



VMC Cultural Centre  
*a creative hub*

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Presentation to VMC Sub-Committee



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PROJECT SCOPE

Phase I

Part 1

- Background review
- Kick-off
- Market Analysis
- Environmental Scan/Inventory
- User Needs

Part 2

- Industry Trends
  - Recommendations and Risks
- ✓ **Deliverable**

Part 3

- Community Meetings
- ✓ **Deliverable**

Phase II

Part 1

- Comparative Case Studies
- Management Plan
- Operating Pro Forma
- Impact Analysis

Part 2

- Funding and Marketing Strategies
  - Workshop and Presentation
- ★ **Deliverable**



# A Facility Development Approach Hinges on the Vision for Economic and Program Impacts

## Economic Vision

*Cultural centre development is typically grounded in one of these intentions*

### **Economic Development**

*Activates creative industries from far and wide, with economic development a key measure of success*

### **Community Based**

*Activates community arts stakeholders, with economic development a secondary impact*

## Programmatic Vision

*The nature and scope of activity is guided by the economic vision, and sets the stage for facility development*

### **A Creative Hub**

*Activities represent a diversity of cultural and disciplinary traditions, with a focus on participatory and "one of a kind" experiences.*

### **A "Palace of Culture"**

*A home for traditional performing arts : symphony, opera, ballet, theatre, and other (mostly touring) activities*

## Development Implications

*Facility development and operation is informed by desired, achievable programmatic impacts*

### **Accommodations**

*Suitable for a diversity of activities catering to upscale and more casual types of use, in a range of genres*

### **Partnerships**

*From development through operation, partnerships linking public and private sector stakeholders will be key*

### **Design**

*Flexible space with configurable seating, innovative infrastructure and equipment*

### **Financial Implications**

*Capital costs reflect design  
Operating costs and subsidy hinge on activity, partnerships*



## VISION

## Vaughan's Opportunity: Drive Economic Development Through a Creative Hub

*The VMC cultural centre goals are to...*

- **Vision:** Gather people to a creative hub
- **Programming:** Offer a mix of high-quality local and more distant content
- **Partnerships and users:** Select local partners and market-rate users
- **Design:** Appeal to many users with a quality, flexible space/set of spaces
- **Capital funding:** Secure funding through public-private collaboration
- **Operating finances:** Engage public and private subsidy, with earned revenue offsetting program costs
- **Governance:** Not-for-profit (existing or new entity)

*Aligned with these principles...*

Economic  
Development

Creative Industry  
Growth

Downtown Vitality

*...Achieving these impacts*

**Activate**

**Inspire**

**Collaborate**

**Educate**

**Innovate**

## VISION

**Economic Development Drives Additional Benefits**

## Quality of Life

- Diversified activities
- City brand
- New resident retention

## New Visitation

- Regional and national tourism and leisure

## Spin-Off Development

- 'Cluster' development of creative industries
- Retail and hospitality development in proximity to arts and culture spaces

## Economic Impact

- Stimulate 100M+ in economic activity related to initial construction
- Direct 2.5M annual boost to local economy
- Indirect impact boost to supply chain, hospitality & retail
- Benefit for businesses, jobs, and households in VMC, Vaughan, and GTA

## Success, Defined

Vision

Design

Capital  
Funding

Governance

Programming

Partnerships  
& Users

Operating  
Finances

### A flexible hub

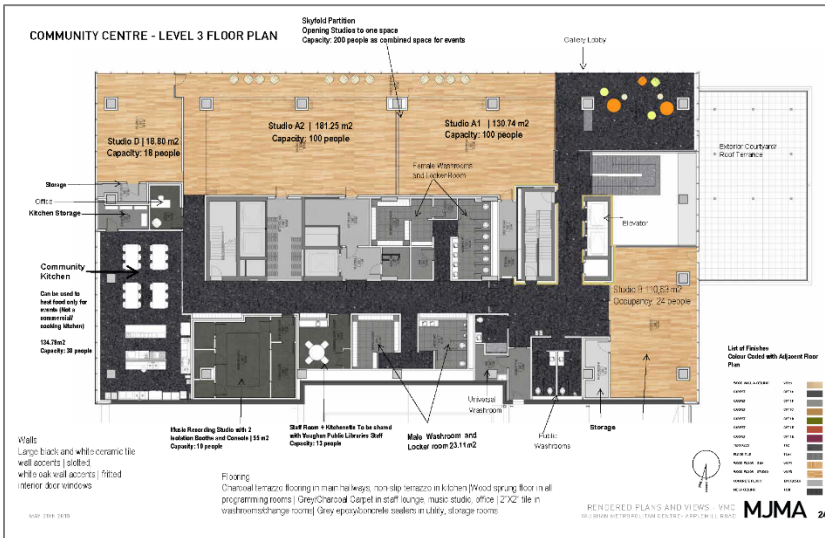
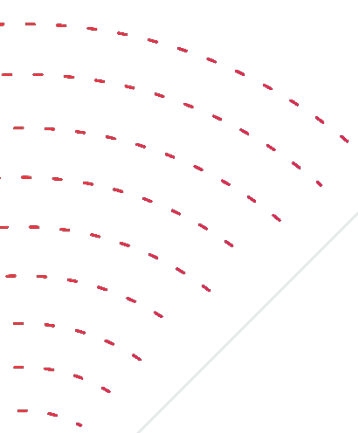
engaged with the **private sector**

and **operated by an independent agency,**

the cultural centre showcases **high-quality, unique content**  
and **features 'preferred' local content providers.**

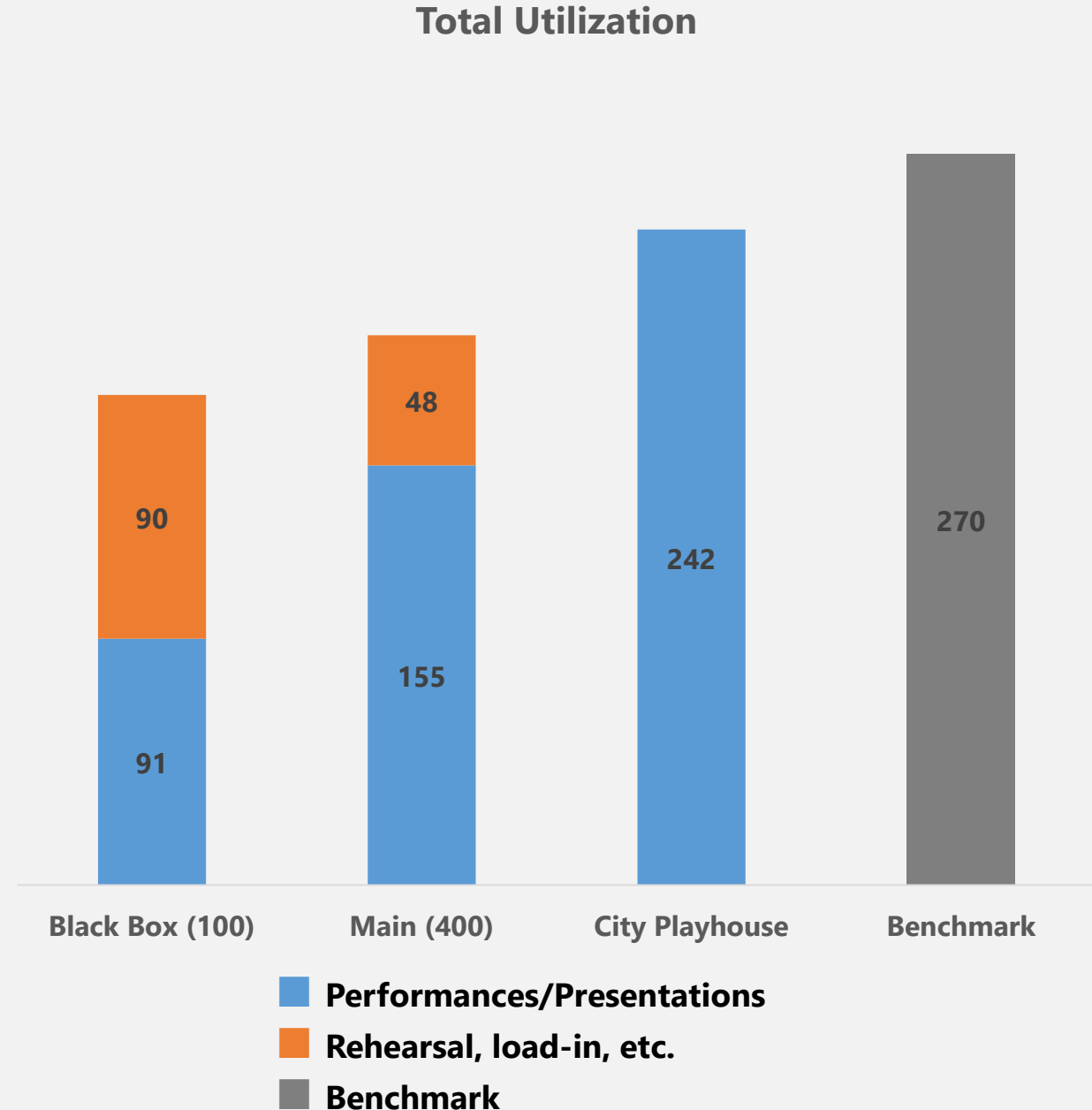
VISION

# A New Venue Builds Squarely on the Growing Complement of Cultural Offerings



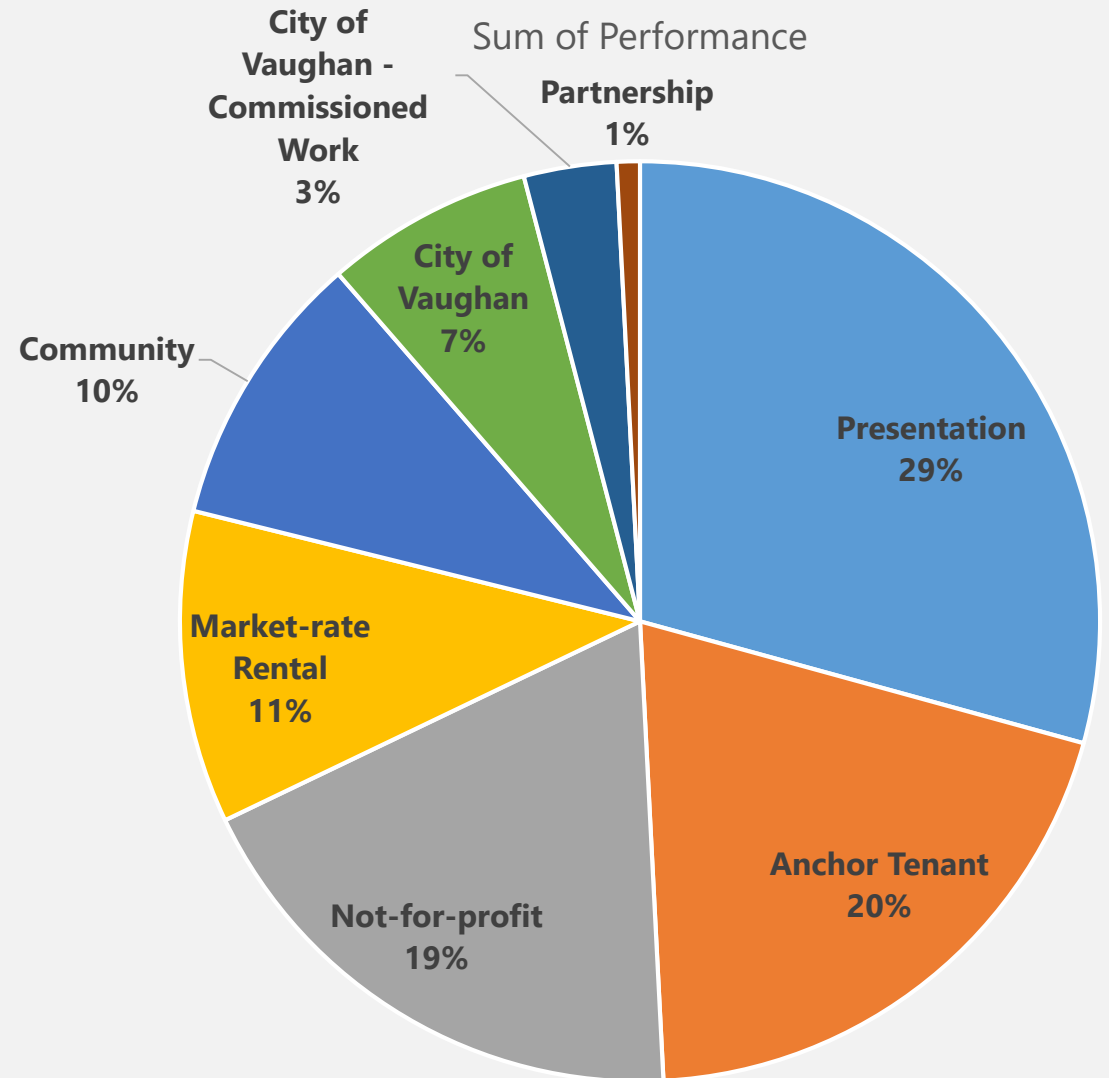
## Base utilization is strong, while making room for new entrants to Vaughan's creative sector

- Available content and local interest **drive Black Box activity significantly**
- **City priorities and 'flagship' events drive the Main Hall's activation**



## A mix of users draws in local expertise and makes room for a unique showcase

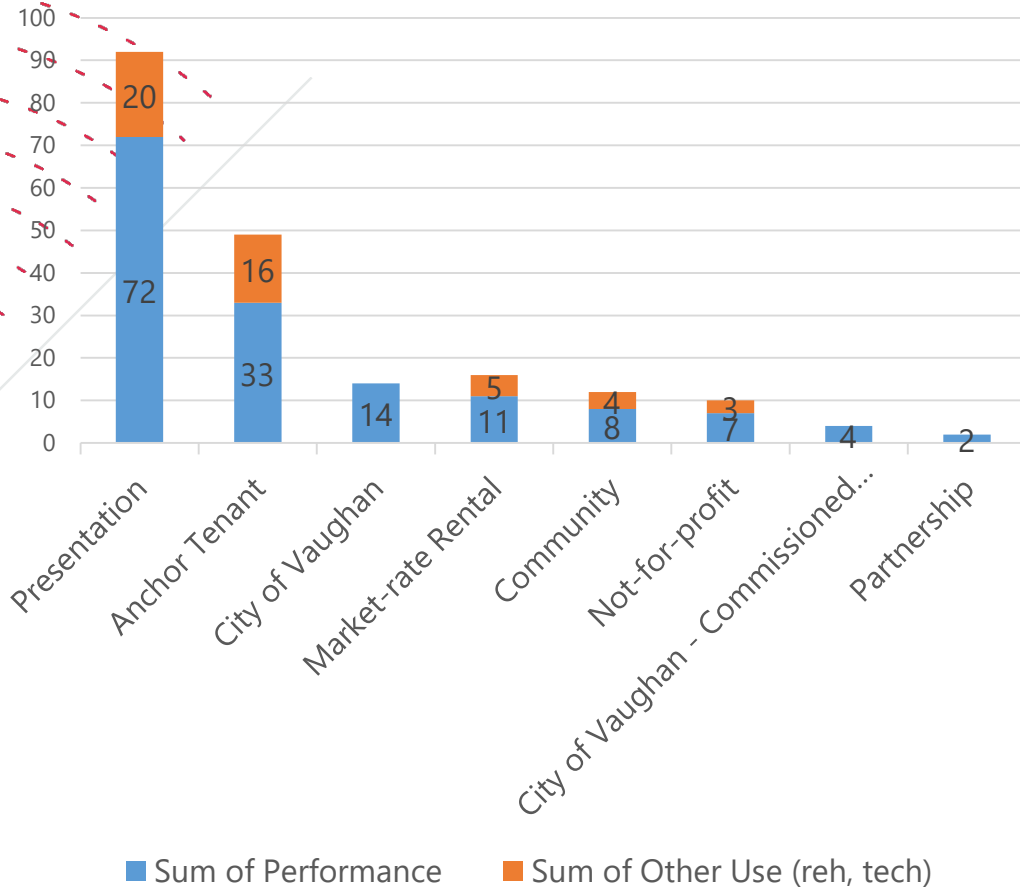
- Centre presentations and the work of anchor tenants will fill **49% of all performances**
- Private users from not-for-profit, commercial, and community sectors contribute **40% of all performances**
- The City of Vaughan and key partners to be identified will animate the cultural centre for the remaining **11% of performance days**, driving Vaughan's growing cultural resources to the venue and the VMC



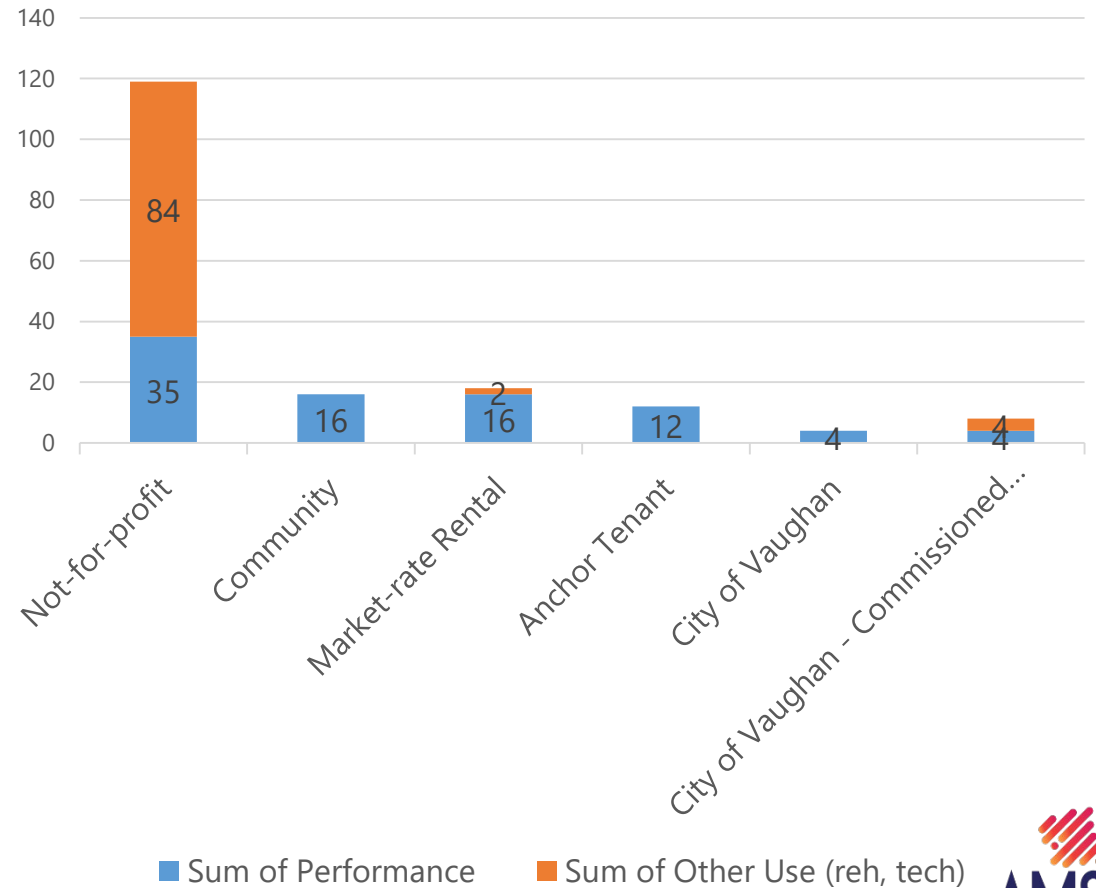
ACTIVITY PROFILE

# Main Hall presentations are key to animating the centre

Main Hall User Mix

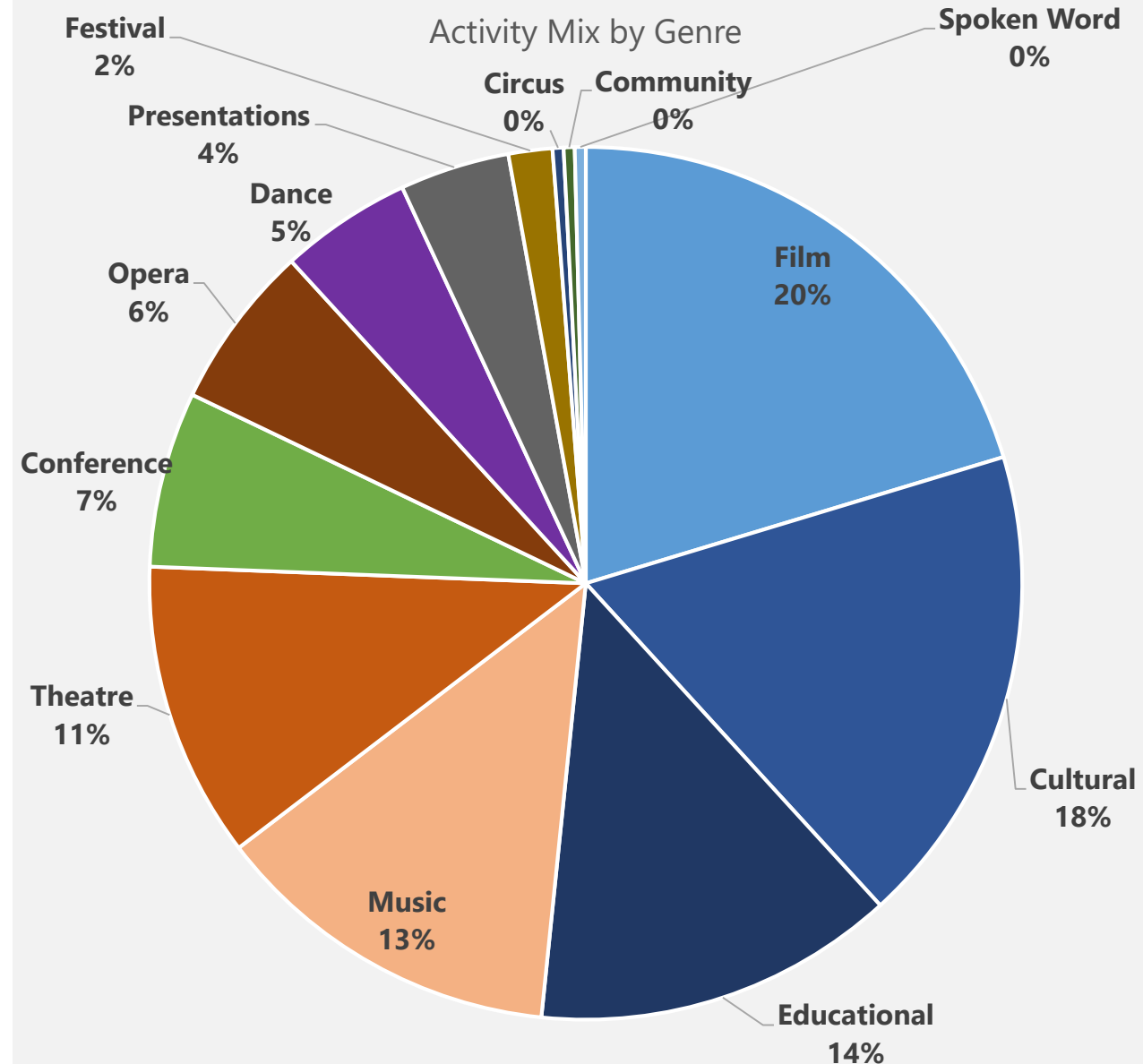


Black Box User Mix



## Film, heritage, and learning opportunities are over half of the public activity days

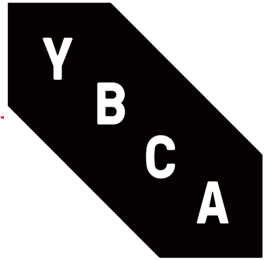
- **Film, cultural activity, and educational offerings** combined represent **52% of all public activity**, leveraging existing creative assets and meeting key City stakeholder priorities
- **Music, theatre, opera, and dance activity** combined make up **22% of all public activity**, drawing local, regional, national, and international creative talent while controlling costs





ACTIVITY PROFILE

# Main Hall activity examples



**YERBA BUENA  
CENTER FOR  
THE ARTS**





ACTIVITY PROFILE

Ancillary spaces

DANIELS SPECTRUM



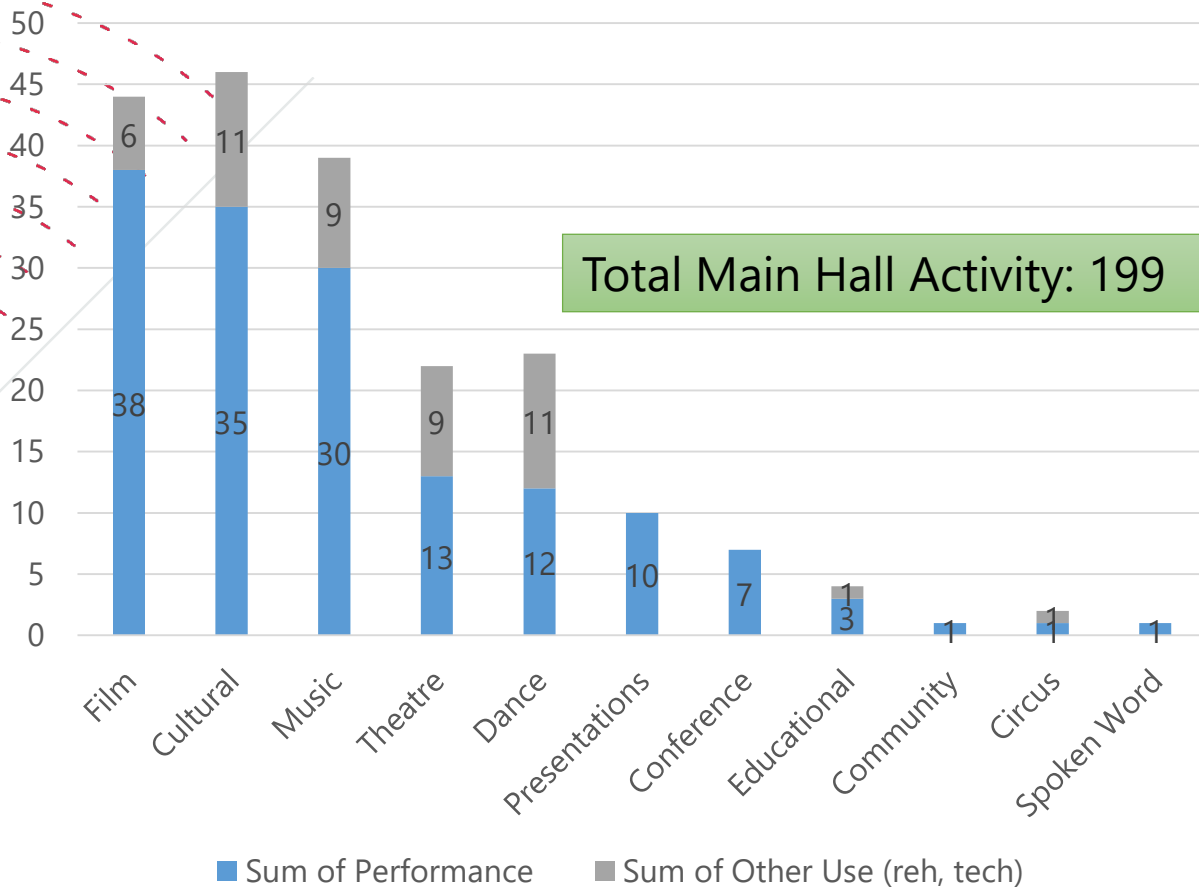
YERBA BUENA CENTER FOR THE ARTS



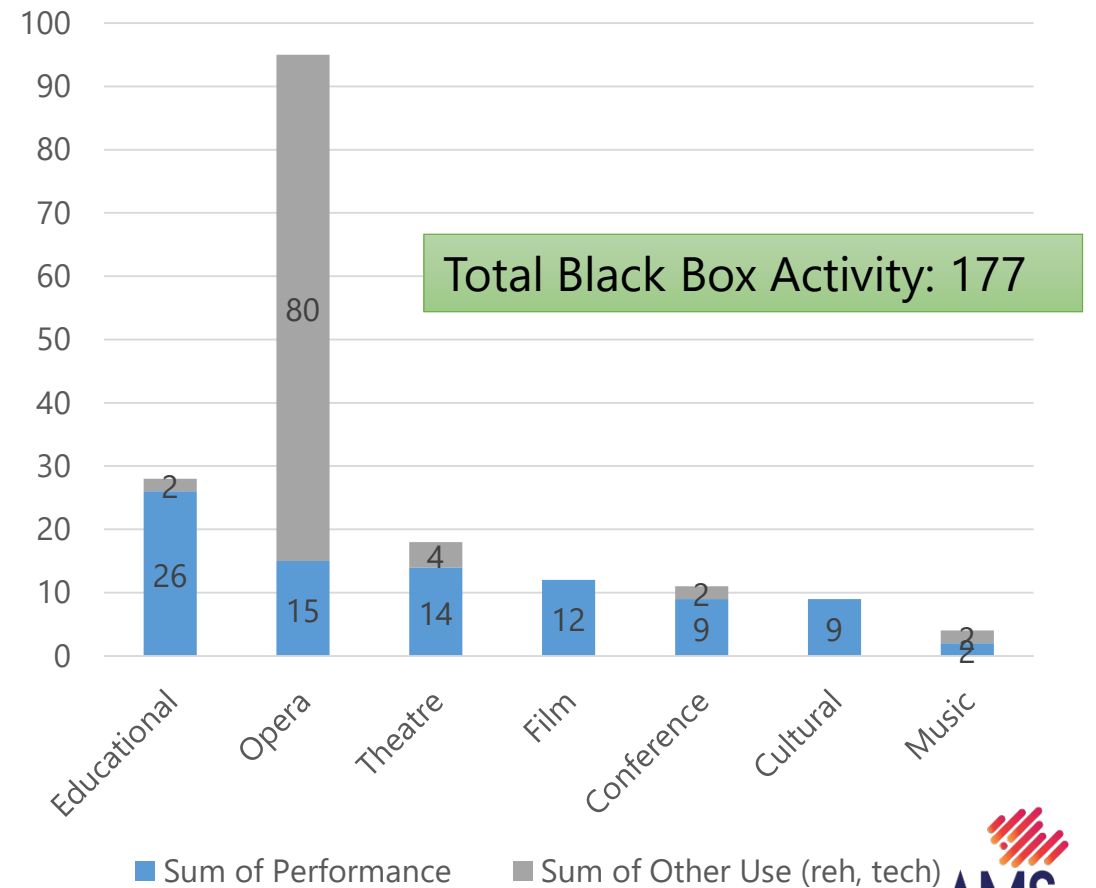
ACTIVITY PROFILE

Activity is positively tilted towards public or audience days

Main Hall Activity by Genre



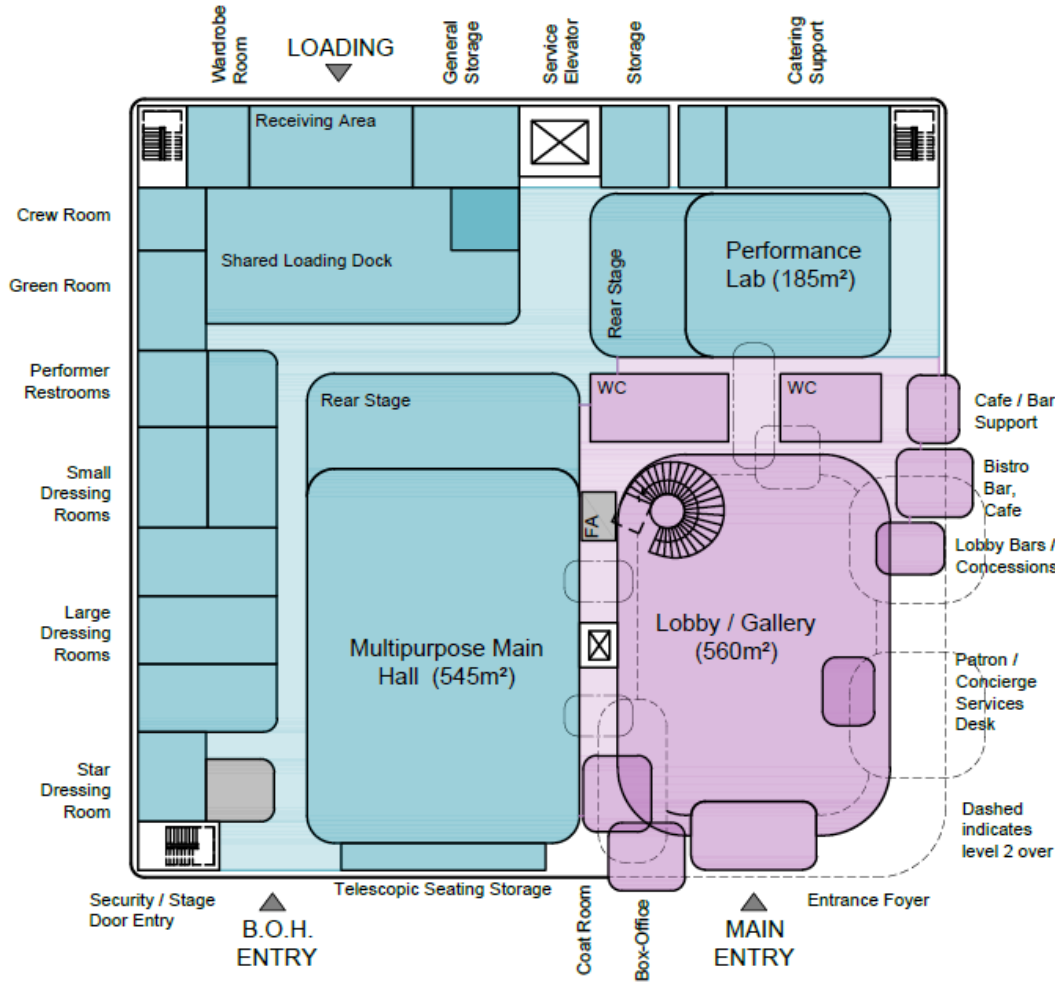
Black Box Activity by Genre



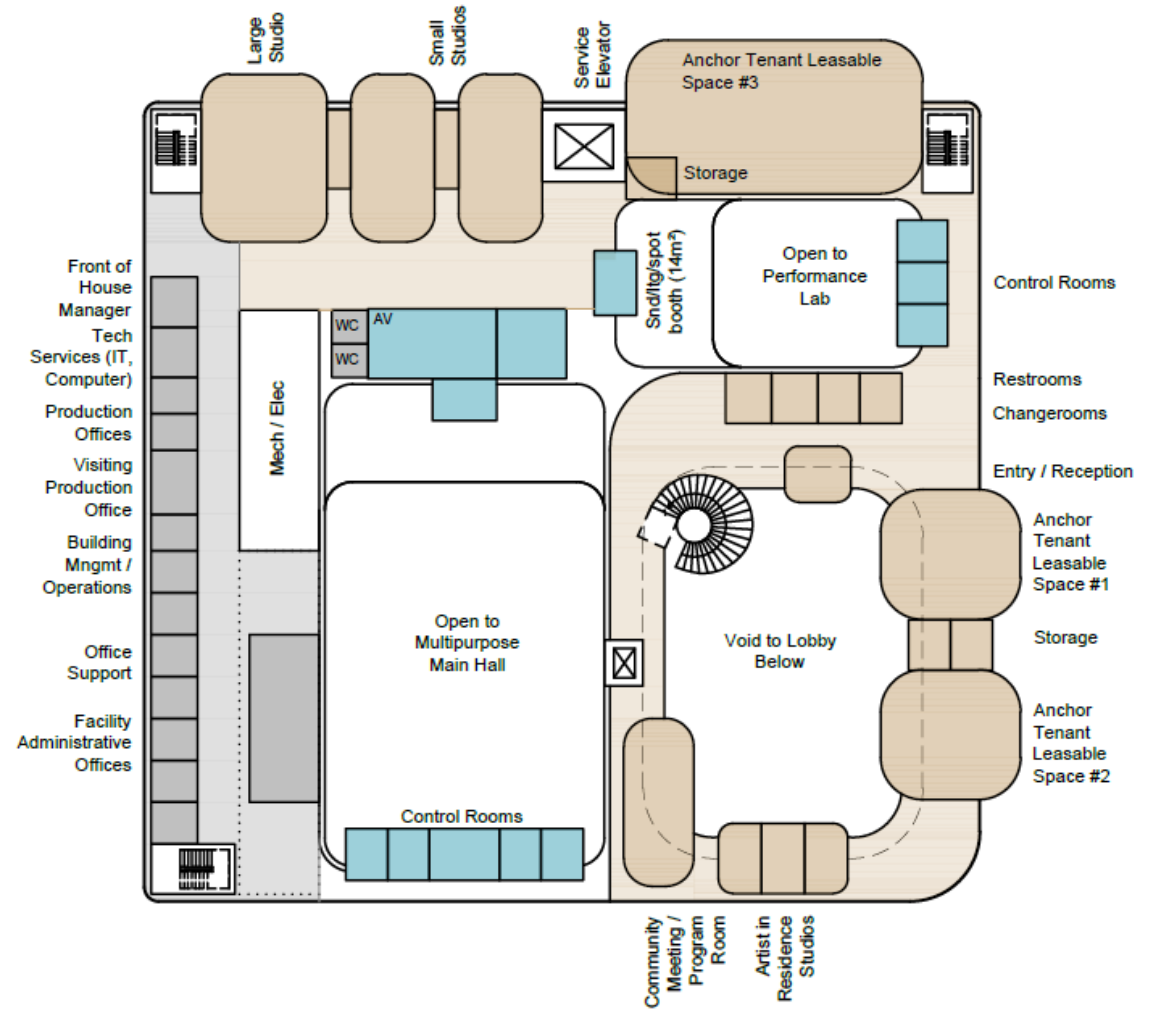
## Facility Program

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
<b>Program Total</b>	<b>100%</b>	<b>42,840</b>
<i>Gross Floor Factors</i>	<b>55%</b>	<b>23,562</b>
<b>TOTAL AREA</b>		<b>66,402 SF</b>

# Program Diagrams

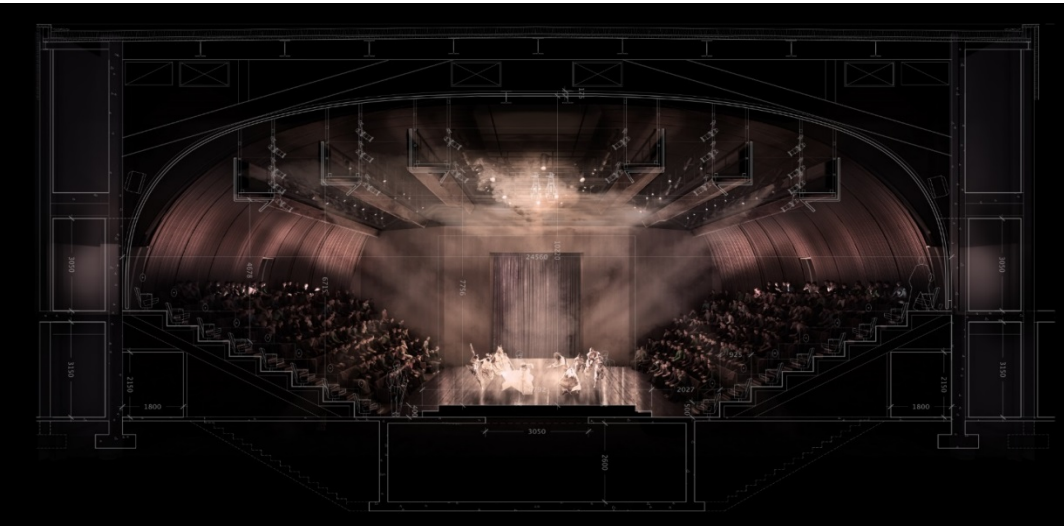


Ground Floor Program



Second Floor Program

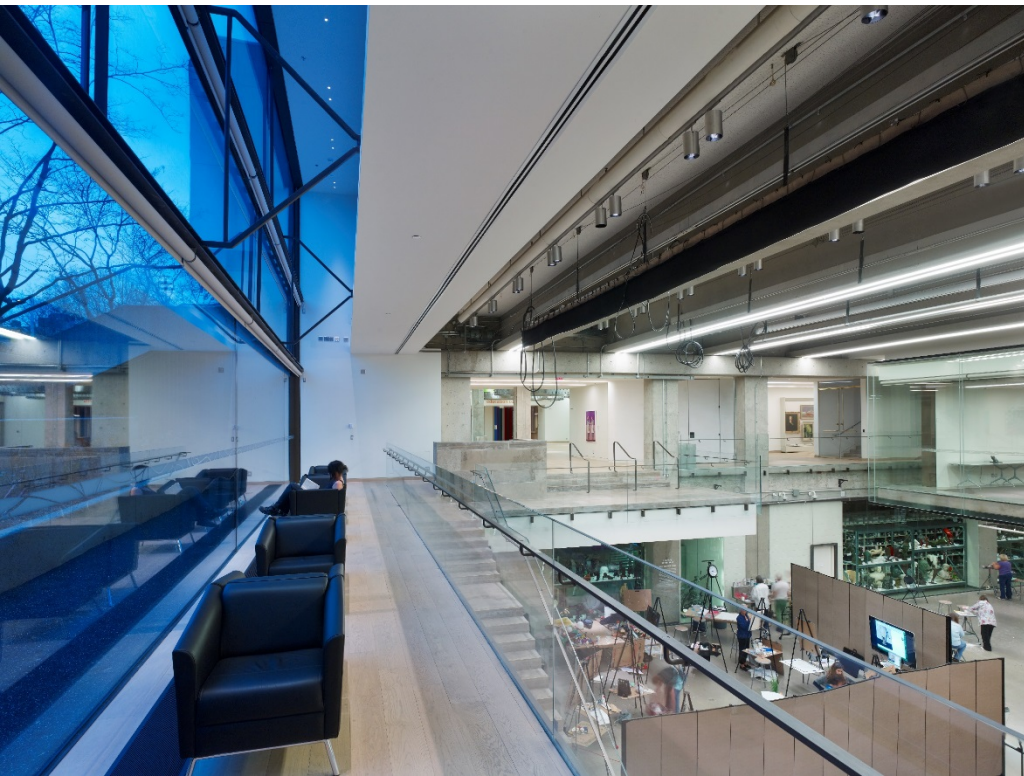




Stratford Festival, New Tom Patterson Theatre, Stratford ON

## Activating Opportunities





AGO - Weston Family Learning Centre, Toronto ON





St Elizabeth Performing Arts School - Thornhill, ON



New World Center - Miami, FL





Andermatt Concert Hall - Andermatt, Switzerland



Writers Theatre - Chicago, IL



Gehua Youth and Cultural Center - Qinhuangdao, China





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





Alice Tully Hall - New York, NY



Seinajoki Library - Seinajoki, Finland



Drama Stage of Beihedong Village, China





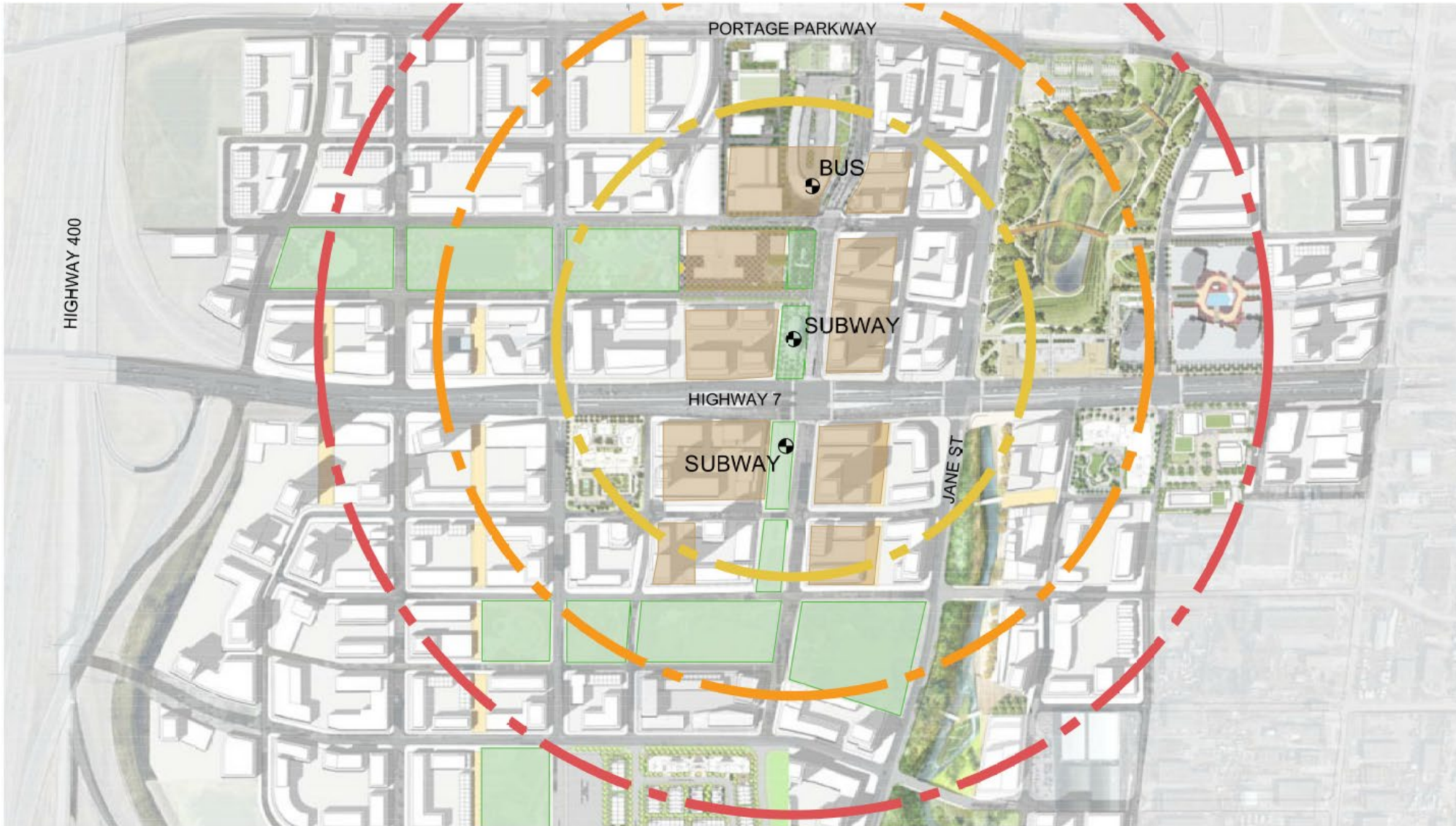
Mont-Laurier Multifunctional Theater - Mont-Laurier, PQ



Daniels Spectrum - Toronto, ON



# Site Opportunities



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

Walking Distances from Major Transit  
Proximity to Significant Parks





Culture Hub in the VMC - Integrated Podium





Culture Hub in the VMC – Park Pavilion

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## VMC Cultural Arts Centre - Development Options & Capital Costs

	<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
<b>Total Project Cost</b>	<b>\$ 70.9 M</b>	<b>\$ 71.5 M</b>	<b>\$ 79.7 M</b>	<b>\$ 67.2 M</b> \$ 63 / SF Annual Lease Cost over 20 Years: 83.4 M



# Operating Model

Framing the financial outcomes

Operating results are independent of operating model or development structure

VMC Cultural Centre	
Schedule 1: Key Assumptions	
<b>Space Assumptions</b>	
Main Hall Capacity	400
Black Box Capacity	100
Gross Square Footage	66,400
<b>Economic Assumptions</b>	
Fringe Benefits (Full-Time)	31.2%
Fringe Benefits (Part-Time)	11.8%
Average Ticket Service Fee	\$4.50
Operating Contingency (% of Expenses)	5.0%
<b>Pro Forma Assumptions</b>	
Concessions per cap	\$7.00

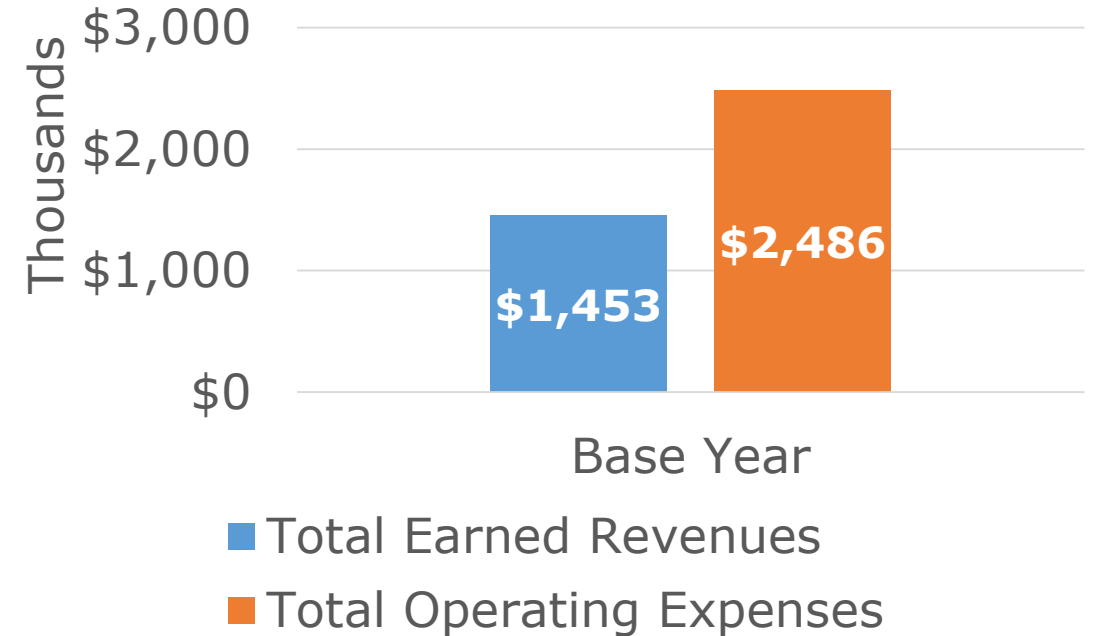
## Summary

VMC Cultural Centre	
Schedule 2: Summary Pro Forma	
Operating Overview	Base Year
Total Earned Revenues	\$1,452,500
Total Operating Expenses	\$2,486,000
Operating Result Before Contributions + Subsidy	(\$1,033,500)
Total Contributed Revenues	\$0
Net Operating Result	(\$1,033,500)

*Financial data from comparative market venues shows an average operating deficit of \$535,000.*

*Deficits for individual centres range from \$0 (break even) to \$1.5M.*

## Summary Financial Results



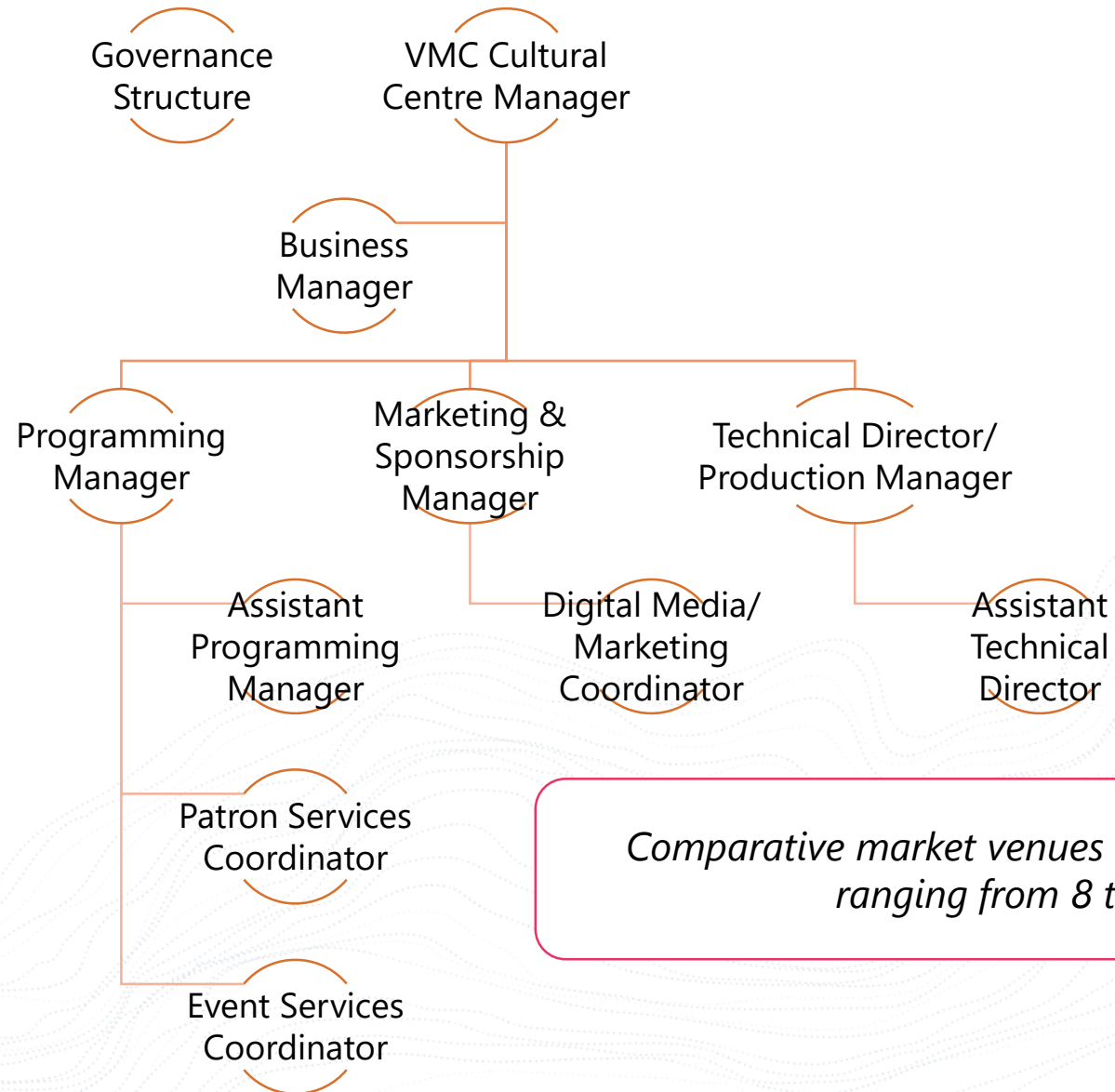
*Earned revenue is 58% of operating expenses*

*Comparative market venues see average earned revenue representing 68% of operating expenses, ranging from 47% to 96%.*

# Staffing Recommendations

Lean staffing enables innovation

10 person staffing model



*Comparative market venues have an average of 22 staff, ranging from 8 to 50 personnel.*

## Recommendations

*Policy couches economic, stakeholder, and design decision*

*Implementation will flow from policy and the work to date*

- **A private (nonprofit) operator** will need predictable relationships with the developer and City
- **Subsidy** will be needed to offset operating requirements
- **Collaboration with prospective anchor tenants** and other stakeholders will be key to driving the level and quality of programming envisioned
- **Early programming**, akin to Daniels Spectrum's pre-building initiatives, will develop an audience and (potential) donor base
  
- The **policy context** will impact...
  - Amount of subsidy needed
  - Nature and breadth of partnerships
  - Early engagement opportunities