

Feasibility Study for a Cultural Arts Centre in the VMC

Phase II: Final Report

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Introduction

The City of Vaughan, working with Hariri Pontarini Architects, engaged AMS in 2018 to conduct a Needs Assessment/Feasibility Study (Phase I) and a Management/Business Plan and Financial Pro Forma (Phase II) for a new cultural arts centre, to be developed within the Vaughan Metropolitan Centre. This report, along with Appendix G: May 9 Presentation to Evaluation Team, represents the conclusion of Phase II.

Study Goals, Approach, and Objectives

The overall goal of this study is to address the following points:

- Is a Cultural Arts Centre in the VMC **economically sustainable and viable**?
- What are the tangible **inputs and needs that will fuel a vibrant Cultural Arts Centre**?
- How will the Centre **attract creativity and jobs**?
- How will the Centre become a **transformative cultural anchor in the VMC**?
- How will this project **benefit the identity, values, and character of Vaughan** and the greater GTA?
- How will the Centre **create a cultural legacy for Vaughan** and how can this be a **driver for economic growth**?

AMS gathered feedback and ideas from Vaughan's creative industries stakeholders, elected leadership, City staff, and creative sector leaders in York Region and Toronto, to inform a deep and broad assessment of the City's opportunities and community aspirations in Phase I. Phase II is grounded in a shared understanding of Vaughan's priorities, strengths, and needs, and advances a recommended approach to the operating structure, capital cost, and building

program that will suit the City of Vaughan's goals while achieving desirable outcomes, both financially and in support of local creative industries.

Framing the VMC Cultural Centre

Five key objectives were established in Phase I. These priorities guided the generation of an activity profile and represent an aspirational framework for the future impacts of the VMC cultural centre.

The VMC Cultural Centre is envisioned as a flexible hub, engaged with the private sector and operated by an independent agency. The Centre showcases high-quality and unique content and features 'preferred' local content providers.

Its core civic objectives are to:

Activate: As the heart of the City, the cultural centre will be a destination deeply connected to the public realm, indoors and outdoors. Its ability to adapt and respond to emergent needs, in the creative sector and in Vaughan specifically, will ensure it remains relevant and animated for the long term.

Inspire: It will house extraordinary experiences and enhance a sense of place. Reaching diverse people of and providing access to both 'packaged' experiences and opportunities to create, the cultural centre will bring people together to prompt conversation and inspire connection.

Collaborate: Local creators and community members will find space and support for collaboration in the cultural centre. Building connections between creative people, between Vaughan and other

near and distant communities, and building awareness of Vaughan's creative industries and resources will be key.

Educate: Affordable learning opportunities are a cornerstone, particularly for multigenerational groups. There is strong interest in educational experiences that bridge arts, culture, heritage, and wellness, with a focus on youth and seniors. Leveraging partnerships with colleges and universities, professional performing arts organizations, and other private sector stakeholders is of significant interest.

Innovate: Offering technology and programs that are distinct within the regional marketplace, the centre showcases experiences that are unique to Vaughan. New models, in terms of collaboration and creative expression, are a welcome and substantial part of overall programming.

Programming is at the heart of the VMC cultural centre.

The five key impacts of the centre suggest that a physical design of high quality and flexibility is needed, and that the sources of content would range from local private sector providers to international brands.

Anchor Tenants

Anchor tenants are key to animating the VMC cultural centre. In addition to amplifying the voices of a selection of Vaughan's creative leaders, they will contribute a substantial percentage of program activity, while residing in a hub-style environment that fosters collaboration, innovation, and partnership.

Three anchor tenant spaces are envisioned, ranging in size from 1,000-sq. ft. to 2,500-sq. ft. Anchor tenants would be selected from local creative industry organizations, and would have guaranteed access to cultural centre performance spaces for an established number of days annually, in addition to dedicated workspace. The anchor suites would be outfitted, as appropriate, for administrative, technical, and small-group utilization. Fit-out for highly specific activities – such as digital media recording or editing suites, for example – would be detailed in anchor tenant lease agreements.

At this early stage of planning it is not possible to identify the anchor tenants with total certainty; however, the following potential candidates have surfaced during this study:

- Vaughan International Film Festival
- Arcadia Music Foundation (or a related business unit)
- York Regional Arts Council
- City of Vaughan, Culture and Economic Development Department (or a sub-unit thereof)
- Vaughan African Canadian Association

Each of these prospective anchor tenants has indicated a desire for a presence in the VMC, and/or a publicly accessible home base for administrative, educational and/or public performance activities.

Due to the influence anchor tenants will have on the activity, operations, and overall brand of the VMC cultural centre, the selection of these tenants and agreed upon principles of engagement

is of utmost importance. We recommend an anchor tenant approval process grounded in City policy (for example, one that references cultural development objectives).

Additionally, AMS encourages the City of Vaughan and other VMC stakeholders to consider early programmatic partnerships with the selected anchor tenants, to build public awareness and develop a robust business relationship prior to the implementation of the cultural centre.

The VMC Cultural Centre Takes Form

The Venues

Two complementary venues would anchor the cultural centre's public activity, with auxiliary spaces providing administrative and support space.

The Main Hall

A high-finish, flexible performance venue of 400 seats. The Main Hall would accommodate a variety of presented live performances, digital media events and installations, festivals, and convenings. It would feature design elements consistent with the City of Vaughan's expressed preference for quality and innovation. A portion of seating units would be retractable, and 'flat-floor' capabilities would enable use of the space for standing room and/or non-traditional performance experiences. Beyond performance content, this space could also host banquets and private events.

The Performance Lab

A flexible venue of approximately 100 seats. The Performance Lab would house smaller performances, and would be suitable as a rehearsal space, holding room, or overflow room to support Main Hall programming. Less technically sophisticated than the Main Hall, this space would still be capable of hosting theatre, opera, dance, large-scale educational activities, and private events.

Auxiliary Spaces

Adjacent to the two performance venues would be several auxiliary spaces, including:

- **Entry and gathering space.** A lobby with concierge/patron services desk, as well as concession function (in an integrated bar/bistro). This would also

include front-of-house spaces such as coat room and catering support.

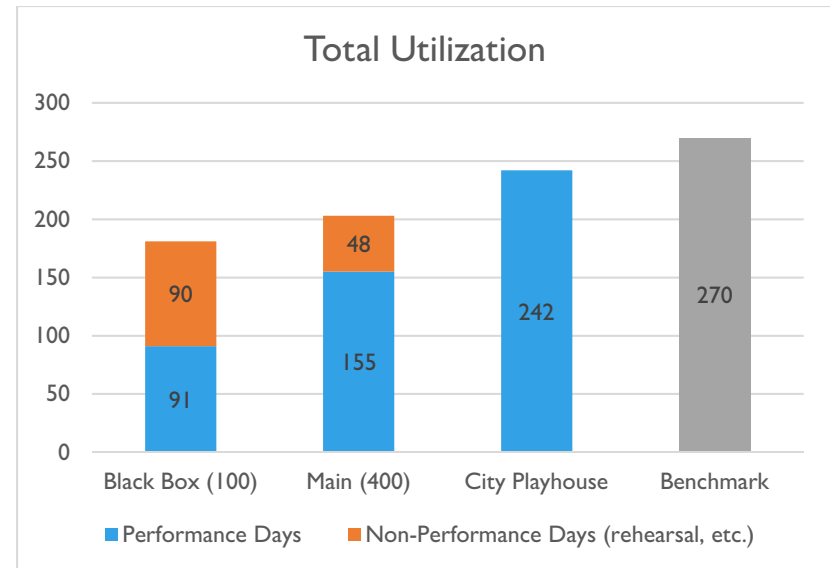
- **Anchor tenant space, studios, education.** A number of studios for dance, music, and other ‘process’ functions, as well as a community meeting room. These spaces would also include three Artist-in-Residence studios, as well as three anchor tenant suites of varying sizes.
- **Administration, support, operations.** These spaces – such as production offices, technical services, and building management and operations – would support the overall functioning of the cultural centre. See the Building Program and accompanying narrative for further details.

Activating the Venues

The two venues in the VMC cultural centre would present and host a diversity of content, representative of Vaughan’s emergent creative industries and of regional, provincial, national, and international excellence. A mix of users, blending local and more distant resources, will provide activity. Consistent with the vision for the centre, activity would represent a wide mix of genres at a high level of professionalism.

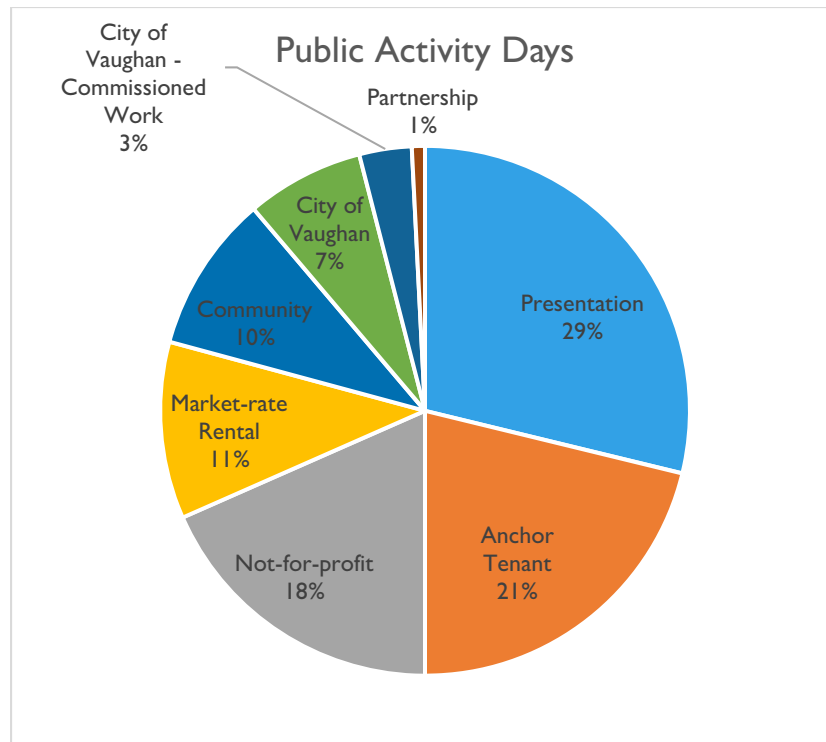
Utilization

Based upon local input and comparable facility research, AMS has modeled base year utilization at 203 days in the Main Hall and 181 days in the Performance Lab, inclusive of performance and non-performance days. This level of utilization in the base year approaches current utilization of the City Playhouse, Vaughan’s very active civic performance venue, which has been a popular community space for many years and sees numerous repeat rental users. Notably, the new facility does not take content away from City Playhouse; rather, absorbs overflow need and allows for new product in the marketplace.



In the chart above, we include a benchmark to indicate maximum utilization, based on industry knowledge.

Half of all public activity would be centre presentations and anchor tenant programming; the remainder is rental use from a variety of not-for-profit, commercial, community, and City entities, as summarized in the chart that follows.



Who are the users of the VMC cultural centre?

Centre presentations: The operator of the VMC Cultural Centre programs content at-risk

Anchor tenants: Annual lessees of space within the VMC Cultural Centre, with contractual guarantees regarding access to performance spaces (*for example, the Vaughan International Film Festival*)

Not-for-profit organizations: Local, regional, and national not-for-profit organizations, who benefit from modestly discounted rental rates

'Market rate' renters: Commercial entities that rent performance or other spaces in the Centre

Community: Community organizations such as a Rotary or other service enterprise

City of Vaughan – Commissioned Work: A unit of the Economic and Cultural Development Department that engages in commissioning work to be showcased in the Centre

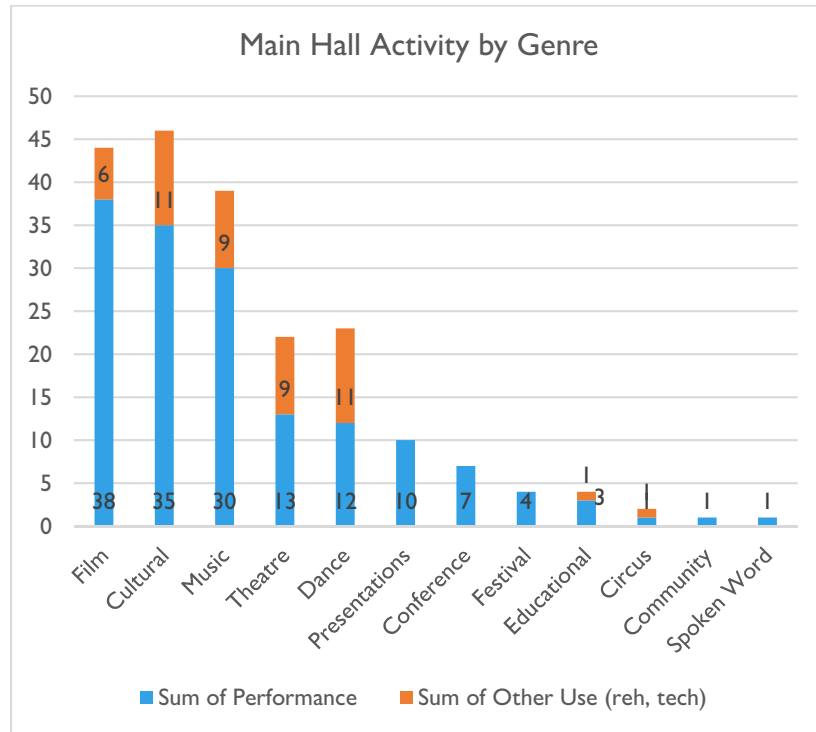
City of Vaughan – Other kinds of uses: Library, Recreation Services, and other City departments

Partners: Distinct from anchor tenants, partners participate in programming risk to bring activity to the Centre (e.g., Niagara University engages a series of TED-style speakers to deliver talks in the Main Hall; speakers' fees are shared by the University and the Centre, with a split of the net ticket sales)

Main Hall Activity

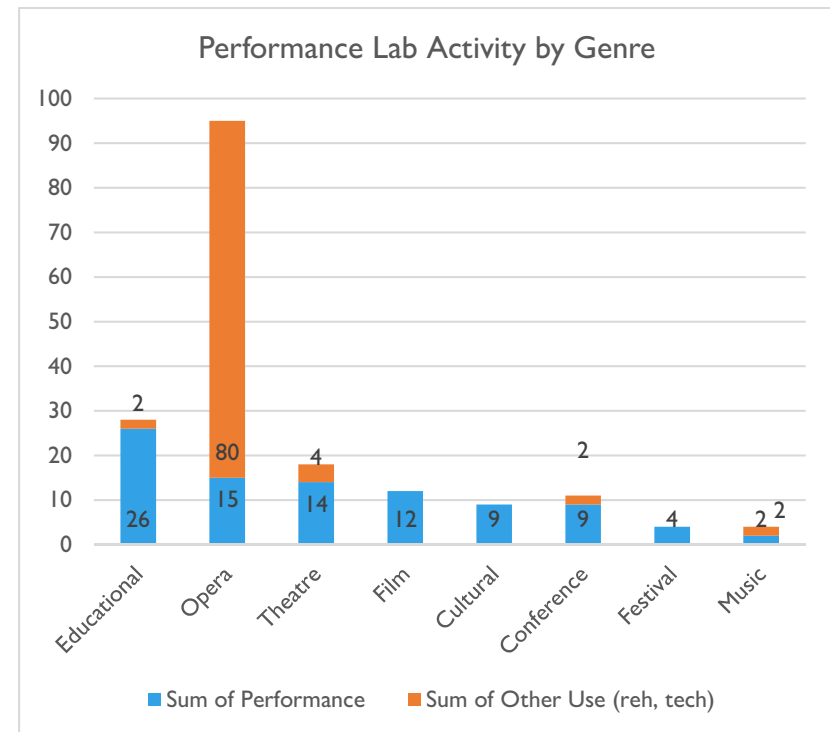
Main Hall activity would be significantly driven by film, cultural events (e.g., heritage groups, culturally-specific activations, etc.) and music, followed by theatre, dance, and a diversity of other public-assembly activity. Film offerings might take the form of a weekly series catering to Vaughan's brand-sensitive tastes and curiosity about new cultures; such programming would augment, rather than compete with, Vaughan International Film Festival programming.

As the presenting space, Main Hall activity is strongly tilted toward performances, with limited non-performance utilization. This reflects the City's aspirations to be a showcase and hub for creativity.



Performance Lab Activity

Performance Lab activity would be driven by opera development and performance, as well as large-scale educational events, theatre, and film. Cultural programming (e.g., heritage groups, culturally-specific performances, etc.), as well as conferences, festivals, and some music events would fill out the balance of utilization. Paired with the presentation-focused Main Hall, the Performance Lab serves as the VMC cultural centre's process space – a hub for experimental creative work, where leading-edge content can be generated by and for Vaughan and the region. With fewer seats and more modest technical infrastructure, the Performance Lab can also support the continued development of Vaughan's nascent creative industries.



Operating Summary

The pro forma operating model is based on the activity profile described above, as well as research into the regional context and data supplied by the City of Vaughan. This model reflects the aspirations and operating priorities described above and in the Phase I report, as well as industry benchmarks¹ and normal operational standards for facilities of similar size and scope.

In this exercise, modelling has been developed agnostic to operator. We presume the operator is a private sector entity with the capacity to engage in the functional and programmatic work of running the VMC cultural centre; however, there is no assumption regarding whether this operator comes from the existing array of creative industries stakeholders in Vaughan, is created by a coalition of stakeholders, or is selected from outside the City.

Summary Results

VMC Cultural Centre	
Schedule 2: Summary Pro Forma	
Operating Overview	Base Year
Earned Revenues	
Ticket Sales	\$536,000
Ticket Fees	\$238,000
Facility Rentals	\$166,000
Concessions	\$35,000
Rental Additions/Chargebacks (gross)	\$375,000
Anchor Tenant Rental Revenue	\$102,500
Total Earned Revenues	\$1,452,500
Operating Expenses	
Season Programming	\$466,000
Theatre Operations	\$233,000
Administrative	\$58,000
Building Operations	\$646,000
Compensation (FTE personnel)	\$965,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000
Operating Result Before Contributions + Subsidy	(\$1,033,500)
Net Operating Result	(\$1,033,500)

¹ See Appendix A: Comparables.

Based on the proposed activity model, the VMC cultural centre can anticipate an operating budget of \$2.5M, yielding a required subsidy of approximately (\$1.0M) in the base year; the source(s) of which are as-yet undetermined.

Revenues

VMC Cultural Centre	
Schedule 4: Revenue Summary	Base Year
Season Programming	
Ticket Sales	\$536,000
Subtotal Season Programming	\$536,000
Rentals	
Main Hall Rentals	\$102,000
Performance Lab Rentals	\$64,000
Rental Additions/Chargebacks	\$375,000
Subtotal Rentals	\$541,000
Ancillary	
Ticket Fees	\$238,000
Concessions	\$35,000
Anchor Tenant Rental Revenue	\$102,500
Subtotal Ancillary	\$375,500
Total Revenue	\$1,452,500

Revenues from operations come from centre presentations; rentals to short-term users of the Main Hall and Performance Lab; annual rents from anchor tenants; and ancillary revenue, including ticketing fees and concessions. Contributed revenue will be a necessary part of the mix; as discussed at the end of this section.

Programming

Program revenues reflect ticket sales for all activity the centre programs at-risk. Ticket prices are modelled on comparative marketplace data, with the understanding that any applicable sales or amusement taxes incurred would be charged above the average ticket prices in the model and passed on to the taxing authority.

Facility Rentals

Rental activity is modelled on prevailing rates for high-quality venues in the Greater Toronto Area, on a cost-per-available seat basis. It is expected that most rental users of the Main Hall and Performance Lab will book minimal non-performance days.

Concessions

Concessions are modelled on industry benchmark data, with a conservative estimate of purchase frequency.

Rental Additions and Chargebacks (gross)

Security, front-of-house, and technical staff, as well as equipment rental and box office setup fees, are charged to rental users at market-appropriate rates. (The associated expenses borne by the VMC cultural centre are distributed, as appropriate, in Theatre Operations and Administrative categories.)

Anchor Tenants

Three anchor tenants under lease pay marginally below-market rates on a per-square foot basis for the suites represented in the building program.

Expenses

VMC Cultural Centre	
Schedule 3: Expense Summary	Base Year
Season Programming	
Presented Season	\$466,000
Subtotal Season Programming	\$466,000
Theatre Operations	
Compensation	\$309,000
Contract/Hourly Event Staff	\$167,000
Box Office and Front of House Ops	\$42,000
Equipment, Maintenance, Supplies	\$24,000
Subtotal Theatre Operations	\$542,000
Administrative	
Compensation	\$551,000
Professional Fees, Staff Development/Travel	\$17,000
Institutional Marketing	\$10,000
Office Operations, Supplies, and Equipment	\$26,000
Other	\$5,000
Subtotal Administrative	\$609,000
Building Operations	
Compensation	\$105,000
Utilities (gas, electric, water, sewer)	\$249,000
Insurance and Security	\$83,000
Cleaning and Maintenance	\$139,000
Annual Capital Improvements	\$175,000
Subtotal Building Operations	\$751,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000

Programming

Programming expenses are based on industry data collected by AMS through a variety of North American and Canadian sources. Artist fees were estimated for each genre of activity. Marketing and production costs were estimated at a (typical) 35% of artist fees, which includes non-reimbursable equipment, supplies, repairs, and maintenance.

Theatre Operations

Theatre operations expenses are based on the frequency of rental and presented activity, as well as conventional costs associated with ticketing (software, printing), a modest investment in usher uniforms, and front-of-house décor, equipment, consumable supplies, and repairs.

Administrative

Administrative expenses are based on industry data.

Building Operations

Occupancy costs include utilities, cleaning and routine maintenance, and non-capital annual maintenance and repairs. It is assumed that these will be managed by the VMC cultural centre staff, utilizing outside vendors as appropriate to mediate staff workload. Occupancy costs are based on the Building Operators and Managers Association data for Greater Toronto Area facilities. The model does not include an expense item for depreciation.

Compensation (FTE Personnel)

Salaries and wages are based on scales provided by the City of Vaughan and vetted against publicly available data for like cultural

centres. Tax rates and benefit load are based on data provided by the City of Vaughan.

Expense Contingency

As with any new venture, there will be some expenses which cannot be foreseen. AMS has included a 5% contingency in the operating model to account for these eventualities.

Residual Economic Outcomes

Industry trends and long experience suggest that the VMC cultural centre will not be self-sustaining on earned revenue alone; as an investment in the long-term growth of Vaughan's creative industries, the centre will require subsidy on an ongoing basis to provide a financially accessible platform for creative entrepreneurs and other small producers of artistic content.

Offsetting operational needs with dedicated lines of subsidy will be key to success for the VMC cultural centre. Bearing in mind Vaughan's ongoing philanthropic initiatives, particularly Mackenzie Health's \$250 million capital campaign, AMS perceives an opportunity for dedicated tax revenue and/or general fund allocations to support the centre's work.

It should be noted that residual economic activity connected to arts engagement aligns strongly with Vaughan's cultural and economic development agenda. In combination with arts attendance, ancillary spending on restaurants, parking and transportation, childcare, even clothing and accessories all drive local and regional revenue, generating jobs and reinforcing social connections within communities. As the City of Vaughan continues to develop the VMC and grow its population, these associated outcomes of increased arts and culture offerings should be taken into consideration.

Additional Considerations

Master Planning Integration

In addition to the two performance venues that are the focus of this study, outdoor activations and vehicle parking resources are of significant concern to cultural development. These areas are best considered within the ongoing master planning process.

Linking the VMC cultural centre's evolution to existing and anticipated green spaces, as well as addressing unresolved questions surrounding parking resources in and near the VMC, will be key to successfully developing and implementing the centre during this time of civic growth.

Cultural Policy Development

One pathway to integrating the VMC cultural centre within the greater planning efforts is through the creation of a cultural policy. This process, and the resulting framework for decision-making, would engage the City of Vaughan's leadership and private sector stakeholders. It would position the City to make coherent decisions surrounding the allocation of financial, human, and technological resources in support of Vaughan's cultural development. Fertilizing Vaughan's creative sector in a transparent, dependable manner will engender the vibrant, vital, and prosperous city Vaughan aspires to be. A robust cultural policy would be instrumental in achieving this vision.

Summary

The City of Vaughan is poised to develop a distinctive cultural centre, in the heart of the VMC. Stakeholders in local creative industries have an appetite for the resource such a centre would present. As the VMC evolves, the creation of cultural space to

showcase Vaughan's creativity, and to shine a light on regional, national, and international talent within Vaughan, will add to the City's foundation of excellence and innovation.

Right-sizing the cultural centre will ensure that it accommodates presented content from a range of sources, while offering a platform for Vaughan's artists and culture-makers to develop their talents and audiences. Providing anchor tenants and rental users with a high-quality venue in the VMC will serve the downtown's growing residential population and workforce.

Comparables

The activity profile underlying the pro forma was generated from existing activity at the following centres, based on similarities in form and vision to the VMC cultural centre.

Yerba Buena Center for the Arts (YBCA)

San Francisco

YBCA's Forum Theatre has key similarities to the VMC cultural centre's Main Hall. A flat-floor space of 6,700-sq. ft, it can hold 450 seated attendees or 850 standing. YBCA is owned by the San Francisco Redevelopment Agency, a quasi-public entity; it is operated by a private not-for-profit created to run the center.

YBCA programming is an eclectic mix of center-commissioned work from artists-in-residence, paired with rental activity by community users, San Francisco's lively high-tech sector, film screenings, and not-for-profit partners informs the VMC cultural centre activity profile. Over 40 organizational partnerships include schools, cultural heritage organizations, and the San Francisco Planning Department, along with several professional performing arts companies based in San Francisco and the Bay Area.



Irving Arts Center

Irving, TX

Owned and operated by the City of Irving, this center features two venues and a variety of auxiliary spaces serving the creative process, visual arts, and outdoor activations. With 10 resident companies and outside users providing performance activity, the Irving Arts Center is also a Smithsonian Institution, drawing national recognition and securing access to a significant body of creative, educational, and heritage assets.

Irving Arts Center programming includes music, a variety of learning programs, festivals, and presentations, organized by anchor tenants. Its outdoor spaces also feature broadly in community activity.



Daniels Spectrum

Regent Park, Toronto, ON

With robust engagement by anchor tenants, Daniels Spectrum's Aida Slight Hall seats 425, with 125 seats in retractable units. Like the envisioned VMC cultural centre, Daniels Spectrum is the product of significant collaboration between public and private sector entities and subsidizes creative industries development through private rentals and philanthropic initiatives.

Daniels Spectrum's weekly summer film series, which weds indoor and outdoor spaces, and their annual musical theatre production (*Journey*) both figured in the VMC cultural centre profile.



CURRENT Artspace + Studio

University of North Carolina, Chapel Hill

A newly-opened pair of flexible spaces, CURRENT Artspace + Studio offers flat-floor process and presentation space that links the University with the greater Chapel Hill community. Long-term artist residencies span creative genres, culminating in public presentations.



Edmonds Center for the Arts

Edmonds, WA

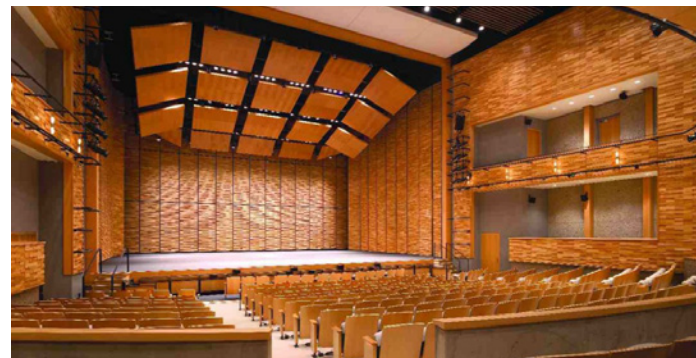
Film, music, and theatre are mainstays of the Edmonds Center for the Arts, with most programming arranged at-risk by the center. A mix of culturally specific performance programs, new works, and all-ages film screenings matched the VMC activity profile.



Esplanade Arts and Heritage Centre

Medicine Hat, AB

Understanding Vaughan's considerable cultural diversity, we included programming from this centre ranging from dance and circus arts, to the Banff Mountain Film Festival World Tour, to musical and spoken word events that build on specific cultural traditions.



Program

VMC Cultural Arts Centre - Project Summary			
Activation Spaces	49%	20,780	
Main Theatre / Multipurpose Venue	400 Person Capacity	8,730	
Performance Lab	125 Person Capacity	3,850	
Performer Support		4,500	
Loading / Bldg Support		3,700	
Public Spaces	24%	10,100	
Gathering		6,900	
Front of House		1,900	
Amenity		1,300	
Anchor Tenants / Studios / Education	22%	9,410	
Studios & Education Spaces		3,850	
Studio Support		1,060	
Tenants		4,500	
Admin / Support / Operations	6%	2,550	
Program Total	100%	42,840	
Gross Floor Factors	55%	23,562	
TOTAL AREA		66,402	SF

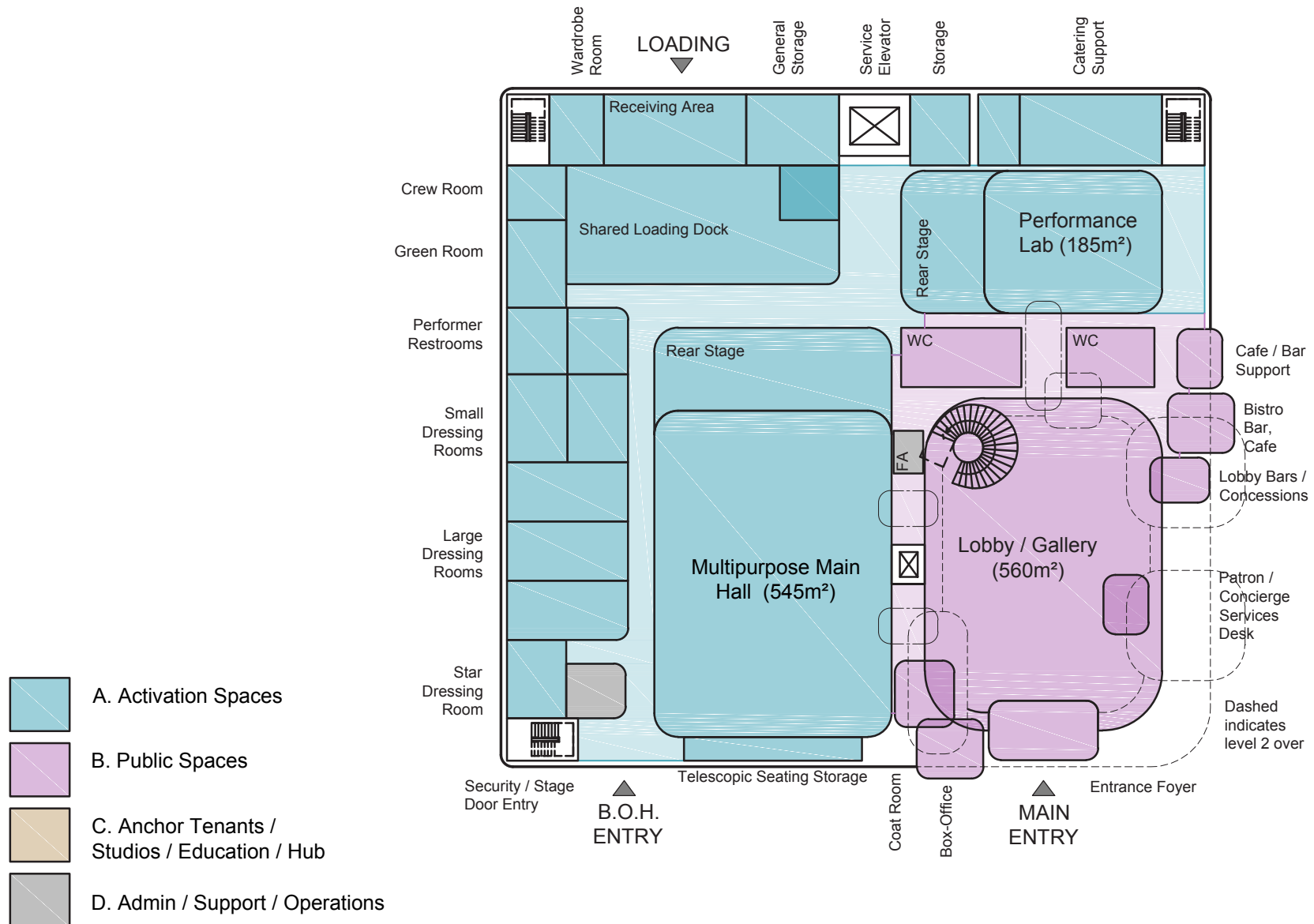
Program	Item	Quantity	Dimensions			Unit Area	Item Area	Description
		#	W	L	H	Sq.Feet	Sq.Feet	
			ft	ft	ft			
A. ACTIVATION SPACES								
Main Theatre / Multipurpose Venue								
	Multipurpose Venue (400 people)	1	65	90	28	5850		flat floor space, 700p standing, 400p seated capacity on retractable seating, catwalks, strong points
	Rear Stage	1	65	20	28	1300	1300	backstage area for props, staging, road box storage, etc.
	Show control area	1				240	240	includes light/audio/video
	Snd/lgt/spot booths	3				100	300	includes light/audio/video support
	Dimmer/ Audio Rack Rooms	2				120	240	
	Telescopic Seating Storage	1	50	6		300	300	
	AV/Ltg/Tech Storage	1				500	500	
Performance Lab								
	Studio Theatre (130 person)	1	40	50	24	2000	2000	100 Person Capacity, Flat Floor, Black Box Lab, may be possible to connect with Main Theatre (likely not)
	Rear Stage	1	40	20	24	800	800	backstage area for actor circulation, props, staging, etc.
	Snd/lgt/spot booths	2				150	300	includes light/audio/video
	Dimmer/rack rooms	2				100	200	
	Platform/Seating Storage	1				250	250	
	AV/Ltg/Tech Storage	1				300	300	
Performer Support								
	Star Dressing Room	1				350	350	8-person rooms, no T/S
	Small Dressing Rooms	2				400	800	8-person rooms, no T/S
	Large Dressing Rooms	3				550	1650	12-person rooms, no T/S
	Green Room	1				400	400	used for each venue. Incl. single toilet/changing room
	Performer Restrooms	2				300	600	M/F toilets/showers (supports dressing rooms)
	Wardrobe Room	1				250	250	includes laundry
	Backstage Catering Pantry	1				200	200	
	Crew Room	1				250	250	changing, lounge, kitchenette
Loading / Bldg Support								
	Shared Loading Dock	1	75	32		2400	2400	2 bays (loading and bldg services)
	Receiving Area	1				800	800	
	General Storage	1				500	500	

Program	Item	Quantity	Dimensions			Unit Area	Item Area	Description
		#	W	L	H	Sq.Feet	Sq.Feet	
			ft	ft	ft			
B. PUBLIC SPACES								
Gathering								
	Entrance Foyer	1				500	500	Weather vestibules Dynamic space with Bar/Café, Art Exhibits, Program Activations, Community Information, may be split for each
	Lobby / Gallery (12sf/p for 500 patrons)	1				6000	6000	program space.
	Patron / Concierge Services Desk	1				200	200	within public space
	Lobby Bars / Concessions	1				200	200	Combine with Bistro?
Front of House								
	Box-Office	1				300	n/a	include with concierge desk
	Coat Room	1				300	300	50% of attendees
	Restrooms (1 fixture / 25 seats)	1				1300	1300	serves 500 patrons, M/F, unisex, family, evenly distributed
	F.O.H. Equipment Storage	1				300	300	
Amenity								
	Bistro, Bar, Café	1				300	300	Should Activate the Lobby Hall
	Café / Bar support	1				200	200	
	Catering Support	1				800	800	catering pantry, storage
C. ANCHOR TENANTS / STUDIOS / EDUCATION / HUB								
Studios & Education Spaces								
	Small Studios	2	20	40		800	1600	Equipped for Dance, Music, Rehearsal
	Large Studio	1	30	40		1200	1200	Equipped for Dance, Music, Rehearsal
	Community Meeting / Program Room	1				600	600	Can also Double as Another Large Studio
	Artist in Residence Studios	3				150	450	Visiting Artist / Hoteling space
Studio Support								
	Entry / Reception	1				200	200	
	Storage	3				120	360	dedicated to each studio
	Changerooms (10p each)	2				120	240	male & female rooms, half height lockers, changing booths
	Restrooms	2				130	260	
Tenants								
	Anchor Tenant Leasable Space #1	1				1000	1000	Fit-Out as Required
	Anchor Tenant Leasable Space #2	1				1000	1000	Fit-Out as Required
	Anchor Tenant Leasable Space #3	1				2500	2500	Fit-Out as Required

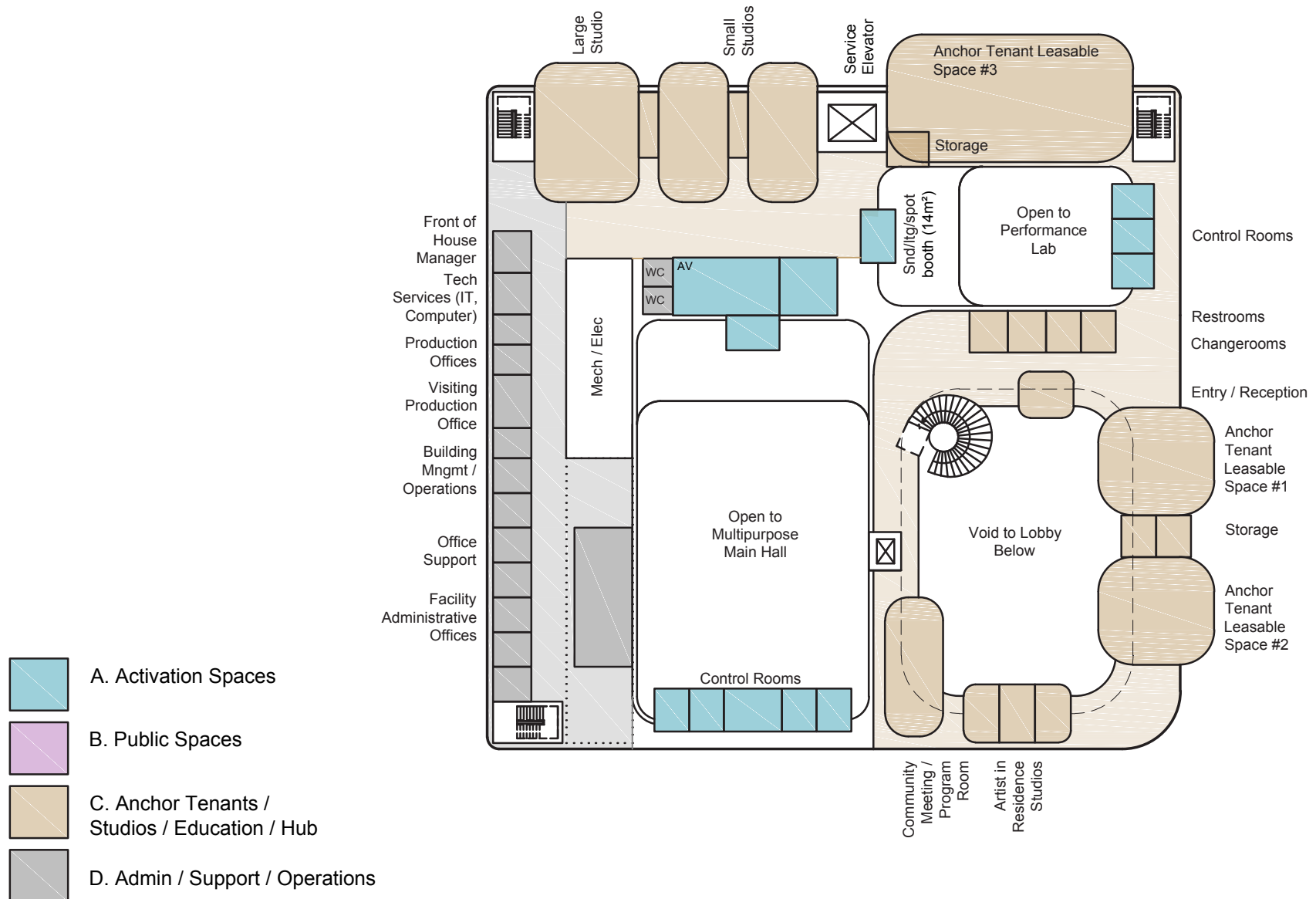
Program	Item	Quantity	Dimensions			Unit Area	Item Area	Description
		#	W	L	H	Sq.Feet	Sq.Feet	
			ft	ft	ft			
D. ADMIN / SUPPORT / OPERATIONS								
	Facility Administrative Offices	7				100	700	
	Office Support	1				600	600	conf rooms/storage/kitchenette/IT/etc.
	Front of House Manager	1				120	120	
	First Aid Room	1				120	120	
	Production Offices	2				90	180	
	Visiting Production Office	1				150	150	
	Tech Services (IT, Computer)	1				120	120	
	Building Management / Operations	2				90	180	
	Security / Stage Door Entry	1				250	250	
	Washrooms	2				65	130	serves admin
E. SITE								
<i>Site Treatment</i>								
	Outdoor Amenities							Pick-Up / Drop-Off / Paths / Marquee
	Outdoor Activation							Film / Dance / Music / Amphitheatre / Festival Hub /
	Parking (typ-2.5mx5m)							Market
	Vehicular Loading Approach							Centralized in VMC?
	Outdoor Terrace - Gathering Space							
F. GROSS FLOOR FACTORS								
<i>Items necessary to fulfill desired program requirements</i>								
	Mechanical Rooms	10%					4,284	
	Electrical Rooms / AV / IT	5%					2,142	
	Structure & Build-up	10%					4,284	
	Innaccessible Areas	5%					2,142	
	Circulation	25%					10,710	
	<i>sub total</i>	55%					23,562	

Program Diagrams

Ground Floor Program

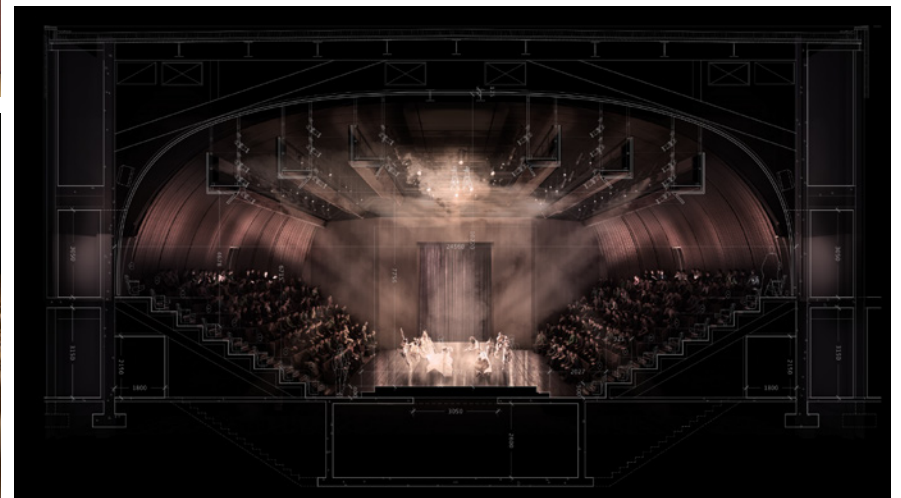
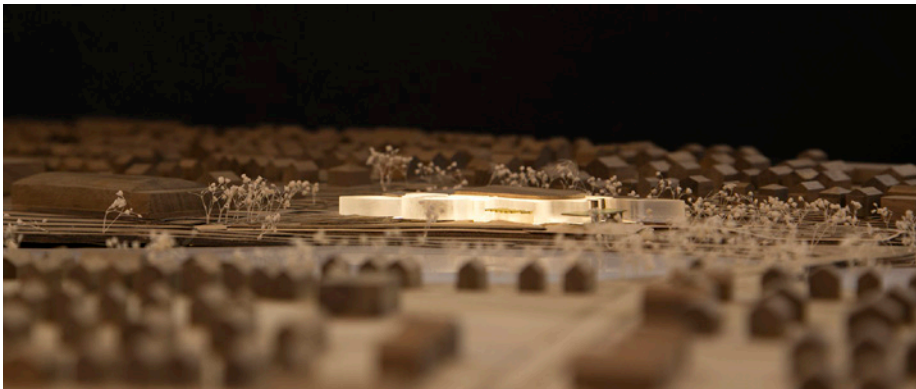


Second Floor Program



Activating Opportunities

Stratford Festival Tom Patterson Theatre - Stratford, ON



Weston Family Learning Centre, Art Gallery of Ontario - Toronto, ON



ROM Welcome Project - Toronto, ON



St Elizabeth Performing Arts School - Thornhill, ON



New World Center - Miami, FL



Andermatt Concert Hall - Andermatt, Switzerland



Writers Theatre - Chicago, IL



Drama Stage of Beihedong Village - Beihedong, China



Gehua Youth and Cultural Center - Qinhuangdao, China



Seinajoki Library - Seinajoki, Finland



George S. and Delores Dore Eccles Theater - Salt Lake City, USA



George S. and Delores Dore Eccles Theater - Salt Lake City, USA



Mont-Laurier Multifunctional Theater - Mont-Laurier, CAN



Alice Tully Hall - New York, NY

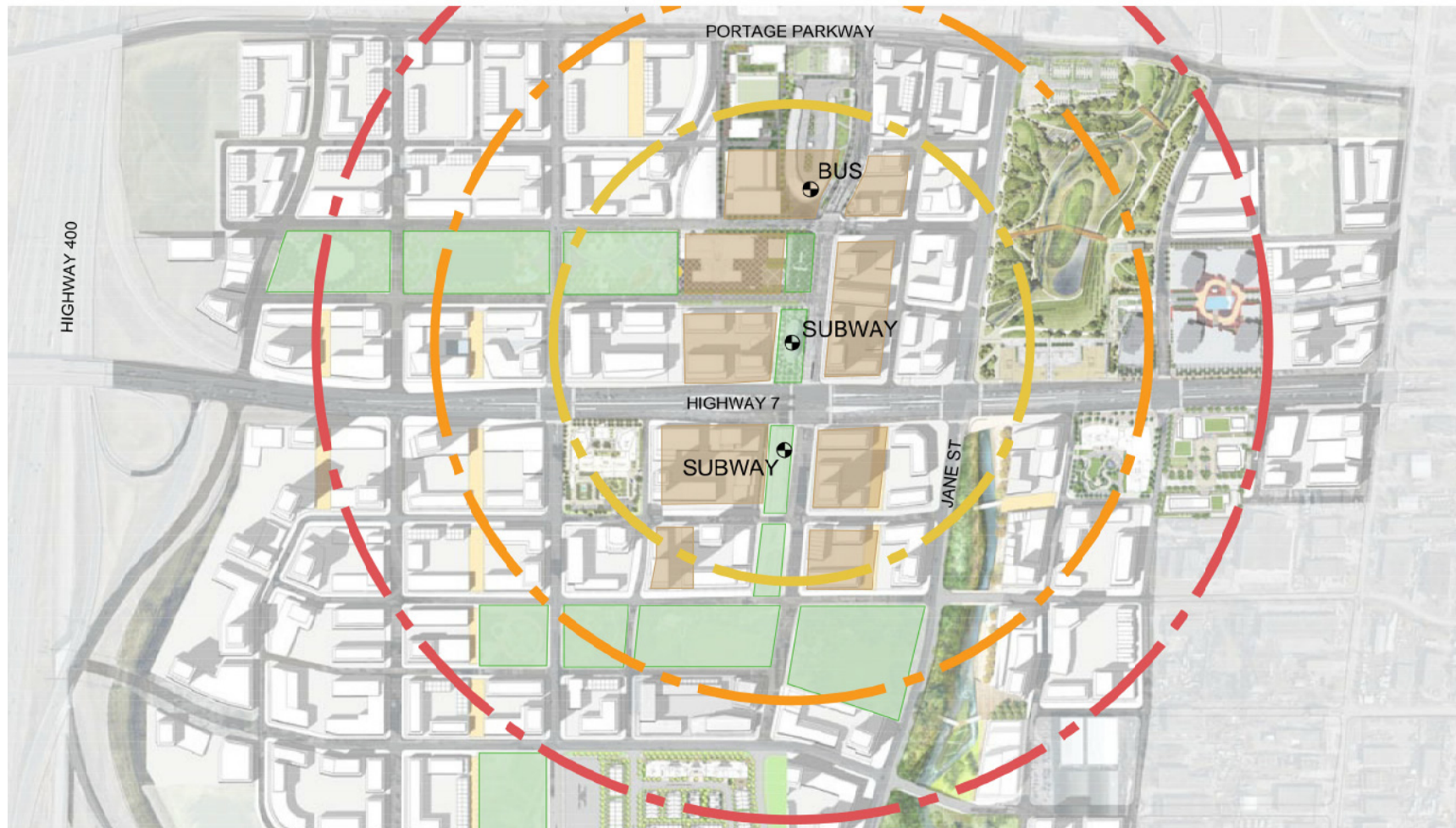


Daniels Spectrum - Toronto, ON



Site Opportunities

Walking Distances from Major Transit and Proximity to Significant Parks



- 5 min. walk
- 10 min. walk
- 15 min. walk

Integrated Podium Option



Park Pavilion Option



Capital Cost Scenarios

Comparable Cost Summary

	<u>Option 1</u> <i>Integrated Podium</i>	<u>Option 2</u> <i>Pavilion in a Park</i>	<u>Option 3</u> <i>Design/Build/Finance</i>	<u>Option 4</u> <i>Capital Lease</i>
Program Area	42,840	42,840	42,840	
Gross Floor Area	66,400 SF	68,540 SF	66,400 SF	66,400 SF
Construction & Equipment	\$ 42.4 M	\$ 45.4 M	\$ 53.9 M	\$ 42.4 M
Underground Parking	\$ 6.0 M	\$ 6.0 M	\$ 7.8 M	\$ 6.0 M
Soft Costs	\$ 15.6 M	\$ 13.2 M	\$ 8.5 M	\$ 12.2 M
Escalation & Contingencies	\$ 6.9 M	\$ 6.9 M	\$ 9.5 M	\$ 6.5 M
Total Project Cost	\$ 70.9 M	\$ 71.5 M	\$ 79.7 M	\$ 67.2 M \$ 63 / SF Annual Lease Cost over 20 Years: 83.4 M

Comparable Cost Detail - Development Options

November 18, 2019	Development Option 1		Development Option 2		Development Option 3	
	Integrated Podium		Pavilion		Design / Build / Finance Procurement	
	2 to 3 Storey Cultural Arts Centre integrated within the podium of a larger Residential or Commercial Development Project. Land may be leased for a 30 year term.		2 Storey Cultural Arts Centre set independently within a Park land setting, used to activate the boundary of either of the 2 main zoned green spaces. The zoning may be amended to allow a public cultural benefit within the Park zone, and the land may be gifted.		Cultural Arts Centre integrated within the podium of a larger Development Project. Design, Financing and Risk is transferred to DBF Proponent at a 30% premium. Total Design Fees may be higher, but 70% of Fees transferred to Proponent. Land is leased for a 30 year term.	
Program Area	SF	42,840	SF	42,840	SF	42,840
Grossing Factor		1.55		1.6		1.55
Gross Floor Area	SF	66,402	SF	68,544	SF	66,402
Cost / SF		\$575		\$600		\$748
Base Construction Cost	\$	38,181,150	\$	41,126,400	\$	49,635,495
Escalation to Tender: 2.5 yrs	8% \$	3,054,492	8% \$	3,290,112	8% \$	3,970,840
Construction Contingency	5% \$	1,909,058	5% \$	2,056,320	2% \$	992,710
Subtotal Construction Cost	\$	43,144,700	\$	46,472,832	\$	54,599,045
Underground Parking - 120 Spaces	\$	6,000,000	\$	6,000,000	\$	7,800,000
Equip, Seating, FFE, IT, Sec, Signage	\$	4,250,000	\$	4,250,000	\$	4,250,000
Development Charges		Excluded		Excluded		Excluded
Permits	\$	400,000	\$	400,000	\$	400,000
Design and Engineering Fees	12% \$	5,177,364	12% \$	5,576,740	5% \$	2,729,952
Administration / Management	3% \$	1,769,162	3% \$	1,880,987	3% \$	2,093,370
Legal Fees		Excluded		Excluded		Excluded
Land Acquisition: \$50/SF	\$	3,300,000	\$	-	\$	3,300,000
Fundraising & Campaign		Excluded		Excluded		Excluded
Subtotal Project Cost	\$	64,041,225	\$	64,580,559	\$	75,172,367
Financing Costs	4% \$	2,561,649.01	4% \$	2,583,222.36		By DBFM Proponent
HST	1.76% \$	1,127,125.57	1.76% \$	1,136,617.84		Excluded
Reserves Replacement Contribution	2% \$	1,280,824.51	2% \$	1,291,611.18		
Project Contingency	3% \$	1,921,236.76	3% \$	1,937,416.77	6% \$	4,510,342.00
Total Project Cost	\$	70,932,061	\$	71,529,427	\$	79,682,709

Comparable Cost Detail - Capital Lease Options

November 18, 2019

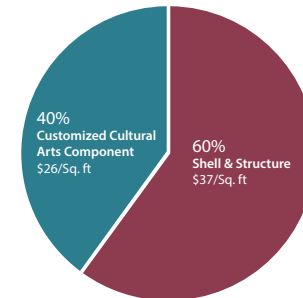
Development Option 4

Capital Lease

Cultural Arts Centre integrated within the podium of a larger Development Project. Operator is a tenant in a head lease agreement. Capital Lease for 20 years with option to purchase. Consider shell and structure costs leased based on Developer ROI of 6%/yr. Consider Customized Cultural Arts Component is amortized at 6%/yr. over 20 years. The City would need to underwrite this agreement to convey stability.

Program Area	SF	42,840
Grossing Factor		1.55
Gross Floor Area	SF	66,402
Cost / SF		\$575
Base Construction Cost	\$	38,181,150
Escalation to Tender: 2.5 yrs	8% \$	3,054,492
Construction Contingency	5% \$	1,909,058
Subtotal Construction Cost	\$	43,144,700
Underground Parking - 120 Spaces	\$	6,000,000
Equip, Seating, FFE, IT, Sec, Signage	\$	4,250,000
Development Charges		Excluded
Permits	\$	400,000
Design and Engineering Fees	12% \$	5,177,364
Administration / Management	3% \$	1,769,161.90
Legal Fees		Excluded
Land Value: \$50/SF	\$	3,300,000
Subtotal Project Cost	\$	64,041,225
HST	1.76% \$	1,127,125.57
Project Contingency	3% \$	1,921,236.76
Total Project Cost	\$	67,089,588
Shell & Structure - Asset	60% \$	40,253,752.60
Annual Lease = Developer ROI at 6%/Year	6% \$	2,415,225.16
Customized Cultural Arts Component	40% \$	26,835,835.07
Annual Amortization (Based on 20 years)**	4% \$	1,753,920.00
**(Based on IO Financing / May Fluctuate)		
Annual Cost of Capital Lease	\$	4,169,145.16
Total Cost Over 20 Years	\$	83,382,903.12

Total Project Cost



\$ 36.37 / SF

\$ 26.41 / SF

\$ 62.79 / SF

VMC Cultural Centre

Pro Forma Operating Model

(2019 C\$)

Draft September 2019



VMC Cultural Centre	
Pro Forma Operating Model	
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VMC Cultural Centre	
Schedule I: Key Assumptions	
Space Assumptions	
Main Hall Capacity	400
Black Box Capacity	100
Gross Square Footage	66,402
Economic Assumptions	
Fringe Benefits (Full-Time)	31.2%
Fringe Benefits (Part-Time)	11.8%
Average Ticket Service Fee	\$4.50
Operating Contingency (% of Expenses)	5.0%
Pro Forma Assumptions	
Concessions per cap	\$7.00

VMC Cultural Centre

Schedule 2: Summary Pro Forma

Operating Overview	Base Year
Earned Revenues	
Ticket Sales	\$536,000
Ticket Fees	\$238,000
Facility Rentals	\$166,000
Concessions	\$35,000
Rental Additions/Chargebacks (gross)	\$375,000
Anchor Tenant Rental Revenue	\$102,500
Total Earned Revenues	\$1,452,500
Operating Expenses	
Season Programming	\$466,000
Theatre Operations	\$233,000
Administrative	\$58,000
Building Operations	\$646,000
Compensation (FTE personnel)	\$965,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000
Operating Result Before Contributions + Subsidy	(\$1,033,500)
Contributed Revenues	
Direct City Support	
Contributions, Sponsorships, Grants (etc.)	
Total Contributed Revenues	\$0
Net Operating Result	(\$1,033,500)

VMC Cultural Centre	
Schedule 3: Expense Summary	Base Year
Season Programming	
Presented Season	\$466,000
Subtotal Season Programming	\$466,000
Theatre Operations	
Compensation	\$309,000
Contract/Hourly Event Staff	\$167,000
Box Office and Front of House Ops	\$42,000
Equipment, Maintenance, Supplies	\$24,000
Subtotal Theatre Operations	\$542,000
Administrative	
Compensation	\$551,000
Professional Fees, Staff Development/Travel	\$17,000
Institutional Marketing	\$10,000
Office Operations, Supplies, and Equipment	\$26,000
Other	\$5,000
Subtotal Administrative	\$609,000
Building Operations	
Compensation	\$105,000
Utilities (gas, electric, water, sewer)	\$249,000
Insurance and Security	\$83,000
Cleaning and Maintenance	\$139,000
Annual Capital Improvements	\$175,000
Subtotal Building Operations	\$751,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000

VMC Cultural Centre	
Schedule 4: Revenue Summary	Base Year
Season Programming	
Ticket Sales	\$536,000
Subtotal Season Programming	\$536,000
Rentals	
Main Hall Rentals	\$102,000
Performance Lab Rentals	\$64,000
Rental Additions/Chargebacks	\$375,000
Subtotal Rentals	\$541,000
Ancillary	
Ticket Fees	\$238,000
Concessions	\$35,000
Anchor Tenant Rental Revenue	\$102,500
Subtotal Ancillary	\$375,500
Total Revenue	\$1,452,500

VMC Cultural Centre									
Schedule 5: Main Hall Presented Season	Base Year	Avg Ticket Price	Avg % Sold	Avg Paid Attend	Artist Fee (Avg/Perf)	Prod/ Mktg (% of Fee)	Forecast Rev (Avg/Typol)	Forecast Exp (Avg/Typol)	Net Contrib (Avg/Typol)
Typology	Events	Basis per Typology					Average per Typology		
Circus	1	\$35	75%	300	\$6,500	35%	\$10,500	\$8,775	\$1,725
Conference	0	\$10	75%	300	\$2,000	35%	\$0	\$0	\$0
Cultural	10	\$7	75%	300	\$3,000	35%	\$21,000	\$40,500	(\$19,500)
Dance	7	\$40	75%	300	\$6,000	35%	\$84,000	\$56,700	\$27,300
Educational	0	\$10	75%	300	\$4,750	35%	\$0	\$0	\$0
Festival	0	\$5	75%	300	\$9,000	35%	\$0	\$0	\$0
Film	30	\$16	45%	180	\$3,000	35%	\$86,400	\$121,500	(\$35,100)
Music	14	\$50	75%	300	\$6,000	35%	\$210,000	\$113,400	\$96,600
Opera	0	\$50	75%	300	\$10,000	35%	\$0	\$0	\$0
Presentation	0	\$20	75%	300	\$6,000	35%	\$0	\$0	\$0
Spoken Word	1	\$30	75%	300	\$3,000	35%	\$9,000	\$4,050	\$4,950
Theatre	9	\$40	80%	320	\$10,000	35%	\$115,200	\$121,500	(\$6,300)
Summary (totals or averages):		72	\$27	63%	18,180	\$4,799	\$536,000	\$466,000	\$70,000

VMC Cultural Centre					
Schedule 6: Ticket Fee Revenues	Avg % Sold	Avg # Sold	Base Year		
			Event Days	Paid Attend	Ticket Fees
Use Type, Main Hall	\$ 4.50				
Market-rate Rental	75%	300	11	3,300	\$15,000
Community	75%	300	8	2,400	\$11,000
Not-for-profit	75%	300	7	2,100	\$9,000
Partnership	75%	300	2	600	\$3,000
City of Vaughan - Commissioned Work	75%	300	4	1,200	\$5,000
City of Vaughan	75%	300	14	4,200	\$19,000
Presentation	75%	300	72	21,600	\$97,000
Anchor Tenant	75%	300	37	11,100	\$50,000
Use Type, Performance Lab	\$ 4.50				
Market-rate Rental	75%	75	16	1,200	\$5,000
Community	75%	75	16	1,200	\$5,000
Not-for-profit	75%	75	35	2,625	\$12,000
Partnership	75%	75	0	0	\$0
City of Vaughan - Commissioned Work	75%	75	4	300	\$1,000
City of Vaughan	75%	75	4	300	\$1,000
Presentation	75%	75	0	0	\$0
Anchor Tenant	75%	75	16	1,200	\$5,000
Subtotal Ticket Fees			246	53,325	\$238,000

VMC Cultural Centre						
Schedule 7: Main Hall Rental Rates & Revenues	Basis (Hrs)	Performance Rental Rate	Performance Days	Non-Performance Rate	Non-Performance Days	Rental Fees
Use Type						
Market-rate Rental	8	\$2,080	11	\$1,560	5	\$31,000
Community	8	\$1,768	8	\$1,326	4	\$19,000
Not-for-profit	8	\$1,768	7	\$1,326	3	\$16,000
Partnership	8	\$1,768	2	\$1,326	0	\$4,000
City of Vaughan - Commissioned Work	8	\$1,768	4	\$1,326	0	\$7,000
City of Vaughan	8	\$1,768	14	\$1,326	0	\$25,000
Subtotal Rental Fees			46		12	\$102,000

VMC Cultural Centre						
Schedule 8: Performance Lab Rental Rates and Revenues	Basis (Hrs)	Performance Rental Rate	Performance Days	Non-Performance Rate	Non-Performance Days	Rental Fees
Use Type						
Market-rate Rental	8	\$520	16	\$390	2	\$9,000
Community	8	\$442	16	\$332	0	\$7,000
Not-for-profit	8	\$442	35	\$332	84	\$43,000
Partnership	8	\$442	0	\$332	0	\$0
City of Vaughan - Commissioned Work	8	\$442	4	\$332	4	\$3,000
City of Vaughan	8	\$442	4	\$332	0	\$2,000
Subtotal Rental Fees			75		90	\$64,000

VMC Cultural Centre						
Schedule 9: Chargebacks	Base Year					
GROSS REVENUES	Rates Charged		Average Hours per Event	Average # of Staff per Event	# Event Days	Total
Box Office Set-up Fee	\$300		n/a	n/a	105	\$31,000
Equipment Rental Fee	\$200		n/a	n/a	112	\$22,000
Technical Director (pp/hr)	\$55		8	1	164	\$72,000
Technicians (pp/hr)	\$45		8	2	164	\$118,000
Security/Front of House (pp/hr)	\$40		8	2	103	\$66,000
Custodial (pp/hr)	\$35		8	2	119	\$66,000
Subtotal, Gross Revenues						\$375,000
EXPENSES	Rates Charged	% Payroll Costs	Average Hours per Event	Average # of Staff per Event	# Event Days Worked	Total
Technicians (pp/hr)	\$27	12%	8	2	164	\$79,000
Security/Front of House (pp/hr)	\$25	12%	8	2	103	\$46,000
Custodial (pp/hr)	\$20	12%	8	2	119	\$42,000
Subtotal, Expenses						\$167,000
NET REVENUES						\$208,000

VMC Cultural Centre							
Schedule 10: Food & Beverage	Capture Rate	Per Cap	Avg % Sold	Avg # Sold	Base Year		
					Event Days	Paid Attend	Concession Sales
User Type, Main Hall							
Market-rate Rental	50%	\$7.00	75%	300	11	3,300	\$12,000
Community	10%	\$7.00	75%	300	8	2,400	\$2,000
Not-for-profit	50%	\$7.00	75%	300	7	2,100	\$7,000
Partnership	50%	\$7.00	75%	300	2	600	\$2,000
City of Vaughan - Commissioned Work	50%	\$7.00	75%	300	4	1,200	\$4,000
City of Vaughan	50%	\$7.00	75%	300	14	4,200	\$15,000
Presentation	50%	\$7.00	75%	300	72	21,600	\$76,000
Anchor Tenant	50%	\$7.00	75%	300	37	11,100	\$39,000
User Type, Performance Lab							
Market-rate Rental	50%	\$7.00	75%	75	16	1,200	\$4,000
Community	10%	\$7.00	75%	75	16	1,200	\$1,000
Not-for-profit	50%	\$7.00	75%	75	35	2,625	\$9,000
Partnership	50%	\$7.00	75%	75	0	0	\$0
City of Vaughan - Commissioned Work	50%	\$7.00	75%	75	4	300	\$1,000
City of Vaughan	50%	\$7.00	75%	75	4	300	\$1,000
Presentation	50%	\$7.00	75%	75	0	0	\$0
Anchor Tenant	50%	\$7.00	75%	75	16	1,200	\$4,000
					Gross		\$177,000
					Net to VMC Cultural Centre		20%
Subtotal Concession Sales					246	53,325	\$35,400

VMC Cultural Centre					
Schedule I I: Anchor Tenant Revenue		Occupancy Basis	Rate / square foot	SF Leased	Annual Rental Revenue
Use Type	Basis Organization				
Anchor Tenant #1	<i>York Regional Arts Council</i>	Annual	\$20	1,000	\$20,000
Anchor Tenant #2	<i>Vaughan International Film Festival</i>	Annual	\$20	1,000	\$20,000
Anchor Tenant #3	<i>Arcadia Music Foundation</i>	Annual	\$25	2,500	\$62,500
Subtotal Rental Fees					\$102,500

Anchor Tenant Share of Occupancy Costs					
	Utilities	Insurance	Security	Cleaning & Maint.	Annual Cap. Improvements
<i>Facility total:</i>	<i>\$249,000</i>	<i>\$17,000</i>	<i>\$66,000</i>	<i>\$139,000</i>	<i>\$175,000</i>
<i>PSF Basis</i>	<i>\$3.75</i>	<i>\$0.25</i>	<i>\$1.00</i>	<i>\$2.10</i>	<i>\$2.63</i>
Anchor Tenant #1	\$3,750	\$250	\$1,000	\$2,100	\$3,000
Anchor Tenant #2	\$3,750	\$250	\$1,000	\$2,100	\$3,000
Anchor Tenant #3	\$9,375	\$625	\$2,500	\$5,250	\$7,000
Subtotal, anchor tenant contribution to occupancy expenses					\$45,000

VMC Cultural Centre	
Schedule 12: Theatre Operations	Base Year
Theatre Operations	
Contract/Hourly Event Staff (External)	\$167,000
Software and Ticketing (annual fee)	\$10,000
Box Office Operations	\$26,800
Usher Program Expense	\$700
Misc Front of House (decorations, etc)	\$4,800
Equipment and Consumable Supplies	\$14,400
Repair and Maintenance (tech equipment)	\$9,600
Subtotal Theatre Operations	\$233,300

VMC Cultural Centre

Schedule 13: Administrative Expenses	Base Year
<i>Administrative Expenses</i>	
Professional Fees (CPA, Legal, Website, etc.)	\$5,000
Professional Dues, Travel, Conferences	\$6,100
Professional Development/Recruitment	\$5,500
Institutional Marketing	\$10,000
Telephone/Internet (headcount basis)	\$8,800
Office Operations (Postage, Print/Copy, etc.)	\$6,000
Office Equipment/Supplies (headcount basis)	\$11,000
Other Admin Expenses	\$5,000
<i>Subtotal Administrative Expenses</i>	\$57,400

VMC Cultural Centre	
Schedule 14: Building Operations	Base Year
<i>Building Operations</i>	
Utilities (Gas, Electric, Water, Sewer)	\$249,000
Insurance	\$17,000
Security	\$66,000
Regular Cleaning & Maintenance	\$139,000
Annual Capital Improvements	\$175,000
<i>Subtotal Building Operations</i>	\$646,000

VMC Cultural Centre					
Schedule 15: Staffing and Compensation					
Title	Expense Category	Base Salary	Status	% Benefits	Base Year
VMC Manager	Administrative	\$85,000	FT	31.20%	\$112,000
Asst. VMC Manager/Anchor Tenant Liaison	Administrative	\$65,000	FT	31.20%	\$85,000
Business Manager	Administrative	\$60,000	FT	31.20%	\$79,000
Programming Manager	Administrative	\$75,000	FT	31.20%	\$98,000
Asst. Programming Manager	Administrative	\$60,000	FT	31.20%	\$79,000
Marketing & Sponsorship Manager	Building Operations	\$80,000	FT	31.20%	\$105,000
Digital Media/Marketing Coordinator	Administrative	\$75,000	FT	31.20%	\$98,000
Technical Director/Production Manager	Theatre Operations	\$60,000	FT	31.20%	\$79,000
Assistant Technical Director	Theatre Operations	\$50,000	FT	31.20%	\$66,000
Patron Services Coordinator	Theatre Operations	\$65,000	FT	31.20%	\$85,000
Event Services Coordinator	Theatre Operations	\$60,000	FT	31.20%	\$79,000
Subtotal Compensation					\$965,000