

Concept Paper

Topic: Options for a new Performing Arts Facilities Service

Service Area: Arts & Culture

Executive Summary

Staff are proposing five options for a new CRD service that would scale up support for performing arts facilities with regional impact. One option is to revisit an updated version of the 2021 full regional policy. The other four options include a new service delivery feature, the Theatre Rental Grants program, that would allow schools and arts groups in participating jurisdictions to have greater access to CRD regional theatres through rental subsidies.

Recent Decisions

On September 4, 2024, PAFSC approved a motion:

That staff develop options for regional and sub-regional services that would scale up support for existing and potential additional performing arts facilities with regional impact, including options to ensure value for all participating jurisdictions.

The emphasis in this direction was to find new features for services that could provide tangible benefits to participating jurisdictions beyond the existing benefit of providing cultural offerings for all to enjoy.

Options for a New CRD Performing Arts Facilities Service

Staff are proposing five options for a new service, including two full regional and three sub-regional (Table 1). The financial implications of each approach are estimated in Appendix B.

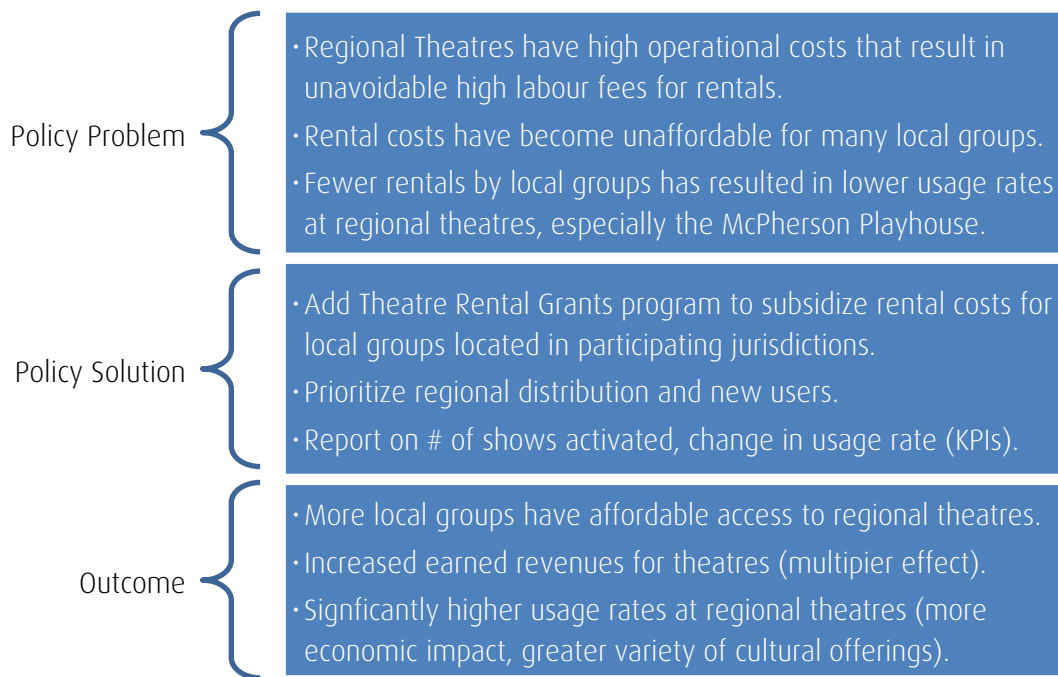
Table 1: Overview of New Service Options

	Option A Full Regional – Updated 2021 Model	Option B Full Regional – with Theatre Rental Grants	Option C Sub-Regional – 13 Munis / 3 Theatres	Option D Sub-Regional – 6 Munis / 3 Theatres	Option E Sub-Regional – 4 Munis / 2 Theatres
Plan	Planning Grants	Planning Grants	Planning Grants	N/A	N/A
Develop	Maintenance (Royal / Mac / C. White) + Major Capital Reserve	Maintenance (Royal / Mac / C. White) + Major Capital Reserve	Maintenance (Royal / Mac / C. White)	Maintenance (Royal / Mac / C. White)	Maintenance (Royal / Mac)
Fund	Royal / Mac / C. White	Royal / Mac / C. White + Theatre Rental Grants	Royal / Mac / C. White + Theatre Rental Grants	Royal / Mac / C. White + Theatre Rental Grants	Royal / Mac + Theatre Rental Grants
Participants	All	All	13 municipalities	6 municipalities	4 municipalities
Approval	Full Regional AAP	Full Regional AAP	Sub-Regional AAP	Council Consent	Council Consent

Royal = Royal Theatre, Mac = McPherson Playhouse, C. White = Charlie White Theatre in Sidney

Theatre Rental Grants Program

PAFSC emphasized that staff bring back new ideas that provide tangible benefits to participating jurisdictions. A Theatre Rental Grants program could fulfill this directive, support local arts groups, and generate substantial revenue for operating (through concessions) and capital (through building improvement fees on tickets).



The Theatre Rental Grants program was originally proposed by external consultants in 2014¹ (Barlow, 2014, p. 24) and is based on a similar program delivered by the City of Vancouver that has proven to be successful in creating higher usage rates at their civic theatres and more affordable access by local educational and arts non-profit organizations. Also, the Theatre Rental Grant program was requested through a joint letter dated August 30, 2024 by the local arts community, including groups based in Esquimalt, Victoria, and Oak Bay.

Many local arts groups and schools have indicated they would use the Royal Theatre and McPherson Playhouse if a Theatre Rental Grants program could make these facilities more affordable. In evaluating grant applications, the priorities of a Theatre Rental Grants Program would be:

- a) Regional (or sub-regional) distribution of grants (only groups in participating jurisdictions are eligible)
- b) Projects that increase the usage rate at regional theatres (new applicants and new projects)

The Theatre Rental Grants program is proposed at the level of \$350,000 for Options B, C, and D (where it would be subsidizing rentals to three theatres) and at \$250,000 for Option E (where it would be subsidizing two theatres).

¹ Barlow, J. and Ginder, J., "A Strategic Business Planning Study for the Royal & McPherson Theatres Society". Barlow & Associates. (December 2014).

Initial estimates are that a \$350,000 program could subsidize 60-80 shows at 50-75% of the full cost of the theatres, which has the potential to increase the number of shows by local arts and educational groups by over 200% at the three regional theatres. Similarly, a \$250,000 program could subsidize 40-55 shows at 50-75% of the full cost, which would still double the number of shows by local groups at the Royal Theatre and McPherson Playhouse. In both scenarios (\$350k or \$250k), the number of local groups using the McPherson Playhouse would increase over 300%, raising its usage rate from 25-35% to 50-70%.

The Theatre Rental Grants program would be delivered by CRD staff in collaboration with theatre operators² and – importantly – only arts and educational organizations in participating jurisdictions could apply to this program. For example, if Oak Bay is in the new service, then the Canadian College of Performing Arts (in Oak Bay) could apply for productions at the McPherson to be subsidized. Conversely, schools and local arts groups who are located in non-participating jurisdictions (in the case of a sub-regional service) would not be eligible to apply to the Theatre Rental Grants program for subsidized access to the regional theatres included in the service.

In short: if a jurisdiction contributes to a new service with a Theatre Rental Grants program, then groups in that jurisdiction have subsidized access to CRD regional theatres; if a jurisdiction does not contribute, then groups in that jurisdiction must pay a much higher rate to access CRD regional theatres. This provides a direct tangible benefit to participating jurisdictions.

Service Design Details & Rationale

OPTION A: Full Regional Performing Arts Facilities Service – Update of the 2021 Version

In 2021, the proposed Performing Arts Facilities Service responded to the [Stage One Report and Recommendations](#) (PDF), recommending a more coordinated approach to supporting performing arts facilities with regional impact with functions to Plan, Develop, and Support.

This version includes updated funding amounts for the Royal Theatre and Charlie White Theatre based on information from the local governments that fund those facilities. Also, the FTE requirement has been reduced by 0.2 FTE from the original proposal due to a review of the staffing capacity of the Arts & Culture division.

- *Plan*: a planning grants function to support feasibility studies, consultations, or other planning activities.
- *Develop*: there are three main aspects to the Develop function:
 - Major Capital Reserve: \$1M/year would be allocated to a reserve fund for major capital projects, such as new construction or large-scale redevelopment.
 - Minor Capital Funding: funding for building maintenance, accessibility, and asset management would be provided at the levels in current local government arrangements.

² This model of delivery – local government staff collaborating with 3rd party theatre operators – has proven to be feasible and successful by the City of Vancouver’s well-established Theatre Rental Grants program.

- 1.0 FTE would be added to the Arts & Culture Division to support the new service in coordinating grant delivery and securing grants from senior levels of government for capital projects.
- *Support:* Three existing facilities would be included in the proposed policy for operating support: the Royal Theatre (CRD-supported), the McPherson Playhouse (CRD-supported), and the Charlie White Theatre (supported by inter-municipal agreement between North Saanich and Sidney).

The new service would be governed by the CRD Board for the first year, while a new commission or committee model was reviewed by Governance Committee. If a commission or committee model was recommended and endorsed, that would be implemented in year two of the new service.

OPTION B: Full Regional Performing Arts Facilities Service – with Theatre Rental Grants

This full regional option is the same as Option A but also includes the Theatre Rental Grants program.

OPTION C: Sub-Regional Performing Arts Facilities Service – 13 Municipalities / 3 Theatres

This sub-regional option is more focused on supporting existing regional theatres. It includes the Theatre Rental Grants program and support for all three regional theatres. However, it does not include \$1M/yr Major Capital Reserve to support new builds. Planning grants would still be available for groups or municipalities looking to do feasibility studies, consultations, or even architectural design. There is at least one group actively involved in the planning process for a regional theatre based on the Westshore.

This option excludes the Electoral Areas from the participating area of the new service. The rationale for this is that Electoral Areas receive significantly less benefit from existing regional theatres than municipalities do, due to their geographic position and lack of proximity to these venues. This could change over time, depending on where new facilities were developed.

OPTION D: Sub-Regional Performing Arts Facilities Service – 6 Municipalities / 3 Theatres

This sub-regional option is similar to Option C; however, it does not include Planning Grants and has a smaller group of supporting municipalities, namely: Esquimalt, North Saanich, Oak Bay, Saanich, Sidney, and Victoria.

This option is mainly focused on municipalities where there is a high degree of established benefit due to proximity supporting existing regional theatres. The Royal Theatre and McPherson Playhouse benefit the four core municipalities, while Sidney and North Saanich receive the majority of the benefit from the Charlie White Theatre.

OPTION E: Sub-Regional Performing Arts Facilities Service – 4 Municipalities / 2 Theatres

This sub-regional option is exclusively focused on supporting the two existing regional theatres that are already part of CRD services: the Royal Theatre and McPherson Playhouse. This option would unify these existing services, which have different participating areas, into a single service and add the Theatre Rental Grants program. It would not include planning grants, a Major Capital Reserve, nor support for Charlie White Theatre.

The majority of local audience members of the Royal Theatre and of the McPherson Playhouse come from one of the four core municipalities: Esquimalt, Oak Bay, Saanich, and Victoria. While these regional theatres provide cultural offerings that are accessed by residents across the region, the benefit is concentrated in the jurisdictions in closest proximity to these facilities, similar to the situation with CRD recreational facilities.

This option simplifies the governance structure and service delivery for the two biggest regional theatres, while also significantly increasing their usage rate through the Theatre Rental Grants program. Key feature: only local arts and educational groups in Esquimalt, Oak Bay, Saanich, and Victoria would have subsidized access to the Royal Theatre and McPherson Playhouse through the Theatre Rental Grants program.