



Meeting Date: Monday, November 22, 2021

To: Mayor Mills and Members of Council

From: Carol Maitland, Economic Development Officer

Report: EDC 2021-02

Subject: Grace Tipling Hall Revitalization and Feasibility Project

Recommendation

Be it Resolved that Council:

1. Receives report EDC 2021-02 regarding the Grace Tipling Hall Revitalization and Feasibility Project for information; and that
2. Receives the Grace Tipling Hall Feasibility Study from Emmette Ferguson with the firm Eko Nomos for information; and that
3. The recommendations from the Grace Tipling Hall Feasibility Study be used to guide future capital, programming and staffing resources and be included in future annual budgets for the consideration of Council.

Background

The revitalization of Grace Tipling Hall was seen as part of a strategy and opportunity to enhance and revitalize the downtown.

As well, community engagement, including survey information indicated that aligning Grace Tipling Hall with youth opportunities would open doors for entrepreneurs to start similar ventures and learn through experiences. Grace Tipling Hall a Civic Enterprise Opportunity is provided in Appendix 1. The links for the Grace Tipling Hall Survey Results are provided in Appendix 2 and the WDGPH Shelburne Neighbourhood Design 2018 Survey Overview is provided in Appendix 3.

The Town applied for funding for a feasibility study for Grace Tipling Hall through Innoweave and SENCO. Both organizations are social enterprise incubators.

The Town was advised in January 2021 that \$10,000 for the project from Innoweave Social Enterprise Implementation Coaching project would be funded. The project has also received \$4,500 from SENCO/Georgian College in 2019.

The grant funding from Innoweave required that projects work under the guidance of an experienced and recognized coach. Emmette Ferguson with the firm Eko Nomos was hired as the Town's coach to develop the feasibility study.

The feasibility study outcomes are listed:

- To provide a plan to maintain a sustainable Grace Tipling Hall as an urban amenity promoting social prosperity
- Contributions and alignment to CIP Long-term vision for key public cultural asset
- Develop mixed public/private collaboration and investment
- Create a lever or focus for broader downtown streetscape and public events
- Improved and sustainable heritage urban amenity promoting social prosperity

Summary background information on the work completed:

- Advisory scoping interviews and tool piloting (3 participants); February 2021
- Community Visioning and Scoping Workshop (14 participants); March 2, 2021
- Community Online Survey (20 participants); March-April 2021
- Municipal financial scoping interview (1 participant); April 2021
- Comparator interviews (6 participants); May 2021
- Comparator financial and governance analysis; June 2021
- Community stakeholder interviews (6 participants); August 2021
- Municipal staff workshop: October 25, 2021
- Online community workshop (cancelled; 2 registrants provided with workshop materials and invited to correspond); October 27, 2021

Estimated project completion date November 30, 2021

Financial

Grants:

Innoweave Social Enterprise Implementation Coaching project	\$10,000
SENCO – Georgian College	\$ 4,500
Town of Shelburne transfer from EDC reserve	<u>\$ 6,747</u>
Total	\$21,247

Expenses:

Eko Nomos Consultants	\$21,247
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Policies & Implications

Not applicable

Consultation and Communications

Not applicable.

Council Strategic Priorities

Council's Strategic Priorities has three Goals - Sustainable, Engaged and Livable.

T11 Improve community connections

T12 Support and celebrate arts and culture

Supporting Documentation

- Appendix 1: Grace Tipling Hall as Civic Enterprise Opportunity
- Appendix 2: [Grace Tipling Hall Survey Results](#) [Website Link](#)
- Appendix 3: [WDGPH Shelburne Neighbourhood Design Survey: Overview](#) [Website Link](#)

Respectfully submitted:

Carol Maitland Economic Development Officer

Reviewed by:

Denyse Morrissey, CAO

GRACE TIPLING HALL as CIVIC ENTERPRISE OPPORTUNITY

Shelburne Council Presentation
November 22, 2021

AGENDA

- Scoping Survey and Workshop
- Case Study Interviews and Considerations
- Key Stakeholder Interviews
- Closure and Next Steps

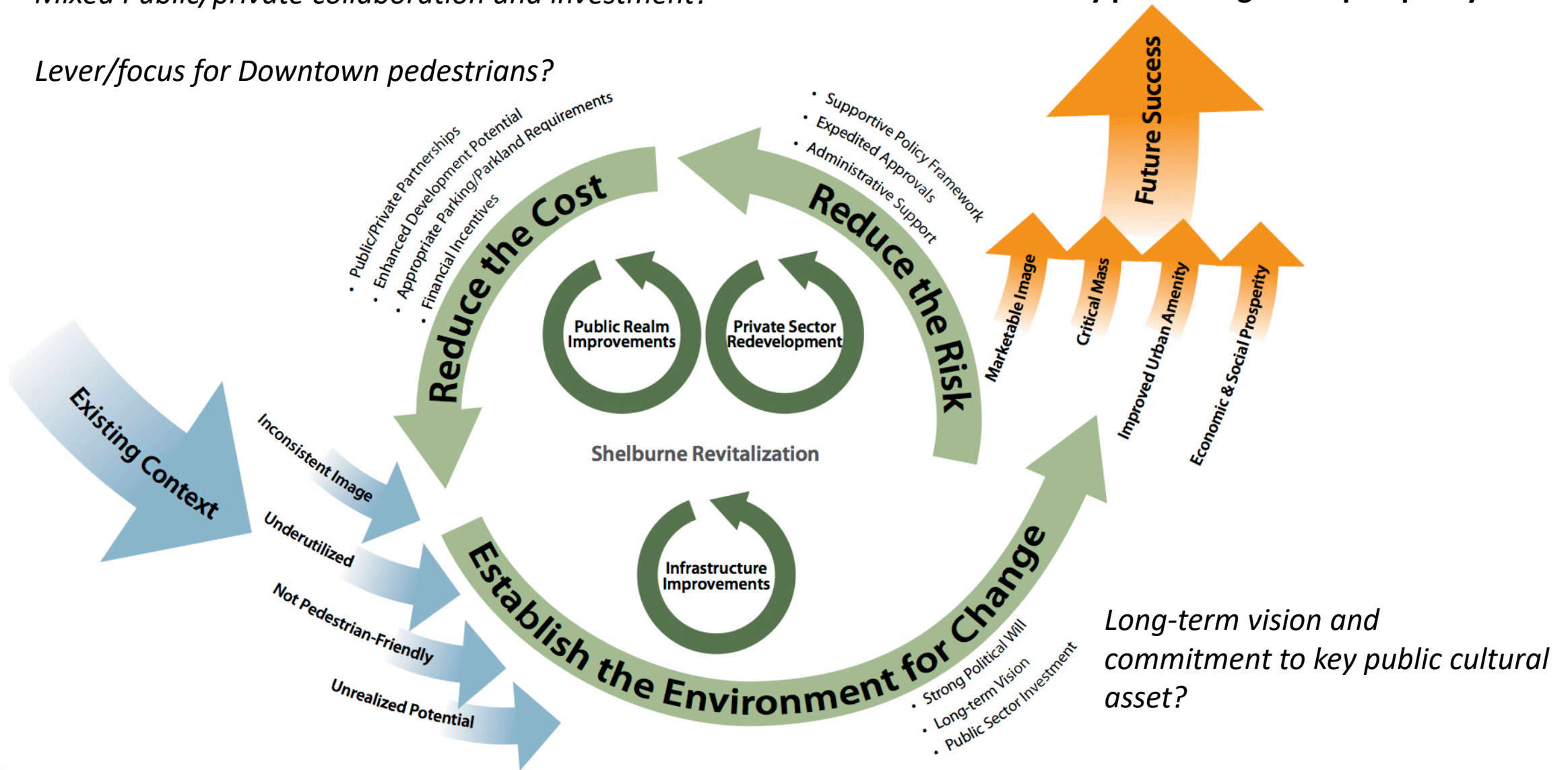


'the hall within the
hall'



Mixed Public/private collaboration and investment?

Lever/focus for Downtown pedestrians?



Contributions and alignment to CIP (potential)

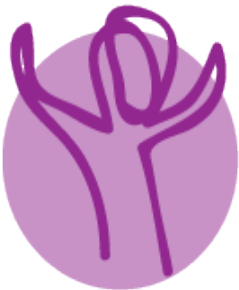
- Long-term vision for key public cultural asset
- Mixed Public/private collaboration and investment
- Lever/focus for broader Downtown streetscape
- Improved and sustainable heritage urban amenity promoting social inclusion and prosperity

1: Preliminary workshop, interviews, and survey

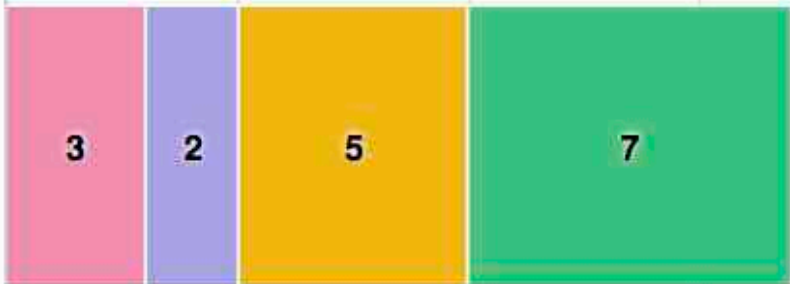


Preliminary workshop, interviews, and survey

- Participants were asked to discuss the current state of Grace Tipling Hall in **five different asset areas**, and discussed how each of those asset areas could be leveraged, or would need special attention, as the community hub project unfolded.
- They were also asked to envision improvements in each area relating to the Hall. Each asset area was given a numerical rating out of five.

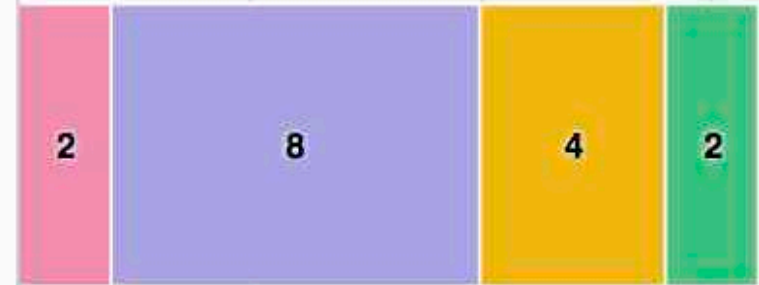


Scoping Survey



Question options

- Definitely disagree
- Somewhat disagree
- Neither agree nor disagree
- Somewhat agree
- Definitely agree



5

10

15

20

Workshop results

On a scale from 1-5, workshops and interviews suggested:

- Human (3.0)
- Social (2.5) (+1?)
- Identity (2.5)
- Physical/Ecological (2.5) (+/-1?)
- Financial (2.5)

Good team, room to grow



2: Case Studies



Case Studies: Theatre Orangeville



Case Studies: Meaford Opera House



Case Studies: Blythe Festival Theatre



Case Studies: Port Dover Lighthouse Festival Theatre



Case Studies: Aron Theatre Co-op



Case Studies: Orillia



Case Studies: Governance

- Observed a spectrum of financial and operational arrangements:
 - Fully municipal: theatre is town-operated by city staff; usually designed as a revenue-generating venture.
 - Hybrid: Hands-on municipal involvement in some capacity, with a stand-alone non-profit overseeing programming and theatrical operations.
 - Independent: stand-alone non-profit with a purely financial arrangement with the municipality



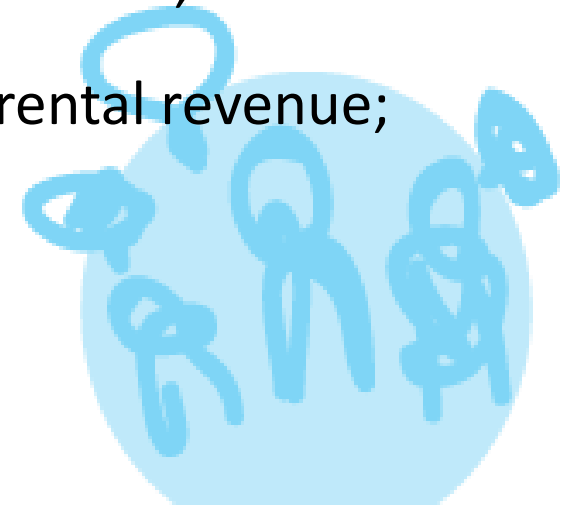
Case Studies

- Sites were a mixture of Municipal, **Mixed** and **Independent** governance models
 - Theatre Orangeville
 - Meaford Opera House
 - Orillia Opera House
 - Port Dover Lighthouse Festival Theatre
 - **Blythe Festival Theatre**
 - **Aron Theatre Co-op**



Case Studies: Governance

- Most included **non-profit organization** with programming/administration responsibilities while municipality assisted with facilities/maintenance
- Municipal support tended to account for **15-50%** of total operating budgets.
- Ongoing relationships to municipal governance often included:
 - Designated **municipal council member** on the non-profit's board;
 - Quarterly or annual **reports** to the municipality regarding rental revenue;
 - **Donating meeting space** back to the council.



Case Studies: Governance

- Non-profits cited the the following **benefits** of their model:
 - Access to **grants** from provincial and federal arts and heritage agencies;
 - **Flexible ability** to take on new theatre or auxiliary spaces as they arose;
 - Accepting **fundraising and donations**;
 - A strong **brand identity** in the regional and theatre community.



Governance Considerations

- Shelburne can explore **creating or partnering** with a separate non-profit organization to operate the theatre *as a cultural enterprise*.
- A funded relationship, with the non-profit receiving **some percentage** of their operating budget from the municipality, would create new **outside leverage opportunities** (for matching requirements in grant streams).
- Clear **responsibilities** for each entity must be documented as they relate to: *operations, building management and maintenance, funding and revenue, long-term planning and sustainability*



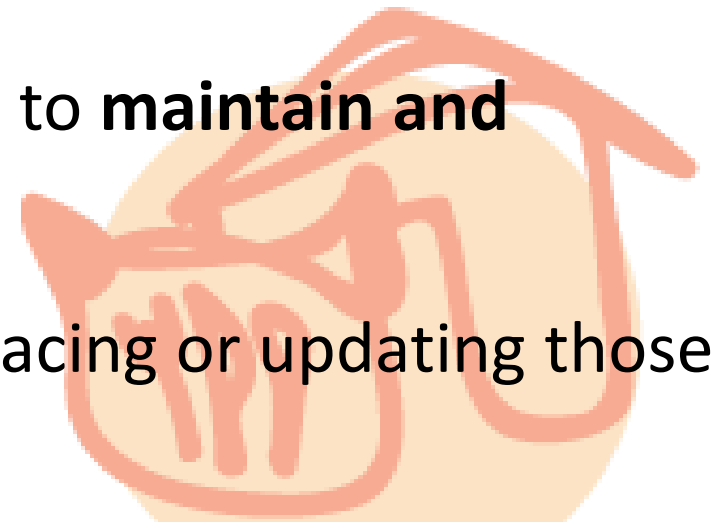
Case Studies: Physical Assets

- All organizations had **control** over the theatre space itself; most also oversaw additional auxiliary spaces
- In some cases, the **municipality retained oversight into non-theatre** areas of the building
- non-profits that also operated off-site auxiliary spaces, (e.g. rehearsal spaces), did not include them as part of their municipal agreement.



Case Studies: Physical Assets

- About half the theatres we spoke with had undergone **extensive renovations** within the last ten years
- These types of renovations were usually **outside the regular arrangements** with municipality (i.e. non-profits themselves taking on debt or other investment to specifically fund capital replacements and expansions)
- Some stressed the importance of an ongoing plan to **maintain and update** theatrical technical and AV equipment
- Even once 'state of the art' is reached, aim of replacing or updating those elements every **5 years**



Considerations: Physical Assets

- Incorporate regular **technical and A/V equipment update cycle** in budget.
- Identify any currently needed, and next likely **major renovations, and develop a funding strategy** for carrying that out.
- If possible, ensure the **greatest flexibility** in space use



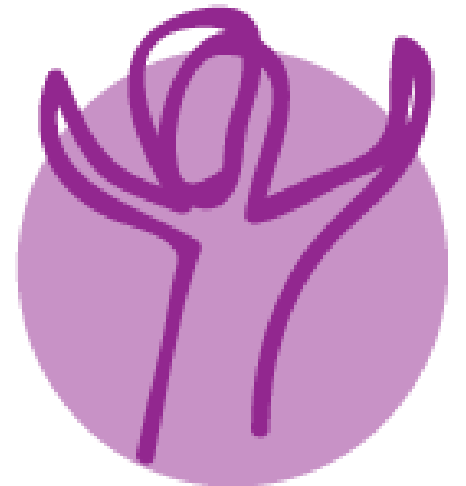
Case Studies: Use of Space

- The theatres we spoke to defined “events” a number of ways, but most included **in-house productions, external rentals**.
- Theatres hosted anywhere from **ten to sixty** events each month.
- Theatres had a variety of events in their spaces, including:
 - Commissioned theatre (new plays created for the theatre)
 - Repertory theatre (previously produced plays from other companies / playwrights)



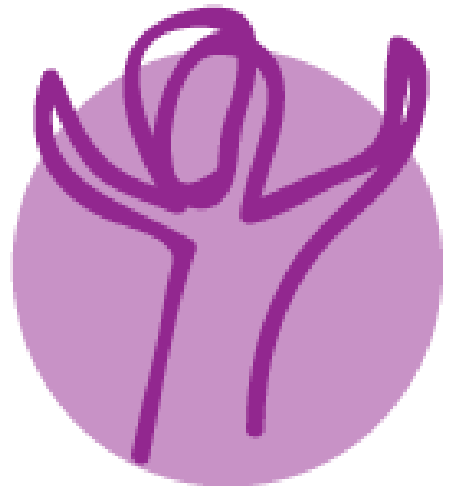
Case Studies: Use of Space

- Commissioned theatre
- Repertory theatre
- Roadhouse shows
- Film screenings
- Community-partnership productions
- Private rentals



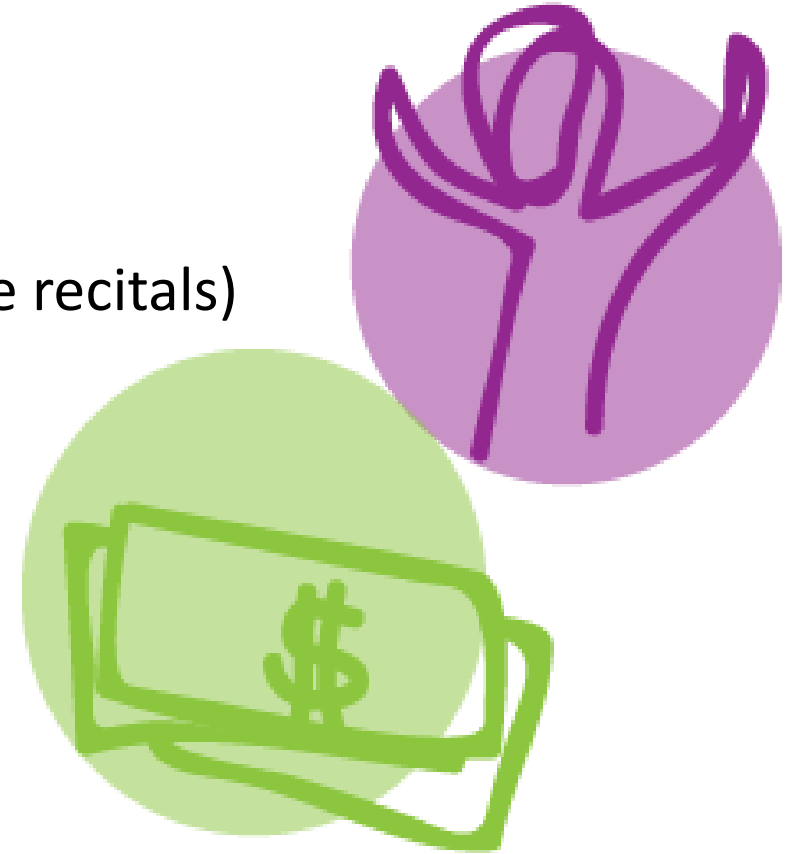
Case Studies: Use of Space

- The majority used a **seasonal approach**
- Focused on roadhouse or **community events in their off-season.**
- Most focused on **either theatrical or musical** productions
- **External rentals** were a year-round part of events.



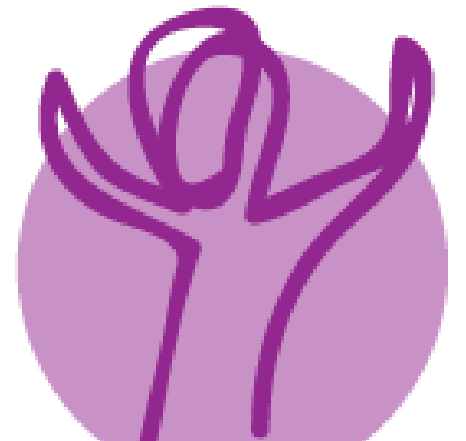
Case Studies: Rental variety

- Stage/**production** rentals (high school theatre, dance recitals)
- **Stage** rentals (meetings, presentations)
- **Lobby** rentals (art shows, book launches, weddings)
- **Rehearsal** space rentals (other theatre productions)
- **Conference** rooms (meetings)
- Great rooms, basements, or theatre space with seats removed (trade shows, **community celebrations**)
- **Kitchens** (community celebrations)
- **Outdoor** spaces (weddings)



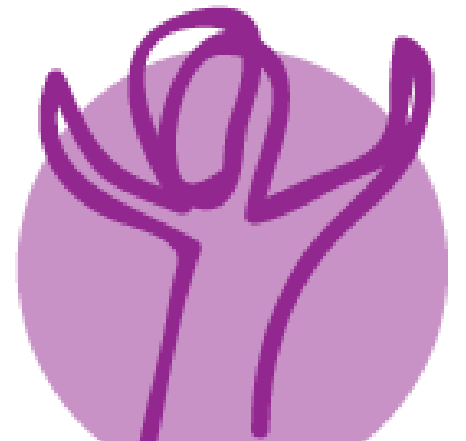
Case Studies: Community Rental motivations

- Rentals incurred **staffing** costs, and were often part of a community **service mandate** that included low-cost rental fee schemes
- Theatres opted to **stay closed during COVID-19** shutdowns;



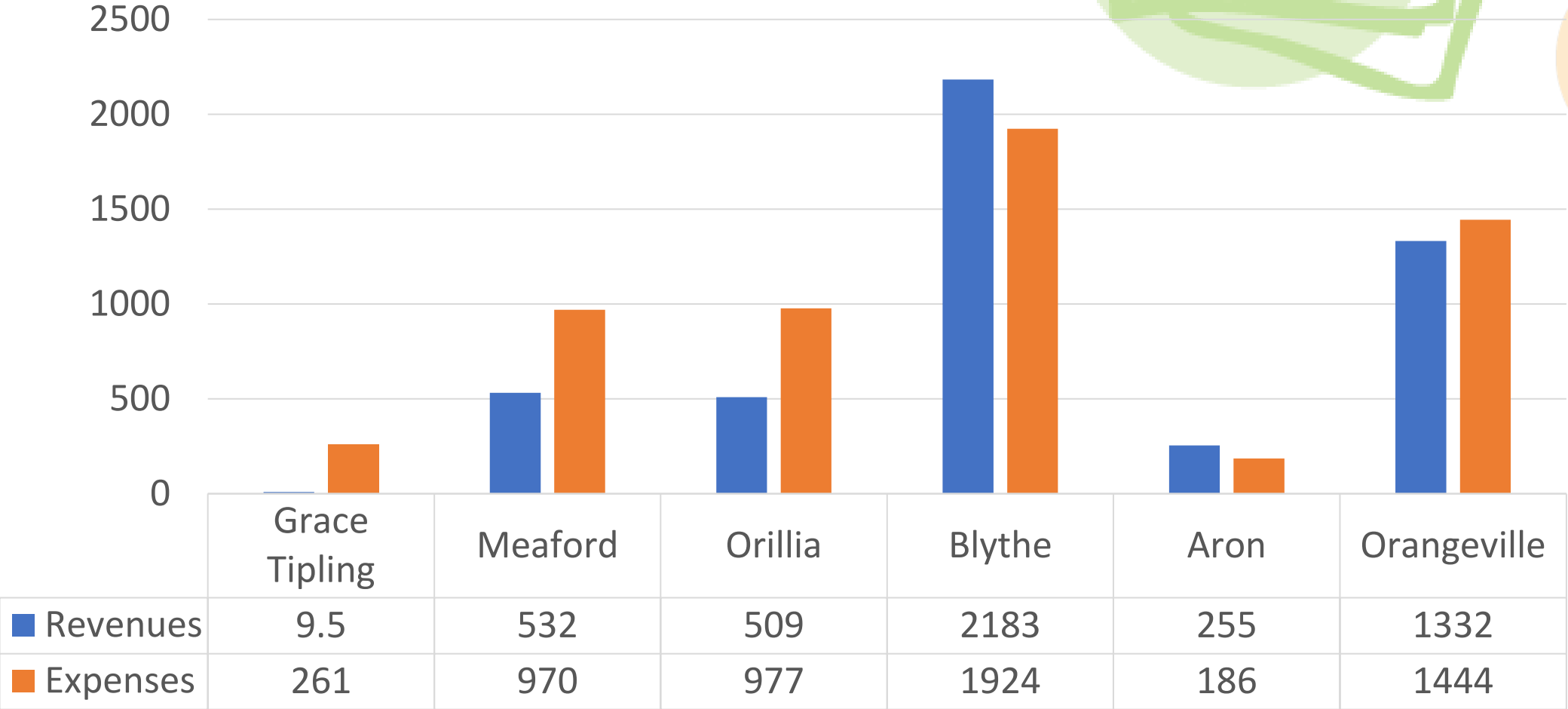
Rental Considerations

- A new **cultural organization or partnership** could create a programming framework to help develop and deliver events in the space.
- Critical to identify what kind of **auxiliary spaces** are currently available, and what might be needed or beneficial as operations grow or diversify.



Financial Comparisons

Actual Revenue/Expense Comparison (by \$ thousands)



Case Studies: Revenue + Funding

- The majority of organizations we spoke to are **non-profits or charities**; as such, they are expected to operate on a **break-even** model.
- Annual operating expenses ranged from **\$200 thousand to \$2 million**.
- Revenues ranged from **\$250 thousand to \$2 million**
- Municipally-run theatres are **revenue-generating ventures**, with any surplus nominally going back to the town.
- Municipally-run theatres tended to ***directly fund* up to 50%** of operational budgets, suggesting that they are considered more or less 'core services' for residents.



Case Studies: Revenue + Funding

- The **municipalities also partnered with non-profits** on larger projects
- **Unique arrangements** depending on the context.
- All of the theatres we spoke to were in good financial health pre-COVID, with **budget-variance rates up to about 10%**.
- **Two theatres of five** accrued operating surpluses within the last five years. Those surpluses were exhausted during COVID.



Case Studies: Revenue + Funding

Theatres used different revenue streams to finance operations and capital repairs. These included:

- **Municipal funding** arrangements
- **Ticket surcharge:** \$1 charge on each ticket sold for a capital-repair fund
- **Donations:** this was a major source for several theatres, including ongoing from individuals and businesses
- **Subscriptions:** patrons purchased 3-5 tickets at a time for a slightly lower cost, thus driving overall ticket sales, incentivizing frequency, and improving cashflow.



Case Studies: Revenue + Funding

Theatres used different revenue streams to finance operations and capital repairs. These included:

- **Grants:** operating grants, special-projects grants, or capital-repair grants from provincial or federal arts or heritage agencies.
- **Sponsorships/advertising:** partnerships with businesses in exchange for visibility (a page in their guidebook, lobby signage, etc) .
- **Fundraising committees:** these groups worked on both special projects and annual fundraising initiatives for operating costs.



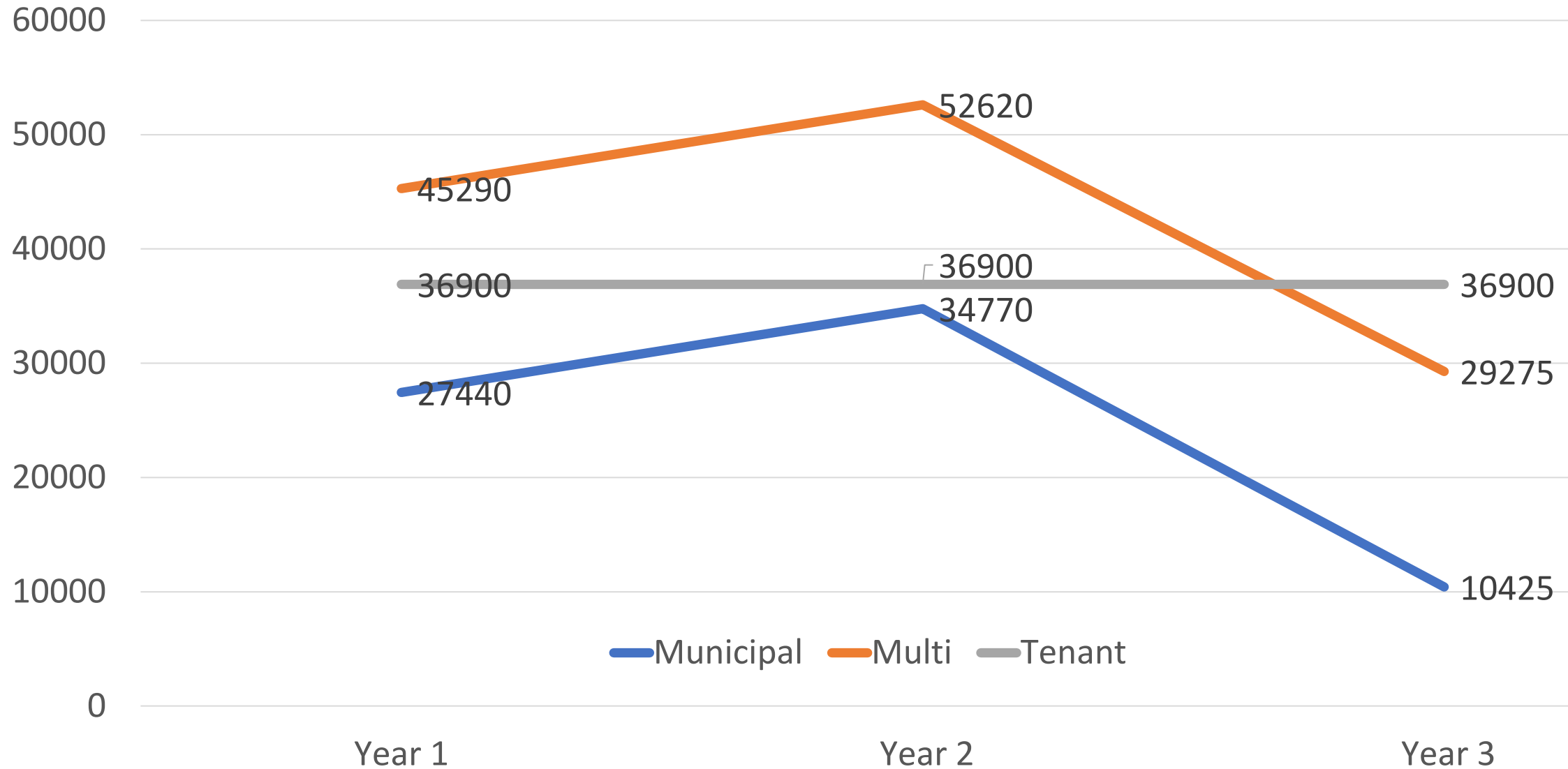
Case Studies: Revenue + Funding

*It is important to note that ticket sales and rental income are **not** the majority revenue sources for many performing arts theatres.*

*They rely heavily on **donors, grants, subscribers, and municipal support.***



Capital Contribution Estimates for three scenarios



Revenue + Funding Considerations

- Success will come from revenues that are ***as diverse as possible***, and include a mixture of ticket sales, rental revenues, patron/partner support, grants, donations, and municipal support.
- **Governance models supporting diverse income** streams and public investment (non-profit, charity, etc), should be prioritized
- Cultivating a **particular theatre identity or brand** may be helpful in reaching donors or patrons on a provincial or national scale.



Case Studies: Theatre Identity

- Several theatres we spoke to had **specific theatrical mandates**, mostly around developing new *Canadian theatre*.
- These mandates allowed them to have a **particular identity** within the Canadian theatre ecosystem
- Most were connected to **provincial/national networks**
- Several theatres had **youth camps** designed to engage young people



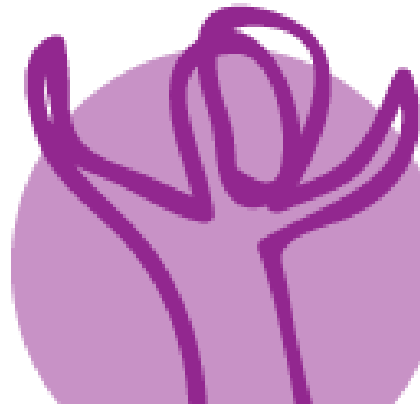
Theatre Identity Considerations

- Potential avenues for cultivating a distinct and marketable theatre identity include:
 - Commissioning theatre by/for/about **newcomers, BIPOC, local** and emerging culture(s) of rurality
 - Developing a **learning space** for young theatre professionals and students
 - **Young people's** theatre (school groups)
 - “Genre” or **niche repertory** theatre



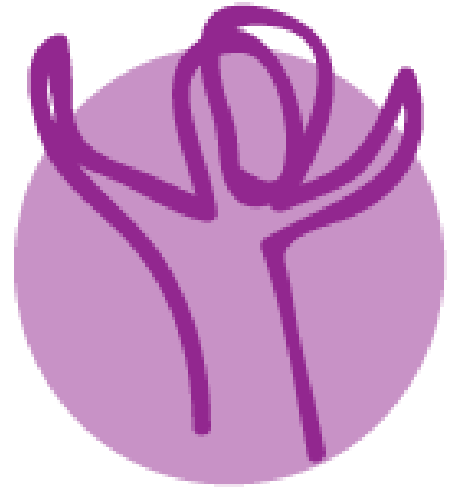
Case Study: Audiences and Community

- Most theatres were located in **towns or small cities** (below 30K population), and thus had large catchment areas.
- **Local tourism** was a key driver for sales
- **Weather** was a key consideration for several theatres
- For some theatres, **building local community** was of very high importance; for others, it was very low.



Case Study: Audiences and Community

- Those with high community engagement worked with community partners in a number of ways:
 - **Partnering** with community groups
 - Engaging **local business**
 - Engaging community **groups**
 - **Discounts**
- Several theatres credited their strong **volunteer** corps



Overall Priorities before start-up

- Identify **key stakeholders and partners**
- Build partner consensus on **governance/operational structures**
- Build consensus on **programming priorities** for the theatre space
- Plan for the **rehabilitation or renovation** needs in the Grace Tipling building suitable to the programming priorities
- Develop a financial strategy that includes **diverse revenue stream**



3: Key Stakeholder Interviews



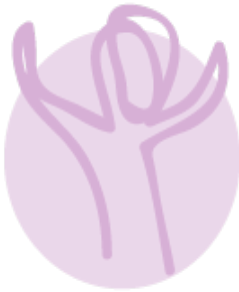
Interviews with Shelburne stakeholders

- 6 People representing five (5) local organizations
- All with some history of, or possible use for the Hall
- Trying to get a sense of governance priorities, fee tolerance
- Also looked at how to improve space to make it more accessible or desirable as an event venue



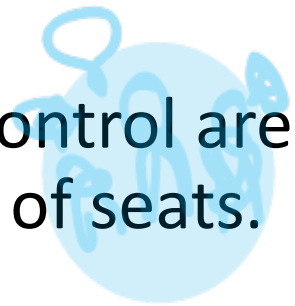
In general

- People like the Hall and its heritage atmosphere
- Most considered sound and lighting upgrades a priority
- Some possible uses would need access to different things:
e.g. sound-proofed rehearsal space, light food service and flexible meeting spaces
- Access to in-house sound and lighting expertise also considered important
- Overall respondents understood that Hall rentals are very cheap under the current model



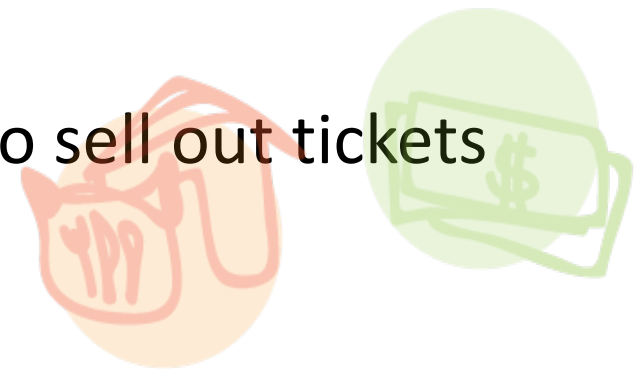
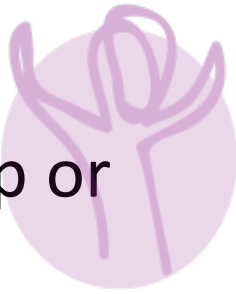
In general

- General enthusiasm for potential to use Hall more often
- Ongoing or frequent use constrained by access to flexible spaces outside the theatre
- Within the theatre, the addition of dedicated light/sound control area would also help, though this must be balanced against loss of seats.



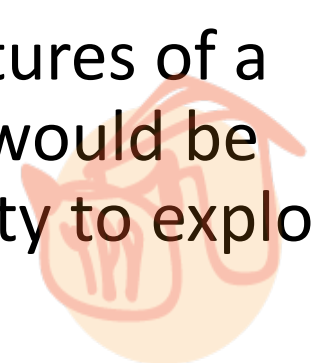
Schedule scoping

- Respondents suggested that they might rent the Hall two or three times a year under present circumstances
- Each event was likely to require no more than a day or two for set-up or rehearsals
- A majority of respondents were interested in offering ticketed events, although in some cases the hope was to offer 'free tickets' for community celebrations and public performances
- Respondents were generally confident in their ability to sell out tickets



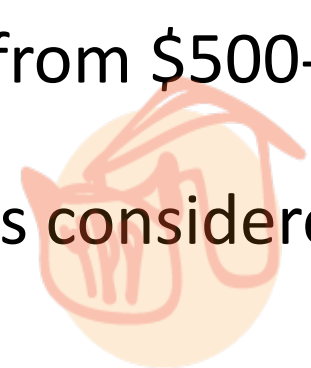
Reflecting on Governance

- Three governance possibilities were introduced and described to respondents (municipal-run, partnership, independent/lease)
- Municipal model was often framed as preferable because it was seen as the simplest or least disruptive change
- Two respondents suggested they might be interested in being a primary leaseholder or substantial partner in producing and scheduling events
- All respondents described some potential positive features of a partnership/collaborative model, and suggested they would be interested in joining a group created by the municipality to explore governance more in detail



Tickets, Rental and Pricing

- Respondents generally considered a \$20 ticket attainable. For amateur/student performances, some suggested lower prices.
- \$35 was considered the highest price comfortably attainable for performances
- In lieu of rental fees, respondents were comfortable in the range of 10-30% for ticket commission, depending on other event expenses.
- As a flat rate, respondents indicated single-day prices from \$500-1000 would be feasible;
- For annual leases, 50% of operations/maintenance was considered possible, or up to about \$5000 per month.



Next Steps

- **Decide** on governance/operational model to proceed with
- Integrate relevant community stakeholders in **annual scheduling and programming process**
- Build consensus on **programming and rental priorities** for the theatre space
- Develop plan for the **rehabilitation or renovation** needs in the Grace Tipling Hall and auxiliaries to support diverse uses and revenue streams
- Set rental and ticket rates as part of developing a longer term financial strategy that includes **diverse revenue streams**



Thank you!

We hope you've enjoyed your time with us!

Emmett Ferguson

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