



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: April 28, 2008
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Meeting Date: May 27, 2008

TO: Vancouver City Council
FROM: Director of Civic Theatres
SUBJECT: Theatre Rental Rates for September 1, 2008 to August 31, 2009

RECOMMENDATION

THAT Council approve the Schedule of Rental Rates for Civic theatres, as contained in Appendix "A", effective September 1, 2008.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends APPROVAL.

COUNCIL POLICY

Council annually approves the Schedule of Rental Rates for the three civic theatres.

PURPOSE

This report seeks approval of the proposed Schedule of Rental Rates contained in Appendix "A", for uses of the Orpheum, Queen Elizabeth Theatre and Vancouver Playhouse, during the period September 1, 2008 to August 31, 2009.

BACKGROUND

Rental rates are reviewed each year during the preparation of the annual operating budget and any adjustments are made effective September 1st of each year in alignment with the traditional performing arts season. The rental rates are reviewed annually in relation to those of comparable facilities to ensure that Vancouver's rates are appropriately placed in relation to the local, national and international markets. Results of the survey of rates are shown in Appendix "B".

Recent increases in the flat rental rates are shown below:

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	<i>Proposed</i> 2008-2009
QET/ORPHEUM							
Evening	8700	8700	9050	9700	10,000	10,300	10,650
Afternoon	6525	6525	6800	7275	7500	7,725	8,000
Tech	4350	4350	4525	4850	5000	5,150	5,325
% increase (Eve. Rate)	4.8%	0.0%	4.0%	7.2%	3%	3%	3.5%

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
PLAYHOUSE							
Evening	2300	2300	2390	2560	2640	2720	2,815
Afternoon	1725	1725	1795	1920	1980	2040	2,110
Tech	1150	1150	1195	1280	1320	1360	1,410
% increase (Eve. Rate)	3.6%	0.0%	3.9%	7.1%	3.1%	3%	3.5%

The average annual increase over the past 6 years has been 3.7%.

DISCUSSION

Rental Rate Structure

VCT uses two types of rental rates;

- A "commercial rate" that varies as a percentage of the final ticket sales for the event with a minimum and a maximum. This rate applies to pop/rock concerts and stand-up comedy.
- A set of "flat rates" that apply to all other events.

Except in the case of the meeting rental rate, labour costs for Civic Theatre employees are included in the rent for the basic services. This includes all of the required Audience Services and Building Maintenance staff, plus the minimum two Stage Technicians. Any additional Stage Technicians are employed directly by the promoter. There are also added charges for ancillary activities: lobby set-ups, receptions, etc. All existing theatre equipment and

furnishings are provided at no additional cost except where there is an incremental cost such as with table cloths, which have to be cleaned.

Meeting rental rates are set lower but all labour is added. This recognizes that meetings may, for example, have smaller "audiences" and run longer than shows. Labour costs are more variable and the client may benefit by having more flexibility in the design of their event.

Theatre Rental Market Comparisons

Each year we survey the rental rates of theatres on the US West Coast, locally and across Canada. The results are contained in Appendix "B". Rental rates in the Appendix are reduced to a dollars-per-seat available figure for the sake of comparison.

Proposed Increase

Rental rate increases are intended to keep revenues current with such things as negotiated labour settlements, general inflation and the need to meet the objectives of the City's operating budget. It is proposed that the 2008-2009 increase be equal to 3.5% in line with the recent City collective agreement settlements.

Appendix "A" and the table above show the results of a 3.5% increase compared to 2007-2008 rental rates.

Theatre Rental Grants

Local non-profit performing arts organizations may receive support from the City in the form of Theatre Rental Grants. Civic Theatre Rental (Operating) grants are designed for professional Vancouver-based arts organizations with a history of regular performances in a Civic Theatre: in 2007-2008 they were Vancouver Symphony Orchestra, Vancouver Opera Association, Playhouse Theatre Company, Ballet BC, Vancouver Bach Choir, Vancouver Chamber Choir, Vancouver Recital Society, Friends of Chamber Music, Music in the Morning, Festival Vancouver, Vancouver Academy of Music and Coastal Jazz and Blues Society.

Theatre Rental (Projects) grants are intended to ensure accessibility to Vancouver's Civic Theatres (the Vancouver Playhouse, Orpheum, or Queen Elizabeth Theatre) for new and emerging arts and cultural organizations. The program offers financial assistance to Vancouver-based non-profit groups that occasionally present events in one of the Civic Theatres. It seeks to support groups that have the capacity of attract large audiences and can benefit from the experience of performing in a centrally located and well-equipped theatre. Applicants for grants in the past have included, among others, Flamenco Rosario, Vancouver Chinese Choir, Mandala Arts and Cultural Society, BC Chamber Choir Society and Caravan World Rhythms Society, Arts Umbrella. New recipients this past year included Turning Point Ensemble, Vancouver Youth Symphony Orchestra and Le Centre culturel francophone de Vancouver.

Grant recipients are generally insulated from the effects of increases in rental rates for those uses covered by these grants. However, it must be noted that not all of the Licensees' uses are covered by grants, so there are some financial impacts from rental rate increases. Ballet

BC for example, receives grants for its own productions at the QET but does not receive full support for the visiting companies they present in their Dance Alive series, such as the Moscow Classical Ballet Co. presentation of "The Nutcracker Ballet". In these cases, rental rate increases directly affect the host and visiting companies and will affect their financial return for these performances.. There are also other regular, non-profit users, such as Coastal Jazz and Blues, and Vancouver Cantata Singers who do not receive grants for all of their uses.

Graduations

High school graduations have been provided with a special rental rate for many years. The rate encourages uses of the theatres at a time when regular bookings are usually low, and it facilitates access when school venues are often inadequate for one reason or another. This special rate still pays for the incremental costs of operation and makes a contribution to overhead.

There will be 22 graduations this year.

FINANCIAL IMPLICATIONS

The rental rate increase impacts revenues for the last four months of the 2008 fiscal year and the first 8 months of the 2009 fiscal year.

The proposed increases for flat rates are:

QET/Orpheum: plus \$350 to \$10,650 for an evening performance.

Playhouse: plus \$95 to \$2,815 for an evening performance.

Commercial rate:

From: Minimum \$6,800 vs. 12% of ticket sales to a maximum of \$13,200 .

To: Minimum \$7,000 vs. 12.5% of ticket sales to a maximum of \$13,650.

The total impact on the 2008 operating revenues is estimated to be an increase of \$24,930. On the same basis, the impact on the first 8 months of 2009 is estimated to be increased rental revenue of \$72,361.

COMMUNICATIONS PLAN

A letter was sent to 16 regular users inviting them to attend a meeting, held on April 30, to discuss the proposed increases. There were no negative responses to the proposed rental increases.

CONCLUSION

This report proposes an increase in Theatre Rental Rates of 3.5% over the 2007-2008 Rental Rates, effective September 1, 2008 to August 31, 2009.

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VANCOUVER CIVIC THEATRES

SUMMARY OF RENTAL RATES

Appendix "A"

PROPOSED SCHEDULE OF RENTAL RATES for SEPT. 1, 2008 to AUGUST 31, 2009

3.5%

* Bold is proposed; light is 2007-2008.

QUEEN ELIZABETH THEATRE & ORPHEUM	EVENINGS	AFTERNOONS	MORNINGS
1 performance	\$10,650 \$10,300	\$8,000 \$7,725	\$5,325 \$5,150
2 performances in the same time period	\$15,975 \$15,450	\$11,600 \$11,590	\$8,000 \$7,725
Meetings & Conferences	\$4,650	\$4,650	\$4,650
Daily Maximum: \$10,650. Staff extra.	\$4,460	\$4,460	\$4,460
Secondary School Graduations	\$7,000 \$6,750	\$7,000 \$6,750	\$7,000 \$6,750
VSO School Concerts (11:00 am & 1:00 pm)			\$8,000 \$7,725
Commercial rent	\$7000 vs. 12.5% to a max. of \$13,650 \$6,800 vs. 12% to a max. of \$13,200		
RENTAL DEPOSIT (non-refundable)	\$2,660 \$2,575	Per performance or set-up day.	
TECHNICAL DAY/FILM SHOOT	\$5,325 \$5,150	Per day (8:00 am to midnight)	
ADDITIONAL STAGE/LOBBY USE	\$425 \$410	Per Hour	
DISPLAYS	First display free subject to conditions.		
SPONSOR	\$55	Per display area, Per performance.	
NON-SPONSOR/SALES	\$110	Per display area, Per performance.	

VANCOUVER PLAYHOUSE	EVENINGS	AFTERNOONS	MORNINGS
1 performance	\$2,815 \$2,720	\$2,110 \$2,040	\$1,410 \$1,360
2 performances in the same time period.	\$4,220 \$4,080	\$3,170 \$3,060	\$2,110 \$2,040
Meetings & Conferences	\$1,045	\$1,045	\$1,045
Daily Maximum \$2815. Staff extra.	\$1,010	\$1,010	\$1,010
RENTAL DEPOSIT (non-refundable)	\$705 \$680	Per performance or set-up day.	
TECHNICAL DAY/FILM SHOOT	\$1,410 \$1,360	Per day (8:00 am to midnight).	
ADDITIONAL STAGE USE	\$300 \$290	Per Hour	
ADDITIONAL LOBBY USE	\$395 \$380	Per Hour	
DISPLAYS	First display free subject to conditions.		
SPONSOR	\$25	Per display area, Perperformance.	
NON-SPONSOR/SALES	\$50	Per display area, Perperformance.	

ALL RATES ARE SUBJECT TO GST.

16-May-08

RENTAL RATES REVIEW

2008-2009

APPENDIX "B"

THEATRE	CITY	SEATING CAP.	BASE RENT		ADDED RENT	TOTAL RENT \$55/80%	RENT per SEAT
2008-2009	Vancouver Civic Th.		proposed		proposed		
QET	FLAT RATE	2,756	\$10,650			\$10,650	\$3.86
ORPHEUM	FLAT RATE	2,780	\$10,650			\$10,650	\$3.83
QET	COMMERCIAL RATE	2,756	\$7,000	vs	12.5% cap. 13,650	\$13,650	\$4.95
ORPHEUM	COMMERCIAL RATE	2,780	\$7,000	vs	12.5% cap. 13,650	\$13,650	\$4.91
PLAYHOUSE	FLAT RATE	668	\$2,815			\$2,815	\$4.21
2008 Actuals							
HULT CTR.	EUGENE, OR	2,500	\$3,750	plus	8% gross over \$40,000	\$9,350	\$3.74
SCHNITZER HALL	PORTLAND, OR	2,776	\$3,600	vs.	8%	\$9,772	\$3.52
MOORE	SEATTLE, WA	1,384	\$2,000	vs.	10%	\$6,090	\$4.40
PARAMOUNT	SEATTLE, WA	2,807	\$4,500	vs.	10%	\$12,351	\$4.40
McCAW HALL	SEATTLE, WA	2,960	\$3,700	vs.	9%	\$11,722	\$3.96
ROYAL	VICTORIA	1,434	\$1,725	vs.	10%	\$6,310	\$4.40
CHAN CENTRE	U.B.C.	1,185	\$4,750			\$4,750	\$4.01
JACK SINGER HALL	CALGARY, AB	1,800	\$3,400	vs.	10%	\$7,920	\$4.40
JUBILEE AUDITORIUM	CALGARY, AB	2,535	\$5,500	vs.	10% cap. \$12,000	\$11,154	\$4.40
JUBILEE AUDITORIUM	EDMONTON, AB	2,514	\$5,500	vs.	10% cap. \$12,000	\$11,062	\$4.40
F. WINSPEAR CENTRE	EDMONTON, AB.	1,932	\$2,800	vs.	10%	\$8,501	\$4.00
THUNDER BAY AUD.	THUNDER BAY	1,497	\$1,800	vs.	10%	\$6,587	\$4.00
J. BASSETT	TORONTO, ON	1,330	\$5,365			\$5,365	\$4.03
ROY THOMSON HALL	TORONTO, ON	2,630	\$7,200	plus	100 times top tkt. price	\$16,200	\$6.16
MASSEY HALL	TORONTO, ON	2,753	\$5,200	plus	100 times top tkt. price	\$14,200	\$5.16
SONY CTR.	TORONTO, ON	3,223	\$11,500	plus	2.8%	\$16,463	\$4.66
HAMILTON PLACE	HAMILTON, ON	2,193	\$2,300	vs.	11%	\$10,614	\$4.84
CENTRE IN SQUARE	KITCHENER, ON	2,047	\$2,500	vs.	11%	\$9,907	\$4.84
SOUTHAM HALL, NAC	OTTAWA, ON	2,323	\$5,700	plus	2%	\$7,744	\$3.33
St. DENIS THEATRE	MONTREAL. PQ	2,218	\$2,500	plus	7-9% calc at 8%	\$10,307	\$4.65
AVERAGE							\$4.37
MEDIAN							\$4.40

Assumptions: Where a percentage of ticket sales applies, an average ticket price of \$55 was applied to an 80% house.
 Where a "top ticket price" is a factor, \$90 was used.

DATA IS TAKEN FROM POLSTAR'S CONCERT VENUE DIRECTORY 2008 EDITION AND CONSTITUTES THE MOST RECENT PUBLISHED DATA AVAILABLE