



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: March 10, 2009
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Meeting Date: March 24, 2009

TO: Vancouver City Council

FROM: Director of Civic Theatres in consultation with the Director of Grants Awards and Support Programs, Cultural Services

SUBJECT: Theatre Rental Rates for September 1, 2009 to August 31, 2010

RECOMMENDATION

- A. THAT Council approve the Schedule of Rental Rates for Civic Theatres, as contained in Appendix "A", effective September 1, 2009.
- B. THAT Council approve a parallel increase in the Theatre Rental Grants budget for September to December, an amount of approximately \$40,000, to cover scheduled theatre uses at the new rental rates: source of funds to be Contingency Reserve.

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, 2009 to August 31, 2010.

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:

	<i>Proposed</i>		
QET/ORPHEUM	2007-2008	2008-2009	2009 - 2010
Evening	\$10,300	\$10,650	\$11,100
Afternoon	\$7,725	\$8,000	\$8,325
Tech	\$5,150	\$5,325	\$5,550
% increase (Eve. Rate)	3%	3.5%	4.0%

PLAYHOUSE	2007-2008	2008-2009	2009 - 2010
Evening	\$2,720	\$2,815	\$2,930
Afternoon	\$2,040	\$2,110	\$2,200
Tech	\$1,360	\$1,410	\$1,465
% increase (Eve. Rate)	3%	3.5%	4.0%

The average annual increase for the 3 years shown will be 3.5%.

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 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 2009-2010 increase be equal to 4.0% in line with the last City collective agreement settlements.

Appendix "A" and the table above show the results of a 4.0% increase compared to 07-08 and 08-09 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 2008-2009 they were Vancouver Symphony Orchestra, Vancouver Opera, Playhouse Theatre Company, Ballet BC, Vancouver Bach Choir, Vancouver Chamber Choir, Vancouver Recital Society, Friends of Chamber Music, 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 attracting 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, Caravan World Rhythms Society, Arts Umbrella, Dancing on the Edge, Turning Point Ensemble Society, and Vancouver Tap Dance Society. New recipients this past year included Early Music Vancouver, Seismic Shift Arts Society and National Congress of Black Women Foundation.

Subject to Council approval of parallel grant increase, theatre rental 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. 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 were 22 high school graduations in June last year.

FINANCIAL IMPLICATIONS

The rental rate increase impacts revenues for the last four months of the 2009 fiscal year and the first 8 months of the 2010 fiscal year.

The proposed increases for flat rates are:

OET/Orpheum:	plus \$450 to \$11,100 for an evening performance.
Playhouse:	plus \$115 to \$2,930 for an evening performance.

Commercial rate:

From:	Minimum \$7,000 vs. 12.5% of ticket sales to a maximum of \$13,650.
To:	Minimum \$7,300 vs. 13.0% of ticket sales to a maximum of \$14,200.

The impact on the 2009 and 2010 Civic Theatres operating revenues will be neutral since the increase in rent is equal to the increase in labour and other operating costs, and have already been built into the 2009 Operating Budget.

This report also recommends approving a matching increase to the theatre rental grants budget for September to December 2009 and January to August 2010 to ensure that no theatre uses are lost to grant recipients. The value of the increase to the rental grants budget is approximately \$80,000 for the entire September 2009 to August 2010 period. The impact on the September to December 2009 period will be approximately \$40,000. The precise amount will not be known until the spring intake of grant applications for the Sept. - Dec. 09 period which will be in June.

Should Council not approve a corresponding increase to the theatre rental grants budget, there is a risk to the Civic Theatres' operating budget both in lost rental revenue and in lost concessions, coat check, parking and ticket surcharge revenue.

COMMUNICATIONS PLAN

A letter was sent to regular users informing them of the proposed increases and soliciting feedback, commentary etc. Addressees were invited to meet with the Director of Civic Theatres on February 19 to review the rental rate increases. There was one enquiry concerned about the impact on the rental grants budget, which was answered by phone.

CONCLUSION

This report proposes an increase in Theatre Rental Rates of 4.0% over the 2008-2009 Rental Rates, effective September 1, 2009 to August 31, 2010 and a matching increase to the theatre rental grants budget for the same period of time.

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VANCOUVER CIVIC THEATRES

SUMMARY OF RENTAL RATES

Appendix "A"

PROPOSED SCHEDULE OF RENTAL RATES for SEPT. 1, 2009 to AUGUST 31, 2010

4%

* Bold is proposed; light is 2008-2009.

QUEEN ELIZABETH THEATRE & ORPHEUM	EVENINGS	AFTERNOONS	MORNINGS
1 performance	\$11,100 \$10,650	\$8,325 \$8,000	\$5,550 \$5,325
2 performances in the same time period	\$16,650 \$15,975	\$12,500 \$11,600	\$8,325 \$7,988
Meetings & Conferences	\$4,850	\$4,850	\$4,850
Daily Maximum: \$11,100. Staff extra.	\$4,650	\$4,650	\$4,650
Secondary School Graduations	\$7,280 \$7,000	\$7,280 \$7,000	\$7,280 \$7,000
VSO School Concerts (11:00 am & 1:00 pm)			\$8,325 \$8,000
Commercial rent	\$7300 vs. 13% to a max. of \$14,200 \$7000 vs. 12.5% to a max. of \$13,650		
RENTAL DEPOSIT (non-refundable)	\$2,775 \$2,660	Per performance or set-up day.	
TECHNICAL DAY/FILM SHOOT	\$5,550 \$5,325	Per day (8:00 am to midnight)	
ADDITIONAL STAGE/LOBBY USE	\$440 \$425	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	\$2,930 \$2,815	\$2,200 \$2,110	\$1,465 \$1,410
2 performances in the same time period.	\$4,400 \$4,220	\$3,300 \$3,170	\$2,200 \$2,110
Meetings & Conferences	\$1,100	\$1,100	\$1,100
Daily Maximum \$2720. Staff extra.	\$1,045	\$1,045	\$1,045
RENTAL DEPOSIT (non-refundable)	\$735 \$705	Per performance or set-up day.	
TECHNICAL DAY/FILM SHOOT	\$1,465 \$1,410	Per day (8:00 am to midnight).	
ADDITIONAL STAGE USE	\$315 \$300	Per Hour	
ADDITIONAL LOBBY USE	\$410 \$395	Per Hour	
DISPLAYS	First display free subject to conditions.		
SPONSOR	\$55	Per display area, Perperformance.	
NON-SPONSOR/SALES	\$110	Per display area, Perperformance.	

ALL RATES ARE SUBJECT TO GST.

17-Mar-09

RENTAL RATES REVIEW

2009-2010

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	\$11,100			\$11,100	\$4.03
ORPHEUM	FLAT RATE	2,780	\$11,100			\$11,100	\$3.99
QET	COMMERCIAL RATE	2,756	\$7,300	vs	13.0% cap. 14200	\$14,200	\$5.15
ORPHEUM	COMMERCIAL RATE	2,780	\$7,300	vs	13.0% cap. 14200	\$14,200	\$5.11
PLAYHOUSE	FLAT RATE	668	\$2,930			\$2,930	\$4.39
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