



Canada Hair Cloth Building

Part One: Operational Feasibility

1.0 Overview

The consultant team of Levitt Goodman Architects Ltd., Martin Vinik Planning for the Arts and Urban Strategies Inc. was retained by the city of St. Catharines and Brock University to undertake a feasibility study to evaluate the potential for a cultural and academic complex to be created through a partnership between the two. The complex will house Brock's Marilyn I. Walker School of Fine and Performing Arts (SFPA) and a new Niagara Centre for the Arts (NCFA) in downtown St. Catharines.

The process by which the study was pursued falls into three distinct phases. The first included a Needs Assessment for the SFPA, local community arts organizations and the Brock CFA as well as the development of an Artistic and Program Plan. The second, involved development of Building Programs for both the SFPA and the NCFA including the development of detailed site selection criteria and the determination of the appropriate development area. The site selection phase also established a comprehensive checklist of criteria with which to evaluate and determine the viability of the best site. It is also important to note that the site selection process was placed within the context of the greater urban design planning issues laid out by the City; provincial, regional and city policies and Brock University's masterplan. The final step involved the developing the business plan for the NCFA and the business case for the SFPA, including a Project Implementation Plan and an Economic Impact Evaluation.

The report articulates both a vision for the complex and the goals of both partners. It describes in detail why this proposal meets and in some cases surpasses the stated ambitions of each of the stakeholders, both in outcome and in the ownership and governance framework of the complex. To this end, operations, programming and operating finances are reviewed and finally an implementation plan and financial operating pro forma form part of the back-up information.

Finally, the report documents the architectural concept which describes graphically both the program and the preferred sites for the SFPA and the NCFA. A phasing strategy has been incorporated into this work, and was done to address both the university's and city's stated capital cost targets for moving the project forward. The first phase allows the establishment of a complete academic and cultural centre with the remainder of the complex to be rolled out in efficient and discrete portions. In all, room for expansion over the coming years has been incorporated into the concept plans. The entire project has been costed with an Order of Magnitude estimate including cost escalation to January 2011 to provide direction on the amount of capital funding required by both parties.

1.1 Visions, Goals, Project Description

We have been charged with determining the feasibility of developing and operating an arts centre in downtown St. Catharines created through a partnership between the City and Brock University, meant to house Brock's Marilyn I. Walker School of Fine and Performing Arts, a professional arts presenting and service organization that incorporates the functions of Brock's existing Centre for the Arts, and spaces and other resources that serve the City's arts community and address the cultural needs of its people.

Tests of project feasibility require evaluation based on goals and objectives that express a common vision, from which clear project guidelines can be established. These are set forth below.

1.1.1 Project Goals

When embarking on any arts project in which academic and popular interests coincide, we are asked the age-old question of whether the arts should entertain or educate. The answer is of course that they must do both, and hopefully much more.

In order to establish goals and objectives for the project, we sought the views of representatives of Brock and of the City, of political, civic, and business leaders, of artists and leaders of arts organizations, of students and teachers, and of interested citizens. We then analyzed existing conditions related to available resources, economic and market influences, and local and regional policy and trends. We visited nearly every arts venue in the St. Catharines area, and attended performances, rehearsals, and exhibitions. Finally, we considered our findings in light of the experiences of similar cities and projects, both in Canada and around the world, and in light of industry characteristics and trends. Our aim has been to develop a statement of project goals and objectives that are both achievable and sustainable and that will meet the needs of both the City of St. Catharines and of Brock University for decades to come.

These are the goals and objectives we propose:

For the People of St. Catharines and the Niagara Region, the Centre seeks to provide a focal point for the cultural and artistic life of the community. This means meeting the following objectives:

- Make the arts more accessible to the people of St. Catharines – easier to find out about, easier to find, easier to enjoy. Like all vital cities, St. Catharines once had multiple theatres and opera houses downtown – more than a dozen at its peak – and they were central gathering places in the community. The Centre will be the 21st century answer to that need.
- Facilitate and expand arts education opportunities for schools and individual citizens. The arts have a vital educational role to play in the community and the Centre seeks to lead the way.
- Increase the number and range of high quality arts programs



Marat Sade, 2007. Department of Dramatic Arts, School of Fine and Performing Arts.

offered to the community. Members of this community cannot participate in the arts as fully as they should because of a dearth of opportunity and infrastructure. The Centre must open doors to more programming and better programming.

- Provide the environment for arts participation that the arts deserve and that their audiences deserve. The community needs to be able to see and hear arts programs in the kind and quality of space for which they are intended.
- Better serve diverse audiences in the region: ethnic and cultural minorities, the disabled, the young and the old. No more barriers to attendance! The Centre must reach out to let everyone find work of meaning, substance, and quality.
- Create a new civic gathering place for the community that is neither sectarian nor political, a downtown centre for meetings and public events of all kinds – the arts above all, but not just the arts.

For the Economic Health of St. Catharines and the Niagara Region, the Centre will anchor the redevelopment of downtown St. Catharines, capitalizing on the unique ability of the arts to support retail and commercial development, to draw people to visit and especially to live, and to catalyze other investment in the region. Objectives:

- Support existing high quality retail development downtown.
- Support new and existing downtown services such as parking and public transport.
- Stimulate pedestrian traffic downtown and extend retail hours.
- Populate downtown streets during evening hours; make downtown St. Catharines safer and more inviting for arts audiences and others alike.
- Stimulate new high quality retail, residential, and commercial investment in downtown St. Catharines.
- Provide a new architectural focal point for downtown St. Catharines that advertises a more creative, forward-looking image and public policy.
- Retain more top Brock graduates from all fields in the city and in the region in general.
- Attract more artists and creative/intellectual capital to the region, and populate it with creative businesses, workers, students, and citizens who love culture and civic life.
- Extend visits of tourists to the region and draw visitors downtown that would otherwise not come. This does not necessarily mean selling tickets to tourists – it means making downtown St. Catharines a place where visitors will find it worth their while to spend time.
- Ultimately, increase and help sustain increased property values

and tax revenues.

For Brock's Marilyn I. Walker School of Fine and Performing Arts, the Centre will provide the space that is critical to fulfilling the challenges of its Strategic Plan. Objectives:

- Enable faculty to improve teaching and research by developing space built specifically to support those activities and allowing for rapid ongoing change in the technology of the arts.
- Provide a more fruitful experience for students involved in existing teaching, performance, and exhibition programs by moving activities from overcrowded classrooms and found spaces into appropriately sized and designed facilities.
- Accommodate planned and future expansion of SFPA programs, including development of graduate programs in all SFPA disciplines. Allow room to grow, to experiment, to adapt to the future.
- Fully serve disabled students and faculty.
- Improve recruitment of quality undergraduates and achieve the highest possible graduation rates for majors.
- Attract top graduate students from across Canada and beyond.
- Better compete with other universities for top faculty and help ensure retention.
- Create facilities for rigorous research in the arts and the means to disseminate that research.

For Brock University as a Public Institution, the Centre seeks to be the vanguard of its policy of community engagement. Objectives:

- Facilitate communication and enduring relationships between Brock and the St. Catharines business community and individual citizens.
- Broadcast a new image of Brock's commitment to the community and the creative economy. Provide a visible beacon downtown that symbolizes Brock's creativity just as Schmon Tower rising above the Escarpment is the symbol of its solidity and stability.
- Facilitate communication and interaction with City government.
- Provide new foci for fundraising opportunities.
- Overcome existing barriers to full realization of the Centre for the Arts' mission of service through its evolution into the presenting arm of the new Centre.

For the Arts Community of St. Catharines and Niagara, the Centre seeks to provide essential infrastructure and services to support the development and health of the professional arts community. Objectives:



Jamie Adkins in Circus Incognitus, Centre for the Arts AAA



Alvin Ailey II at Centre for the Arts

- Support existing arts organizations in St. Catharines by ensuring access to appropriate performance and rehearsal space, support space, and support services.
- Enable new arts groups to take root and take risks, to grow, and to collaborate.
- Attract quality artists to the region to live and work.
- Offer opportunities for individual artists to perform.
- Help coordinate interdisciplinary arts programs and festivals, and offer exhibition opportunities for visual artists in the same centre as performing arts programs.
- Distribute public resources for the arts more efficiently and effectively.
- Improve communication between the arts community and the region at large. Increase visibility, improve marketing, build audiences.
- Provide a central meeting place for artists and arts organizations from all over the region.

1.1.2 Project Development Guidelines

Achieving these goals requires observance of critical guidelines for the design, structure, and operating policy of the Centre. The list that follows is not exhaustive – there are guidelines and rationales for development and policy recommendations throughout this report. But these are key concepts vital to success:

- The Centre must be as active as possible and have as many reasons as it can to draw the public inside. This is not because the Centre needs this activity to support its operating finances. Indeed, it is likely that the more successful the Centre is in developing high levels of programming quantity and quality, the more operating support it will need. Rather, it is because audiences must know that on any given night there is something interesting going on, and because regular traffic, even if venues are small, is essential to support local retail businesses and achieve the critical mass of activity necessary to realize the project’s economic goals.
- The Centre cannot be seen as either a Brock University Program or as a City Program. It must be viewed as the intersection where civic and academic roads cross. The public must feel comfortable at the Centre, not like intruders into a world populated only by university students. Neither can Brock students feel that they are unwanted in or inappropriate for the Centre. This will be an architectural and operational challenge, and it implies that the Centre must have multiple entry points, precincts with different images, qualities, and duty cycles, and connections that link those precincts that are accessible to all.
- Resources must be shared by the Centre’s various constituents

wherever possible. This is not an easy concept to sell in St. Catharines, where SFPA programs, the Centre for the Arts, student arts groups, and professional and community arts organizations have all felt their activities compromised by a lack of dedicated space. Certainly there are plenty of Centre facilities – most of them – that must be the exclusive province of one entity or another, particularly with respect to SFPA programs. But the feasibility of the project depends on both capital cost and ongoing operating cost remaining within manageable limits, and doing so will require as efficient a use of resources, of both space and services, as possible.

- Aggressive approaches to programming strategy, facility management, and constituent services are needed, and this requires a sophisticated new entity to manage the Centre. At the core of that entity will be the key functions of the existing Brock Centre for the Arts: its programming department and its audience services operation. But the new Centre will need a new and independent structure to address the financial and fundraising, real estate development and management, operational, and scheduling challenges that the facility entails, and the service functions of the existing CFA will need to expand substantially. This is a prerequisite for a model that can steward community resources efficiently and effectively.
- The Centre's operating objectives will often conflict, and planning decisions may not always serve to maximize the Centre's financial position. For example, the program recommends developing only a fairly small cafe in its lobby spaces while a much more aggressive food service operation is possible. That decision reflects the Centre's objective of keeping as much activity on the street and as much ancillary revenue in the pockets of local merchants as possible. But in the end, the Centre must act to ensure its own stable operation and long-term viability, and operating policy must never jeopardize that goal.
- The Centre cannot be everything to everyone, but it must offer something for everyone. The recommended program will be disappointing to some stakeholders. Limited resources require difficult decisions based on cost/benefit judgments. But even if there are groups in the region for which space in the Centre cannot be provided, the Centre can fulfill important service functions on their behalf. The same principal applies with respect to Centre audiences. The Centre cannot provide all the programming types that the community might like to see, but it must ensure that there are reasons that might bring everyone in the community into the building.
- The Centre should not seek to meet all the space needs of the St. Catharines arts community, but rather should catalyze initiatives City-wide. The Centre will be at the core of the City's artistic life, but the cultural and economic goals of the project demand that an approach be adopted that encourages development of new arts initiatives and stabilizes existing ones outside the walls of the Centre, to form a downtown cultural district that extends from Rodman Hall to the Centre and beyond. Public policy tools should encourage the establishment and viability of non-profit performance and rehearsal spaces, non-profit and commercial galleries, programs for arts education, and residential space for artists downtown. The cultural economy cannot be defined by a single building. And though the downtown focus is essential, public policy must

also extend to promotion of arts activity and arts education in residential neighborhoods that are not downtown.



Jody Wieler serenades the crowd at the 2007 James Street Night of Art

- Because there are desirable elements not included in our space program recommendations, or not feasible given capital cost limitations, space must be set aside for future expansion. Phased development of SFPA will likely be necessary, and the long-term needs of the arts community cannot be clearly anticipated at this point. But allowance for growth is essential: the history of nearly all of the most successful centres of this kind suggests that full maturity is not likely to be reached for a generation or more.
- Program quality is essential to success. The lesson of all civic arts institutions is that, however attractive the buildings that house them, it is the quality of the programming inside that keeps people coming. Programs of excellent quality need appropriate vessels to contain them, but the most remarkable of spaces won't attract audiences if the work on stage is no good. Most of the key economic goals of the Centre ultimately depend on its ability to offer compelling work night in and night out. Thus the Centre must be a shrewd arbiter of quality and must be willing and able to make subjective value judgments. Centre management cannot – must not – be a blind gatekeeper offering equal access to all who call themselves artists. The new Centre management's programming must be carefully curated, just as CFA programming is now. This does not mean that there is no room for risk. Quite the contrary. But risk-taking must be in service of the goal of exceptional program quality.
- The Centre must be located in the heart of downtown St. Catharines, and planning must encourage pedestrian traffic. Proximity to downtown retail spaces is essential to desired economic benefit. The new centre must be an urban centre, woven into the fabric of dense downtown street life, not a suburban centre isolated in a sea of asphalt and cars. Patrons (ambulatory ones, at least) must not be allowed to park in lots beneath the theatres and ride up in elevators. Instead, the downtown streetscape lined with bustling shops must be the pathway for the public to and from the Centre. This goal is consistent with City planning policy, has been endorsed by various consultants, and is the core assumption of the site selection process of this study.
- The Centre must have long hours. Vibrant cities stay alive in the evening, and people on the street provide the best deterrent to vandals and predators. If the Centre is to be successful in convincing people to live downtown, then it must live there with them, offering jazz or cabaret in the café after performances on weekends and late film showings in the Film Theatre. But when businesses downtown open the next morning, the Centre must open with them too, with 8:00 am rehearsal calls, school buses lining the street for morning performances, Brock students arriving for early classes, meetings in public spaces, and good coffee in the café. On Saturday mornings matinees for children will bring families downtown, while on Saturday nights dancing in the Main Lobby may not end until 2:00. This commitment to the vitality of the arts will be the driving force that brings people downtown, not just to visit but to stay, to invest, to live.

1.1.3 Summary Project Description

We recommend developing a project that includes a new home downtown for **Brock's Marilyn I. Walker School of Fine and Performing Arts** and a new Centre (which we refer to in this report as the Niagara Centre for the Arts) for presenting top quality professional arts events of many kinds and supporting local arts organizations, to be distinct but interwoven. Features of the recommended project include:

1. Public entrances that relate directly to downtown St. Catharines and the St. Paul Street retail district.
2. Signage that will easily identify the complex to drivers at a distance and also to pedestrians at street level. The Centre must be a beacon that is readily identifiable by its architecture and its glow.
3. A dedicated entrance for SFPA students accessible to shuttle buses and to short-term parking for materials drop-off.
4. A public entry sequence that is inviting and provides easily accessible information services and a central box office complex serving all Centre users as well as other community organizations.
5. Public Lobbies and Support Spaces that can be used on a rental basis for meetings, public gatherings, banquets and non-arts events of many kinds as well as for performances.
6. Access to a range of cultural services and attractions that don't require buying a ticket. Public space will offer permanent and changeable displays of artwork that complement exhibitions at Rodman Hall and the City's galleries, and the public space of the Centre itself will be a rich space for exhibiting public art.
7. In future project phases, development of arts library services that are available to the public as well as to the Brock community.
8. NCFCA Performance and Performance Support spaces including:
 - A Concert Hall of approximately 800 seats with adjustable acoustical characteristics capable of serving music events from Chorus Niagara to symphony orchestras to a wide variety of popular music programs.
 - A Film Theatre seating approximately 200, serving SFPA needs by day and exhibiting high-quality independent films for the public at night and on weekends.
 - A performance theatre suitable for audiences from a few dozen up to 200, accommodating dance and drama, primarily serving local arts groups and also used for Centre presenting.
 - A rehearsal studio and rehearsal support space dedicated to use by community arts groups for production and development.
9. SFPA facilities including:
 - Rehearsal, performance, teaching, research and support spaces

for DART, including a flexible performance theatre of up to 250 seats.

- Teaching, rehearsal, practice, and performance space for the Music Department, including a Recital Hall of 300 seats.
- Teaching, exhibition, and resource spaces for VISA, including both studios designed for specific media and others for multiple uses.
- Shared support, service and gathering spaces for all SFPA students and faculty.
- A Media Production Centre allowing all three SFPA departments to work in digital media with up-to-date technical resources.
- Office and administrative support space for SFPA, including faculty studio and research space.

10. Administrative Spaces for Centre and community arts groups.

The full project program will be phase-able, expandable, and responsive to changing needs over the years as needs dictate and resources permit. Detailed program, phasing, and concept design proposals are set forth in Part Two of the Study Report.

1.2 Case Statement: Why Does This Project Make Sense?

The argument for a new downtown arts development, through a partnership between Brock University and the City of St. Catharines, is easily made. For the City, NCFA represents essential cultural infrastructure, vital both for incubating new artists and groups and for helping those already in existence to grow, and a fundamental public service. For Brock, a new home downtown for SFGA is the best and most cost effective way to meet the needs of its arts programs, and it will be the centrepiece of Brock's new strategy of community engagement. Developing and, at least in part, operating NCFA and SFGA as a combined project will offer economies of scale and help achieve the density of activity and traffic needed for success.

As an investment, the centre is almost certain to provide substantial economic benefits to the City and to the Region. The Conference Board of Canada's report "Valuing Culture: Measuring and Understanding Canada's Creative Economy," released this August, estimates that arts and culture generated some \$46 billion in real value-added GDP in 2007, and nearly twice as much when including indirect and induced effects – some \$84.6 billion, or 7.4 percent of the entire real GDP of Canada. In fact, the proposed Centre offers unique characteristics as an economic generator because of the high degree of public traffic it will stimulate, and economic conditions downtown suggest that the indirect and induced benefits of the project will be even greater as a percentage of direct impact than experienced by the overall cultural sector in Canada.

Of course, for those who believe in the arts and understand the central role they have played in healthy urban landscapes throughout history, the economic arguments are beside the point. Economic benefit is a desirable side effect of investment in the arts, but not an end in itself. Rather, flourishing cultural life, necessarily supported by substantial physical infrastructure, is as vital to a thriving city as sewers, clean water, or paved streets. This project is not merely about providing a home for Brock's Marilyn I. Walker School of Fine and Performing Arts or providing better spaces for the people of the Region to exhibit and experience the arts. It is a long-term investment in the quality of life in St. Catharines and in defining the City in a new post-industrial era.

There is extensive literature on the importance of the arts in cities. Philosophers and teachers like John Dewey were writing passionately about the central role of the arts in society 100 years ago. Recent work ranges from general observations of the benefits of the "cultural economy" by writers like Richard Florida, to examinations of cultural infrastructure projects around the world by the English writer Graeme Evans, to detailed studies of the financial implications of public policy tools by the late MIT economist Mark Schuster. And, amid the large number of vague, misleading economic impact studies that have been written in the last quarter century about the arts, there are a few that are illuminating and truly compelling.

We will discuss in detail later the economic impacts that might be



David Aubertin in Visual Arts studio, School of Fine and Performing Arts.

expected of the proposed centre, as well as the reasons to believe that market demand will support the centre sufficiently to allow it to succeed. But in general it is not hard to understand the benefits that a well-designed, well-run arts centre would bring. What is less intuitive is the value of the partnership proposed between Brock University and the City of St. Catharines. What is in it for each of them?

1.2.1 Why is the Project Good for the City of St. Catharines?

We don't take major capital investment decisions lightly. After all, the Centre as proposed will be a non-profit entity, one that will require ongoing public and private support. So what justifies this investment for the City?

The importance of the Centre has been widely noted. The City's new Creative Cluster Downtown Master Plan discusses the Centre at length and puts it at the heart of its proposed downtown cluster. The first goal of St. Catharines' Municipal Cultural Policy is "to facilitate the development of the cultural community and its ability to provide cultural opportunities for the citizens of St. Catharines." The Centre is key to achieving both objectives. There is currently not a single permanent high-quality performing arts venue in the City suitable to serve its cultural community, nor is there one that properly respects the needs of its audiences. This is an astonishing omission from the City's infrastructure. The list of cities in Ontario with important arts centres either operating or planned omits almost no other municipality, including many with populations smaller than St. Catharines. A participant in one of our community meetings put it like this: "If the City's hockey enthusiasts were as poorly served as its artists and arts audiences, there would be riots in the streets."

But there are specific reasons to support the centre in its proposed downtown location that go beyond those basic issues:

- The centre provides the most efficient means of implementing key elements of urban cultural policy. That is, the centre is conceived of not merely as a vessel for the programming that is now offered at CFA. The centre is a service organization providing space, equipment, personnel resources, and marketing and staff training support to the community of local artists and arts organizations, and centralizing those services offers significant economic efficiencies. Community resources are more effectively used, redundant services can be eliminated, and public funding decisions more carefully focused. In addition, development of strong service functions promote the ability of new, young arts organizations and artists to develop, and they help ensure that a limited number of older, well-established entities don't absorb a disproportionate share of available resources.
- The City needs the strong nighttime presence downtown that the centre will represent. In our focus groups and individual meetings, we heard too often from people who were wary of walking downtown in the evening. Whether or not their fear is justified by crime statistics, it is very real. And it can be overcome only by activity and human presence that does not spill out of low-end bars. It can be argued that this is ultimately an economic benefit, and perhaps so. But the need to keep downtown streets safe for ordinary citizens in the evening is vital to any healthy city,

and the centre can help do that in ways that almost no other enterprise can.

- There are good restaurants downtown. They need more business. There are retailers who have little reason now to stay open late. The centre will provide one. And the Centre will support neighbouring businesses in the process, not compete with them. NCFA will bring 100 people downtown on its least busy evenings, over 1,000 when there are performances in the Concert Hall, and well over 100,000 annually, not including the regular presence of SFPA faculty, staff, and students. Those people will in turn make downtown businesses a magnet for others in the evening and on weekends, while the continual presence of SFPA will strengthen lunchtime and daytime business.

Cultural development is finally an essential key to sustained urban revitalization and growth. The literature on this topic is vast and endorsed by academics, government agencies, and consultants of all stripes. The Conference Board of Canada report holds that “Cities that offer a high quality of life attract and retain firms and workers in the knowledge-intensive and creative fields.” The Province’s Places to Grow legislation emphasizes the importance of “cultural attractors” to the development of urban centres. The City’s Creative Cluster Master Plan is all about attracting and retaining the “creative economy.”

The impact of a strong cultural economy is not merely in the direct benefits of attracting cultural businesses and workers. The catalytic effect of the cultural economy in neighbourhoods from New York to London, Beijing to Hong Kong, and in all three of Canada’s largest cities has been extensively documented. Where the arts and culture lead the way, residential and commercial development follow. Downtown St. Catharines cannot be revitalized simply on the strength of office towers, daytime businesses, government buildings, and bars – that should be evident to anyone who has walked around its streets. The development of healthy urban centres requires that people live there. With high quality residential development come the businesses that support people’s lives, increasing property value, and new reasons for investment. There is overwhelming evidence that the arts and culture, given sufficient quantity and quality of activity, catalyze high value urban development like no other sector of the economy. For St. Catharines, the way to achieve the critical mass of activity is the proposed arts centre.

1.2.2 Why Is The Project Good for the St. Catharines Arts Community?

The initial answer to this question is obvious: NCFA is specifically designed to do as much as possible to address identified needs of the local arts community for both space and services. It won’t – and shouldn’t – do everything, but it will provide stable resources to support the work of most of the City’s arts groups and will work to incubate the development of new ones.

These goals will be achieved not only by simply renting space:

- **Programming.** In the arts, good programming begets still more good programming. Artists love to work around other artists. The cross-



St. Paul Street

fertilization of ideas and techniques depends on it. Artists tend to seek their living and working spaces in communities rich with other artists, and the Centre's programming can only contribute to building that community. Centre programming in a wide range of arts disciplines will lead the way. The Community Access theatre at the Centre will be the best equipped in the City for smaller groups. NCFA's ability to offer space for informal local programming, in the café and elsewhere, will encourage low-risk experimentation. And the Centre's public spaces will offer dedicated space for changing exhibits of work by the visual arts community.

- **Collaboration.** The Centre concept brings locally based arts groups together with SFPA students and faculty and touring professional artists in the same complex. The opportunities for collaboration that are already part of SFPA's philosophy will expand and strengthen.
- **New Resources.** The Centre will attract new financial resources to the City to support its arts community and use existing ones more efficiently than can be done now.
- **Stability.** NCFA represents stability for local arts organizations. Few of the spaces used by the arts community in St. Catharines are owned by the groups that occupy them, and the uncertainty and disruption that has caused is an enormous hardship. While the Centre won't solve all of those problems, it will provide performance, rehearsal, exhibition, and administrative space that is guaranteed to be available to community arts groups in perpetuity.
- **Services.** NCFA service programs offer resources to local groups that they can't afford themselves. A receptionist, quality meeting space, business equipment, access to marketing outlets, box office-generated data on their audiences. Many of these services will be available to local organizations whether they use office space at the Centre or not.
- **Flexibility and Growth.** The Centre concept is not being imposed on the arts community as a *fait à complis*. Rather, the Centre is structured to be able to continue to develop space and services as the needs arise. With its property management and development expertise, NCFA has the capability of continuing to grow to meet changing market conditions, and, with a staff member devoted solely to constituent services, the Centre has the ability to continue to develop and customize the services it offers to the arts community.

1.2.3 Why Is The Project Good for the Brock School of Fine and Performing Arts?

The case for moving SFPA to new, purpose-built quarters is as follows:

- Existing conditions, especially for the Music Department and the Theatre Department (DART) are very poor. In fact, there is not a single space dedicated to SFPA use at Brock today (excepting only the Music Department's modular practice rooms) that was originally designed for the performing arts. Theatre studios are too small and their ceilings are too low by any pedagogical standards. They entirely lack essential amenities to support performance, like adequate storage space, backstage circulation, or control booths. The Sean O'Sullivan Theatre

is inflexible and considerably too large for SFPA use, and even so is only occasionally available because it must serve Centre for the Arts and other departmental use, and outside rentals as well. Music ensemble rehearsal space is acoustically very poor and scarcely isolated at all from other spaces. There are not enough practice rooms, nor enough storage. Worst of all, there is no space at Brock now that is an adequate environment for music performance for a decent university music program. VISA is somewhat better served, but nearly all studios are too small and important elements of the curriculum (sculpture, for example) are simply left out for lack of space, even though VISA rents space off-campus to supplement its primary studios and support space. All SFPA programs now grab space where they can – in corners and corridors – for break-out space and small group work, and they all, particularly DART, have taken over storage spaces never intended for the purpose. And SFPA programs are dispersed widely. While DART and Music students can at least count on bumping into each other, there is rarely opportunity for interaction with VISA students, and SFPA faculty members tend to see each other only at SFPA faculty meetings.



Karin Di Bella teaching piano, Music Department, School of Fine and Performing Arts

- The lack of adequate space discourages potential majors and makes it difficult to recruit top quality faculty. It is true for every department at a large university that the quality of teaching, laboratory, and research space affects enrollment and both student and faculty recruitment. But the arts are much more space-intensive in their needs than most other departments. Arts spaces are characteristically more complex, more unique to their purposes, larger, taller, and more extensively fitted with equipment than the academic spaces of nearly any other discipline. Only some experimental sciences and athletics tend to exceed the arts in their space needs. And, while in some disciplines poor facilities simply produce discomfort, in the arts poor facilities can directly interfere with learning and are often downright dangerous. There is ample evidence that student recruitment is directly related to facility quality – ask any admissions officer at a school with high quality arts facilities how important those spaces are when prospects tour the campus. And while schools with poor facilities can obviously attract some very good faculty and staff, in the arts there are many music professors who simply won't work in acoustically inadequate environments and many visual art professors who won't teach in inadequate light.

- SFPA's needs are increasing. Although enrolment should always be expected to fluctuate as arts courses become relatively more or less fashionable to students, enrolment has been generally high in SFPA courses, and very high in some. General music appreciation classes attract 250 to 300 students, and the need for a venue in the new facility that can handle such large classes is a factor in planning development phases for the project. In fact, there is little space at Brock for large general arts classes, whether in visual arts, theatre, or music. The University's need for large lecture space in general has squeezed the availability of the David S. Howes theatre in particular, rendering it virtually unusable for arts programming. Nevertheless, it is hard to forecast enrolment impacts on general (non-major) arts courses as a result of a move downtown. While some students would be expected to be drawn by the downtown location and new facilities, we expect that others will find that because the new location is remote from the main campus, travel time may create schedule constraints. So while enrolment for general arts courses will likely remain high (they will remain attractive

ways to fulfill undergraduate requirements), we cannot forecast enrolment growth with any confidence.

. Major enrolment is another matter. Levels of major enrolment in SFPA departments are high by the standards of similar-size universities, with roughly 500 majors across the three departments. That is a very high number given the poor state of the physical resources available to SFPA and the lack of graduate programs (with the performance and exhibition opportunities they represent for undergraduates). Our meetings with SFPA faculty with respect to program needs consistently focused on limitations on enrolment dictated by limited facilities.

. It is clear that despite generally high numbers, enrolment by majors in some programs is constrained by lack of space. This is most apparent in music, where the number of majors does not reflect the high level of interest in general classes. There is no question that more and better music majors will be attracted to the program once it has appropriate rehearsal, performance, and support space. Many universities we have worked with report that improving facilities helps draw better faculty and students, and that the reputation that these improvements engender in turn attract even better students and faculty. This phenomenon is particularly characteristic of arts programs in schools that evolve from modest circumstances. Our current work at Suffolk University in Boston illustrates a good example: once a commuter school known primarily for its law programs, it was never a top-ten school in Boston. Its arts programs languished in the shadow of much better-known schools like Boston University, Emerson College, and many others. But the continuing development of quality facilities downtown, particularly for the theatre program, has helped retain high quality faculty and staff, substantially boosted enrolment size and quality, and made the program the up-and-coming option of choice for many students. That in turn has attracted some very high quality faculty – Robert Brustein has this year left Harvard for the Suffolk theatre faculty – and the development of a new high quality 185-seat theatre in the heart of downtown Boston will unquestionably improve things further. So there is little doubt that a new SFPA complex in downtown St. Catharines would improve the reputation of its programs and help promote the cycle of major enrolment, student quality, and faculty quality and retention.

. But any discussion of constraints on enrolment imposed by existing space limits fails to account for the programmatic growth forecast by SFPA's strategic plan, particularly with respect to planned introduction of graduate degree programs in the arts. Any movement toward graduate arts programs requires a host of new, dedicated facilities. Graduate students in the visual arts require their own studio space, as the duty cycle of their use is much more intensive than that of undergraduate majors, and undergraduate studios cannot be shared by Masters degree candidates. Graduate music performance or composition programs require substantially more and better individual practice space and certainly dedicated recital performance space. Graduate theatre programs demand small but well-equipped performance spaces that can support sophisticated student designed and directed productions. And of course the quality of research resources in the arts must improve as graduate programs are introduced. This all means more space and more specialized space.

. The development of the project program for this study included extensive meetings with faculty and SFPA administration, review of class sizes, schedule constraints, and staffing issues, as well as review of the entire multi-volume strategic plan. We took a very aggressive position in trying to cut program requests that could not be fully supported, and in fact more than 30% of SFPA's original program requests were deleted from the final program included here. But even after these reductions, SFPA's needs over the next five to ten years require significant expansion of existing space allocations, and much more specialized space. Without them, SFPA's planned programmatic growth is impossible. SFPA is capable of evolving into a nationally important arts program, recruiting students from across Canada and recruiting better and better faculty from around the world. All of that depends on being able to offer appropriate facilities.



St. Paul's Street

- The situation at Brock is getting worse. Already substandard space is being encroached on by new developments, most notably the central "Au Marché" project. It will take over some spaces now used by SFPA, block light to others, disrupt circulation, and increase noise levels to unbearable levels. What's more, the University already has needs that will absorb all existing SFPA space on campus. When we discussed with University administration possible phasing strategies that might leave portions of SFPA in existing space on campus for a period of time, we were told that such scenarios were not viable because re-use of existing SFPA space for other purposes has already been planned.

SFPA has to move, both to fulfill its own mission and to enable Brock to develop its own facility plan. And SFPA has to move soon. The only question is where.

So, Why Downtown? Because there are clear advantages, pedagogical, financial, and otherwise, to doing so:

- It's cheaper. Although there are significant portions of the SFPA program that require new construction, there are substantial components that would be very happy – indeed would prefer – the environment of existing building fabric. While total project cost for new academic centres for the arts in North America is generally over \$500 per gross square foot, adaptive re-use projects for the arts can often save 15% or more. So for every 10,000 gsf of space that comfortably fits into good quality existing building fabric, we can anticipate a capital cost benefit of at least \$750,000. There is no site available on the Brock campus for a home for SFPA that is similarly adaptable. Every option involves developing a new building, with associated site work and building services. But a downtown location offers the opportunity to adapt existing building fabric to create more arts-friendly space at lower capital cost.

We have reviewed the implications of a downtown location remote from the main campus with respect to resource requirements for the University. In general, building operation and maintenance costs for a new stand-alone facility would be the same regardless of location. But we note that transportation-related costs would clearly increase. VISA already operates some programs at remote sites, and has some experience with the problems of moving students between classes and studio space. Moving the entire SFPA complex downtown would create a much greater



Kaha:wi Dance Theatre Workshop, presented by Brock's Centre for the Arts.

need for regular transportation, particularly for general arts courses. Regular shuttle bus service will have to be maintained between the downtown location and the main campus, and those costs, given the long hours of the SFPA building, would certainly be in the tens of thousands of dollars annually. When multiple arts courses are dismissed at the same time, it is likely that hundreds of students will need to travel to the main campus as quickly as possible, imposing an inefficient duty cycle on transport services. At some peak periods, shuttle buses may have to handle up to 500 students in half an hour's time. Even operating large buses with capacities of 60 or 70, this would require three buses to constantly shuttle back and forth, assuming a round trip with a single drop-off at Brock can be done in less than 30 minutes. Such peak periods would not continue through the day, but small shuttles would be needed well into the evening to transport students working late, unless public transportation can be upgraded to handle non-peak transport. So there are many variables that will affect transportation cost, but costs should be expected to be substantial. Nevertheless, they would not come close to offsetting the capital cost advantages of a downtown site.

- A downtown location promotes interaction with professional artists. SFPA has already established strong relationships with a number of locally-based professional artists and arts organizations, and a downtown location would put SFPA in closer proximity to them and open the door to new relationships. In addition, a downtown location would promote the ability of Brock students to establish their own studio or live/work space nearby, helping St. Catharines retain more arts graduates.
 - A downtown location better serves the long hours of arts students. Students in the arts routinely work odd hours, often into the night. Such schedules are traditionally better aligned to urban settings where more services are available at later hours, and this in turn will help improve the quality of downtown commercial establishments that are open late. Working arts students are not usually frequenters of sports bars.
 - A downtown location makes SFPA performances and exhibitions much more accessible to the public. At Rodman Hall, Brock operates a venue with relatively high visibility for professional visual arts exhibition. But student work on campus is very difficult to find by anyone not part of the Brock community. A downtown location would mean much higher visibility for SFPA work and a much more diverse audience, and developing pedestrian and transport links between the Centre and Rodman Hall will support programming in both spaces and allow Rodman Hall to play a more important role for VISA students.
 - Finally, a downtown location allows SFPA to help Brock University achieve its goal of increased presence in the St. Catharines community. This is a benefit to the University rather than to SFPA per se. But it is a commitment that the University has made publicly and that has been reiterated to us in our own meetings with University administration. Artists are trailblazers. This has been demonstrated over and over again in cities all over the world. Artists will move to places that most others will not. They will work in spaces that conventional businesses will not.
- . Arts also draw people. Few programs that universities offer (other than extramural sports) attract the general public in the way that the arts can. But the impact of a substantial Brock presence in a significant

building downtown will go well beyond simply making performances and exhibitions more accessible. The building, its programs, and its students will themselves be a promotional tool for Brock, as artists and arts schools are around the world. Artists attract attention while stimulating real estate markets. So they have both a positive economic impact on urban areas and serve as a powerful advertisement of the organizations they represent. In short, the arts are cool, and in downtown St. Catharines, SFPA would be emblematic of a dynamic Brock University among young people who are potential students, whether or not they are specifically interested in the arts. This is the cultural economy at work, and its characteristics apply to university arts schools as much as they do to major museum developments or residential communities of professional artists.

SFPA must move, and it needs more, different, and better space than it has now. A downtown location that makes substantial use of good quality existing building stock would offer many advantages over the option of a new building on campus, and these would be offset only modestly by logistical problems related to regular transportation between downtown and the main campus.

1.2.4 Why is the Project Good for Brock's Centre for the Arts?

The success of CFA programming at Brock has been nothing short of remarkable. Programming levels compare favourably with those of any stand-alone arts centre in a similarly-sized small market. Program quality and diversity is consistently strong in comparison to CFA's peers anywhere in North America. And this has been achieved despite being virtually impossible to find. There is no marquee, no permanent signage except subtle lettering above entry doors that identify the theatres. So Brock's market strength in the face of very difficult conditions is remarkable. But it has meant that while its core audience is stable and very loyal, it is not as large or diverse as a market the size of St. Catharines is able to support.

In addition, existing facilities are a tremendous constraint on program expansion. The Sean O'Sullivan Theatre (SOS) is designed for very specific types of spoken word drama. Yet most of CFA's programming is music. The SOS Theatre has been used imaginatively for such programming, but it is clearly not a good venue for many CFA music events. Meanwhile, it is a terrible theatre for dance. CFA attempts to program dance events in the end-stage David S. Howes Theatre, but schedule constraints make production in that space virtually impossible. The SOS Theatre is shared by many users – it is the primary performance venue for CFA, for SFPA's DART and Music programs, for various renters including the Niagara Symphony (for which it is breathtakingly awful), and so there is almost no room to expand programming there.

Not only is the SOS Theatre overburdened and the wrong form for most programs, and the David S. Howes Theatre largely unusable due to schedule constraints, the backstage spaces that support those theatres are gruesome. The loading path from truck docks to the SOS Theatre stage is so convoluted as to be comical, but the effect is wasted time, energy, and operating cost. Dressing rooms and green room are in the midst of academic corridors, and those corridors themselves become



Circa: 46 Circus Acts in 45 Minutes at Centre for the Arts

support space as needed. Administrative space is cramped. Storage space is almost non-existent.

Finally, the roughly 500-seat size of the SOS Theatre is too small for more popular music events but too large for more modest programs and its one-size-fits-all mandate is very constraining.

So it is very easy to make the case for moving CFA programming to a new facility downtown designed for the needs of that programming:

- The events themselves will be better served, more efficiently presented, and will look and sound better to audiences. Better quality translates directly to ticket sales, loyal audiences, and revenue. Charles Cutts, the CEO of the corporation that runs Toronto's Roy Thomson Hall, was quoted this year in "Managing the Arts Worldwide" as crediting the 2002 acoustical improvements in the hall as one of the key reasons that attendance has increased to 85% overall, and he notes that those improvements not only made the TSO and visiting orchestras sound much better, it allowed the hall to effectively program amplified popular music.
- A wider range of events can be accommodated, including more popular music programming. This too is a function of providing the right venues for the programming and the appropriate range and size of venues.
- Attendance will undoubtedly go up, and not just because of an improved performance environment. It is common for any established arts organization that moves to a new home in a good location to experience increased public interest, especially in the first year and especially in a central downtown setting. That usually translates to attendance growth of 15-20%. But with a larger venue available for more popular programming, and given the exceptionally poor visibility CFA programming must fight at Brock, we expect growth in both the number of Centre-presented events and in attendance (at least 25% and probably more for existing programming, and on average at least 50% more for new popular programming than CFA events now draw).
- More programming can be accommodated, the result of having a variety of venues available. Programming can be better targeted to niche audiences, resulting in broader audience demographics and a broader community of support.
- New programming can be pursued, notably in areas such as the proposed film series.
- Ancillary revenue opportunities (food and beverage concessions, ancillary space rentals) will grow substantially both with increased attendance and as a result of better facilities.
- Theatres will operate more efficiently, allowing more to be done with existing resources.
- CFA service programs in areas such as education will be able to expand with available facilities.
- Financial support for CFA programming will be easier to generate,

as sponsorship opportunities can be supported by marquee and other much more visible promotion.

- CFA rental tenants will be better served in performance space and support space, both improving their visibility, attendance, and revenue and justifying higher rental rates.

For Brock University, these advantages mean that the purposes for which it originally established the Centre for the Arts will be much more fully realized. That is good for CFA, but also for Brock. Just as moving SFPA downtown will be a strong promotional tool for Brock, so will moving CFA downtown.

Is there any downside to moving CFA downtown? Obviously in a larger stand-alone facility operating costs will rise. Utility, maintenance, insurance, and other building-related costs will no longer be buried in University budgets or shared with other users of those services. And indeed, program costs overall will rise. More staff will be needed to operate the new Centre than CFA currently employ, and more ambitious programming will bring higher costs and with them modestly higher levels of program risk. But, far from being problems, those conditions are what active arts centres seek. They support programmatic goals and ultimately contribute to operating efficiency. Those arts centres that tend to be most active in their programming do not need to raise higher percentages of their budgets than do passive, inactive centres. Usually the contrary is true. Those arts centres that are aggressive but shrewd programmers tend to earn more of their overall budgets at the box office, even in markets the size of St. Catharines, and they have better access to contributed program support. So while operating costs related to CFA programming at a new downtown centre will increase over current levels, they are easily justified by programmatic benefits.

And of course, from the City's perspective, it is precisely that aggressive programming philosophy that will drive both the direct and indirect economic impacts that the centre will generate. Lit nights, regular programs, continual activity are essential to supporting retail business downtown, encouraging development of downtown residential property, and increasing property values. The existing CFA, buried on the Brock campus, generates relatively little economic impact other than whatever effects derive from employment. Because much of CFA's budget goes to pay artists fees for events coming from outside the region, it may even be that CFA is currently economic impact neutral at best. By contrast, a vibrant downtown location supported by a very active programming policy at the new centre will clearly have substantial positive impacts.

Despite forecast growth in net operating costs, the case for bringing CFA programming to a new centre downtown is as close to a sure thing as we ever are asked to evaluate in this field. It is the active programming policy that is the outgrowth of CFA that will make the centre a success. Without CFA, the centre as conceived would not be feasible.

1.2.5 Why Does It Make Sense for Brock and the City to Partner to Create an Integrated Arts Centre?

But is it clear that the best way to develop a project downtown is through a

partnership between Brock and the City? Yes, for a variety of reasons:



From Garden City's production *The King and I*, photo by Kevin Argue

- There are cost efficiencies in creating spaces that can be shared by community arts groups, former CFA programming, and SFPA. Phasing constraints and site conditions will limit the amount of space that can actually be shared, but there will be some important examples. The proposed film theatre is one of those – used almost every night and weekends for public programming but used extensively during weekday hours by SFPA.
- The key role played at NCFCA by the former CFA has already been noted in programmatic terms. But the commitment Brock University has made to continue to support CFA programming at its current level will make an enormous difference to the feasibility of generating sufficient ongoing operating support for the Centre. For the same money Brock spends now, it will get far more benefit than it does from current CFA programming, while this revenue stream will be important to the new Centre. That is a great example of the synergies this project offers.
- Successful arts and cultural districts depend on achieving sufficient density of activity and sheer human traffic in the area. The necessary “critical mass” is hard to quantify, but the need has been clearly demonstrated in other projects. The combination of local professional arts groups supported by the centre (whether they work at the centre or not), of public programming presented by the centre or by centre renters, and of the volume of students at SFPA working in all branches of the arts will together build the needed density of activity seven days a week.
- Just as we noted that the presence of professional artists working at the centre is good for SFPA students, so the presence of SFPA students is good for the centre. As paid hourly staff members, interns, or volunteer ushers, a base of short-term personnel who are interested in the arts will be a great advantage for keeping the centre running.
- The capital resources needed to build and endow the entire complex will benefit strongly from the united front that Brock and the City will represent in pursuing both public and private funding sources. There is no doubt that the support of each partner will help the other raise the money that is needed to make this project work.
- The combined resources of SFPA and the centre will enable potential partnerships with other organizations in the Niagara region to develop. Centre and SFPA spaces are intended as complementary even when little actual sharing is likely. But the resulting complex may make possible partnerships with the proposed Project Niagara, with Niagara College, and perhaps with organizations not yet on the horizon.
- The project is more attractive to many funders as a partnership than would be stand-alone projects by either Brock or the City. The partnership offers assurance of stability and commitment, and of the critical mass of visibility and activity vital for success.

* * *

The specific feasibility tests for the project will be discussed in the Operating Plan section, but it is clear that the project makes sense for both of its partners and for the St. Catharines arts community, as long as the guidelines noted herein are observed. If so, then the Centre can be expected to provide substantial net benefits, and those benefits would be reduced were the project not developed by Brock and by the City in partnership.

However, we cannot emphasize enough that success depends on observing proposed development and operating guidelines in order to create a well-designed, well-run complex of space. The sections that follow explain those guidelines.

1.3 Project Structure

We have already noted that there are no exact prototypes of the partnership proposed between Brock University and the City of St. Catharines after which to model organizational structure. Perhaps the best example in Ontario of a development partnership between a non-profit arts organization and a college or university is the Young Centre for the Performing Arts in Toronto's Distillery District, created jointly by George Brown College (to house its theatre department) and Soulpepper Theatre Company. A physical description of the centre, which opened in 2004, has many echoes of the proposed NCFA: it includes multiple performance venues and teaching spaces, arranged around a central core of public space in adapted brick industrial buildings that features a small library, a bookshop, a café, and box office. The two partners shared the capital cost of the project equally – their campaigns were independent but coordinated – and allocate fixed costs between themselves. Capital funding came from a diverse mix of public and private sources. But the Young Centre is a much smaller undertaking than the NCFA. The project cost only \$14 million, the theatre program at George Brown College is tiny in comparison to SFPA, and Soulpepper, though a much more prominent theatre company than any in St. Catharines, is nevertheless just one company, while the NCFA has a broad mandate to serve many different companies, art forms, and audiences, not to mention to help leverage the economic development of the City and the Region. So an informal operating model that may work in a small arts centre is not adequate for an undertaking the size of NCFA. The Young Centre is operated by a new entity created by the partners to oversee the building, but it is primarily a property management entity, not a presenter. A more complex, sophisticated structure is needed for NCFA. Fortunately, both Brock and the City already have various expertise that will be important to the Centre's success. But neither has any experience running an arts facility of the size, scale, and purpose of NCFA. The parties share many common interests and goals, but both parties have important objectives for which the other cannot and should not be responsible. A structure must be developed that allows all of those objectives, whether shared or not, to be met by this project.

There has clearly been considerable although understandable confusion about how to develop the operating structure of the project. We have heard many different assumptions expressed by various representatives of both the City and Brock during our meetings, and more still by potential users of the Centre and members of the community. Even the definition of what the "Centre" is has been a matter of some confusion. Are SFPA and NCFA two distinct entities that somehow combine to create the "Centre," in much the same way that the Young Centre is structured? Is NCFA simply Brock's CFA moved to new quarters downtown? Is the "Centre" NCFA, while SFPA is a separate but adjacent facility, the two benefiting by proximity but having no formal operational interaction? Does one entity manage the entire physical plant while the other is a tenant in the space?

The right decision must recognize the mandates and operational needs of the various parties, but it must also recognize that, with respect to the Centre itself, ensuring long-term financial stability and ongoing survival is the highest priority.



Aerial Photograph of Site

1.3.1 Ownership

Ownership of property must reflect legal realities of property acquisition. Because none of the sites considered for the project are currently owned in their entirety by either Brock or by the City, it is clear that in order to assemble a site, property must be acquired for the project.

The Canada Haircloth Building has already been identified as a possible candidate for at least a portion of the project, and the importance of this property to the City's long-term development needs, whether for this project or not, has caused the City to begin proceedings to appropriate the site. However, if the CHC Building site is used for this project, it is not sufficient to accommodate the entire project, and so additional properties will have to be acquired through appropriation, negotiated purchase, donation, or through a more complex arrangement that may combine various parcels into a mixed-use development site that accommodates portions of the Centre project along with contiguous private development. In fact, the consultant team recommends in this report that the CHC Building and additions to it be used to meet SFPA needs. This is in part a function of the compatibility of existing spaces with the physical characteristics of SFPA needs (and therefore of cost efficiency) and in part a function of the importance of giving NCFA spaces a more prominent presence on St. Paul Street than other site alternatives can offer within the financial parameters of the project.

This suggests that the project, including NCFA and SFPA facilities, will be housed on a site that at least initially is owned by the City. Four ownership scenarios are then possible:

- A. The City can continue to own the entire property. This option assumes that the Centre would be operated under a long-term management agreement with the City. SFPA could occupy its space under separate management agreement with the City or through a lease agreement with the Centre.
- B. The City can transfer ownership of portions used by SFPA to Brock. This option assumes that Brock and NCFA would each operate their own property. It would in effect create two separate though proximate entities.
- C. The City can transfer ownership of the entire site to a Centre Operating Entity, and Brock would occupy its space under a lease agreement as in Option A.
- D. The City can transfer ownership of the entire site to Brock and the Centre Operating Entity could occupy its space via a lease.

Brock's position is essentially the same in Options A and C. Options B and D would be attractive only if there are advantages to direct Brock ownership of the property it occupies. Issues affecting this decision would be:

- Legal considerations. The fact that the site we recommend to house SFPA has been expropriated by the City and paid for all cases with City funds suggests and may require that the City retain ownership.
- Legal mandates to which Brock is bound. Brock uses leased property elsewhere in St. Catharines, and we are aware of no other restrictions preventing Brock from occupying property on a lease basis.
- Tax Implications. The different positions of the parties with respect to refund of GST on construction spending may have a significant impact on development strategy.
- Requirements and Preferences of funders. Individual contributors may in rare cases prefer that capital gifts be made only where recipients hold title to the property in question. But in this situation the terms of any lease should be more than sufficient to satisfy these interests. More relevant, available sources of public funding may demand one ownership

structure or another. The terms of the Building Canada program seem to suggest that City ownership may assist in leveraging funds, however the details of this issue remain to be resolved by others. Another existing Federal program for cultural facilities will fund only space for professional purposes, not for community events or educational use.

- Property-related liability. Liability with respect to environmental conditions related to previous use of the site(s) may affect ownership interests.
- Adjacent development plans. There is considerable interest in developing for public use the site of the former water raceway alongside the CHC building. As this project would be developed and maintained by public agencies, it may make sense for underlying ownership, at least for the land in question, to rest with the City.
- Finally, there are physical links between the proposed sites (at very least an enclosed pedestrian bridge, but perhaps some shared mechanical or electrical services) and likely cost advantages in combining all construction into a single project. These factors may be easier to manage if the entire site is under common public ownership.

Therefore, although legal counsel for both parties must evaluate the options, we see advantages to developing the site under single ownership. Portions of the site occupied by NCFAs spaces should logically be developed on City-owned property in order to take maximum advantage of possible mixed-use development strategies. Thereafter, we see no significant advantage in transferring ownership to the NCFAs operating entity.

Therefore, with the precondition that a lease or other occupancy agreement satisfactory to the parties is successfully negotiated, it seems to us most logical for the site of the entire complex to be owned by the City, with SFPAs occupied portions held by Brock under a long-term lease renewable at Brock's option. However, split ownership of property between Brock and the City is possible if the parties so prefer.

We further assume that at least initial phases of the project will be designed, bid, and constructed as a single project in the interest of cost efficiency. Whether future phases contemplated for expansion of SFPAs space should best be developed by Brock or by the City we will leave to future planning.

1.3.2 Governance

Designing the appropriate governance structure for the project is a trickier matter. The interests of Brock University and the City of St. Catharines are synergistic, but they do not always overlap. The Centre Operating Entity must have the authority and the responsibility to make decisions on behalf of the partnership when the partners may not agree, and the test of those decisions must be based on the clearly defined goals of the project. The entity that operates the Centre cannot be either Brock or the City, both because its objectives extend well beyond those of each partner, and, as noted above, because neither has the expertise to oversee a complex arts centre on its own.

But the Centre Operating Entity must be chartered to represent the interests of both, and those interests are profound indeed. For Brock, the project is the key to its policy of community engagement and will be the visible symbol of its dynamism, its service to the people of the Region, and its commitment to humanism in education. For the City, the project is nothing less than the means to an urban renaissance, the engine of both the cultural and economic development that are characteristic of any important city, no matter its size. That asks a great deal of this project,



Interior of Canada Hair Cloth Building

and its governance structure must reflect that enormous responsibility. There are areas of the project that will be used exclusively by SFPA, which must be solely responsible for scheduling and programming in accordance with its own artistic and educational goals. To this end, the board and administration of Brock University will be the governing entity. We do not expect SFPA to answer to any outside body for its pedagogy or its aesthetics. Some public use will likely be appropriate in those spaces from time to time, and there may be periods (summers, perhaps) where NCFCA programs will use space occupied entirely by SFPA during the school year. If so, such usage will be negotiated between SFPA and the COE and must be agreeable to both parties.

For reasons of operating cost efficiency, it will likely make sense for the COE to provide support services to SFPA on behalf of the building areas it occupies. These will include maintenance of mechanical and other building systems, and services such as general cleaning and snow removal that are consistent with the responsibilities of a building owner. In this case, we assume that charges for those services will be actual cost, neither more nor less. However, Brock may such services itself if it so prefers. We have roughly estimated probable occupancy costs in Schedule H of the Operating Pro Forma, but Brock prefers to provide its own building services, the University can substitute its own cost guidelines.

It should be clear that the COE must be set up to serve many functions. At its executive leadership level, it is a fundraising, advocacy, property management, and perhaps property development organization. It is also a very active, creative programming and marketing entity and a service organization that works on behalf of both the arts community and the region at large. The passive arts centre operating model – feet up on the desk waiting for the phone to ring, tossing the keys to renters – won't do. NCFCA is finally an economic development organization that works through the arts, and its structure must reflect that.

This suggests two key decisions with respect to governance of the project:

A. The Center Operating Entity must be created as an independent organization with its own Board of Directors. That board must include representatives of Brock (which has stated its intention to in effect “contribute” the existing Centre for the Arts to the new NCFCA by continuing to fund programming at the same level it now supports CFA) and of the City (which will also have to contribute to the ongoing operating support of the Centre and for which the NCFCA will play a vital role in its cultural policy). These are the dominant partners in the COE and they must be the strongest presence on the board. Brock and the City will define the charter of the COE as noted below.

But other voices must be represented on the board as well: community leadership, including both downtown business leaders with a stake in the Centre's impact downtown, financial leaders representing the private and commercial wealth of the region, and civic leaders representing its diverse audiences. Expertise in real estate development and management and in managerial finance is critical. There must also be a representative on the governing board of the City's arts community, designated by an Artists Advisory Council of both Centre constituents and other artists and arts leaders from the community.

Membership on the Board of Directors may also include other

stakeholders. For example, if the Niagara Region takes a significant financial stake in the Centre, it is certainly entitled to representation in its governing body. Individual membership by current holders of Provincial or Federal office representing St. Catharines and the Region may also be appropriate. It is not our intention in this study to specify board membership or allocate seats, but rather to point to the need for an independent but appropriately representative governing entity, one capable of lending wisdom to oversight of operating policy but fully cognizant of its responsibility to continually raise money. The board does not need figureheads, it needs active, committed leaders.

B. A written governing agreement must be developed by the parties at the outset of the project. The agreement must carefully define terms of both SFPA occupancy and the Centre's obligations to the City, and it must set forth the understanding of both parties with respect to the scope of the COE's authority and responsibility. This agreement will be the detailed successor to the existing Memorandum of Understanding between the parties and will be the basis for the charter that creates the COE.

1.3.3 Integrating Brock's Centre for the Arts

We have already discussed the importance to Brock's Centre for the Arts of relocating to a downtown venue and the essential role that CFA programming must play if a downtown centre is to succeed. But how should CFA be integrated with the new governing entity?

Part of our charge in this study has been to evaluate the current capabilities of CFA to determine what role it should best play. In general, we have observed that CFA has three great strengths:

- **Programming.** First and foremost, CFA is a programming entity, and its judgment and success in the face of formidable obstacles has been remarkable. The quality, diversity, financial viability, and practical feasibility of its choices are unassailable, and it will be an important advantage to NCFCA to absorb CFA's programming function and staff as the core of its own programming department. This arrangement will not only benefit NCFCA over the years, it will allow CFA to work with new NCFCA staff to develop and market programming for the first years of Centre operation while CFA continues to present its work at Brock during Centre construction.
- **Audience Services.** CFA is also distinguished by the care with which it supports its audiences on a one-to-one basis. While the scale of the box office, concessions, and house management functions of the new Centre is far beyond anything CFA has had to deal with, the personal relationships CFA staff have with current patrons is invaluable and should be brought to the new Centre.
- **Technical Services.** It is enormously important to have a technical staff that knows the stagehand talent pool in the region and has worked for many years with touring production personnel and promoters. This is particularly essential in the Production Coordinator position although hardly less valuable in the Technical Director position. Either way, the existing technical department at CFA should be expected to evolve into a similar (but more demanding) role at NCFCA.



Forty-Five Years of Collecting: Selections from the Permanent Collection, Rodman Hall

The areas crucial to NCFA in which CFA has not had to develop special expertise are real estate development and management, fundraising and endowment building, endowment management, and managerial finance. Those responsibilities will need to be handled by new staff, including a new executive director with extensive fundraising and finance skills who will be hired by the board through a broad search.

Some positions, like Constituent Services or Concessions Management, will require full-time staff members to handle responsibilities that currently occupy only a portion of a job description at CFA.

Thus it is probable that after CFA works with the new NCFA entity over a two-year start-up period, most existing CFA staff members will simply walk out of their offices at Brock one Friday and into their new offices at the Centre on Monday as members of the NCFA staff. Some position titles and job descriptions will change, and no doubt some CFA staff members will elect not to take jobs at NCFA and a few may not be retained, but overall we expect the absorption of CFA into NCFA to be nearly seamless. Particularly in the areas mentioned above, we expect current CFA personnel to play major roles at the new Centre, and we look forward to the delight that long-time CFA patrons will experience when staff members they know are at the new Centre to greet them at the door.

1.3.4 The Service Mission of NCFA and its Relationship to City Policy

One of the vital tasks that NCFA will fulfill on behalf of the City is the provision of various services to local arts organizations that the Centre is uniquely positioned to provide, including offering performance, rehearsal, and administrative space at cost; marketing, box office, and administrative services, and theatre technical training and support. The efficient delivery of these services is crucial to the development of both nascent and established arts organizations in St. Catharines. Brock's CFA provides some services of this kind now, but a substantial expansion of this role is recommended.

With respect to Centre structure, this mission implies that NCFA will be charged with carrying out a crucial component of City cultural policy. We believe that this will be an important ingredient of NCFA's success, and we believe that this will be the best and most efficient way for the City to provide those essential services. But the City should not assume that NCFA will always be fully equipped to make operational decisions that represent the City's best interests in this regard, and so formal liaison between the Centre and the City's cultural policy staff on an ongoing basis will be essential.

Neither can or should the Centre be the sole provider of services to area artists and arts groups. There is much evidence that suggests that a range of strong service organizations are essential to the vitality of a dynamic arts community, and there are many different ways to provide services. Service organizations may be simply re-granting agencies, as have often been created in Canada to distribute public grants. The Materials for the Arts program of the New York City Department of Cultural Affairs recycles materials of all kinds and distributes them to artists who need them. It has spawned dozens of similar entities. Toronto's Creative Trust, modeled after New York's Creative Capital, provides

management training and aims to build working capital funds and support deficit reduction for the city's mid-size performing arts companies. In small communities, grass roots non-governmental organizations provide services like newsletters, central websites, and sometimes festival programming. The St. Catharines and Area Arts Council is an example of such an agency, and its history of both success and struggle offers an example of how difficult it is for a stand-alone entity to provide broad effective support services in a small market. SCAAC will be able to better focus its efforts when the Centre is on line to provide those services for which it is best equipped. The service functions of the Centre must be coordinated with those of non-governmental agencies like SCAAC and with arts service initiatives managed directly by the City in order to produce the best, most efficient results.

A clear example of the need for coordinated policy can be found in the Centre's usage rate structure. We have assumed in developing the operating pro forma that usage rates for local groups renting administrative, rehearsal, and performance space at the Centre will be determined based on break-even operation for NCFA. Schedule G in the operating pro forma details our estimated allocation of staff time and operating costs associated with local users groups and compares those costs with total usage costs for local users. This means that we have structured rates so that neither significant net cost nor net income results to NCFA from making space and services available to local users.

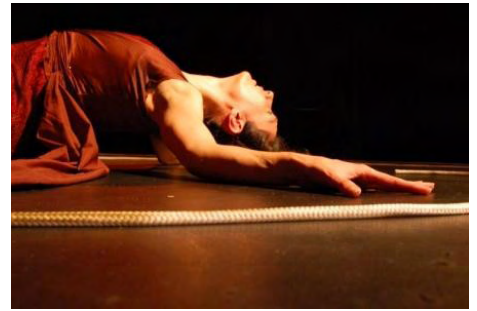
However we assume that some local groups will need financial support to afford the "at-cost" rates we have established, and that it will be necessary for the City, perhaps in partnership with other local funders, to establish a fund to which groups can apply for that purpose.

Thus it is clear that the Centre will play an important role in carrying out City cultural policy. That makes it all the more critical for the City to actually develop a formal cultural policy in order to take full advantage of the benefits the Centre can offer and to coordinate its efforts to cultivate and support the local arts community with those of the Centre. A successful NCFA will strengthen, not supplant, other arts organizations and venues downtown. It will stimulate development of arts programming in St. Catharines' residential neighborhoods, not draw everything downtown.

The Centre will be an enormous boon to many St. Catharines artists and arts organizations, but it will not and cannot do everything. Other organizations, which may include City as well as non-governmental agencies, will need to continue to provide support services and funding to the local arts community. The City needs a cultural policy that capitalizes on the resources the Centre can provide and actively addresses those community needs that the Centre can't.

1.3.5 The Relationship Between the Partners: Capital Cost

Given the complex relationship between Brock and City, it will be necessary to develop a means of fairly assigning capital cost responsibility to each partner. In some areas this will be fairly easy, but use of some spaces will be shared between SFPA and the Centre.



Mary Jo Mullins of The Niagara Dance Company by Alistair Gunn

Given the Concept Design layout, we have assumed that SFPA fully occupies the CHC Building and NCFA fully occupies the new construction portion of the Centre fronting on St. Paul Street.

The key exception to this arrangement is the Recital Hall, shown in the Concept Design adjacent to the Concert Hall in the NCFA portion of the project. The Recital Hall will be occupied by SFPA most of the time during the academic year (it is forecast as the primary rehearsal venue for large instrumental ensembles, the performance venue for SFPA Music performances, and the site for the department's large general music classes), excepting only a few NCFA uses that may be shifted from the Concert Hall (note that the pro forma operating calendar forecasts no NCFA use of the Recital Hall). So the Recital Hall is essentially an SFPA option and will be used the great majority of the time by SFPA. However, some community use of the space is anticipated (the Community Needs Assessment forecasts as many as 30 or 40 uses per year) and there is the possibility of Project Niagara use during summer months and of increasing community use over time. While usage of the Recital Hall by NCFA during the academic year must be coordinated with SFPA scheduling, some use by NCFA should be assumed even if not specifically forecast at this time. Therefore some portion of the capital cost of the Recital should be allocated to the NCFA.

The other space that we expect to be regularly used by both NCFA and SFPA is the Film Theatre, which will be actively programmed by NCFA evenings and weekends but used throughout the day for a variety of arts classes by SFPA. Given the heavy use of the space by NCFA, we have not assumed that any portion of the capital cost of the Film Theatre would be borne by SFPA, but for the purpose of the operating pro forma we have assumed that SFPA would pay for its daytime use of the space at non-profit rates. Thus there is an operating but not a capital cost obligation assumed.

Whether it makes more sense in shared spaces to adopt a model in which usage access by the two parties is determined by agreement and reflected in capital cost allocation (as we have assumed for the Recital Hall), or instead by assigning the entire capital cost to one entity and assuming that usage fees will be paid on an operating basis (as we have assumed for the Film Theatre), or both, is up to the partners to determine. We suggest that both models be kept under discussion, and that any decision remains flexible to respond to future operating demands. Whatever the partners believe today, it is highly likely that sooner or later both SFPA and NCFA will find it useful to be able to use spaces operated by the other under a cooperative arrangement that reflects the needs of both parties.

Normal Fixture, Furniture, and Equipment (FF&E) costs are not reflected in the base cost estimate. Equipment that is essential to the operation of specialized space and/or that requires installation by a contractor as part of the capital project (e.g. most theatre or food service equipment) is considered part of the capital cost of the project and allocated as described above. We have included full complements of theatre equipment in all performance and studio spaces and those costs are shown in the cost estimate. This extends to podiums in NCFA spaces and portable platforms. However, office furniture for administration space, lobby furniture, classroom furniture and regular classroom equipment, equipment assumed to be brought from Brock (e.g. darkroom equipment)

and other loose items must be added as part of the soft cost allocation for the project.

In practice, we do not expect those costs to be very high for NCFA space. But this will likely be a more important issue for SFPA. We have not included in the project's capital budget general furniture, computers, art studio loose equipment, classroom projectors, or other FF&E items that will be necessary to outfit the space, as those allowances are better added by the University based on its own equipment and furniture standards.

1.3.6 The Relationship Between the Partners: Operating Cost

The space use assumptions of the study require development of operating policy with respect to allocation of operation cost as well.

Based on the space use assumptions described, the strategy envisioned with respect to operating finances is as follows:

- SFPA will be responsible for its own program costs. SFPA faculty and staff costs, SFPA administrative overhead, consumable resources for students, such as art materials and production costs, and ongoing replacement of SFPA's equipment, will be borne directly by Brock University.
- A variety of general building operation costs will accrue for SFPA spaces, such as security, cleaning, grounds maintenance and snow removal, property insurance, utilities, maintenance contracts, trash removal, building repairs, and ongoing replacement of capitalized equipment. Some of these costs will likely be incurred by NCFA (such as utilities, if central mechanical systems are used for the Centre) in which case a portion of those costs will be charged to SFPA based on actual costs and usage. Others may be for services incurred by NCFA on SFPA's behalf and charged back to SFPA, but might also be incurred directly by SFPA depending on Brock's preference. An example is security personnel cost for SFPA areas. We assume that SFPA will prefer to use their own security personnel, but that should be up to Brock to decide. However they are actual incurred and paid for, these costs will be significant. We have provided our own estimate in Schedule H (totaling approximately \$918,000, half of it utilities cost). However many of these costs are best estimated by Brock itself. Note that we have not included an allowance for liability insurance, assuming that Brock will prefer to carry such a policy itself. The nature of such occupancy costs will depend on both design characteristics of building systems and the preferences of the partners.
- NCFA will be responsible for program costs for its own events. Brock University will make an annual contribution to NCFA in recognition of the status of NCFA programming as the successor to Brock's CFA. Based on initial estimates by Brock, we are carrying an annual revenue stream of \$800,000 in the operating pro forma.
- NCFA's other operating activities, including services it provides to local arts groups, are the financial responsibility of NCFA. As previously noted, rental rates for local non-profit arts groups are based on an assumption of break-even operation.

- The City is presumed to be providing both direct support to local arts groups to enable their use of the Centre and general operating support to the Centre in furtherance of its objectives related to downtown development and economic generation. We have not identified a specific target for the City's contribution to annual operating funds, although we have noted in the discussion on contributed revenue that most arts centres in Ontario receive direct municipal support. The specific sources of municipal funding remain to be developed. Logical options might include portions of parking garage revenue or allocations based on growth in downtown property taxes, among other techniques to be studied.
- NCFA will actively pursue sponsorships (primarily from corporate sources) to underwrite its programs. SFPA will likely be less interested in seeking its own operating sponsorships, but it must retain the right to do so, subject to coordination with NCFA to avoid conflicts. The parties will need to coordinate fundraising for major gifts to the extent required to avoid direct competition.
- Box office, marketing, and other costs that the NCFA incurs related to SFPA performances or public programs (if any) will be charged to SFPA at actual incremental cost.
- Occasional uses of NCFA spaces by SFPA, or vice versa, that may arise in future will be treated as internal rentals and charged to offset operating costs on a break-even basis.
- Rental users of NCFA spaces will be charged based on rates established by the NCFA and may vary depending on the frequency and nature of the usage. Rates for local non-profit organizations (which we noted are forecast based on break-even operation) are projected to be lower than for commercial renters. However, NCFA will have the authority to negotiate rates with individual users, and to enter into special programming relationships, as it feels best furthers its operating mandate.
- SFPA may at its own discretion enter into arrangements with other groups to use its spaces where such arrangements further SFPA's educational mandate, including but not limited to performances given at no charge for SFPA students. However, to avoid internal competition, use of SFPA spaces by outside groups for ticketed paid performances or public events will be subject to the same NCFA charges and fees applicable to other outside renters for similar purposes.
- To the extent that the development of the project includes revenue streams from associated commercial development, those funds will be operating revenues of NCFA.

1.4 NCFA Operating Issues

Core NCFA operations relate to performing arts programming, and they are described in detail in Section Five. However, administrative, constituent-related, and property management and development operations deserve some special notes.

1.4.1 Staff, Staff Structure, and Operating Policy

The organizational structure described in the preceding section has some specific implications for operations and operating policy. SFPA will be responsible for managing most of the activity that goes on in its precinct and its staff and faculty structure is well established. But NCFA, while absorbing existing CFA operations, will be a new entity facing new operating challenges.

Running an arts centre consistent with the goals of NCFA requires a staff that is highly experienced and that represents an enormous range of skills. We have outlined a full-time staff of 30, not counting part-time administrative staff members (primarily in box office operations), hourly concessions and cleaning staff, projectionists, and so on, and a host of volunteers acting as ushers and docents.

Yet administrative departments are small, with no more than three or four people working in any area. Our staff schedule includes marketing and development/membership departments of three full-time employees each, two in finance, and three full-time staff in technical management. Four full-time staff members run the box office (along with hourly assistants) and four full-time staff members oversee audience services and concessions, and manage volunteers and other front-of-house operations.

Performing arts presenting is a complex matter. Most operational issues require input from every staff department. Booking each event requires a decision made by the programming director in consultation with the executive director that is informed by financial, marketing, development, scheduling, and technical considerations, and bringing the event and the public into the theatre at the same time, on the right night, at the right price, with the right equipment and services, with the desired financial outcome, requires excellent judgment from all staff members, extremely precise coordination and cooperation among departments, and a stomach for substantial volatility. What's more, lead time for bookings varies enormously from one type of event to another, with many orchestral or operatic music events requiring two or three years lead time while some popular music events might be booked on a few weeks notice. Even IT operations at a performing arts centre are complex, as complicated proprietary software linking box office, marketing, finance, and development information is the technological glue that holds operations together. In business terms, each individual event is a distinct product, appropriate for a specific market, with entirely different characteristics and operating needs.

And in the case of NCFA, presenting is only one part of its business. An



Sho, Mo and the Monkey Bunch at Centre for the Arts

entirely separate process is necessary to cultivate and satisfy rental promoters, who are both collaborators with and competitors of the Centre and who have their own financial objectives and ways of doing business, even though the general public will perceive that NCFA is responsible for every event that takes place in the building.

The rental markets for meetings, banquets, weddings, and conferences – an important revenue source for the Centre as well as a means of increasing downtown street traffic and spin-off economic benefits – each have their own quirks, and concessions and audience services managers must be able to work with corporate meeting planners, gala event organizers, brides and their mothers, and all sorts of community groups, for each one of whom their event is the most important thing in the world.

The St. Catharines arts community will be major users of Centre spaces, rehearsing and working at all hours, moving into and out of the theatre constantly (spurred and helped by Centre staff to do so as efficiently as possible) and competing to attract audiences, each group presenting NCFA with a new set of welcome but nevertheless painful headaches. SFPA classes will be packing the film theatre and the recital hall all day during the academic year, sometimes squeezing in 400 to 500 students at the same time between the two spaces, most of them non-majors with little background in the arts or experience going to arts centres. We have recommended the creation of a full-time position at the Centre to do nothing but coordinate the needs of Centre constituent organizations.

Another position is recommended solely to create, market, and coordinate educational programming at the Centre, working constantly with area schools.

With 30 full-time staff spread among some 11 or 12 departments, the staff structure of NCFA will not be very hierarchical. There are certainly a few assistants on the staff with clear vertical supervisory relationships. But NCFA is primarily organized in a matrix structure, in which a large number of specialists must each contribute to the success of a large number of different programs. That's not an easy staff structure to supervise, and it requires personnel who can work effectively on their own but are eager collaborators. That in a nutshell is how the performing arts work.

The advantage for NCFA of this structure is that while it entails substantial fixed cost, it assumes the constant presence of a skilled human resource infrastructure that has the capacity to undertake all sorts of different events. This has the effect of reducing variable cost (and therefore risk) associated with incremental program decisions. Lower risk means more incentive to pursue different programs, and that policy directly supports the Centre's operational goals.

Thus (unlike in the structure of a commercial presenting organization), a major emphasis of operating policy is on cultivating reliable fixed revenue streams to support relatively high levels of fixed cost (primarily personnel-related cost) to enable NCFA to be as aggressive as possible in pursuing programming initiatives.

1.4.2 Constituents and Constituent Services

We have noted that we do not recommend designating specific companies as “resident companies” with special privileges, but rather that NCFA should treat any company performing at the Centre as a resident company. There is some 2400 sf of administrative space set aside for local companies in the program, along with at least 45 weeks of time in the Community Access Theatre, 52 weeks of time, around the clock, in the Community Access rehearsal studio, time reserved for local users in the Concert Hall and Recital Hall, access available for performances in the Café and Main Lobby, and areas in public spaces set aside for visual arts exhibition by community artists.

In addition, the Centre concept assumes that NCFA marketing instruments will regularly feature activities of local groups as well as advertise specific performances and exhibitions; that NCFA technical staff and equipment will support local users; and that administrative personnel, shared spaces (e.g. a conference room), and equipment will be available to local groups, and that all of these spaces and services will be charged to local users at actual cost to the Centre.

Details of the financial assumptions we have made regarding these services are given elsewhere. Rates are structured to further Centre objectives for maximum numbers of lit nights and public use. But the larger operating question is how the allocation of these limited resources will be determined. Who decides which company gets which weeks in the theatre and how many are available? Who decides who can rent administrative offices?

These decisions require balance. On one hand, constituent groups need to be able to plan for as certain a future as possible. It is not feasible for a theatre company to have to find a new home every year, to go through a selection process for Centre space annually. A multi-season commitment by the Centre is necessary, at least in some cases. But on the other hand, NCFA cannot afford to institutionalize an Old Boys’ Network of a few well-established companies who stake claim to Centre resources ad infinitum. That would neither serve NCFA’s interests nor the City’s, nor would it be fair to emerging young groups. So several operating principles should be observed:

- Centre resources should be aimed primarily at companies well-established enough to be able to reliably draw audiences commensurate with sizes of the spaces they occupy and (of course) to pay the rates for those spaces. These companies need multi-year (but not indefinite) commitments regarding numbers of weeks of availability (if not specific dates for multiple years).
- However, some time every year should be set aside for new companies and projects, in order to assure that emerging companies and artists are not shut out. The Centre will need some flexibility in developing financial relationships with first-time users. These events would likely be packaged in festival or series formats. Participating companies would not be assumed to have multi-year commitments, at least in most cases.
- Artistic judgments the Centre makes regarding access to space by local users should be transparent and made by the Centre based on recommendations of a panel representing Centre staff, City arts staff,

funding agencies (if applicable), and (on a rotating basis) representatives of the local arts community.

- Access decisions and multi-year commitments should be reviewed periodically based on recommendations by the same panel.

We have noted several times that NCFA cannot provide space for everyone who wants it. So it is especially important to coordinate Centre space use decisions with City staff and others in order to ensure that available space throughout the city is matched as effectively as possible with groups and artists that need it.

When the panel agrees that justified need is regularly exceeding the space resources the Centre has to offer, it will be time to pursue expansion projects – developing new rehearsal spaces on upper floors above retail space downtown, or identifying buildings in the area that can be converted for additional performance space. The input of the panel, given that it will represent the interests of the Centre, the City, the funding community, and local artists, will help make such future development decisions as effective and marketable as possible.

1.4.3 Real Estate Development Activity and Property Management

Those arts centres in North America that earn the highest percentage of their total revenue tend to do so through real estate development activity. This technique is more common in the U.S. An arts centre like Playhouse Square in Cleveland can maintain an annual operating budget of over \$50m with only about 10% from contributed sources but nearly \$19m in gross real-estate related revenues, and in New York City entities as large as Carnegie and City Centre and as small as the South Street Seaport Museum depend on ancillary real estate revenue. But we have already noted the importance of mixed-use development projects in Toronto in transforming the former Hummingbird Centre into the new Sony Centre and in creating the necessary mass of activity to make the Distillery District (where the Young Centre is located) a viable destination. The Harbourfront Centre also depends on a mix of residential, office, and retail development for critical revenue and would not survive otherwise.

So we have proposed that NCFA also pursue this strategy, if on a smaller scale. The Concept Design assumes that retail spaces flanking the main public entry of the Centre will be leased in order to create revenue for the Centre, and we recommend pursuing broader development strategies in partnership with adjacent commercial interests as well. We have forecast approximately \$217,000 in retail space-related operating revenue, but we hope that additional revenues can be produced from development of adjacent property.

As the Centre considers expansion of its property in the future based on increasing community needs, adopting mixed-use development strategies will likely prove the best method of ensuring ongoing operating viability.

However, the Centre need not limit its real estate development activities to support of new arts spaces. An arts centre convinced of the economic impact it will generate is wise to act to harness some portion of the value created to offset its own need for ongoing contributed revenue, whether

that development is in residential, retail, or office space. Structures may be required to engage in property development without exposing the Centre's core activities to undue financial risk, but that should not deter the Centre from pursuing this strategy.

Next to endowment fund development, there is no long-term approach to revenue generation for an arts centre that can be as cost effective or reliable.

This suggests that senior staff (Executive Director and Finance Director) at NCFA be comfortable and experienced in dealing with real estate development and real estate finance issues, and that the board include expertise in associated legal and financial issues. Centre staff will include others with property management experience, including an Operations/Maintenance Director and a Maintenance Assistant, and we assume that NCFA will emphasize property management experience in hiring for its Constituent Services and House Management staff as well.

1.5 NCFA Programming and Market Feasibility

In general there are two types of spaces at the Centre: those programmed by the School of Fine and Performing Arts in furtherance of its academic goals and those programmed by the NCFA to meet the needs of the region's arts community and its audiences.

SFPA's artistic program is the University's alone to decide. While SFPA will undoubtedly offer performances and exhibitions that are open to the public at large, its academic goals are not meant to serve that public. There is no assumption that SFPA should expand its public offerings, although given both the planned expansion of SFPA programs and the removal of existing barriers to space use on the main campus, this will most likely happen. But the number and type of public performances and exhibitions that SFPA might present is up to SFPA. The very nature of the SFPA endeavour will lead it to produce work related to its pedagogy and not necessarily geared toward public appeal, and the work will predictably be uneven in quality, as artistic failure is as much a part of the learning experience as artistic success.

By contrast, spaces programmed by NCFA (through NCFA presentations, rentals, and perhaps cooperative arrangements with other arts groups) must meet ambitious standards of quantity, quality, and service if the Centre is to achieve its goals.

- Quantity is important because activity alone brings people to the Centre, and all of the broader economic and urban development goals associated with the project depend on regular streams of people coming in the doors, night in and night out. There must be at least one public offering at the Centre nearly every night of the year, and there must be ample reason for the public to come in during the day as well.
- Quality is important because it drives market penetration. Demographic benchmarks offer broad indicators of the potential size of the Centre's audiences, but the prospect of convincing significant numbers of people, from many different segments of the market, to return to the Centre several times each year depends entirely on the quality of the work offered and on the quality of their experience in interacting with the NCFA staff. Indeed, these are the hallmarks of Brock's existing Centre for the Arts, which has cultivated a loyal core audience while presenting a diverse program of reliably high quality events.
- Service to the arts community will be the driver of future growth, both in Centre programming and in the size and stability of the arts community itself. NCFA must seek not only to cultivate those groups for which it can provide performance and related production space at the Centre, but to serve deserving groups that may not perform at the Centre, to promote the ability of new groups to find fertile ground in St. Catharines in which to grow, and to lead the ongoing development of downtown St. Catharines as a cultural district.

So how should NCFA go about doing that?

1.5.1 Presenting Policy

Centre presenting policy is easy to describe: it will look like the existing Centre for the Arts at Brock but bigger and better in some cases, and smaller and better in others. We have been effusive in our praise of CFA, and for the purpose of our discussion we assume that CFA will be absorbed into the new NCFA as the core of its presenting department. CFA has managed a regular schedule of high quality events that serves a loyal core audience, and it has demonstrated that for the right programming it can attract niche audiences. Levels of both programming and market penetration compare well with other markets of similar demographic characteristics, despite the formidable barriers to attendance associated with the current theatre.

We should expect audience growth as a result of the move to a highly visible centre downtown. Small but established programs moving to new, more visible settings routinely experience first year audience growth for comparable programs of at least 15-20%. Whether that growth can be sustained will depend on the continued availability of attractive programming and on audiences' experience of the new building.

In addition, with several venues from which to choose and reduced competition for scarce space, the number of events that the NCFA presents should also be expected to grow. This is particularly true in areas for which existing facilities are not well suited or available (such as dance) and in a few music events for which greater available seating capacity means more flexibility. Some increase in risk is appropriate with respect to higher profile events, as they will have the greatest chance of expanding the reach and geographic range of Centre programs. Overall, the current annual schedule of 50-60 CFA events should be conservatively expected to grow by about one-third to 70-80 events, with total audience size increasing by approximately 50% over current levels. Such levels should be readily sustainable as long as suitable programming is available. Typically, Centre programming would be expected to achieve the higher level of programming in its first year (the result of initial curiosity to see the new building, and of special programs), then decline by roughly 20% in its second year (to a level modestly higher than current CFA programming), and then gradually build back up to 70-80 events or more.

However, for the purpose of the operating pro forma, we have taken a conservative position to the development of Centre-presented events, initially forecasting 40 public performances in the Concert Hall and 10 in the Main Lobby, in addition to only a few weeks of NCFA theatre and dance presenting in the Dance Performance Studio. So there is clearly room for the programming levels forecast to increase. Once the Centre is mature, it is likely that programming levels will be constrained by capacity – the time required to accommodate the range of NCFA, community-based, and commercial rental performances – and that the Centre's performance spaces will run at what is effectively 100% of capacity for most of the year.

Types of Programs

CFA is currently primarily a music presenter, and that trend is likely to continue. This is a function of market demand, availability of product,

and competition in the region. While there is no reason not to pursue programs of any kind if they seem attractive, this balance is likely to continue under NCFA administration. Dance is also an important area of interest for CFA, and it is the area in which most significant new growth is possible, particularly as related to educational programming. Because theatre productions will dominate local non-profit use of the Community Access theatre, because SFPA will present theatre as well, and because the Shaw Festival already offers top quality productions during the months it operates, it is likely that theatre presentation by the NCFA will be limited – only two weeks of theatre presenting by NCFA is forecast. However, if the right opportunity presents itself, the NCFA should pursue any programming its management thinks is appropriate.

The Centre is clearly not intended for large-scale touring events. This is due to the Centre’s competitive disadvantage vis à vis Niagara Falls’ casino showrooms and the impossibility of competing with Buffalo or Toronto for first-class theatrical or popular music programming.

Film

In addition to the live programming that the NCFA will inherit from CFA, the NCFA will be responsible for programming the film theatre. That will mean bringing to the programming team a staff member with particular experience in film. The film venue must focus on work that commercial theatres will not run, so that it develops a strong programming identity. This means primarily independent first-run films both from Canada and around the world, as well as some “curated” revivals. There will be nights that no more than 20 or 30 people buy tickets, but it is important to keep the marquee lit and the venue operating. Weekend use for matinees and children’s programming is forecast, however daytime use during the week will be devoted to SFPA’s use of the theatre.

Other Presented Events

In addition to the theatre users noted above, we expect the NCFA to present events of all kinds as the opportunity presents itself. There is no reason that the café should not program singers or poets. Cabaret performances can take place in lobbies or in the community access theatre if there is a week free. Presenting festivals, either under the NCFA’s auspices or in cooperation with other arts groups, should certainly be considered. The point is to make sure that no good opportunity is missed, and that the Centre is always alive with performance activity. We have forecast various NCFA programming in the Main Lobby, while assuming that Café programs would be primarily devoted to local artists and would not be revenue-generating for the Centre. However many variants can and should be expected.

1.5.2 Rental Policy

Rental policy is much more difficult to formulate and to describe. There are three primary types of rental uses contemplated:

- Rentals by outside promoters for (usually) popular performances. These will occur primarily in the Concert Hall, and they are relatively easy to schedule, as lead time for popular bookings tends to be shorter than



Lunch at Allen’s at Centre for the Arts

for non-commercial music and dance. Many popular rentals will be on off nights (not prime weekends) because artist cost will be lower and promoters will tend to get performers between bookings in larger markets. Given good quality box office, marketing support, and other services, there should be a strong market for popular rental bookings. Some such bookings may be under non-profit auspices.

- Rentals for non-arts events. These may include conference bookings (the Centre is in a position to offer multiple venues and perhaps break-out rooms depending on timing), single meetings, banquets (using lobby space and catering facilities), and other events of similar type. Conferences interested in arts centres will characteristically be smaller in scale but higher-end than those destined for the new conference centre in Niagara Falls. Conference bookings may need multiple performance venues or none at all. But they tend to be lucrative and are a financial mainstay of many arts centres. The number of such bookings that can be expected is hard to predict. But given the small number of hotels in St. Catharines offering large meeting space (there are none downtown), the absence of a conference centre in St. Catharines, and the vigorous competition for space of this kind at Brock, substantial non-arts rental use is likely.

- Rentals to local non-profit arts organizations. The City's Needs Assessment report lists existing and forecast use by local organizations. Most are small theatre companies but the list also includes larger entities such as Chorus Niagara and the Niagara Symphony. Accommodating the latter is easy. They take up relatively few dates and usually need only a couple of rehearsal days for a single performance. They are mature organizations not likely to grow substantially. They draw good crowds (and will draw better in a good Concert Hall), they are in a position to book dates well in advance, and they generate considerable operating revenue for the Centre.

- Rentals to small theatre and dance companies. Accommodating multiple small companies is a much harder matter. Such companies tend to need a greater number of dark days relative to performance days. Competition for prime dates can be fierce. But above all, the future is very hard to predict. The most exciting companies in St. Catharines ten years from now may very well not exist today, and room must be made for such companies to find space at the Centre. There are very small companies for whom the Centre is not an appropriate venue, but which may (with the Centre's help) grow to become viable renters. Meanwhile companies that prove very successful will eventually need homes of their own, where they can spread out and perform full seasons. Other companies that are doing good work today may tend to lose their vitality and must not be allowed to clog the schedule. Therefore the NCFCA must take an active position with respect to local companies seeking to rent space, nurturing as needed, allotting time based on a regular review of program quality and compatibility between Centre objectives and those of renters. Evaluations of local company needs must be coordinated with the City on an ongoing basis and Centre policy integrated with other programs of the City.

We do not recommend giving selected companies the "resident company" title that is so common in many arts centres. Rather, we view any company that uses the Centre as a resident company, entitled to services that are appropriate to their needs. In the end, the Centre's role with

respect to the local theatre community is likely to be as much a service organization as a renter of space, and the NCFA should extend services like common marketing and production support to companies that are still at an incubating stage (not yet ready for the Centre) and to those best suited for a space of their own elsewhere. In addition, the NCFA may need to develop additional performance or rehearsal space, whether part of the Centre complex or not, as the needs of the community change.

Usage of Centre performance space must also reflect the Centre's needs to maximize lit nights. So users must not be encouraged to languish – rather, spaces must be used in the way that commercial theatre rentals are, with minimum dark time for loading, set-up, and rehearsal, and maximum time for public performance – and rental rate structures should reflect those priorities. This is another reason that the NCFA must provide the production support and other services that will allow truly efficient use of its spaces.

1.5.3 Rental Rates

Current CFA rates are not cheap, and most extras are charged on top of base rates. General industry standards today are to charge anywhere from \$1 to \$5 per seat per performance, with roughly \$3 the average (with clearly variable costs such as piano tuning charged on top). But smaller venues usually require higher prices per seat, as their use entails fixed costs that don't vary much with venue size. Rates for performances are usually for a single day, with load-in beginning in the morning and ending after the show, with extra charges for time beyond a standard working day. For additional days, whether for extensive load-in or rehearsals, most arts centres charge lower rates. We propose a policy that does not decrease rates for dark time in performance space (some is obviously necessary but we wish to create incentives for operating efficiency that makes room for additional lit nights), yet is more flexible in structuring rates for performances in order to attract highly desirable events. Rates should be based not on cost to the Centre, but rather to promote the Centre's operating objectives.

So the rule should be low to moderate performance rates but relatively high dark day rates, with rates building in staff and other services that it is important for all renters to use. The right structure will promote usage and promote lit nights, and the pay-off for the policy will be in volume and in economic impact.

Centre rentals will come with both restrictions and benefits. Restrictions are the result of the Centre's need to protect its space, ensure safe operation, and maintain consistent financial policies. Benefits associated with rentals are based on use of Centre-provided services. Key examples include:

- **Box Office.** A central box office, essentially an expansion of CFA's current box office entity, is the focal point of direct contact between the Centre and the public. All ticketed events at the Centre must use the NCFA-operated box office, and the same entity can handle ticket sales for other groups and events in the area as well, whether or not they use the Centre. The central box office is important not only to avoid chaos in the ticketing process, but also as a vital service to all users. Information



Harris Loewen conducting Gloria, Department of Music, School of Fine and Performing Arts

collected through box office operations can assist all companies using the Centre in understanding their audiences and building memberships and other giving programs. Costs related to box office set up and optional use of marketing information will be charged at actual cost, and the box office will otherwise pay for itself through ticket handling charges.

- **Marketing.** Central marketing services are usually one of the most cost-effective services that an arts centre can offer. The cost advantages of shared media placements in particular are often such that user groups gain access to marketing outlets that otherwise would be prohibitively expensive. While building allocations of basic shared marketing costs into rental rate packages pushes rates up for user groups, the imprimatur associated with inclusion in Centre material and the access to higher profile media placement will be seen by most groups as well worth the cost. From the NCFA's point of view, larger audiences further both short-term revenue objectives and long-term economic impact goals. So ensuring that all events at the Centre benefit from effective marketing is a basic tenet of operation.

- **Production and Technical Support.** Centre user groups will all be working in the sophisticated and inherently dangerous spaces that theatres are, and they will be using expensive equipment that requires substantial technical training to properly operate. These are not spaces that the NCFA will simply turn over to a renter. However, different users will have different needs and require different levels of support. At the very least, the NCFA will employ a Production Coordinator to work with users in advance in order to ensure that needs are understood and can be met. Some users will then be in a position to provide their own technical personnel for loading, set-up, and running shows. That is fine as long as all personnel working on behalf of users are certified by the NCFA in advance. This requires that the NCFA operate its own program to train and/or evaluate potential technical staff. Other users will require that the NCFA provide its own stagehands to support their shows, or will need some combination. Either way, the NCFA must maintain a technical and production coordination staff to oversee operations and meet user needs.

We are often asked in projects of this type whether we favour discounting rates to allow access for small, struggling, or poor companies. We do not. The Centre's primary obligation is to its own financial health, without which there is no Centre. So discounting based on need is not part of our operating recommendation. However, we do suggest the development of a separate fund, supported by the City and outside funders and administered by an independent review panel, to consider requests for operating support from prospective renters who need help covering usage costs. It is well known that the Niagara Symphony currently uses CFA space rent-free. We have no trouble with such arrangements when they are necessary to make usage viable for attractive renters. But such discounts must not be the responsibility of the Centre's regular operating budget.

5.4 Partner Policy

There may be opportunities to co-present or even co-produce work that would be of interest to the Centre's audiences. This may be an appropriate way to offer programs that no existing group in the area

is producing, but that it is in the Centre's interest to invest in. There are opportunities to round out existing children's and educational programming to supplement existing offerings in the region, as well as one-time festival programming.

We foresee the need to develop special partnerships with organizations where mutual interests demand it. An example is the proposed Project Niagara, which seeks to develop an outdoor amphitheatre as the summer home of the Toronto Symphony Orchestra, the National Arts Centre Orchestra, and as a presenting music venue. Project Niagara needs rehearsal space for its orchestras, performance space for its chamber series, and space for educational programs. Its use coincides with the time of year that the Centre will be at its quietest, and Project Niagara's space needs are very closely compatible with the Centre's Concert Hall.

The specific nature of the relationship remains to be developed, but the Concept Design of the Concert Hall and other music spaces is intended to make use by Project Niagara feasible. We have not included programs of this type in the operating pro forma, because it is impossible to model financial outcomes except in light of the negotiated terms of such partnership. But we expect the Centre to vigorously pursue such opportunities.

5.5 Exhibition Policy

The program does not include dedicated public art exhibition galleries. That is largely in response to the role that Rodman Hall is committed to play for the next decade or so. In fact, the VISA program includes space that would allow its community classes and the honors studio space to move to SPFA quarters in the new complex, thus allowing Rodman Hall to be better utilized for its formal gallery function.

But that does not mean that visual art can't be exhibited at the Centre and can't be exhibited well. In addition to VISA's student gallery (which is intended to relate physically more closely to VISA space than to the public areas of SPFA), we intend that work is displayed in two ways:

- Permanent or long-term installations will be integrated with the architecture of the Centre. Whether these pieces are monumental works meant to dominate a large lobby (like the Chagall murals at the Metropolitan Opera) or smaller items accessible in smaller spaces remains to be seen. But it is clear that the architecture of the Centre must clearly express its artistic function and purpose, and appropriate artwork, whether commissioned or acquired, must be part of the building fabric.
- Changeable exhibitions, whether by local artists or not, will be integrated into lobby and public circulation spaces in areas that meet security standards for the work and are located to allow contemplative viewing. Whether these are works on paper or multi-media installations is for the NCFCA staff to determine, working with a board committee to review exhibition proposals. But the lack of suitable space in St. Catharines for public art display has been noted often, and the Centre is in a good position to meet that need, albeit with informal exhibition space.



Tobey C. Anderson / Trinities: Thirty-Three Years of Painting, Rodman Hall

5.6 Educational Program Policy

There are multiple groups in the community offering educational programming in the arts, and the NCFA's goal is not to supplant any of them. But the NCFA will need its own education staff to coordinate school programs associated with its presentations, including the in-school programs that give performances context.

Some education programs will be focused at a high level, including dance master classes and perhaps education programming in partnership with Project Niagara. Other programs will be focused at a more general community level. We do not propose that the NCFA should offer regular general-interest class programs in the arts – there is neither space at the Centre to do so nor an absence of other organizations working in arts education. But educational programs aimed at enhancing and interpreting NCFA programming should be a priority of the Centre.

5.7 Market Issues

One of the important questions that this study aims to answer is whether St. Catharines can support the level and type of programming that will allow the proposed arts centre to meet its operating goals. In order to come to any conclusion on this matter we first must understand and analyze the Centre's market characteristics, including both supply (programming) and demand (audience) characteristics.

Product Supply Factors

Supply of high quality programming depends on three factors:

- Demand for rental space by local non-profit performing arts groups.
- Demand for rental space by commercial promoters (and for non-performance events).
- Availability of events in the presenting market.

Rental Space Demand by Local Companies

Our own review of local rental space market conditions supports the conclusions of the February 2008 Community Needs Assessment for Performing Arts Space in St. Catharines. The study, which examined 24 facilities currently used by arts groups, exposed the lack of suitable performance venues in the region. Only three out of the 24 facilities in the City were purpose-built for the performing arts (and none are downtown). The majority of the remaining facilities, retro-fitted for performance use, do not have the necessary technical and stage equipment, staff resources, acoustical characteristics, seating capacity, or support space to meet St. Catharines' long term needs for performance space.

Meanwhile the availability of existing space is declining. We have already noted that the David S. Howes Theatre at Brock is used almost exclusively as a lecture hall. The Sean O'Sullivan Theatre – one of the most popular performing arts venues in the City – will also be converted for lecture hall

use once CFA moves out, and so will not remain available to the rental market. Ridley College's Mandeville Theatre is increasingly devoted to school activity, and Garden City Productions, which continues to use it, must accommodate its schedule to limited windows of availability. Among the smaller performance spaces downtown, nearly all have uncertain futures. The Courthouse Theatre, now operated by one company but used by many, is largely full and may not remain available. It is in any case not wheelchair accessible and presents nightmarish loading problems. Space offered for rent in the Centre would be of a much higher calibre than anything else now available in the area, particularly for music but also for theatre and dance, and even at higher rental prices, there will be very little competition for the Centre to contend with. There is currently no rehearsal space in the City available for rent 100% of the time.

Far from being concerned about competitive venues, we have tried to emphasize the need to preserve and expand the number of performance spaces available for local companies in St. Catharines, because it is certain that NCFA will not be able to handle all the demand for rental space.

Rental Space Demand by Commercial Promoters and for Event Space

Once CFA has been absorbed into NCFA, little competition will exist in St. Catharines for commercial performance rentals. Currently only the Sean O'Sullivan Theatre actively programs commercial rental activity. With SOS Theatre no longer available, the Centre's Concert Hall will be the preferred high quality option in the area for interested commercial music promoters between Fort Erie and Hamilton.

Our meetings with commercial promoters in the area were overwhelmingly positive if preliminary. Forecasts for numbers of commercial rentals in the Concert Hall (40 per year) are largely based on the opinions of those promoters. As long as they have events they want to present (see "Supply of Programming" below), it should be no problem to meet those targets.

The same holds true for those interested in renting the Centre's Main Lobby or Film Theatre for non-performance events such as conferences, meetings, and receptions. Though two hotels on the outskirts of the city and a handful of Niagara region wineries and casinos do have conference and event spaces, there is no quality meeting or event space in downtown St. Catharines capable of holding events of varying sizes (up to 300 at tables in the Main Lobby) with the technical and staff support, choice of caterers, and public support space that the Centre will offer. Given the location and architectural quality proposed for the Main Lobby, it is certainly to be the most desired event space in St. Catharines of its size. We have been very conservative in forecasting rental events for this space (only 16 commercial and 12 non-profit rentals per year), not so much because we are concerned about demand but because availability will be limited by performance activity in the Concert Hall and in the Main Lobby itself. This is an area of tremendous growth opportunity for the Centre.

Supply of Programming

The most volatile supply issue we foresee for the Centre is the availability of high quality programming that the Centre wants to present. This is not because actual trends are problematic, but only because this is a factor

largely out of the Centre's control.



Carousel Players' Where the Wild Things Are.

However, supply trends are quite encouraging. CFA has had little problem finding enough desirable programming over the past few years, and the variety of spaces available at the Centre (including both larger and smaller spaces than the SOS Theatre) will give NCFCA more flexibility in its program decisions. CFA itself has identified growth areas, notably dance, that cannot be pursued due to lack adequate space. Given our conservative stance in forecasting NCFCA-presented programming, we expect actual performance to meet or exceed projections.

In addition, the characteristics of the music business favour touring, and this trend is likely to continue. Touring for most music performers was for decades simply a matter of promoting albums. But as the role of traditional record labels gives way to internet-based distribution and promotion of recordings, and less guaranteed recording revenue is available from record companies, the importance of touring both to generate market interest and as a revenue source has increased. We expect that trend to continue for the foreseeable future, and it should support both segments of the Centre's programming portfolio as well as rental demand by commercial promoters.

Audience Demand Factors

St. Catharines is a city of just over 130,000, a General Motors town that has lost more than 15,000 automotive jobs alone in recent years. So the challenges of finding audiences for NCFCA are quite different than they are in Toronto or even Hamilton. Centre programming will not be the sort of tourist destination that the nearby Shaw Festival is, nor is the Centre likely to attract more than a few people who have come to the region for Shaw performances or to visit wineries.

On the other hand, the St. Catharines-Niagara metropolitan area (including Niagara Falls and Welland) is home to nearly 400,000 people, making it the 12th most populous metropolitan area in Canada – larger than Halifax and not much smaller than Kitchener/Cambridge/Waterloo or London. So a substantial potential audience lives within a half-hour drive of the Centre. Brock University's population of 17,000 students and thousands more faculty and staff adds another source of market support with generally arts-friendly demographics.

This suggests that the audience market for programming at the Centre will vary considerably according to the programming offered. Not many people will come from Welland or Niagara Falls to see a small St. Catharines theatre company, at least for now. But for some of the more popular programming that plays the Concert Hall, audiences will come from all over the St. Catharines-Niagara metropolitan area. As the reputation of the Centre for quality programming increases, and the supply of desirable restaurants and retail venues nearby expands, Centre programming can be expected to further broaden its market reach.

Given all the barriers to attendance with which CFA now has to contend, the more flexible program options available at NCFCA, the attractiveness of the proposed Centre's public spaces, the size and characteristics of the market area, and the conservative nature of our program expansion forecasts, our forecast of 50% average attendance growth for Concert Hall

programming is modest indeed.

Nevertheless there are challenges. Competition for audience members has become increasingly fierce across North America as more and more digital entertainment options have emerged in the past decade. Total audience attendance numbers for performing art events in St. Catharines continue to hold steady at approximately 90,000 annually. Local data suggests that overall attendance did drop between 2005 and 2006 by about 2,000 individuals, or 2% of overall attendance, but the decline was not statistically significant. The effects of competition, particularly from relatively low-cost entertainment options, tend to intensify as local economic conditions soften, and conditions have certainly been soft in St. Catharines. So as NCFA begins to have a positive economic impact in St. Catharines, that economic improvement will be felt in more market strength for NCFA programs, which in turn will generate even greater economic impact.

There are caveats associated with our forecasts: Centre marketers cannot be greedy in setting ticket prices, particularly given the difficult economic times the blue-collar population of the city has experienced. It is far better for the Centre's long-term health to generate the same level of gross ticket sale revenue by selling more seats at lower prices than by selling fewer seats at higher prices, even though a broader marketing effort might be required. Making sure to moderate ticket prices will develop a broader audience over the years, and ancillary income (associated with box office, facility fee, and concessions revenue) and increased ancillary spending in the city will more than offset any lost revenue that aggressive pricing might produce. And of course audience demand depends on quality programming. It is better in the long run to reduce program levels to maintain quality than it is to reduce quality to maintain program levels.

Competition with Other Venues in Southern Ontario

The Southern Ontario region features a number of large and mid-size arts centres, and it is important to determine the extent to which they present a competitive threat to NCFA. However CFA, which already experiences near sell-out audiences for its more popular presentations, has been able to successfully maintain its attendance levels despite this direct competition. In fact, a competitive analysis of the CFA's 2007-08 schedule against the schedules of other regional arts facilities reveals that only a handful of acts did not play at another Southern Ontario venue within the same period. For instance, James Devine's *Tapiere*, which played three performances at the CFA on October 17 and 18, 2007, also played at the Oakville Centre for the Performing Arts on October 19th and Centre in the Square in Kitchener on October 20th. And David & Ian Thomas, who played at the CFA on October 19, 2007, performed at the Mississauga Living Arts Centre a week earlier and the Sanderson Centre in Brantford the day before. Thus the market is locally driven.

CFA has a proven track record of attracting audiences from the St. Catharines market, which includes the large student population of Brock University, despite regional competition. In 2001, 31% of the CFA audience was from St. Catharines, 33% from the University (students, faculty and staff), and 31% from elsewhere in Niagara. At the time of this audience survey, only 4% of CFA audience members came from elsewhere in Ontario, only 0.6% came from New York State and only 0.1% came from

Canadian cities outside of Ontario. The Centre's more visible signage, downtown location and well-publicized opening should create an initial bump in attendance from outside the region. But in order to sustain and increase such levels, the Centre will have to create niche programming that is not now offered in St. Catharines. This will mean offering popular programming for a range of tastes, for young audiences and old one, for school groups and groups from senior adult communities.

In particular, it means serving ethnic communities that are not usually the core audiences of arts centres in Ontario. Existing ethnic organizations within the Region tend to draw from a larger market area than does CFA. The Niagara Hindu Society, for example, attracts audiences from Mississauga and Toronto for its programs in Niagara and such organizations could be developed as renters of the Centre in addition to providing audiences for NCFA-presented events. Other communities in the Niagara Region are underserved by existing performing arts programming, notably its significant French Canadian population. By reaching out to a wide range of ethnic communities, NCFA will find sources of both new programming and new audiences, and downtown St. Catharines will better reflect the diverse multi-cultural region that is Niagara.

Although such wider programming horizons will expand market reach, the extent to which touring acts play in many different venues throughout Southern Ontario suggests that broad regional market penetration will always be limited and that most audience growth will come from St. Catharines and in particular from greater penetration in the Niagara Region. There is enormous potential for audience growth within the Region if NCFA recognizes and serves the needs of all of its various market segments. NCFA will be very much a community arts centre, although it serves a community of nearly 400,000.



Concept Rendering

1.5.8 Pro Forma Programming Calendar

PRO FORMA PROGRAM CALENDER

Pro Forma Calendar Key

Rental

Concert Hall (CH)
 CR=Commercial Rental (Perf)
 NPR= Non-Profit Rental (Perf). Note: All performances start at 8pm unless otherwise stated.
 DM/NP = Daytime Meeting/ Non-Profit Renter
 EM/NP = Evening Meeting/ Non-Profit Renter
 DM/Com = Daytime Meeting/Commercial Renter
 EM/Com = Evening Meeting/ Commercial Renter
 NP/RD = Non-Profit Rehearsal Day
 Dance = Dance Recital

Community Access Theatre / Dance Space (CAT)
 SP = Single Performance

Film Theatre (FT)
 NPS = Non-Profit Screening
 Meeting = Daytime / Nighttime Meeting

Community Use Rehearsal Space (CURS)
 8-12; 1-5; 6-10: Refers to 4-Hour Blocks of Rental

Lobby (LBY)
 DM/NP = Daytime Meeting, Conference or Special Event/ Non-Profit Renter
 EM/NP = Evening Meeting, Conference or Special Event/ Non-Profit Renter
 DM/Com = Daytime Meeting, Conference or Special Event/Commercial Renter
 EM/Com = Evening Meeting, Conference or Special Event/ Commercial Renter

Café
 n/a

Presenting

Concert Hall (CH)
 CP = Centre Presentation Note: All performances start at 8pm unless otherwise stated.
 SG = School Group (12PM performance)

Community Access Theatre / Dance Space (CAT)
 CPT = Centre Theatre Presentation
 CPD = Centre Dance Presentation

Film Theatre (FT)
 CM= Children's Matinee
 DT = Daytime Screening
 EVE = Evening Screening
 LT = Late-Night Screening

Community Use Rehearsal Space (CURS)
 n/a

Lobby (LBY)
 LBY Show = Lobby Presentation

Café
 Café = Late-Night Café Programming

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
SEPTEMBER					1	2
					FT: CM; 1 DT, EVE & LT CURS: 1-5	FT: CM; 1 DT & EVE CURS: 8-12
3	4	5	6	7	8	9
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	CH: CP FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K L O N G R E H E A R S A L R E N T A L						
				CAFÉ	CAFÉ	
10	11	12	13	14	15	16
CAT: SP FT: 1 DT CURS: 8-12; 1-5	CAT: SP FT: 1 DT	CH: SG; CP CAT: SP FT: 1 DT	CAT: SP FT: 1 DT CURS: 8-12; 6-10	CH: CR CAT: SP FT: 1 DT, EVE & LT CAFÉ	CH: CR CAT: SP FT: CM; 1 DT, EVE & LT CURS: 8-12; 1-5 CAFÉ	CAT: SP FT: CM; 1 DT & EVE
17	18	19	20	21	22	23
CAT: FT: 1 DT FT: NPS CURS: W E E K L O N G R E H E A R S A L R E N T A L LBY SHOW	W E E K FT: 1 DT	CH: EM/COM FT: 1 DT	L O N G FT: 1 DT	CH: CR FT: 1 DT, EVE & LT CAFÉ	R E N T A L FT: CM; 1 DT, EVE & LT CAFÉ	FT: CM; 1 DT & EVE
24	25	26	27	28	29	30
CAT: FT: 1 DT	W E E K FT: 1 DT CURS: 6-10	CH: CP FT: 1 DT CURS: 8-12; 6-10	L O N G FT: 1 DT	FT: 1 DT, EVE & LT CURS: 8-12; 1-5 CAFÉ	CH: CR FT: CM; 1 DT, EVE & LT CAFÉ	FT: CM; 1 DT & EVE CURS: 8-12; 6-10

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
OCTOBER	2	3	4	5	6	7
CAT: W E E K	W E E K	CH - CP	CH - SG; CP	CH: CR	CH: NPR (2:30)	CH: NPR (2:30)
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: 1-5; 6-10			CURS: 8-12; 6-10	CURS: 1-5; 6-10	CURS: 8-12; 1-5	
			CAFÉ	CAFÉ		
8	9	10	11	12	13	14
CAT: W E E K	W E E K	CH: DM/COM	L O N G	CH: CR	CH: CR	R E N T A L
FT: 1 DT	FT: 1 DT FT: MEETING	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
	CURS: 8-12; 6-10	CURS: 8-12; 1-5; 6-10	LBY: DM/NP	CAFÉ	CAFÉ	CURS: 8-12; 1-5
		LBY: DM/COM				
15	16	17	18	19	20	21
CAT: W E E K	W E E K	CH: DM/NP; EM/NP	CH: SG; CP	CH: CR	CH: CR	R E N T A L
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L	R E N T A L	R E N T A L
LBY SHOW		LBY: DM/NP; EM/NP		CAFÉ	CAFÉ	
22	23	24	25	26	27	28
CAT: SP	CAT: SP	CH: DM/COM; EM/COM CAT: CPD	CAT: CPD	CH: CR CAT: CPD	CH: NPR CAT: CPD	CH: NPR (2:30) CAT: SP
FT: 1 DT	FT: 1 DT FT: MEETING	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L	R E N T A L	R E N T A L
		LBY: DM/COM; EM/COM	LBY: EM/NP	CAFÉ	CAFÉ	
29	30	31				
CAT: W E E K	W E E K	CH: CP				
FT: 1 DT	FT: 1 DT	FT: 1 DT				
CURS: 6-10	CURS: 6-10	CURS: 8-12				
		CAFÉ - HALLOWEEN PTY				

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
NOVEMBER			1	2	3	4
			CH - NP/RD	CH: NPR (3PM)		
			CAT: W E E K L O N G R E N T A L CONT.			
			FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
			CURS: 8-12; 6-10	CURS: 8-12; 1-5	CURS: 8-12; 1-5	CURS: 1-5; 6-10
				CAFÉ	CAFÉ	
5	6	7	8	9	10	11
CH: DM/Com; EM/Com	CH: DM/Com	CH: DM/Com				CH-CP (2:30)
CAT: SP	CAT: SP	CAT: SP	CAT: CPT	CAT: CPT	CAT: CPT	CAT: CPT
FT: 1 DT	FT: 1 DT FT - MEETING	FT: 1 DT FT - NPS	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K L O N G R E H E A R S A L R E N T A L						
	LBY: DM/COM	LBY: DM/COM	LBY: DM/NP			
				CAFÉ	CAFÉ	
12	13	14	15	16	17	18
CH: SG; CP	CH: DM/NP	CH: EM/Com	CH: CR	CH: CR		
CAT:	W E E K		L O N G		R E N T A L	
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT FT: MEETING	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
	CURS: 6-10	CURS: 6-10 LBY: DM/NP	CURS: 8-12; 6-10	CURS: 8-12; 6-10		
				CAFÉ	CAFÉ	
19	20	21	22	23	24	25
CH: CP	CH: CP	CH: NP/RD	CH: CR	CH: NP/RD	CH: NPR (2:30)	
CAT: SP	CAT: SP	CAT: SP	CAT: SP	CAT: SP	CAT: SP	CAT: SP
FT: 1 DT	FT: 1 DT FT: MEETING	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: 8-12 LBY SHOW		CURS: 1-5; 6-10	CURS: 8-12; 1-5		CURS: 1-5; 6-10	CURS: 8-12; 1-5
				CAFÉ	CAFÉ	
26	27	28	29	30		
CH: CP	CH: CP		CH: CR			
CAT:	W E E K		L O N G			
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT		
CURS: W E E K L O N G R E H E A R S A L						
				CAFÉ		

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
DECEMBER					1 CH: CP CAT: WEEK LONG RENTAL CONT. FT: CM; 1 DT, EVE & LT CURS: WEEK LONG REHEARSAL CONT. CAFÉ	2 CH: CP (2:30) FT: CM; 1 DT & EVE
3	4 W E E K FT: 1 DT FT - MEETING	5 CH: DM/COM FT: 1 DT	6 L O N G FT: 1 DT	7 CH: CR FT: 1 DT, EVE & LT	8 CH: NPR (7:30) FT: CM; 1 DT, EVE & LT	9 R E N T A L FT: CM; 1 DT & EVE
CAT: W E E K	W E E K	CH: DM/COM	L O N G	CH: CR	CH: NPR (7:30)	R E N T A L
FT: 1 DT	FT: 1 DT FT - MEETING	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L	R E N T A L
			LBY: DM/NP	CAFÉ	CAFÉ	
10	11 W E E K FT: 1 DT	12 CH: CP FT: 1 DT FT: NPS	13 CH: SG; CP L O N G FT: 1 DT FT: MEETING	14 CH: CR FT: 1 DT, EVE & LT	15 CH: NPR FT: CM; 1 DT, EVE & LT	16 CH: NPR (2:30) FT: CM; 1 DT & EVE
CAT: W E E K	W E E K	CH: CP	CH: SG; CP	CH: CR	CH: NPR	CH: NPR (2:30)
FT: 1 DT	FT: 1 DT	FT: 1 DT FT: NPS	FT: 1 DT FT: MEETING	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L	R E N T A L
	LBY: DM/COM			CAFÉ	CAFÉ	
17	18 CAT: SP FT: 1 DT	19 CAT: SP FT: 1 DT	20 CH: SG, CP CAT: SP FT: 1 DT	21 CAT: SP FT: 1 DT, EVE & LT	22 CH: CP (2:30, 8PM) CAT: SP FT: CM; 1 DT, EVE & LT	23 CH: CP (3PM) CAT: SP FT: CM; 1 DT & EVE
CAT: SP	CAT: SP	CAT: SP	CH: SG, CP	CAT: SP	CH: CP (2:30, 8PM)	CH: CP (3PM)
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L	R E N T A L
LBY SHOW	LBY: EM/COM	LBY: EM/COM		CAFÉ	CAFÉ	
24	25 CLOSED FOR CHRISTMAS	26 CAT: SP FT: 1 DT	27 CAT: SP FT: 1 DT	28 CAT: SP FT: 1 DT, EVE & LT	29 CH: CR CAT: SP FT: CM; 1 DT, EVE & LT	30 CH: CR CAT: SP FT: CM; 1 DT & EVE
FT: 1 DT	CLOSED FOR CHRISTMAS	CAT: SP	CAT: SP	CAT: SP	CH: CR	CH: CR
CURS: 8-12		FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	CAT: SP	CAT: SP
		CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5; 6-10	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
					CURS: 8-12; 1-5	CURS: 8-12; 1-5
				CAFÉ	CAFÉ	CAFÉ
						31 CH: CR FT: 1 DT LBY: EM/COM

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
JANUARY	1	2	3	4	5	6
	FT: 1 DT	CAT: SP FT: 1 DT CURS: 6-10	CAT: CPD FT: 1 DT CURS: 6-10	CAT: CPD FT: 1 DT, EVE & LT CURS: 1-5 CAFÉ	CH: CP CAT: CPD FT: CM; 1 DT, EVE & LT CURS: 8-12 CAFÉ	CAT: SP FT: CM; 1 DT & EVE CURS: 8-12; 1-5; 6-10
7	8	9	10	11	12	13
CAT: FT: 1 DT CURS: W E E K	W E E K FT: 1 DT FT - MEETING CURS: W E E K L O N G	REH FT: 1 DT	CH: SG, CP L O N G FT: 1 DT CURS: 6-10	CAFÉ	CH: CR R E N T A L FT: CM; 1 DT, EVE & LT CURS: 8-12; 1-5; 6-10 CAFÉ	FT: CM; 1 DT & EVE
14	15	16	17	18	19	20
CAT: FT: 1 DT CURS: W E E K	W E E K FT: 1 DT	REH FT: 1 DT FT: MEETING	CH: DM/Com; EM/Com L O N G FT: 1 DT LBY: DM/COM	CAFÉ	CH: CR R E N T A L FT: CM; 1 DT, EVE & LT CAFÉ	FT: CM; 1 DT & EVE
21	22	23	24	25	26	27
FT: 1 DT CURS: W E E K LBY SHOW	CAT: CPD FT: 1 DT LBY: EM/COM	CH: EM/Com CAT: CPD FT: 1 DT	CH: SG, CP CAT: CPD FT: 1 DT FT: MEETING	CAT: SP FT: 1 DT, EVE & LT CAFÉ	CH: CR CAT: SP FT: CM; 1 DT, EVE & LT CAFÉ	CH: NPR (2:30) CAT: SP FT: CM; 1 DT & EVE
28	29	30	31			
CAT: SP FT: 1 DT CURS: 8-12	CAT: SP FT: 1 DT CURS: 8-12	CAT: SP FT: 1 DT CURS: 6-10	CAT: SP FT: 1 DT CURS: 6-10			

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
FEBRUARY				1	2	3
				CAT: SP	CH-CP CAT: SP	CAT: SP
				FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
				CURS: 8-12; 6-10	CURS: 8-12; 6-10	CURS: 8-12; 1-5
				CAFÉ	CAFÉ	
4	5	6	7	8	9	10
CAT:	W E E K	CH: CP	CH: DM (NP) L O N G		CH: CR R E N T A L	
FT: 1 DT	FT: 1 DT FT - MEETING	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H	E A R S A L	R E N T A L		
			LBY: DM/NP; EM/NP	CAFÉ	CAFÉ	
11	12	13	14	15	16	17
CAT:	W E E K	CH: DM/Com; EM/Com	CH: SG, CP L O N G		CH: CP R E N T A L	
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H	E A R S A L	R E N T A L		
		LBY: DM/Com		CAFÉ	CAFÉ	
18	19	20	21	22	23	24
CAT: SP	CAT: SP	CH: EM/Com CAT: CPD	CH: SG, CP CAT: CPD	CH: CR CAT: CPD	CH: NP/RD CAT: CPD	CH: NPR (2:30) CAT: SP
FT: 1 DT	FT: 1 DT FT - NPS	FT: 1 DT	FT: 1 DT FT: MEETING	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H	E A R S A L	R E N T A L		
LBY SHOW	LBY: EM/Com			CAFÉ	CAFÉ	
25	26	27	28			
CAT: SP	CAT: SP	CH: DM/Com	CH: CR CAT - CTP			
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT			
CURS: 8-12; 1-5; 6-10	CURS: 12-5; 6-10	CURS: 8-12; 6-10	CURS: 8-12; 6-10			

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
MARCH				1	2	3
				CH - NP/RD CAT: CPT FT: 1 DT, EVE & LT CURS: 8-12; 1-5; 6-10 CAFÉ	CH: NPR (7:30) CAT: CPT FT: CM; 1 DT, EVE & LT CURS: 8-12; 1-5; 6-10 CAFÉ	CH: NPR (2:30) CAT: CPT FT: CM; 1 DT & EVE CURS: 8-12; 1-5; 6-10
4	5	6	7	8	9	10
CAT: W E E K	W E E K FT: 1 DT FT - MEETING	CH: CP FT: 1 DT	CH: SG, CP L O N G FT: 1 DT FT - NPS	CH: DM/COM FT: 1 DT, EVE & LT	CH: CR R E N T A L FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L		
				CAFÉ	CAFÉ	
11	12	13	14	15	16	17
CAT: W E E K	W E E K FT: 1 DT	CH: DM/NP FT: 1 DT	CH: EM/COM L O N G FT: 1 DT	FT: 1 DT, EVE & LT	CH: CR R E N T A L FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L		
		LBY: DM/NP		CAFÉ	CAFÉ	
18	19	20	21	22	23	24
CAT: W E E K	W E E K FT: 1 DT	CH: CP FT: 1 DT	CH: SG, CP L O N G FT: 1 DT	CH: DM/COM FT: 1 DT, EVE & LT	CH: CR R E N T A L FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS: W E E K	L O N G	R E H E A R S A L	R E N T A L	R E N T A L		
LBY SHOW				LBY: DM/COM CAFÉ	CAFÉ	
25	26	27	28	29	30	31
CAT: SP FT: 1 DT CURS: 8-12	FT: 1 DT CURS: 8-12; 1-5	CAT: CPD FT: 1 DT CURS: 8-12; 6-10	CAT: CPD FT: 1 DT FT - MEETING CURS: 1-5; 6-10	CAT: CPD FT: 1 DT, EVE & LT CURS: 8-12; 1-5 CAFÉ	CH: CR CAT: CPD FT: CM; 1 DT, EVE & LT CURS: 8-12; 1-5 CAFÉ	CAT: SP FT: CM; 1 DT & EVE CURS: 8-12; 1-5; 6-10

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
APRIL	2	3	4	5	6	7
CAT:	W E E K		L O N G	CH: CR	CH: CR	CH: NPR (2:30)
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS:	W E E K	L O N G	R E H E A R S A L	R E N T A L		
				CAFÉ	CAFÉ	
8	9	10	11	12	13	14
CAT:	CH: SG, CP W E E K	CH: DM/NP; EM/NP	L O N G	CH: CR	CH: CR	R E N T A L
FT: 1 DT	FT: 1 DT FT - MEETING	FT: 1 DT	FT: 1 DT FT - MEETING	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS:	W E E K	L O N G	R E H E A R S A L	R E N T A L		
		LBY: DM/NP		CAFÉ	CAFÉ	
15	16	17	18	19	20	21
CH: CP CAT-CDP	CH: DM/NP CAT-CDP	CH: DM, Com; EM/Com CAT-CDP	CH: DM, Com; EM/Com CAT-CDP	CAT: SP	CH: CP CAT: SP	CAT: SP
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS:	W E E K	L O N G	R E H E A R S A L	R E N T A L		
LBY SHOW			LBY: DM/COM	CAFÉ	CAFÉ	
22	23	24	25	26	27	28
CAT:	W E E K		L O N G	CH: CP	R E N T A L	
FT: 1 DT FT - MEETING	FT: 1 DT	FT: 1 DT	FT: 1 DT FT - NPS (1)	FT: 1 DT, EVE & LT FT - NPS (2)	FT: CM; 1 DT, EVE & LT FT - NPS (3)	FT: CM; 1 DT & EVE FT - NPS (2)
CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5	CURS: 8-12; 6-10	CURS: 8-12; 6-10	CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5; 6-10
				CAFÉ	CAFÉ	
29	30					
CAT: SP FT: 1 DT	CAT: SP FT: 1 DT FT - MEETING					
CURS: 8-12; 1-5	CURS: 6-10					

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
MAY		1	2	3	4	5
		CAT: CPD FT: 1 DT CURS: 1-5; 6-10	CAT: CPD FT: 1 DT CURS: 1-5; 6-10	CAT: CPD FT: 1 DT, EVE & LT CURS: 8-12; 1-5 CAFÉ	CH: NPR CAT: SP FT: CM; 1 DT, EVE & LT CURS: 8-12; 1-5 CAFÉ	CH: NPR (2:30) CAT: SP FT: CM; 1 DT & EVE CURS: 8-12; 1-5; 6-10
6	7	8	9	10	11	12
CAT: FT: 1 DT CURS: W E E K	W E E K FT: 1 DT FT - MEETING CURS: W E E K	CH: SG, CP FT: 1 DT CURS: L O N G	L O N G FT: 1 DT CURS: R E H E A R S A L	FT: 1 DT, EVE & LT CURS: R E N T A L LBY: EM/NP CAFÉ	CH: NPR (7:30) FT: CM; 1 DT, EVE & LT CURS: R E N T A L CAFÉ	R E N T A L FT: CM; 1 DT & EVE CURS: R E N T A L
13	14	15	16	17	18	19
CAT: SP FT: 1 DT FT - MEETING CURS: W E E K	CAT: CPD FT: 1 DT LBY: DM/COM CURS: L O N G	CH: CP CAT: CPD FT: 1 DT FT - NPS CURS: R E H E A R S A L	CH: CR CAT: CPD FT: 1 DT CURS: R E N T A L CAFÉ	CH: CP CAT: SP FT: 1 DT, EVE & LT CURS: R E N T A L CAFÉ	CH: CP CAT: SP FT: CM; 1 DT, EVE & LT CURS: R E N T A L CAFÉ	CAT: SP FT: CM; 1 DT & EVE CURS: R E N T A L
20	21	22	23	24	25	26
CAT: FT: 1 DT CURS: W E E K LBY SHOW	CH: DM/COM FT: 1 DT CURS: L O N G	FT: 1 DT CURS: R E H E A R S A L	CH: CP L O N G FT: 1 DT CURS: R E N T A L CAFÉ	CH: CR FT: 1 DT, EVE & LT CURS: R E N T A L CAFÉ	CH: DANCE (3PM) FT: CM; 1 DT, EVE & LT CURS: R E N T A L CAFÉ	CH: DANCE (2PM) FT: CM; 1 DT & EVE CURS: R E N T A L
27	28	29	30	31		
CAT: SP FT: 1 DT CURS: 8-12; 1-5	CAT: SP FT: 1 DT CURS: 8-12; 1-5	CAT: SP FT: 1 DT CURS: 6-10	CAT: CPD FT: 1 DT FT - MEETING CURS: 8-12; 1-5; 6-10	CAT: CPD FT: 1 DT, EVE & LT CURS: 8-12		

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	
JUNE						1	2
					CH: CP CAT: CPD FT: CM; 1 DT, EVE & LT CURS: 8-12 CAFÉ	CH: CR CAT: SP FT: CM; 1 DT & EVE CURS: 8-12	
3	4	5	6	7	8	9	
CAT: W E E K FT: 1 DT FT - MEETING CURS: W E E K	W E E K FT: 1 DT	W E E K FT: 1 DT	L O N G FT: 1 DT	L O N G CH: CR FT: 1 DT, EVE & LT CAFÉ	R E N T A L CH: DANCE (3PM) FT: CM; 1 DT, EVE & LT CAFÉ	R E N T A L CH: DANCE (2PM) FT: CM; 1 DT & EVE	
CURS: W E E K L O N G R E H E A R S A L R E N T A L							
10	11	12	13	14	15	16	
CAT: W E E K FT: 1 DT CURS: 8-12	W E E K FT: 1 DT CURS: 1-5	CH: CP W E E K FT: 1 DT CURS: 8-12; 1-5; 6-10	L O N G CH: CR FT: 1 DT FT - MEETING CURS: 8-12; 1-5; 6-10	L O N G CH: CR FT: 1 DT, EVE & LT CAFÉ	R E N T A L CH: DANCE (3PM) FT: CM; 1 DT, EVE & LT CAFÉ	R E N T A L CH: DANCE (2PM) FT: CM; 1 DT & EVE CURS: 8-12; 1-5	
CURS: 8-12 CURS: 1-5 CURS: 8-12; 1-5; 6-10 CURS: 8-12; 1-5; 6-10 CURS: 8-12; 1-5 CURS: 8-12; 1-5 CURS: 8-12; 1-5							
17	18	19	20	21	22	23	
CAT: SP FT: 1 DT CURS: W E E K LBY SHOW	CAT: SP FT: 1 DT FT - MEETING CURS: L O N G	CAT: CPD FT: 1 DT CURS: R E H E A R S A L	CAT: CPD FT: 1 DT CURS: R E H E A R S A L	CAT: CPD FT: 1 DT, EVE & LT CAFÉ	CH: CP CAT: SP FT: CM; 1 DT, EVE & LT CAFÉ	CH: CR CAT: SP FT: CM; 1 DT & EVE	
CURS: W E E K L O N G R E H E A R S A L R E N T A L							
24	25	26	27	28	29	30	
CAT: W E E K FT: 1 DT CURS: W E E K	W E E K FT: 1 DT	L O N G FT: 1 DT	L O N G FT: 1 DT	R E N T A L FT: 1 DT, EVE & LT CAFÉ	R E N T A L FT: CM; 1 DT, EVE & LT CAFÉ	R E N T A L FT: CM; 1 DT & EVE	
CURS: W E E K L O N G R E H E A R S A L R E N T A L							
				CAFÉ	CAFÉ		

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
JULY	2	3	4	5	6	7
CAT: W E E K L O N G R E N T A L						
FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT, EVE & LT FT: CM; 1 DT, EVE & LT FT: CM; 1 DT & EVE						
CURS: W E E K L O N G R E H E A R S A L R E N T A L						
				CAFÉ		
8	9	10	11	12	13	14
CAT: W E E K L O N G R E N T A L						
FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT, EVE & LT FT: CM; 1 DT, EVE & LT FT: CM; 1 DT & EVE						
				CAFÉ		
15	16	17	18	19	20	21
CAT: W E E K L O N G R E N T A L						
FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT, EVE & LT FT: CM; 1 DT, EVE & LT FT: CM; 1 DT & EVE						
CURS: 8-12; 1-5		CURS: 6-10		CURS: 8-12; 1-5; 6-10		CURS: 8-12; 1-5
				CAFÉ		
22	23	24	25	26	27	28
CAT: W E E K L O N G R E N T A L						
FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT FT: 1 DT, EVE & LT FT: CM; 1 DT, EVE & LT FT: CM; 1 DT & EVE						
CURS: W E E K L O N G R E H E A R S A L R E N T A L						
				CAFÉ		
29	30					
CAT: SP		CAT: SP				
FT: 1 DT		FT: 1 DT				

PRO FORMA PROGRAM CALENDAR -
TYPICAL OPERATING YEAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
AUGUST						
			1	2	3	4
			CAT: SP	CAT: SP	CAT: SP	CAT: SP
			FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
			CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5; 6-10	CURS: 8-12; 1-5; 6-10
				CAFÉ		
5	6	7	8	9	10	11
CAT:	W E E K		L O N G		R E N T A L	
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	FT: CM; 1 DT & EVE
CURS:	W E E K	L O N G	R E H E A R S A L	R E N T A L		
				CAFÉ		
12	13	14	15	16	17	18
THEATRE	CLOSED	FOR	STAGE	AND	BUILDING	MAINTENANCE
19	20	21	22	23	24	25
THEATRE	CLOSED	FOR	STAGE	AND	BUILDING	MAINTENANCE
26	27	28	29	30	31	
		CAT: SP	CAT: SP	CAT: SP	CAT: SP	
FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT	FT: 1 DT, EVE & LT	FT: CM; 1 DT, EVE & LT	
CURS:	W E E K	L O N G	R E H E A R S A L	R E N T A L		
				CAFÉ		

PRO FORMA PROGRAMMING CALENDAR - SUMMARY

SUMMARY OF PROJECTED ANNUAL USE										
	CONCERT HALL	CONCERT HALL	CONCERT HALL	CONCERT HALL	CONCERT HALL	CONCERT HALL	CONCERT HALL	CONCERT HALL	CONCERT HALL	CONCERT HALL
	CR	NPR	DM/NP	EM/NP	DM/COM	EM/COM	NP/RD	DANCE	SG	CP
SEPTEMBER	4	0	0	0	0	1	0	0	1	3
OCTOBER	6	3	2	1	2	1	0	0	1	4
NOVEMBER	4	2	0	0	2	2	2	0	1	4
DECEMBER	5	3	0	0	1	0	0	0	2	7
JANUARY	3	1	0	0	1	2	0	0	2	3
FEBRUARY	3	1	1	0	2	2	1	0	2	5
MARCH	4	2	1	0	2	1	1	0	2	4
APRIL	4	1	2	1	1	1	0	0	1	4
MAY	2	3	0	0	1	0	0	2	1	3
JUNE	5	0	0	0	0	0	0	4	0	3
JULY	0	0	0	0	0	0	0	0	0	0
AUGUST	0	0	0	0	0	0	0	0	0	0
TOTAL PUBLIC EVENTS	40	16	0	0	0	0	0	0	0	40
TOTAL CLOSED EVENTS	0	0	6	2	12	10	4	6	13	0

PRO FORMA PROGRAMMING CALENDAR - SUMMARY

	COMMUNITY THEATRE / DANCE SPACE	COMMUNITY THEATRE / DANCE SPACE	COMMUNITY THEATRE / DANCE SPACE	COMMUNITY THEATRE / DANCE SPACE	FILM THEATRE	FILM THEATRE	FILM THEATRE	FILM THEATRE	FILM THEATRE	FILM THEATRE
	SP	WEEK LONG BOOKING	CPT	CPD	CM	DT	EVE	LT	NPS	MEETING
SEPTEMBER	7	2	0	0	10	30	14	9	1	0
OCTOBER	3	3.5	0	1	8	30	12	8	0	2
NOVEMBER	10	2.5	1	0	8	30	12	9	1	3
DECEMBER	12	2	0	0	10	30	14	9	1	2
JANUARY	9	2	0	2	8	31	12	8	0	3
FEBRUARY	8	2	0	1	8	28	12	8	1	2
MARCH	2	3	1	1	10	31	15	10	1	2
APRIL	5	3	0	1	8	30	12	8	8	4
MAY	9	2	0	3	8	31	13	9	1	3
JUNE	5	3	0	1	10	30	14	9	0	3
JULY	2	4	0	0	8	30	12	8	0	0
AUGUST	8	1	0	0	5	17	8	6	0	0
TOTAL PUBLIC EVENTS	0	0	2	10	101	348	150	101	0	0
TOTAL CLOSED EVENTS	80	30	0	0	0	0	0	0	14	24

PRO FORMA PROGRAMMING CALENDAR - SUMMARY

	COMMUNITY REHEARSAL SPALCE	COMMUNITY REHEARSAL SPALCE	LOBBY	LOBBY	LOBBY	LOBBY	LOBBY	CAFÉ	TOTALS
	4-HR BLOCK	WEEK LONG BLOCK	DM/NP	EM/NP	DM/COM	EM/COM	LBY SHOW	CAFÉ	
SEPTEMBER	15	2	0	0	0	0	1	8	108
OCTOBER	18	2	2	2	2	2	1	1	124.5
NOVEMBER	20	2	2	0	2	0	1	9	129.5
DECEMBER	15	3	1	0	1	3	1	9	131
JANUARY	15	2	0	0	1	1	1	8	115
FEBRUARY	15	3	1	1	1	1	1	8	118
MARCH	23	3	1	0	1	0	1	10	132
APRIL	20	3	1	0	1	0	1	8	128
MAY	20	3	0	1	1	0	1	8	125
JUNE	16	3	0	0	0	0	1	9	116
JULY	11	2	0	0	0	0	0	4	81
AUGUST	12	2	0	0	0	0	0	1	60
TOTAL PUBLIC EVENTS	0	0	0	0	0	0	10	91	909
TOTAL CLOSED EVENTS	200	30	8	4	10	6	0	0	459

1.6 NCFAs Operating Finances

1.6.1 Overview

The operating picture of the Centre is similar to that of many regional arts centres throughout North America: It is a multi-million dollar organization that operates several performance spaces, simultaneously engages in programming and ancillary activities, and sustains itself through a mix of earned and unearned revenue streams. In its first year of operations, the Centre is predicted to have an annual budget of approximately \$4.7 million. Sixty-five percent of revenue – \$3.1 million – is from earned sources while the remaining 35% is from unearned sources such as individual and corporate annual giving, endowment fund earnings, ongoing City of St. Catharines operating support, and Brock’s annual contribution, carried here at \$800,000. The annual operating budget is shown in balance.

The percentage of total income that comes from earned operating sources varies widely among arts centres in Canada. Some receive well over half their budget from government (primarily municipal) sources. Others earn 70% or more of total revenue. However, those Canadian centres that tend to earn the highest percentages of total revenue tend to be the most commercially minded and are generally larger centres in larger cities. The forecast result for NCFAs is an excellent revenue ratio for a performing arts centre in a small or mid-size market.

Earned revenue comes from three main sources: presenting revenue, rental revenue and ancillary revenue. In Year 1, 51% of earned income – \$1,596,310 – is generated by the Centre’s programmatic activities – its Concert Hall, dance, theatre, film, and lobby presentations as well as by returns from school performances. Rental revenue for performance and non-performance events accounts for \$546,800 (17%) of total income, which indicates a healthy amount of rental activity typical of organizations that are of similar size and ilk to the Centre. The remaining 31% of earned income comes from ancillary sources, including facilities fees (surcharges paid by ticket buyers that go directly to NCFAs and are designated for facility maintenance), box office charges (credit card and other handling fees), concessions, sponsorships, ancillary space rental, interest, general equipment rental. This percentage of ancillary revenue, however, does not exist in a vacuum; a good portion of it is contingent on the level of presenting and rental activity occurring in the Centre’s performance spaces. Important revenue generators such as box office charges, facilities fees and concessions depend directly on the number of tickets sold. Thus the operating picture of the Centre is really one of an interrelated web of relationships that exist between programming and ancillary activity. In order to succeed, financially, the balance between these two areas of revenue will have to be carefully maintained.

Additionally, the Centre’s institutional success will rest with its ability to spend prudently. As currently forecast, the Centre’s expenses are what we would expect for an arts centre of this size. Approximately 60% of expenses are associated with fixed costs, of which 73% are related to personnel costs. In fact, personnel costs account for 44% of the Centre’s overall expenses. This represents both the personnel-intensive nature of



Chuck Mangione at Centre for the Arts

the performing arts and the need to maintain a high level of personnel quality to enable the Centre to remain competitive, both financially and programmatically. Thirty-six percent of expenses are show-related costs, (artist fees, local costs, event security, etc.) The remaining 3-4% of expenses is associated with performance and non-performance rental activity in the Centre. Because the Centre does not have to assume any of the costs associated with a rental event's talent, the costs incurred by such programming are dramatically reduced. As a result, this type of activity is the least risky for the Centre to pursue. That being said, it also offers the least amount of financial reward.

Therefore the operating plan that we have developed balances the amount of rental activity against the amount of presenting activity in order to minimize risk but maximize potential financial gain. Rental activity must be encouraged and the calendar provides a good deal of room for rental growth without forcing the Centre to sacrifice its own presenting program.

We assume that revenues and related expenses will fluctuate from year to year, especially during the first five years of Centre operations. Ticket sales for nearly all new arts centers are strong in the first season, as curiosity fuels audience interest. But in the second year of operations, ticket sales are expected to drop as the novelty of the new centre wanes. This is why attention to audience cultivation is critical to the Centre's success. After Year 2, ticket sales steadily increase until reaching a stabilized point in Year 5. But though revenues and expenses will rise and fall, the percentage breakdown between the two remains fairly consistent. This is because as performance and non-performance rental activity grows, as we expect that it will as the Centre cements its reputation as a world-class performance and meeting venue, revenues generated will be offset by increased variable costs. Thus the picture presented is fairly accurate for any given year of Centre operations as long as the conditions and operating policies of the Centre remain static.

The level of activity we have forecast could not be sustained without a multi-million dollar operating budget, and an analysis of similar venues illustrates that such figures are normal. For example, the Flynn Centre in Burlington, VT, is a multi-venue arts centre with an aggressive rental and presenting schedule in a community with a large university presence. The year-round population of Burlington is less than 40,000 people – making it much smaller than St. Catharines – but it easily sustains a performing arts centre with a \$5 million budget that relies on a mix of earned and unearned revenue.

In Canada, the Centre's predicted operating budget would be slightly higher than those of arts centres in similar communities that we have studied; however, an analysis of the differences between the performing arts venues in these locations and the proposed facility in St. Catharines helps us to understand why such discrepancies exist. In Brampton, for instance, the Rose Theatre has two venues, Main Hall and Secondary Hall, which can be combined to create a 1,000+ seat Mainstage. Its mission is to exist first as a rental organization, second as a presenting organization and third as a producing organization. According to its manager Steve Solski, the goal of the Rose was to present 30% of its theatre's shows while have 70% come from tenant and rental clients. If the majority of its calendar is dedicated to rental activity, its costs will remain minimal while its financial gain also remains minimal, therefore it can sustain itself on

a \$1.9 million operating budget. On the other hand, Centre presentations in the Concert Hall alone account for 50% of performance activity. If the Centre primarily served as a rental organization it would be impossible to ensure that its marquee remained lit seven days a week and that activity in the Centre – and, more importantly, pedestrian traffic on St. Paul Street – stayed near constant. It would also mean that one of the city’s most important cultural institutions – Brock Centre for the Arts – would cease to exist. Therefore by creating this balance between presenting and rental activities, the Centre serves St. Catharines in a way that it could not as simply a rental house.

6.2 Program Revenues and Expenses

Presenting Activity

As mentioned, presenting activity generates nearly half of all earned income annually from ticket sales alone. When ancillary income from presented activities, such as concessions, facility fees and box office charges are included, the number increases to 60%. But these figures can only be achieved if the Centre has a well-defined programmatic plan. One of the key components of such a plan is to understand the ways in which the Centre can reduce the risks associated with presenting. It can do so both by comprehending the nature of the commercial rental market and responding to the needs of its audience members.

In general, NCFCA should allow commercial renters to assume most of the risk associated with commercial presentations. That means cultivating regular rental use by commercial presenters, seeking split revenue deals with presenters rather than aggressively seeking to present commercial work itself, and acting as sole presenter only when it has a high level of confidence in the show’s success.

This is partly to reduce operating risk, but also because NCFCA is in a position to focus on programming that a commercial renter will not provide, such as event types that are aimed at niche markets and that are less commercially-oriented (certain types of dance, theatrical and music productions). Furthermore, NCFCA programming must be guided by the principle of keeping ticket prices down in order to encourage attendance and develop new segments of the audience market. Attracting new audience members and programming to different audience groups can provide an important source of revenue growth during its first years of operation. If the Centre can follow the principle of programming according to the size of the venue, quality of the work and audience needs, doing more or less programming will not change these risk levels.

The Centre’s presenting schedule, in terms of number of events forecast, represents only moderate growth over existing CFA programming. This is a conservative position that reflects our view of market conditions and it is intended to eliminate excessive operating risk. If the Centre understands the market it serves, it should experience relatively little volatility and break even, if not generate revenue, from its presenting activity on a consistent basis. This means that a decision to undertake a particular program should not have to depend on finding dedicated funds for a particular event or cultivating a broad sponsorship market to underwrite all costs associated with a presentation.



George Cleland, cello. The Niagara Symphony Orchestra, photo by Kevin Argue

However, corporate and individual sponsorship does play an important part in minimizing volatility. Approximately 12% of total presenting revenue forecast is from sponsorships in Year 1. Without sponsorship revenue, either attendance would have to be 12% higher than forecast, or ticket prices would have to rise. Where larger events are already forecast at 80% average attendance, this would in effect mean that either all such events would have to be near sell-outs, or that ticket prices would have to be increased by nearly 20%, which would likely be untenable in the local market.

The chief problem faced by many non-profit presenting houses is that most of the potential volatility they face is on the loss side of the income statement. That is because their seating capacities do not allow much “headroom” to capitalize on hits. At the Centre, even if all of Year 1’s 42 presented events in the Concert Hall sold to 95% of capacity, total net revenue from those 42 events would increase to only \$193,650, only about \$136,000 more than currently forecast. This means that even selling out every night, the Centre would still need to raise money from contributed sources every year in order to offset fixed costs and cover the total cost of operating the Concert Hall.

Therefore, the prudent director, over the course of the theatre’s first few years, will experiment with different types of programming at different ticket price levels in order to develop the programming mix that produces the most satisfactory financial outcomes. Existing CFA programming averages approximately 80% attendance, or roughly 400 seats in the existing SOS Theatre. So CFA staff clearly have identified a pricing policy that is successful now. Moving the average event from the current season to the Concert Hall will mean, assuming that all current attendees are willing to come downtown, that existing audiences will fill about half the house, and about 240 more tickets would have to be sold to achieve a similar percentage of seats sold. Thus some moderation in ticket prices for such presentations at the new Centre may be necessary to maximize earned income while maintaining high audience levels. So we have forecast any growth in overall ticket prices conservatively. Once NCFA has established itself and tested its programming repertoire in the new performance spaces, management likely will be able to gradually reduce the number of losing shows, increase the number of hits, and increase average ticket prices. However, we have forecast only modest growth in annual programming and in ticket sales for those programs over the first five years of operation, in keeping with our conservative approach.

Film is perhaps the most volatile of all programming types with respect to audience size. Fortunately, the financial risk in film programming is relatively limited. Total costs for the four types of film series that the Film Theatre will feature, which includes over 330 days of film exhibition, are only about \$267,000. It’s not likely that much money can be made off these films, but not much can be lost either, and their value in keeping the theatre open almost year round is enormous to the overall success of the Centre. It ensures activity will remain constant in the Centre, that the marquee can stay lit, and that St. Paul Street becomes a vital focal point of downtown St. Catharines. The pro forma calendar makes this clear. While other spaces are often dark, or being used for non-performance events or rehearsals, the Film Theatre is open to the public nearly every day of operation, offering programming at a cost that makes a visit to the Centre affordable for nearly every resident of the Region.

Though we forecast annual positive net revenue in the Concert Hall and Film Theatre, we have forecast a net operating loss related to programming in the Community Access / Dance Theatre and Lobby/ Café. Despite the projected programming loss, this activity is important to the Centre's overall financial health and must be pursued. This is first of all because the Lobby can be used to host programs not suitable for any other venue – Cabaret performances, comedic acts, etc. Such presentations will have a lower price point than those in the Concert Hall which allows for greater community participation. They increase the number of lit nights at the Centre. The Community Access Theatre / Dance Space is primarily suitable for dance performances and small theatrical presentations, which entail relatively high cost and limited potential ticket sale revenue. However, much Centre programming in this space has an educational mission. Some are appropriate for school group performances; others lend themselves to Master Class offerings. They all help ensure that the Centre presents diverse offerings in order to appeal to the broadest range of community members.



Detail of Canada Hair Cloth Building

All this considered, in the first five years of operation, we forecast that the Centre will earn approximately \$200,000 of net revenue annually from presenting activity. Therefore, on balance, we see Centre programming to be a modest net contributor to the bottom line. Room for growth exists, but because of calendar and budgetary constraints not a tremendous amount. With programming policy aimed at audience development but cautiously risk averse, we expect relatively little financial volatility. This is consistent with our desire to protect the long term stability of the Centre.

Rental Activity

As the forecasts illustrate, there is a positive net revenue impact from rental programming. The Centre can expect to earn nearly \$900,000 annually from rental activity, both commercial and non-profit, and related ancillary income. This figure does not include income from ancillary rental activity, such as long-term leases of office and retail space.

In determining rental rates, we have purposely favored local nonprofit organizations and other noncommercial users. Though the rates for these users are lower than rates for commercial renters, they are nevertheless high enough to offset costs. As we noted earlier, rates may be difficult for some local organizations to afford and some subsidy of those groups may be necessary. But the rate structure is meant to further the Centre's objectives not only financially but to encourage maximum public programming. This is why non profit renters do not get free production or rehearsal days – the policy of the Centre must be to keep dark days to a minimum and thus such activity is charged accordingly.

Although rates for commercial rentals are significantly higher than those charged to non-profit groups, commercial rental rates are consistent with current prices charged by the Brock Centre for the Arts.

The effect of these policies is to encourage rental activity. Though presenting Centre programming is more lucrative, hosting rental shows and meetings carries far less risk to the NCFCA. Nearly 60 "nights" (some shows will actually be weekend matinees) of programming will feature either Centre presentations or non profit performance rentals, such

as Chorus Niagara and the Niagara Symphony Orchestra. Of those, it is likely that no more than 30 will occur during weekends, leaving lots of prime nights available for commercial performance rental. This also leaves plenty of room to rent spaces, such as the Concert Hall and lobby, for meetings and other non performance events. We have tried to be very conservative in forecasting the level of that type of programming, and if there is a place in the revenue forecasts for substantial potential improvement, it would be by cultivating non-performance daytime programming in Concert Hall and Lobby. This type of activity does not interfere with evening performances, making them easy to schedule. Additionally there are currently no highly functional large meeting spaces in downtown St. Catharines, which means that the market is ripe for a tremendous amount of growth in this area.

Whereas we have forecast non-performance programming in the Concert Hall, Film Theatre and Lobby, we do not expect that the Community Access Theatre / Dance Space or Rehearsal Studio will have room for rentals other than by local performing arts groups. Our forecasting includes a total of no more than six weeks of total programming by the Centre in the Theatre. We assume that, at all other times, it will be available for use by local companies. The Rehearsal Studio is only available to community arts users and features no Centre programming whatsoever. As at the Community Access Theatre, rates for the rehearsal studio are meant only to offset costs.

6.3 Ancillary Revenue

At NCFCA, ancillary revenue (that is not show-related) consists of three sources: commercial leases of retail space, rental of office space and the café operating contract. More than \$250,000 is generated by such activity annually. Commercial space lease rates are calculated at levels consistent with the market but not necessarily reflective of the high quality and highly desirable location of the available space on St. Paul Street that flanks the Centre. The reason that we are not more aggressive in determining rates is that we want to ensure that retail parcels remain at full levels of occupancy and provide the Centre with enough room to negotiate rental agreements with companies whose presence could be of great benefit by increasing traffic to the area and serving the Centre's patrons.

The integration of commercial and residential space into a mixed-use development vision for the project offers the opportunity to both encourage the economic development downtown that the project seeks to stimulate and provide ongoing revenue streams for the Centre. While we have included revenue from street-front retail spaces, we have not forecast revenue streams that might flow from a mixed use development approach. The tools for such a project have been tested many times in the U.S. and Canada, perhaps most visibly in the rebirth of the former Hummingbird Centre in Toronto (given up for dead by many observers after the opening of the Four Seasons Centre) as the new Sony Centre, part of a mixed-use project developed through public-private partnership and including both a new Arts and Heritage Awareness Centre and a 55-floor condominium block. A project of that scale is obviously not appropriate for St. Catharines, but the same principles and tools can be applied.

The non-profit office rental rate of \$4 per sf is highly subsidized by the Centre as a service to local users, including some who may not yet be ready to perform at the Centre. This minimal rate is designed to cover the cost of related utilities and basic administrative expenses. Current design plans set aside 2,400 sf, gross of office space for local use. Annual rental revenue from office space will be \$9,600, which is expected to be divided between several local users. Constituents renting office space will also have access to the Centre's meeting rooms, copiers, receptionist and other key services.

Lease of the café is treated differently than the rental of retail space. Rather than a rental agreement, the Centre will enter into an operating contract with a catering company or restaurant. The Centre will take a split-of-gross deal against a low minimum instead of monthly rent, and the revenue forecast is meant to reflect that minimum.

6.4 Unearned (Contributed) Revenue

Each year, the NCFA is responsible for raising approximately \$800,000 in contributed income. This figure does not include the expected annual contribution from Brock University but does consider sponsorships (considered earned revenue and shown in Schedule D modules) and government funding, grants, and individual donations made to the Centre. The Development Department's annual budget of approximately \$200,000 corresponds directly to what it is expected to bring in each year. In order for fundraising activities to be worth their cost, common wisdom says that a development staff needs to generate at least three times their budget in contributed income to their organization. The majority of the Development's Department's budget, nearly 90%, is related to salary costs. The remaining costs are associated with the administrative expenses required to run a successful fundraising operation, including printing of membership materials, costs related to fundraising and "friend-raising" events, donor lunches and dinners, etc.

As mentioned, contributed income is comprised of two different components: sponsorship income and contributed income. In Year 1, we assume that slightly more than 20% of contributed income will come from sponsorships, while the remainder will come from grants and donations. The percentage drops to around 18% in Year 2 because the Centre will feature fewer presented events and thus less sponsorship opportunities exist. As a result, revenue that would normally come from such sponsorships must be procured from other contributed sources. The number climbs to 20% in Year 3, and to 22% and 25% in Year 4 and 5, respectively. Because presenting activity stabilizes at 40 shows in Year 5, sponsorships will not likely ever account for more than 25% of contributed income.

We assume that the Centre will have little problem attracting sponsors. All of the Canadian arts centres we studied have sponsorship programs to underwrite the cost of presentations. The Oakville Centre for the Performing Arts presents its Big Ticket series in association with several banks, insurance agencies and other local companies. The Sanderson Centre in Brantford has approximately 10 sponsors of its 2008-09 presented programs in addition to a host of local "corporate members" who are listed in the Centre's seasonal brochure. In fact, the CFA already has a solid sponsorship base. However in order to achieve the levels of



The Rose Theatre, Brampton Ontario

sponsorship predicted, the development and marketing departments will have to increase their presence among local companies within the Niagara region. Having world class meeting facilities should help erode any barrier that currently exists between the CFA and local businesses, enabling the Centre to make a stronger case for support, and the visibility of programmable signage at NCFCA will be an attractive marketing benefit. NCFCA sponsorships provide local companies with unique advertising and marketing opportunities that traditional corporate donations cannot.

However, though sponsorship is an important unearned revenue source, the Centre will not be able to rely on sponsorships alone to cover the operating gap that exists between revenues and expenses. The bulk of contributed income will come from a variety of other sources including corporate, foundation and government grants, membership fees, major individual gifts, and endowment earnings. Competition for foundation and government operating funds is growing while available funding is steadily shrinking, and warnings about new cuts in Federal arts funding further threaten to limit such revenue.

But this is not to say that government funding should not be actively pursued, and we expect the City of St. Catharines to continue to invest in the Centre – ongoing operating support of NCFCA will produce as high a return – financial and cultural – as any other spending the City might consider.

Arts centres in Brampton, Brantford, Guelph, Kitchner, Oakville, London, Markham, Peterborough, Richmond Hill, Thunder Bay and Windsor all receive operating support from their municipalities. In the case of Brampton, Brantford, Guelph, Kitchener, local performing arts centres receive funds from a direct municipal budget line, while other organizations, such as those in Windsor and London, receive maintenance support for their buildings. Brantford, London and Markham centres have received ongoing capital support and the Showplace Performing Arts Centre in Peterborough receives a CIF per ticket surcharge of \$1.50 as well as \$80,000 annually.

This being said, no one source of contributed income should be relied upon entirely. Having a mix of funding revenue will create a stable contributed income stream that can weather economic downturns and unforeseen financial emergencies.

Furthermore providing donors with a variety of funding opportunities will enable the Development department to reach their contributed income goals. Not only should the Development department pursue general operating support to help underwrite the Centre's cost of doing business (salaries, utilities, repairs, etc.), it should also create naming opportunities to attract major gifts and programming opportunities to help cover the cost of presenting, educational, and marketing activities.

Finally, a major focus of the development department must be on individual giving. This includes both annual campaigns focused on cultivating loyal members and long-term emphasis on endowment giving. There is no doubt that development of a significant endowment fund is the best way to ensure financial stability at the Centre. Based on our forecasts, an endowment fund of \$10 million earning 4% per year (after inflation) would alone provide the majority of the Centre's needs

for annual contributed operating support. The Centre is highly unlikely to begin life with endowment reserves approaching \$10 million, but reaching that level and more must be a goal for NCFA.

The Centre's operating plan is highly achievable and has been tested time and time again by arts centres in Canada and abroad. By having steady sources of earned income complemented by stable contributed income streams, NCFA should have no problem achieving its operating goals.