



## Notice of Meeting and Meeting Agenda Performing Arts Facilities Select Committee

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Wednesday, July 3, 2024

4:00 PM

6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7

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M. Alto (Chair), C. McNeil-Smith (Vice Chair), P. Brent, J. Caradonna, S. Goodmanson, K. Murdoch, C. Plant, M. Tait

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

### 1. Territorial Acknowledgement

### 2. Approval of Agenda

### 3. Chair's Remarks

### 4. Presentations/Delegations

*The public are welcome to attend CRD Board meetings in-person.*

*Delegations will have the option to participate electronically. Please complete the online application at [www.crd.bc.ca/address](http://www.crd.bc.ca/address) no later than 4:30 pm two days before the meeting and staff will respond with details.*

*Alternatively, you may email your comments on an agenda item to the CRD Board at [crdboard@crd.bc.ca](mailto:crdboard@crd.bc.ca).*

### 5. Committee Business

#### 5.1. [24-643](#) PAFSC Terms of Reference and CRD Arts Functions

**Recommendation:** There is no recommendation. This report is for information only.

**Attachments:** [Staff Report: Terms of Reference and CRD Arts Functions](#)  
[Appendix A: 2024 Terms of Reference](#)  
[Appendix B: Srvc's and Initiatives Related to CRD Arts & Culture Functions](#)

**5.2.**      [24-644](#)      Initiatives Supporting Performing Arts Facilities by Current Board and  
Past Performing Arts Facilities Select Committee

**Recommendation:**      There is no recommendation. This report is for information only.

**Attachments:**      [Staff Report: Initiatives Supporting Performing Arts Facilities](#)  
[Appendix A: Stage One Report \(December 2020\)](#)  
[Appendix B: Draft Establishing Bylaw No. 4445](#)  
[Appendix C: Draft Service Plan](#)  
[Appendix D: Draft Financial Simulation \(Regional Participation\)](#)

**6. Notice(s) of Motion**

**7. New Business**

**8. Adjournment**

The next meeting is at the call of the Chair.

To ensure quorum, please advise Tamara Pillipow (tpillipow@crd.bc.ca) if you or your alternate cannot attend.



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## REPORT TO PERFORMING ARTS FACILITIES SELECT COMMITTEE MEETING OF WEDNESDAY, JULY 3, 2024

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**SUBJECT**    PAFSC Terms of Reference and CRD Arts Functions

### **ISSUE SUMMARY**

The mandate, membership, and procedures of the 2024 Performing Arts Facilities Select Committee (PAFSC) are determined by its Terms of Reference, which were approved at the Capital Regional Board (CRD) meeting on June 12, 2024. The CRD currently supports the arts through four services, which connect to the PAFSC mandate in varying degrees.

### **BACKGROUND**

On May 8, 2024, the CRD Board passed a motion:

That the CRD Board re-establish a Select Committee to determine options and recommendations related to “scaling up” regional support for performing arts facilities in the region.

On June 12, 2024, the CRD Board approved terms of reference for a re-established Performing Arts Facilities Select Committee (Appendix A). At that time, the staff report noted a new allocation to the Feasibility Fund to support PAFSC, like the one that supported the previous PAFSC, has been included in the planning for Budget 2025. Staff support for research, planning, and policy development for PAFSC will be provided by the Arts and Culture Division with meeting support for the Select Committee from Legislative Services.

Currently, the CRD supports the arts through four services with different participating jurisdictions (Appendix B). The Arts and Culture Support Service (Bylaw No. 2884) supports arts events and activities in nine participating jurisdictions through grants but does not support capital projects or arts facilities. The Royal Theatre (Bylaw No. 2587) and McPherson Playhouse (Bylaw No. 2685) services are each focused on supporting a performing arts facility with broad regional impact, providing both operating and capital funds. The Salt Spring Island Arts Contribution Service (Bylaw No. 3116) provides funds to ArtSpring, an arts facility on Salt Spring Island, as well as to the Gulf Islands Community Arts Council to support arts programming.

### **IMPLICATIONS**

#### *Alignment with Board & Corporate Priorities*

In the CRD Corporate Plan (2023-2026), initiative 10b-2 states the CRD will “Scale up regional support for performing art facilities within the region.” Relaunching the Performing Arts Facilities Select Committee with these terms of reference advances that initiative.

*Financial Implications*

A new allocation to the Feasibility Fund to support PAFSC, like the one that supported the previous PAFSC, has been included in the planning for Budget 2025. As with the previous PAFSC, public engagement may be necessary. A consultant could be engaged to design and facilitate the process and report on outcomes. Costs for a limited region-wide public engagement process is estimated to be \$50,000. Staff support for research, planning, and policy development will be provided by the Arts and Culture Division with meeting support for the Select Committee from Legislative Services. Staff support is estimated at \$20,000 in 2024 (to be recovered as part of Budget 2025) and \$62,000 in 2025.

**CONCLUSION**

The CRD Board has re-established the Performing Arts Facilities Select Committee to explore options on how to scale up regional support for performing art facilities in the region and report back to the CRD Board with recommendations. The terms of reference establish the mandate, membership, and procedures for the select committee and will be reviewed on an annual basis. Existing CRD arts functions have been outlined, including their various roles in the regional arts ecosystem.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

Submitted by:	Chris Gilpin, MPA, Manager, Arts & Culture
Concurrence:	Chris Hauff, acting CFO
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT**

Appendix A: 2024 Performing Arts Facilities Select Committee Terms of Reference  
Appendix B: Services and Initiatives Related to CRD Arts & Culture Functions

# Terms of Reference



## PERFORMING ARTS FACILITIES SELECT COMMITTEE

### PREAMBLE

Acting on a Board motion, the Performing Arts Facilities Select Committee is established by the CRD Board to determine options and recommendations related to scaling up regional support for performing arts facilities in the region.

The Select Committee's official name is to be:

Performing Arts Facilities Select Committee

### 1.0 PURPOSE

The mandate of the Committee is to:

- a) Hold discussions on the region's performing arts facilities.
- b) Clarify the jurisdictional responsibilities related to regional as compared to local performing arts facilities.
- c) Provide recommendations to the CRD Board on options related to scaling up regional support for performing arts facilities in the region.

### 2.0 ESTABLISHMENT AND AUTHORITY

- a) The Board Chair will appoint the Committee Chair and Committee members.
- b) The Committee will make recommendations to the Board for consideration.

### 3.0 COMPOSITION

- a) The Chair, Vice-Chair and Committee members are appointed annually by the Board Chair.
- b) Committee members will be comprised of up to 12 CRD Directors providing regional representation as deemed appropriate by the Board Chair. Directors appointed to the Select Committee may have their Alternates attend in their place.
- c) The CRD Board Chair is an ex officio member of the Committee.

### 4.0 PROCEDURES

- a) The Committee shall meet at the call of the Committee Chair.
- b) The Committee Chair shall determine the agenda or meetings in consultation with staff and any Committee member may request that a matter be placed on the agenda.

### 5.0 RESOURCES AND SUPPORT

- a) The CFO/General Manager, Finance and Technology, will provide strategic support and act as a liaison.

- b) Minutes and agendas are prepared and distributed by the Corporate Services Division.
- c) The Arts and Culture Division will provide subject matter expertise and additional administrative support as required.

*Approved by CRD Board June 12, 2024*

## Services and Initiatives Related to CRD Arts & Culture Functions

Current CRD arts and culture activities are provided through four established services. The services have different participating jurisdictions, receive their authority through different bylaws, and have different governance structures.

Roles: ■ CRD ■ RMTS ■ ArtSpring ■ GICAC

### Arts & Culture Support Service

BYLAW 2884

Provides assistance for the benefit of the community through grant programs and community outreach to support, promote and celebrate arts and culture.

#### GOVERNANCE

CRD Arts Commission provides direction for the overall budget and establishes policy as defined in Bylaw 4143.

#### MANAGEMENT

CRD Arts Development staff.

#### PARTICIPANTS



### Royal Theatre Service

BYLAW 2587

Provides a grant for the capital and operational support of the Royal Theatre for pleasure, recreation and community use.

#### GOVERNANCE

CRD Royal and McPherson Theatres Services Advisory Committee (RMTSAC) directs the annual municipal grant for the Royal Theatre as defined in Bylaw 2587.

Board of the Royal and McPherson Theatres Society (RMTS) directs the operations of the Royal Theatre per management contract between the CRD and the RMTS.

#### MANAGEMENT

RMTS staff.

#### PARTICIPANTS



### McPherson Playhouse Service

BYLAW 2685

Provides a grant for the capital and operational support of the McPherson Playhouse for pleasure, recreation and community use.

#### GOVERNANCE

CRD Royal and McPherson Theatres Services Advisory Committee (RMTSAC) directs the annual municipal grant for the McPherson Playhouse as defined in Bylaw 2685.

Board of the Royal and McPherson Theatres Society (RMTS) directs the operations of the McPherson Playhouse per management contract between the City of Victoria and the RMTS.

#### MANAGEMENT

RMTS staff.

#### PARTICIPANTS



### Salt Spring Island Arts Contribution Service

BYLAW 3116

Provides a grant to support arts programming on Salt Spring Island, and to contribute to the cost of maintaining, equipping, and operating the ArtSpring Theatre.

#### GOVERNANCE

Salt Spring Island Community Commission oversees the service, as defined in Bylaw 4507.

Board of the Gulf Islands Community Arts Council (GICAC) directs the annual grant to support arts programming as defined in Bylaw 3116.

Board of the Island Arts Centre Society (ArtSpring) directs the annual grant to support the operations of the ArtSpring Theatre.

#### MANAGEMENT

ArtSpring & GICAC staff.

#### PARTICIPANTS





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## REPORT TO PERFORMING ARTS FACILITIES SELECT COMMITTEE MEETING OF WEDNESDAY, JULY 03, 2024

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**SUBJECT**     **Initiatives Supporting Performing Arts Facilities by Current Board and Past Performing Arts Facilities Select Committee**

### **ISSUE SUMMARY**

To review the work completed by the current Capital Regional District (CRD) Board and the past Performing Arts Facilities Select Committee (PAFSC) in relation to supporting performing arts facilities and consider next steps.

### **BACKGROUND**

The 2019-2022 CRD Corporate Plan included the action to “Facilitate a discussion of the region’s art facility needs and explore partnerships to support 100% participation in the CRD arts function.” This was advanced in 2020 through the formation of the Regional Arts Facilities Select Committee (RAFSC), which hired a consultant to produce the *Stage One* report (Appendix A).

On April 7, 2021, the PAFSC was formed as a continuation of the RAFSC. The PAFSC’s mandate was to act on the recommendations of the *Stage One* report to create a new full regional performing arts facilities service. In the end, the PAFSC and RAFSC accomplished two main actions: a study of the region’s performing arts infrastructure as detailed in the *Stage One* report, and the design of a new full regional service that would support performing arts facilities with regional impact.

#### **Proposed Full Regional Performing Arts Facilities Service (2021-2022)**

In 2021, the proposed full regional Performing Arts Facilities Service responded to the *Stage One* report, recommending a more coordinated approach to supporting performing arts facilities with regional impact with functions to plan, develop and support.

- Plan: A planning grants function to support feasibility studies or other planning activities
- Develop: \$1M/year would be allocated to a reserve fund for major capital projects
- Support: Three existing facilities would be included in the proposed policy for operating and minor capital support (renovation and maintenance) - the Royal Theatre (CRD-supported), the McPherson Playhouse (CRD-supported) and the Charlie White Theatre (supported by inter-municipal agreement between North Saanich and Sidney)

On September 8, 2021, the previous CRD Board considered a four-part motion to establish a new full regional Performing Arts Facilities Service, recommended by staff and the PAFSC. This proposal include draft establishing Bylaw No. 4445 (Appendix B), a service plan (Appendix C), and estimated costs (Appendix D).

The motions to approve the establishing bylaw carried but the motion to proceed by full regional alternative approval process (AAP) failed, leaving no path forward. The proposal could not proceed by council consent for municipalities and electoral area AAP due in part to letters from



Salt Spring Island and Langford, indicating they would oppose the establishment of the new service. The proposal was sent back to PAFSC, and staff were directed to provide a timeline and costs of approval by full regional referendum (see *Legislative Implications* below for more on approval processes).

On February 9, 2022, the proposed full regional Performing Arts Facilities Service was reconsidered by the previous CRD Board with the possibility of proceeding by way of a full regional referendum as an approval process. This motion was not voted on and instead was referred by the previous CRD Board to the strategic planning process of the current CRD Board, where it could be decided whether this initiative would be a board priority for the next corporate plan.

Current CRD Board - Key Actions

In the current CRD Corporate Plan (2023-2026), initiative 10b-2 states the CRD will “Scale up regional support for performing art facilities within the region.”

In 2023, as one way of advancing this initiative, the CRD’s Royal and McPherson Theatres Services Advisory Committee (RMTSAC) directed staff to draft amending bylaws, which, if adopted, could provide more support for the Royal Theatre and McPherson Playhouse. This action was in response to a letter sent by the Royal and McPherson Theatres Society in April 2023 requesting these changes.

On July 12, 2023, the CRD Board approved amending bylaws for the Royal Theater Service (No. 4560) and the McPherson Playhouse Service (No. 4561). They have been sent to participating jurisdictions for council consent (see Table 1 for status as of February 9, 2024).

**Table 1: Council Consent Status for Amending Bylaws**

Amending Bylaw	Saanich	Oak Bay	Victoria
4560 (Royal Theatre)	Approved	Approved	Not yet considered
4561 (McPherson Playhouse)	Not applicable	Not applicable	Not yet considered

If adopted, these amending bylaws would remove the fixed maximum contribution amount for each service. This would enable the CRD to scale up support for these two performing arts facilities through greater budgeting flexibility and allow more accurate cost estimates for jurisdictions that may consider joining these services.

**IMPLICATIONS**

*Alignment with Board and Corporate Priorities*

In the current CRD Corporate Plan (2023-2026), initiative 10b-2 states the CRD will “Scale up regional support for performing arts facilities within the region.”

*Financial Implications*

The costs for a new full regional performing arts facilities service were estimated for Budget 2021 (Appendix D). These cost estimates require updating to be more accurate.

*Legislative Implications*

During the deliberations concerning a new full regional Performing Arts Facilities Service, approval processes were a key consideration and major topic of discussion. The establishment of a full regional service must proceed through one of three approval processes. (see Table 2)

**Table 2. Overview of Approval Processes for a New Full Regional Service**

Approval Method	Cost	Staffing	Threshold to Advance
Council Consent + AAP in Electoral Areas	Low	Medium	Unanimous (and not opposed by AAP)
Full Regional AAP	Medium	High	Fewer than 10% of electors opposed
Full Regional Referendum	Very High	Very High	More than 50% respondents in favour

Each of these approval processes were examined in depth by the previous CRD Board and none of them were found to be feasible at that time.

**CONCLUSION**

The previous PAFSC had two main accomplishments: the production of the *Stage One* report and the design of a proposed full regional performing arts facilities service. The previous CRD Board did not endorse an approval process necessary to advance the proposed service. The current CRD Board continues to examine the issue of performing arts facilities and how best they can be supported in alignment with the current CRD strategic plan.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

Submitted by:	Chris Gilpin, MPA, Manager, Arts & Culture
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENTS**

- Appendix A: *Stage One* Report and Recommendations, December 2020
- Appendix B: Draft establishing Bylaw No. 4445
- Appendix C: Draft Service Plan for Establishment of a Performing Arts Facilities Service
- Appendix D: Draft Financial Simulation of Full Regional Participation in New Performing Arts Facilities Service



# Report and Recommendations

December 2020

**STAGE**  
**ONE** A Public  
Conversation about  
**PERFORMING**  
**ARTS FACILITIES**  
in the CRD

We acknowledge the First Nations whose traditional territories span the Capital Region: Pacheedaht First Nation, Scia'new (Beecher Bay) First Nation, T'Sou-ke Nation, Esquimalt Nation, Songhees Nation, WJOLÉLP (Tsartlip) First Nation, BOKÉĆEN (Pauquachin) First Nation, SʔÁUTW (Tsawout) First Nation, WSÍKEM (Tseycum) First Nation, MÁLEXEŁ (Malahat) First Nation, Stz'uminus (Chemainus) First Nation, Quw'utsun (Cowichan) Tribes, Halalt First Nation, Lake Cowichan First Nation, Lyackson First Nation, Penelakut Tribe, Tsawwassen First Nation, SEMYOME (Semiahmoo) First Nation.

The initiative to facilitate a discussion on the Region's Arts Facilities Needs (RFP FT 2020-002) was commissioned by the Regional Arts Facilities Select Committee of the Capital Regional District. The facilitation of this discussion as well as this resulting report and recommendations were provided by:

Strategic Moves  
Whitehorse, Yukon  
[www.strategicmoves.ca](http://www.strategicmoves.ca)  
[ipetri@strategicmoves.ca](mailto:ipetri@strategicmoves.ca)

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## **PART 1: BACKGROUND AND CONTEXT**

## THE PUBLIC CONSULTATIONS

In the CRD 2019-2022 Corporate Plan the CRD Board adopted Board Initiative 12a-1 which set out to facilitate a discussion on the region's arts facilities' needs, develop an analysis of those needs, and develop recommendations for future work.

The CRD's Regional Arts Facilities Select Committee commissioned Strategic Moves, an independent consultancy in Whitehorse, Yukon, to design and lead a comprehensive public consultation process and research activities.

The scope of the work included:

- Researching and compiling an inventory and information about oversight of performing art facilities, their functions and roles within the current ecosystem
- Gap analysis
- Equity including demographic and geographic equity
- Considerations related to the intersection of local and regional interests
- Funding and sustainability
- Challenges
- Suggested modifications and improvements (short and long term)
- Partnerships
- Other relevant issues as may arise

This work commenced in June 2020 after the Select Committee took the decision to proceed with a digital engagement process due to the COVID-19 pandemic public health restrictions to gatherings. As a result the original time line was extended to December 2020.

To gain strong direction from the public consultation process, a multi-pronged, iterative and open approach using both qualitative and quantitative methods was designed.

*Stage One: A Public Conversation about Performing Arts Facilities in the CRD* was selected as the title of the project, and a wordmark was developed to ensure cohesive communications.

The CRD Arts & Culture Support Service provided its email lists as well as social media channels to promote the consultations and encourage broad participation.

To encourage further reflection and dialogue on this multi-faceted public conversation among stakeholders all results were posted online at:

**[www.placespeak.com/StageOneCRD](http://www.placespeak.com/StageOneCRD)**

## Methodology

Stage One was designed to offer a variety of ways to encourage broad participation by community members across the entire region. We fostered a highly engaged group of several hundred performing arts workers and those who attend events throughout:

### ▪ Online video conference conversations

- June 23 to 26: Four pre-consultations sessions were attended by 75 participants representing as many organizations.
- July 21 and 22: Three 90-minute conversations were attended by 67 participants to review and contextualize the facility inventory
- August 24 and 25: Three 90-minute conversations were attended by 25 individuals to review information about local and regional jurisdictional responsibilities as well as forecast population growth by municipality to 2038
- September: 34 participants attended three conversations; one on September 10 focussed on gaps and opportunities for independent artists and small performing arts organizations (13 participants) and two more on September 24 and 25 to share and review online survey results.
- October 16 to 21, Four conversations were attended by 27 individuals for a review of proposed findings and recommendations resulting from this work

In total 197 different individuals registered for this series of online consultations. Published recordings have been watched an additional 280 times.

### ▪ Consultation website: [www.placespeak.com/StageOneCRD](http://www.placespeak.com/StageOneCRD)

- More than 1,600 views
- 19 individuals participated in the online discussion forum

103 registered connections

### ▪ Online Surveys

- An online survey open from August 10 to September 10; recruitment via a convenience sample method comprised of email invitations, social media promotion, outreach, and the Placespeak site. Results, posted on Placespeak, should not be extrapolated to the general population but reflect the respondents.

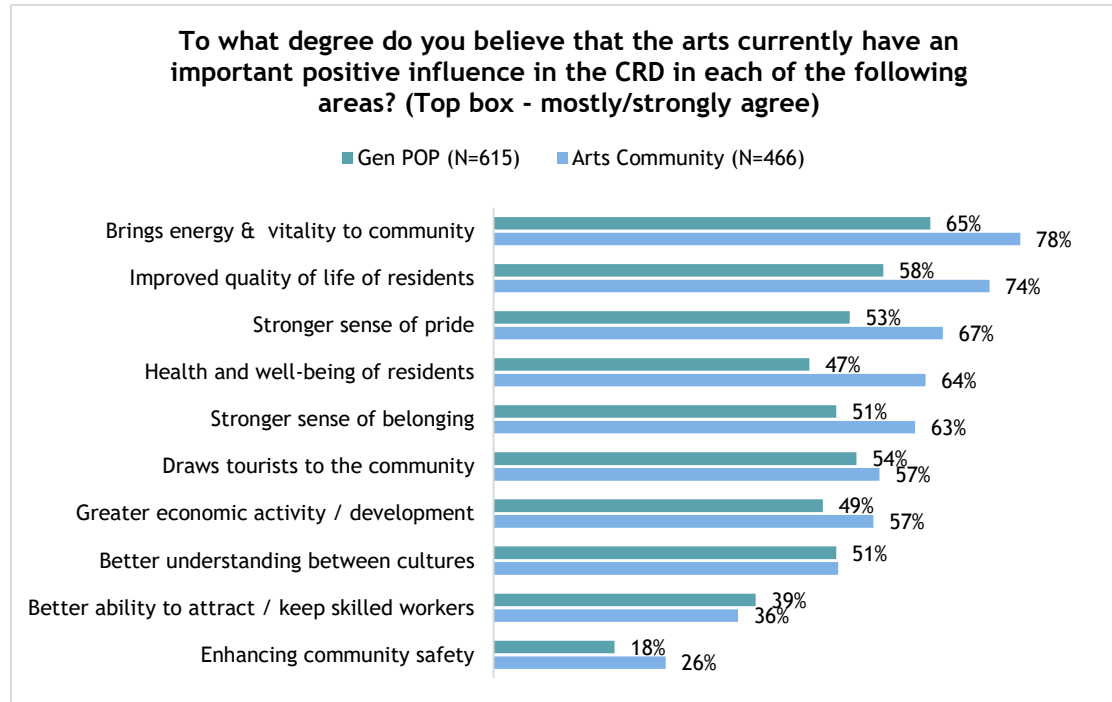
555 full responses were received; plus 80 partials. 57% reported attending but not working or volunteering in the performing arts.

### ▪ Individual interviews

- 16 interviews with performing arts organizations and artists including First Nations and visible minorities.
- Six interviews with CRD and municipal staff, Select Committee members and Cowichan Valley Regional District Arts & Culture Division regarding jurisdictional relationships and mechanisms to support arts facilities.



## VALUE AND BENEFITS OF ARTS



RESULTS FROM SURVEY OF THE ARTS COMMUNITY, SUMMER 2016 AND SURVEY OF THE GENERAL POPULATION OF THE CRD, SEPTEMBER 2016 (UNDERTAKEN AS PART OF “BUILDING OUR #ARTSFUTURE TOGETHER”)

CRD residents attribute a wide range of benefits to having the arts in their communities. This finding corroborates national data sets such as *The Value of Presenting: A Study of Performing Arts Presentation in Canada* (©2013, CAPACOA/Strategic Moves).

This data shows that the more engaged residents are in the arts, the more strongly they tend to identify these benefit; in general the order of importance reported is consistent between the arts workers and attendees and the general public.

While social and health benefits for residents and the local community are most strongly associated with the arts about half of the population see the importance of arts to tourism and economic benefits as well.

***“Culture creates shared experiences that in turn create healthy and vibrant communities where culture and arts are a driving force of creativity and innovation.” – Canadian Heritage***

## Economic Impact

The economic impact of arts and culture in British Columbia, and the performing arts in particular, has been outpacing growth in Canada overall. According to 2018 data from Statistics Canada ([Table 36-10-0452-01](#) Culture and sport indicators by domain and sub-domain, by province and territory, product perspective):

**Culture GDP in British Columbia was \$7.6 billion in 2018**, representing 2.7% of the province's total GDP. This figure represents 17% growth since 2012, with the live performance sector having grown by 40% to \$448 million during these seven years. BC growth rate meant the province caught up to Canada in terms of share of GDP: Canada's Culture GDP rose to \$56 billion (12% increase since 2012), also representing 2.7% of total GDP. The performing arts sector grew only by 20% nationally over this period of time. The number of culture jobs in B.C. was 98,050, or 4% of total jobs in province, which leads the country and represents a 21% increase from 2014.

Economic impact in the performing arts is primarily derived from salaries and wages as well as earned revenue. In addition to paid work in the performing arts, much of the community-arts and professional arts sector in the CRD thrives on unpaid work by volunteers to deliver major cultural, social and financial benefits: The CRD Arts Service's 2016 general population survey found that 23% of residents volunteered in the arts during the last two years. This is significantly higher than the Canadian average of about 3% annually.

BC's tourism industry has seen strong growth contributing \$8.3 billion to GDP in 2018. Victoria and Vancouver Island remain excellent cultural tourism destinations attracting millions of visitors annually. The performing arts and festival sectors make a positive contribution to attracting visitors, both domestic and foreign.

***“Culture contributes 2.7% of GDP in Canada’s economy. At \$56 billion, the culture industry’s contribution to Canadian GDP is larger than that of utilities, or accommodation and food industries which amounted to about \$43 billion for each. Culture was also far ahead of the agriculture, forestry, fishing and hunting industry, which equaled \$39 billion.”***  
– Statistics Canada

Previous research reported in the *Greater Victoria Arts and Culture Sector Economic Activity Study (2012)*, “the total economic activity generated by the Greater Victoria arts and culture sector in 2012 was \$177 million in net income (GDP) activity. Given the development of the arts in BC and the CRD, this figure will have risen significantly.

## PART 2: FINDINGS

## JURISDICTIONAL POWERS AND OBLIGATIONS

The Province of BC is the legal entity that creates municipal and regional government. The Province gives municipalities and regional districts broad authority to provide services that their respective municipal councils or regional district boards consider necessary or desirable. Importantly, member municipalities “lend” authority to the regional government, rather than being “under” its authority.

The basic principle behind the establishment of regional governments is to help achieve regional economies of scale, so that necessary services become more affordable than they would be, if each municipality had to create its own unique service or system. Regional government also provides flexible service arrangements in which residents only pay for the services they receive. However, there are instances where the recipients of a service do not pay for this service, either at all or equitably. This is the case with arts and culture in the capital region.

**Arts and Culture has been embraced by the vast majority of local governments across Canada due to the far-reaching social, economic and cultural benefits they engender. However, Arts and Culture is NOT a mandated service by provincial law for regional or municipal governments, leaving it up to each jurisdiction to determine its specific support activities.**

### Relevant Powers of Regional Government

- It may establish inter-municipal or sub-regional services and funding mechanisms, such as facilities where residents within and outside a municipality benefit from a service.
- A critical element of the local government financial system is regional-joint-and-several-liability, whereby the debenture debt of one municipality or regional service is essentially guaranteed by the entire regional district.
- Regional government also provides mandated region-wide services (e.g. emergency management, solid waste)
- And it provides local government for electoral areas including waterworks and fire protection.

### Relevant Powers of Municipalities

- Each municipality delivers services for the benefit of and with tax support from residents.
- Municipalities may, by bylaw adopted by each participating municipality, establish an inter-municipal scheme – i.e. bringing several municipalities together for a specific purpose – for any matters they have authority over.

## Regional Arts Funding Framework

The CRD has several sub-regional mechanisms in place under which it provides support for the development of arts and culture sector in the region:

- CRD Bylaw No. 2884 established the CRD Arts & Culture Support Service in 2001. The budget is established through the annual CRD Financial Planning process and is funded by an annual property tax levied within the participating municipalities. Nine of 16 municipalities currently participate: Saanich, Victoria, Oak Bay, Esquimalt, View Royal, Highlands, Metchosin, Sooke and Southern Gulf Islands. North Saanich is not a Service participant but has provided an annual donation since 2013. Their donation in 2020 was \$5,000 but has been as much as \$15,000.
- CRD Bylaws 2587 and 2685 are the service agreements through which funding is provided by the funding participants of the Royal Theatre (Saanich, Victoria, Oak Bay) and the McPherson Playhouse (Victoria) to support the operations and management of the two venues. Bylaw 2587 sets the maximum funding for the Royal Theatre at \$480,000 for capital and \$100,000 for operating. Bylaw 2685 sets the maximum funding for the McPherson at \$400,000 for capital and \$350,000 for operating. No adjustments to the maximum amounts have been made since these bylaws were established in 1998 and 1999 respectively. The Royal Theatre is owned by the CRD. Its management is contracted to the Royal & McPherson Theatres Society (RMTS) through authorization enabled by Bylaw 2647. The McPherson



**ROYAL THEATRE, 1,400 SEATS**



**MCPHERSON PLAYHOUSE, 772 SEATS**

- Playhouse is also managed by the RMTS but owned by the City of Victoria that maintains a separate management contract outside of the CRD.
- CRD Bylaw No. 3116 "Salt Spring Island Arts Contribution Services Establishment Bylaw No 1, 2003" was passed by referendum in 2004. This service provides annual funding to the Island Arts Centre Society, the owner of ArtSpring Theatre, and the Salt Spring Island Arts Council through a property tax levy on Salt Spring Island. Furthermore, the land on which ArtSpring is built is owned by the CRD and leased at no cost to the organization.

Without CRD involvement, the Mary Winspear Centre and its 310 seat theatre opened in 2001. It currently receives about \$500,000 from the **Town of Sidney** where it is located and **North Saanich**. **Central Saanich** discontinued its annual grant – worth about \$5,000 – in 2017.

This table shows the actual contributions, totalling more than \$4.6 million, to the performing arts through these CRD Bylaw provisions for 2020 and, in the case, of the Mary Winspear Centre, through an inter-municipal arrangement. These contributions to the Arts & Culture Support Service and five arts facilities that have a regional aspect are calculated based on property value tax levies. To aid understanding the scale of contribution by each municipality, they were converted to investment *per capita*.

Of note: municipalities can and do fund additional local arts and cultural programming separate from these CRD or inter-municipal mechanisms.

Municipality or Electoral Area	Population 2019	Property tax levy for Arts Service *	Arts Service	Royal Theatre	McPherson Playhouse	Salt Spring (ArtSpring & Arts Council)	Mary Winspear (Not via CRD Bylaw)	per capita
South Gulf Islands	4,800	\$22,000	Group 2 (30%)					\$ 4.58
Salt Spring Island	11,100					\$118,000		\$ 10.63
North Saanich	12,300	\$5,000	Grant to CRD				\$185,000	\$ 15.45
Sidney	12,700		left in 2017				\$325,000	\$ 25.59
Central Saanich	18,400						Nil since 2017	
Highlands	2,500	\$7,000	Group 2 (30%)					\$ 2.80
Saanich	124,400	\$1,126,000	Group 1 (100%)	\$276,000				\$ 11.27
Victoria	93,600	\$1,000,000	Group 1 (100%)	\$249,000	\$ 750,000			\$ 21.36
Oak Bay	19,600	\$216,000	Group 1 (100%)	\$55,000				\$ 13.83
Esquimalt	19,200	\$153,000	Group 1 (100%)					\$ 7.97
View Royal	11,500	\$106,000	Group 1 (100%)					\$ 9.22
Colwood	18,500							
Langford	39,400							
Metchosin	5,100	\$13,000	Group 2 (30%)					\$ 2.55
Sooke	14,400	\$36,000	Group 2 (30%)					\$ 2.50
Juan de Fuca EA	5,000							
<b>Total</b>	<b>412,500</b>	<b>\$2,684,000</b>		<b>\$580,000</b>	<b>\$750,000</b>	<b>\$118,000</b>	<b>\$510,000</b>	<b>\$ 11.25</b>

\* <https://www.crd.bc.ca/docs/default-source/finance-pdf/budget-2021>



## POPULATION PROJECTION

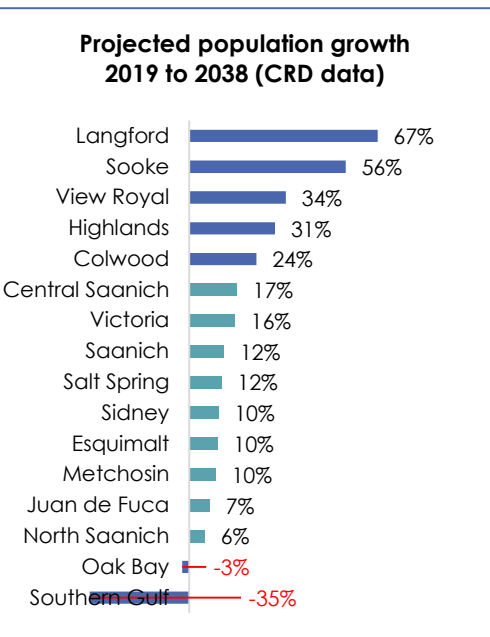
Several population trends have been forecast for the CRD for the next 2 decades that have to be considered in the context of infrastructure investments and evolving needs:

- Overall population growth of about 20%
- The fastest growing age group will be 65 and over, increasing from 22.3% to 28.5% of the total population by 2038.

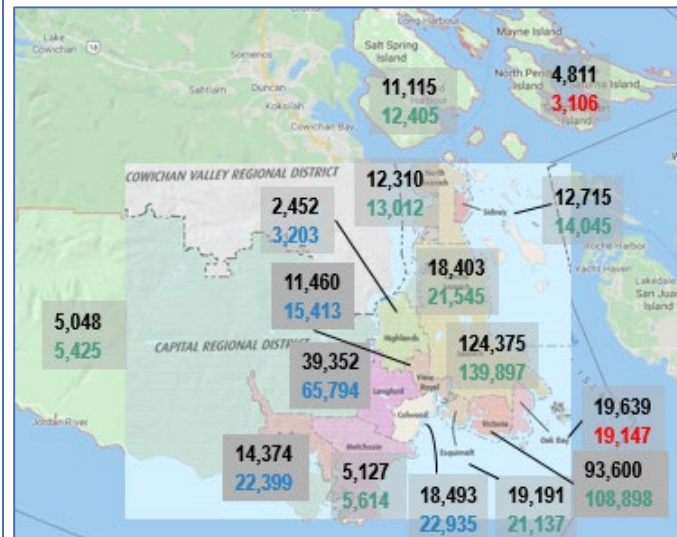
Census data reveals another fast growing segment of the population: visible minorities. From Census 2001 to 2016 visible minorities grew by 85%; as a share of total population these groups comprised 8.7% (27,000) in 2001 and 13.7% (50,000) in 2016.

TABLE 9: CRD POPULATION AGE DISTRIBUTION 2019-2038

Age Group	2019	2028	2038	2019-2038 Change
0 - 17	62,884	69,534	72,469	15%
18 - 24	36,893	34,146	37,912	3%
25 - 44	108,302	117,502	115,302	6%
45 - 64	112,374	111,985	127,333	13%
65 and over	92,012	121,461	140,959	53%
<b>Total</b>	<b>412,465</b>	<b>454,628</b>	<b>493,975</b>	<b>20%</b>



Population growth is projected to be most significant in Westshore communities led by



Langford and Sooke. However, despite this high percentage growth forecast, the dominance of Saanich and Victoria will persist into the foreseeable future: Those two municipalities' population is expected to make up about 50% by 2038, a reduction of only 3 points compared to 2019.

In general, a growing population will put pressure on existing infrastructures and amenities including venues for the performing arts. The type of venues and their physical requirements needed change with the age composition and more diverse cultural backgrounds of the population.

## TRAVEL TIME TO PREFERRED VENUE

The 2020 Online Survey (full results posted at [www.placespeak.com/StageOneCRD](http://www.placespeak.com/StageOneCRD)) revealed the length of time survey respondents reported it takes them to get to their preferred performing arts venue by whatever mode of transport they preferred.

By cross-tabulating the result with their municipal residence, we see that the great majority of respondents from Victoria, Oak Bay and Esquimalt report taking less than 20 minutes. While respondents of Salt Spring and Southern Gulf Islands benefit from on-island facilities, residents of Juan de Fuca, Sooke, and North Saanich report the longest travel time to their preferred venue.

Importantly, this question did not simply ask about the closest arts facility to their residence, but their preferred one. Preference can be driven by several factors, including proximity to ones residence or work, and the types of programming respondents prefer. For instance, only one (perhaps two) venues can host large shows such as opera, symphony orchestra or Broadway. As such we can infer that longer travel times from the Peninsula are driven by programming at major theatres in Victoria, that is not available at the Mary Winspear Centre's 310 seat theatre.

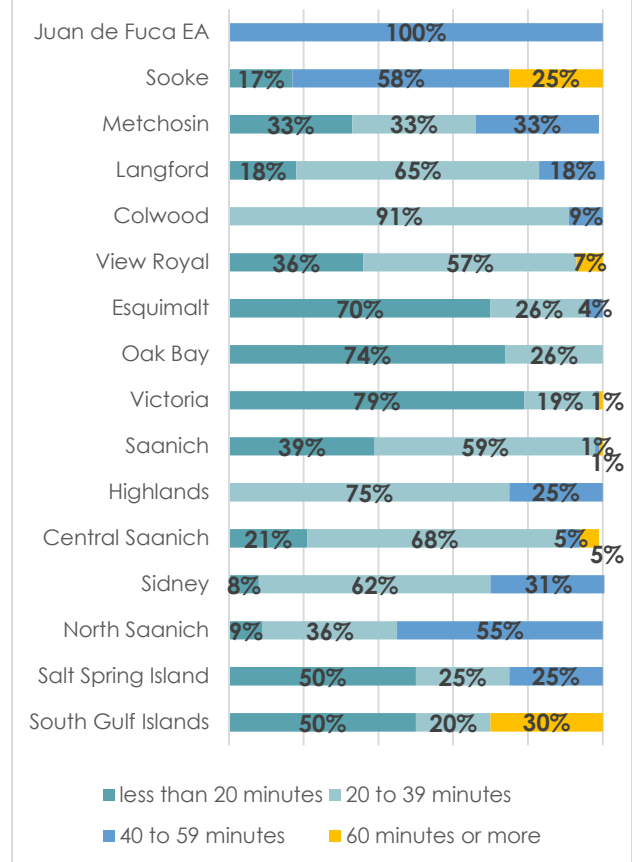
A summary by the three major regions shows that Westshore and Peninsula residents report considerably longer travel times than those residing in the Centre of the region.

Summary by regions	Westshore (N=59)	Peninsula (N=41)	Centre (N=504)
less than 20 minutes	19%	15%	<b>67%</b>
20 to 39 minutes	49%	<b>61%</b>	32%
40 to 59 minutes	<b>25%</b>	22%	1%
60 minutes or more	<b>7%</b>	2%	0%

The time it takes to get to a venue has a major impact on whether someone attends and at what frequency.

In short, location matters.

**Q 1 - Where do you live x Q3 - Length to get to preferred venue (N= 635)**





## FACILITY INVENTORY

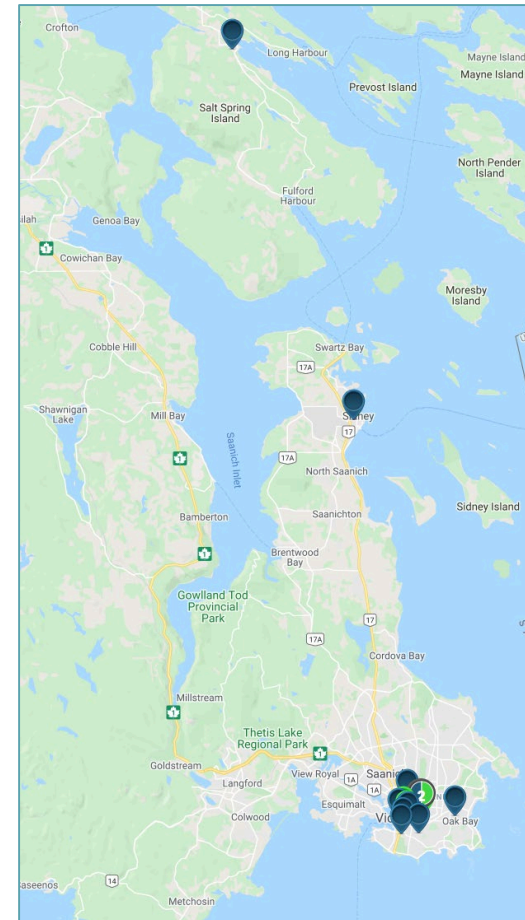
As part of this initiative, we researched and analyzed all the facilities in the CRD that can be considered part of the performing arts eco-system. The arts community asked that we not limit the inventory to *theatres*, but review a broader array of criteria. As a result we identified a long list of 180 performing arts-related facilities, which were narrowed to 85 facilities most relevant to this initiative:

14 Theatre spaces	Location	Seating
Canadian College of Performing Arts /Hall	Oak Bay	51 - 150
ArtSpring Theatre	Salt Spring	151 - 300
Mary Winspear Centre/ Charlie White Theatre	Sidney	301 - 500
Belfry / BMO Financial Group/Studio Theatre	Victoria	51 - 150
Belfry / Patrick Stewart Theatre	Victoria	151 - 300
Intrepid Theatre Club	Victoria	1 - 50
Intrepid Theatre Metro Studio	Victoria	151 - 300
Langham Court Theatre	Victoria	151 - 300
McPherson Playhouse (RMTS)	Victoria	501 – 1,000
Paul Phillips Hall / Fernwood (Theatre Inconnu)	Victoria	n/a
Roxy Theatre (Blue Bridge Repertory Theatre)	Victoria	151 - 300
Royal Theatre (RMTS)	Victoria	1,001 – 2,000
St. Ann’s Academy National Historic Site Auditorium	Victoria	151 - 300
Victoria Conservatory of Music: Alix Goolden Perf Hall	Victoria	501 - 1000

Seating capacity ranges widely, with six theatres seating 151-300, four theatres with capacity above 301 and the remaining four are smaller venues.

Additionally, the Victoria Conservatory has two recital halls with seating below 150.

11 (79%) of these theatres are located in Victoria.



We identified a range of dance, music and theatre studio spaces suited for some rehearsals and performances.

23 Studio Spaces	Location	Seating
Canadian College of Performing Arts / Studios (B,C,D,E,F)	Oak Bay	n/a
Cedar Hill Recreation Centre / Dance studio	Saanich	51 - 150
Dance Unlimited studio	Saanich	n/a
Gordon Head Recreation Facility / Dance Studio	Saanich	1 - 50
Kaleidoscope Theatre for Young People	Saanich	51 - 150
Passion and Performance Studio	Saanich	n/a
Hilltop House Concerts	Sooke	1-50
Ballet Victoria studio	Victoria	n/a
Bashirah Middle Eastern Dance Studio	Victoria	n/a
Baumann Centre / Wingate Studio / Pacific Opera	Victoria	1 - 50
Centennial United Church / Dance studio	Victoria	n/a
Dance Victoria Studios	Victoria	1 - 50
Draw Heart Studio	Victoria	n/a
Fisgard St. Forum Studio	Victoria	n/a
Hidden Gem Studios	Victoria	n/a
Maple Leaf School of Russian Ballet	Victoria	n/a
Pro Jam Space: Alpha Studio	Victoria	n/a
Pro Jam Space: Li'l Beta Studio	Victoria	n/a
Pro Jam Space: Pembroke Studio	Victoria	n/a
Pro Jam Space: Quadra Studio	Victoria	n/a
Subculture Club	Victoria	1 - 50
Theatre SKAM / Meeting Room/Secondary Studio	Victoria	n/a
Theatre SKAM / Primary Studio	Victoria	1-50
Theatre SKAM / Satellite Studio	Victoria	n/a

Finally, there are a number of outdoor spaces that are used for performances and festivals. Of these 13 spaces, two are in Sidney, and one each in Highlands and Colwood, the remaining nine are in Victoria.

13 Outdoor Spaces
Fort Rodd Hill and Fisgard Lighthouse National Historic Sites - Colwood
Caleb Pike Heritage Park - Highlands
Mary Winspear Centre / Blue Heron Park - Sidney
Sidney Pier Bandshell
Victoria / St. Ann's Academy National Historic Site / Academy Green
Victoria / Bastion Square
Victoria / Cameron Bandshell / The Stage in the Park
Victoria / Inner Harbour (Lower Causeway, Ship Point, Belleville Street Forecourt & Upper Plaza)
Victoria / Parliament Buildings
Victoria / Royal Athletic Park
St. Ann's Academy National Historic Site / Novitiate Garden
Victoria Public Market at the Hudson
Victoria's Spirit Square at Centennial Square

Within educational institutions from secondary schools to universities, there are over 30 performing arts spaces. 19 of them are theatre spaces that can be rented by arts groups outside the educational system, even though access tends to be limited. Some of these facilities accommodate regular performances such as those by the Sooke Community Theatre and Four Seasons Musical Theatre. The Victoria Symphony has begun using Farquhar Auditorium at University of Victoria for some regular season concerts.

19 Theatres in Educational Institutions <i>*GVSD = Greater Victoria School District</i>	Location	Seating
Camosun / Gibson Auditorium	Oak Bay	151 - 300
Camosun / Na'tsa'maht - The Gathering Place	Oak Bay	51 - 150
UVIC / Farquhar Auditorium	Saanich	1001 - 2000
UVIC / Philip T. Young Hall	Oak Bay	151 - 300
UVIC / (Phoenix Theatre) Roger Bishop Theatre	Oak Bay	151 - 300
UVIC / (Phoenix Theatre) Chief Dan George Theatre	Oak Bay	151 - 300
UVIC / (Phoenix Theatre) Barbara McIntyre Studio	Oak Bay	51 - 150
Pearson College / McConnell Theatre in the Max Bell Hall	Metchosin	151 - 300
Teechamitsa Theatre @ Royal Bay Secondary	Colwood	301 - 500
GVSD* / Esquimalt High School Theatre	Esquimalt	151 - 300
Isabelle Reader Theatre @ Spencer Middle School	Langford	n/a
Glenlyon Norfolk School Theatre	Oak Bay	n/a
GVSD / Dave Dunnet Community Theatre	Oak Bay	301 - 500
GVSD / Dave Dunnet Drama Black Box Teaching Space	Oak Bay	n/a
GVSD / Reynolds High School Theatre	Saanich	151 - 300
GVSD / Spectrum Community School Theatre	Saanich	151 - 300
Ridge Playhouse Theatre @Claremont Secondary / Four Seasons Musical Theatre	Saanich	151 - 300
Edward Milne Community School / Sooke Community Theatre	Sooke	301 - 500
GVSD / Vic High Theatre	Victoria	151 - 300

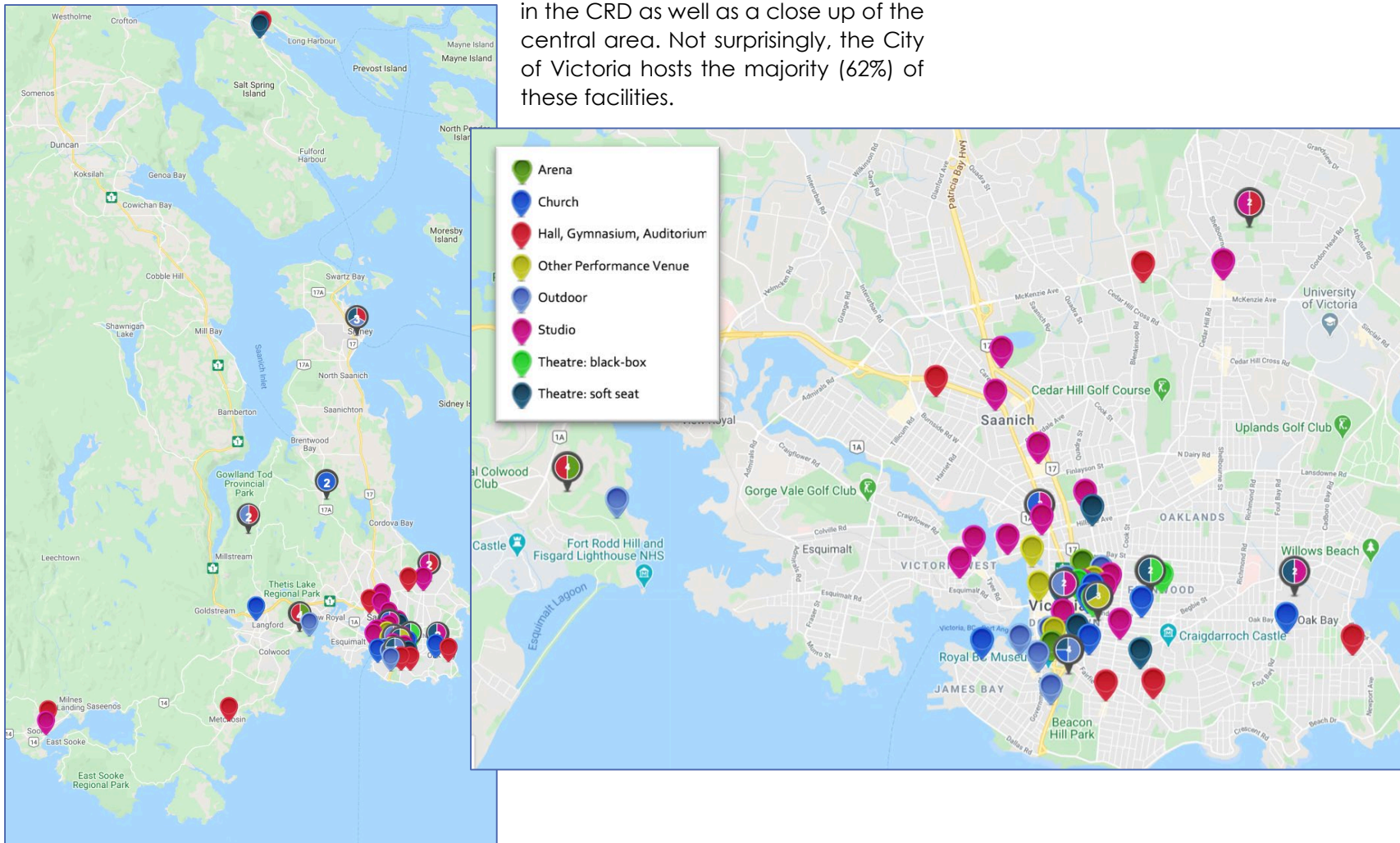
Most of these spaces in educational settings have a greatly limited ability to handle longer rehearsal periods needed for much of the performing arts.

While Oak Bay and Saanich dominate this listing, four of the schools are located in four different Westshore communities.

Additionally, there are three **arenas**: Juan de Fuca Arena (501 – 1,000), Juan de Fuca Lower Park, Save-On Foods Memorial Centre both with capacity of more than 2,000. Three privately run outfits in Victoria provide flexible **event spaces**: Sunset Labs, Vinyl Envy (each 51 to 150) and The Rubber Boot Club (151-300).

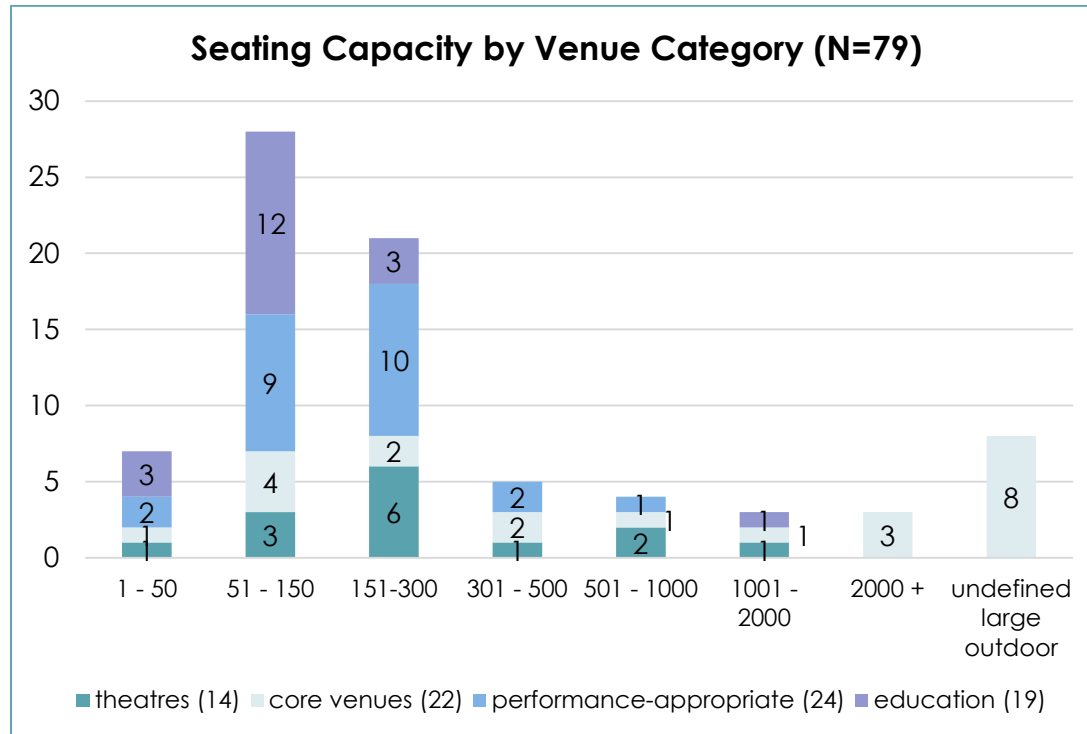
Other spaces that can be used for performances, but have other primary functions include churches, auditoriums, banquet halls, legion halls, lecture halls, bars and restaurants.

These two maps show 79 performing arts-related venues except educational institutions in the CRD as well as a close up of the central area. Not surprisingly, the City of Victoria hosts the majority (62%) of these facilities.





This chart summarizes the capacity of various venues. There is a range of facilities with various capacities in the CRD, with the vast majority in Victoria and the central core municipalities (Saanich and Oak Bay).



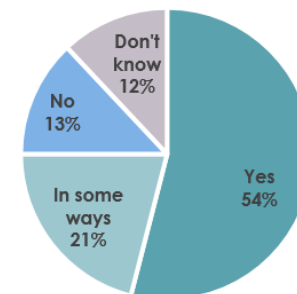
## Gap Analysis

As indicated earlier, availability of many facilities is a major concern, and not only as it relates to the educational facilities. There are major concerns among independent artists,

producer and performing arts companies being able to access the right space for the work they need to do.

When asked in the Online Survey, whether there are needs that are NOT MET by existing performing arts facilities within the capital region, whether for professional productions or community based performances, more than half of the respondents said yes and another 1 in 5 said *in some ways*.

**Whether there are unmet Needs (N= 624)**

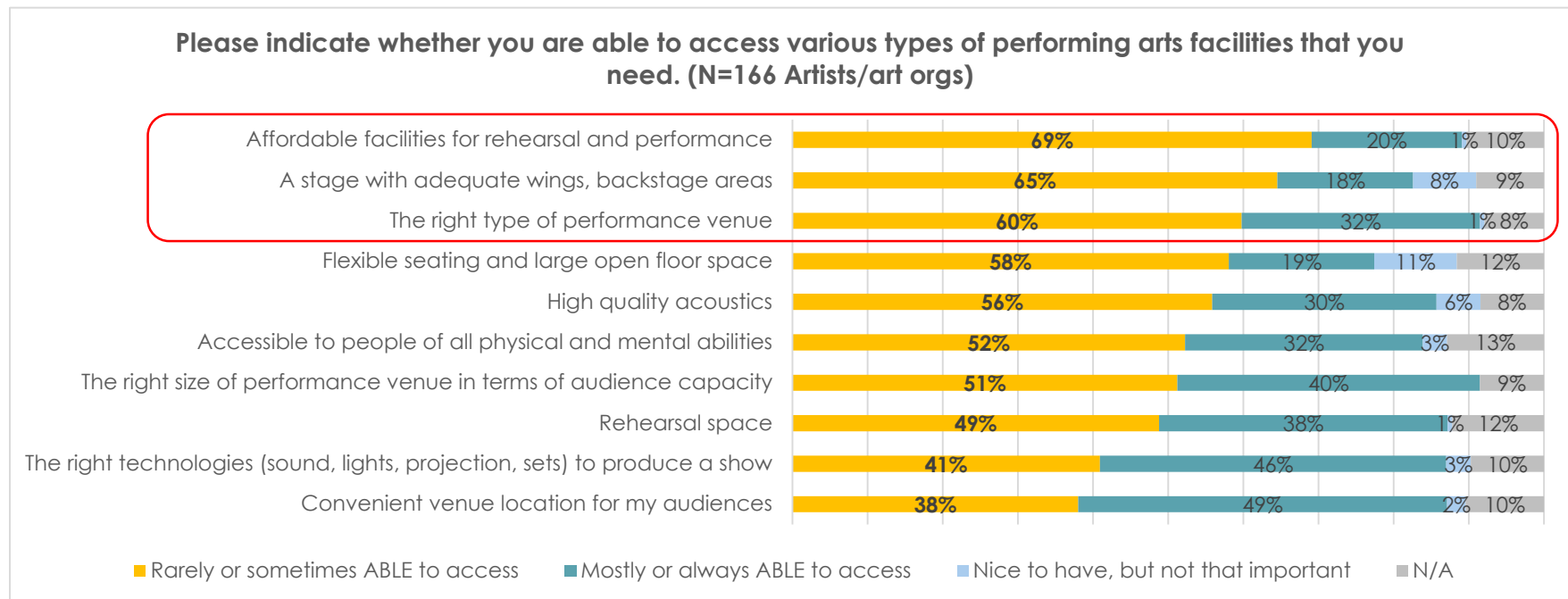


This view was somewhat stronger among artists and producers (N=197): 68% said yes, there are unmet needs, and another 18% said *in some ways*.

When analyzing the survey responses by region, the results are very similar in terms of unmet needs for respondents both from the Westshore and Centre. Respondents from the Peninsula reported the highest *No* and *Don't know* with almost half.

By region	Westshore (N=59)	Peninsula (N=41)	Centre (N=506)
Yes	59%	29%	56%
In some ways	22%	24%	21%
No	14%	20%	12%
Don't know	5%	27%	11%

We followed by asking artists and producers about their experience with access to performing arts facilities. This subgroup of 166 survey respondents identified that they rarely or never were able to access affordable facilities, adequate facilities, and the right type of venue followed by several other access issues.

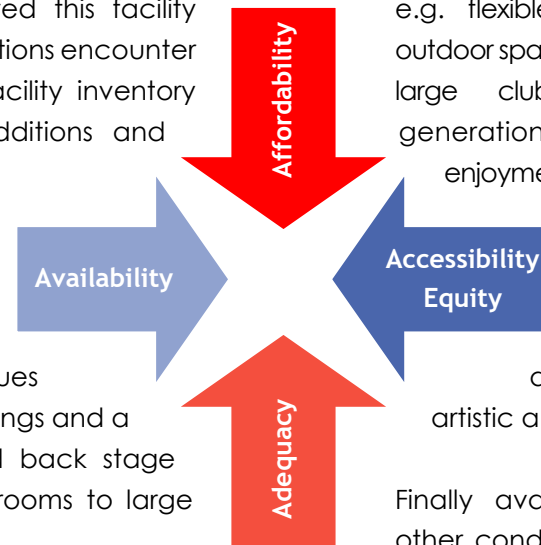


During online consultations with the arts sector, we reviewed this facility inventory and identified gaps different people and arts organizations encounter with the current array of facilities. Indeed we shared the facility inventory spreadsheet online and invited participants to provide additions and corrections.

We learned that there are four main pressures in terms of current facilities. There are serious concerns about both the affordability and adequacy of existing facilities for the specific works artists and producing companies wish to produce. The issues about adequacy range from the stage itself, such the lack of wings and a large enough orchestra pit at the Royal Theatre, or limited back stage amenities, to the amenities from adequate number of washrooms to large enough lobby spaces and bar service.

There was extensive feedback about the lack of physical accessibility both front-of-house and especially back-of-house in all venues. It was felt that the oldest venues have the greatest challenges to modify for greater accessibility; those with awareness of the aging population in the region felt that this will become an ever more important challenge to resolve. Further, participants reported that few efforts were made to retrofit buildings to become fully and adequately accessible.

There were also many comments about access by equity-seeking groups being a major challenge. This, at least in part, results from the focus on European performing arts and performance methodologies which are not, in fact, universally shared. Performing arts spaces that easily and flexibly adapt to different cultural performance modes, or where several generations can enjoy performances have not been a requirement in the past:



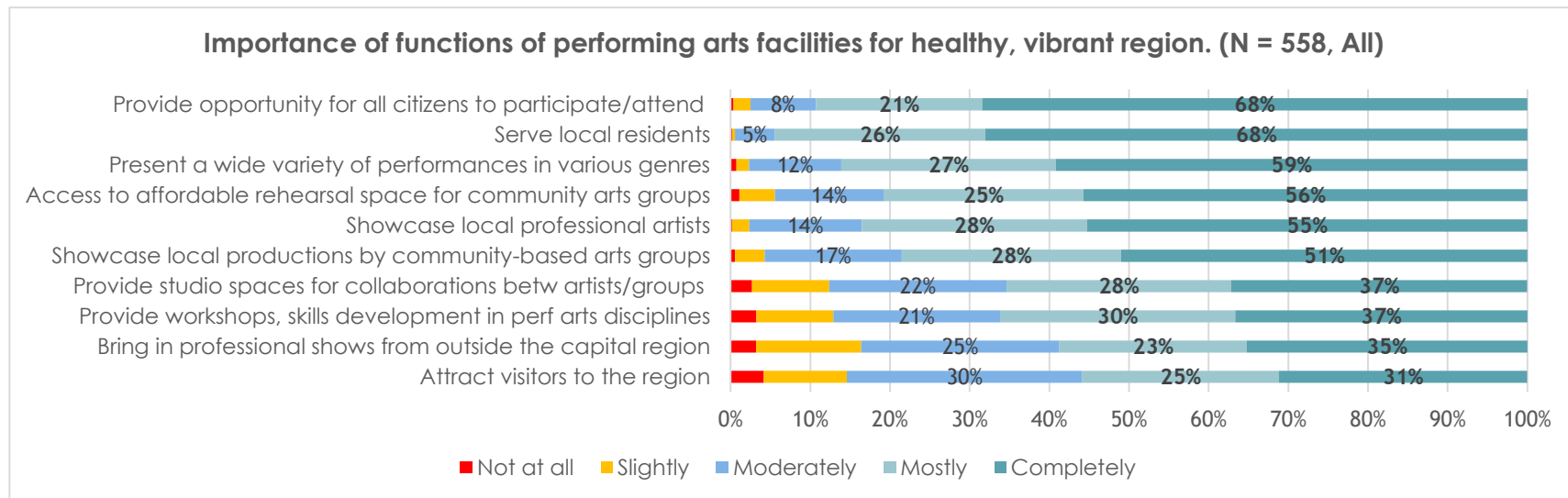
e.g. flexible seating, flexible indoor / outdoor spaces with a club atmosphere, a large club designed with multi-generational patron comfort and enjoyment in mind. As Canada and the CRD becomes more diverse, it is important to consider how to embrace the work of people from different backgrounds and artistic and cultural practices.

Finally availability matters once the other conditions for use are met. Here the sheer size of the local arts community results in very high demand for facilities of many different sizes and for different purposes. For those without a dedicated facility relationship, i.e. the majority of artists, these four factors together present a serious restriction to their ability to develop work, to build their careers, and to grow viable revenue streams both through public funding and earned revenue.

The needs are quite different for different arts organizations. Smaller companies and productions require spaces at the right size, time and space for rehearsal and to build shows, and have the time to develop their work; while the major institutions have highly specialized needs for Symphony and Opera, in particular, that are not fully met at the Royal Theatre, where rental rates and availability of coveted weekend dates had become a flash point.

mean they aren't important in the overall mix; patrons do seek a great deal of variety and professional quality as is evidence in actual ticket buying behaviours.

In the Online Survey we asked how important are each of the following functions of performing arts facilities to a healthy, vibrant region. Respondents strongly favoured providing opportunities for all citizens to participate in or attend performing arts events and serving local residents. Access to a variety of genres, as well as affordability for community arts and showcasing local artists and productions followed quite closely. While local residents didn't consider tourism or touring shows as highly, this does not





## FINANCIAL MANAGEMENT FOR ARTS FACILITIES

These 15 not-for-profit performing arts organizations are running facilities within the CRD:

1. Island Arts Society (soft-seat ArtSpring Theatre on Salt Spring Island)
2. Salt Spring Arts Council (Mahon Memorial Hall, auditorium, in Salt Spring Islands)
3. Mary Winspear Centre Foundation; Saanich Peninsula Memorial Park Society (Charlie White Theatre, soft-seat; Bodine Family Hall, auditorium; Blue Heron Park, outdoor; all in Sidney)
4. Canadian Heritage Arts Society (soft-seat Canadian College of Performing Arts' Performance Hall in Oak Bay)
5. Victoria Conservatory of Music (soft-seat Alix Goolden Performance Hall; Winifred Wood Recital Hall; Westhills Recital Room)
6. Ballet Victoria
7. Belfry Theatre Society (soft-seat Patrick Stewart Theatre; black-box Studio Theatre)
8. Blue Bridge Theatre Society (soft-seat Roxy Theatre)
9. Dance Victoria Society
10. Intrepid Theatre Company Society (2 black-box theatres: Intrepid Theatre Club and Metro Studio)
11. Kaleidoscope Theatre for Young People
12. Langham Court Theatre Society (soft-seat theatre)
13. Pacific Opera Association (Baumann Centre, studio space)
14. Royal and McPherson Theatre Society (Royal Theatre and McPherson Playhouse)
15. Theatre SKAM Society

Eight of these organizations receive a CRD Arts & Culture Support Service operating grant. Their total annual budgets range widely from \$500,000 to \$5,000,000.

## Level of Public Funding

- For nine of the 15 organizations, government funding constitutes less than 25% of their annual budgets.
- For four organizations it makes up 25% - 50%
- Two organizations receive more than 50% from government sources.

To be eligible for federal operational funding through the Canadian Arts Presentation Fund requires that the venue has a curatorial presentation program. The Royal and McPherson Theatre Society (RMTS) is a rental facility and therefore cannot access this fund. This significantly reduces its grants from government which is limited to the regional level.

Federal Cultural Spaces infrastructure funding is available to all of these organizations. However, it appears as though major capital investment will require a concerted and cohesive regional approach to succeed, rather than individual asks from several different organizations.

This chart shows revenue sorted by earned review from highest to lowest percentage.

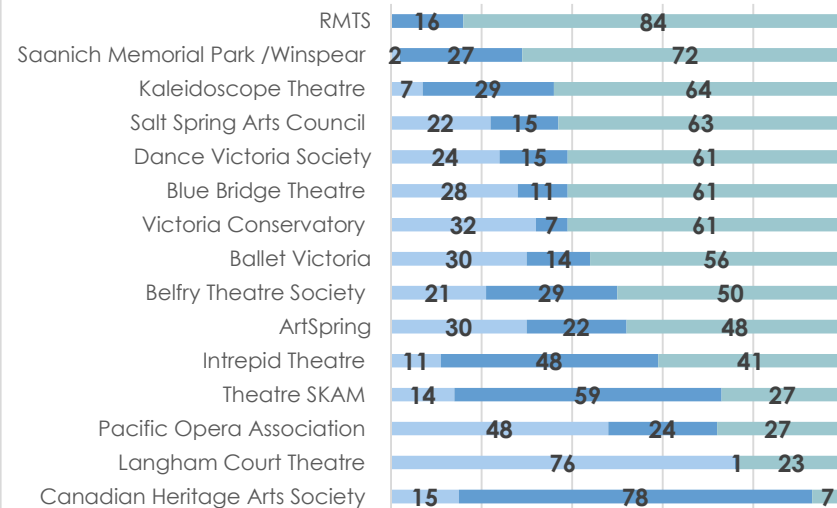
The Royal and McPherson Theatre Society had 84% earned revenue and a quite low 16% in municipal/regional support. In its latest financials public support dropped to 11% as earned rental revenues increased. The only other facility that has a similar financial model is the Mary Winspear Centre in Sidney. These facilities have the highest level of earned revenue of all examined.

All other arts organizations that manage facilities have a considerable percentage in donations and gifts and, in most cases, a higher percentage of government support. Some of those organizations receive support from federal, provincial as well as municipal/regional funding, due to their curatorial presenting programs and other programs taking place at their facilities.

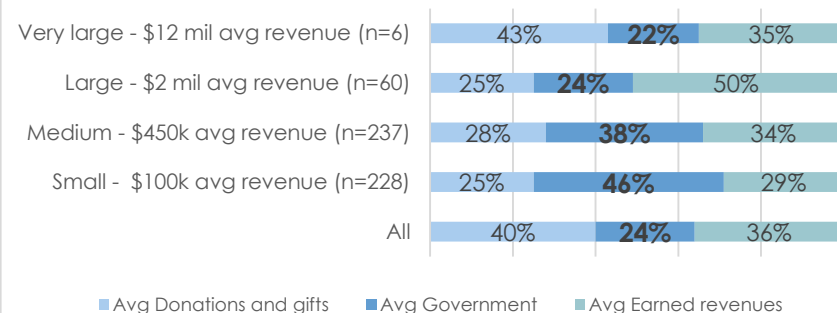
As a point of comparison, we reference the only source of publicly available data: the federal Canada Arts Presentation Fund analyzed by CAPACOA in 2014. The results show that on average 24% of revenue comes from government sources; the smaller the organization, the higher the public contribution. Arts organizations in the CRD tend to receive lower levels of support from public sources.

The only two arts organizations showing a significantly higher public contribution are those with extensive educational programming, Theatre SKAM and Canadian Heritage Arts Society (College of the Performing Arts).

**Revenue Streams of Arts Organizations with Facilities  
(in % of their annual budget - for 2018 - from CRA)**



**Canada Arts Presentation Fund recipients (10 year data 2003 to 2013; CAPACOA/Canadian Heritage)**



## GOVERNANCE OF ARTS FACILITIES

The majority of these theatre facilities are owned and operated by not-for-profit arts organizations, and managed by internal staff reporting to a board of directors. Some of these venues both rent their facilities and present their own work or curate presentations. Some work in ongoing partnerships whereby rental clients are treated as partners with a high degree of services.

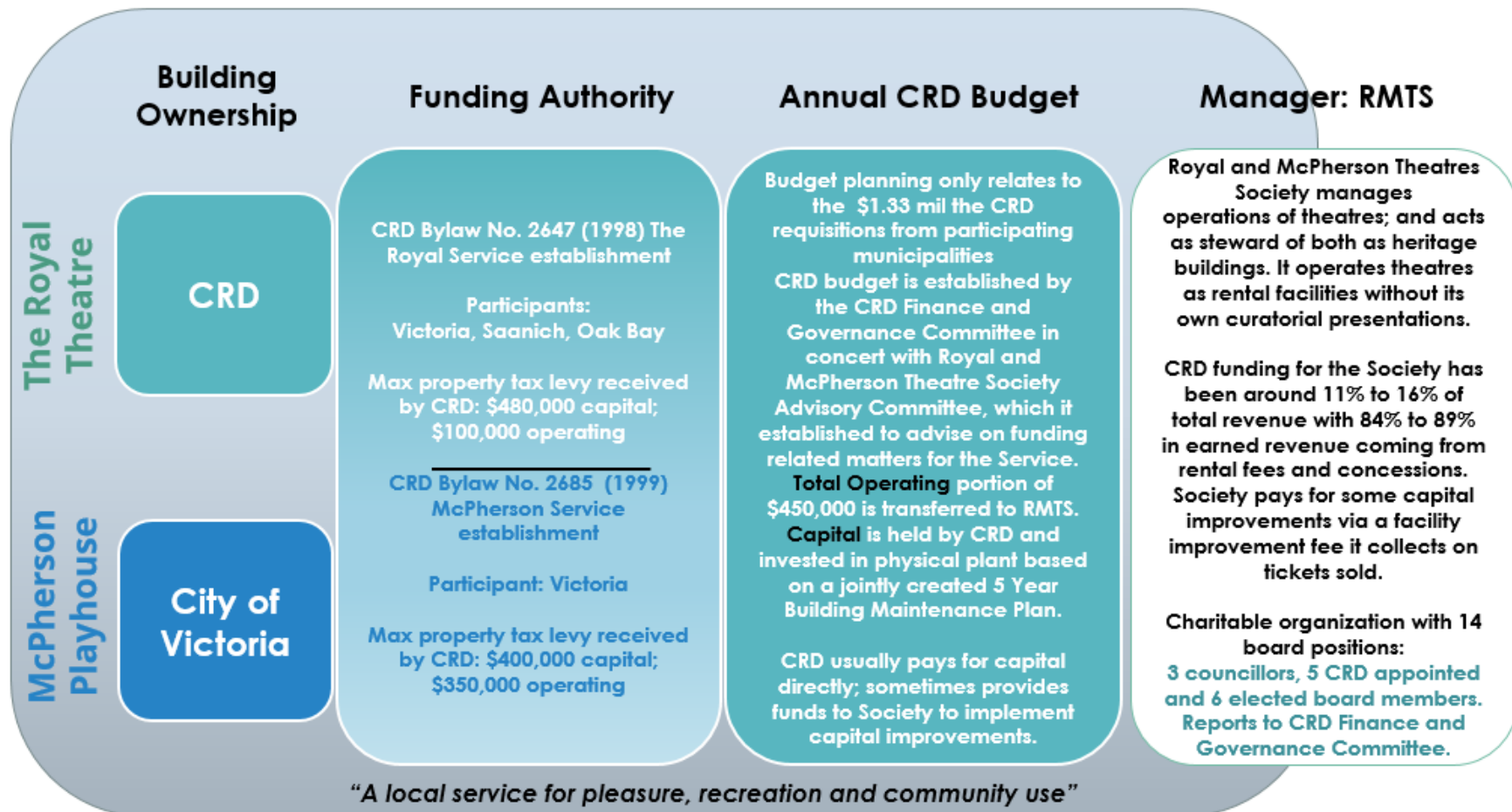
There are also a variety of other ownership models within the capital region, ranging from municipal ownership for a range of outdoor spaces, the McPherson Playhouse (City of Victoria), CRD ownership of the Royal Theatre on behalf of three municipalities (City of Victoria, Saanich and Oak Bay), to private ownership of studio spaces, churches and non-arts not-for-profit organizations.

Each model can be successful. Key appears to be a clear mandate and vision, and to nurture good relationships and effective, clear communications between venue owner, management, producers, user groups / rental clients so that expectations are known.

In consultations with independent artists and smaller arts organizations, we heard that their main issue was that facility planning horizons were often difficult to work with, as their funding often wasn't in place early enough to get their preferred show dates. This is a systemic issue everyone deals with. In general, there was a great deal of collegiality within that part of the arts eco-system and a sense of a common understanding of the challenges each part has to deal with. These artists also required far more access to adequate rehearsal spaces than is available. Many felt this was more difficult to find than performance spaces, as rehearsal periods tended to extend over several weeks.

We also heard a great deal of feedback about the way the Royal Theatre and McPherson Playhouse had been operated. There were signs of a fractured relationship between the RMTS as operating society, and major arts organizations that rely on these theatres to present their works. It appears as though the new leadership at the RMTS has made progress on shifting toward more productive relationships. Nonetheless, there is a persistent lack of understanding how the Royal and McPherson ownership and management is structured. An area of concern relates to the sense that no-one was accountable to the user groups or arts community at large for the way these two major theatres are used. And there are sets of assumptions and expectations that appear to have been hardened by years of difficult community relations. As such, we have worked to better understand the governance model for these two theatre and how the public funding flows.

## Governing the Royal Theatre and McPherson Playhouse



We offer the following observations about the financial relationship between the CRD, the two theatres and the Society that manages them:

- The CRD collects \$1,330,000 each year from the three participating municipalities through the two service agreements.
- Operating funding of \$450,000 that the Society receives pays for direct expenses to turn lights on in the two theatres; it does not pay for its administrative or technical staff – and, as mentioned, the Society does not have a curatorial performing arts program of its own. This is in contrast to operating funding that arts organizations receive which they can use for a wide variety of operating and programming expenses.
- The CRD Finance and Governance Committee holds the capital portion of \$880,000 and handles the financing related to capital improvements directly; there is a mutually agreed on 5-year building maintenance and upkeep plan. Sometimes, the CRD forwards capital funding to the RMTS to implement agreed-on capital improvements.
- The Society pays for some capital improvements out of its earned revenue including a facility ticket surcharge; the Society does not derive a private benefit from doing so.
- The Society is a typical roadhouse manager; the theatres are available for rent by arts producers, promoters or presenting organizations within and from outside the CRD. Roadhouses tend to work to optimize their rental revenue.
- Some roadhouses curate an arts presentation program of their own. Having a curatorial program would open new avenues of potential public funding from other levels of government, even as it injects additional risks into the operation.
- Despite its charitable status, the Society has not solicited donations, until mid-2020 when it began a Raise the Curtain campaign soliciting donations to aid in COVID-19 recovery. The RMTS has not received any increases in regional funding in more than 20 years, despite significant inflation during these years. This intensifies the need to run an effective, diversified revenue generating rental program with a focus on increasing revenues to keep up with its obligations and secure the Society's long-term viability.

### **Concern: Lack of Participation by all Municipalities**

Both theatres are frequented by residents from every municipality in the CRD, not only those that are participating via the CRD Service Agreement. The non-participation by the great majority of municipalities, violates the rationale for having regional government services. The CRD like all regional governments uses bylaws and service agreements as a way to ensure that residents pay only for the services they receive and to build economies of scale for various services that otherwise would be difficult or impossible to afford. In this case, three municipalities are paying while the benefits are enjoyed by all municipalities and their residents. Arguably, the longer a regional service exists without full participation, the harder it becomes to shift toward a shared financial responsibility model for these two theatres. Perhaps as a consequence no other regional arts facilities with CRD involvement exist today.

### **Concern: Accountability and Responsibility is Unclear**

It has been said that when it comes to the Royal and McPherson *the buck stops nowhere*. When conflicts have arisen, for instance, recent disputes between three local rental clients for the Royal Theatre and RMTS management about rental rates and availability of dates, there has been no sense of recourse.

Neither the CRD as owner, nor the three participating municipalities have taken any responsibility for providing direction to the Society or provided any answer on how they view rental rates at the theatres. They have said they want the Society as manager and the rental organizations to sort out their differences.

However, it is notable that the CRD and the three municipalities are not, in fact, merely funders of these publicly owned theatres. The RMTS Board of Directors includes one municipal councillor from each of the participating municipalities and the CRD appoints five additional individuals to the Board. That means that eight of 14 positions, i.e. the majority of board members, are selected by the municipal and regional government.

The Board of Directors has oversight over operational and administrative policies and a role in providing the strategic direction of the RMTS. In actual fact, it is not clear what, if any, direction municipal councillors take from their municipal council and whether the appointed board members receive or take any direction from the CRD at all. It is clear that all board members of a charitable not-for-profit society are expected to act in the best interests of the organization; they are not supposed to represent other entities on the board or act in the interests of any other organizations while acting as director. (source: [https://www.bclaws.ca/civix/document/id/complete/statreg/15018\\_01#section52](https://www.bclaws.ca/civix/document/id/complete/statreg/15018_01#section52))

### **Concern: Divergent Views on Purpose and Priorities**

Throughout these consultations there has been a consistent thread suggesting that the role of the Royal Theatre and McPherson Playhouse should be to support the local arts community and that the RMTS has been falling short for years. Instead what is specified in the Bylaw is that the theatres are converted to “a local service for pleasure, recreation and community use.” Simply put this broad service description provides no clarity on how to interpret *community use*, and whether it should be interpreted as use by residents or use by local arts groups. The notion that the local arts community should benefit from these two publicly supported theatres might be a natural assumption. Yet, the RMTS’ operational funding from the CRD does not leave slack to subsidize local rental clients. Nonetheless, over two decades the RMTS has extended discounted rates to the three primary local clients and given preferential access for rehearsal.



### **Good Relationships Thrive with Good Communications**

It appears as though an adversarial relationship grew between the RMTS and parts of the local arts community over many years. Perceptions of RMTS as an organization have been often quite negative, despite or perhaps because of the major role it plays in managing the two pre-eminent theatres in the CRD. As a facility manager, the RMTS is in the business of renting these theatres sustainably while stewarding these heritage assets for the public good. Good relations are in everyone's best interest. To build those requires mutual understanding and trust, clear and consistent communications. With a change in RMTS senior leadership in early 2020, a new approach has been evident and appreciated by some who have felt grievances in the past.

### **Lessons**

- The CRD appears to not particularly wish to be involved in running the theatres. But due to its ownership, the funding mechanism and appointing some board members, the CRD may wish to clarify its specific involvement in the two theatres, how it appoints board members and what, if anything, it expects them to accomplish. In publicly articulating the specific lines of authority and responsibility related to ownership, as well as management and day-to-day operational decision-making unambiguous clarity could be achieved.
- This report focusses on the flow of public money from the participating municipalities to the operating Society because of confusion amongst participants in this conversation about arts facilities. Indeed, we pieced together from several sources: the financial picture from RMTS financials in Canada Revenue Agency's charitable directory listing which only provided limited insight, asking for and receiving the Society's annual financial statements and reviewing CRD and municipal annual budget documents. Furthermore, the bylaws in question were difficult to locate online and the contract between the CRD and RMTS is not available online. There is

little information in the public sphere about the financial relationship and governance mechanisms.

- When public confusion or misperceptions about governance, financing and decision-making at the RMTS persist, the most effective antidote is to address them as early as possible with open and transparent information sharing in a coordinated, clear manner.
- Open, clear and consistent communications are at the heart of building trust and understanding.

## Municipal Role in Arts Facilities

All across Canada municipal or regional governments have deep involvement in performing arts and other cultural facilities, from public galleries to libraries and museums. The roles local government takes vary:

- Owner and operator with city staff managing, presenting and renting the facility
- Owner with a not-for-profit society as operator
- Funder only

All models are and can be successful. Competent management, effective leadership, collaborative mindsets are all necessary ingredients to ensure a well-functioning, mutually supportive and engaged arts community – venue operator relationship.

## Regional Funding

The financing of regional facilities and regional arts programming has been fragmented with sub-regional services as well as inter-municipal arrangements. In a growing region with a burgeoning arts scene there are many pressures to content with. Growing and strengthening the performing arts eco-system further will bring a wide range of benefits and impacts on the social, and economic health of the region and its people. Establishing suitable financing mechanisms to achieve that aim should be a priority.

The Mary Winspear Centre is owned by the Saanich Peninsula Memorial Society. It replaced Sanscha Hall which was originally built in 1958. In 1995 a \$6 million proposal to build the new facility was issued by the Society and supported by a successful capital fundraising campaign by the Sanscha Community Cultural Centre Foundation (now Mary Winspear Centre Foundation). The new Centre opened in 2001. The Town of Sidney provides annual operational funding and pays for a parking agreement using land of the Society.

Of note, the Cowichan Valley Regional District, succeeded in 2016 to establish a full regional arts and culture service.



## STRONG PUBLIC SUPPORT FOR CRD FUNDING ROLE

Between 1995 and 2001, many decisions were taken by the CRD and interested municipalities to strengthen and develop the arts through support for facilities in the CRD:

- Royal ownership change and Royal and McPherson service establishing bylaws passed in late 1990s
- Arts & Culture Support Service established in 2001
- Salt Spring referendum established property tax levy for two arts organizations and facilities in 2004

Since then the region has continued to grow quickly. And in the next 20 years the region is expected to close in on half a million residents. But no other performing arts facility has come about to absorb the increased level of arts activity along with population growth.

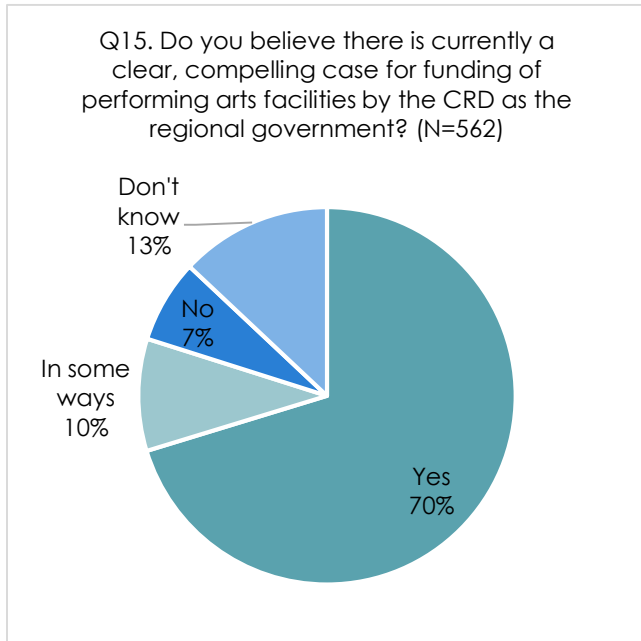
Currently there are a number of proposed projects in various stages of ideation and planning including:

- Juan de Fuca Performing Arts Centre in Colwood
- City of Langford performing arts centre
- Victoria Conservatory of Music partnership with a developer to move into a new space
- Arts On View Society is pursuing an acquisition of 753/751 View Street
- Salt Spring Community Theatre Society looking to create community arts facility for non-profit groups in Ganges, perhaps in the Salt Spring Middle School that may be closing

Others initiatives may emerge with both local and regional aspirations.

Over the years, other projects have been abandoned as the political will and financing have not materialized. At least in part this appears to result from other levels of government feeling hard pressed to support a multitude of projects in the same area without meaningful coordination between the interested parties. The federal government should not be expected to pick and choose among local initiatives. Rather those who are engaged locally need to work together to build a strong coalition with clearly defined priorities and line up the local government and financial supports.

In the online survey, there was some concern whether establishing a new service will mean an automatic increase in property tax bills to pay for it. Importantly, like all services a regional government provides, it does so with the support of the member municipalities, citizens and stakeholders



Among sub-groups there was some variance in emphasis, but the basic results persisted:

Attendees

69% say yes / 4% no / 15% don't know

Venue staff

69% say yes / 19% no, 13% don't know Creators/Performers/

Producing companies

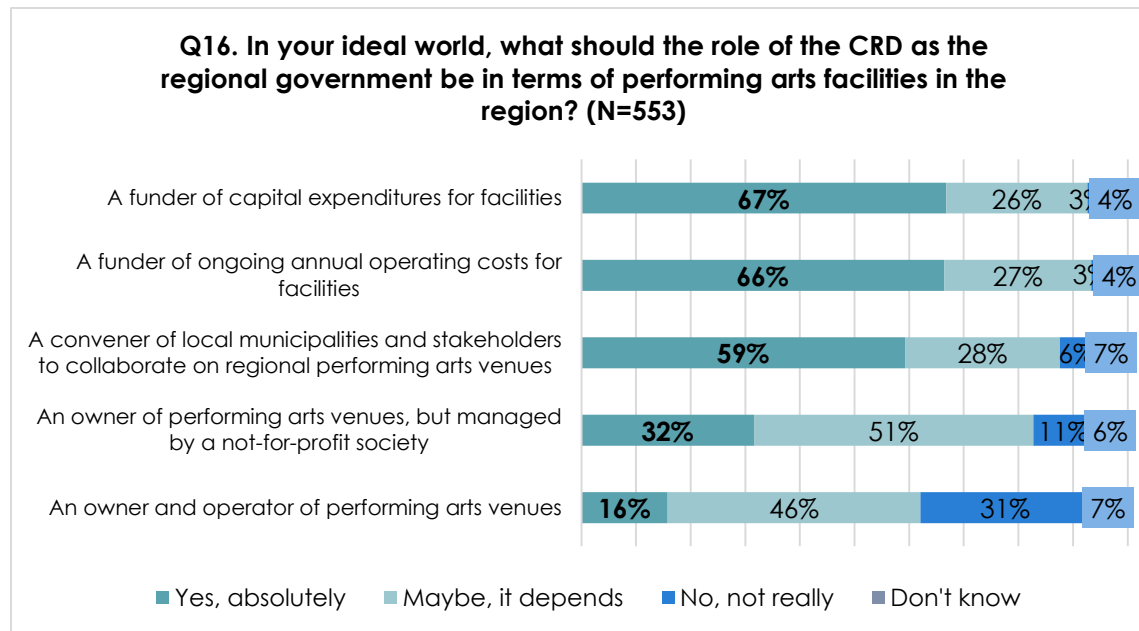
78% say yes / 10% no; 7% don't know

Furthermore, this question about the case for CRD funding generated almost 200 comments. Most were in favour of the CRD taking on a pro-active role in regional arts facilities due to its impact on quality of life, economics and strengthening the arts community. Many also wanted to see fair way to ensure all municipalities would participate. And many more favoured the prospect of a new performing arts centre than did not.

Several comments showed that for some respondents there is little trust that the CRD should be involved in owning or managing a facility or curating artistic programming, and some are uncertain about the best role for the CRD, if any.

Top comments (Q 15)	#
importance of arts: contribute to quality of life and vitality of city/ community	45
all municipalities, region, to financially support the arts	38
imbalance between use by citizens and funding by their municipalities	15
Nurture local arts	35
New performing arts centre yes	30
No new facility needed	4
CRD should financially support arts	22
CRD to act as management/coordination/ balancing municipalities	17
Fix gaps in adequacy of existing venues	17
Arts are an economic driver	17

When asked which roles the CRD should play, the funding role returned the strongest support. Both capital and operating funding received the full support of 2/3 of the respondents with nearly 3 in 10 saying *maybe, it depends*.



The role of convener of stakeholders to collaborate was a strong second, showing that there is a perceived vacuum in terms of a coordinated approach regardless of any other involvement.

One challenge in operationalizing this convener role is that there has to be someone able to take responsibility for the CRD to take any action. At present no CRD department or service exists with responsibility for regional arts facilities.

Further open-ended responses make clear that there is considerable desire to find ways to grow and strengthen the local arts community. Survey respondents clearly regard the arts as a major regional asset.

Open-ended comments Q17 Please share any other observations or comments you have about the adequacy, availability, affordability and accessibility of performing arts facilities in the capital region:	#
Support/ nurture local artists and organizations	84
Availability is an issue for artists	65
Support new buildings	39
governance/ management/ ownership/ partnerships	36
Adequacy/age of Royal and McPherson	34
Accessibility (geographic)	29
Funding	22
N=	275

## OTHER FACTORS AFFECTING PERFORMING ARTS

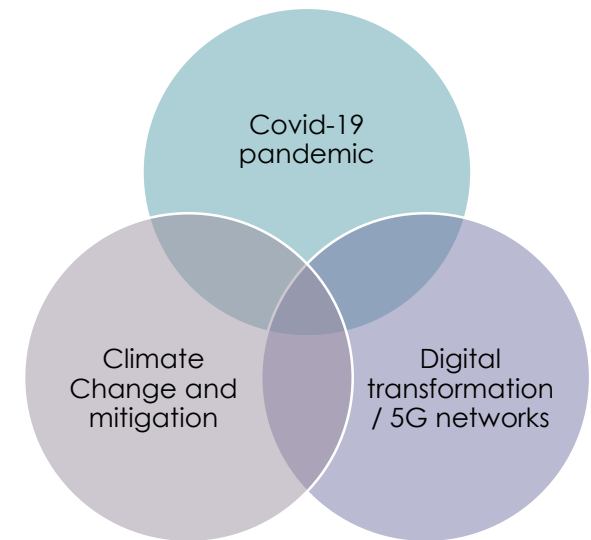
In addition to population growth along with a population that is getting older and more diverse, three other major factors should be considered when contemplating performing arts facilities moving forward:

The COVID-19 pandemic response has, at times, shuttered regular life including schools and any venues where people gather in public from restaurants to performing arts venues. Several vaccines thought to be effective against COVID have received positive media coverage and may receive authorization to be used at population level. Nonetheless, this period has shown that as a species we are vulnerable to viruses in profound ways. The COVID public health mitigation strategies have aimed at curtailing the spread of the virus by requiring greater physical distance between people not living together, an emphasis on HVAC and ventilation. These measures may foreshadow how public venues will be designed in the near future, from requiring larger, more flexible spaces with flexible seating to more personal workspaces hived off with separate ventilation systems.

Similarly, climate change mitigation strategies include a push toward NetZero buildings standards where energy consumption and the creation of greenhouse gases is minimized significantly.

Finally, COVID-19 has accelerated the push to digital including digitizing the performing arts. Coupled with the emergence of the first 5G Internet networks — with their promise of 1,000 faster Internet speed — in Canada in 2020 creates new opportunities or perhaps requirements for performing arts facilities. Numerous existing theatres and other spaces

have adapted by investing in digital production facilities to facilitate high quality video production for streaming shows as well as live streaming technologies.



The consultant expects these factors to play an increasing role in retrofitting existing and building new performing arts facilities over the next period.

## PART 3: RECOMMENDATIONS

## RECOMMENDATION 1: ESTABLISH CRD “PERFORMING ARTS FACILITIES SERVICE”

### Objective

Establish a new region-wide Service Agreement and funding mechanism for performing arts facilities that have regional impact.

### Action

- Evaluate and seek CRD Board and / or municipal input into how best to create this service within the CRD's bylaw framework – e.g. as a new stand-alone service or by amending the Arts and Culture Support Service bylaw to include responsibility for regional arts facilities and their funding.
- Establish the staff required to operate this service.
- Meet with all 16 municipalities to explore how their current support of arts facilities or desired future arts facilities can be integrated or acknowledged within this new bylaw and / or service.
- Establish eligibility and criteria for regional arts facilities to receive capital and operating funding.
- Establish a full regional as well as a back-up sub-regional funding formula for this service.

### Timeline

Prepare CRD Bylaw text and put to a CRD vote spring to winter 2021.

Obtain municipal consent or use alternative approval process during 2022 and advance it to the province for approval.

### Rationale

Regional Performing Arts Facilities are important to the social, cultural, economic health and well-being of all across the region. It is in the region's best interest to grow and strengthen the arts community by enabling existing facilities to become more accessible and by ensuring new facilities meet identified needs of the arts community and audiences.

The CRD exists to leverage scale that an individual municipality cannot achieve by itself. This Stage One process has made clear that there is a great need and desire among participants and survey respondents who work in or are beneficiaries of the performing arts for full regional participation in arts and culture, in general, and performing arts, in particular.

Proliferating *ad hoc* facility arrangements is not going to provide the strategic and coordinated service that will help the arts community grow and develop its work.

## RECOMMENDATION 2: CRD ASSIGNS PLACE WITHIN CRD FOR REGIONAL ARTS FACILITIES DEVELOPMENT

### Objective

Immediately assign a place (an entity) within the CRD structure with responsibility for planning and development of Regional Arts Facilities to manage the implementation of the following recommendations. This assignment can be limited to a specific period of time related to the work and outcomes of recommendations 1, 3 and 4.

### Action

- Discuss at the CRD Select Committee, come to an agreement and bring motion to the CRD Board.
- Establish a mechanism by which the CRD can take on convening a series of working groups with mandates specified in recommendations 3 and 4 to build on the work during Stage One.
- This mechanism should identify an adequate budget and allocate some staff time to oversee, co-ordinate and drive forward the work of these working groups in the subsequent recommendations. It does not have to be a full-time commitment as long as qualified consultants are contracted to lead them.

**Timeline:** Establish this planning mechanism and related budget during winter 2021.

### Rationale

Rather than wait for the service establishing bylaw to pass to begin the Stage Two planning process (Recommendation 1) this recommendation seeks to enable work to move forward immediately while the CRD works toward a longer-term objective of

adopting a new service establishing bylaw. An appropriate funding mechanism for the Stage Two phase of work has to be identified by the CRD.

Without it there is little the CRD can do in practical terms to support regional performing arts facilities, both existing and future ones. The facilities conversation would likely remain mired in the status quo.

Structurally, it could be a continuation of the current Regional Arts Facilities Select Committee or it could be an added responsibility for an existing service with provision of adequate additional resources.

## RECOMMENDATION 3: REGIONAL PLANNING GROUP

### Objective

Establish a **Regional Performing Arts Facilities Planning Group** with specific working groups:

- A) **Accessibility and Equity** – develop a plan and recommendations to improve access to existing regional arts facilities including improving physical accessibility
- B) **Study feasibility** (considers gaps in accessibility, affordability, adequacy for specific purposes, availability) of a new performing arts centre or district and its strategic location(s) in the CRD – invite all current projects proposed or under consideration to participate
- C) **Independent artists**, small to medium-sized companies to develop facility solutions for their needs for rehearsal spaces and the right size of professional theatre spaces

### Action

- Planning Group to include municipal governments, current venue operators, arts groups (user groups), regional planning experts, and cultural spaces consultant to manage the process
- To develop a specific regional performing arts facilities plan that strengthens and grows the local arts community while enabling it to show its works locally and to export its works off-Island (in the real world, or digitally)
- To review existing facilities in terms of best approaches to enhance infrastructure and accessibility for equity-seeking groups and consider potential new facilities;
- To develop a geographic information system (GIS) study showing ideal places to locate a new performing arts centre, as well as smaller rehearsal and creative production spaces

**Timeline:** 12 months mandate from spring 2021 to spring 2022

### Rationale

The results of the Stage One initiative are clear: there is a great desire to unlock the potential of the Capital Region's arts scene and further enrich the lives of residents. There is a clear need to establish a regional approach to arts facilities that are used by/benefit more than a single municipality. For regional facilities, the CRD is the ideal convening entity capable of driving forward any agreed on projects and pursue federal and provincial capital funding. Municipalities have zoning and property tax authority and they hold significant levers of taking action on plans. They need to be actively engaged in regional planning. Furthermore, because these facilities serve particular user groups, they should be participating in the planning.

This Stage Two planning process can proceed without a Service Establishing Bylaw, as long as the work is assigned to a responsible entity identified through Recommendation 2.



## RECOMMENDATION 4: EXPLORE MODELS OF CRD INVOLVEMENT IN ARTS

### Objective

Convene an *ad hoc* “**Governance and Management Task Force**” to explore the various models of ownership, use of operating organization and facility funding; identify potential types of partnerships to more effectively fill the facility gaps within the region, and especially ensure affordability of suitable facilities; prepare a set of recommendations on governance, leadership and management of regional performing arts facilities.

### Action

- Establish this task force comprised of members from major facilities, user groups, the CRD and facilitated by a governance consultant.
- Explore ownership and operating models, including a cost-benefit analysis, and funding models for arts facilities that are used by / benefit more than one municipality.
- Identify potential partnership
- Share information with the Regional Performing Arts Facilities Planning Group

### Timeline

Spring 2021 to winter 2022 (6 to 9 months mandate)

### Rationale

Through this task force a holistic review of the various options can be undertaken. This work will result in specific recommendations for governance, management arrangements and funding for future regional facilities to determine best options for regional facilities.

Throughout the Stage One process, there has been confusion and misconceptions within the arts community about the way the RMTS functions, as well as a lack of clarity of theatre ownership and financing of the sub-regional service that the RMTS manages. While this recommendation is not designed to focus on the Royal and McPherson Theatres, it is inspired by the recognition that there needs to be a full exploration of how to secure sustainable region facilities which requires an evaluation and recommendations related to CRD and municipal ownership and operating models.

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4445**

\*\*\*\*\*

**A BYLAW TO ESTABLISH A REGIONAL PERFORMING ARTS FACILITIES  
OPERATION, FUNDING, AND GRANTING SERVICE**

\*\*\*\*\*

**WHEREAS:**

- A. Under Bylaw No. 2587, Royal Theatre Local Service Area Establishment Bylaw No. 1, the Regional Board on behalf of the municipalities of Victoria, Oak Bay, and Saanich established a service to fund, operate, and maintain the Royal Theatre;
- B. Under Bylaw No. 2685, McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999, the Regional Board established a local service on behalf of the City of Victoria to fund, operate, and maintain the McPherson Playhouse;
- C. By regional alternative approval process pursuant to ss. 342 and 345 of the *Local Government Act*, the region's electors have approved the creation of a regional performing arts facilities funding service to encompass both the services set out in Bylaws No. 2587 and 2685, as well as the operation and funding of other performing arts facilities with regional impact;
- D. The Board wishes to establish a service to operate and fund the planning, development, capital, and operation of performing arts facilities with regional impact;

**NOW THEREFORE**, the Capital Regional District Board in open meeting assembled hereby enacts as follows:

**Definitions**

1. The following definitions are used in this bylaw, both in plural and singular:
  - (a) A "performing arts facility with regional impact" and "regional performing arts facility" means a public venue that:
    - i. is located within the boundaries of the service area, that is, the Capital Regional District;
    - ii. is designed for the primary purpose and function of performing arts presentations;
    - iii. attracts audiences from beyond its local area (e.g. regional or multi-regional draw);
    - iv. functions as a roadhouse-style presentation venue that is available for bookings from a wide range of commercial and community user groups on a year-round basis;
    - v. is not embedded within an educational, religious, or for-profit organization; and
    - vi. is owned or operated by a public authority, non-profit, registered charity, or local government, or a combination thereof.
  - (b) "roadhouse-style presentation venue" means a venue available for rental or use by travelling and local productions, and not possessed or controlled by a single performing arts producing company or organized group of such companies.

**Service**

2. The Capital Regional District hereby establishes a service for the purpose of recreation, leisure, and community use in relation to operation and funding of performing arts facilities with regional impact, including the operation and funding of the planning, development, capital and operating costs of performing arts facilities with regional impact.

3. The scope of the service includes, without limiting the foregoing:
  - (a) Annual capital and operating funding for the Royal Theatre and McPherson Playhouse to established minimum levels, being:
    - i. \$400,000 in capital and \$350,000 in operating for the McPherson Playhouse; and
    - ii. \$480,000 in capital and \$100,000 in operating for the Royal Theatre,where capital amounts may be used for but are not limited to the renovation, reconstruction, or rebuilding of the respective theatre facilities, machinery, equipment, reserve fund transfers or annual debt servicing, and where annual operating amounts may also include capital expenditures of the same nature if necessary or desirable;
  - (b) Operation of grant programs benefitting performing arts facilities with regional impact, including:
    - i. for regional facility planning projects;
    - ii. for major and minor capital improvements to regional performing arts facilities, including payment of debt; and
    - iii. for operations of such regional performing arts facilities;
  - (c) Establishment of a capital reserve fund to benefit performing arts facilities with regional impact, including the construction of new facilities, renovation of existing facilities, and payment of debt for capital projects; and
  - (d) Operation of a grants assistance program, to apply for grants on behalf of the CRD for regional performing arts facilities associated with or operated by the service and to assist regional performing arts facilities in applying for planning, capital, operating, and other grants.

#### **Boundaries**

4. The boundaries of the Service Area are the boundaries of the Capital Regional District, including all municipalities and electoral areas.

#### **Participating Area**

5. The participating areas for the service are the electoral areas and municipalities making up the Capital Regional District: the Electoral Areas of Salt Spring Island, Southern Gulf Islands, and the Juan de Fuca; and the Municipalities of Victoria, Oak Bay, Esquimalt, Saanich, Central Saanich, North Saanich, Sidney, View Royal, Highlands, Colwood, Langford, Sooke, and Metchosin.

#### **Cost Recovery**

6. As provided in Section 378 of the *Local Government Act*, the annual costs of providing the Service, net of grants and revenue, shall be recovered by one or more of the following:
  - (a) property value taxes imposed in accordance with Division 3 [*Requisition and Tax Collection*], Part 11 of the *Local Government Act*;
  - (b) fees and charges imposed under Section 397 of the *Local Government Act*;
  - (c) revenues raised by other means authorized under the *Local Government Act* or another Act;
  - (d) revenues received by agreement, enterprise, gift, grant or otherwise.

#### **Cost Apportionment**

7. The annual costs recovered by requisition in accordance with this bylaw shall be apportioned among the participants by dividing the costs into two equal parts, one part apportioned on the basis of population, where population is the total population estimate as determined annually by the Regional

District; and one part apportioned on the basis of assessments, where assessments are the annual converted value of land and improvements in the participating areas.

**Maximum Requisition**

- 8. In accordance with Section 339(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:
  - (a) Three Million and Sixty Thousand dollars (\$3,060,000); or
  - (b) An amount equal to the amount that could be raised by a property value tax rate of \$0.023 per One Thousand Dollars (\$1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the Service.

**Transition of Services**

- 9. Despite section 8, if the services established by Bylaw No. 2587, Royal Theatre Local Service Area Establishment Bylaw No. 1, and Bylaw No. 2685, McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999 are still operating and are used to requisition funds, the requisition for this service shall be reduced in proportion by the amounts requisitioned under the respective services under Bylaw No. 2587 and 2685. For clarity, should services under Bylaw No. 2587 or 2685 continue to be operated and no requisition of funds occurs under the respective service, the maximum requisition for this service shall not be reduced.

**Agreement**

- 10. The Capital Regional District may enter into agreements with one or more organizations to operate regional performing arts facilities held or operated by the service.

**Citation**

- 11. This Bylaw may be cited as the “Performing Arts Facilities Service Establishing Bylaw No. 1, 2021”.

READ A FIRST TIME THIS	th	day of	20
READ A SECOND TIME THIS	th	day of	20
READ A THIRD TIME THIS	th	day of	20
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	th	day of	20
APPROVED BY PARTICIPANTS BY ALTERNATIVE APPROVAL PROCESS	th	day of	20
ADOPTED THIS	th	day of	20

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CORPORATE OFFICER

# Service Plan for Establishment of a Performing Arts Facilities Service



Capital Regional District

*Revised: August 27, 2021*



Making a difference...together

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# 1 Overview

## 1.1 Division & Service Summary

### WHY

- On April 14, 2021, the CRD Board approved a Governance Committee recommendation to create a Performing Arts Facilities Select Committee “whose purpose will be to define the scope and functions of a regional service that will lead to the drafting of an establishing bylaw for the Performing Arts Facilities Service.”
- On May 19, 2021, the Performing Arts Facilities Select Committee provided direction that “Staff develop a service bylaw, service plan and a process to consult with municipalities, electoral areas, arts organizations, and other bodies.”

### WHAT

A regional service to Plan, Develop, and Fund performing arts facilities that have regional impact.

A Regional Performing Arts Facility (RPAF) is defined as a venue that:

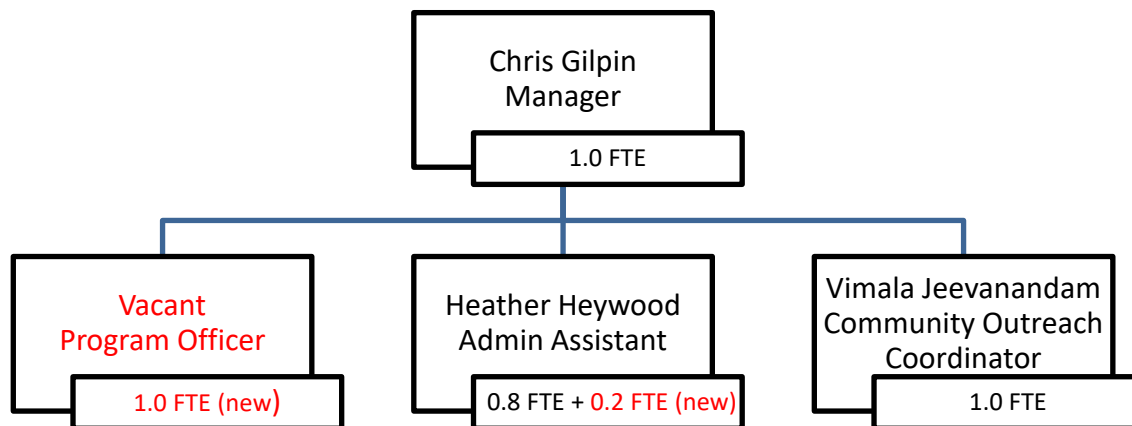
- Is located within the boundaries of the Capital Regional District;
- Is designed for the primary purpose and function of performing arts presentation;
- Attracts audiences from beyond its local area (i.e. has a regional draw);
- Functions as a roadhouse-style presentation venue that is available for bookings from a wide range of commercial and community user groups on a year-round basis;
- Is not embedded as part of an educational, religious, or for-profit organization; and
- Is owned and operated by a non-profit or local government (or combination thereof).

### HOW

Function	Implementation	Financial / Service Implications
Plan	Planning Grants Program to support: feasibility plans, business plans, renovation or expansion plans, or construction plans. Maximum request amount = 50% of project expenses	Grants administered by CRD to non-profits or local governments. Annual program budget = \$120,000/yr Unspent rolls into next year's budget.
Develop	1. Major Capital Access Program to support major capital projects (construction, expansion) and Minor Capital Grants Program (maintenance, accessibility). 2. Staff support for external grants to apply to provincial and federal funds.	\$1,000,000/yr contribution toward growing reserve fund for major capital projects. Royal Theatre (\$480,000) + McPherson Playhouse (\$400,000) + Charlie White Theatre (TBD, ~\$300,000) = \$1,180,000 for existing minor capital expenses. Annual total budget = \$2,180,000/yr
Fund	Operating Grants Program to existing RPAF at current or comparable level of existing contribution.	Royal Theatre (\$100,000) + McPherson Playhouse (\$350,000) + Charlie White Theatre (TBD, ~\$180,000) Annual program budget = \$630,000/yr
Governance	CRD Board for first year. Reviewed and new committee or commission model could be proposed for some or all of service.	Depends on outcome of review.
CRD operations	1.2 FTE support in Arts and Culture division	Administers granting programs. \$130,000/yr (with benefits).
		Total Requisition = \$3,060,000
		Existing Requisition Included= \$1,330,000
		Total New Fiscal Impact = \$1,730,000

## 1.2 Organization Chart

Proposed staffing for both existing Arts and Culture Support Service and new Performing Arts Facilities Service (new required capacity in red).



Arts and Culture Division would require 1.2 net new FTE to deliver the Performing Arts Facilities Service:

- 0.2 FTE new capacity added to Administrative Assistant (currently at 0.8 FTE)
  - Rationale: higher volume of applications requires additional capacity for data input and processing, as well as secretariat support for committees and adjudications.
- 1.0 FTE new position – Program Officer
  - Rationale: four additional grant programs requires a dedicated program officer to support applicants, adjudication process, and evaluate outcomes, and to draft CRD applications for provincial and federal funding to major infrastructure programs in collaboration with local governments and/or non-profit clients.

The new Performing Arts Facilities Service will also receive staff support from existing roles in finance, information technology, corporate services, and other cross-departmental administrative areas.

## 1.3 Key Trends, Issues & Risks – Service Specific

A study commissioned by the Capital Regional District (CRD) Regional Arts Facilities Select Committee titled, *Stage One: A Public Conversation about Performing Arts Facilities in the CRD*, proposed a unified decision-making framework for planning, development and funding of regional performing arts facilities. The report highlighted the economic and social value of investing in the arts and confirmed community support for CRD funding and leadership with a priority on performing arts infrastructure.

Facilities and arts programming across the region are varied, with local, sub-regional services or inter- municipal agreements currently governing operational or capital funding. Municipalities and regions would need to be engaged to explore how existing and future states of arts facilities would be integrated into the new service. Specifically, Sidney and North Saanich would need to be consulted on how this service would affect their current inter-municipal arrangement to fund the Charlie White Theatre in the Mary Winspear Centre.



The COVID-19 virus and the corresponding Provincial Health Officer restrictions on events and gatherings has posed major challenges to the performing arts sector throughout 2020 and 2021. Many performing arts facilities have been completely closed or, if open, staged performances in limited ways. The COVID-19 pandemic has also spurred some performing arts organizations to innovate new methods of connecting to audiences online through upgraded livestreaming experiences and to retrofit or upgrade HVAC systems and other health-related infrastructure in their facilities.

On July 1, 2021, the Province of B.C. moved to Step 3 of the four-step restart plan, which allowed indoor gatherings of up to 50 people or 50% venue's total capacity, whichever is greater. This allowed some performing arts organizations to restart in-person performances. The Province also announced that all restrictions on indoor gatherings would be lifted in Step 4, which was scheduled to begin as early as September 7, 2021, encouraging performing arts facilities to book shows for fall/winter 2021 and 2022. Since the Step 3 announcement, the impact of new virus variants has led to decreased optimism about reopening plans and increased uncertainty. The Provincial Health Officer has indicated that Step 4 will not begin, in full, on September 7, 2021, but instead that the timeline for Step 4 is being evaluated on an on-going basis.

While significant uncertainty remains over the path to reopen performing arts facilities at full capacity, the Province's vaccine card policy, announced on August 23, 2021, has been greeted by the arts community as a key tool in making it safe for audiences to return to indoor performing arts facilities. Ticket sales at performing arts venues for future shows in late 2021 and 2022 have been robust, showing strong renewed consumer demand for performing arts activities, although the level of this demand is clearly connected to trends in COVID-19 virus transmission at the local and provincial levels. According to recent studies, culture goers increasingly plan to return to indoor cultural events as soon as they reopen with public health guidelines in place. Over 50% of culture goers said that vaccinated audiences are the main precaution necessary to make them feel comfortable in attending indoor cultural events.<sup>1</sup>

The Arts and Culture Support Service is guided by its 2020-2023 Strategic Plan, which is co-created with the arts community through consultations. The Performing Arts Facilities Service could have significant implications for the next round of strategic planning, but in the meantime is in alignment with and builds off of current Vision, Mission, Goals and Priorities.

## 1.4 Link to Board Strategic Priorities

The establishment of a regional performing arts facilities service is in fulfillment of Initiative 12a-1 of the *CRD 2019-2022 Corporate Plan*:

“Facilitate a discussion of the region’s art facility needs & explore partnerships to support 100% participation in the CRD arts function.”

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<sup>1</sup> Business in the Arts / Nanos. (June 2021). *Optimism for in-person activities continues to increase among culture-goers*, p. 8.

## 2 Services

### 2.1 Service Levels

	Service Level Adjustments in Role/Scope				
Service	Base year	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
<b>Plan: Planning Grants Program</b>		Design Planning Grants Program. Deliver pilot version.	Deliver Planning Grants Program.	Deliver Planning Grants Program.	Deliver Planning Grants Program.
<b>Develop: Major Capital Access Program</b>		Design Major Capital Access Program.	Deliver Major Capital Access Program.	Deliver Major Capital Access Program.	Deliver Major Capital Access Program.
<b>Develop: Minor Capital Grants Program</b>		Design Minor Capital Grants Program. Transition from current services funding Royal & McPherson.	Deliver Minor Capital Grants Program.	Deliver Minor Capital Grants Program.	Deliver Minor Capital Grants Program.
<b>Fund: Operating Grants Program for Existing Facilities</b>		Design Operating Grants Program.  Transition from current services funding Royal & McPherson (2587 & 2685).	Deliver Operating Grants Program.	Deliver Operating Grants Program.	Deliver Operating Grants Program.
<b>Committee Support</b>	Provide support to Performing Arts Facilities Select Committee	Provide support to Performing Arts Facilities Select Committee for service development and CRD Board.	Provide support for governance review and potential to form new standing committee or commission.	Provide support to committee or commission responsible for oversight of service.	Provide support to committee or commission responsible for oversight of service.
<b>Information Resource and Data Collection</b>	Consultations, as necessary.	Privacy Impact Assessment conducted as part of grant program design.	Application form information and data collected by Arts and Culture Division.	Application form and final report information and data collected by Arts and Culture Division.	Application form and final report information and data collected by Arts and Culture Division.

## 2.2 Workforce Considerations

Workforce (FTEs)					
Service	Base year 2022	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)	Year 4 (2026)
<b>Total</b>	1.0 FTE Total for half-year (1.0 FTE Program Officer)	1.2 FTE Total (1.0 FTE Program Officer 0.2 Admin Assistant)	1.2 FTE Total	1.2 FTE Total	1.2 FTE Total

## 3 Divisional Initiatives & Budget Implications

Title & Estimated Completion Date	Description	Priority	Budget Implications
<b>2021</b>			
<b>Establish Service</b>	Acting on Board direction to “begin the process of establishing a regional service for the purposes of planning, developing and funding of performing arts facilities that have regional impact.” - Draft establishing bylaw and service plan. - Conduct consultations with municipalities, electoral areas, performing arts facilities and user groups, as necessary.	12a-1	\$150,000 (core)
<b>2022</b>			
<b>Approval Process</b>	- Electoral approval process. - Authorization by Inspector of Municipalities. - Bylaw comes into force.	n/a	TBD
<b>Existing Bylaws Amended or Repealed</b>	- Royal Theatre bylaws (2587, 2855) - McPherson Playhouse bylaws (2685, 3270)	n/a	Funding for Royal Theatre and McPherson Playhouse absorbed into new service, but still in effect for Budget 2022
<b>Governance Review</b>	- Governance Committee examines possible standing committee or commission models.	n/a	None
<b>Programs Designed</b>	-Draft program guidelines and application forms for Planning Grants, Major Capital Access Program, Minor Capital Grants Program, and Operating Grants.	n/a	None
<b>CRD Board Oversees Establishment</b>	- CRD Board establishes service parameters. o Reviews grant program design. o Reviews Budget 2023 allocations.	n/a	Service levels for Charlie White Theatre determined.
<b>Staff Support</b>	- Hire and train new Program Officer.	n/a	1.0 FTE staff capacity required for half-year. \$50,000 (funded from 2021 feasibility reserve).

Title & Estimated Completion Date	Description	Priority	Budget Implications
<b>2023</b>			
<b>Planning Grants Program Launched</b>	-1 <sup>st</sup> intake for planning projects	n/a	\$120,000 (core)
<b>Major Capital Access Program Launched</b>	-1 <sup>st</sup> intake for major capital projects	n/a	\$1,000,000 contributed to Capital Access Reserve Fund (core)
<b>Minor Capital Grants Program Launched</b>	-1 <sup>st</sup> intake for minor capital projects	n/a	Royal Theatre (\$480,000) + McPherson Playhouse (\$400,000) + Charlie White Theatre (TBD, \$300,000 approx.) = \$1,180,000 Total (core)
<b>Operating Grants Program Launched</b>	-1 <sup>st</sup> intake for operating grants	n/a	Royal Theatre (\$100,000) + McPherson Playhouse (\$350,000) + Charlie White Theatre (TBD, \$180,000 approx.) = \$630,000 Total (core)
<b>Staff Support</b>	- Programs integrated into core budget - Program Officer (1.0 FTE) - Admin Assistant (0.2 FTE)	n/a	1.2 FTE \$130,000 (core)
<b>2024</b>			
<b>Programs Evaluated</b>	- Full program review after 1 <sup>st</sup> year of programs <ul style="list-style-type: none"> <li>o Improvements recommended</li> <li>o Guidelines and application forms revised</li> </ul>	n/a	None
<b>Planning Grants Program Delivered</b>	-2 <sup>nd</sup> intake for planning projects	n/a	\$120,000 (core)
<b>Major Capital Access Program Launched</b>	-2 <sup>nd</sup> intake for major capital projects	n/a	\$1,000,000 contributed to Capital Access Reserve Fund (core)
<b>Minor Capital Grants Program Launched</b>	-2 <sup>nd</sup> intake for minor capital projects	n/a	Royal Theatre (\$480,000) + McPherson Playhouse (\$400,000) + Charlie White Theatre (TBD, \$300,000 approx.) = \$1,180,000 Total (core)
<b>Operating Grants Program Launched</b>	-2 <sup>nd</sup> intake for operating grants	n/a	Royal Theatre (\$100,000) + McPherson Playhouse (\$350,000) + Charlie White Theatre (TBD, \$180,000 approx.) = \$630,000 Total (core)
<b>Staff Support</b>	- Program Officer (1.0 FTE) - Admin Assistant (0.2 FTE) - Supports committee and delivers programs	n/a	1.2 FTE \$130,000 (core)

# 4 Goals & Performance Indicators

	Service Goals	Performance Indicators
2022	<ol style="list-style-type: none"> <li>1. Design four new programs (guidelines and application form)</li> <li>2. Conduct consultations with potential applicants and impacted user groups to inform program design.</li> </ol>	<ol style="list-style-type: none"> <li>1. Guidelines and application forms for new programs endorsed. Privacy Impact Assessment completed.</li> <li>2. Targeted consultations conducted.</li> <li>3. Funding levels established for Royal Theatre, McPherson Playhouse, and Charlie White Theatre in Minor Capital Grants and Operating Grants programs through Budget 2023 planning process.</li> </ol>
2023	<ol style="list-style-type: none"> <li>1. Merge existing Royal Theatre service and McPherson Playhouse service into new Performing Arts Facility Service.</li> <li>2. Deliver four new programs               <ul style="list-style-type: none"> <li>• Planning Grants Program</li> <li>• Major Capital Access Program</li> <li>• Minor Capital Grants Program</li> <li>• Operating Grants Program</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Consistent funding levels to Royal Theatre and McPherson Playhouse maintained with no disruption to funding support.</li> <li>2. At least two applicants to Planning Grants Program.</li> </ol>
2024	<ol style="list-style-type: none"> <li>1. Deliver four programs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Two or more applicants to Planning Grants Program.</li> <li>2. Equal or greater number of applicants to other three programs.</li> </ol>
2025	<ol style="list-style-type: none"> <li>1. Deliver four programs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Two or more applicants to Planning Grants Program.</li> <li>2. Equal or greater number of applicants to other three programs.</li> </ol>

## Contact

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## Appendix D: Financial Simulation of Full Regional Participation in New Performing Arts Facilities Service

Municipalities		2021 Current Participation for Royal and McPherson Theatre Services		2021 Estimated Requisition and Cost Sharing Simulation for New Performing Arts Facilities Service			Change in Cost	Change in Cost %
		2021 Actual Theatre Services Requisition	2021 Average Cost Per Household	2021 Estimated New Service Requisition	2021 Average Cost Per Household	2021 Cost Sharing %		
	Central Saanich			134,350	15.90	4.41%	134,350	n/a
	Colwood			122,261	16.43	3.37%	122,261	n/a
	Esquimalt			118,235	18.66	3.20%	118,235	n/a
	Highlands			18,143	16.79	0.60%	18,143	n/a
	Langford			302,989	14.09	9.30%	302,989	n/a
	Metchosin			33,531	19.31	0.99%	33,531	n/a
	North Saanich			106,292	18.00	4.10%	106,292	n/a
	Oak Bay	52,804	7.72	165,561	24.20	6.31%	112,757	213.54%
	Saanich	278,826	6.00	854,806	18.38	26.06%	575,980	206.57%
	Sidney			99,405	12.79	3.56%	99,405	n/a
	Sooke			92,778	13.27	2.47%	92,778	n/a
	Victoria	998,370	20.98	742,504	15.60	26.03%	(255,866)	(25.6%)
	View Royal			79,209	16.49	2.36%	79,209	n/a
	Juan De Fuca			45,363	10.99	1.67%	45,363	n/a
	Salt Spring Island			90,441	13.50	3.21%	90,441	n/a
	Southern Gulf Island			54,132	7.80	2.36%	54,132	n/a
Total Group 1		1,330,000		3,060,000		100.00%	1,730,000	130.08%

### Assumptions used in this simulation:

- 1). Projected Requisition Amount used to calculate the unit rate.
- 2). 2021 Revised Roll Assessment Data (Hospital) used for this simulation.
- 3). 2020 estimated Population data provided by CRD Planning Department.
- 4). Cost Sharing method used is 50% by Assessment, 50% by Population
- 5). Average Cost Per Household is the average residential assessment. It does not include rental households.