$1.47 million over the life of the lease.

"It's quite a premium," said Barber.

"It's a lot of money to retain a facade."

She said she's "in a quandary about it and I'm looking for answers."

Also wrestling with the plan's pros and cons are councillors Nancy Branscombe and David Winninger.

"I kind of agree it would be a catalyst for others to do it," Branscombe said of the proposal, but she wondered if council will be faced with picking and choosing among other projects that come up.

"How much do we invest in downtown?" she asked.

"It's never enough."

Branscombe said, "it's a pretty big commitment," adding she needs to get more information and mull it over.

Winninger said he'd hoped for a shorter -- and less costly -- lease.

"I'm not wildly enthusiastic about the duration or the price per square foot," he said.

"I envisioned a 10-year lease and maybe at a lower square-foot rate." He said he would listen to the presentation tonight before making up his mind.

Councillors Harold Usher and Walter Lonc expressed some concerns, but were more inclined to support the plan.

"We have to do something with that building," said Usher, adding Dundas Street would be worse off without the theatre and its facade.

"I think we have to pay a little extra," Usher said.

He wants to ensure a city use that produces plenty of pedestrian traffic is contemplated.

"We need to get liveliness back on Dundas," he said.

Lonc said London's strengths are its river, parks and heritage buildings, so he will support the lease deal.

Once existing high vacancy rates for core office space drop, he said, rents will increase, closing the differential between what the city would pay and what others pay.

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