GRACE TIPLING HALL as CIVIC ENTERPRISE OPPORTUNITY

Research Focus Group

(ONLINE)

October 25, 2021

3:30-5:30pm

eko
nomos

WELCOME

- Around the (virtual) table, please let us know:

- Who you are
- Why you’ve joined this meeting today
- What you are hoping to get out of this session

AGENDA

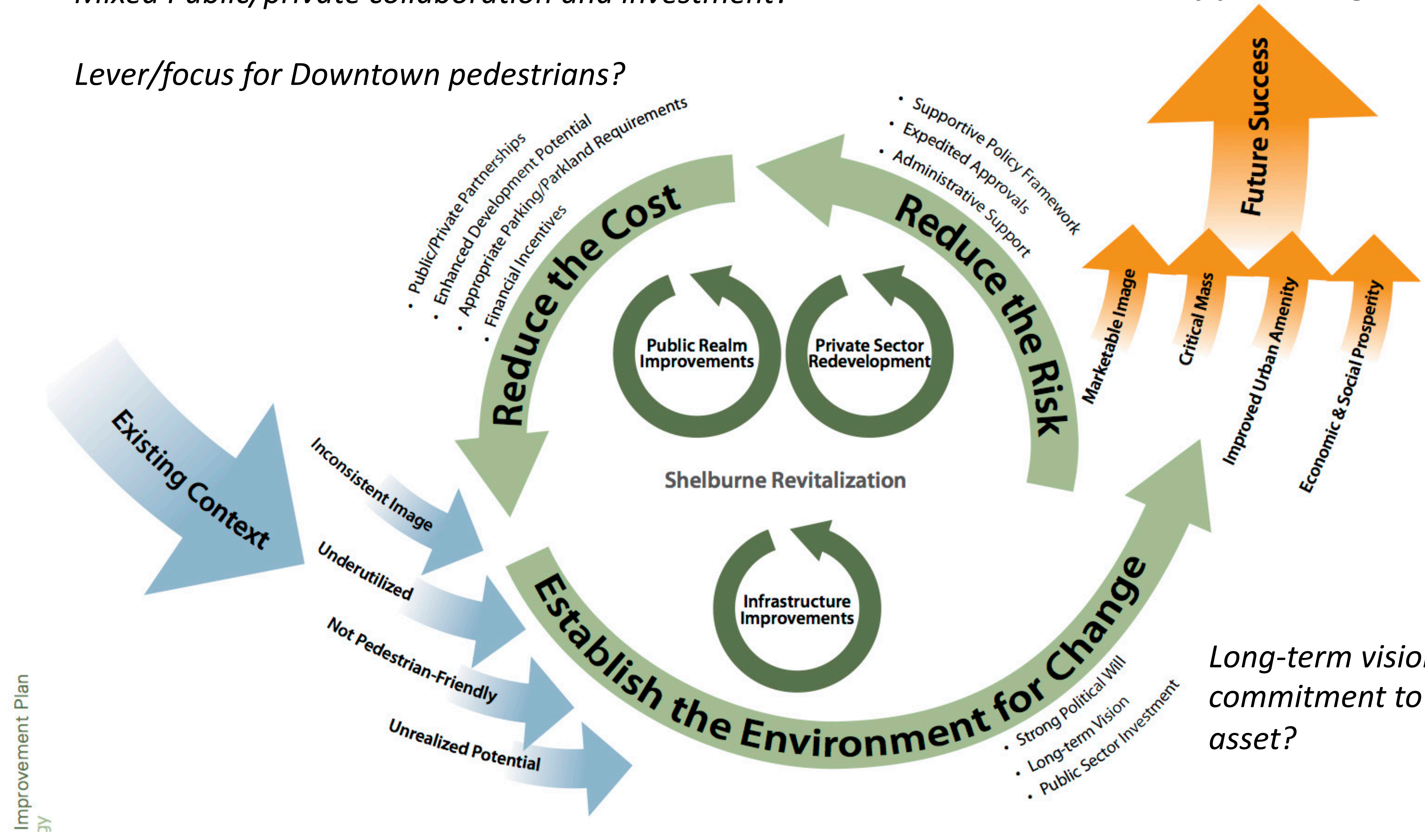
- Welcome and agenda
- Scoping Survey and Workshop: results and discussion
- Case Study results and discussion
- Governance comparison and discussion
- Financial scoping and discussion
- Key Stakeholder Interview findings
- Closure and Next Steps

'the hall within the hall'

Mixed Public/private collaboration and investment?

Lever/focus for Downtown pedestrians?

Improved and sustainable heritage urban amenity promoting social prosperity



Long-term vision and commitment to key public cultural asset?

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 prosperity

1: Preliminary workshop, interviews, and survey

Preliminary workshop, interviews, and survey

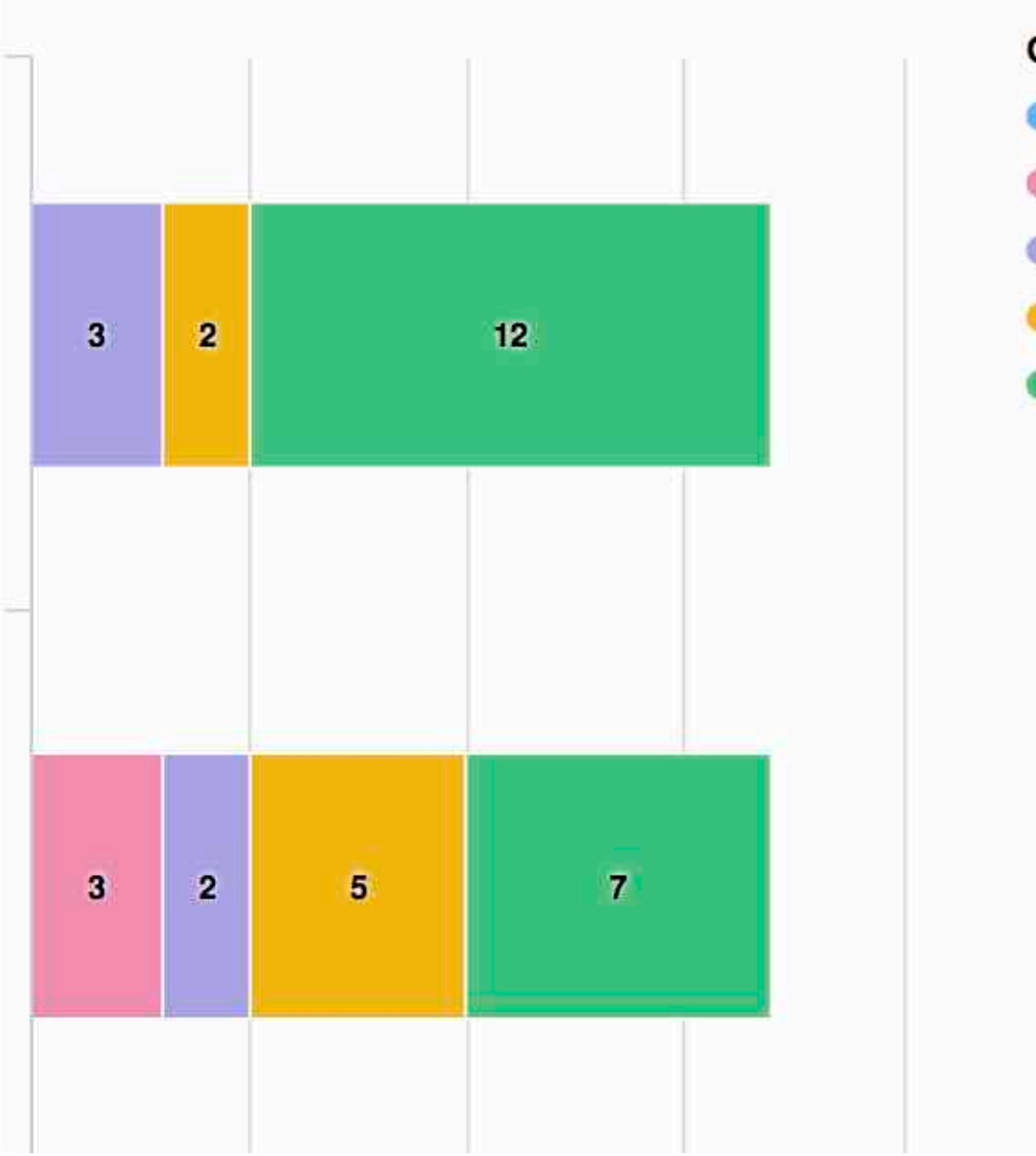
- Participants were asked to discuss the current state of Grace Tipling Hall in **five different asset areas**, and discussed how each of those asset areas could be leveraged, or would need special attention, as the community hub project unfolded.

- 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

- Respondents most strongly agreed with the statement *"The Town Hall and its event / performance space are a strong asset supporting Shelburne's **social networks and community**."*

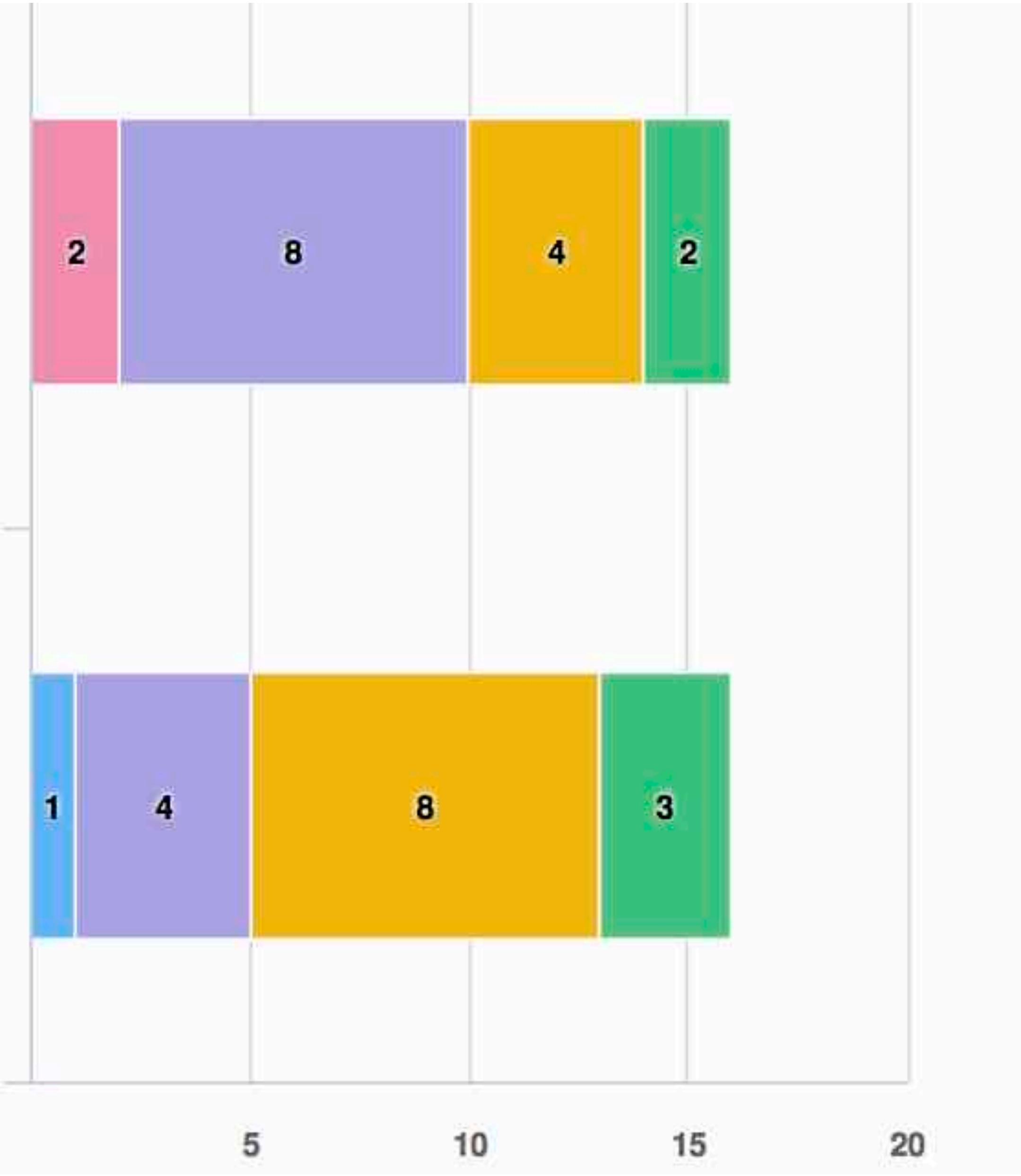
- A majority of respondents also agreed that *"The **physical space and fixtures** in the Hall's event space are well designed and fit to its purpose as an event and performance space."*
- About 1 in 6 somewhat disagreed with this statement



Scoping Survey

- Respondents generally neither agreed nor disagreed that *"The people and organizations supporting Town Hall and its event / performance space have access to the* ***financial resources*** *needed to support sustainable operations."*
- About 1 in 3 agreed with this

- Respondents generally *somewhat* agreed with the statement *"The people connected to the Town Hall's event and performance space have the* ***skills and experience*** *needed to make it a thriving and successful enterprise."*
- One respondent definitely disagreed with this statement

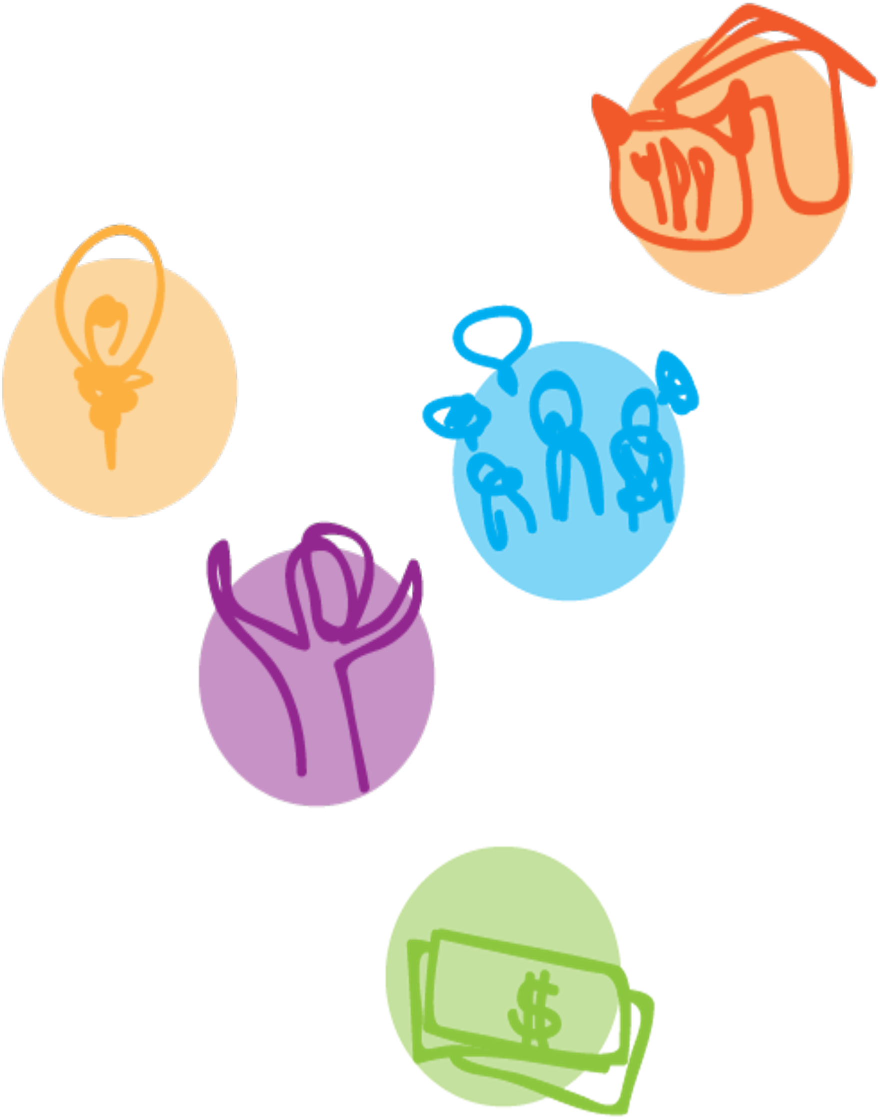


Workshop results

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

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

Good team, room to grow



Scoping Survey

Respondents identified the following groups as primary current and potential users or beneficiaries of the Hall:

- Little Theatre
- **Dufferin Arts**
- **Lions**
- **Kinsmen**
- **Rotary**
- **Shelburne Library**
- **Streams Community Hub** (x3)
- **Open LP Productions** (x2)
- **Dufferin Bangladeshi Association**
- **Dufferin County Canadian Black Association (x2)**
- **Muslims of Dufferin**
- Shelburne **Multicultural Day** Event (x2)
- 'Arts and culture groups' (x2)
- Interfaith concert
- 'Youth group'
- **Highschool** seasonal concerts
- 'Community Groups'
- 'local performing arts school'
- 'seniors program'

Scoping Survey

Respondents identified the following strategies for improving these groups' use of or connection to the Hall:

- Access to space
- Promotion
- Update to facilities
- Displaying art
- Multicultural events
- Marketing, including to GTA
- Information about Hall for new residents
- Invitations to collaborate
- Asking opinions
- Public education and information
- Offer the Hall for use
- Year-round live events
- Connect to Highschool arts program
- Avoid making big decisions until COVID is less of a barrier for people

Workshop:

- Participants saw the potential to strengthen community connections by creating a board structure, improving collaborations between user groups, and creating an arts and culture committee.

Scoping Survey

Respondents identified the following as positive features of Shelburne’s **culture and identity** that could be supported or embodied in the Hall’s operations

- **Diversity** of cultures
- Community entertainment; family events and programming
- **Music (x3),** especially fiddle/country
- Continue working with ‘multicultural’ and ‘group that puts on the plays’
- Youth from the highschool
- Focus on existing groups, encourage outside music and drama groups to come and perform
- Can enhance **any group out there** trying to make and entrance into our community
- **Vibrant cultural community**
- **“Music and theater”**
- History and multicultural expressions

Scoping Survey

Respondents identified the following strategies as good ways to improve the Hall's connection to or support of Shelburne's **culture or identity**:

- **Marketing**
- **Promotion** to 'groups that support town initiatives'
- Partner with Theatre **Orangeville**
- **Jazz Festival** performances
- Establish **Board** of management or committee with Town support
- Be very open to **different cultures**
- Reach out to established organizations for **collaboration**
- Outreach to 'subcultures' to host their own **festivals and culture days**
- Ask **residents** to bring their creative expressions

Workshop: Identity Assets

- Improvements in this area included:
  - community pride in the Hall and its operations
  - increased local engagement with the space
  - “everyone in Shelburne has a reason to be at the Hall five or six times each year.”

(for reference that would mean an annual attendance of 32000+)

Scoping Survey

- Respondents identified the following as important **skills and experience** for the Hall to have access to:

- **Skilled**/knowledgeable team
- **Volunteer** network
- **Business** experience
- Community knowledge/**network**
- **Openness** to new ideas
- **Connections** to other communities/County
- Knowledge/understanding of **diversity**
- **Openness** to engaging with diverse community
- **Diversity** of expressions, **funding, entertaining; advertising/promotion**

Scoping Survey

- Respondents identified the following strategies as important to the **skills and experience** of the Hall's network or team:

- Build awareness
- Learn from **mentoring** and success
- Town **commitment** to undertake new cultural development
- **Diversity** in hiring
- **Partnerships; volunteer and paid**
- Start with **highschool**
- **Board** with diverse views and expressions

Workshop: Human Assets

Improvements in this area included:

- a shared **vision** for the space
- **diverse groups**/stakeholders working together;
- **government and municipal** support in place

Scoping Survey

- Respondents identified the following as important indicators for **success** after three years of Hall operations:

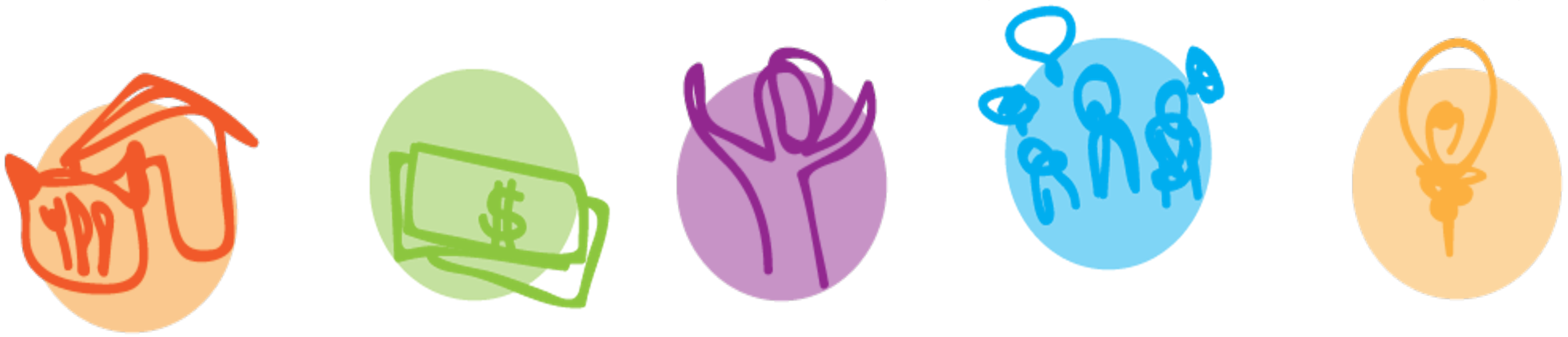
- **Full events calendar (x3)**
- Neighbours **know about** events
- **Great a/v** experience
- ‘endeavor to create a **model of the culture we aim to develop**’
- **Financial** success
- Respect for the **heritage** of the hall
- Events established with **businesses in town to promote** the events
- Continue to offer **popular events**
- Continue to offer **plays** (affordable and well done)
- Successful in **attracting events**
- **Draw people** to Shelburne (x2)
- Involvement from **different cultures (x2)**
- **Diverse** programs
- **Arts and crafts exhibits** from different cultures and **local artists**
- More **youth participation**
- Community participation
- **High demand, highly recommended**
- **Funding for writers and performances**
- ***“Storytelling in music, theater and other expressions”***

Workshop Success Definitions

- **Vision, Mission and Values statement**
- Appropriate **staffing**
- Access to **funding**
- Consistent **programming**
- Increased **attendance**
- **Range** of cultural uses
- **Variety** of entertainment
- Increased **bookings**
- **Community involvement**
- **Self-sustaining**
- **Year-round** programming
- Improved community **awareness**
- **Downtown revitalization**
- **Businesses** catering to theatregoers
- **Name recognition**
- **Benchmarking** akin to other community resources
- Good **ROI** on community investment
- **Variety of groups** using the space in different ways (church groups, theatre, film, etc.)

Survey and Workshop Findings: Q&A

- What surprised you about what we found in the survey or workshop?
- Did you learn anything new from these data? Or were any of your earlier ideas validated?
- What questions might you still have about the current context of Shelburne and the Hall, or what people want to see happen there?



2: Case Study Interviews

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

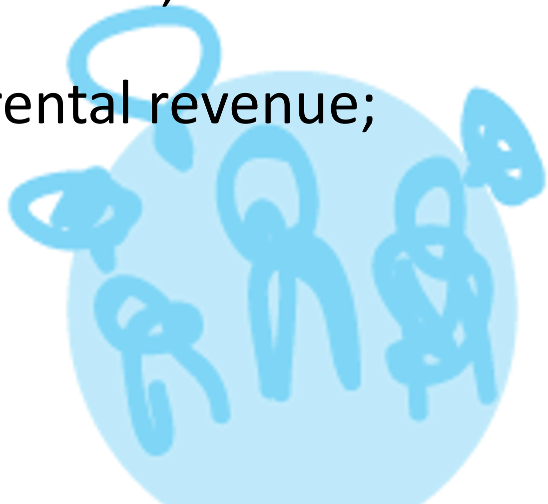
Case Studies

- 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 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
- Some stressed the importance of an ongoing plan to maintain and update theatrical technical and AV equipment
- Aim of replacing or updating those elements every **5 years**

Considerations: Physical Assets

- Develop a strategy to ensure that **technical and A/V equipment** can be replaced on a regular cycle.

- Develop a plan to identify any currently needed **major renovations, and 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)

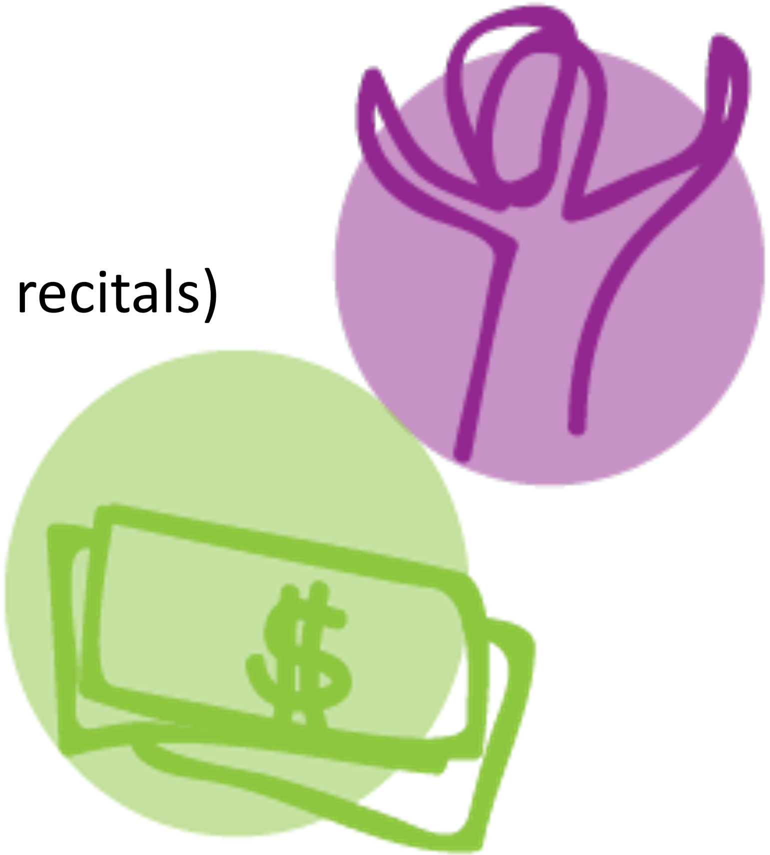
Case Studies: Use of Space

- 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: Rental motivations

- Rentals incurred **staffing** costs, and were often part of a community **service mandate** that included low-cost rental fee schemes

- Most 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.

Case Studies: Revenue + Funding

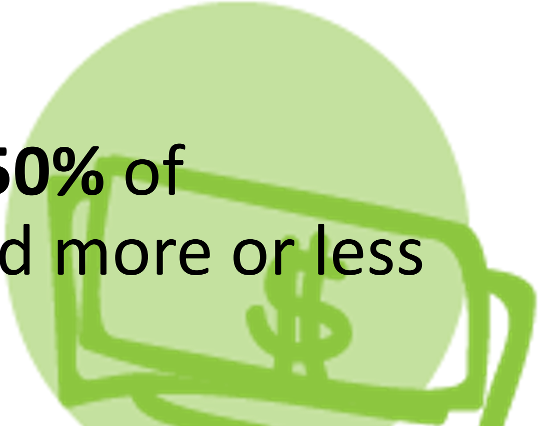
- The majority of organizations we spoke to are **non-profits or charities**; as such, they are expected to operate on a **break-even** model.

- 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 close to 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.

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.***

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
  - "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

Q&A

- Did anything surprise you about what we found in case studies?
- Did you learn anything new from this information? Or were any of your earlier ideas validated?
- What questions might you still have about the way things work in other communities?

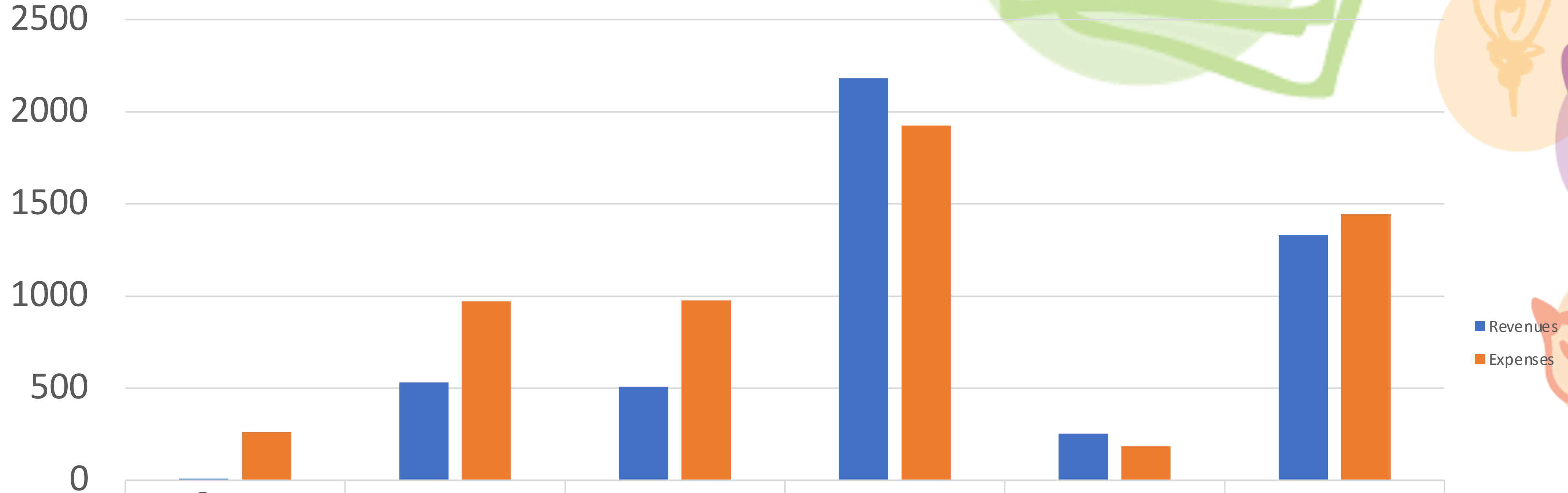
Break

Stand up and shake it off

4: Comparing Financials: Budgets & Pricing

Financial Comparisons

Actual Revenue/Expense Comparison (by $ thousands)



	Grace Tipling	Meaford	Orillia	Blythe	Aron	Orangeville
Revenues	9.5	532	509	2183	255	1332
Expenses	261	970	977	1924	186	1444

Revenue Comparisons

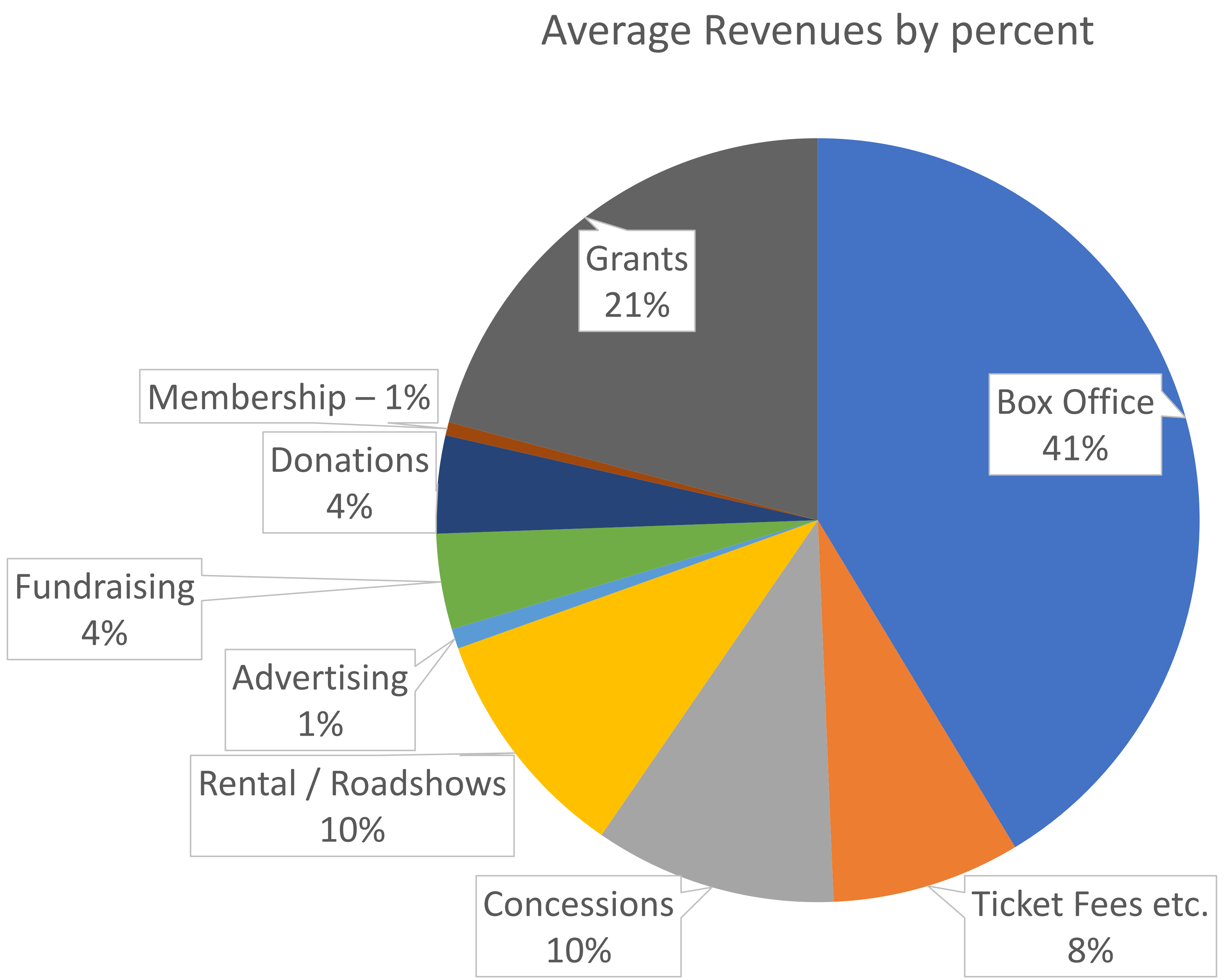
- Box Office: 30-65%
- +/- Ticket Commission: 3-15%

- Concessions: 5-15%

- Rental: 3-36%

- Fundraising/Donations: ~20% where applicable

- Grants: 2-30% where applicable


Average Revenues by percent
Grants
21%
Box Office
41%
Membership – 1%
Donations
4%
Fundraising
4%
Advertising
1%
Rental / Roadshows
10%
Concessions
10%
Ticket Fees etc.
8%

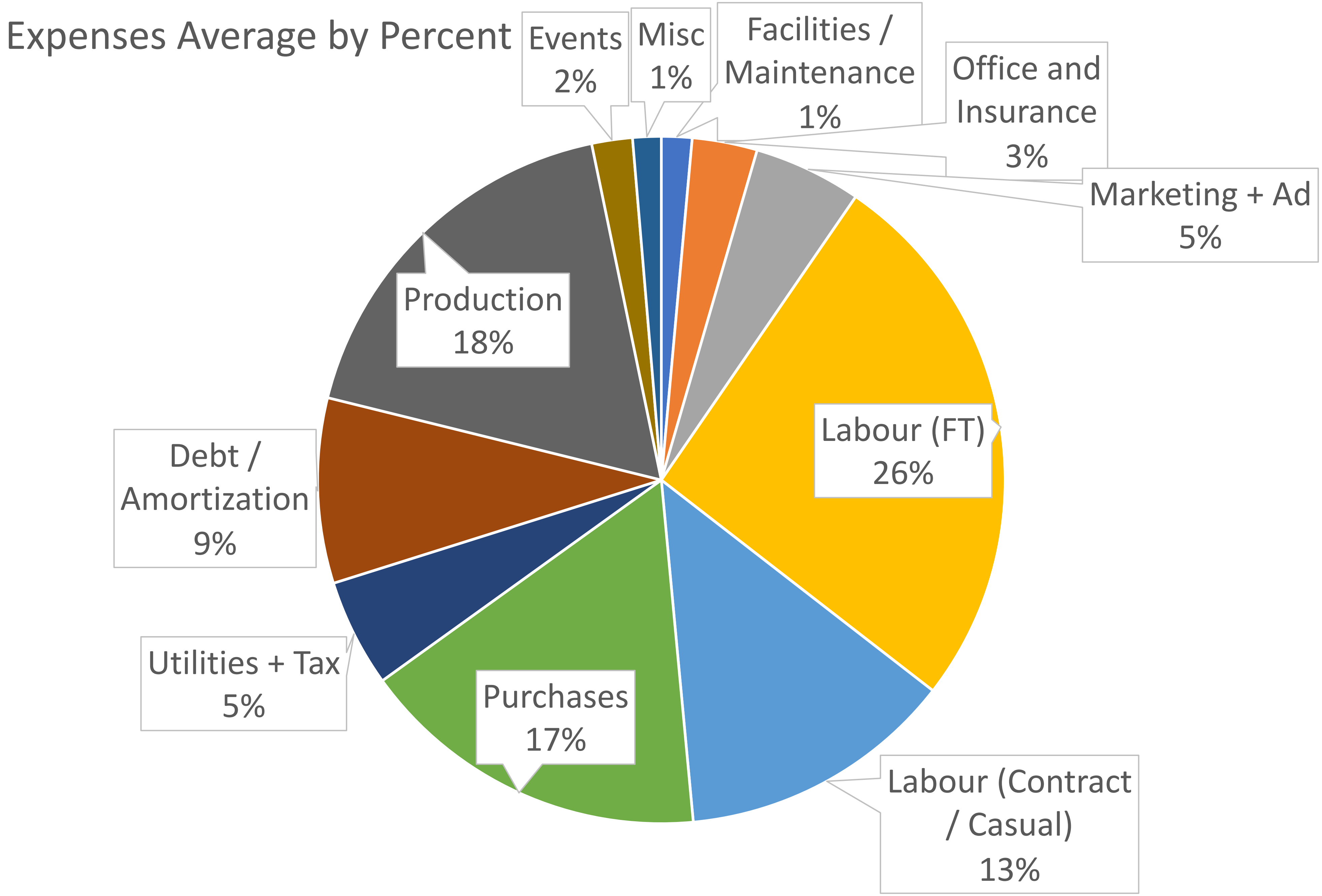
Expense Comparisons

- Labour (**Full Time**): 9-36%
- Labour (**Contract / Casual**): 2-37%

- Facilities / Maintenance: 2-4%
- Taxes / Utilities: ~9%

- Promotion: 2-10%
- Purchases: 1-5% normally; 40% during capital campaign

- Mortgage / Debt; 7, 11, 27%
- Production: 13, 62%


Expenses Average by Percent
Events 2%
Misc 1%
Facilities / Maintenance 1%
Office and Insurance 3%
Marketing + Ad 5%
Production 18%
Labour (FT) 26%
Debt / Amortization 9%
Utilities + Tax 5%
Purchases 17%
Labour (Contract / Casual) 13%

COST PER SEAT

- Shelburne currently spends about **$261 thousand** per year on operating the Town Hall.
- Assuming that the theatre and auxiliaries currently represents up to 50% of that operating budget, it currently costs the municipality **~$1.83 per seat**, per day at 195 seats
- In Meaford (330 capacity), the total expense of each seat is **$8.05 per day**
- In Orillia it is **$3.44**, and in Blythe $**10.13**

DAILY RENTAL PER SEAT

- Most reviewed had **diverse offerings** including staffing, tech, auxiliary spaces
- Ticketed events may require surcharge of **$1-2 per ticket**

- Assuming all offerings are purchased by client, current rental prices are:

- Shelburne: **$2.18/per seat**
- Meaford: **$6.69**
- Orillia: **$4.80**
- Blythe: **$4.94**

BUDGET SCOPING

Assumptions:

1: Hiring 1.0 FTE **Coordinator/booker** position needed in municipal or mixed model

2: Ticketed events entail an **average team of 3** (tech, usher, cleaning) working **4 hours** per event

3: With seasonal fluctuations, an average of **5 ticketed events per month** in the first year would be satisfactory on start-up, building to a maximum of about **3 per week**.

BUDGET SCOPING

Assumptions:

4: Community rentals might start at **one per month**, again building to 1.5/month

5: Ticketed attendance would be about **twenty 'full theatres'** on start-up, rising to about **thirty** for sustainability

6: Staffing requirement will **scale according to schedule**

BUDGET SCOPING

Assumptions:

7: No matter the governance structure, the municipality will **operate the Hall on a 'cost recovery' basis**, seeking partnerships and revenue that contributes to **real costs of maintaining the asset** rather than to create surplus for other activities.

BUDGET Modeling

MUNICIPAL Model

- ~50% of $261 thousand Town Hall expenses reallocated as distinct ‘Theatre’ budget lines to create a separate cost centre
- A/V upgrade for **$45 thousand**, amortized over 5 years

- **Theatre Coordinator** hired to:
  a) book min. 60 ticketed events with average attendance of 65 people each
  b) Hire and supervise casual tech, cleaning and ushers
  c) Secure average of one rental per month
  d) Secure community donations of $40.00

BUDGET Modeling

MUNICIPAL Model

After labour and some material costs, and some **modest facilities grants** the municipality might save:

Year of Start-up: **$27 thousand**
2nd Year (growth): **$34 thousand**
3rd Year (capacity): **$10 thousand**

BUDGET Modeling

PARTNERSHIP Model

- ~40% of $261 thousand Town Hall expenses contributed as 'in-kind contribution' to arms-length non-profit
- A/V upgrade for **$45 thousand**, amortized over 5 years; could be financed in new corporation

- **Theatre Coordinator** hired to:
  a) book min. 60 ticketed events with average attendance of 65 people each
  b) Hire and supervise casual tech, cleaning and ushers
  c) Secure average of one rental per month
  d) Secure community donations of $40.00

BUDGET Modeling

PARTNERSHIP

After labour and some material costs, and some **modest facilities and programming grants** the **partnership** might save or contribute:

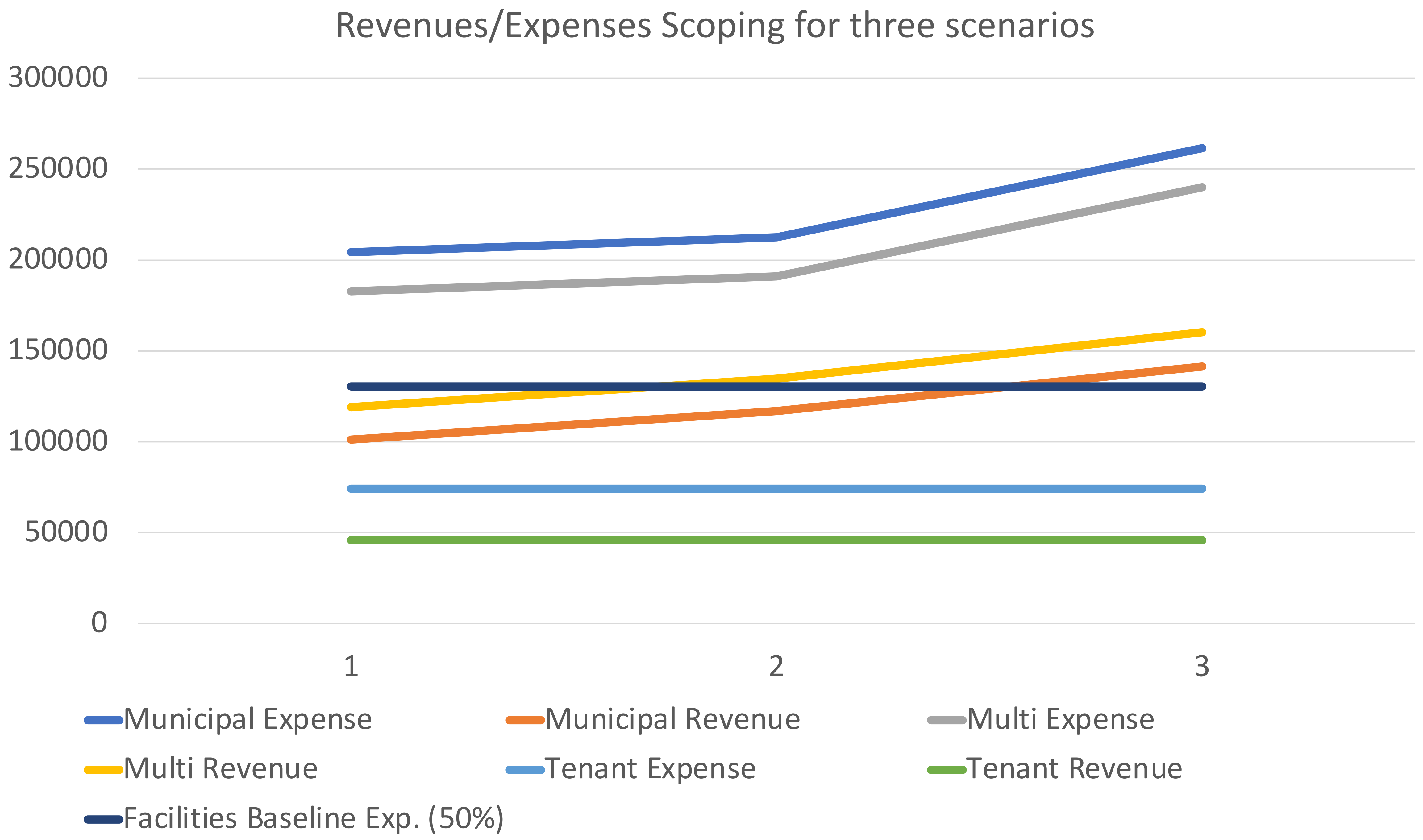
Year of Start-up: **$45 thousand**
2nd Year (growth): **$52 thousand**
3rd Year (capacity): **$29 thousand**

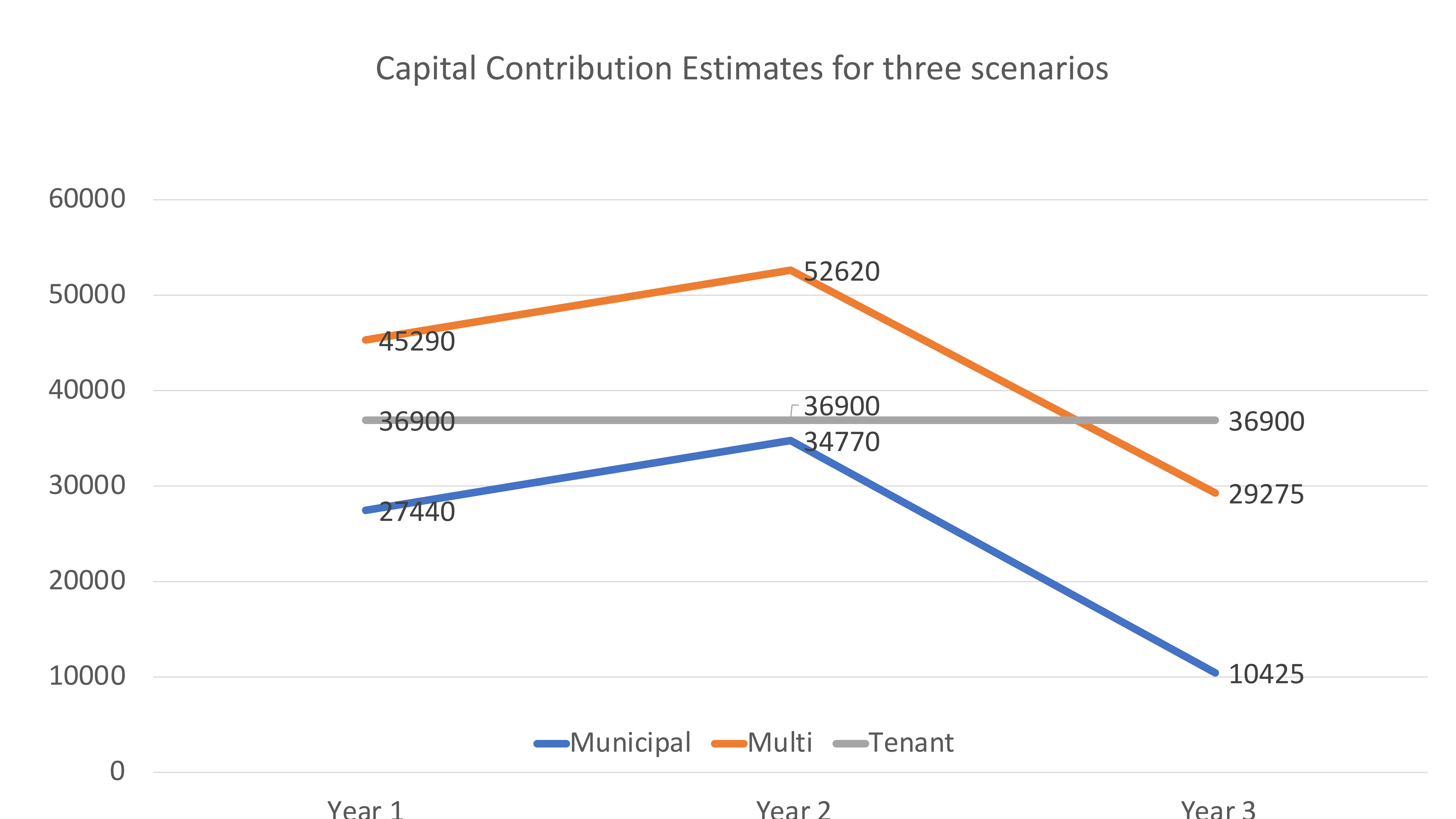
BUDGET Modeling

RENTAL MODEL

- **25%** of $261 thousand Town Hall expenses contributed as ‘in-kind contribution’ to independent non-profit/charity
- A/V upgrade for **$45 thousand**, amortized over 5 years
- Municipality seeks **15%** of Town Hall costs in form of lease arrangement

Every year: **$36 thousand (+/- inflation)**


Revenues/Expenses Scoping for three scenarios
300000
250000
200000
150000
100000
50000
0
1
2
3
Municipal Expense
Municipal Revenue
Multi Expense
Multi Revenue
Tenant Expense
Tenant Revenue
Facilities Baseline Exp. (50%)


Capital Contribution Estimates for three scenarios
60000
50000
40000
30000
20000
10000
0
52620
45290
36900
36900
36900
34770
29275
27440
10425
Municipal
Multi
Tenant
Year 1
Year 2
Year 3

Ticket and Event Modeling

Depending on the number of events per year, ticket prices might look very different

At 160 ticketed events per year, an overall rental rate of **$1500/day would meet costs after labour.**

This equates to a minimum ticket price of **$8**, but more likely twice that **($15-16)** to **account for vacancy**

However, at 5 events per month, this cost goes up to $**3400/day,** suggesting **$16.00 minimum.**

Financial Q&A

- Do you think **$16.00+** for a *subsidized* live performance in the Hall is reasonable?

- Considering the need to pay performers and production costs, would **$30.00-50.00** tickets seem reasonable for ‘for-profit’ or professional performances?

- What governance model do you think might be most appropriate for Grace Tipling Hall and Shelburne right now: **municipal, mixed, or independent?**

4: 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 importnt
- 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.

Thank you!

We hope you've enjoyed your time with us!

Emmett Ferguson

(416)-702-9586

emmett@ekonomos.com

eko
nomos