



## COUNCIL REPORT

Report Date: November 17, 2023  
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Meeting Date: November 28, 2023  
[Submit comments to Council](#)

TO: Vancouver City Council  
FROM: General Manager of Arts, Culture and Community Services  
SUBJECT: Vancouver Civic Theatres Rental Rates 2024-2025

### Recommendations

- A. THAT Council approve the recommended rental rates and fee increases for commercial licensees, which are outlined in the Vancouver Civic Theatres Summary of Commercial Rental Rates that is attached to this report as Appendix A.
- B. THAT Council approve the recommended rental rates and fee increases for not-for-profit organizations and Theatre Rental Grant (TRG) recipients which are outlined in the Vancouver Civic Theatres Summary of Non-Profit and Grant Rental Rates that is attached to this report as Appendix B.

### Purpose and Executive Summary

This report seeks Council approval of fee increases of 3.5% for the 2024/2025 performing arts season that runs from September 1, 2024 to August 31, 2025 for commercial licensees, as outlined in the Summary of Rental Rates contained in Appendix A, for rental use of the Vancouver Civic Theatres.

This report also recommends Council approval of fee increases of 3.5% for the 2024/2025 performing arts season that runs from September 1, 2024 to August 31, 2025 for non-profit organizations and Theatre Rental Grant recipients as outlined in the Summary of Rental Rates contained in Appendix B, for rental use of the Vancouver Civic Theatres. When factoring in additional event revenues (food and beverage, ticketing fees, parking, merchandise commission) and management of discretionary spend, incremental VCT revenues for 2024 are forecast to cover increases in operational costs, while maintaining rental rates in the range of similar type venues.

## **Council Authority/Previous Decisions**

On November 16, 2022 (RTS 14830) Council approved new rental rates for VCT that included both commercial and non-profit rental rates for the performing arts season that runs from September 1, 2023 to August 31, 2024. [Minutes - Standing Committee on Policy and Strategic Priorities: 2022 Nov 16 \(vancouver.ca\)](#)

On May 30, 2023 (RTS 15583), Council approved 33 Theatre Rental Grants totalling \$1,349,795 for the period of Sept. 1-Dec. 31, 2023 and 57 Theatre Rental Grants totalling \$1,830,195 for the period of Jan 1-Aug. 31, 2024. [Minutes - Regular Council Meeting: 2023 May 30 \(vancouver.ca\)](#)

## **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

## **Context and Background**

VCT rental rates are adjusted 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. Rental rates are set 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.

## **Discussion**

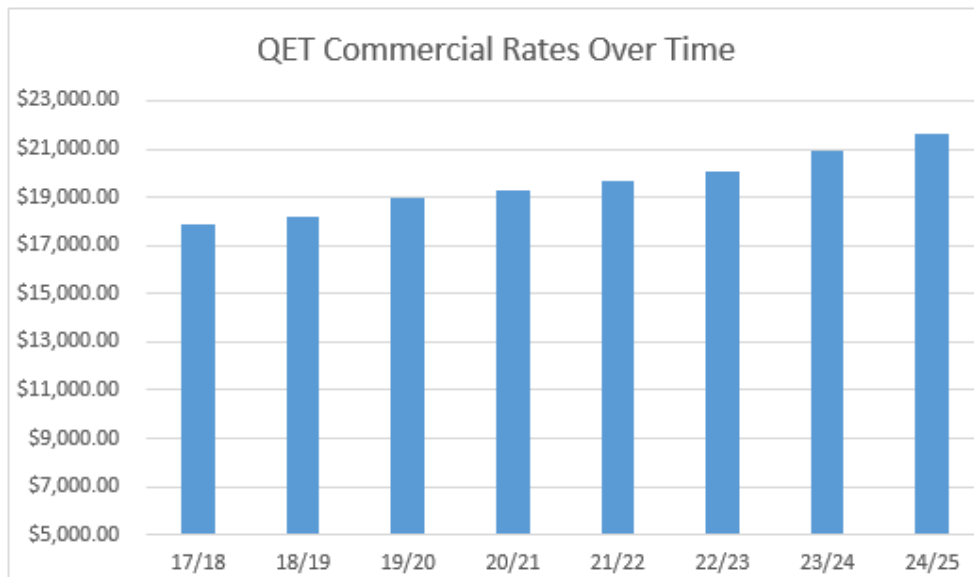
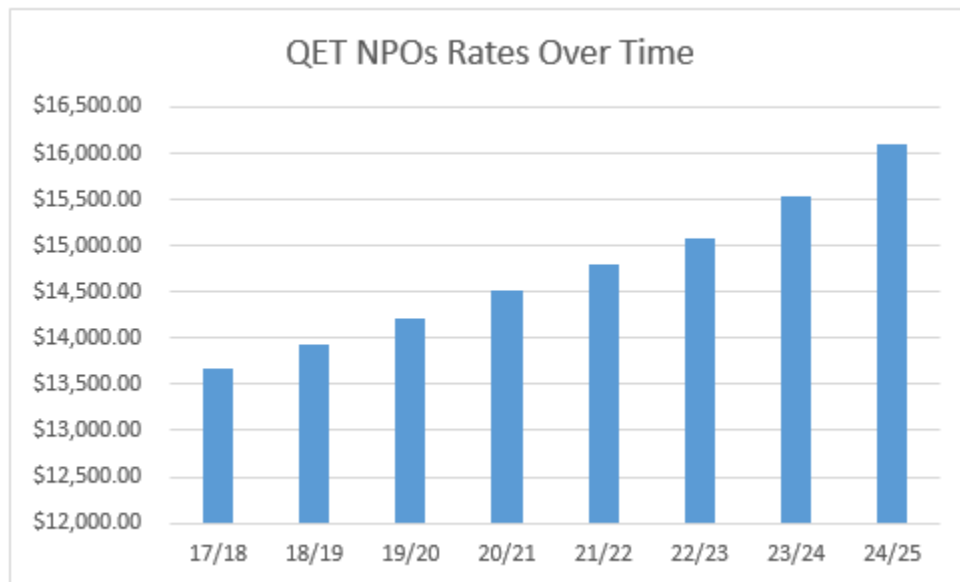
### Rental Rate Evaluation Process and Rationale for Increase

Recommended VCT rental rates are set based on operational cost and in relation to rental rates of comparable facilities and to align with local, national, and international markets. Rental rate increases at Vancouver Civic Theatres' large capacity venues – the Queen Elizabeth Theatres (QET) and Orpheum – also allow for subsidization of VCT's smaller capacity, community-based venues – the Annex and the Vancouver Playhouse – where the rents are lower than their operating cost in order to maintain accessibility within budget constraints and competitiveness in the market.

Recommended rental rate increases and associated pricing is determined as part of the overall business plan of the VCT venues: addressing the need to cover operational costs while remaining competitive to the local market and ensure the VCT venues continue to be utilized at a high rate. Lower utilization impacts other VCT revenues (food and beverage, ticketing fees, parking revenue, merchandise commissions) which can negatively impact net income.

Figure 1 below is an example that shows a gradual and consistent increase over the past eight years for commercial and non-profit organizations' (NPOs) rates at the QET, a premiere performing arts centre that books both non-profit and commercial operators.

Figure 1 - QET Rental Rates for NPOs and Commercial events



In reference to Recommendation A and B, a summary schedule of some of the key rental rates for the current season and the proposed rates for the next season is shown below in Figure 2 for comparison:

Figure 2 – VCT Proposed Rental Rate Increases – 2024-2025

**VCT Proposed Rental Rate Increases - 2024 - 25**

Venue	Rental Type	23/24	24/25	
		Fee	Fee	% Chg.
QET & Orpheum	Commercial Licensees	\$ 20,905	\$ 21,635	3.50
	NPOs/TRG/VCT Grants Licensees	\$ 15,545	\$ 16,090	3.50
Vancouver Playhouse	Commercial Licensees	\$ 4,855	\$ 5,025	3.50
	NPOs/TRG/VCT Grants Licensees	\$ 4,715	\$ 4,880	3.50
Annex	Commercial Licensees	\$ 1,600	\$ 1,655	3.50
	NPOs/TRG/VCT Grants Licensees	\$ 1,555	\$ 1,610	3.50

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

Upon review of the VCT operating costs and the related market rates of similar venues, staff are recommending a 3.5% increase for commercial, NPOs, and TRG rental rates for the 2024/2025 (September 1, 2024 to August 31, 2025) season, as per Appendix A and B.

Rates outlined in Appendix A and B have been reviewed by the VCT Board and they recommend the rates for approval by Council. In preparation for a potential increase, all booking enquiries received for the 2024/2025 season have been informed of a potential rental increase pending Council approval. If Council approves the 2024/2025 rental rates, a confirmation letter will be sent to all regular users of VCT to confirm these rates.

#### Vancouver Civic Theatres Facility Fees

The VCT does not operate an in-house box office system and has only recently implemented an Approved Ticket Provider program. On behalf of VCT rental clients, ticketing companies will continue to charge facility improvement fees directly to ticket purchasers attending events at Civic Theatres and remit this fee to VCT. The fee, net of VCT and City administrative costs (15%), is transferred to the VCT capital facility reserve for capital maintenance of the theatres. For the 2024/2025 Season, staff are recommending an increase of 25 cents per ticket sold to commercial, NPOs and TRG Licensees. Current and proposed facility fee price structures are shown below in Figure 3 for comparison:

Figure 3 – VCT Proposed Facility Fee Increases – 2024-2025

### VCT Proposed Facility Fee Increases - 2024 - 25

Rental Type	23/24	24/25	
	*Fee	*Fee	inc.
Commercial Licensees	\$ 4.50	\$ 4.75	0.25
NPOs/TRG Licensees	\$ 3.75	\$ 4.00	0.25

*\*per ticket sold with a value of \$20.00 and over*

### Financial Implications

The rental rate increase will impact revenues from September 1, 2024 until August 31, 2025. The approved rates will be used for the 2024 and 2025 operating budget process.

Figure 4 below, shows an estimated overall increase in rate related rental revenue of approximately \$250,748 for the 2024/2025 Season.

Figure 4 - estimated revenues with fee increases forecast\*

Rate Type	2024/2025 Financial Impact:			Rate Increase
	24/25 Forecasted Rates	24/25 Proposed	Difference	
COMMERCIAL	2,791,440	2,889,140	97,700	3.50%
TRG	3,841,033	3,975,469	134,436	3.50%
NPOs	531,765	550,377	18,612	3.50%
	<b>\$ 7,164,238</b>	<b>\$ 7,414,986</b>	<b>\$ 250,748</b>	

*\* based on fiscal year 2024 forecast*

Civic Theatre rental rates are set based on market comparisons to ensure competitiveness, as well as revenue increases required to recover the annual cost increases in labour and other operating costs. Rental rates have historically been set to recover the operational cost of VCT, but not to recover the full cost including all capital costs and overhead, to ensure rate competitiveness with other venues.

The proposed rates provide for operating cost recovery across all venues with rental rates for VCT commercial venues (QET/Orpheum) subsidizing operating costs of VCT non-commercial venues (Vancouver Playhouse/ANNEX). When factoring in additional event revenues (food and beverage, ticketing fees, parking, merchandise commission) and management of discretionary spend, forecasts show VCT will be able to cover overall operational cost with the recommended adjustment to rental rate revenues, while remaining within the rental rate market range of similar type venues. The City support is provided by TRG allocated to NPOs to utilize the VCT venues.

## **Legal Implications**

There are no legal implications associated with this report's recommendations.

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**APPENDIX A  
VANCOUVER CIVIC THEATRES SUMMARY OF COMMERCIAL RENTAL RATES**

<b>VANCOUVER CIVIC THEATRES</b>	<b>Summary of Rental Rates for</b>	<b>26-Oct-23</b>
	SEPT. 1, 2024 to AUGUST 31, 2025	
	For Commercial Licensees	
	Subject to Council approval	

QUEEN ELIZABETH THEATRE & ORPHEUM	Commercial 8:00 am - midnight
1 Performance	\$21,635
2 Performances (In the same time period)	\$32,450
Conference (maximum 10 public hours)	\$32,450
Rental Deposit <i>Per Performance or Set Up Day (Non-Refundable)</i>	\$4,850
*Technical Day	\$8,050
Film Shoot Per Day 8:00 am to 8:00 am (Labour extra)	\$10,985
<i>ALL RATES ARE SUBJECT TO GST.</i>	

*\*Monday - Saturday 8:00 am to 5:00 pm , Head Carp, Head Electric at regular rates, any additional hours after 5:00 pm are subject to VCT Director approval and venue availability*

VANCOUVER PLAYHOUSE	Commercial 8:00 am - midnight
1 Performance	\$5,025
2 Performances in the same time period	\$7,545
Conference (maximum 10 public hours)	\$7,545
Rental Deposit <i>Per Performance or Set Up Day (Non-Refundable)</i>	\$1,250
Technical Day (Head Carp, Head Electric, Stage Door included at regular rates only)	\$2,470
Film Shoot Per Day 8:00 am to 8:00 am (Labour extra)	\$3,640
<i>ALL RATES ARE SUBJECT TO GST.</i>	

ANNEX	Commercial 8:00 am - midnight
1 Performance	\$1,655
2 Performances (In the same time period)	\$2,500
Rental Deposit (Non-Refundable)	\$445
Technical Day (Labour Extra)	\$810
Film Shoot Per Day 8:00 am to 8:00 am (Labour extra)	\$1,655
<i>ALL RATES ARE SUBJECT TO GST.</i>	

ᓃxᓐᓴᓃᓂ Xwtl'a7shn	Commercial 8:00 am - 8:00 am (24 hour period)
Daily (Labour Extra)	\$1,855
Rental Deposit (Non-Refundable)	\$1,855
Film Shoot Per Day 8:00 am to 8:00 am (Labour extra)	\$2,070
<i>ALL RATES ARE SUBJECT TO GST.</i>	

ANCILLARY SPACES	Commercial 8:00 am - midnight
Queen Elizabeth Salons (Labour Extra)	\$775
Theatre Lobbies (QET/ORPHEUM) (Labour Extra)	\$2,070
QET/Orpheum Rehearsal Hall and Playhouse Lobby or Studio (Labour Extra)	\$595
<i>ALL RATES ARE SUBJECT TO GST. (these rates are not applicable for film shoot rentals)</i>	

FACILITY FEE
\$4.75* per ticket sold \$20.00 and over *(tax included)





ANCILLARY SPACES	Full Day 8:00 am - midnight	Half Day 8:00 am - 5:00 pm
Queen Elizabeth Salons (Labour Extra)	<b>\$440</b>	<b>\$290</b>
Theatre Lobbies (QET/ORPHEUM/PLAYHOUSE) (Labour Extra)	<b>\$440</b>	<b>\$290</b>
QET/Orpheum Rehearsal Hall and Playhouse Studio (Labour Extra)	<b>\$440</b>	<b>\$290</b>
<i>ALL RATES ARE SUBJECT TO GST.</i>		

FACILITY FEE
\$4.00* per ticket sold \$20.00 and over * (tax included)

**To qualify for these rates, Licensees must be a registered non-profit society, a community service co-op registered with BC Registry Services**