



ADMINISTRATIVE REPORT

Report Date: May 26, 2011
Contact: Todd Ayotte
Contact No.: 604.665.3021
RTS No.: 9191
VanRIMS No.: 08-2000-20
Meeting Date: June 14, 2011

TO: Vancouver City Council
FROM: Director, Vancouver Civic Theatres
SUBJECT: Civic Theatres Rental Rates

RECOMMENDATION

- A. THAT Council approve the rental rate increases for the Queen Elizabeth Theatre, Vancouver Playhouse and Orpheum, as outlined in the Schedule of Rental Rates for Civic Theatres (Appendix "A"), effective September 1, 2011.
- B. THAT Council approve the baseline rental rate structure for the QET Plaza.
- C. THAT Council approve the baseline rental rate structure for the Orpheum Annex.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

Council approves the Schedule of Rental Rates for the three civic theatres on an annual basis and approves baseline rental rates for other Civic spaces as required.

PURPOSE

This report seeks Council approval of the proposed fee increase for Civic Theatres as outlined in the Schedule of Rental Rates contained in Appendix A for the uses of the Orpheum, Queen Elizabeth Theatre and Vancouver Playhouse, during the period of September 1, 2011 to August 31, 2012; approval of a baseline rental rate structure for the QET Plaza to August 31, 2012; and approval of the baseline rental rate structure for the Orpheum Annex to August 31, 2012.

BACKGROUND

Existing Rental Rates

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

VCT uses two types of rental rates: commercial and flat rates. Although the flat rate is used in most cases, including all granted uses of the theatres, the commercial rate is applied to pop, rock and comedy events, and reflects a percentage of the final ticket sales for the event with a published minimum and maximum.

Recent increases in the flat rental rates are shown below:

	Proposed		
QET/Orpheum	2009-2010	2010-2011	2011-2012
Evening	\$11,100	\$11,550	\$12,000
Afternoon	\$8,325	\$8,660	\$9,000
Technical Day/Film shoot	\$5,550	\$5,775	\$6,000
% increase (Eve. rate)	4.0%	4.0%	4.0%

Playhouse	2009-2010	2010-2011	2011-2012
Evening	\$2,930	\$3,050	\$3,170
Afternoon	\$2,200	\$2,290	\$2,380
Technical Day/Film shoot	\$1,465	\$1,525	\$1,585
% increase (Eve. rate)	4.0%	4.0%	4.0%

Baseline Rental Rate Structure: QET Plaza

Prior to 2010, the QET Plaza was not equipped to host stand-alone events. In 2010, the QET renewal project included a renovation of the Plaza which added a dedicated power source and sanitation lines. Additionally, with the reconfiguration of the planters and stairs, the new QET Plaza also has much improved access and visibility from Georgia, Hamilton and Cambie Streets.

In winter 2010, the QET Plaza hosted the Vancouver Christmas Market, which saw over 125,000 visitors over a three and a half week period. The success of this event has generated real interest for future uses. Its central location, size and proximity to bike lanes and transit makes the QET Plaza a viable choice for outdoor events.

Because Civic Theatres is seeking to establish a base line for rent that is in line with other outdoor spaces in Metro Vancouver, a survey was completed to compare rates of similar size outdoor venues. Results of this survey can be found in Appendix "C".

From this survey a base rate schedule was established for the QET Plaza, as shown below:

QET Plaza	Proposed	
	Commercial	Non-Profits & Charities*
Hourly (up to 4 hours)	\$250	\$125
Daily	\$2,500	\$1,250
Weekly	\$7,500	\$3,750
Weekend	\$3,750	\$1,875
Monthly	\$15,000	\$7,500

*Non-profit & charity organizations must be registered

Baseline Rental Rate Structure: Orpheum Annex

The Orpheum Annex (the "Annex") is the new 220-seat theatre operated by Civic Theatres. This space was developed through the Cultural Amenity contribution received from Wall Financial for the Capital Residences. The Annex will be used for rehearsals and public presentations of music, dance and theatre. The flexible space can also accommodate conferences, meetings and receptions.

In order to establish a base line for rent that is in line with other venues of comparable size in Metro Vancouver, a survey of rates was completed of venues throughout Metro Vancouver. Results of this survey can be found in Appendix "D".

From this a baseline rate schedule was developed for the Annex, as shown below:

Orpheum Annex	Proposed		
	Performance	Rehearsal	Meeting/Conference
Evening	\$1,000	\$500	\$500
Afternoon	\$1,000	\$500	\$500
Morning	\$1,000	\$500	\$500

DISCUSSION

Rental rate increases are reviewed in relation to the specific economic factors, such as negotiated labour settlements, general inflation and the City's budget objectives, and in relation to the local, regional and national market (see rental rates review in Appendix "B"). The same process is used to establish baseline rental rates for the new rental spaces.

For the existing Civic Theatres rental spaces, it is proposed that the 2011-12 increase be equal to 4.0% in line with the last City collective agreement settlement.

FINANCIAL IMPLICATIONS

Existing Rental Rates

The rental rate increase impacts revenues for the last four months of the 2011 fiscal year and the first 8 months of the 2012 fiscal year. The rate increase will also impact our resident companies as the annual Theatre Rental Grants allocation has not been increased to offset the rate increase.

The proposed increases in flat rates are:

QET/Orpheum: plus \$450 to \$12,000 for an evening performance.
Playhouse: plus \$120 for an evening performance

Commercial Rate:

From: Minimum \$7,300 vs. 13.0% of ticket sales to a maximum of \$14,700
To: Minimum of \$7,900 vs. 14.0% of ticket sales to a maximum of \$15,300

The impact on the 2011 and 2012 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 in to the 2011 Operating Budget.

Baseline Rental Rate Structure: Orpheum Annex

The Orpheum Annex is a new revenue stream for Civic Theatres. This space will impact revenues both through the generation of new bookings and through a realignment of existing bookings in other Civic Theatres venues.

Baseline Rental Rate Structure: QET Plaza

The QET is a new revenue stream source for Civic Theatres. This space will impact revenues through the generation of new bookings.

COMMUNICATIONS PLAN

All booking enquiries received for the 2011-2012 season have been informed of a potential rental increase pending Council approval. A letter has been sent to all Resident Companies and Licensees informing them of the potential rental increase. Once Council has approved the rental rate increases, a follow-up letter will be sent to all Resident Companies and Licensees to confirm the increase.

CONCLUSION

This report proposes the following user fee increases for Civic Theatres:

An increase in Theatre rental rates of 4.0% over the 2010-2011 Rental rates, effective September 1, 2011 to August 31, 2012.

This report also seeks approval to establish baseline rental rates for the QET Plaza and Orpheum Annex, effective through to August 31, 2012.

* * * * *

VANCOUVER CIVIC THEATRES SUMMARY OF RENTAL RATES

APPENDIX "A"

PROPOSED SCHEDULE OF RENTAL RATES for SEPT. 1, 2011 to AUGUST 31, 2012.

*Bold indicates new rates. Light is 2010/11 rates.

QUEEN ELIZABETH THEATRE & ORPHEUM	EVENINGS	AFTERNOONS	MORNINGS
1 performance	\$12,000 \$11,550	\$9,000 \$8,660	\$6,000 \$5,775
2 performances in the same time period	\$18,000 \$17,325	\$13,500 \$12,990	\$9,000 \$8,660
Meetings & Conferences	\$5,300	\$5,300	\$5,300
Daily Maximurr \$12,000. Staff extra.	\$5,100	\$5,100	\$5,100
Secondary School Graduations	\$7,900 \$7,600	\$7,900 \$7,600	\$7,900 \$7,600
VSO School Concerts (11:00 am & 1:00 pm)			\$9,000 \$8,660
Commercial rent	\$7900 vs. 14% to a max. of \$15,300 \$7600 vs. 13% to a max. of \$14,700		
RENTAL DEPOSIT (non-refundable)	\$3,000 \$2,900	Per performance or set-up day.	
TECHNICAL DAY/FILM SHOOT	\$6,000 \$5,775	Per day (8:00 am to midnight)	
ADDITIONAL STAGE/LOBBY USE	\$480 \$460	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	\$3,170 \$3,050	\$2,380 \$2,290	\$1,585 \$1,525
2 performances in the same time period.	\$4,755 \$4,575	\$3,570 \$3,435	\$2,380 \$2,290
Meetings & Conferences	\$1,200	\$1,200	\$1,200
Daily Maximurr \$3170. Staff extra.	\$1,150	\$1,150	\$1,150
RENTAL DEPOSIT (non-refundable)	\$800 \$765	Per performance or set-up day.	
TECHNICAL DAY/FILM SHOOT	\$1,585 \$1,525	Per day (8:00 am to midnight).	
ADDITIONAL STAGE USE	\$310 \$300	Per Hour	
ADDITIONAL LOBBY USE	\$105 \$100	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	
ORPHEUM ANNEX	EVENINGS	AFTERNOONS	MORNINGS
1 performance	\$1,000	\$1,000	\$1,000
2 performances in the same time period.	\$1,500	\$1,500	\$1,500
Meetings & Conferences	\$500	\$500	\$500
Daily Maximurr \$1500. Staff extra.			
RENTAL DEPOSIT (non-refundable)	\$250	Per performance or set-up day.	
TECHNICAL DAY/FILM SHOOT/REHEARSALS	\$500 \$2,500	Per day (8:00 am to midnight). Per week. Labour extra.	
ADDITIONAL STAGE USE	\$50	Per Hour plus labour costs	
ALL RATES ARE SUBJECT TO HST.			

THEATRE	CITY	SEATING CAP.	BASE RENT		ADDED RENT	TOTAL RENT \$55/80%	RENT per SEAT
2011-2012	Vancouver Civic Th.		proposed		proposed		
QET	FLAT RATE	2,781	\$12,000			\$12,000	\$4.31
ORPHEUM	FLAT RATE	2,688	\$12,000			\$12,000	\$4.46
QET	COMMERCIAL RATE	2,781	\$7,900	vs	14.0% cap. 15,300%	\$15,300	\$5.50
ORPHEUM	COMMERCIAL RATE	2,688	\$7,900	vs	14.0% cap. 15,300%	\$15,300	\$5.69
PLAYHOUSE	FLAT RATE	668	\$3,170			\$3,170	\$4.75
2011 Actuals							
HULT CTR.	EUGENE, OR	2,450	\$3,950	plus	8% gross over \$40,000	\$9,374	\$3.82
SCHNITZER HALL	PORTLAND, OR	2,776	\$4,055	vs.	8%	\$10,623	\$3.83
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	\$1,880	vs.	10%	\$6,310	\$4.40
CHAN CENTRE	U.B.C.	1,185	\$5,095			\$5,095	\$4.30
JACK SINGER HALL	CALGARY, AB	1,800	\$4,000	vs.	10%	\$7,920	\$4.40
JUBILEE AUDITORIUM	CALGARY, AB	2,535	\$6,500	vs.	10% cap. \$14,000	\$11,154	\$4.40
JUBILEE AUDITORIUM	EDMONTON, AB	2,514	\$6,500	vs.	10% cap.\$14,000	\$11,062	\$4.40
F. WINSPEAR CENTRE	EDMONTON, AB.	1,932	\$3,675	vs.	10%	\$8,503	\$4.40
THUNDER BAY AUD.	THUNDER BAY	1,497	\$2,000	vs.	10%	\$6,584	\$4.00
ROY THOMSON HALL	TORONTO, ON	2,630	\$7,500	plus	100 times top tkt. price	\$18,936	\$7.20
MASSEY HALL	TORONTO, ON	2,753	\$5,500	plus	100 times top tkt. price	\$14,500	\$5.27
SONY CTR.	TORONTO, ON	3,191	\$10,000	plus	4.5%	\$16,311	\$5.12
HAMILTON PLACE	HAMILTON, ON	2,193	\$2,500	vs.	11%	\$10,612	\$4.84
CENTRE IN SQUARE	KITCHENER, ON	2,047	\$2,500	vs.	11%	\$9,907	\$4.84
SOUTHAM HALL, NAC	OTTAWA, ON	2,323	\$5,900	plus	2%	\$7,943	\$3.42
St. DENIS THEATRE	MONTREAL. PQ	2,218	\$2,500	plus	7-9% calc at 8%	\$10,310	\$4.65
AVERAGE							\$4.53
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 POLLSTAR'S CONCERT VENUE DIRECTORY 2011 EDITION AND CONSTITUTES THE MOST RECENT PUBLISHED DATA AVAILABLE

RENTAL RATE REVIEW: QET PLAZA

APPENDIX "C"

VENUE	LOCATION	Size	BASE RENT (per day)
QET Plaza (Proposed)		0.24ha	\$2,500
200 Granville Street	Downtown	0.89ha	\$2,500
CBC Plaza	Downtown	0.07ha	\$600
Pacific Centre Plaza	Downtown	0.04ha	\$2,500
Plaza of Nations	Downtown	0.21ha	\$3,000
Vancouver Art Gallery Plaza	Downtown	0.32ha	\$1,000

PERFORMANCE RATES

VENUE	LOCATION	# OF SEATS	BASE RENT	RATE PER SEAT
Orpheum Annex (Proposed)	Downtown	220	\$1,000	\$4.54
VSO School of Music Recital Hall	Downtown	110	\$600	\$5.45
			\$400	\$3.64
Arts Club- Revue Stage	Granville Island	198	\$932	\$4.71
Evergreen Cultural Centre	Coquitlam	180	\$580	\$3.22
		220	\$580	\$2.64
Firehall Theatre	East Vancouver	175	\$600	\$3.43
Performance Works	Granville Island	200	\$400	\$2.00
		150	\$400	\$2.67
Presentation House	North Vancouver	158	\$345	\$2.18
Soctiabank Dance Centre (Faris Family Studio)	Downtown	154	\$700	\$4.55
Vancouver East Cultural Centre	Commercial	275	\$557	\$2.03
Waterfront Theatre	Granville Island	224	\$420	\$1.88
			\$492	
Shadbolt Centre for the Arts (James Cowan Theatre)	Burnaby	285	\$678	\$2.38
		150	\$476	\$3.17
AVERAGE				\$3.14
MEDIAN				\$2.92

NOTE: Orpheum Annex proposed and Arts Club Review Stage include Audience Services Staff and 1 Stage Technician. All other venues charge labour on top of base rent.

REHEARSAL RATES

VENUE	LOCATION	SIZE SQ/FT	BASE RENT	RATE PER SQ/FT
Orpheum Annex (Proposed)	Downtown	3,500	\$500	\$0.14
VSO School of Music Recital Hall	Downtown	1500	\$400	\$0.27
		1500	\$250	\$0.17
Holy Rosary	Downtown	2,400	\$285	\$0.12
Coal Harbour Community Centre	West End	2,028	\$496	\$0.24
Roundhouse Community Centre	Yaletown	1,500	\$600	\$0.40
Ryerson United Church	Kerrisdale	3,330	\$300	\$0.09
Vancouver Academy of Music	Kitsilano	1,920	\$400	\$0.21
Croatian Cultural Centre	Commercial	3,760	\$500	\$0.13
AVERAGE				\$0.20
MEDIAN				\$0.19