

**REPORT TO PERFORMING ARTS FACILITIES SELECT COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 01, 2025**

SUBJECT **Performing Arts Facilities Service: Establishing Bylaw No. 4704 and Service Plan**

ISSUE SUMMARY

The CRD Board has approved a recommendation from the Performing Arts Facilities Select Committee that directed staff to prepare a service plan and draft an establishing bylaw for a new Performing Arts Facilities Service that would plan, develop and fund performing arts facilities with regional impact.

BACKGROUND

On July 2, 2025, the Performing Arts Facilities Select Committee (PAFSC) received a report for information, which provided a full cost-benefit analysis of options for a Performing Arts Facilities Service (Appendix A). The report, prepared by the consultant Nordicity, outlines the analysis of five options for a new sub-regional or full regional service that could scale up support for performing arts facilities with regional impact in a way that provides value to all participating jurisdictions. PAFSC endorsed the primary recommendation of the report, Option C, and advanced that recommendation to the Capital Regional District (CRD) Board.

On July 9, 2025, the CRD Board approved the recommendation from PAFSC with an amendment to add the Southern Gulf Islands Electoral Area as a participant. The approved motion was “[t]hat staff draft an establishing bylaw and service plan for a new performing arts facilities service based on the primary recommendation of the Nordicity report, Option C, with the addition of the Southern Gulf Islands Electoral Area, and provide these documents to the Select Committee for review.”

During summer 2025, staff consulted with relevant interest holders, including Royal & McPherson Theatres Society, Saanich Peninsula Memorial Park Society (who run the Charlie White Theatre), and the Juan de Fuca Performing Arts Centre Society on the implications of the proposed service, its options for expanded support of existing and future performing arts facilities with regional impact, and the coordination necessary to transition from current service arrangements.

ALTERNATIVES

Alternative 1

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4704, “Performing Arts Facilities Service Establishing Bylaw No. 1, 2025”, be introduced and read a first, second, and third time;
2. That participating area approval be obtained for the entire proposed service area by alternative approval process; and
3. That Bylaw No. 4704 be forwarded to the Inspector of Municipalities for approval.

Alternative 2

That this report be referred back to staff for other revisions or additional information.

IMPLICATIONS

Alignment with Board and Corporate Priorities

In the current CRD Corporate Plan (2023-2026), initiative 10b-2 states the CRD will “Scale up regional support for performing arts facilities within the region.” This could be achieved by the Performing Arts Facilities Service proposed through establishing bylaw No. 4704 (Appendix B) and its implementation as outlined in the proposed service plan (Appendix C).

Financial Implications

For funds to be requisitioned and a new service to be included in a budget, the establishing bylaw must be adopted before final budget is approved. The standard timeline is over six months from the approval of 1st, 2nd and 3rd readings of a bylaw to its adoption when electoral approval is sought through alternative approval process (see *Legal Implications* section below). According to this approval process timeline, the earliest a new Performing Arts Facilities Service can be fully incorporated into the CRD budget will be 2027.

The proposed new service in 2027 would represent an estimated cost increase of \$994,000 and have an estimated median cost per household of \$12.43/year. With the addition of Southern Gulf Islands Electoral Area to the sub-regional service, staff have updated the simulation of participant apportionment (Appendix D). The new service would absorb the existing Royal Theatre service and McPherson Playhouse service (\$1,346,000 combined current levels) for a total estimated cost of \$2,340,000, plus a one-time payback of the feasibility fund of \$192,000 which is then returned to all jurisdictions through negative requisition. In consultation with the Saanich Peninsula Memorial Park Society, which operates the Charlie White Theatre, estimates for operating and capital support have been refined with a two-year phasing in period. A preliminary financial planning framework for the next five years shows a Class B estimate of anticipated costs with modest inflationary increases as recommended by the Nordicity Report (Appendix E).

The maximum requisition amount is the greater of \$3,000,000 or \$0.0171 per \$1,000 of the net taxable value of land and improvements in the service area. This maximum amount does not represent the initial cost estimate for the service, which is estimated at \$2,340,000 for 2027. Rather, it is a starting point sufficient to enable the service to fulfill its mandate in the medium and long term. If a performing arts facility with regional impact were developed on the West Shore within the next five years, then this starting point provides enough budget flexibility for the CRD Board to consider the inclusion of such a facility into the new service, as envisioned by PAFSC and local community groups (e.g. Juan de Fuca Performing Arts Centre Society).

The proposed new service includes 1.0 FTE in additional staffing. This new position would be dedicated to two areas: external grant-writing and the delivery of the Planning Grant and Theatre Rental Grant programs as well as Minor Capital and Operating funding support. The new position would pursue funding opportunities through provincial and federal grant programs for major infrastructure support in collaboration with local governments and/or non-profit venue operators. The CRD could access substantially more external funding for regional theatres, especially capital funding, by having additional staffing resources focused on identifying and pursuing these opportunities. In addition, this staff member would coordinate non-profit arts presenters, educational groups, and theatres in the grant application and adjudication processes, as well as the evaluation of outcomes for the Theatre Rental Grant and Planning Grant programs. This position would be hired in 2026 for part of that year, after the establishing bylaw had been

adopted, through an additional \$60,000 requisitioned to the feasibility fund in 2026 and paid back by the new service as a one-time cost in 2027.

Service Delivery Implications

The proposed service is composed of four programs to meet the mandate to plan, develop and fund regional performing arts facilities (Table 1 for overview, Appendix C for details).

Table 1. Overview of Programs in Regional Performing Arts Facilities Service

| Function | Program | New or Expanded | Budget (2027) |
|----------|-----------------------|-----------------|---------------|
| Plan | Planning Grants | New | \$120,000 |
| Develop | Minor Capital Funding | Expanded* | \$1,015,000 |
| Fund | Operating Funding | Expanded* | \$745,000 |
| | Theatre Rental Grants | New | \$350,000 |

*Includes levels and expenses from current Royal Theatre and McPherson Playhouse services.

The proposed service would also provide grant-writing support for groups pursuing new performing arts facilities to apply to provincial and federal infrastructure funding programs.

The Nordicity report recommended that all municipalities benefit from the proposed service and thus, all municipalities should share in its costs and receive full access to its funding programs. The CRD Board has also added Southern Gulf Islands electoral area as a participating jurisdiction. In this proposed sub-regional service, only participating jurisdictions and arts groups located in their boundaries (according to their registration address with BC Societies) would have access to the funding programs listed in Table 1, namely:

Table 2. Participants in the Performing Arts Facilities Service

| Jurisdiction | Eligibility |
|--------------------------|---|
| Central Saanich | In the service, Eligible for all funding programs |
| Colwood | In the service, Eligible for all funding programs |
| Esquimalt | In the service, Eligible for all funding programs |
| Highlands | In the service, Eligible for all funding programs |
| Langford | In the service, Eligible for all funding programs |
| Metchosin | In the service, Eligible for all funding programs |
| North Saanich | In the service, Eligible for all funding programs |
| Oak Bay | In the service, Eligible for all funding programs |
| Saanich | In the service, Eligible for all funding programs |
| Sidney | In the service, Eligible for all funding programs |
| Sooke | In the service, Eligible for all funding programs |
| Victoria | In the service, Eligible for all funding programs |
| View Royal | In the service, Eligible for all funding programs |
| Juan de Fuca EA | Not in the service, Not eligible for funding |
| Salt Spring Island EA | Not in the service, Not eligible for funding |
| Southern Gulf Islands EA | In the service, Eligible for all funding programs |

➤ *Operations and Maintenance of Performing Arts Facilities with Regional Impact*

The Royal Theatre and McPherson Playhouse services authorize the CRD to fund, maintain, operate, and equip the Royal Theatre and the McPherson Playhouse. All assets and liabilities related to these services, including the ownership of the Royal Theatre, would be transferred from the Royal Theatre Service to the proposed new service. The McPherson Playhouse is owned by the City of Victoria and ownership would be transferred to the new service once established. CRD undertakes operations by way of service agreements for these facilities with the Royal & McPherson Theatre Society, a non-profit society staffed with theatre management professionals. These responsibilities and the current arrangement for discharging them would be transferred to the proposed service; however, the proposed initiative would not alter the current roles and responsibilities of the CRD and Royal & McPherson Theatre Society (RMTS) as established by the respective service agreements for the Royal Theatre and the McPherson Playhouse.

In the case of the Charlie White Theatre, the facility is maintained and operated by a non-profit society, the Saanich Peninsula Memorial Park Society. Currently, the CRD has no role or responsibility connected to this facility. Through the proposed service, the CRD would provide operating and capital support for the Charlie White Theatre through a contribution agreement, as well as coordination of theatre rental grants for local arts groups renting the Charlie White Theatres for arts activities. The facility would remain independently maintained and operated by the Saanich Peninsula Memorial Park Society, which each year would provide the CRD with a report on performance activities and capital improvements at the Charlie White Theatre, audited financial statements, and a budget request to inform the annual budgeting process.

Legislative Implications

➤ *Service Impacts*

The proposed Performing Arts Facilities Service would impact several current bylaws, including:

- Bylaw No. 2587, “Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998,” which designates the CRD with the responsibility and authority for maintaining, equipping and operating the Royal Theatre; and
- Bylaw No. 2685, “McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999,” which designates the CRD with the responsibility and authority for maintaining, equipping and operating the McPherson Playhouse.

The Performing Arts Facilities Service would absorb the existing Royal Theatre and McPherson Playhouse services operated under Bylaws No. 2587 and Bylaw No. 2685, meaning it would begin providing the annual operating and capital funding required by both theatres at established levels, with the option to increase such funding in future. Those two services would be repealed with consent of the service participants, and assets currently held by the services transferred to the participants of Bylaw No. 4704. The draft establishing bylaw is set up to adjust the requisition amount to ensure the new service participants are not charged for amounts requisitioned under the existing services, while those services exist.

➤ *Governance of the Service*

The existing Royal Theatre and McPherson Playhouse services are overseen by the Royal and McPherson Theatres Society Advisory Committee, which is structured with two representatives

appointed from City of Victoria council, two representatives appointed from District of Saanich council and one representative appointed from District of Oak Bay council. The proposed initiative would necessitate a change in governance structure to reflect the expanded participating areas (all municipalities and one electoral area) as well as the additional service initiatives (support for Charlie White Theatre, launch of Planning Grants and Theatre Rental Grants).

The service plan proposes that, in 2026, the Governance Committee reviews options for a new oversight body for the new service. Options could include a commission model, a standing committee, or the delegation of portions of the service (such as approving grants). This review would also consider if a single committee or commission could be created to oversee this proposed service and other CRD arts granting services.

Legal Implications

A regional district may operate any service it deems desirable, provided that on establishment of the service by way of service establishing bylaw, it received participating area approval. There are three options to obtain participating area approval for Bylaw No. 4704: service area-wide alternative approval process; municipal consent on behalf with alternative approval process (AAP) in the electoral areas; and referendum/elector assent.

As a service focused on regional theatres is most effective if all municipalities and selected electoral areas participate, a service area-wide AAP is advised. This would allow electors to weigh in on creation of the service. If 10% of electors were not in favour, the required consent would not have been obtained and the Board could then determine not to proceed with creation of the service, or alternately to hold a referendum to obtain consent. Should an AAP approach be selected, a detailed communications plan will be developed to inform the public about the proposed new service prior to the AAP process. Given an AAP is already required in the electoral areas, it is recommended a service area-wide AAP be pursued.

An alternative is the municipal consent process with an AAP in the electoral area, which would permit any municipality or electoral area to effectively veto the creation of the service as currently envisioned, if they were not in favour of its establishment.

Finally, the referendum approach would give voters a direct say on the service, but it would be significantly more costly and have a longer timeline than the other options.

CONCLUSION

The CRD Board directed staff to draft an establishing bylaw and service plan for a new Performing Arts Facilities Service based on the primary recommendation of the consultant's report, Option C, with the addition of the Southern Gulf Islands Electoral Area and provide these documents to the Performing Arts Facilities Select Committee for review. Staff have updated cost estimates per jurisdiction as well as the timeline for the initiative, forecasting that, if approved, it could come into effect in 2027.

RECOMMENDATION

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4704, "Performing Arts Facilities Service Establishing Bylaw No. 1, 2025", be introduced and read a first, second, and third time; and
2. That participating area approval be obtained for the entire proposed service area by alternative approval process; and
3. That Bylaw No. 4704 be forwarded to the Inspector of Municipalities for approval.

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| Submitted by: | Chris Gilpin, MPA, Manager, Arts & Culture |
| Concurrence: | Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer |
| Concurrence: | Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer |
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ATTACHMENTS

Appendix A: Nordicity Report: Analysis of Service Options to Support Performing Arts Facilities

Appendix B: Bylaw No. 4704: A Bylaw to Establish a Performing Arts Facilities Service

Appendix C: Service Plan for the Establishment of Performing Arts Facilities Service

Appendix D: Updated Participant Apportionment Simulation

Appendix E: Updated Cost Estimates by Service Function

Presentation: Performing Arts Facilities Service: Scaling Up Support for Regional Theatres