



## ADMINISTRATIVE REPORT

Report Date: April 27, 2018  
Contact: Sandra Gajic  
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Meeting Date: June 19, 2018

TO: Vancouver City Council  
FROM: General Manager of Arts, Culture, and Community Services  
SUBJECT: Vancouver Civic Theatres Rental Rates 2019-2020

### **RECOMMENDATION**

- A. THAT Council approve the recommended rental rates and fee increases for commercial licensees, as outlined in the Schedule of Rental Rates for Vancouver Civic Theatres (VCT) (Appendix "A"), effective September 1, 2019.
- B. THAT Council approve the recommended rental rates and fee increases for Not-for-Profit (NFP), Theatre Rental Grant (TRG) and VCT Grant licensees, as outlined in the Schedule of Rental Rates for VCT (Appendix "B"), effective September 1, 2019.

### **REPORT SUMMARY**

This report seeks approval of the recommended fee increases of 4% for commercial licensees, as outlined in the Schedule of Rental Rates contained in Appendix "A", for rental use of VCT during the period of September 1, 2019 to August 31, 2020.

This report seeks approval of recommended fee increases of 2% for NFP, TRG, and VCT Grant licensees, as outlined in the Schedule of Rental Rates contained in Appendix "B", for rental use of VCT during the period of September 1, 2019 to August 31, 2020.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

Council approves the Schedule of Rental Rates for VCT on an annual basis as recommended by staff.

**CITY MANAGER'S/GENERAL MANAGER'S COMMENTS**

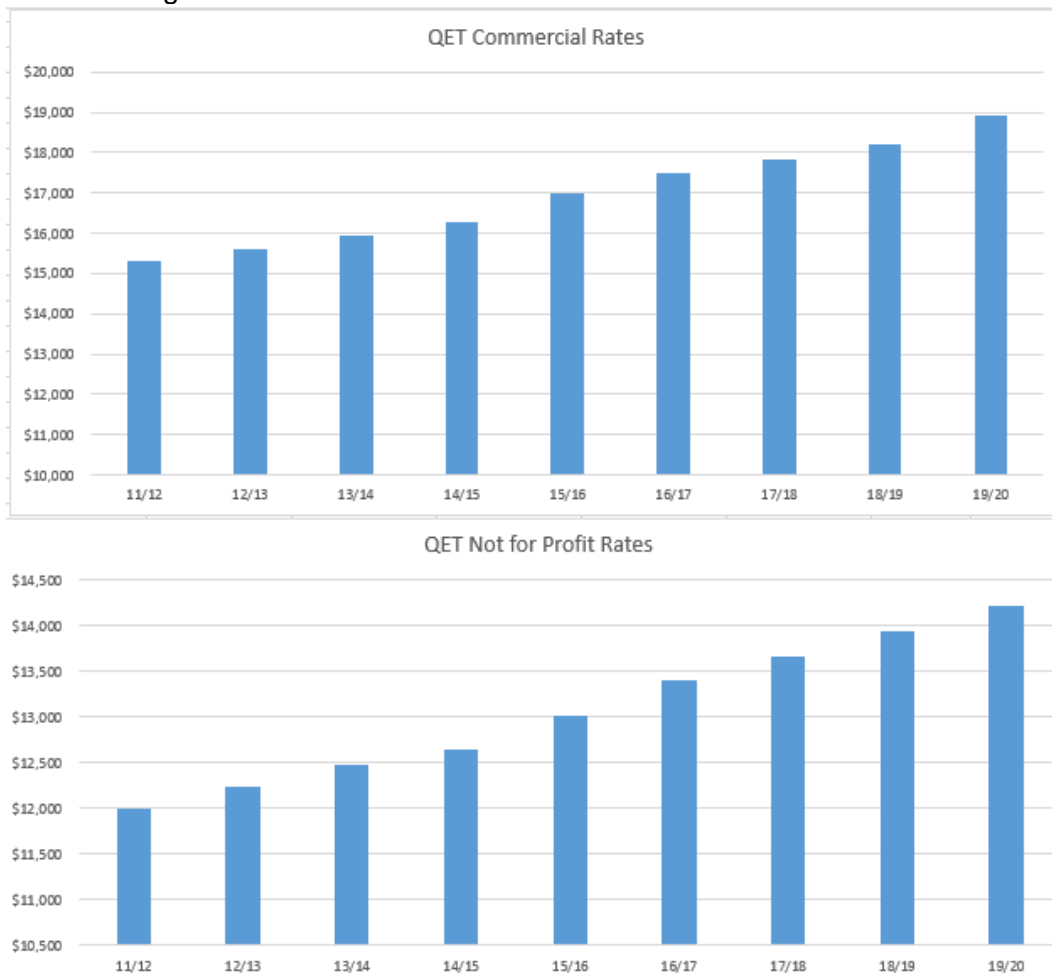
General Manager of Arts, Culture, and Community Services recommends approval of the new fee schedule.

**REPORT**

**Background/Context**

Rental rates are reviewed each year prior to the preparation of the annual operating budget. Adjustments are made effective September 1<sup>st</sup> of each year in alignment with the traditional performing arts season. The rental rates are reviewed primarily in relation to operational cost increases, and are reviewed in relation to those of comparable facilities to ensure that VCT's rates are appropriately placed according to local, national, and international markets. Figure 1 below is an example that shows a gradual and consistent increase over the past 8 years for both commercial and NFP rates at the Queen Elizabeth Theatre (QET), a premiere performing arts centre that books both NFP and commercial events.

Figure 1 - QET fee increases for NFP and commercial events



In reference to Recommendation A and B, a summary schedule of some of the key rental rates for the prior year and the proposed 2019-2020 rates (labour included unless clients have specific additional needs or requests) are shown below in figure 2 for comparison:

Figure 2 - key rental rates and proposed changes

| <b>Queen Elizabeth Theatre/Orpheum</b> | <b>2018-2019</b> | <b>Proposed 2019-2020</b> | <b>Change</b> | <b>% Change</b> |
|--|------------------|---------------------------|---------------|-----------------|
| Commercial Licensees                   | \$18,207         | \$18,935                  | \$728         | 4               |
| NFP/TRG/VCT Grants                     | \$13,941         | \$14,220                  | \$279         | 2               |

| <b>Vancouver Playhouse Theatre</b> | <b>2018-2019</b> | <b>Proposed 2019-2020</b> | <b>Change</b> | <b>% Change</b> |
|------------------------------------|------------------|---------------------------|---------------|-----------------|
| Commercial Licensees               | \$4,229          | \$4,400                   | \$171         | 4               |
| NFP/TRG/VCT Grants                 | \$4,229          | \$4,315                   | \$86          | 2               |

| <b>Annex</b>         | <b>2018-2019</b> | <b>Proposed 2018-2019</b> | <b>Change</b> | <b>% Change</b> |
|----------------------|------------------|---------------------------|---------------|-----------------|
| Commercial Licensees | \$1,392          | \$1450                    | \$58          | 4               |
| NFP/TRG/VCT Grants   | \$1,392          | \$1,420                   | \$28          | 2               |

❖ Full Proposed Rate Schedules can be found in Appendix A and B

Staff are recommending, for all VCT rates, a 4% increase for commercial rates and a 2% increase for NFP, TRG and VCT Grant rates, across all venues (Queen Elizabeth Theatre, Orpheum, Vancouver Playhouse, Annex, QET Plaza, Ancillary Spaces) as per Appendix A and B.

Both rates outlined on Appendix A and B have been reviewed and approved by the VCT Board and in preparation for a potential increase, all booking enquiries received for the 2019-2020 season have been informed of a potential rental increase pending Council approval. A letter has been sent on May 25, 2018 to regular users of VCT, informing them of the potential rental increase. If Council approves the rental rate increases, a follow-up letter will be sent to all of these organizations to confirm the increase.

**Strategic Analysis**

Rental rates are reviewed annually in relation to the specific economic factors, such as general inflation, cost, and labour increases, the City’s budget objectives, and in relation to the local, regional and national market.

These recommended rates allow for the continuing subsidization of the Annex and the Vancouver Playhouse, where the rents are lower than their operating cost.

**Facility fees**

Ticketing companies charge facility fees directly to the show patrons and remit this fee to VCT. The fee, net of administrative costs (15%), is transferred to the capital facility reserve for maintenance and capital replacement of the theatres. Staff are recommending for 2019/2020 that the facility fees remain unchanged for the QET, Orpheum, Vancouver Playhouse, Annex, QET Plaza and Ancillary spaces for the following ticket prices.

- \$1.00 per person for free and non-ticketed events
- \$2.00 per ticket sold between the value of \$0.01 and \$19.99
- \$3.50 (\$3.25 Registered Non Profits) per ticket sold \$20.00 and over

**Financial**

The rental rate increase impacts revenues for the last four months of the 2019 fiscal year and the first 8 months of the 2020 fiscal year. The newly approved rates will be used when building the 2019 and 2020 operating budgets.

The risk associated with not implementing rate increases, as per Appendix A of 4% for commercial licensees and 2% for NFP, TRG and VCT Grant licensees, as per Appendix B, would be an impact of approximately \$177,000 (as shown in figure 3 below). This impact would be that the annual increases in labour and other operating costs would not be matched by increases in rental rate revenue, combined with the reduced ability of VCT to continue to subsidize the lower rates for the Playhouse and the Annex.

Figure 3 - estimated revenues with fee increases forecast\*

| Rate Type | Revenue At:         |                     | Difference        | Rate Increase |
|-----------|---------------------|---------------------|-------------------|---------------|
|           | Current Rates       | Proposed            |                   |               |
| Comm      | 2,118,918           | 2,203,675           | 84,757            | 4%            |
| TRG       | 3,741,614           | 3,816,446           | 74,832            | 2%            |
| NFP       | 900,564             | 918,575             | 18,011            | 2%            |
|           | <b>\$ 6,761,096</b> | <b>\$ 6,938,696</b> | <b>\$ 177,600</b> |               |

\* based on 2018/2019 VCT Performing Arts Season Forecast

**CONCLUSION**

This report proposes an increase in VCT rental rates of between 2% and 4% over the 2018-2019 Rental rates. These proposed rates will effective September 1, 2019 to August 31, 2020, which will apply to all of the VCT spaces as detailed in Appendix A and Appendix B.

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**VANCOUVER CIVIC THEATRES SUMMARY OF RENTAL RATE APPENDIX "A"**  
Schedule of proposed rental rates September 1, 2019 to August 31, 2020

| <b>2019/2020 VANCOUVER CIVIC THEATRES SUMMARY OF RENTAL RATES</b>                        |   |
|--|---|
| <b>For Commercial Licensees</b>  |   |
| RENTAL RATES for SEPT. 1, 2019 to AUGUST 31, 2020  |   |
| <b>QUEEN ELIZABETH THEATRE &amp; ORPHEUM</b>   | <b>Commercial</b><br>8:00 am - midnight |
| 1 performance (maximum 4 hour event)   | <b>\$18,935</b>                         |
| 2 performances in the same time period (max 4 hours per event)                           | <b>\$28,405</b>                         |
| Conference (labour extra)  | <b>\$9,615</b>                          |
| RENTAL DEPOSIT (non-refundable - per performance or set up day)                          | <b>\$4,245</b>                          |
| TECHNICAL DAY<br>(Head Carp, Head Electric, Stage Door included (at regular rates only)) | <b>\$7,050</b>                          |
| FILM SHOOT (Labour extra) Per day (8:00 am to 8:00 am)                                   | <b>\$9,615</b>                          |
| <b>ALL RATES ARE SUBJECT TO GST.</b>   |   |
| <b>VANCOUVER PLAYHOUSE</b>   | <b>Commercial</b><br>8:00 am - midnight |
| 1 performance (maximum 4 hour event)   | <b>\$4,400</b>                          |
| 2 performances in the same time period (max 4 hours per event)                           | <b>\$6,600</b>                          |
| Conference (Labour Extra)  | <b>\$3,185</b>                          |
| RENTAL DEPOSIT (non-refundable - per performance or set up day)                          | <b>\$1,095</b>                          |
| TECHNICAL DAY (HC, HE and St Dr included at regular rates only)                          | <b>\$2,160</b>                          |
| FILM SHOOT (Labour extra) Per day (8:00 am to 8:00 am)                                   | <b>\$3,185</b>                          |
| <b>ALL RATES ARE SUBJECT TO GST.</b>   |   |
| <b>ANNEX</b>   | <b>Commercial</b><br>8:00 am - midnight |
| 1 performance (maximum 4 hour event)   | <b>\$1,450</b>                          |
| 2 performances in the same time period (max 4 hours per event)                           | <b>\$2,175</b>                          |
| Film Shoot (Labour Extra)  | <b>\$1,450</b>                          |
| Technical Day (Labour extra)   | <b>\$710</b>                            |
| Rental Deposit (non refundable)  | <b>\$385</b>                            |
| <b>ALL RATES ARE SUBJECT TO GST.</b>   |   |
| <b>PLAZA</b>   | <b>Commercial</b>                       |
| Labour Extra Daily (8:00 am - 8:00 am - 24 hour period)                                  | <b>\$1,620</b>                          |
| Rental Deposit (non refundable)  | <b>\$1,620</b>                          |
| Facility Fee - \$1.00 per ticket sold  |   |
| <b>ALL RATES ARE SUBJECT TO GST.</b>   |   |
| <b>ANCILLARY SPACES</b>  | <b>Commercial</b><br>8:00 am - midnight |
| Queen Elizabeth Salons   | <b>\$520</b>                            |
| Theatre Lobbies (QET/ORPHEUM/PLAYHOUSE)  | <b>\$520</b>                            |
| QET/Orpheum Rehearsal Hall and Playhouse Studio  | <b>\$520</b>                            |
| Labour extra   |   |
| Facility Fee - \$1.00 per person/ticket sold   |   |
| <b>ALL RATES ARE SUBJECT TO GST.</b>   |   |
| <b>FACILITY FEE - QUEEN ELIZABETH THEATRE/ORPHEUM/VANCOUVER PLAYHOUSE/ANNEX</b>          |   |
| \$3.50 (\$3.25 Registered Non Profits) per ticket sold \$20.00 and over                  |   |
| \$2.00 per ticket sold between the value of \$0.01 and \$19.99                           |   |
| \$1.00 per person for free and non ticketed events                                       |   |

**VANCOUVER CIVIC THEATRES SUMMARY OF RENTAL RATE APPENDIX "B"**  
Schedule of proposed rental rates September 1, 2019 to August 31, 2020

|                  |  |   |
|------------------|--|---|
| <b>2019/2020</b> | <b>VANCOUVER CIVIC THEATRES</b><br>RENTAL RATES for SEPT. 1, 2019 to AUGUST 31, 2020 | <b>SUMMARY OF RENTAL RATES</b><br>For Not-for-Profit, Theatre Rental Grant and<br>VCT Grant Licensees |
|------------------|--|---|

| <b>QUEEN ELIZABETH THEATRE &amp; ORPHEUM</b>   | <b>Full Day</b><br>8:00 am - midnight | <b>Half Day</b><br>8:00 am - 5:00 pm |
|--|---------------------------------------|--------------------------------------|
| 1 performance (maximum 4 hour event)   | <b>\$14,220</b>                       | <b>\$10,560</b>                      |
| Orchestra Level Only (maximum 4 hour event)  | <b>\$10,560</b>                       | <b>\$8,480</b>                       |
| 2 performances in the same time period (max 4 hours per event)                               | <b>\$21,330</b>                       | <b>\$12,720</b>                      |
| Orchestra Level Only (2 performances) (max 4 hours per event)                                | <b>\$15,840</b>                       | <b>\$12,720</b>                      |
| Secondary School Graduations (must be 11:00 am start time or 7:00 pm start time max 3 hours) |                                       | <b>\$10,560</b>                      |
| RENTAL DEPOSIT (non-refundable - per performance or set up day)                              |                                       | <b>\$4,245</b>                       |
| TECHNICAL DAY Per day (8:00 am to midnight)  |                                       | <b>\$7,050</b>                       |
| (Head Carp, Head Electric, Stage Door included) (at regular rates only)                      |                                       |                                      |
| HALF DAY REHEARSAL (max 4.5 hour event, must finish by 5:00 pm)                              |                                       | <b>\$2,485</b>                       |
| HOURLY RATE  |                                       | <b>\$565</b>                         |
| <b>ALL RATES ARE SUBJECT TO GST.</b>   |                                       |                                      |

| <b>VANCOUVER PLAYHOUSE</b>   | <b>Full Day</b><br>8:00 am - midnight | <b>Half Day</b><br>8:00 am - 5:00 pm |
|--|---------------------------------------|--------------------------------------|
| 1 performance (maximum 4 hour event)   | <b>\$4,315</b>                        | <b>\$3,225</b>                       |
| 2 performances in the same time period. (max 4 hours per event)                                | <b>\$6,470</b>                        | <b>\$4,835</b>                       |
| RENTAL DEPOSIT (non-refundable - per performance or set up day)                                |                                       | <b>\$1,095</b>                       |
| TECHNICAL DAY (HC, HE, and St Dr included at regular rates only) Per day (8:00 am to midnight) |                                       | <b>\$2,160</b>                       |
| HALF DAY REHEARSAL (max 4.5 hour event, must finish by 5:00 pm)                                |                                       | <b>\$1,625</b>                       |
| HOURLY RATE  |                                       | <b>\$365</b>                         |
| <b>ALL RATES ARE SUBJECT TO GST.</b>   |                                       |                                      |

| <b>ANNEX</b>  | <b>Full Day</b><br>8:00 am - midnight | <b>Half Day</b><br>8:00 am - 5:00 pm |
|---|---------------------------------------|--------------------------------------|
| 1 performance (maximum 4 hour event)                            | <b>\$1,420</b>                        | <b>\$1,420</b>                       |
| 2 performances in the same time period (max 4 hours per event)  | <b>\$2,130</b>                        | <b>\$2,130</b>                       |
| Technical Day (Stage Technician included at regular rates only) | <b>\$710</b>                          |                                      |
| RENTAL DEPOSIT (non-refundable - per performance or set up day) | <b>\$385</b>                          |                                      |
| <b>ALL RATES ARE SUBJECT TO GST.</b>                            |                                       |                                      |

| <b>PLAZA</b>  |              |
|---|--------------|
| Labour Extra Daily (8:00 am - 8:00 am - 24 hour period)                           | <b>\$500</b> |
| RENTAL DEPOSIT (non-refundable - per performance or set up day)                   | <b>\$500</b> |
| Facility Fee - \$1.00 per person/ticket sold (not applicable for Grant Licensees) |              |
| <b>ALL RATES ARE SUBJECT TO GST.</b>  |              |

| <b>ANCILLARY SPACES</b>   | <b>Full Day</b><br>8:00 am - midnight | <b>Half Day</b><br>8:00 am - 5:00 pm |
|---|---------------------------------------|--------------------------------------|
| Queen Elizabeth Salons  | <b>\$385</b>                          | <b>\$255</b>                         |
| Theatre Lobbies (QET/ORPHEUM/PLAYHOUSE)   | <b>\$385</b>                          | <b>\$255</b>                         |
| QET/Orpheum Rehearsal Hall and Playhouse Studio                                   | <b>\$385</b>                          | <b>\$255</b>                         |
| Labour extra  |                                       |                                      |
| Facility Fee - \$1.00 per person/ticket sold (not applicable for Grant Licensees) |                                       |                                      |
| <b>ALL RATES ARE SUBJECT TO GST.</b>  |                                       |                                      |

| <b>FACILITY FEE - QUEEN ELIZABETH THEATRE/ORPHEUM/VANCOUVER PLAYHOUSE/ANNEX</b>                     |
|---|
| \$3.50 (\$3.25 Registered Non Profits) per ticket sold \$20.00 and over                             |
| \$2.00 per ticket sold between the value of \$0.01 and \$19.99 (not applicable for Grant Licensees) |
| \$1.00 per person for free and non ticketed events (not applicable for Grant Licensees)             |

**To qualify for these rates, Licensees must be a registered non-profit society, a community service co-op registered with BC Registry Services or a registered charity with the Canadian Revenue Agency (CRA)**