

CITY OF VANCOUVER Performing Arts Venue Feasibility Study

Summary Report

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Executive Summary

Study Background

In 2019, the City of Vancouver engaged KO Projects to examine the feasibility of building and operating a performing arts facility, specifically considering the site of the Fort Vancouver Regional Library District's (FVRL) Operational Center. The City's 2016-2021 Strategic Plan established civic support for arts and culture as a key objective, and its subsequent Culture, Arts, & Heritage Plan identified performing arts space as among the arts & culture ecosystem's most critical needs. Recently, the City and Vancouver Public Schools partnered to develop a new campus for education, arts, and innovation at the FVRL site, including a new elementary school with the possibility of a performing arts venue and/or other visual and performing arts spaces nearby.

To understand whether sufficient demand exists for a performing arts venue, and if so, the type and scale of facility that would best meet those needs, the study's work included market analyses, preliminary activity profile, preliminary space list / building program, range of magnitude cost estimates, development of a possible design approach, and evaluation of possible operating approaches & economics. A ten-member Steering Committee appointed by the City and made up of civic, education, and arts leaders guided the study's work. The study's key findings are summarized below.

Defining Success

Building on the goals identified in the Strategic Plan and the Arts, Culture, and Heritage Plan, the group began by defining success for the development of a new performing arts venue. Cultural facility projects are long-term efforts that call on a variety of partners and stakeholders for sustained

support. Strong **leadership** is essential, and that leadership must have a **credible**, rational plan for moving the project ahead. **Clarity** regarding operations economics, as well as **consensus** among leadership about the project's desired outcomes helps undergird a solid **case** for philanthropic and civic support. Successful cultural facilities must be **purposeful** in their response to community need, **adaptable** to change over time, **maintainable** as shared assets, and (most importantly) **lovable buildings** that reflect humanity, embody the spirit of their place, and age gracefully.

The Steering Committee added to these criteria by defining the key indicators of success for a new performing arts venue in Vancouver, noting that in two decades it should have:

- High levels of utilization and be widely accessed by arts groups and audiences alike
- An emphasis on participatory and educational programming
- Enhancement of downtown Vancouver's vibrancy and vitality
- Strong partnerships between the venue, nonprofits, the City, school district, and others
- Catalyzed making the arts an integral part of Vancouver's identity
- Financially sustainable operations through a blend of public and private support
- Engendered a sense of place and been adaptable over time.

Market Supply & Demand

When assessing the need for performing arts facilities in a given community, it is important to examine both the demand among area audiences for performing arts programming and the demand among performing arts user groups - suppliers of that programming - for space:

Audiences

Although a typical performing arts audience market area is defined by a 30-minute drive time from the proposed venue, Vancouver's proximity to Portland suggests that its primary market area is better approximated by Clark County. Key demographic and behavioral indicators show that demand potential in this area is likely to be slightly lower than Oregon and Washington State averages.

Even so, the market area will still likely have 160-190k potential performing arts attendees. **Some of these audiences can help support performing arts programming in Vancouver, but there remains substantial competition from Ilani Casino, and the proximity and abundance of world-class arts programming in Portland will continue to cause audience demand 'leakage' out of the market area.** These numbers suggest that developing a large performing arts venue (400-500 seats and above) would require substantial non-performing-arts uses, such as conferences or higher education, to help fill the calendar.

User Groups

The demand among user groups for performing arts venues of various sizes is influenced by audience demand, but also their operational capacity, scheduling availability, the number of performances they can put on of a given production, and contractual restrictions that exist in and around well-developed markets like Portland.

Vancouver's performing arts user groups are vibrant and diverse, producing a huge variety of programming from barbershop music to ballet to ukulele performances, and many have a strong focus on youth and adult education. Most Vancouver nonprofit performing arts groups are operating at a relatively small scale, with a relatively low reliance on contributed revenue from civic and philanthropic sources. Many groups use performing arts venues within the Vancouver Public School system or even in downtown Portland but cite cost, availability, and functionality as barriers to their use. Though many have felt disconnected from civic priorities in the past, most arts leaders were energized by the City's renewed focus on supporting and growing a healthy arts & cultural sector.

Performing arts groups' seating capacity needs fall into three main categories, with the **most groups in need of a fully functional, affordable performing arts theatre in the range of 200-400 seats.** This size venue is also likely to be useful to other user groups from throughout the Vancouver/Portland area, as well as for educational programming, civic events, and other community-based activities. **An inventory of existing and planned area performing arts venues shows that there are no full-function performing arts venues in Vancouver in this capacity range that are consistently available to community groups.**

Several of the larger performing arts groups identified their optimal seating capacity in the range of 500-700 seats, which is met by several venues within the Vancouver Public Schools portfolio. Improving access to and affordability of these mid-sized venues for local performing arts groups could help maximize utilization of these venues and support the arts groups at the

same time. The Vancouver Symphony Orchestra has unique functional needs among Vancouver’s arts groups, with an optimal seating capacity of about 1,100 seats and a need for excellent natural acoustics. The group currently uses Skyview Concert Hall, a school venue, for its program of 14+ annual performances, and is working with Southwest Washington Center for the Arts to envision a new large-scale concert hall.

A 200-400 seat venue optimized to meet the needs of community performing arts groups and arts education programs would not only fill a long-term, substantiated, community need but also help build new arts audiences, strengthen local arts and culture nonprofits, and develop the capacity to produce and present work in larger venues in the future. All these outcomes align with the goals of the Culture, Arts, and Heritage Plan to increase cultural capacity, cultural focus, and cultural space.

Imagining a New Facility

A new performing arts facility that includes a 300-seat theatre auditorium, a fully-equipped stage, lobby, front-of-house and back-of-house support spaces, offices, storage, and a small rehearsal studio, totals about 28,400 gross square feet. While this size facility could possibly be developed at a number of sites in and around Vancouver, **the FVRL site has space, parking, access to downtown, and a special opportunity for synergies between a new performing arts venue and the planned elementary school.**

The existing 48,000sf FVRL Operations Center building also provides an ideal opportunity for adaptive reuse of an enduring civic landmark.

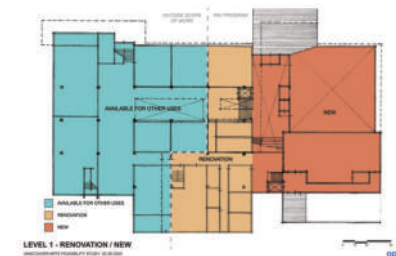
The FVRL building could house almost half of the needed space for the performing arts facility, assuming the theatre and stage would be a new addition. The remaining 34,000sf+ in the existing building could be used as visual art studios, innovation labs, maker spaces, galleries, classrooms, or other gathering spaces. The robust construction of the existing building makes it ideal for accommodating a wide variety of uses.

Based on demand assessment findings, the main performance hall and support facilities should be planned with a focus on community-based performing arts and educational programming. Four core fundamentals

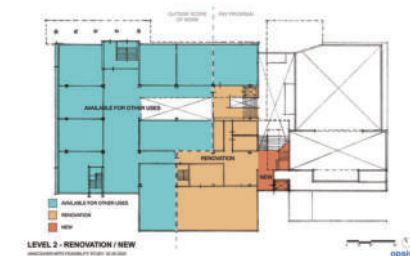
should be considered in the development of the design: **access** to and throughout the building for user groups and audiences; adequate **space** vertically and horizontally for the safe, efficient movement of goods (pianos, scenery, etc.) and personnel; engineering **capacity** and the HVAC, electrical, and structural systems needed to support live performance; and perhaps most importantly a human, inviting **audience environment** with excellent acoustics and amenities that encourage people to gather and build community.

Building Concept

Using the building program, the design principles, the possibilities offered at the FVRL building, and feedback from the Steering Committee, the team developed a project concept for a new community performing arts venue for Vancouver, integrating existing and new construction into a cohesive and efficient facility. The concept proposes linking the existing building with a new theatre addition and adding a light filled 2-story gallery to the existing FVRL building to connect and draw abundant natural daylight into the heart of the facility. The main level would include the theatre, main lobby, dressing rooms and other support space, as well as a quantity of existing space available for other uses in the existing building. The rehearsal room would be the main performing arts-related space on Level 2; other significant performing arts-related spaces are allocated for circulation and access to catwalks and some back-of-house support. Substantial existing space would also be available for other uses. The existing roof structure of the FVRL building allows the possibility of a rooftop pavilion which could serve special events and provide an attractive optional amenity.



see pg. 44 for enlarged plan



see pg. 45 for enlarged plan

These renderings were developed to convey the location, scale, and massing of the proposed addition. This design is inspired by and draws from the architectural scale, features and character of the existing Library, yet is distinguished with an architectural expression and materiality that celebrates the unique attributes and expressive possibilities of a civic performing arts facility.



see pg. 48



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see pg.51

While other interior spaces would be developed further as the project progresses, the theatre lobby shows one way the new addition and existing building could connect. These renderings envision the lobby as a dramatic, light-filled, two-story space located between the existing building and the new addition. It integrates the existing east façade of the library with the theatre volume and terminates with a stair and amphitheater seating connecting to the upper level and rehearsal room.



see pg.53



see pg.53

Building Project Cost

To estimate the range-of-magnitude cost of this facility, we used construction cost data from Pacific Northwest performing arts projects and indexed these costs to present-value dollars. According to these data, the current cost for a new-construction performing arts building is likely in the range of \$850 per gross square foot. This reflects the high cost of performing arts facilities relative to other commercial buildings due to tall, long-span spaces, special systems requirements, acoustical isolation, and other complexities. The adaptive reuse of the FVRL building presents an opportunity for savings – it is difficult to estimate these costs accurately, but \$450 per gross square foot is used as an approximation. **These multipliers yield a present-value construction cost of about \$17.8 million for the proposed facility.**

To compute total project costs, it is necessary to consider special site conditions, soft costs including design and permitting, and escalation to a future construction date. The acquisition of the FVRL site would not add cost to the project. However, any location near downtown Vancouver will be impacted by the adjacency of Portland International Airport and its associated noise, which would likely result in a construction cost premium estimated at \$1-3m for acoustical isolation of a facility of this scale. Soft costs for cultural projects typically total 30-40% of construction costs, and escalation to a bid date of 2023 would add about 5% per annum. The optional roof pavilion would add \$2-3 million. Adding these to base construction costs put the **total project cost at about \$33 million, as compared with \$43 million for all-new construction.**¹

Operating Considerations

There are a wide variety of ways that small and mid-sized arts centers are operated in the US, each with its own advantages and disadvantages. No matter whether they are operated by a city, a nonprofit, or a private entity, performing arts venues can typically cover only between 40% and 60% of their total expenses through earned revenues such as venue rental, concessions, and ticket sales. The rest must come from other sources of sustained support which vary widely depending on community context. Based on a number of factors, **we recommend the venue be operated either by the City, an affiliated entity such as a commission, or an independent nonprofit.**

¹ City of Vancouver, "Culture, Arts, & Heritage Plan," 2018. p30. <https://www.cityofvancouver.us/sites/default/files/2018CAHplan/index.html>.

The major expense drivers are likely to be the level of venue-driven programming (performances, classes, etc.), occupancy costs including utilities and maintenance, venue administration and fundraising, and of course staffing costs. These expenses can vary widely depending on the venue's operator type and need for philanthropic support, as these directly drive staffing requirements. The main earned revenue drivers are likely to be rental fees from performing arts groups and other users (which must be calibrated so they are affordable for local groups); ancillary revenue from concessions, ticket fees and other charges; and any program income from performances, classes, or other activities put on by the venue. The contributed revenue mix is very dependent on local cultural policy, the availability of dedicated revenue streams such as lodging tax, and the availability of sustained annual philanthropic support from individuals, corporations, and foundations.

Although this project's operating approach, mix of contributed revenues, and the City's role as building owner are not yet confirmed, we developed a preliminary pro forma forecast to describe one way the economics of a new community arts center could work. This forecast assumes the venue would be operated by an independent nonprofit under contract with the City, which would help the nonprofit care for the building, and potentially offer additional operating support. **Once operations stabilize after about 3 years, the annual expense budget is projected to be in the range of \$1 million to \$1.2 million, with about 60% of revenues from earned sources.** The remaining \$400k would need to come from a mix of contributed sources, including government support and private philanthropy.

To support healthy annual operations, the capital structure of the proposed venue - the distribution of the venue's financial resources and their purpose - must be established at its outset. Careful planning will help provide for the economic **liquidity, adaptability, and durability** that the facility will need to serve Vancouver in the long term. Key capital funds include **working capital**, the cash needed on day one to support general operations, a **startup fund** to support the early years of operations until they stabilize, a **facility reserve** fund to care for the building over time, and, ideally, a **programming fund** to help underwrite mission-driven programming opportunities. Starting balances for all these funds should be developed prior to the commencement of capital fundraising, and should be included in the initial funding goal.

Given this operating scale of \$1m to \$1.2m the proposed level of activity welcoming about 40,000 attendees; and the capital structure needed for healthy financial performance, **the proposed facility could have a total economic impact of \$2.2-\$2.5m in Vancouver for each year of its operations** – in addition to the substantial economic impact of construction.

Looking Ahead

As the City of Vancouver looks towards the possibility of moving forward with this project, it should consider the opportunities associated with this kind of ambitious development. These include but are not limited to developing and sustaining a stronger arts and culture ecosystem; making arts and arts education a core part of Vancouver's civic identity; fulfilling the Strategic Plan and the Culture Arts and Heritage plans' vision for the city's role in arts and culture; developing downtown vibrancy and vitality; and preserving a beloved civic destination in the FVRL building.

At present, there are a number of unknowns that must be addressed, the most important being where leadership for the project should reside. This will influence the most desirable operating approach and the viable sources of capital funds and sustained support. At the same time, there are a number of other nearby performing arts facilities in the early stages of planning, including two school venues and a large venue proposed by the Southwest Washington Center for the Arts. It is probable that these facilities could be complementary with the venue proposed here, but continued communication and coordination is recommended. Finally, the current lease for use of the FVRL building as an operations center extends for more than a decade into the future – if the City wishes to progress more quickly, agreement with FVRL will be needed.

Next Steps: To move this project forward in the near term, the City should work to develop community leadership around arts and culture, affirm civic willingness to support performing arts both financially and politically, work with the school district to improve access to existing auditoriums by local nonprofit arts groups, and work towards clarity on the timeline for redevelopment of the FVRL site. Depending on how quickly strong leadership around a project coalesces, key next steps include a public survey to understand

programming demand by genre and willingness to financially support the project, and a fundraising feasibility study to inform capital campaign and annual fundraising strategy, followed by the simultaneous and integrated development of the design concept and business plan. Assuming conditions are favorable for development, these initial steps would be followed by full scope architectural design, capital campaign fundraising, and iterative business plan updates.

The findings and recommendations summarized here are explained in more detail over the pages that follow. Thank you for engaging our team to study this exciting opportunity for performing arts in Vancouver. We look forward to answering any questions about the study's methodology, findings, and recommendations.

1 Study Background

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1.1 City Strategic and Cultural Plans

In 2016, the Vancouver City Council adopted an ambitious vision for the future of Vancouver, WA. The City's **2016-2021 Strategic Plan** established ten goals ranging from development of a resilient local economy to providing resources for police, fire, and emergency services. Three of these goals affirm the importance of arts and culture in a world-class, livable city:¹

2016—2021 STRATEGIC PLAN

GOAL
3

Create new programs that engage people of all ages, cultures, family configurations, educational backgrounds, trades and professions

GOAL
5

Continue to build high quality historical and cultural experiences for residents and visitors

GOAL
10

Use our influence to support community partners' actions, projects and initiatives that improve our community's livability and prosperity

This official endorsement of arts and culture and the role they play in a healthy and vibrant community was an important shift for a city that for many years had left support for local arts and culture organizations and initiatives to be supported primarily by private philanthropy and earned revenue.

In 2018, the City commissioned a comprehensive **Culture, Arts, & Heritage Plan** to further develop the goals articulated in the Strategic Plan.² The document "outlines why culture, arts and heritage are an important part of [Vancouver's] identity, and focuses on the strategies and initiatives needed to grow and sustain a thriving and vibrant culture, arts, and heritage scene in Vancouver." Included is a six-year action plan with the objective to build three key elements of arts, culture, and heritage in Vancouver:

• **Cultural Capacity**

Including: specific actions to improve civic and community leadership in the arts, including the establishment of a Cultural Commission; expanded financial support for artists and arts/culture organizations; and development of new programs city-wide.

• **Cultural Focus**

Including: actions to strengthen Vancouver's "cultural core" as defined by Fort Vancouver, downtown, and the evolving waterfront through encouraging cultural uses and designation of arts and heritage districts.

• **Cultural Space**

Including: recommendations to expand space for performing and visual arts through both new buildings and adaptive reuse, and actions and policies to increase access to existing spaces by artists and arts and culture groups.

The plan outlines a series of funding options for these initiatives ranging from Admission and Lodging taxes to new initiatives such as Cultural Access funding. Since the Plan's adoption, the Culture, Arts & Heritage Commission has been established, along with a new City department of Culture, Art & Heritage and a new grant program focused on supporting local cultural nonprofits and individual artists.³

¹ City of Vancouver, "What's Next Vancouver: Building Our City's Future," 2016. <https://www.cityofvancouver.us/citycouncil/page/strategic-plan>.

² City of Vancouver, "Culture, Arts, & Heritage Plan," 2018. <https://www.cityofvancouver.us/sites/default/files/2018CAHplan/index.html>.

³ City of Vancouver, "Culture, Art, & Heritage." <https://www.cityofvancouver.us/ourcity/page/culture-art-heritage>.

1.2 Cultural Infrastructure Initiatives in Vancouver

One of the most critical needs identified in the Culture, Arts, & Heritage plan was for performing arts space:

“Space for the performing arts has particular requirements that make it harder to find, with acoustical needs, column-free space and large gathering areas.

Creating space for arts and culture can be costly, and for larger projects, typically needs a combination of strong arts organizations, City partnership, and an entity focused on the project.

The project needs to fill a real need, and have a plan for operational stability over the long-term.”⁴

Since at least the late 1990s, a series of initiatives to build a new performing arts center in Vancouver have been studied, considering a variety of sites. Supported by individual donors and with strong private-sector leadership, these efforts have envisioned a large-scale world-class arts center with multiple venues appropriate for symphonic music and touring productions alike. To date, these efforts have been challenged by budgets, sites, parking, and the global economic downturn, but the associated studies have provided an excellent basis for continuing analysis.

Since 2018 the Southwest Washington Center for the Arts, the nonprofit which has for many years led the effort to envision and develop a new center, has been working on a renewed effort to secure a waterfront site for a large new concert hall. This initiative endeavors to welcome regional and national entertainment and convention activity, as well as a lecture/recital hall for smaller-scale events.⁵ As of this writing, SWWCA design and operating plans are in development.

4 City of Vancouver, “Culture, Arts, & Heritage Plan,” 2018. p30. <https://www.cityofvancouver.us/sites/default/files/2018CAHplan/index.html>.

5 SW Washington Center for the Arts: Design. <https://centerforartswwa.org/design/> accessed 17 Feb 2020.

1.3 Opportunity at the FVRL Site

Recently, the City and Vancouver Public Schools have partnered to begin the development of a new campus for education, arts, & innovation on the City-owned property currently occupied by the Fort Vancouver Regional Library District's (FVRL) Operational Center (the former main library of the FVRL system). The site, located at the intersection of E. Mill Plain Blvd and Fort Vancouver Way is adjacent to both the Fort Vancouver National Historic Site and the east end of downtown. The vision for this property includes a new arts and innovation focused elementary school and a performing arts venue, as well as the possibility of maker space and other cultural uses. The existing FVRL building, constructed in 1963 in the mid-century modern style, housed the Vancouver Community Library until 2011 when the new Library was built nearby. It contains 40,000sf of open-plan space with few columns and robust cast-in-place concrete construction. Designs have already been developed for a new free-standing elementary school facility on the site.

Site Reference Map



1.4 Study Brief

The City's stated objective for this study was to assess the feasibility of a performing arts facility to be developed at the FVRL site. The study's work included market analyses, activity profile, building program, range of magnitude cost estimates, site assessment, development of a possible design approach, and assessment of possible operating approaches, revenue and expense categories, and economic impact. The study's findings and recommendations are summarized in this report.

A ten-member Steering Committee, appointed by the City of Vancouver, guided the study's work:

Jan Bader, Cultural Services Manager, City of Vancouver

Teresa Brum, Economic Development Manager, City of Vancouver

Carol Bua, Communications Director, City of Vancouver

Susan Courtney, Community Volunteer

Todd Horenstein, Assistant Superintendent for Facility Support Services, Vancouver Public Schools

Jeanette James, Retired Musical Theater Teacher

Maureen Montague, Culture, Art & Heritage Commission Chair

Nick O'Donnell, Musician

Jennifer Hockhalter, Associate Principal, Vancouver School of Arts & Academics

Sam Wallin, Special Projects Coordinator, Fort Vancouver Regional Library

2 Defining Success

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2.1 Prerequisites for Success

In contemplating a new cultural facility, it is sometimes assumed that the most important prerequisites for success are having enough funding and an exciting design, and that if those elements are in place the rest will follow. In extensive conversations with arts and civic leaders across the country who have completed successful projects, we have found that the real keys to developing a successful cultural project are more abstract. In our experience, the most important prerequisites for success of a cultural facilities project are:

Leadership

Cultural facilities projects are long-term efforts that call on a variety of partners and stakeholders for sustained support. Someone, or a small group of people, must be willing to carry the torch, to doggedly pursue the project's objectives through thick and thin, and to energize stakeholders around a common goal. Without leadership, none of the other prerequisites are relevant.

Credibility

Because of the history of struggling cultural facilities built on notions of social prestige, build-it-and-they-will-come models, or other weak evidence, many people are skeptical about investments in new cultural infrastructure. Project leaders must have their own credibility in their communities, and work to support their objectives with well-researched rational data and recommendations.

Clarity

Alongside credibility, a clear and focused vision of what a facility will be and do, who it will serve, and how it will be developed, operated, and funded are of critical importance to gaining early project momentum. For example, it is hard to ask the public if they would support a new arts facility without a clear articulation of what it will be and who it will serve.



Consensus

Project leadership and major supporters must be in agreement about the project, its goals, and its plan for implementation and operations. This is particularly important for projects requiring unified support from policymakers and other stakeholders.

Case for Support

If a project will be developed using public funding and/or philanthropic support, there must be an ironclad case for how the proposed facility will meet an important and unmet need in the community. Many performing arts centers in the US were built because people believed that having one was a qualification for being a 'world-class city.' In today's economy, a strong case must be made that a substantial investment in a new facility fills an important gap in a city's cultural life, and will be well-used by the community.

2.2 Guiding Principles

Sector-wide best practices for assessing arts facilities feasibility are rapidly changing. After a 30-year building boom resulting in billions of dollars of arts facilities across this country, the global economic downturn of 2008 taught us that arts facilities planning can no longer be predicated on a “build it and they will come” model.⁶ Municipalities can no longer invest tens of millions in cultural infrastructure without planning for vibrant, well-supported cultural organizations, exceptional programming, and long-term operational

sustainability. They can no longer design buildings that are unyielding to social and cultural change, or develop new centers without regard for space affordability for nonprofit arts groups, long term operational and maintenance responsibilities, and the facilities’ role in the identity of their communities.

To be successful, cities like Vancouver must plan for buildings that are purposeful, adaptable, maintainable, and lovable:

PURPOSEFUL BUILDINGS	ADAPTABLE BUILDINGS	MAINTAINABLE BUILDINGS	LOVABLE BUILDINGS
<p>Respond to community need</p> <p>Are honest about market context</p> <p>Facilitate human activity</p>	<p>Assume changes in use, systems, and technology</p> <p>Accommodate modifications by users over time</p> <p>Might not be performing arts buildings forever</p>	<p>Prefer simplicity to gadgetry</p> <p>Are designed for repair and replacement</p> <p>Fund asset preservation</p>	<p>Reflect humanity</p> <p>Embody the spirit of their place</p> <p>Age gracefully</p>

These guiding principles for imagining new cultural infrastructure in Vancouver are even more important considering the city’s rapid population growth, evolving transportation infrastructure, changing economic base, and diversifying populace. They formed the basis for looking ahead with the Steering Committee to define success for a new performing arts facility in Vancouver.

⁶ Woronkiewicz, Joanna, D. Carroll Joyne, Anastasia Kolendo, Bruce Seaman, Robert Gertner, and Norman Bradburn. 2012. “Set In Stone: Building America’s New Generation of Arts Facilities 1994 - 2008.” Chicago: University of Chicago.

2.3 Success Indicators

On the basis of this background information, we asked the Steering Committee to define what success would look like for a new performing arts facility in Vancouver. We asked the Committee to imagine that the project they helped plan had been completed and operational for a number of years, and to describe the measurable outcomes and impacts it would have catalyzed. The themes that emerged from this conversation were remarkably consistent, and reflected the momentum that the Culture, Arts, and Heritage Plan had initiated towards strengthening Vancouver's arts & culture ecosystem. These statements form the basis for developing a new facility concept.⁷

Looking back in 20 years, how will we know that the project has been successful?

- **Utilization and Access:** The venue is affordable for and well-used by a broad range of local groups, and draws audiences of all kinds from Vancouver and beyond for daytime and evening activity throughout the year.
- **Participation & Education:** Participatory and educational arts programs are a central part of the venue's activities, serving youth and adults alike.
- **Vibrancy and Vitality:** The venue has enhanced downtown Vancouver's economic and social vitality, with year-round events and increased patronage for local restaurants and other businesses.
- **Partnerships:** The venue has forged and helps to sustain successful partnerships between nonprofits, the City, the school district, higher education institutions, and the private sector through programming, support, and other forms of collaboration.
- **Arts as Identity:** The project has made the arts a central part of Vancouver's civic identity for both locals and visitors, with widespread awareness and support for the arts in the public and private sectors alike.
- **Financial Sustainability:** The venue is financially sustainable through a combination of private and public support, but without a draw on the City's general fund.
- **Lovable, Adaptable, Building:** The building is a noteworthy addition to the city's infrastructure, conveys a sense of place and the diversity of people who live here, and has been able to respond over time to the changing needs of Vancouver's residents.

⁷ See Appendix A: Success Framework for detail.

3 Market Supply & Demand

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3.1 Supply and Demand for Performing Arts Buildings

When assessing the need for performing arts facilities in a given community, it is important to look at two different sources of demand: the demand among area audiences for performing arts programming, and the demand among suppliers of that programming for space. Unmet audience demand fills the seats in performing arts facilities; healthy local groups that need - and can afford - functional performing arts space fill a facility's calendar. Both these sources of demand must align to assure an economically sustainable and active performing arts building of any scale.

3.2 Audience Demand for Programming

3.2.1 Market Area Definition

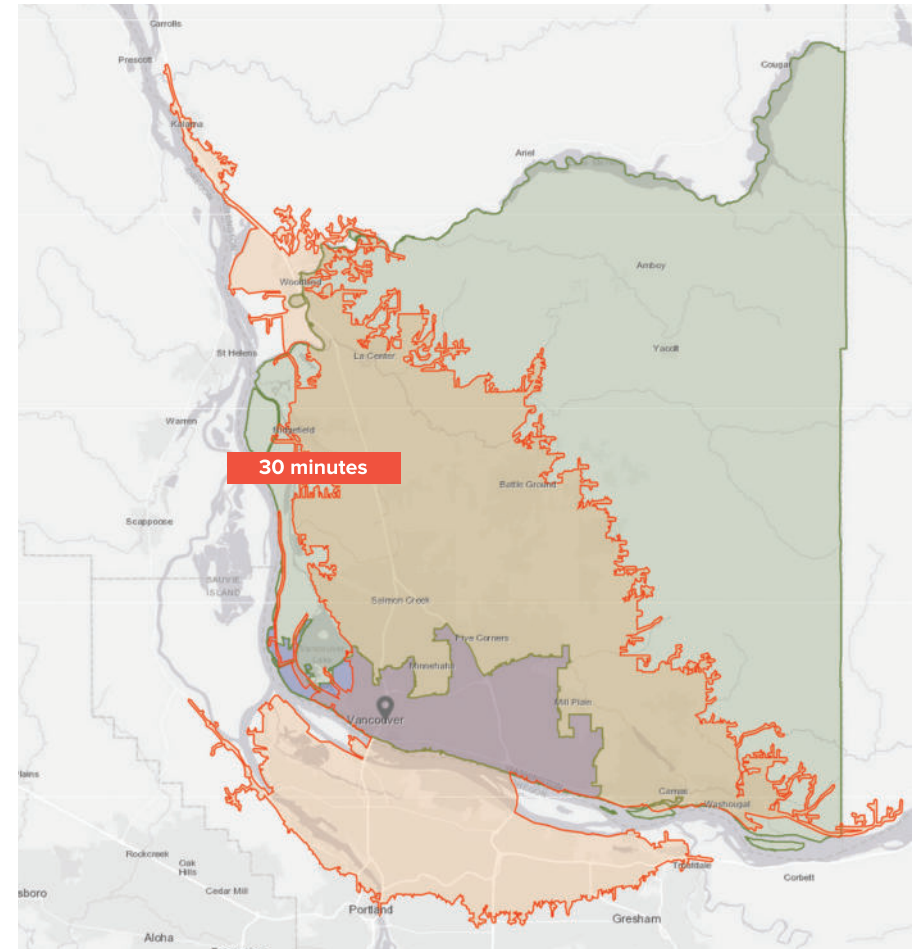
In order to assess audience demand potential, one must first determine the size of the market for performing arts programming. This helps understand the upper limits of program demand at a new performing arts facility and the demographic characteristics and total quantity of those most likely to attend.⁸ This analysis begins with defining the geographic reach of the proposed facility.

The primary market area for performing arts buildings in urban and suburban areas is typically defined by a 30-minute drive time from the site (in rural areas, people are sometimes willing to drive farther); this is the area from which approximately 85% of audiences would be drawn. Out of town visitors and people who live farther away will always comprise a portion of performing arts audiences, although at most performing arts centers in the US (with the exception of Broadway in New York), tourist audiences comprise a very small percentage of attendees, even for touring and other world-class programming.

Though audiences in downtown Portland are technically within the 30-minute reach of a Vancouver venue, because of Portland's density of cultural attractions, geographic barriers between the cities, and the lower

likelihood of Portland residents to travel to Vancouver for cultural programming, areas.

South of the Columbia River are not included in the primary market area analysis. Conversely, with fewer cultural attractions in the northern part of Clark County, audiences there would be more likely to drive longer distances to seek out cultural programming. As such, the Steering Committee affirmed the primary market area for a new venue in Vancouver to be approximated by the boundaries of Clark County.



Legend: ■ City of Vancouver ■ 30 mi drive from downtown Vancouver ■ Clark County

⁸ During early project planning, this analysis helps inform a high-level assessment of project scale and seating capacity. To understand actual audience demand for programming (as opposed to demand potential), as well as details such as willingness-to-pay, whether or not audiences would increase their levels of performing arts attendance, and interest in programming by genre, audience members must be surveyed. However, in order to return useful data, these surveys must describe a proposed project in detail and work to assess actual likelihood-to-attend, rather than just general levels of support.

3.2.2. Audience Demand Potential

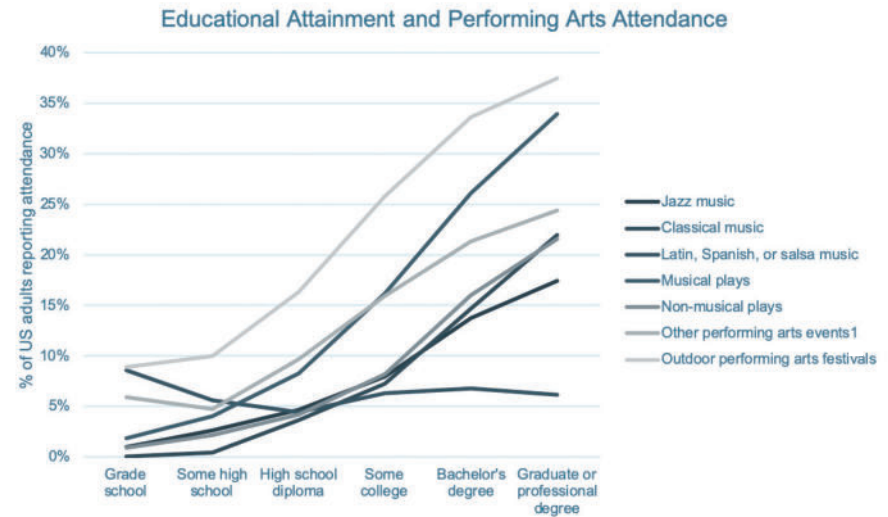
We examined audience demand potential in the primary market area using three main data sources: demographic census data from the U.S. Census and Esri/ArcGIS,⁹ national arts surveys and analyses conducted by the National Endowment for the Arts (NEA), and market potential indices based on consumer data from Esri/ArcGIS. The primary market area for a venue near downtown is expected to total well over half a million people by 2024, growing by more than twice the national average over that time period.

Population Growth

	2019 Total Population	2024 Total Population	2019–2024 Growth Index
City of Vancouver	188,923	202,078	177
30m Drive Time	754,830	811,887	191
Clark County	496,461	537,235	206
Portland/Vancouver/Hillsboro MSA	2,518,319	2,694,606	177
State of WA	7,608,571	8,120,093	170
State of OR	4,246,351	4,492,361	147
USA	332,417,793	345,487,602	100

SOURCE: ESRI/ARCGIS

Since 1982, the NEA’s Survey for Public Participation in the Arts (SPPA) has been the largest, most representative survey of adult patterns in arts participation in the US.¹⁰ This survey has consistently shown that the strongest indicators of arts attendance are wealth and educational attainment. Wealthy, highly educated market areas are more likely to have strong demand potential for arts programming. The NEA’s Office of Research and Analysis also showed that educational attainment is a stronger predictor than wealth for performing arts attendance.



SOURCE: NEA OFFICE OF RESEARCH & ANALYSIS 2017

We examined educational attainment and wealth for Clark County and six other geographic areas:

- City of Vancouver
- State of Washington
- 30m drive from downtown Vancouver
- State of Oregon
- Portland/Vancouver/Hillsboro Metropolitan Statistical Area (MSA)
- USA

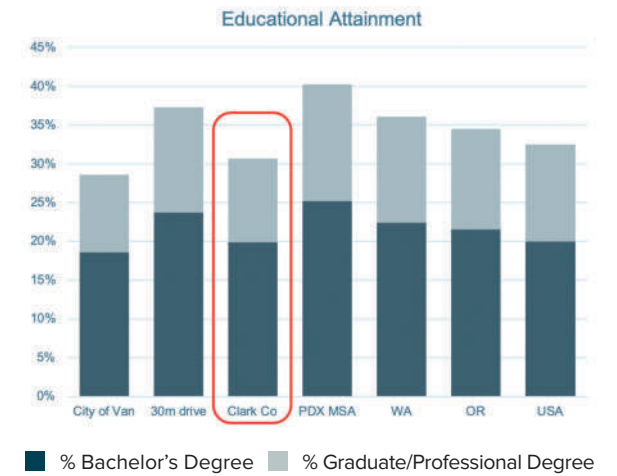
⁹ Esri/ArcGIS stands for Environmental Systems Research Institute, an international supplier of Geographic Information System (GIS) software and geodatabase management applications. www.esri.com.

¹⁰ NEA, "The 2017 Survey of Public Participation in the Arts," 2017. <https://www.arts.gov/artistic-fields/research-analysis/arts-data-profiles/arts-data-profile-18>.

As shown in the charts at right, Clark County enjoys higher levels of Median Household Income and Net Worth than the other geographies. The very high net worth in Clark County may be attributable to wealthy suburbs of Vancouver and Portland and/or to differences in state taxation policies between Washington and Oregon. However, educational attainment in the primary market area is low relative to regional and national averages, with 19.85% of residents holding a bachelor's degree and 10.82% of residents holding a graduate or professional degree. This suggests that area residents are probably less likely to attend performing arts events than those in an area with higher educational attainment.

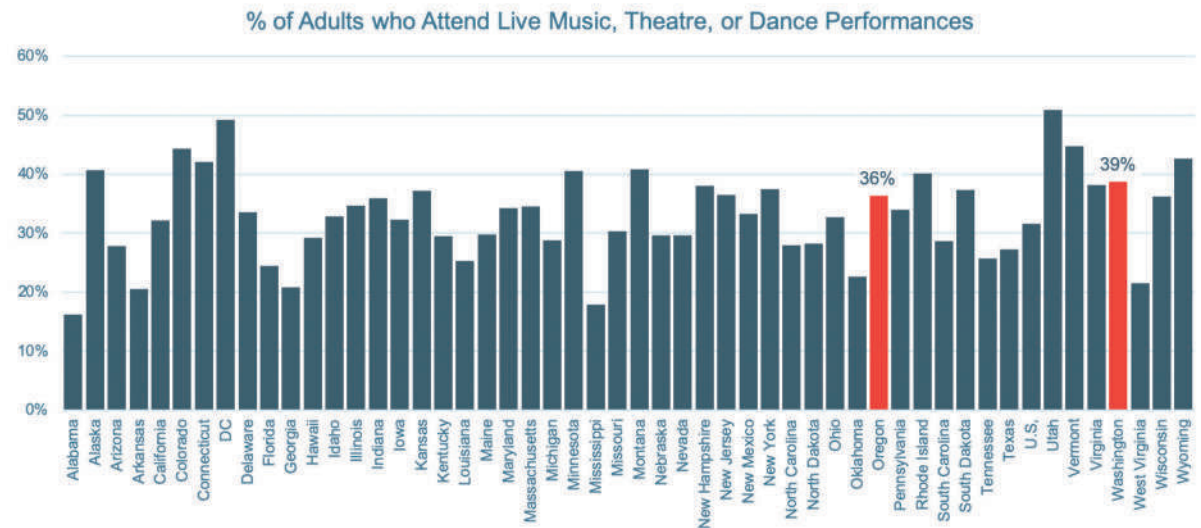


SOURCE: ESRI/ARCGIS



SOURCE: ESRI/ARCGIS

The NEA also analyzes performing arts attendance rates across all 50 states. The 2017 data show that the percent of adults who report attending live music, theatre, or dance performances is 36% in Oregon and 39% in Washington. Given the relative educational attainment of those in Clark County, we would expect overall attendance rates to be slightly lower than these averages.



SOURCE: NEA OFFICE OF RESEARCH & ANALYSIS 2017

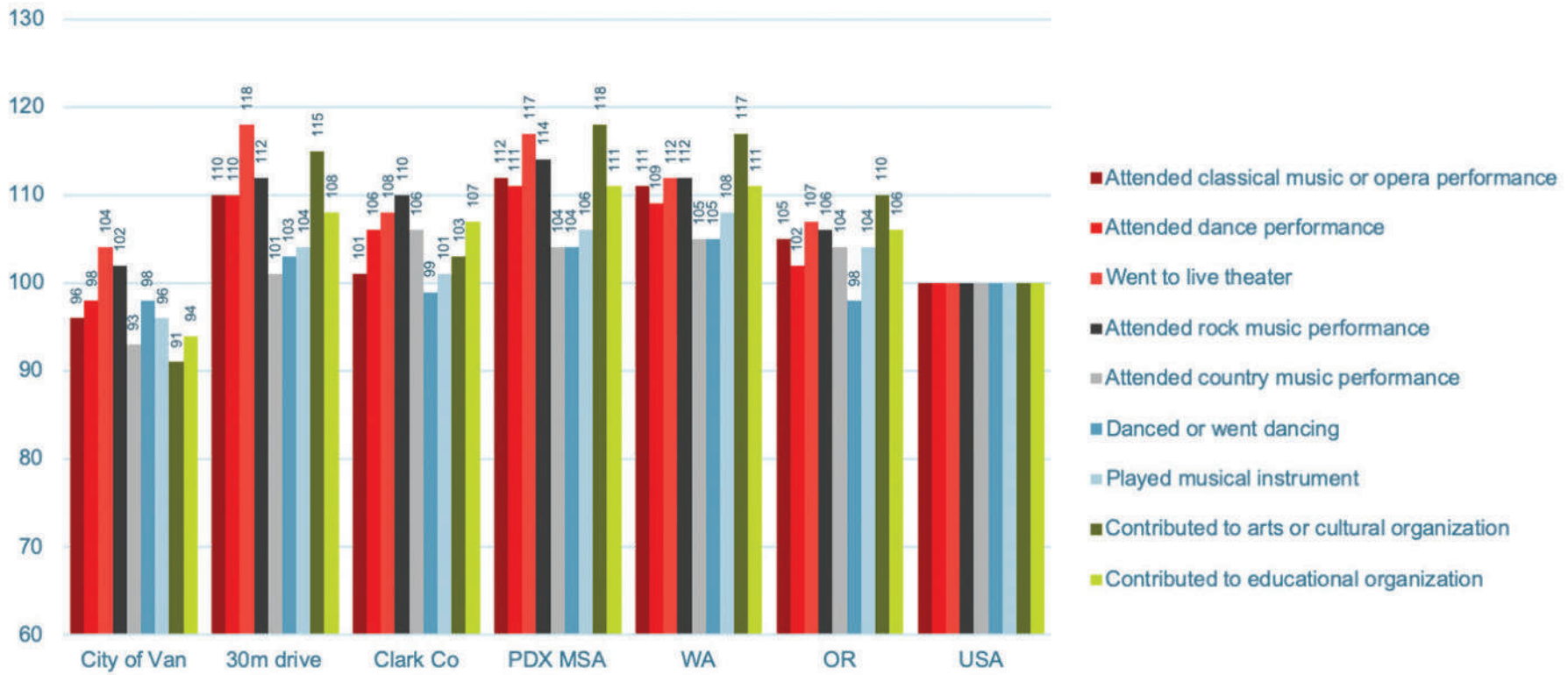
3.2.3. Market Potential Indices

Esri/ArcGIS provides data by zip code on Market Potential Indices (MPIs) for more than 2,300 consumer behaviors—including the relative likelihood of people in a certain area to have bought dog food, watched network news, owned a Ford, listened to public radio, and so on.¹¹ The MPI describes the likelihood of someone in that zip code to have done a specified behavior, relative to a national average of 100. A small subset of these behaviors is relevant to understanding performing arts audience demand potential, and describes whether someone has participated in a certain kind of arts activity in the last 12 months:



- Attended a classical music or opera performance*
- Danced or went dancing*
- Attended a dance performance*
- Played a musical instrument*
- Went to live theatre*
- Contributed to arts or cultural organization*
- Attended a rock music performance*
- Contributed to educational organization*
- Attended a country music performance*

We evaluated these indicators for the same seven geographies:



¹¹ These data are aggregated by Esri/ArcGIS in partnership with the MRI Survey of the American Consumer, a continuous consumer survey conducted nationwide with more than 24,000 in-person interviews each year. See Appendix B Cultural Sector Market Overview and Appendix C Methodology Statement: Esri US Market Potential Database.

Market Potential by geography

	City of Van		30m drive		Clark Co		PDX MSA		WA		OR		USA	
	# of people	index	# of people	index	# of people	index	# of people	index	# of people	index	# of people	index	# of people	index
<i>2019 Total Population</i>	188,923		754,830		496,461		2,518,319		7,608,571		4,246,351		332,417,793	
Attended classical music or opera performance	5,492	96	25,266	110	14,826	101	86,012	112	257,133	111	138,192	105	10,095,803	100
Attended dance performance	6,433	98	28,793	110	17,893	106	97,903	111	290,815	109	153,428	102	11,595,603	100
Went to live theater	16,818	104	76,183	118	45,108	108	253,532	117	735,052	112	398,059	107	28,550,182	100
Attended rock music performance	14,289	102	62,705	112	39,876	110	214,466	114	640,798	112	341,232	106	24,806,417	100
Attended country music performance	8,709	93	37,983	101	25,520	106	130,383	104	401,152	105	223,167	104	16,550,771	100
Danced or went dancing	10,382	98	47,656	103	27,420	99	148,007	104	449,317	105	238,747	98	18,658,645	100
Played musical instrument	11,177	96	52,326	104	27,203	101	120,590	106	339,872	108	198,322	104	12,372,054	100
Contributed to arts or cultural organization	5,903	91	29,947	115	17,349	103	103,239	118	308,662	117	163,921	110	11,503,087	100
Contributed to educational organization	12,396	94	38,018	108	36,367	107	197,142	111	596,089	111	321,539	106	23,375,558	100

These MPIs suggest that while above the national average of 100, audience demand potential for performing arts attendance in Clark County is lower than Washington state averages, and substantially below that of the Portland metro area as a whole. City of Vancouver audiences generally report lower

MPIs than the national average. Interestingly, both the City of Vancouver and Clark County geographies show a high relative market potential for contributing to educational organizations, which is consistent with area residents' consistent support for educational levies.¹²

¹² "Vancouver, Washougal School Levies Passing." n.d. The Columbian. Accessed February 24, 2020. <https://www.columbian.com/news/2020/feb/11/vancouver-washougal-school-levies-passing/>.

3.2.4. Target Utilization

In order for performing arts facilities (that are not part of a school or other institution with built-in audiences such as a conference center) to not only appear active and well-utilized, but to have enough revenue-generating activity to offset fixed and variable costs, a cultural sector rule of thumb is that they should target about 200 days of programming annually. While 100% utilization is closer to 250 days a year, assuming the venue is dark on Mondays and Tuesdays and a few weeks each year, a target of 200 days of programming is usually sufficient for economic sustainability and allows for future activity growth. This target corresponds to an average of about 4 events per week. One way to validate the seating capacity of a planned venue is to see if filling about 200 nights a year of programming makes sense given the size of the market area.

Seating Capacity	Avg 75% capacity sold	events/year	Seats filled
300	225	200	45,000
600	450	200	90,000
1200	900	200	180,000
1800	1350	200	270,000

3.2.5. Audience Demand Observations

- Based on the projected population of Clark County, state attendance averages, and area market potential indices, we estimate that 30 to 35% of people in the primary market area would be likely to attend a performing arts event at least once per year. If Clark County reaches 540,000 people by 2024, this would correspond to roughly **160,000-190,000 potential performing arts attendees** in the local market area. This represents the upper limit of total likely audiences for all area performing arts programming.
- Interviews with the largest of Vancouver’s local arts groups (to be discussed more in the section that follows) as well as a scan of other local arts activity suggests that **60,000–70,000 tickets per year are sold to performing arts events happening in the Vancouver area**. This does not

include attendance at live music performances in bars and restaurants, for which data are not available.

- The difference between these two numbers suggests that in Clark County there is likely demand for performing arts programming that is not being met in Vancouver (even if you discount the impact of population growth). However, a significant portion of the **demand for popular music programming is likely being met by programming at Ilani Casino** in nearby Ridgefield, which includes a 2,500-seat entertainment ballroom, and several bars and restaurants that offer live entertainment.
- Finally, the proximity and abundance of world-class **performing arts programming in Portland will continue to cause high levels of demand ‘leakage’** out of the Vancouver/Clark County market. While we have anecdotally heard that Portland audiences do come to Vancouver for many events, it is far more likely that more arts-interested residents of Vancouver have traveled to Portland venues for shows than the other way around.¹³
- Given the demand potential in the local market area, competition for popular music programming from Ilani, and the high likelihood of sustained market leakage to Portland venues, successful **development and operation of a mid-sized or large performing arts venue (500+ seats) in Vancouver would likely require an operating partnership** with an entity or entities with a built-in non-local audience base, such as a conference venue or a higher-education institution, in order to sustain workable levels of utilization.

¹³ This finding is substantiated in a 2004 AMS Planning & Research report which found that 75% of Clark County residents go to Portland to attend the arts, while less than 50% of them attend in Vancouver. AMS Planning & Research, “Southwest Washington Center for the Arts Feasibility Study: Final Report.” 2004. p13.

3.3 Arts Groups' Demand for Space

3.3.1 Influencers of Demand

The demand of performing arts groups for performance space is influenced by audience demand for performing arts programming. In theory, the more audience demand there is, the more arts groups would be driven to supply more programs, and therefore increase their demand for space. However, this correlation is often imperfect; several other factors also strongly influence arts groups' need for space:

- **The capacity of nonprofit arts groups to put on programming.** Performing arts events require not only audience demand but also sustained philanthropic and/or civic financial support because ticket sales for performing arts programs generally do not cover the full cost of putting them on. Many performing arts organizations in the US rely on contributed sources for 50% or more of their annual revenues.
- **Space availability for planning performing arts programming.** In order to plan, produce, and market live performance events such as plays, orchestra performances, dance events, etc., facility performance dates must be secured far in advance, and often for several days or weeks in advance of the first performance to accommodate rehearsals, load-in and tech, etc. Many kinds of facilities, especially those that are home to other performance groups or that are used for educational programming, have a hard time offering dates far enough in advance or in long enough blocks of time to meet the needs of live performance.

Producers and Presenters

In the performing arts, it's important to understand the difference between a **producing organization** and a **presenting organization**.

A theatre, dance, or music **producer** builds a performance or production 'from the ground up,' hiring the creative team, the cast, etc. Sometimes producing organizations have their own venues (e.g. Portland Center Stage), sometimes they rent space, and sometimes they work with a presenter.

A performing arts **presenter**, in contrast, books these already-created productions (often from out of town) into venues and marketing them to audiences. The presenter usually takes the risk that ticket sales will cover the cost of bringing the performance to the venue.



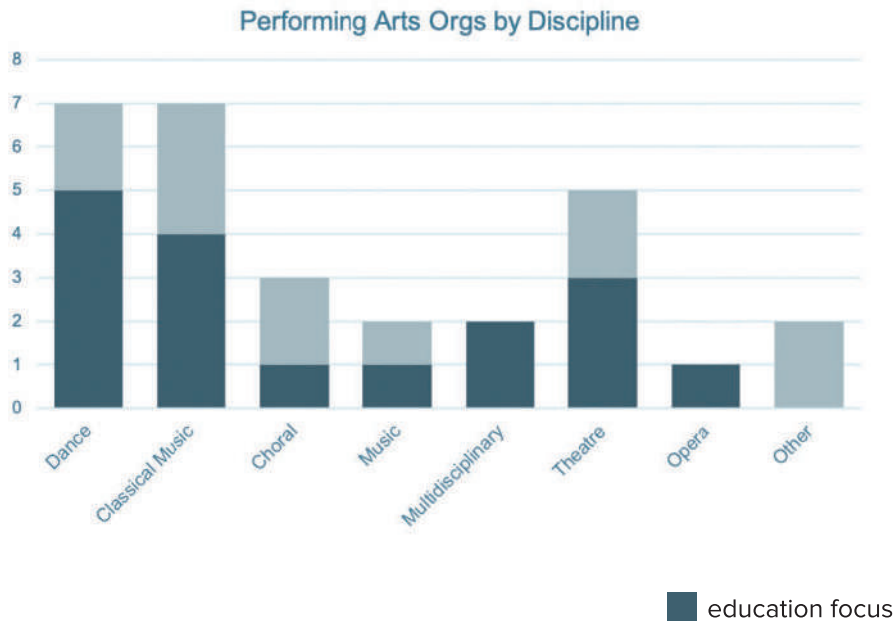
©Journey Theatre

- **Limitations on number of performances.** While some groups that can draw large audiences would prefer to do so in a smaller facility over more shows as opposed to fewer large performances, for many groups the number of performances is limited either by the schedule and capacity of performers (particularly important for programs featuring youth) or by economic limitations on paying professional artists for multiple performances (e.g. symphony and opera productions). These limitations can drive seating capacity needs up or down depending on the situation.
- **Contractual restrictions on presented programming.** Even when substantial audience demand exists, in dense market areas performing arts activity can be limited by the contracts between presenting venues and the programming they put on. This “exclusion radius” is a form of non-compete clause used in the live music and touring Broadway industry, in which the presenter/promoter stipulates that a performer or show must not hold concerts within a certain distance of the city where they are to perform for a certain length of time. Functionally, this limits the level of presented programming (acts brought in from out of town) that can be offered in a city like Vancouver which is well within the exclusion radius of the well-established Portland market.

3.3.2 Vancouver's Performing Arts Groups

To understand Vancouver's performing arts ecosystem, we undertook a scan of more than 25 groups based in and around Vancouver that provide performing arts programming. While not an exhaustive analysis of all programming suppliers within the market area, this scan revealed an active, vibrant performing arts scene with an array of offerings happening at venues both in Vancouver and throughout the Portland/Vancouver/Hillsboro metropolitan area.

These groups supply a broad variety of performing arts programming across a number of different genres. Notably, our scan revealed that **youth and adult arts education was a specific focus or important element of the missions of more than 60% of local arts groups.**



Most of Vancouver's performing arts groups appear to be operating at a relatively small scale; only six of the 16 groups who filed 990 forms with the IRS (Return of Organization Exempt from Income Tax) have annual expense budgets in excess of \$100k, and only Vancouver Symphony Orchestra (VSO), Columbia Dance, and Journey Theatre report total expenses above \$200k per year. Of these, VSO receives by far the most contributed revenue of the groups, making up about 40% of its total revenue (the other two rely on less than 10% contributed revenue and cover the majority of their expenses through tickets and program fees). Even the VSO relies more heavily on earned revenue than its peers nationwide—on average American symphony orchestras must cover only about 40% of their revenue from ticket sales, with 60% coming from philanthropy and other sources.¹⁴ These ratios suggests that **Vancouver's arts groups are likely operating in an environment with lower than average availability of philanthropic and civic support for the arts.** This finding was supported in our interviews with local arts groups who report having felt disconnected from civic priorities until the adoption of the Culture, Arts, and Heritage Plan.

Like most U.S. performing arts groups, **Vancouver's performing arts providers operate on extremely thin margins under uncertain funding conditions.** Many of Vancouver's performing arts groups are managed by dedicated volunteers, and all are impacted by the supply of area performance venues and the proximity to the highly competitive Portland arts marketplace.

60%
of Vancouver
performing arts
organizations
focus specifically
on education

¹⁴ League of American Orchestras. Orchestra Facts 2006-2014: A Study of Orchestra Finances and Operations, Commissioned by the League of American Orchestras, 2016.

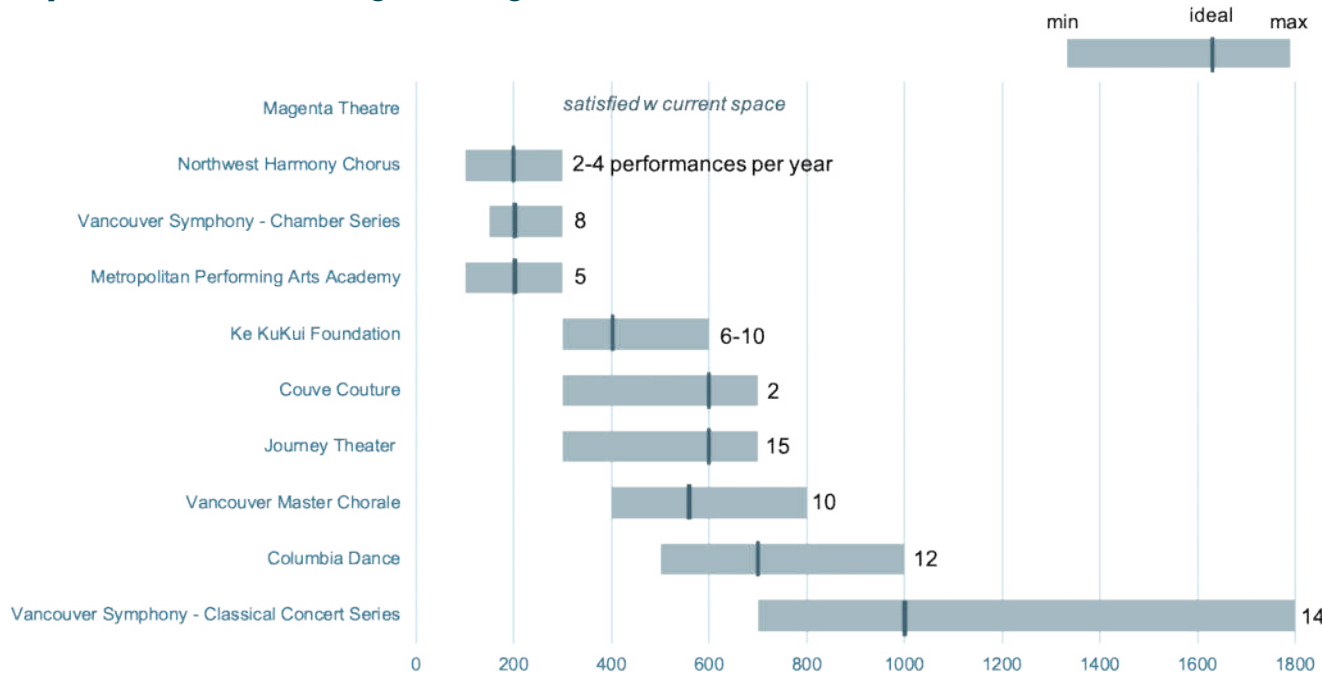
3.3.3. Seating Capacity Needs

To understand the needs of Vancouver’s most active performing arts groups for performance space, we began by reviewing a 2004 analysis by AMS Planning & Research completed as part of early planning for the SW Washington Center for the Arts—the most recent available study to address demand among arts groups for space.¹⁵ Of the 20 organizations that responded to a survey regarding seating capacity preferences, nine have since closed their doors, including Heartland Theatre which projected more than 50 nights of programming in a small venue. In 2004, the groups that listed their optimum seating capacity as above 600 seats were the Landover Athletic Club (1500 seats, 2 events/year), the Filipino-American Association (600 seats, 2 events/year), Chamber Music Society of Oregon (600 seats, 4

events per year) the Vancouver Pops Orchestra (800 seats, 2 events/year), and the Vancouver Orchestra (2000 seats, 16 events/year). Most other optimum seating capacity preferences were listed in the range of 200-400 seats at that time.¹⁶

To update these findings and understand the range of acceptable seating capacities for Vancouver’s most active performing arts organizations, their main programming drivers, and functional facility needs, we discussed seating capacity preferences and functional needs with nine organizations during in-person interviews.

Seating Capacity Needs of Performing Arts Organizations Interviewed



¹⁵ AMS Planning & Research, “Southwest Washington Center for the Arts Feasibility Study: Final Report,” 2004.

¹⁶ AMS Planning & Research, “Southwest Washington Center for the Arts Feasibility Study: Final Report,” 2004, p 22-23.

A number of groups we interviewed would be able to use a **200 to 400-seat venue**. For some, this is at the upper end of their desired capacity range, for others it's at the lower end. **For all these groups, a venue optimized for the accessibility and affordability of community performing arts organizations is a critical consideration.** Booking calendars must accommodate the advance planning needed to stage productions, and rental rates must be within a range that would allow groups to keep ticket prices reasonable. Several groups mentioned that they might have a number of productions per season that would work well in a 300-seat venue, with one larger show that might require 600 seats or so. Similarly, programs from the adjacent elementary school could use a +/- 300 seat venue, and public programming from the Library could also be accommodated in this capacity range. Because 200-400 seats is an achievable seating capacity for small and mid-sized performing arts organizations, this size is likely to be useful to the other user groups from throughout the Vancouver/Portland area that were not interviewed.



©City of Vancouver / Vancouver Symphony

Several of the larger groups said their **optimal seating capacity would be in the 500 to 700-seat range**. Although these groups have vibrant, consistent annual programs, in aggregate they would likely not be able to fill the whole calendar of a new venue, and there are a number of existing venues within Vancouver School District's portfolio that are in this seating capacity range that are currently used by some of these groups. Although groups that need a smaller space could technically use a venue in this range, this would leave many seats empty, a disheartening and demoralizing situation for performers and audiences alike. What's more, the fixed costs associated with building and operating a large venue suggest that the space would need to be consistently well-filled in order for it to pencil out for user groups.

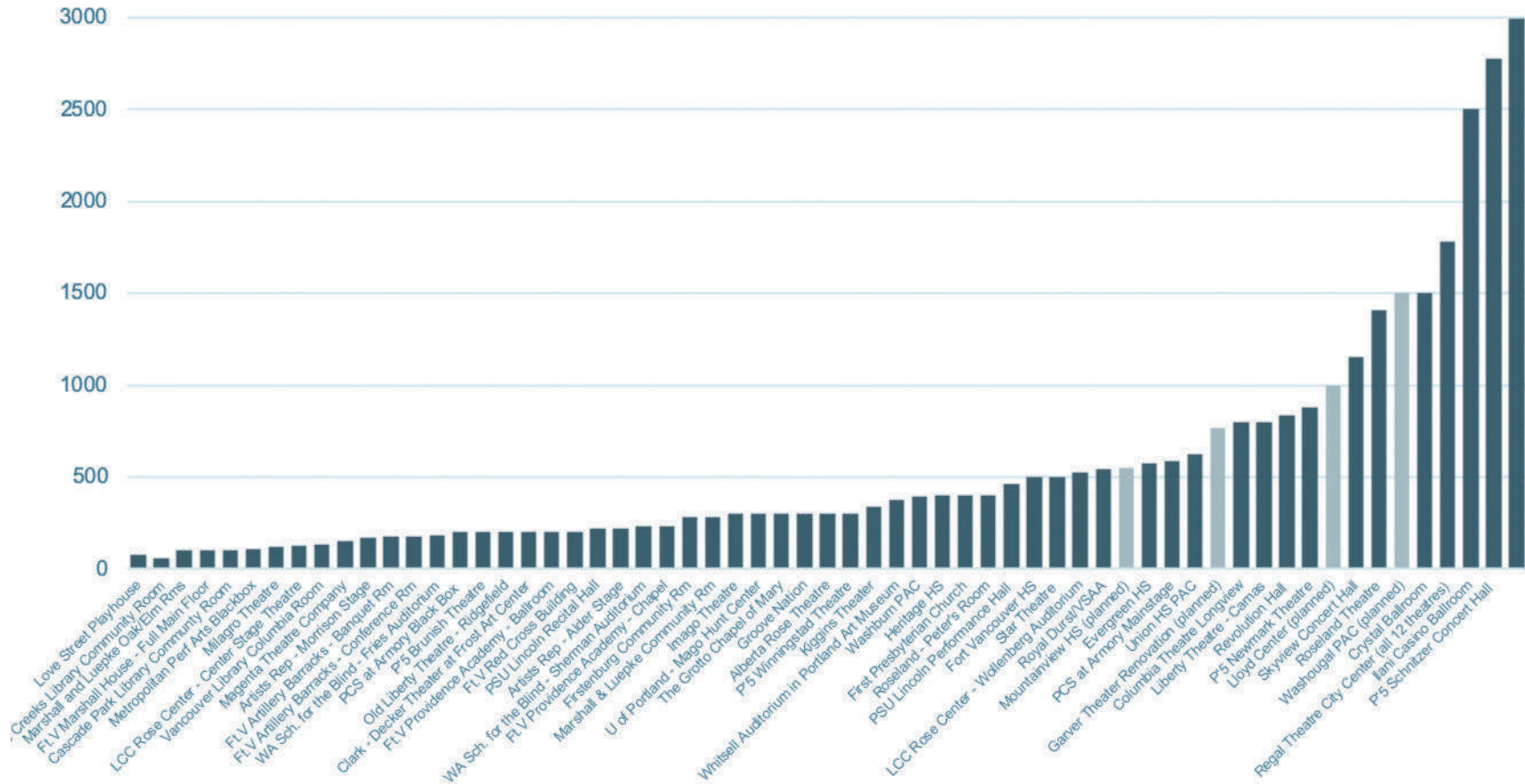


©Ke Kukui Foundation

VSO has the highest optimal capacity of the performing arts groups—in the 1100-seat range—in part because their programming can draw large audiences, and in part because the economics of, for example, doing four performances at 600 seats instead of two performances at 1200 seats is challenging for a group made up of professional musicians. (Symphonic music also has unique functional needs in a new performance hall, most importantly excellent acoustics for unamplified music which drives space volume, sound isolation, theatre form, and many other design elements.)

3.4 Supply of Venues

To determine the extent to which the existing supply of venues meet Vancouver-area groups' needs, we undertook a scan of performing arts facilities within a 30-minute drive of downtown Vancouver.¹⁸

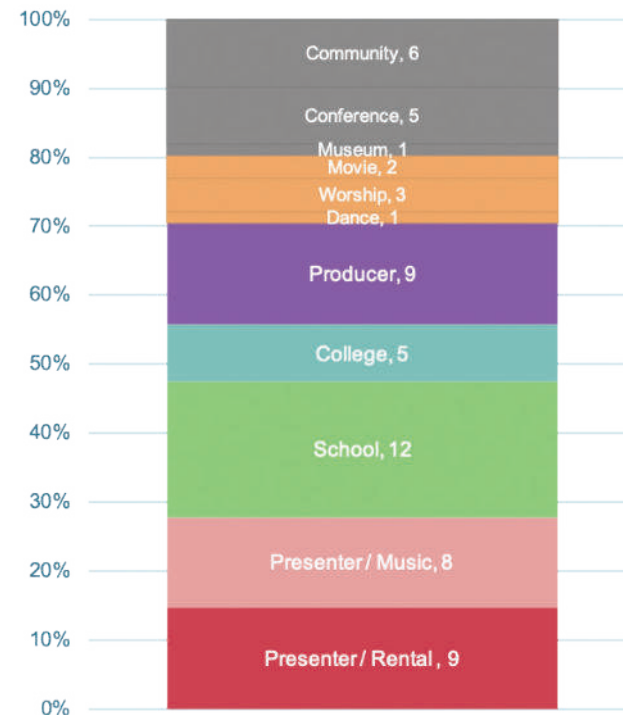


¹⁸ See Appendix D, Venue Inventory for detail.

While the majority of venues are under 400 seats, it is important to understand whether these venues are available for use by community-based groups, and whether they are likely to meet the functional needs of different performing arts genres. We began by categorizing the 55 venues by type:

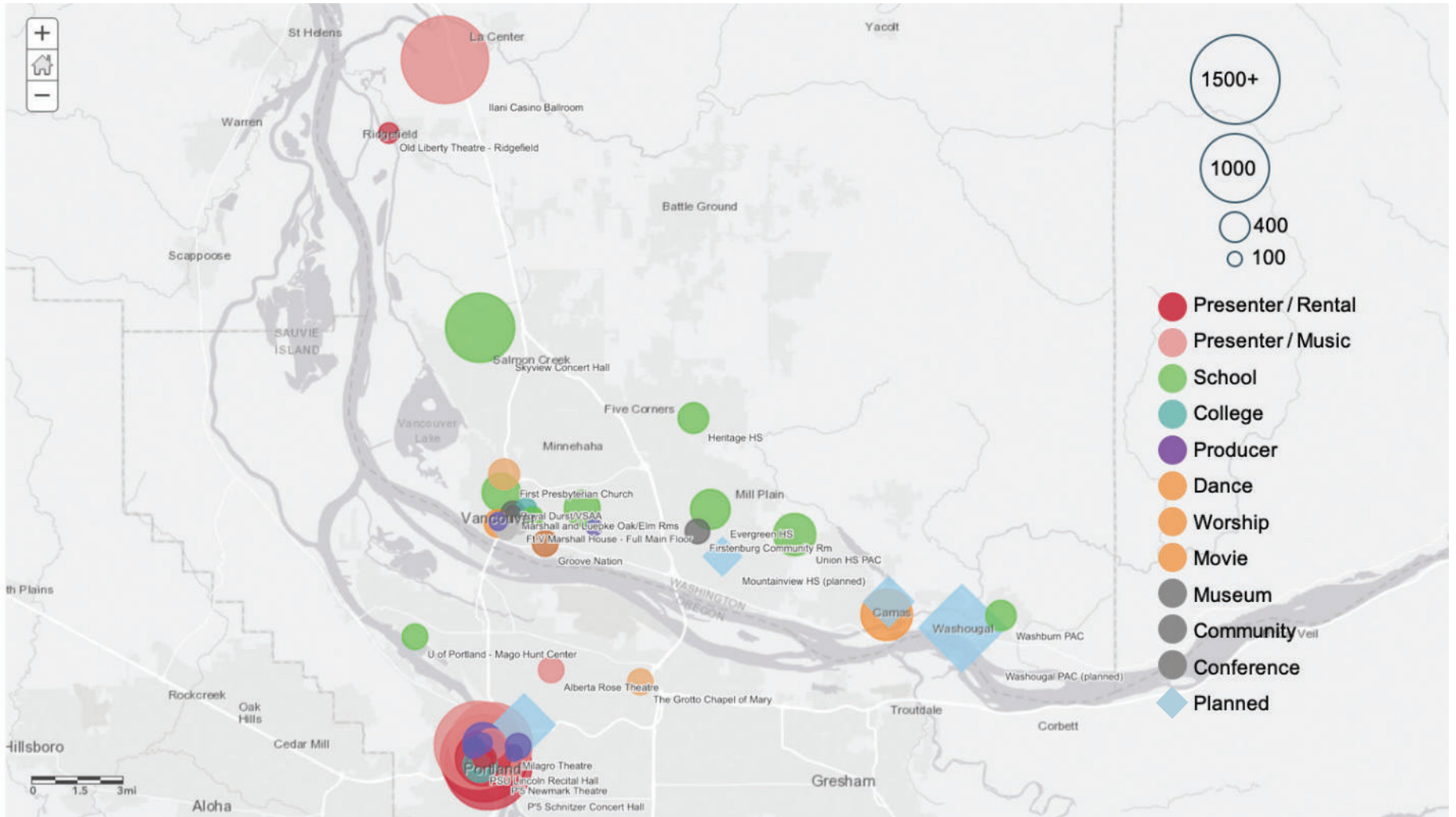
- **Presenter / rental:** venues operated by a presenting organization but are also available for rent by outside performing arts groups (e.g. Portland’5).
- **Presenter / music:** venues operated by a presenting organization that are largely focused on popular music and likely do not have technical accommodations for theatre or classical music (e.g. backstage support space or excellent acoustics). These venues are not typically made available to community groups.
- **School:** venues controlled by a school district. Usually good technical accommodations but often difficult for community users to book far enough in advance due of conflicts with educational programming.
- **College:** venues controlled by a higher-ed institution. Similar scheduling constraints to school venues.
- **Producer:** venues controlled by a producing theatre group (e.g. Portland Center Stage). These organizations need consistent access to their own theatres and so availability to outside groups is usually limited.
- **Dance:** flat-floor dance studios that can sometimes accommodate informal performances.
- **Worship:** churches, synagogues, and other places of worship that host arts programming (mostly music).
- **Movie:** venues built as movie houses which often lack the onstage and backstage accommodations needed for live performance.
- **Museum/Conference/Community:** auditoriums or ballrooms within museums, conference centers, libraries or community centers which often lack the technical accommodations and/or seating needed for live performance.

Area Performing Arts Venues by Type



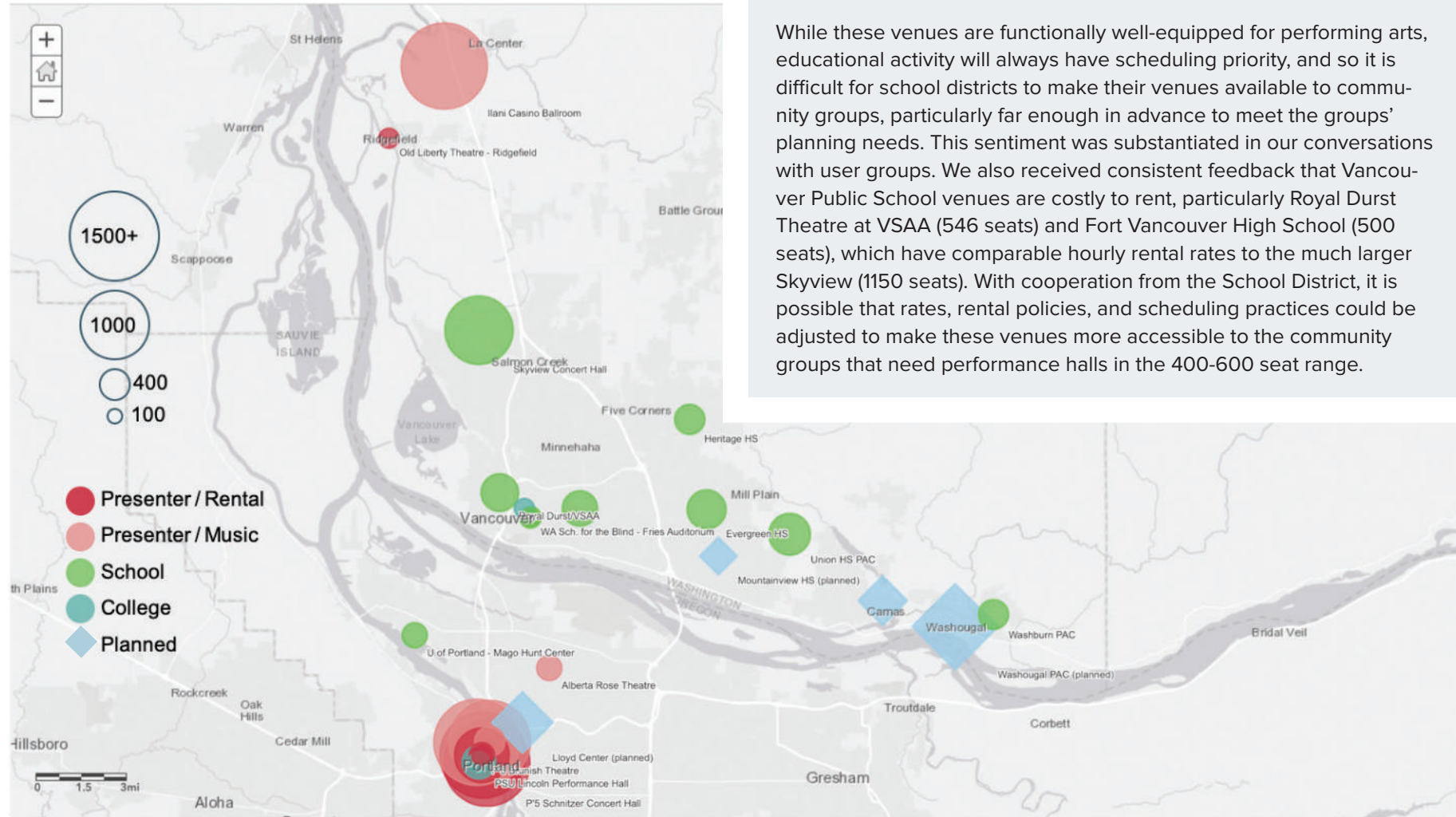
Mapping the venue size, type, and location shows the distribution of venues in and around the Vancouver area:

Venues Within a 30m Drive Time



If we update the map to include only the venues with the seating, sightlines, and technical accommodations needed for live performance that are made available to community groups a different picture emerges:

Venues Within a 30m Drive Time Available for Community Users



As this map shows, the only venues of any size consistently available and meeting the functional needs of performing arts groups near downtown Vancouver are associated with school facilities (and a few planned venues, of which two are also school venues). The majority of these are in the 400-600 seat range.

While these venues are functionally well-equipped for performing arts, educational activity will always have scheduling priority, and so it is difficult for school districts to make their venues available to community groups, particularly far enough in advance to meet the groups' planning needs. This sentiment was substantiated in our conversations with user groups. We also received consistent feedback that Vancouver Public School venues are costly to rent, particularly Royal Durst Theatre at VSAA (546 seats) and Fort Vancouver High School (500 seats), which have comparable hourly rental rates to the much larger Skyview (1150 seats). With cooperation from the School District, it is possible that rates, rental policies, and scheduling practices could be adjusted to make these venues more accessible to the community groups that need performance halls in the 400-600 seat range.

3.5 Key Market Findings

Based on this review of audience demand potential for performing arts programming, arts groups' demand for functional performing arts space; individual interviews with performing arts leaders regarding their successes and challenges, and the inventory of space that meets that demand, the following key findings emerged:

- Performing arts activity in Vancouver is **vibrant, mostly small scale, and has a strong focus on arts education** across a variety of genres and age groups.
- Performing arts groups are actively collaborating with and supporting one another, but many feel **under-resourced and disconnected from civic priorities**.
- **School venues** can be costly for small groups, have limited availability, some functional constraints, and coordination with school scheduling is a challenge.
- A number of groups are interested in a **200-400 seat venue** optimized for community performing arts.
- Several groups would use a **400-600 seat venue**; changes in school district policies and rates could help meet this demand in existing venues.
- **Vancouver Symphony Orchestra has unique functional needs**, opportunities, and constraints; developing a large (1000+-seat) venue built to the specifications required by symphonic music will likely require non-arts partners to help fill the calendar.

Conclusion:

Development of a 200-400 seat venue optimized to meet the needs of community performing arts groups and arts education programs would not only fill a long-term community need but also help build new arts audiences, strengthen local arts and culture nonprofits, and develop the capacity to produce and present work in larger venues in the future. All these outcomes align with the goals of the Culture, Arts, and Heritage Plan to increase cultural capacity, cultural focus, and cultural space.

4 Imagining a New Facility

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4.1 Activity Mix

Using the findings of the market analysis, and with the approval of the Steering Committee, the team worked to imagine how the community’s needs for a performing arts facility could be met at the FVRL site. Using a mid-point of 300 seats for a preliminary seating capacity, we gathered the levels of projected use from a variety of groups, and included projections about school district and library activity provided by Vancouver Public Schools and Fort Vancouver Regional Library. Because 300 seats is a useful size for a wide variety of community-based events including lectures and other gatherings, we also allowed for some use by the City or other civic partners (e.g. commissions, committees, etc.) as well as rentals by private individuals, community groups, and commercial entities. Adding up forecast demand for this size space yields about 180-190 projected use days – it is likely that the remaining 10 or 20 use days to reach a target of 200 could be filled by demand from arts groups outside Vancouver, as a venue of this scale designed for live performance is desirable for a broad range of small- and mid-sized community-based performing arts groups.

4.2 Space Program

To translate the needs of the proposed facility into the physical size and scope of the building, we develop a space “program”. A program lists the area in square feet needed for every individual usable space within the building, as well as key functional requirements and adjacencies. It is also used as the basis for preliminary architectural layouts, site fit analyses, and cost estimates.

The numbers that are important when planning for activity are the usable “net” areas measured in square feet – areas measured from the inside walls of the facility’s spaces. The total size of the building adds up the net areas, plus accommodations for all the other spaces that connect and hold them together, such as exit corridors, janitors’ closets, mechanical/ electrical/ plumbing service areas, the thicknesses of the walls, etc. The total of all this space is known as the gross square footage. The gross square footage drives the construction cost.

Based on the proposed need for an approximately 300-seat performing arts facility, along with the front-of-house, onstage, and back-of-house accommodations needed for live performance from dance to choir to theatre to chamber music, the following space allocations were developed, totaling about 28,400gsf.¹⁹

Space	Net Area	Gross Area
Theatre lobby, restrooms, front-of-house spaces	2,980sf	4,977gsf
Theatre auditorium (300 seats)	3,180sf	5,311gsf
Theatre stage & technical areas, dressing rooms, etc.	7,410sf	12,375gsf
Other facilities including Rehearsal Studio, offices, storage	3,425sf	5,720gsf
Total Area	16,995sf	28,382gsf

4.3 The FVRL Site & Adaptive Reuse

The site development plan for the Vancouver Public Schools (VPS) Downtown Elementary School at the FVRL site identified a 10,400sf footprint for a Performing Arts Venue in the parking lot at the site’s southwest corner. It had been conceived as an addition to the school, but the allocated footprint was too constrained to accommodate the proposed 28,400gsf performing arts facility, with a likely footprint of about 20,000sf. The original site development plan below indicates the Performing Arts Venue footprint would extend beyond the site into Fort Vancouver Way. What’s more, physically connecting an elementary school with performing arts events presents daunting operational and security challenges. Instead, the northeast corner of the site was identified as a preferred location.

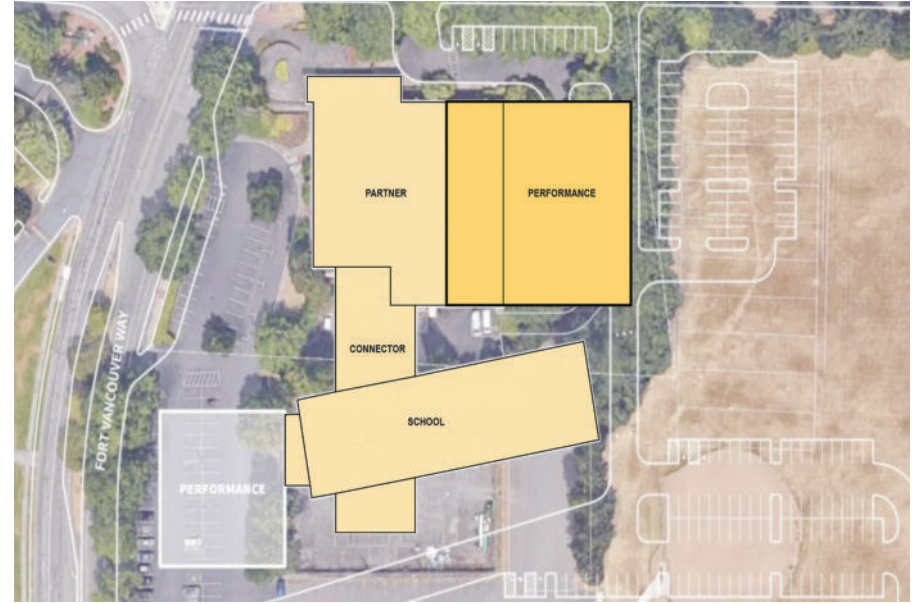
¹⁹ See Appendix E, Space Program for detail.

Original site development plan



NTS

New proposed arts facility location at NE corner



NTS

Needed footprint too large for original location



NTS

4.4 Theatre Design Considerations

This new proposed location of the performing arts venue offers a prominent public address on Mill Plain Blvd, a major east-west arterial that connects the site to Vancouver's Downtown Commercial District, has good access to Interstate 5, and close proximity to the grounds and cultural amenities of Fort Vancouver National Historic Site. **It would be a resource to the proposed arts-focused elementary school without the operational issues of a direct connection.** The VPS School parking could be a shared resource for the performing arts venue in combination with additional parking developed east of the proposed entrance.

The existing 48,000gsf FVRL Operations Center provides an ideal opportunity for adaptive reuse. As the site of the prior Vancouver Main Library, it's a recognized and enduring civic landmark, with a robust existing structure that is suitable for adaptation to new uses. **Adaptive reuse of existing buildings is not only environmentally and civically prudent, it also has the potential to save construction cost.** The existing building could contain 13,200gsf of the proposed 28,400gsf performing arts venue program, leaving more than 34,000gsf available for other potentially congruent uses.

Although the performance hall itself would likely need to be new construction, many of the support spaces for both audiences and performers could fit into the existing FVRL building. **The remaining areas could be developed in a way that supports the vision of an integrated performing and visual arts center.** Possible uses for the remaining area include painting and sculpture studios, makerspaces, film-making, theatre and dance studios, music recording studio, galleries, community café, commissary kitchen, etc. **The robust concrete structure of the existing building is ideal for accommodating a variety of studio and makerspace uses as it offers a high level of sound and vibration isolation between floor levels.**

The main performance hall and support facilities should be planned with a focus on community-based performing arts and educational programming. We anticipate the uses to vary widely - from presentations and events, to unamplified and amplified music, to staged performances in theatre, dance and musical theatre. The most universal theatre configuration suitable for that wide range of programming is a proscenium theatre, where the stage is framed by a proscenium arch separating the stage and the audience, with offstage wing space and backstage circulation, and the audience is in tiered rows that remain fixed. Though the form of the theatre is generally static, a wide range of artistic flexibility can be supported.

The development of the design should consider four core theatre design fundamentals:

1. Artistic, Technical and Audience Access

First and foremost, the venue must be accessible to both user groups and audiences.

- Performers need the flexibility to enter and exit the stage everywhere desired, including crossovers and access from each side.
- Means to efficiently load scenery should be provided by preventing obstacles, so there is artistic flexibility to design and build scenic elements that can be brought in and removed from the space. Efficiency of loading and un-loading helps accomplish more in a given amount of time as well as manage costs.
- Safe and effective access to suspended lighting and scenery must be configured above the stage. In this case a full fly tower is not anticipated, as it is costly to build and operate and is not required by the majority of community-based users. Rather, overhead access above the stage and in the front of house would be provided by use of a woven wire "tension grid" or catwalks, or a combination of the two.
- Audiences of all abilities must be given natural, safe, and effective routes in and out of the auditorium.

2. Space for Movement

- Adequate clear space must be provided for passage and the movement of people, equipment, and scenery horizontally and vertically throughout the building. This not only influences the building walls and ceilings but also the design of architectural components, ductwork, piping, electrical conduit, etc.

3. Building Systems / Engineering Capacity

- The structure of the building is configured so that it not only supports the building, but also has the loading capacity and efficient placement for the attachment of production and scenic elements.
- The heating, ventilation and air conditioning (HVAC) systems are both sized to handle the high loads imposed by assembled people and the heat of the production lighting. They are also configured to deliver air silently and without drafts that might disrupt scenery or audiences.
- The electrical systems have sufficient and appropriate power capacity for stage lighting and production effects.

4. Audience Environment

- Architecture has the effect of framing a person's mind to the activity at hand. Libraries cause one to want to be pensive and scholarly, court rooms demand respect, bars may make one social and thirsty, etc. By extension, an audience gathers as a community to participate in a live evocation of ideas. The more human the space, the more an audience can be taken in and touched by art, and the more reactive audience energy comes back to the performer. This human-ness comes in terms such as scale, warmth, intimacy; the distance between audience and actor are minimized and the perspective between the two vertically is considered. The audience's sense of community is provided both in excellent views to the stage and the sense of the group, recognizing that neither the activity on stage nor the audience posture is static.
- A silent and natural-sounding acoustic environment is key, so actors and musicians are able to have a full range of delivery and the silent moments have the most impact. The need for silence influences the design and construction of the building's structure, HVAC, plumbing, roof drainage, electrical design, and external noise control systems. The audibility and

support of the performers, music, and sound effects influences the acoustic characteristics of the theatre space and design, installation, and operation of the sound systems.

- The patron experience, public space, and amenities must help improve the experience of attending a performance. These spaces should encourage people to gather before and after performances, to share their experience with others, to converse, and to build community.

4.5 Theatre and Rehearsal Room Design Examples

The design of the theatre space will be developed in subsequent phases, with input from users and project leadership. However, it is useful to examine other performing arts theatres that have similar seating capacity and stage formats to get a sense of the size and feel that a new performing arts venue in Vancouver could provide. Each of these theatres configures the seating in two areas – the “orchestra” area closest to the stage separated from a “parterre” area behind a main cross-aisle. This aisle, at or near the level of the stage, allows easy stage and auditorium access and is a crucial component of

providing good access to the space for people who use wheelchairs or have other mobility challenges. Different approaches are used in different theatres to enhance a feeling of intimacy – often ceiling and wall details are emphasized to create a sense of enclosure, and wood is often used for its sense of warmth. The stage spaces shown here include state of the art lighting, rigging, and sound systems, as well as the accommodations needed for unamplified classical music including a reflective ‘orchestra shell.’



PIERCE COLLEGE AUDITORIUM, PUYALLUP WA – 300 SEATS



SACRED HEART CATHEDRAL AUDITORIUM, SAN FRANCISCO CA – 300 SEATS



CARMEL HIGH SCHOOL AUDITORIUM, CARMEL, CA – 300 SEATS



VASHON PERFORMING ARTS CENTER AUDITORIUM, VASHON ISLAND WA – 300 SEATS

A critical component of a multi-purpose community performing arts facility is a secondary space that can be used for rehearsal, readings, meetings, temporary dressing room space, musicians' prep area, or even small performance space. The room should be approximately the same size as the stage to accommodate rehearsals that enable the mainstage to remain free for

other uses. The Rehearsal Studio listed in the building program provides these functions and generally serves as adaptable space for a variety of uses. It could be designed as a more finished gathering space with the potential for finer finishes, or it could be focused on rougher, more technical uses with a 'blackbox' style finish.



RUEFF ROOM AT AMERICAN CONSERVATORY THEATRE, SAN FRANCISCO CA



STUDIO AT SACRED HEART HS, ATHERTON CA

5 Building Concept

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5.1 Conceptual Plans

5.1.1. Level 1

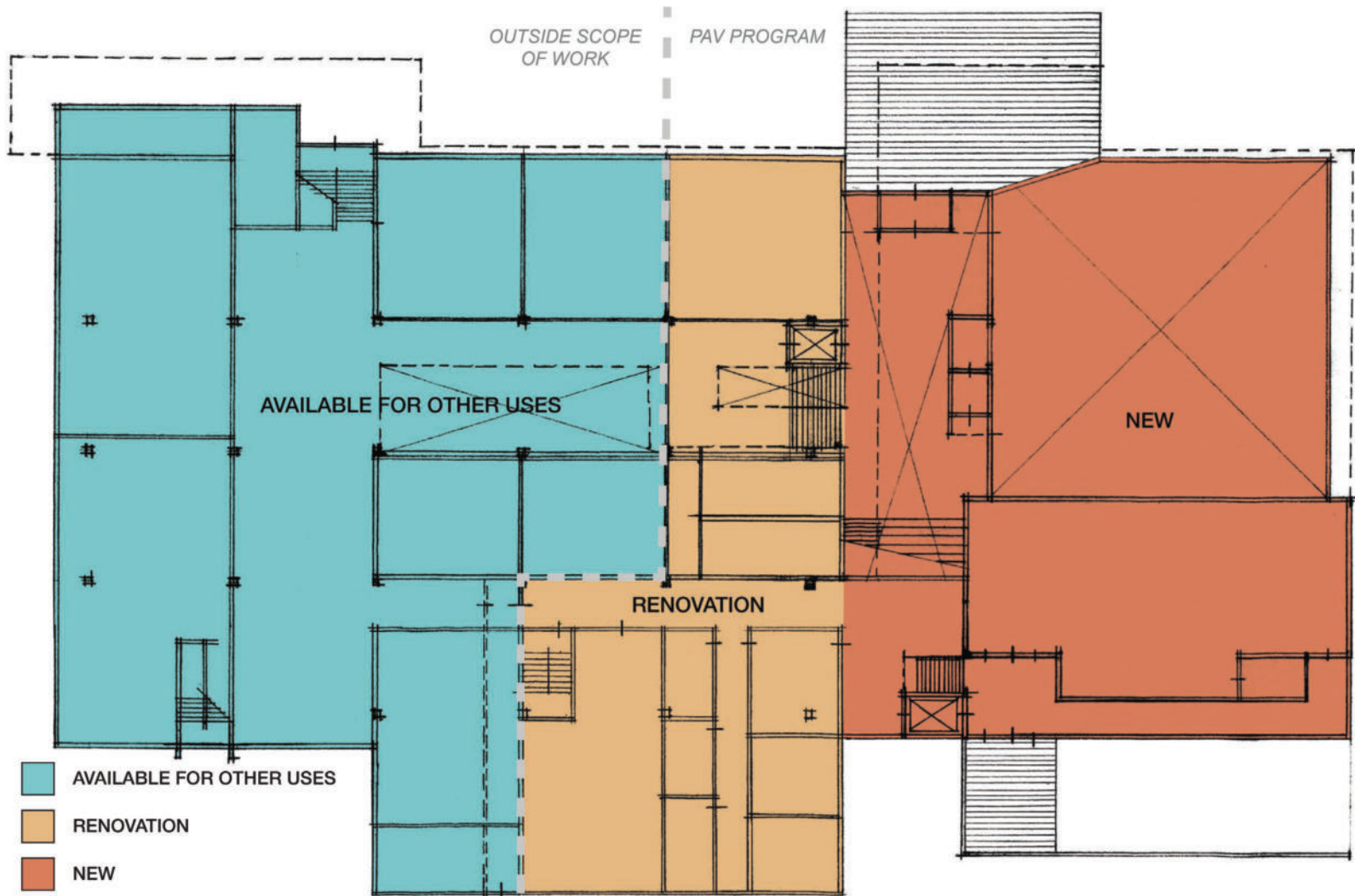
Using the building program, the design principles, the possibilities offered at the FVRL building, and feedback from the Steering Committee, we developed a project concept for a new community performing arts venue for Vancouver.

The project vision strives to seamlessly integrate existing and new construction into a cohesive and efficient performing arts facility. The existing FVRL building is leveraged to accommodate 13,200gsf of the performing arts facility's support spaces while limiting new construction to 15,200gsf for the lobby and theatre spaces. The concept plans propose direct linkages between the existing building and new addition at both front- and back-of-house locations. The middle of the existing building is transformed with a light filled 2-story gallery that connects directly to the PAC theatre lobby, supports visual and physical relationships between floor levels, and draws abundant daylight into the heart of the building.

The main level of the new performing arts facility contains the theatre, the main lobby, dressing rooms and other support space, and a quantity of existing space available for other uses.

The theatre lobby is prominently located facing Mill Plain Blvd with an accessible entrance at the sidewalk level between the lower and upper levels of the existing building, creating a split-level condition. The lobby provides direct access to the entry vestibule of the 300-seat theatre, upper level rehearsal space, and public front-of-house restrooms, ticket office, coats/check room, and house manager's office located in the existing building. Access to the existing building will be provided through a large opening in the Library's east façade with direct proximity to stairs and elevator that will connect the theatre lobby to the lower and upper levels of the existing building. The 300-seat multi-use theatre is conceived with fixed seating on orchestra and parterre levels, similar to the theatres shown above. The specific theatre layout and configuration will be developed during subsequent phases of work.

The stage is conceived with adequate wing space and depth to support dance, choir, and musical performances, with stage-level storage for an orchestra shell and grand piano. With the orchestra shell in place, an orchestral ensemble of 50 musicians, or a choir of 100 singers could be accommodated. A backstage crossover corridor from one side of the stage to the other is provided with direct access to a loading dock. A freight sized elevator and stair will connect the stage level to the back-of-house support spaces located in the existing building. These spaces include backstage restrooms, chorus and principals' dressing rooms, prop/tool storage, laundry/wardrobe and green room.



LEVEL 1 - RENOVATION / NEW

VANCOUVER ARTS FEASIBILITY STUDY 02.26.2020



opsis

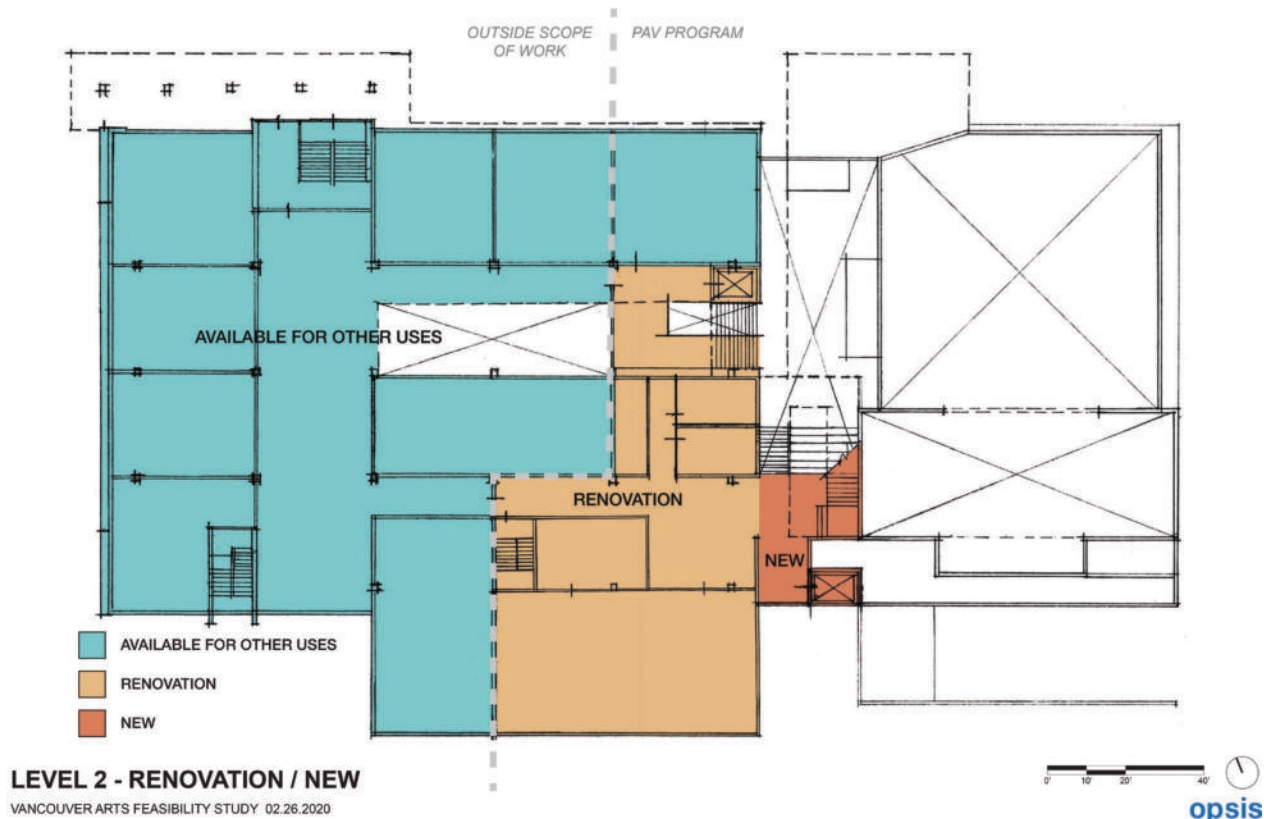
5.1.2 Level 2

The rehearsal room is the main performing arts-related space on Level 2; other significant performing arts-related spaces are allocated for circulation and access to overstage catwalks and some back of house support. Substantial existing space is also available for other uses.

The rehearsal room is located in an area of the existing building with a wider structural bay spacing that provides a similar footprint to the main stage and features large south-facing windows. This important multi-use room will support a variety of needs ranging from rehearsal space to an intimate performance venue, expanded green room for large dance troupes and small orchestras, as well as instruction and event space.

Stair and elevator access from the back-of-house dressing rooms will offer performers direct access to the rehearsal room.

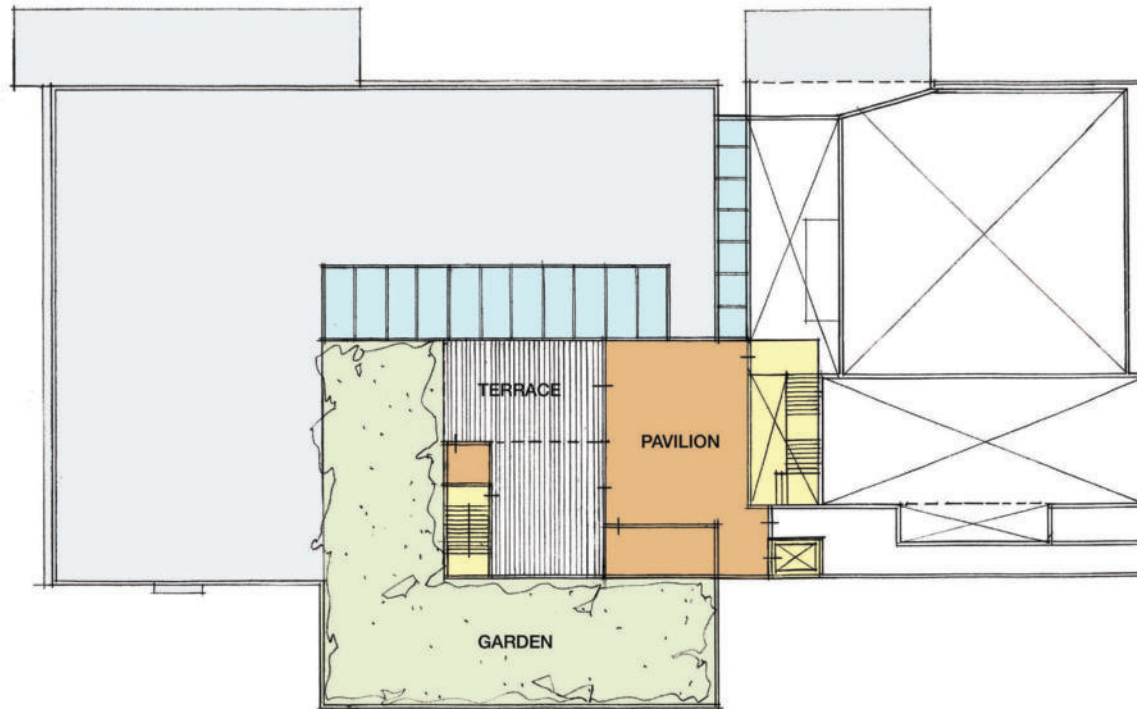
Front-of-house elevator and stair access is provided from the theatre lobby to the upper level of the existing building where public restrooms are located above restrooms below. It's envisioned these restrooms, if sized appropriately, could serve the remaining spaces in the existing building. In addition, the possibility of public access to a rooftop terrace and pavilion has been considered with provision to extend two stairs and an elevator to the roof in compliance with the code requirement for egress.



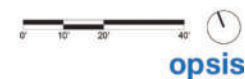
5.1.3 Optional Rooftop Pavilion

The existing concrete roof structure of the FVRL building was designed to accommodate a third level which allows consideration of a cost-effective rooftop terrace and pavilion. The proposed layout is designed to accommodate a 3,600sf rooftop glass pavilion accessed directly from the theatre lobby. The pavilion would incorporate a catering kitchen to support a variety of events that open-up to a partially covered 2,000sf terrace that overlooks a 5,000sf landscaped sculpture garden with panoramic views to the west

and north of Vancouver. While not strictly required for the function of the performing arts building, Steering Committee members agreed it could be an attractive amenity for donors and for community special events. The Steering Committee dubbed this space the “Pie in the Sky.”



ROOF PLAN
VANCOUVER ARTS FEASIBILITY STUDY 02.26.2020



5.2 Conceptual Views

5.2.1. Existing FVRL Operations Center

Formerly the Vancouver Community Library, the FVRL Operations Center was built in 1963 and remains an iconic and beloved building for the Vancouver community. It is an exceptional example of Mid-Century Modern architecture; some of the building's distinguishing characteristics include brick walls that extend out as terraces, an extruded concrete frame that contains the upper level, and floor to ceiling windows distinguished with sky-blue spandrel glass infill panels. The concrete frame floats above the lower level with a continuous band of clerestory windows that provide daylighting and human scaled datum line between the ground plane and bottom of the frame. An inviting concrete loggia is located on an elevated entry terrace that extends into a curved brick wall that inscribes a courtyard which originally contained a water feature that activated this space and strengthened the library's identity and civic presence.

Note Regarding Building Renderings

The renderings shown on the pages that follow are meant to convey the location, scale, and massing of a possible performing arts addition to the FVRL building. They are a preliminary representation of one possible concept for this facility that draws inspiration from the existing building and creates an exciting arts destination for Vancouver. Alternative design concepts would be explored during a subsequent phase, if and when the project becomes a reality.



EXISTING VIEW – NORTHWEST



EXISTING VIEW – NORTHEAST

5.2.2 Performing Arts Venue Addition

The exterior of the performing arts venue addition is designed to harmonize with the architecture of the existing Library. It is inspired by and draws from the architectural scale, features and character of the existing building, yet is distinguished with an architectural expression and materiality that celebrates the unique attributes and expressive possibilities of a civic performing arts facility. The existing building's elevated terrace could be the location of a new water feature, recalling the prior fountain, or perhaps the site for a prominent sculpture that announces this reinvigorated facility and new addition as an arts focused landmark.



AERIAL VIEW FROM THE NORTHWEST WITH SCHOOL, ENTRY COURTYARD, AND PERFORMING ARTS ADDITION

The scale and massing of the proposed addition is taller than the existing building which allows it to have an appropriately scaled presence and prominent identity. The existing concrete frame is reinterpreted as a contoured ribbon which defines a welcoming entrance canopy above the two-story glass enclosed lobby. The line of the canopy extends upward to form a cornice that extends to the flytower volume, holding a perforated metal “scrim” curtain. The scrim is shown rendered in a sky-blue color that

recalls the library’s spandrel glass panels, reinforcing the linkage between existing and new to define a cohesive facility. The draped curtain could filter direct sunlight in the audience house, if windows are desired, and provide an opportunity to be backlit at night creating a dramatic theatrical effect announcing performances. The bottom of the scrim would align with the bottom of the existing building’s concrete frame to reinforce a compatible relationship and human-scaled experience.



VIEW OF THEATRE AND ENTRANCE LOBBY FROM THE NORTHEAST



VIEW OF THEATRE AND ENTRANCE LOBBY FROM THE NORTHWEST



VIEW OF PERFORMING ARTS VENUE ADDITION FROM THE EAST



EVENING VIEW OF THEATRE ADDITION FROM THE EAST

5.2.3 Interior Lobby

The theatre lobby is envisioned as a dramatic, light-filled, two-story space located between the existing building and the new addition. It integrates the existing east façade of the library with the theatre volume and entry vestibule. The middle of the existing east façade is modified with a two-story opening that connects the theatre lobby to both levels of the existing building via stairs and an elevator. The possibility of creating an integrated visual and performing arts center with an expanded lobby experience is

strengthened through a proposed two-story light filled gallery commons in the heart of the existing building. The south end of the theatre lobby terminates with a stair and integrated amphitheater seating connecting to the upper level and rehearsal room. The potential exists to extend the stair upward to a bridge connecting to the rooftop pavilion, terrace, and landscaped sculpture garden.



VIEW OF THEATRE LOBBY LOOKING SOUTH



VIEW OF THEATRE LOBBY LOOKING WEST INTO EXISTING BUILDING

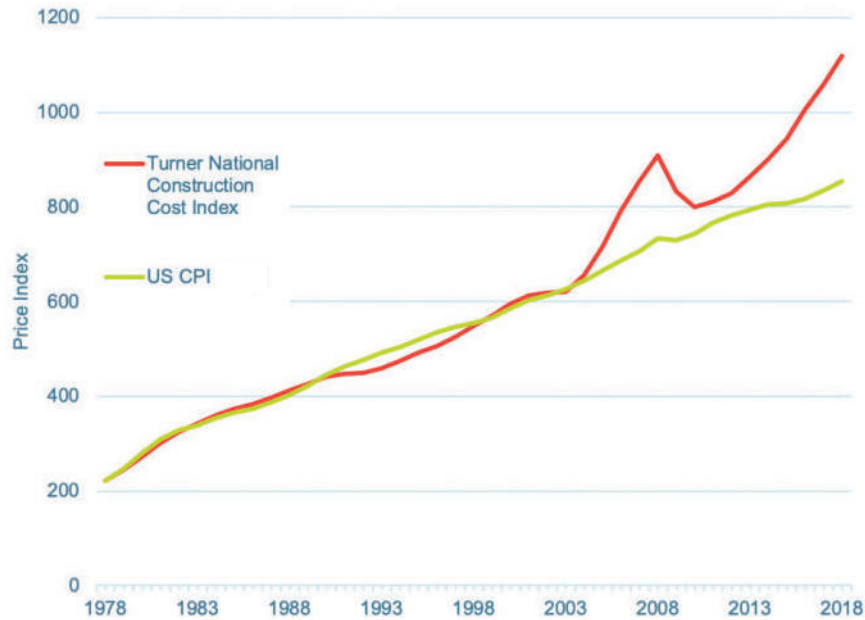
6 Building Project Cost

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6.1 Construction Cost Comparators

Performing arts buildings are typically more expensive than other kinds of commercial construction, due to high-volume long-span spaces, special requirements for building systems, necessary acoustical isolation, and other complexities. In addition, construction cost escalation has outpaced overall cost inflation since the early 2000s; the chart below shows the Turner National Construction Cost Index (TCCI) as compared with the U.S. Consumer Price Index. According to construction-industry experts, this trend is likely to continue.

Construction Cost Index vs CPI



In order to estimate the cost of construction and other associated project costs for the proposed facility, we first gathered cost and size data from small- and mid-sized Pacific Northwest performing arts projects either recently completed or in the planning phase. We used this data to calculate historical construction costs per square foot. Finally, using an estimate of the projects' bid dates, we used the TCCI to escalate these costs per square foot to present-value dollars:

Project	Completed	Index @ Bid	Construction Cost	Gross Area (gsf)	Cost/gsf @Bid	Current Cost/gsf
Patricia Reser Center for the Arts Beaverton, OR	<i>planned</i>	138	\$38,158,000	46,400	\$822	\$822
Vashon Center for the Arts Vashon Island, WA	2016	112	14,840,000	21,500	690	850
[Planned Project] [Near Seattle, WA]	<i>planned</i>	138	27,823,000	32,560	855	855
Federal Way PAC Federal Way, WA	2017	116	32,700,000	45,360	721	858
Bellevue Youth Theatre Bellevue, WA	2014	104	8,800,000	12,000	733	973

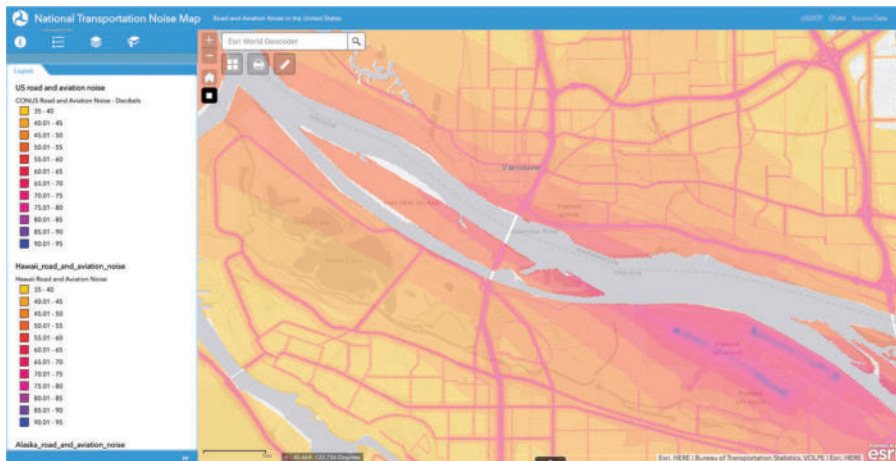
These data suggest that the construction cost for a new-construction performing arts building is likely in the range of \$850 per gross square foot. The cost per square foot for adaptive reuse of an existing facility is likely to be much less; more detailed investigation would be necessary to estimate these costs accurately, but we recommend using \$450 per gross square foot as a placeholder.

6.2 Other Project Costs

To understand the total cost of a construction project it is necessary to consider site acquisition, ‘soft costs’ including architectural, engineering, financing, legal fees, and other pre- and post-construction expenses, as well as any special conditions for the proposed project. The cost of acquiring a site in this case is likely \$0 since the site is already City-owned. Project soft costs for performing arts facilities are typically estimated at about 35% of construction costs.

While many performing arts centers have to address the effects of ambient external noise, projects in Vancouver have special acoustical considerations because of the city’s proximity to Portland International Airport. The map below shows the substantial noise impact of aircraft and road activity on sites throughout Vancouver. The greater the distance from the flight tracks (which follow the river,) the less noise impact, but this will remain a critical factor in the design of any performance hall, especially those that wish to accommodate unamplified/classical music. Preliminary conversations with performing-arts acoustical consultants suggests that mitigating this noise intrusion is likely to be quite costly, in the \$1-3 million range even for a small performance hall not focused on classical music (the cost would increase for larger performance halls with higher acoustical demands).

ESRI/ArcGIS National Transportation Noise Map – Vancouver



6.3 Range of Magnitude Cost Estimate

Using the above data as a basis, a range-of-magnitude expected project cost of the proposed facility can be developed, and escalated to a future construction start date (we used 2023 as the earliest such a facility is likely to be bid). The proposed project is expected to cost approximately \$30 million, give or take 10-15% depending on a variety of factors.

	New	Adapted	Total	If All New
Gross Area (sf)	13,000sf	15,000sf	28,000sf	28,000sf
Cost/sf	\$850/sf	\$450/sf		\$850/sf
Cost	\$11.0m	\$6.8m	\$17.8m	\$23.8m
Noise premium (allowance)	1.7m	-	1.7m	1.7m
Soft costs @ 35%	4.5m	2.4m	6.9m	8.9m
Total Project Cost	\$17.2m	\$9.2m	\$26.4m	\$34.4m
Escalation to 2023	\$19.9m	\$10.5m	\$30.4m	\$39.9m
w/Roof Pavilion (allowance)	\$22.9m	\$10.7m	\$33.4m	\$42.9m

7 Operating Considerations

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7.1 Operator Types

With a building concept that serves the needs of Vancouver’s performing arts community and helps fulfill the vision of the City’s Culture, Arts, and Heritage plan, the next question is to understand how (and by whom) such a facility should be operated, how much this might cost, and what sources of revenue might support its operations. We do this by first examining the different options for operating the building, gathering operational data from other performing arts facilities of a similar size and type, and, on this basis, estimating the range of magnitude expenses and revenues based on planned levels of activity.

There are a wide variety of ways that small and mid-sized arts centers are owned and operated in the US. They can be owned and operated by cities or other public entities like arts commissions; they can be owned and operated by school districts or higher-ed institutions as is the case for most of Vancouver’s existing performance venues; they can be owned publicly and run by a nonprofit tenant or a commercial operator (usually for a fee); or they can be owned and operated by independent nonprofit or commercial entities. Each of these approaches has advantages and disadvantages depending on the project’s goals, the community context, and the objectives of project leadership.

No matter what the operating approach, performing arts venues typically are not able to earn enough revenue to cover their costs of operations.

Generally, earned revenue can be expected to cover 40 to 60% of operating costs depending on the programming mix; the remainder must be covered by other sources of sustained support. The mix of sustained support varies widely but can include dedicated tax funding (e.g. transient lodging tax which will be used to support Beaverton, OR’s planned Patricia Reser Center for the Arts), general fund support, individual philanthropy, and grants from governments or charitable foundations. Venues that are a part of a larger complex like a convention center or college are often subsidized as a part of the larger operation.

Venues that rely on philanthropic contributions must work to cultivate their own institutional identity, often through offering a selection of presented programming unique to the venue. Venues that are principally offered as community rental space, or that exist as part of a larger complex with a focus on other uses often find it difficult to attract donors; soliciting a gift so that a venue can make rental space more affordable to nonprofit performing arts groups would suggest to the donor that the gift should go to the renting group instead! In contrast, a venue raising funds to bring exciting artistic performances to an audience that would not otherwise see them is likely to be much more successful.

The matrices on the pages that follow outline some of the major operational and economic differences between the different types of performing arts venue operators:

- most applicable
- somewhat applicable
- least applicable

operator type

	City	Other Public	School/ College	Non-profit	Commercial
Needs sustained support	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Can leverage existing administrative systems	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Benefits from shared asset stewardship	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Active fundraising required	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Free to take programming risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Needs sustained support

As noted above, any operator type will require sustained financial support over time.

Can leverage existing administrative systems

Public entities can often benefit from economies of operational scale. For example, the arts center can leverage the existence of a payroll system, group insurance, facilities services, etc. Independent nonprofits must typically provide these systems themselves. Commercial entities that operate multiple venues often have some systems in place.

Benefits from shared asset stewardship

Similarly, public entities that own a large portfolio of facilities are able to spread out the cost and risk associated with long-term building stewardship. This includes funding long-term maintenance reserve funds which are often out of reach for independent nonprofits and commercial entities, resulting in deferred maintenance over time.

Active fundraising required

Though all performing arts buildings require sustained support, the contributed revenue mix influences whether or not an active annual program of fundraising (and the associated staff & cost) is needed. Publicly-operated facilities might have a “friends-of” fundraising group to help support programs but would likely be substantially supported by dedicated public funding streams or General Fund Support. School venues would likely be supported by general operating funds. Nonprofit operators would rely significantly on philanthropic sources and would need to commit to the costs of cultivating and retaining donors and pursuing grant opportunities.

Free to take programming risk

Some level of venue-specific programming is usually needed in order to raise substantial philanthropic revenue. Bringing in presented performances requires some ability to take risk on ticket sales – guaranteeing payment to an artist and then taking the risk that the performance will sell enough tickets to cover (hopefully exceed) this cost. Public entities often have a hard time with even low levels of programming risk unless an enterprise fund or other mechanism can be established.

Of course, economic considerations are not the only factor in identifying the best operator type(s) for a new performing arts venue in Vancouver. We also examined the relevant definitions of project success developed by the Steering Committee at the project's outset to see which kinds of operators might best be able to achieve them:

- most applicable
- somewhat applicable
- least applicable

High levels of community activity and cultural vibrancy

Keeping a performing arts venue active year-round during daytime and evening hours requires active management and an approach to scheduling that prioritizes maximum levels of space utilization and affordability for a broad range of users. Schools must often instead prioritize educational uses, and commercial entities may not be well-positioned to prioritize desired utilization and activity mix over revenue generation.

Drives widespread arts participation & education

A mission-driven focus on community arts education, cultural participation, and audience development could drive operational decisions at a public entity or a nonprofit. Again, schools are tied to different programming priorities, and commercial entities must focus on financial results before longer-term mission-driven outcomes.

Strong partnership opportunities

Public and nonprofit operators have the flexibility (and motivation) to develop and sustain partnerships across sectors. Forming community partnerships is consistent with their mission of creating community/leveraging resources to better serve the citizens, while it is not inherent to the mission of schools who must keep students' educational needs foremost, or commercial entities focused on economic results.

	operator type				
	City	Other Public	School/ College	Non-profit	Commercial
High levels of community activity and cultural vibrancy	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Drives widespread arts participation & education	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Strong partnership opportunities	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

7.2. Comparator Venues

Through this lens, it is clear that the best operator types for the proposed Vancouver venue are likely to be the City, another public entity such as an arts commission, or an independent nonprofit. At the time of this writing, the City is considering multiple possibilities for developing leadership either within the city or in a partner nonprofit to operate the future venue. Both the City's Arts and Culture department and the Culture, Arts, and Heritage Commission are brand new, and have not yet developed the capacity to lead the development of a major capital project. The performing arts groups interviewed as part of the needs assessment were not asked about the possibility of leading such an effort, though capacity for leadership may exist in certain groups. Emergent interest in venue development and operations from new nonprofits, or from new partnerships between groups should be considered as project planning continues. Because strong leadership is the most critical component of successful cultural space development, there is not enough information at this time to identify a recommended operator.

To flesh out an understanding of programming, operations, and economics for a venue of this size, we conducted a national scan of small performing arts centers to gather data about their operating scale, staffing, successes, and challenges in operating community performing arts venues. The comparators selected are not intended to be perfect examples of exactly how an arts venue might operate in Vancouver. Instead, we endeavored to include at least one example of each of several important criteria to understand the breadth of possibilities and bracket performing arts center operations within an expected range. Using publicly available data, arts center publications, and interviews with each venue's leadership, we gathered data on programming, operations, and economics. Each of the exemplars selected fulfills at least one of the following criteria:¹

- New construction
- Adaptive re-use
- City owned/operated
- City-owned/nonprofit operated
- Robust education programming
- Presenting, producing, and /or rental operations
- Established / healthy community partnerships, including with public agencies
- Successfully implemented long term vision/growth.

¹ See Appendix F, Comparative Matrix, for detail.

7.2.1 Comparator Overview

	Lakeshore Players Theatre at Hanifl PAC	Lawrence Arts Center	Paradise Center for the Arts	Walters Cultural Arts Center	Kirkland Performance Center
City	White Bear Lake, MN	Lawrence, KS	Faribault, MN	Hillsboro, OR	Kirkland, WA
Owner	Lakeshore Players Theatre	City of Lawrence	Faribault Arts Center	City of Hillsboro	City of Kirkland
Operator	Lakeshore Players (Non-Profit)	Lawrence Arts Center (Non-Profit)	Faribault Arts Center (Non-Profit)	City of Hillsboro	Kirkland Performance Center (Non-Profit)
Performance Venue Seating Capacity	Mainstage: 250 Black Box 75	Mainstage: 300 Black Box: 80	Mainstage: 300	Mainstage: 200 (flat floor)	Mainstage: 394
Full Time Employees	6	32	2	5	8
Part Time Employees	9	50 incl teaching artists	3	3 + teaching artists	2
Overall Revenue	\$774,854	\$3,145,292	\$466,045	\$1,298,873	\$786,487
Portion Contributed	\$271,199	\$1,411,947	\$199,004	\$1,105,873	\$237,195
Portion Earned	\$503,655	\$1,733,345	\$267,041	\$193,000	\$549,292
Expenses	\$769,891	\$2,992,056	\$476,645	\$1,298,873	\$850,188
Revenue minus Expenses	\$4,963	\$153,236	(\$10,600)	\$0	(\$63,701)
% Earned revenue	65%	55%	57%	15%	70%

LAKESHORE PLAYERS THEATRE AT HANIFL PERFORMING ARTS CENTER

lakeshoreplayers.org

This venue in the greater Minneapolis/St Paul area is a good example of brand-new construction. It was opened in 2018 as the new home to a 67-year old non-profit community theatre organization, and serves as a thriving community performance and gathering space.

The Hanifl Performing Arts Center is owned and operated by the Lakeshore Players Theatre, and receives no local governmental operating or capital support. An additional community theatre organization (Children's Performing Arts) partners in a tenant role to make the center financially sustainable. Programming consists primarily of produced theatre for adults and families, but also includes presented music and guest performers, theatre education, and activities with community partners. The facility is fully utilized, 7 days/ week. It is an example of a thriving, fully non-profit, performing arts center.



LAWRENCE ARTS CENTER

lawrenceartscenter.org

After nearly 25 years in a city-owned and repurposed historic Carnegie Library, the non-profit Lawrence Arts Center organization grew into a new, city-owned and community-supported building in 2002. This 40,000sf facility is home to a rich array of performance, exhibition and education offerings, with a mainstage and black box theatre, three galleries, and two dance studios. Its emphasis, however, is on arts education, with on-site preschool and kindergarten, and approximately 500 classes offered yearly in dance, theatre, and visual arts of all kinds. Over 85% of its revenues come these offerings.

The Lawrence Arts Center is deeply integrated with its community, and has developed partnerships with the school district, library, City Hall, and many non-profit organizations, as well as the nearby University of Kansas. Its success in achieving its mission to grow and nurture the arts community closely aligns with Vancouver's interest. It is the largest of the exemplars in size, programming, number of employees, and budget.



PARADISE CENTER FOR THE ARTS

paradisecenterforthearts.org

This non-profit Center, located in a restored 1929 movie theatre in the historic downtown, hosts a variety of arts facilities across genres – theatre, galleries, classrooms – and an has emphasis on educational programming. Paradise has a full schedule of theatrical offerings, as well as a range of visual arts classes offered for all ages, but particularly popular with adults.

However, children’s classes are a struggle to fill, pullbacks in grants and other funding challenges have jeopardized some popular programming with area elementary schools, and there are few partnerships. The non-profit owned and operated Paradise Center for the Arts is succeeding in spite of its fiscally challenging environment, but is presented an example of an arts center getting by on a very small scale – the lower end of our operational bracket.



WALTERS CULTURAL ARTS CENTER

hillsboro-oregon.gov/city-services-overview/cultural-arts/walters-cultural-arts-center

The Walters Arts Center is included as an example of a city-owned and operated cultural arts center. Through a community process, and with the help of a generous foundational gift, the City of Hillsboro identified, purchased, and adapted a landmark church property to serve as home to the city’s Cultural Arts Center. In addition to housing the city’s cultural programming and staff, the Center presents a concert series featuring local and emerging artists, a curated gallery program, and an array of popular arts classes for all ages. It is also used as a community gathering space, with free community events, including art walks.

The Walters Center has a smaller, flat floor theatre not well suited to full-fledged theatre performances. Its public ownership and site characteristics set some parameters on programming and use, but it is successfully filling its niche.



KIRKLAND PERFORMANCE CENTER

kpcenter.org

This performing arts center, operated by a non-profit organization, opened its doors in a custom-designed building after ten years of community-wide planning and fundraising. The building is owned by the City of Kirkland, which is involved in facility management and provides all funding for capital improvements, but is not involved with the venue's programming.

Kirkland Performance Center has the largest theatre in our exemplars, at 394 seats, and its focus is presented shows – music, theatre, dance, and spoken word – by national and local artists. It does not have classrooms or gallery space. The theatre is well used by the community, with myriad events held by partner organizations as well as private rentals. Typical examples: civic events, film festivals, dance competitions, theatre performances, meetings/conferences, lectures, fundraisers, weddings. There are some educational offerings via partnerships with community theatre groups.

This exemplar is included to show what a city-owned – but not city-run – theatre-only facility, with a heavy focus on presented acts, might look like.



7.2.2 Comparator Key Findings

A number of key findings emerged from this research that were common across all the venues studied:

Programming

- These venues have helped grow grassroots cultural groups in their area – the availability of affordable space for local groups is an important part of the arts ecosystem in these communities.
- Educational programming helps drive revenue and activity – youth classes are often revenue positive and help activation.
- Partnerships are critical to the success of each venue – though varied in scope and scale, the majority of venues leveraged partnerships with cities, libraries, and/or other nonprofits to better serve their communities.
- Presenting requires the ability to take risk, can help draw audiences, and can bolster a venue's reputation – those venues that present their own programming saw increased ability to access philanthropy and to grow audiences.
- Non-arts venue rentals have varying degrees of success, though most venues are popular for weddings, galas, and other community events – some venues drew substantial earned revenue from outside rentals, but noted the increased demand on staff and facilities for these programs.

Operations

- Venues with active produced and presented programming require more staff – the more classes, performances, and other activities that are put on by the venue (rather than a tenant), the larger the operating budget.
- Substantial contributed revenue requires personnel focused on fundraising – those venues with significant contributed income from philanthropy also had dedicated development staff.
- More presented programming means increased scale of operations, but not necessarily increased net earned revenue – presented programming can increase access to philanthropic revenue to support venue operations, but does not typically “make money” as a line of business, though it does contribute to keeping the venue active year-round.

- Food & beverage service is often operated in-house to capture net revenue – many venues see substantial revenue from offering concessions before and during performances. Offering adult beverages increases the revenue possibilities and makes a venue more attractive to some audiences.
- Most venues charge per-ticket fees of \$2-4 to users to help cover box office services – venues that operate box offices need to cover the cost of personnel and software and typically charge a per-ticket fee for all tickets, including those of rental groups.
- Facility size & type of building ownership drive occupancy costs – the costs of utilities, annual and long-term maintenance, cleaning, grounds care, etc. vary proportionally with the size of the building. Further, if an owner can spread the costs of asset stewardship across multiple properties, thus taking advantage of economies of scale, overall costs can go down.

Economics

- Some venues enjoy dedicated local or state funding streams – although care must be taken as these revenue sources may be vulnerable to changing economies or politics. The State of Minnesota has dedicated a portion of sales tax revenues to support arts and culture statewide, and both the Paradise Center for the Arts and Lakeshore Players Theatre have benefited from this ongoing program. As a City-owned and operated facility, the Walters Arts Center enjoys the financial support and security of Hillsboro's General Fund. Lawrence Arts Center previously received annual City contributions for facility maintenance; however, City support is now sourced only from the social services fund, earmarked for student financial aid. Kirkland Performance Center, whose building is owned by the City of Kirkland, receives direct operating support from the City.
- Earned revenue can make up about 60% of total revenues for nonprofit operated venues; city-operated venues are able to operate with less earned revenue and drive more mission-related and community-centered activity.
- Operating expenses range from \$800k - \$3m for fully-staffed facilities – this wide range is associated with the level of presented and produced programming put on by the Center. Paradise Center for the Arts has a lower operating budget (about \$500k) but reports operating on a shoestring and may not be sustainable at the current staffing level.

7.3 Expense and Revenue Drivers

Based on this research, and on experience from other projects across the country, we can identify the primary expense and revenue categories for the proposed center. The proportion of different revenue and expense categories will depend on the type of operator chosen for the facility, which is not yet known.

7.3.1 Expense Drivers

Programming

Programming costs vary with the type and level of activity the venue itself puts on – whether it be classes, presented performing arts events, or other programs. Programming costs for rental groups are borne by those groups and do not impact the venue’s bottom line. Center-led programming is more important if sustained philanthropic support is needed.

Occupancy

Another large portion of arts center expense is typically occupancy and facility costs. This includes utilities, security, janitorial services, maintenance, and insurance. These costs are likely in the range of \$8 to \$9 per square foot per year, totaling \$250-250k per year for Vancouver’s proposed facility (not including the parts of the FVRL building not used for the performing arts). Ideally an annual contribution to a facility reserve fund to underwrite long-term maintenance and capital replacement needs would also be included in the annual expense budget.

Administration

Administrative costs such as marketing, office supplies, software, training, etc. are an important part of the expense budget. The costs associated with fundraising from individuals and grants, typically about of 15% of gross contributions, should also be included in expense projections.

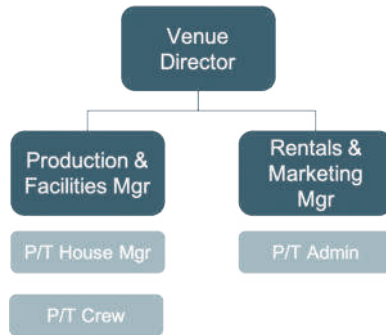
Staffing

Finally, the biggest influencer of total operating expenses is staffing. This would include full-time and part-time administrative staff, as well as those associated with any programming developed and produced by the venue. The needed staff and the structure of the organizational chart will vary considerably depending on the operator type and the sources of sustained financial support that are planned.

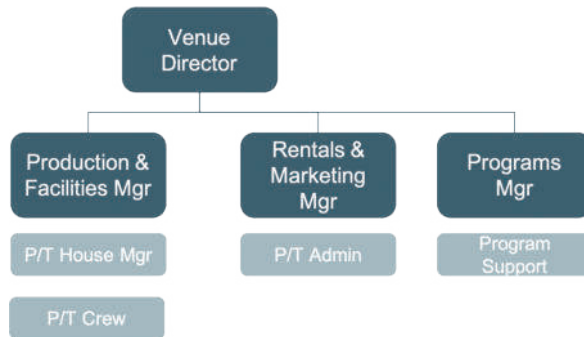
A city-operated venue that is supported by a special tax and plans to make the majority of dates available to community groups and other rental users (rather than put on a lot of its own programming) can run with a relatively lean team. When a public or nonprofit operator plans programs, including presented events and classes, a group of people with the appropriate expertise is required to teach or otherwise put those on. If substantial philanthropic support is needed to support operations, a fundraising/development team must be included. This breadth of staffing possibilities yields a wide range of possible expenses for the proposed venue.

Staffing Scenarios

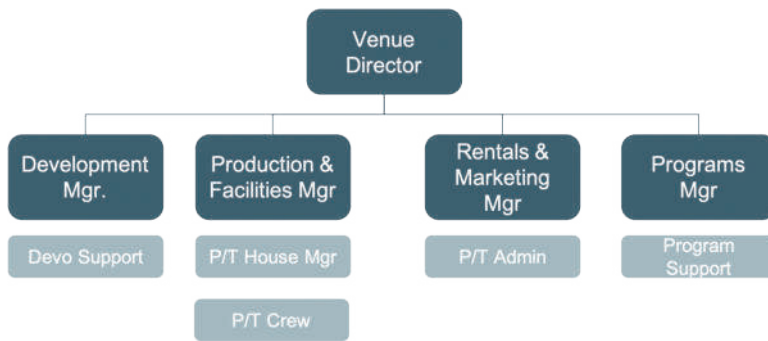
Lean team



Add Program Staff



Add fundraising staff



7.3.2 Revenue Drivers

As discussed above, performing arts center revenues are divided into earned and contributed revenues. Earned revenue sources that could be expected to cover up to approximately 60% of expenses include:

Rent

While a critical part of a performing arts venue's success in Vancouver will be its affordability for community-based performing arts groups, some rental fees must be charged to all users in order to support healthy operations. Venues that are offered for free are few and far-between, and are often not efficiently used. Rent from core user groups is often supplemented by rental revenue from other sources including commercial conferences, meetings and events, community celebrations, and personal rentals. It should be noted that nonprofit operators are limited in the level of revenue-producing activity they can undertake that is unrelated to their mission without jeopardizing their tax-exempt status.

Ancillary Revenue

Concession sales, ticket fees, and passthrough charges to rental groups for items like piano tuning, stage labor, equipment rental, etc. can help offset operating costs.

Ticket and Program Income

Finally, if the venue produces or presents its own programming, it will take in ticket revenue or other kinds of program-related income (e.g. course fees, etc.). These revenues help offset program expenses but typically do not cover them completely.

The remainder of operating revenues must come from contributed sources, including:

Sustained Government Support

Many arts centers, especially those owned and operated by cities, are partially or wholly subsidized by government funding sources. Hillsboro's Walter's Arts Center is supported by the City's general fund; Beaverton's planned Patricia Reser Center for the Arts plans to make use of lodging tax

funding to support general operations. The Washington State Access for All legislation, passed in 2015 and slated for updates in 2020, gives counties and cities the opportunity to enact sales tax increments to support access to cultural activities. If passed in Clark County or Vancouver, this could also provide sustained operational support for a center's initiatives.

For nonprofit-operated entities, civic support often comes in the form of annual grants, and often agreements for the City to cover long-term facility maintenance, insurance, utilities, and other occupancy costs. This ongoing support can make the difference between a struggling arts center with a small reach and one that is vibrant and provides substantial value in its community. At present, these funding opportunities are largely local; there are no Clark County or Washington State funding programs that offer sustained support for performing arts venues. As of the time of this writing, no sustained government funding source has been identified by the City to support the operations of a performing arts venue.

Grants

Grants from corporations and foundations can often be secured for program-specific initiatives. Sustained operating support from these sources is not easy to come by, but can sometimes be secured through strong long-term partnerships.

Annual fundraising

Many nonprofit performing arts centers are supported in large part by annual contributions from individual donors. City-operated centers have less access to these philanthropic funds because of the perception that taxes should pay for civic activities, though some support is possible through active and engaged 'friends-of' groups. Cultivating a strong donor base and robust annual fund support is an immense task that must be planned for carefully during early project planning, and during the execution of a possible capital campaign.

Investment income

Some arts centers are fortunate to have substantial annual investment income from operating endowments. In recent years, cultural-sector experts have begun to advise against tying up substantial capital in the form of

permanently restricted endowment funds, instead prioritizing economic liquidity and adaptability. It would be unusual for a small nonprofit or city-operated community arts center to have an endowment.

7.3.3 Preliminary Pro Forma Forecast

Although this project's operating approach, mix of contributed revenues, and the City's role as building owner are not yet confirmed, we have developed a preliminary pro forma forecast to show one way the economics of a new community arts center could work. This forecast was developed using a parametric financial model that uses hundreds of variables and inputs to yield revenue and expense estimates for 5 years following the opening of the new facility. Although the model yields numbers that look precise, **these estimates should be considered a very preliminary starting point for future discussions about the business model of the proposed project.**

The values in the forecasts that follow are based on a series of assumptions – these are not necessarily recommendations but describe one way to approach the facility's operations:

Ownership and Operations

- Venue owned by the City of Vancouver.
- Venue operated by an independent nonprofit under contract with the City (the capacity of an existing or new nonprofit would need to be developed over time in order to take this on).
- This model assumes that there is no lease payment to the City for the facility.

Staffing

- Venue run by a staff of 5.5FTE including a Director, Development Manager, Rentals Manager, and Production Manager, with part time support staff.
- Event-specific staff including stage and event crew and front-of-house personnel would be hired in addition at appropriate hourly rates. Some of these costs would be charged back to renters.
- There would be an expectation of annual philanthropic fundraising (amount depending on availability of other sources of sustained support and could influence staffing levels).

Activity & Utilization

- The theatre and rehearsal room would be prioritized for nonprofit arts group rentals but also rented by private citizens, the school district, the library, and the city. Commercial users (e.g. corporations), could also rent the facilities but at a higher rate.
- Rental rates have been set at about 20% below those of comparable venues in Portland.
- The venue would present a program of about 20 of its own performances/events.
- Activity would ramp up over years 1-3, with more than 190 performances/ events in a stable year, yielding more than 40,000 attendees to ticketed and non-ticketed events.

Occupancy Costs & Building Stewardship

- The City would reimburse the operator for (or cover) building repair, property insurance, and groundskeeping.
- Other occupancy costs such as cleaning, security, utilities, etc. would be covered by the operator. Occupancy cost estimates are based on regional data from the Building Owners and Managers Association (BOMA) and the Vancouver Community Library.
- As owner, the City would contribute annually to a facility reserve fund, consistent with other holdings in its portfolio (this cost is shown 'below the line' as it would not impact the operator's financial statements).

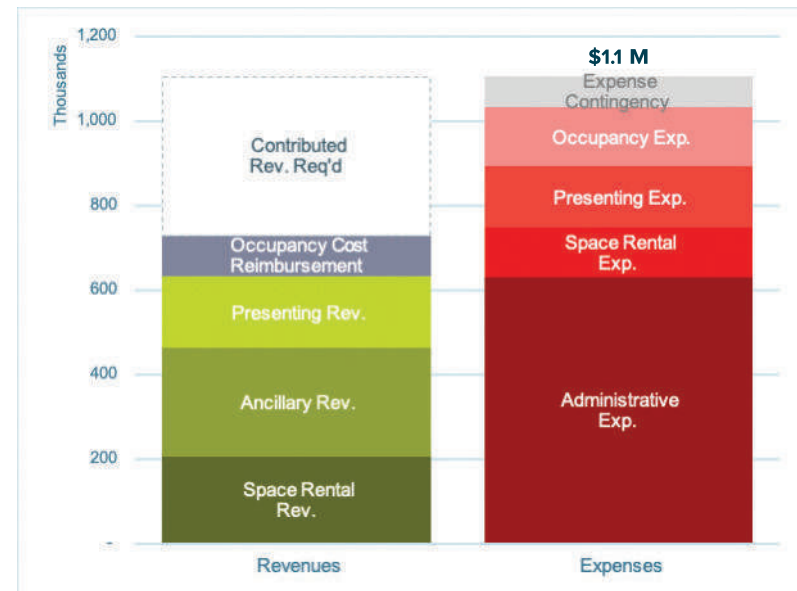
Economics

- 2% annual inflation between now and year 1 (assuming 2023) and during years 1 – 5.
- A taxes and benefits rate of 27.65%, the national average for nonprofits.

Once operations have stabilized in year 3, the overall operating scale / expense budget is expected to be in the range of \$1 million to \$1.2 million. The bulk of the expenses are associated with staffing, which is consistent with other centers. Earned revenues in a stable year make up nearly 60% of total needed revenues, again consistent with small arts centers nationwide.

Stable Year (year 3) Revenues and Expenses

Need for Contributed Revenue



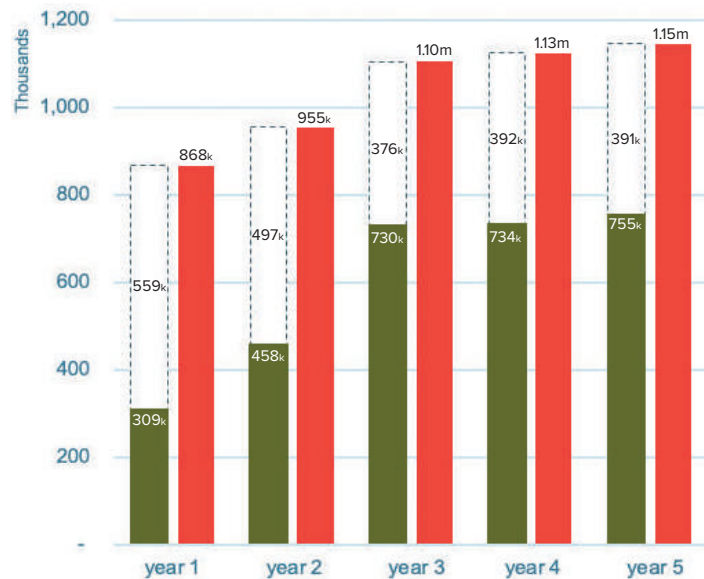
Partially reimbursing the operator for occupancy costs is one way the City can help promote long-term economic sustainability for this important civic asset. This model shows that, in addition, **about \$400k would be needed annually from a blend of public and private sources once the center's operations stabilize (more would be needed during years 1 and 2 as shown below).**

The appropriate mix of these contributed revenues varies widely from arts center to arts center and is influenced by factors including but not limited to:

- Availability of dedicated public funding streams such as hotel/motel tax, arts-specific funding, or other sources.
- Interest by local businesses and foundations in providing sustained unrestricted operating support for a performing arts venue.
- The existence of a strong local culture of philanthropic giving to arts and culture and a willingness among donors to give consistently to annual fund campaigns.

Prior to engaging a fundraising feasibility consultant to assess the magnitude of available corporate, foundation, and individual support it is likely necessary for the City to more clearly define its commitment to identifying and allocating public resources in support of this venture and its outcomes.

Multi Year Revenues and Expenses



▨ Contributed Rev. Req'd ■ Total Expenses ■ Total Revenues

Preliminary Pro Forma Forecast Summary²⁰

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Space Rental Revenue	\$84,500	\$130,000	\$207,000	\$207,000	\$215,000
Ancillary Revenue	91,000	150,500	255,500	257,500	259,000
Presenting Revenue	40,000	85,000	170,000	170,000	180,000
Occupancy Cost Reimbursement	90,000	95,000	95,000	95,000	100,000
Total Revenues	\$305,500	\$460,500	\$727,500	\$729,500	\$754,000
Expenses					
Administrative Expenses	\$599,500	\$615,000	\$631,000	\$642,000	\$653,000
Space Rental Expenses	40,000	69,000	117,500	119,000	121,000
Presenting Expenses	37,000	71,000	144,500	147,500	150,500
Occupancy Expenses	134,500	137,500	140,000	143,000	146,000
Expense Contingency	57,000	62,500	72,500	73,500	75,000
Total Operating Expenses	\$868,000	\$955,000	\$1,105,500	\$1,125,000	\$1,145,500
Contributed Operating Revenue Required	\$562,500	\$494,500	\$378,000	\$395,500	\$391,500
Maintenance reserve contribution	140,000	140,000	140,000	140,000	140,000

²⁰ See Appendix G Pro Forma Forecast Summary for detail.

7.4 Capital Structure

An important part of capital project planning is understanding the appropriate capital structure for the project’s development and its subsequent operations – the venue’s distribution of financial assets. Often project budgets include only construction costs (hard costs) and estimates of related expenses such as design fees, permitting, etc. (soft costs). Operational and sustaining funds must also be carefully mapped out during project planning, and funds to support healthy operations must be protected from being spent on bricks and mortar overruns. If careful economic plans are made and executed, new facilities can be set up for success.

Grantmakers in the Arts has defined nonprofit capitalization as the accumulation and application of resources in support of the achievement of mission and goals over time. For nonprofit and civic operations alike, there are three main components to healthy capitalization:

Liquidity: having adequate cash/cashflow for annual operations

Adaptability: having funds available to take risk and respond to change

Durability: long-term sustaining funds

Liquidity is, of course, a prerequisite for healthy operations. A larger operating budget will require a larger cash reserve and it must be available on day one of the new building to ensure operating expenses can be met. If city-operated, this liquidity usually already exists. A nonprofit must raise this reserve fund as part of its capital campaign. Economic *adaptability* is often overlooked in favor of modes of economic durability such as endowment funds. However, *durability* without adaptability yields a brittle business plan, highly exposed to risk and without the flexibility to weather the unexpected or to capitalize on opportunities.

For a new facility project, economic adaptability means acknowledging that the project will have planned deficits in the first few years of operations, even after annual fundraising and/or government support is accounted for. It will take a few years to ramp up programs and earned revenue, to establish

the identity of the new/expanded institution, and to overcome donor fatigue from the capital campaign. A spend-down fund to compensate for these deficits is known as Start-up Capital, and should also be raised as part of the capital campaign. Once operations are stabilized, a programming opportunity fund could also be established to fund new ventures, new opportunities, pilot projects, or program expansion – this is especially relevant if a city would like to insulate itself from programming risk.

With a new building comes the responsibility for long term asset stewardship. Cities are already well versed in taking care of physical assets over time. Too many nonprofit cultural organizations develop costly new buildings without an economic plan for their upkeep. As noted above, we recommend establishing a facility reserve sinking account to which funds are contributed each year. This interest-bearing account would grow over time and would be available for major building maintenance so that donor requests can be reserved for programs, new initiatives, and mission-driven work, not carpet replacement and air handling systems.

	Working Capital aka Operating Reserve	Startup Capital	Facility Reserve	Programming Fund
<i>Purpose</i>	Cash needed on day 1 to support general operations post-opening	Funds needed to support early years of operations until they stabilize	Funds to care for the new facility over time	Funds for program development or presenting opportunities, and to shield general operations from risk.
<i>Target balance</i>	Target: 35-60% annual operating expenses + extra in years 1-3	Target: cover early operating deficits	Target: 15% of building value in 30 years	Target: tbd
<i>Sources</i>	Replenish with annual surplus	Initial capital only	Annual contribution	Replenish through programming success
<i>Investment vehicle</i>	Liquid	Short-term investment	Long-term investment	Long-term investment
<i>Control</i>	Staff	Staff	Board or city restricted	Board or city restricted

7.5 Economic Impact

Cultural facilities have the potential for substantial economic impact in the communities they serve. Beyond the direct economic impact of spending on new construction, cultural buildings have ongoing economic and social impacts as long as they are in operation. They spend money on local people and businesses and draw audiences to spend money in downtown districts; in turn, this spending creates jobs and can yield government tax revenue.

Americans for the Arts (AFTA), a national nonprofit with the mission to advance the arts across the US, has developed a rigorous arts organization economic impact model, based on aggregated spending data from cities and organizations across the US. Their calculator provides estimates of economic impact at a high level to inform early project planning. More detailed estimates specific to individual communities can be sourced from AFTA if needed. The AFTA calculator suggests that at an operating scale of \$1m - \$1.3m in annual expenses and about 40,000 annual attendees, the economic impact of the proposed Vancouver facility will be in these ranges:

	Total Expenditures	FTE Jobs	Household Income	Local Gov't Revenue	State Gov't Revenue
Organization Spending	\$1.0m - \$1.3m	38 - 49	\$821k - \$1.0m	\$45k - \$58k	\$55k - \$72k
Audiences Spending	\$1.2	31	\$639k	\$55k	\$73k
Total	\$2.2m - \$2.5m	69 - 80	\$1.5m - \$1.6m	\$100k - \$113k	\$128k - \$145k

Definitions – from Americans for the Arts

Total Expenditures

The total dollars spent by your nonprofit arts and cultural organization and its audiences; event-related spending by cultural audiences is estimated using the average dollars spent per person, per event by cultural attendees in similarly populated communities.

FTE Jobs

The total number of full-time equivalent (FTE) jobs in your community that are supported by the expenditures made by your arts and cultural organization and/or its audiences. An FTE job can be one full-time employee, two half-time employees, etc. Economists measure FTE jobs, not the total number of employees, because it is a more accurate measure that accounts for part-time employment.

Household Income

The total dollars paid to community residents as a result of the expenditures made by your arts and cultural organization and/or its audiences. Household income includes salaries, wages, and entrepreneurial income paid to residents. It is the money residents earn and use to pay for food, shelter, utilities, and other living expenses.

Government Revenue

The total dollars received by your local and state governments as a result of the expenditures made by your arts and cultural organization and/or its audiences. Government revenue includes revenue from local and state taxes (e.g., income, sales, lodging, real estate, personal property, and other local option taxes) as well as funds from license fees, utility fees, filing fees, and other similar sources. Local government revenue includes funds to governmental units such as city, county, township, and school districts, and other special districts.

When using estimates derived from this calculator, always keep the following caveats in mind: (1) the results of this analysis are based upon the averages of similarly populated communities, (2) a unique input-output model was customized for each of these similarly populated communities, providing very specific employment, household income, and government revenue data, and (3) your results are therefore estimates, and should not be used as a substitute for conducting an economic impact study that is customized for your community

8 Looking Ahead

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8.1 Opportunities

As the City of Vancouver looks towards the possibility of moving forward with this project, it should consider the opportunities associated with this kind of ambitious development, work to resolve the project's uncertainties and unknowns, and, concurrently, take steps to move forward with cultural infrastructure investment in Vancouver.

Stronger arts & culture ecosystem: The development of a new facility has the opportunity to substantially strengthen Vancouver's arts and culture ecosystem. Making affordable, functional, appropriately-scaled performance space available to small groups helps build stronger cultural nonprofits, develop audiences, and draw creative professionals to Vancouver. A healthy community of small and mid-scale cultural providers helps provide the foundation of community support needed to support larger-scale cultural activity, larger audiences, and more vibrant nonprofits in the future.

Arts education in Vancouver's identity: Support for schools and youth education is already a strong point for Vancouver. A performing arts center focused on arts education – for youth and adults alike – could build on this strength and help make arts and culture a part of Vancouver's civic identity. Arts education not only includes things like dance and music lessons but also participatory programs like youth musicals, or adult hula ensembles focused on cultural learning, or choirs whose mission is for participants to grow their musical skills. Vancouver could eventually become a destination for arts education – where parents, artists, and lifelong learners come for the best arts education programs in the region. The proposed location adjacent to an arts and innovation focused elementary school makes this opportunity all the more compelling.

Fulfill vision for City's role in arts and culture: The City Strategic Plan and Culture, Arts, and Heritage plan both lay out a new vision for the role of the City in cultivating Vancouver's arts and culture ecosystem. The City's partnership in developing a new community-focused facility that serves local nonprofits and engages youth would be a powerful symbol of its commitment to this vision.

Develop vitality and vibrancy near downtown: One advantage of the FVRL site is that it is located close enough to downtown for audiences to be drawn to its shops and restaurants, but far enough away to have the parking capacity needed for a performing arts venue. An active facility could bring 40,000+ people to Vancouver's downtown area annually who might not ordinarily come. Audience spending before and after performances (e.g. dinner, a babysitter, drinks, etc.) is a major component of the economic impact of performing arts facilities nationwide, and could be a boon for downtown Vancouver.

Preserve and leverage a beloved civic destination: The proposed adaptive reuse of the former Vancouver Community Library building is a unique opportunity to not only protect a well-constructed, well-designed, and well-loved City asset, but also to develop a highly functional performing arts center at a lower cost than all-new construction. Blending performing arts space with other possible arts and innovation related uses in the remaining part of the building could make the site an important destination for artists, makers, innovators, and learners from across the region – and resonates with its original use as a building dedicated to facilitating community exploration and knowledge.

“The Vancouver Community Library building is a long-standing, beloved City asset.”

8.2 Unknowns

Project Leadership: At present, it is not clear whether the City of Vancouver wishes to lead this project as its primary proponent, whether it wishes to ask the Culture, Arts, and Heritage Commission to lead it, or whether it will seek a nonprofit partner to “carry the torch” for project development. All successful cultural projects have strong leadership and vociferous champions at the core of their development and operations – what will be the City’s role in this regard?

Operating Approach: Closely entwined with the question of the city’s role in project development is the approach to operations that will be taken at the new center. If the City wishes to expand its arts and culture programming, and act as a benevolent landlord for a variety of cultural groups, it could make sense to take on the role of facility operator, adding to the existing portfolio of community centers and other public buildings. Alternatively, if an entity like the Culture, Arts, and Heritage Commission, or an individual nonprofit leads project development, could they also ultimately take on facility operations, fundraising, and programming? These questions must be addressed as project leadership is solidified.

Sources of capital funds and sustained support: Of course, development of a new performing arts facility will require substantial capital investment – on the order of \$30m according to study estimates. These funds could come from a blend of public sources such as bond or tax revenues along with private philanthropy. The proportion of these funds to the total cost will depend on what entity takes on the leadership role for the project. Similarly, the facility will require sources of sustained annual support for general operations. The most stable and least costly sources of support are likely to be public sources such as transient lodging tax, admissions tax, cultural access tax, general fund support or a blend thereof. Ongoing fundraising from private sources including individuals and foundations is also possible, but requires more investment in the center’s artistic identity, including compelling programming, and fundraising staff to support annual fund drives. If the venue is city-led, accepting philanthropic support would also require creating an affiliated nonprofit entity to accept contributions.

Other planned facilities: At present, there are a number of concepts in circulation for performing arts facilities on the Vancouver side of the Columbia River. Several of these venues are school district auditoria, which will complement the rest of the districts’ portfolios but have similar access issues to the existing school venues. Both the Southwest Washington Center for the Arts and an emerging group in Washougal, WA hope to develop larger-scale venues (1200+ seats) for touring programming, symphonic music, and other large-scale activity. A small new Cultural Center is being planned as a flat-floor space at Fort Vancouver’s South Barracks. Because of the difference in project scale, the proposed community-focused facility would not likely pose substantial competition with these venues for users or audiences. However, continued attention to communication between groups planning new facilities, and careful messaging around how these projects fit into Vancouver’s cultural ecosystem is needed.

Library facility availability: Finally, the former Vancouver Community Library building is currently the headquarters of the Fort Vancouver Regional Library System’s operations. FVRL’s agreement with the City of Vancouver extends for twelve more years, during which time the cultural facility landscape in the area may change significantly. If the City wishes to move this project ahead more quickly, an agreement with FVRL will be needed. This decision may be influenced by construction timing for the proposed elementary school on the site, which is currently under review.

8.3 Next Steps

If the City wishes to move this project forward, a number of near-, medium- and long-term next steps should be undertaken:

Soon (the next 6-12 months)

1) Continue to develop community leadership around arts & culture

The process of undertaking this study has shown that there is substantial interest in the arts and culture community around investment in a small-scale venue with a focus on arts education. The City could help energize community leaders by asking the Culture, Arts, and Heritage Commission to examine ways to move the project forward; engaging study Steering Committee participants in these conversations; and soliciting feedback from a broad range of performing arts stakeholders - including youth - on ways to develop community leadership.

2) Affirm city's willingness to financially support performing arts

We are hopeful that one outcome of this work will be to build consensus around the city's continuing support for arts and culture in general, and performing arts in particular. The Culture Arts and Heritage Department, Commission, and funding programs are in their infancy, and the City must positively affirm their support for continuing financial investment in arts facilities, programming, and operations in order for their early successes to continue.

3) Work with school district to improve rental policies

Almost the entire inventory of mid-scale (400-1000 seats) performing arts facilities in the Vancouver area is held by the school district. With an eye towards improving access to and affordability of these facilities by the community performing arts groups who need them, the City could facilitate conversations with the school district around possible policy updates. Working in partnership, could the city and the school district make these venues more available for community groups' use?

4) Develop clarity around plans for the FVRL site

We understand that plans for the proposed elementary school are currently under review, and that conversations with FVRL leadership will influence the possible timeline for adaptive reuse of the library building. Moving these conversations forward with a shared future vision in mind will help provide the clarity that project leadership will need to move ahead.

Next (1-2 years)

Depending on how quickly a strong leadership group for the project emerges, and how soon the City's role in cultural facility development is clarified, a number of subsequent steps could be taken:

1) Public survey

A public survey was excluded from this study because too much uncertainty exists around the project's future operating approach, development timeline, and funding model. Asking the public for their responses about performing arts and arts centers in general, rather than regarding a specific project with a known cost and programming approach often leads to 'false positive' results, with more people saying they would support something than actually would be willing to allocate funds towards construction or programs. However, as project elements begin to solidify, an assessment of public opinion about the project should be undertaken. The survey's goals should be to understand audience interest in programming, their likelihood to attend the kinds of programming that would be available at the new center, and their willingness to pay for tickets and programs, as well as project development.

2) Fundraising feasibility study

Whatever the proposed mix of capital project funding, some level of individual philanthropy will likely be needed to reach the project's funding goals. Once the public funding approach is established, a fundraising consultant

with experience in the local philanthropic landscape should be engaged to undertake a feasibility analysis. This study would identify the availability of philanthropic dollars in the community and solicit confidential feedback from possible major donors in order to develop a realistic campaign goal and an overall fundraising strategy.

3) Design concept refinement

To support fundraising efforts and develop more precise cost estimates, the early designs shown in this report should be developed further. This work would refine the concept design by developing specific room requirements and layouts, including exploring and developing a desired theatre layout and room character. Continuing input from user groups, and more information about the possible uses of the remaining unassigned space in the FVRL building would help refine the space list / program and concept layouts.

This preliminary design effort would likely include an expanded consultant team to understand the integration of building systems that will inform the development of a project cost estimate including a detailed construction cost estimate and other indirect project costs. Both interior and exterior design character would be developed further with updated renderings including the theatre and rehearsal spaces. This effort could also include renderings of any galleries, studios and makerspaces in the existing building, if the adaptive reuse direction is pursued. These illustrative materials would provide graphic support for City Council and potential donor presentations as well as an informational campaign to support a bond measure, if this method of funding is pursued.

4) Business plan development

In parallel with design concept refinement, a more detailed business plan should be developed. This would incorporate information about affirmed sources of sustained support, the preferred operator of the facility, the associated staffing levels, and sources of revenue and expense for both. Developing the business plan iteratively with design refinement helps design decisions be informed by operational and financial realities and vice versa.

Then: (2+years)

Finally, with project leadership, funding sources, a campaign goal, refined designs, and a credible business plan in place, project development can proceed in earnest. This would include, but not be limited to:

Full scope architectural design

This scope of work would include development of the project design from schematic design through construction documents, bidding and construction administration. This design and documentation effort would be a year-long process undertaken with a design and consulting team experienced in this project type. The team would work directly with the owner and operator to deliver a full scope of architectural design and construction phase administration services.

Capital campaign implementation

The level of capital funding needed from individual philanthropy will determine the magnitude and duration of the capital campaign effort. If the City leads project development, capital fundraising will need to flow through an associated nonprofit “friends-of” organization; if project development is led by a nonprofit, they will need crystal clear messaging about the need for both capital contributions and sustaining funds, and how contributions will be used in concert with public funds.

Operating & business plan update

Once architectural and fundraising are underway, it is important to continue to update the operating/business plan as design proceeds. Design and funding realities can influence project scope and scale, and it is critical to keep financial projections abreast of these changes throughout design, and work from them when developing early hiring and program plans.

Thank you for engaging our team to study this exciting opportunity for performing arts in Vancouver. We look forward to answering any questions about the study's methodology, findings, and recommendations.



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9 Appendices

- A** Success Framework
- B** Cultural Sector Market Overview
- C** ESRI Market Potential Index Methodology
- D** Venue Inventory
- E** Space List / Building Program
- F** Comparative Matrix
- G** Pro Forma Forecast Summary

SUCCESS FRAMEWORK

Project: Vancouver Performing Arts Feasibility Study

This success framework was distilled from responses by the study Steering Committee at the kickoff meeting on 23 October 2019. A summary of the detailed responses is on p2.

Looking back in 20 years, how will we know that the project has been successful?

- **Utilization and Access:** The venue is affordable for and well-used by a broad range of local groups and draws audiences of all kinds from Vancouver and beyond for daytime and evening activity throughout the year.
- **Participation & Education:** Participatory and educational arts programs are a central part of the venue's activities, serving youth and adults alike.
- **Vibrancy and Vitality:** The venue has enhanced downtown Vancouver's economic and social vitality, with year-round events and increased traffic for local restaurants and other businesses.
- **Partnerships:** The venue has forged and helps to sustain successful partnerships between nonprofits, the city, the school district, higher education institutions, and the private sector through programming, support, and other forms of collaboration.
- **Arts as Identity:** The project has made the arts a central part of Vancouver's civic identity for both locals and visitors, with widespread awareness and support for the arts in the public and private sectors alike.
- **Financial Sustainability:** The venue is financially sustainable through a combination of private and public support, but without a draw on the City's general fund.
- **Lovable, Adaptable, Building:** The building is a noteworthy addition to the city's civic infrastructure, conveys a sense of place and the diversity of people who live here, and has been able to respond over time to the changing needs of Vancouver's residents.

Looking back in 20 years, how will we know that the project has been successful?

Detailed responses (distilled):

... for Vancouver's arts & culture community?

- Vancouver has developed a reputation as an “arts city.”
- The venue provides affordable space for artists and arts groups.
- There's something happening both day and night.
- Venue can be flexible to accommodate different programming needs.
- It's known as a place for learning, doing, and sharing art.
- The venue draws audiences from Portland.
- A place to celebrate and reflect Vancouver's diverse cultures.
- The center draws renters / user groups from across the region.
- Donors to user groups see the venue as an asset.
- The new venue increases arts awareness and attendance city-wide – it “lifts all boats.”
- The venue is a desirable space for area artists to perform.
- Nationally-recognized performing artists get their start in Vancouver.

... for residents of Vancouver?

- The facility is known as the place to gather in Vancouver.
- High quality arts programming is available on this side of the river.
- You can easily have dinner downtown and attend a show at the venue.
- Children learn that the arts are central to their development and learning.
- Its users, audiences, and supporters reflect our community's diversity (age, race, language, etc.)
- The venue and its programs are accessible and affordable for the range of people who live in Vancouver.
- The center is seen as an important part of the city's civic infrastructure.
- Programming reflects Vancouver's unique identity.
- The building and programs reflect Vancouver's core values.
- The venue is a nexus for arts education and participation.
- The venue is highly utilized during the day and in the evening, throughout the year – in high demand.
- The venue is a go-to recipient of planned gifts from Vancouver's philanthropic community.
- The venue has catalyzed a culture of selfless/civic philanthropy – giving for long-term impact rather than name/personal recognition.
- School programs (K-12 + post-secondary) are connected with performance activities.

... for the City of Vancouver?

- The venue does not require long-term general fund support.
- The venue receives substantial ongoing private contributions.
- The facility's finances are stable and sustainable.
- The building and physical plant are well-managed.
- The venue has strong partnerships with schools and other local entities.
- Spaces are flexible and can respond to change over time.
- The building is an important part of Vancouver's civic identity.
- City policy and decision-making is supportive of arts and culture.
- Increased foot traffic and activity at downtown businesses.



Demographic Summary	2019	2024
Population	188,923	202,078
Households	76,449	81,702
Median Household Income	\$62,590	\$75,190
Median Net Worth	\$78,988	
Net Worth Index	72	
Median Age	38.0	38.7
Educational Attainment	Number of Adults	Percent
Bachelor's Degree	24,220	18.55%
Graduate/Professional Degree	13,056	10.00%
Total	74,552	29%

Product/Consumer Behavior: Market Potential Indices

Data note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average. These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2017 and 2022.

	# of Adults	Percent	MPI
Performing Arts			
Attended classical music/opera performance/12 mo	5,492	3.74%	96
Attended dance performance in last 12 months	6,433	4.39%	98
Went to live theater in last 12 months	16,818	11.47%	104
Attended rock music performance in last 12 months	14,289	10%	102
Attended country music performance in last 12 months	8,709	6%	93
Museum/Fine Arts			
Went to museum in last 12 months	19,806	13.50%	98
Went to art gallery in last 12 months	11,347	7.74%	98
Arts Participation			
Danced or went dancing in last 12 months	10,382	7%	98
Did painting or drawing in last 12 months	12,379	8%	108
Played musical instrument in last 12 months	11,177	8%	96
History & Heritage			
Bought history book in the last 12 months	12,683	9%	96
Watched the History Channel last week	36,433	25%	99
Watched the National Geographic Channel last week	23,346	16%	99
Listen to radio: public format	6,713	5%	96
Science & Nature			
Went to zoo in last 12 months	19,154	13%	106
Participated in environmental group or cause in last 12 months	5,492	4%	99
Helping to preserve nature is very important	100,572	69%	101
2019 Am interested in how to help the environment	28,191	19%	99
Philanthropy			
Contributed to arts or cultural organization in last 12 months	5,903	4%	91
Contributed to educational organization in last 12 months	12,396	8%	94
Contributed to environmental organization in last 12 months	7,310	5%	92



Demographic Summary	2019	2024
Population	813,072	875,722
Households	316,265	339,930
Median Household Income	\$71,049	\$82,523
Median Net Worth	\$110,097	
Net Worth Index	101	
Median Age	37.9	38.3
Educational Attainment	Number of Adults	Percent
Bachelor's Degree	135,471	23.98%
Graduate/Professional Degree	78,005	13.81%
Total	426,952	38%

Product/Consumer Behavior: Market Potential Indices

Data note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average. These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2017 and 2022.

	# of Adults	Percent	MPI
Performing Arts			
Attended classical music/opera performance/12 mo	27,551	4.34%	111
Attended dance performance in last 12 months	31,319	4.93%	110
Went to live theater in last 12 months	82,785	13.03%	118
Attended rock music performance in last 12 months	67,902	11%	112
Attended country music performance in last 12 months	40,675	6%	100
Museum/Fine Arts			
Went to museum in last 12 months	101,214	15.94%	116
Went to art gallery in last 12 months	57,162	9.00%	114
Arts Participation			
Danced or went dancing in last 12 months	47,656	8%	104
Did painting or drawing in last 12 months	57,916	9%	116
Played musical instrument in last 12 months	52,326	8%	104
History & Heritage			
Bought history book in the last 12 months	58,764	9%	103
Watched the History Channel last week	149,788	24%	94
Watched the National Geographic Channel last week	95,269	15%	94
Listen to radio: public format	40,360	6%	133
Science & Nature			
Went to zoo in last 12 months	84,530	13%	108
Participated in environmental group or cause in last 12 months	29,507	5%	123
Helping to preserve nature is very important	440,713	69%	102
2019 Am interested in how to help the environment	126,838	20%	103
Philanthropy			
Contributed to arts or cultural organization in last 12 months	32,660	5%	116
Contributed to educational organization in last 12 months	61,448	10%	107
Contributed to environmental organization in last 12 months	38,018	6%	110



Demographic Summary	2018	2023
Population	483,640	521,918
Households	177,440	190,985
Median Household Income	\$68,304	\$78,279
Median Net Worth	\$150,881	
Net Worth Index	146	
Median Age	38.1	38.6
Educational Attainment	Number of Adults	Percent
Bachelor's Degree	63,553	19.47%
Graduate/Professional Degree	35,015	10.73%
Total	197,136	30%

Product/Consumer Behavior: Market Potential Indices

Data note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average. These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by GfK MRI in a nationally representative survey of U.S. households. Esri forecasts for 2017 and 2022.

	# of Adults	Percent	MPI
Performing Arts			
Attended classical music/opera performance/12 mo	12,979	3.54%	94
Attended dance performance in last 12 months	15,541	4.24%	100
Went to live theater in last 12 months	45,065	12.29%	106
Attended rock music performance in last 12 months	38,102	10%	110
Attended country music performance in last 12 months	25,561	7%	106
Museum/Fine Arts			
Went to museum in last 12 months	50,013	13.64%	106
Went to art gallery in last 12 months	28,525	7.78%	98
Arts Participation			
Danced or went dancing in last 12 months	27,420	7%	98
Did painting or drawing in last 12 months	28,712	8%	103
Played musical instrument in last 12 months	27,203	7%	99
History & Heritage			
Bought history book in the last 12 months	31,052	8%	100
Watched the History Channel last week	99,287	27%	103
Watched the National Geographic Channel last week	58,852	16%	102
Listen to radio: public format	17,839	5%	103
Science & Nature			
Went to zoo in last 12 months	52,565	14%	113
Participated in environmental group or cause in last 12 months	13,661	4%	106
Helping to preserve nature is very important	249,467	68%	100
2018 Am interested in how to help the environment	63,481	17%	95
Philanthropy			
Contributed to arts or cultural organization in last 12 months	16,905	5%	104
Contributed to educational organization in last 12 months	36,367	10%	108
Contributed to environmental organization in last 12 months	19,405	5%	104



AN ESRI
WHITE PAPER

June 2019

Methodology Statement: 2019 Esri Market Potential

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Methodology Statement: 2019 Esri Market Potential

Market Potential Index

Esri's 2019 Market Potential data measures the likely demand for a product or service in an area. The database includes an expected number of consumers and a Market Potential Index (MPI) for each product or service. An MPI compares the demand for a specific product or service in an area with the national demand for that product or service. The MPI values at the US level are 100, representing overall demand. A value of more than 100 represents higher demand, and a value of less than 100 represents lower demand. For example, an index of 120 implies that demand in the area is likely to be 20 percent higher than the US average; an index of 85 implies a demand that is 15 percent lower.

How Esri Calculates Market Potential

Esri calculates Market Potential by combining 2019 Tapestry™ Segmentation data with the MRI Survey of the American Consumer, 2018 Doublebase® from MRI-Simmons. Doublebase 2018 is an integration of information from four consumer surveys. Each survey respondent can be identified by Tapestry segment, so a rate of consumption by Tapestry segment can be determined for a product or service for any area.

The *Expected Number of Consumers* (households or adults) for a product or service in an area is computed by applying the consumption rate for Tapestry market segment "n" to households or adults in the area belonging to Tapestry segment "n," and summing across 67 Tapestry segments.

$$\text{Expected Number of Consumers} = \sum_{n=1}^{67} (\text{Count}_n \times \text{Consumption Rate}_n)$$

The *Local Consumption Rate* for a product or service for an area is computed as the ratio of the expected number of consumers for a product or service in the area to the total households or adults in the area.

$$\text{Local Consumption Rate} = \frac{\text{Expected Number of Consumers}}{\text{Base Count}}$$

The *Market Potential Index* for a product or service for an area is the ratio of the local consumption rate for a product or service for the area to the US consumption rate for the product or service, multiplied by 100.

$$\text{Market Potential Index} = \frac{\text{Local Consumption Rate}}{\text{US Consumption Rate}} \times 100$$

Esri's 2019 Market Potential database incorporates the next generation of Tapestry Segmentation with new and revised items from the Doublebase 2018 consumer surveys to provide a fresh outlook on local consumer preferences. Data for more than 2,300 items, organized into 35 categories, representing goods, services, attitudes, and activities collected from GfK MRI surveys, are included. Unless otherwise noted, each item refers to consumer spending or behavior in a 12-month period. The *a* or *h* following the five-digit product code denotes a consumer base of adults or households, respectively.

Products and services, such as apparel items and expenditures, electronics, civic activities and political affiliation, financial accounts and services, groceries and household products, health-related items, Internet activities, leisure activities, media-related items, personal care services, cell phones and service, shopping, sports, and travel activities are included. Information on consumer confidence, buying styles, values, and general attitudes are included as well. New items for 2019 include short-term rentals, rideshare usage, streaming audio and video services, recycling activities, new shopping and TV viewing preferences, and updated electronics.

For more information about the Market Potential data, call 1-800-447-9778.

About Esri's Data Development Team

Led by chief demographer **Kyle R. Cassal**, Esri's data development team has a 35-year history of excellence in market intelligence. The team's economists, statisticians, demographers, geographers, and analysts produce independent small-area demographic and socioeconomic estimates and forecasts for the United States. The team develops exclusive demographic models and methodologies to create market-proven datasets, many of which are now industry benchmarks such as Tapestry Segmentation, Consumer Spending, Market Potential, and annual Updated Demographics. Esri® demographics powers the ArcGIS® platform through dynamic web maps, data enrichment, reports, and infographics.



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VENUE INVENTORY

Project: Vancouver Performing Arts Study
Criteria: Performing arts venues within +/-30m of Vancouver >100 seats

Name	Type	Capacity	Seating
P'5 Keller Auditorium	Presenter / Rental	2992	fixed
P'5 Schnitzer Concert Hall	Presenter / Rental	2776	fixed
Ilani Casino Ballroom	Presenter / Music	2500	flat
Regal Theatre City Center (all 12 theatres)	Movie	1781	fixed
<i>Washougal PAC (planned)</i>	Presenter / Rental	1500	fixed
Crystal Ballroom	Presenter / Music	1500	flat
Roseland Theatre	Presenter / Music	1410	flat
Skyview Concert Hall	School	1150	fixed
<i>Lloyd Center (planned)</i>	Presenter / Music	1000	fixed
P'5 Newmark Theatre	Presenter / Rental	878	fixed
Revolution Hall	Presenter / Rental	837	fixed
Columbia Theatre Longview	Presenter / Rental	800	fixed
Liberty Theatre - Camas	Movie	800	fixed
<i>Garver Theater Renovation (planned)</i>	School	767	fixed
Union HS PAC	School	625	fixed
PCS at Armory Mainstage	Producer	590	fixed
Evergreen HS	School	575	fixed
<i>Mountainview HS (planned)</i>	School	550	fixed
Royal Durst/VSAA	School	546	fixed
LCC Rose Center - Wollenberg Auditorium	College	525	fixed
Fort Vancouver HS	School	500	fixed
Star Theatre	Presenter / Music	500	standing
PSU Lincoln Performance Hall	College	465	fixed
Heritage HS	School	400	fixed
First Presbyterian Church	Worship	400	pews
Roseland - Peter's Room	Presenter / Music	400	flat
Washburn PAC	School	394	fixed
Whitsell Auditorium in Portland Art Museum	Museum	376	fixed
Kiggins Theater	Movie	340	fixed
P'5 Winningstad Theatre	Presenter / Rental	304	flexible
U of Portland - Mago Hunt Center	School	300	fixed
The Grotto Chapel of Mary	Worship	300	pews
Groove Nation	Dance	300	flat
Alberta Rose Theatre	Presenter / Music	300	flat
Imago Theatre	Producer	299	fixed
Firstenberg Community Rm	Community	280	flat
Marshall & Luepke Community Rm	Community	280	flat
WA Sch. for the Blind - Sherman Auditorium	School	230	fixed
Ft.V Providence Academy - Chapel	Worship	230	pews
PSU Lincoln Recital Hall	College	220	fixed
Artists Rep - Alder Stage	Producer	220	fixed
P'5 Brunish Theatre	Presenter / Rental	200	flexible
Old Liberty Theatre - Ridgefield	Presenter / Rental	200	fixed
Clark - Decker Theater at Frost Art Center	College	200	fixed
Ft.V Providence Academy - Ballroom	Conference	200	flat
Ft.V Red Cross Building	Conference	200	flat
PCS at Armory Black Box	Producer	199	flexible
WA Sch. for the Blind - Fries Auditorium	School	180	fixed
Ft.V Artillery Barracks - Banquet Rm	Conference	175	flat

Ft.V Artillery Barracks - Conference Rm	Conference	175	flat
Artists Rep - Morrison Stage	Producer	168	fixed
Magenta Theatre Company	Producer	150	flexible
Vancouver Library Columbia Room	Community	134	flat
LCC Rose Center - Center Stage Theatre	College	125	fixed
Milagro Theatre	Producer	121	flexible
Metropolitan Perf Arts Blackbox	Producer	110	flexible
Cascade Park Library Community Room	Community	103	flat
Marshall and Luepke Oak/Elm Rms	Community	100	flat
Ft.V Marshall House - Full Main Floor	Conference	100	flat

Room ID	SPACE	NET SQ. FT.	GROSS SQ. FT.
A	THEATRE	13,570	22,662
	PATRON AMENITIES	2,980	4,977
A.1	Theatre - Lobby	1,800	
A.2	Coats/Check Room	80	
A.3	Ticket Office – Windows + Work Room	100	
A.4	Concessions, Storage	150	
A.5	Front of House Storage	100	
A.6	Women’s Restrooms	250	
A.7	Men’s Restrooms	200	
A.8	Gender Neutral/Family Restroom Accom.	100	
A.9	Ushers Room	80	
A.10	House Manager's Office	120	
	LARGE AUDITORIUM	3,180	5,311
A.11	Fixed Seating - Orchestra & Parterre	3,000	
A.12	Sound and Light Locks	100	
A.13	In House Mix	80	
	STAGE & TECHNICAL AREAS	7,410	12,375
A.14	Stage	2,400	
A.15	Stage Apron	250	
A.16	Stage Sound and Light Locks	240	
A.17	Backstage Crossover	500	
	Orchestra Pit/Thrust/Lift-conveyance		
	Orchestra Pit Storage		
A.18	Backstage Support Area	400	
A.19	Backstage Storage	750	
A.20	Orchestra Shell Storage "Bustle"	120	
A.21	Dimmer Room	80	
A.22	Amplifier Room	100	
A.23	Control Suite	120	
A.24	Followspot/Projection Room	100	
A.25	Crew Lockers/Vending/Lounge	100	
A.26	Backstage Restrooms	200	
A.27	(2) Principals' Room, 2 persons (4 total)	320	
A.28	(2) 8-person Chorus rooms (16 total)	600	
A.29	Green Room	400	
A.30	Laundry/Wardrobe	150	
A.31	Prop Room	60	
A.32	Tool Room	120	
A.33	Electrics Shop	100	
A.34	Technical Offices	150	
A.35	Visiting User Offices	150	
	Scenery/User Storage		

Room ID	SPACE	NET SQ. FT.	GROSS SQ. FT.
B	OTHER FACILITIES	3,425	5,720
B.1	Manager's Office	175	
B.2	Rehearsal Room	2,200	
B.3	Rehearsal Room Storage	350	
B.4	Rehearsal Restrooms	500	
B.5	Janitorial/Maintenance Storage	200	

AREA TOTALS

Total NET Area, Sq. Ft. 16,995
Total GROSS Area, Sq. Ft. 28,382

Total NET NEW Area, Sq. Ft. 9,110
Total GROSS NEW Area, Sq. Ft. 15,214
Total NET ADAPTED Area, Sq. Ft. 7,885
Total GROSS ADAPTED Area, Sq. Ft. 13,168

Vancouver Performing Arts Facility Study
 Comparator Summary

9 January 2020

	Lakeshore Players Theatre at Hanifl PAC	Lawrence Arts Center	Paradise Center for the Arts	Walters Cultural Arts Center	Kirkland Performance Center
Nearest major city	White Bear Lake, MN	Lawrence, KS	Faribault, MN	Hillsboro, OR	Kirkland, WA
Ownership	St. Paul and Minneapolis	Kansas City, MO	St. Paul and Minneapolis	Portland	Bellevue and Seattle
Mission	Lakeshore Players Theatre	City of Lawrence	Faribault Arts Center	City of Hillsboro	City of Kirkland
	To provide community education and enrichment opportunities through the performing arts.	"Art is for Everyone." Mission is to create meaningful art experiences with art for the community through education, exhibitions, and performances.	Create a vivid, energetic, cultural center for the community and region.	-	To provide a gathering place where people come together to express themselves creatively, exchange ideas, share culture, and connect with one another.
Facility & Programs					
# of Performances/year	98	70-80	70	184 use days	240
# of Active days/week	7 days/week, except some holidays	7 days/week except holidays	5 days/week, except holidays	5 days/week (rarely weekends)	5 days/week (T-Sat)
Types of Activities	Community theatre performances and theatre education, presented concerts/guest performers, lectures, community education and gathering spaces. Very little rental use due to limited availability.	Exhibitions, performances, and education in performing and fine arts. Most all of it is produced by the center, which houses School of Theatre and Music, Arts-based Preschool and Kindergarten, Pre-Professional Ballet Co, and more. Community rentals.	PCA is home to two resident community theatre companies and a community band; it also presents a full calendar of live music, comedy, and variety shows. Classes for all ages are offered in visual theatre, and literary arts. Spaces available for community rental.	The Center houses the City's entire cultural arts program. Offerings include: concert series featuring local and emerging artists; Creative Connections free community events series; classes for youth, teens, and adults in visual and performing arts and music; and a gallery program. It is also available for community rental use.	Offers a robust presented season, with about 8-12 performances/month. In addition to scheduled music, dance, theatre, and spoken word performances there are many community events held as it is open to partner organizations and community rentals. In collaboration with partners, offers summer camps and children's theatre.
Partnerships	Yes, with resident tenant Children's Performing Arts. Also some programming partnerships with schools, libraries, and City.	Many partnerships are cultivated to grow and support the community. Library partnership (Storytime Theatre) brings in young children. Partnerships with Schools created STEAM curriculum. Most are about sharing resources with other non-profits, not financial exchanges	Few. Partnerships with schools were successful but have been hindered by loss of grants/funding challenges.	All current programs are city-run.	Partners with other Eastside arts organizations to offer the Seattle Rock Orchestra Summer Camp and Summer Showcase, and produce community theatre shows with Storybook Theatre/Studio East.
Educational Programming	Yes. Substantial programming for elementary - 16/20 yr olds. Some in partnerships for seniors, community lectures, etc.	Yes. Educational programming is instrumental to their mission and programming. Over 500 classes are offered annually for all ages, in Center and in community. Financial aid is offered.	Yes. Education is a large part of PCA's mission, with arts classes offered for all ages. Visual arts classes are popular with adults; there is some struggle to fill childrens classes, though the children's theatre program is popular.	Yes. This facility was built to provide community-centered arts education and training. It offers courses and workshop in the visual arts with emphasis on ceramics, as well as in theatre and music. It is also designed as a place for artists to teach and demonstrate their craft.	Education is not part of the mission of the Kirkland Performance Center, though there are limited educational opportunities offered in partnership with other arts organizations (see above.)
Building Area	22,000sf	40,000sf	20,000sf (est.)	-	-
Performance Venues	Mainstage: 250 seats Black Box: 75	Mainstage: 300 seats Black Box: 80	Mainstage: 300 seats	Mainstage: 200 seats (flat floor)	Mainstage: 394 seats

Vancouver Performing Arts Facility Study
 Comparator Summary

9 January 2020

	Lakeshore Players Theatre at Hanifl PAC	Lawrence Arts Center	Paradise Center for the Arts	Walters Cultural Arts Center	Kirkland Performance Center
Other Spaces	2 classrooms, lobby, green room, dressing rooms, storage, offices.	3 galleries; 2 dance studios; studios for ceramics, metal-smithing, printmaking, dark room, digital media, and general purpose; costume shop, 2 green rooms. Also admin offices, and child care/ kindergarten classrooms. Additional spaces: a satellite dance studio, adjacent lot for green space use, and satellite gallery spaces.	Lobby, rehearsal and back of house theatre support spaces, 5 studio/classrooms including clay and textile labs, 3 art galleries (plus one that is curated off-site at a local hospital), gif shop.	Gallery, 6 classrooms (2 ceramics-focused), kitchen, box office, outdoor grounds.	Large lobby, full-service box office, 4 dressing rooms, green room, house manager's office, coat room, concession kitchen, cry room, and The Kirk - an exclusive VIP lounge for show and season sponsors, and outdoor patio.
Building details (new/ purpose-built, adaptive reuse)	Purpose-built, new in 2018.	Purpose-built, new in 2002. (Additional satellite space rented in 2018, and adjacent green space recently acquired.	Built in 1929; adaptive reuse of movie theatre, opened in 2007.	Built in 1947; adaptive re-use of church, opened in 2004.	Purpose-built, new in 1998.
Operations					
Operator	Lakeshore Players (Non-Profit)	Lawrence Arts Center (Non-Profit)	Faribault Arts Center (Non-Profit)	City of Hillsboro	Kirkland Performance Center (Non-Profit)
Full Time Employees	8 FT employees. 6 are on-site full time daily: Executive Director Production/Operations Manager Development Manager Education/Marketing Director Box Office Supervisor/Admin. Asst. Technical Director	32 FT employees: Chief Executive Officer Chief Operating Officer Chief Program Officer Dir. of Grants and Special Projects Development Director, Office Manager Director of Youth Education Dir. of Residencies and Adult Edu. Director of Digital Media Photographer/Videographer Studio Manager Preschool/Childhood Ed Dir + Asst. Dance School Dir. + Assistant Exhibition Program Dir. + Assistant Artistic Dir. of Perf. Arts + Assoc. Dir. Production Manager Marketing Director Facility Maintenance Manager Graphic Designer, Print Studio Fellow	3 FT employees: (Interim) Director Director of Operations Community Engagement Coordinator	5 FT employees; 3 at the Center: Cultural Programs Director Rentals Coordinator Program Coordinator	Executive Director Marketing and Communications Mgr. Technical Director Patron Services Manager Managing Director Development Director Production Manager Box Office Manager
Part Time Employees	Resident Sound Engineer 8 Box Office/FOH Staff	50 PT employees, on rotating basis; faculty roster is over 100.	Finance Assistant/Box Office Box Office Production Coordinator	Facilities Management / Kiln Tech Front Desk Contract Instructors	Box Office Staff
Volunteers	Formal program.	Large volunteer roster.	300 on roster; use 10/show.	Formal program.	Over 150.
Economics					
Overall Revenue	\$774,854	\$3,145,292	\$466,045	\$1,298,873	\$786,487
Portion Contributed	\$271,199	\$1,411,947	\$199,004	\$1,105,873	\$237,195
Portion Earned	\$503,655	\$1,733,345	\$267,041	\$193,000	\$549,292
Expenses	\$769,891	\$2,992,056	\$476,645	\$1,298,873	\$850,188
Revenue minus Expenses	\$4,963	\$153,236	(\$10,600)	\$0	(\$63,701)
% Earned revenue	65%	55%	57%	15%	70%
City Population	25,932	97,286	23,851	108,389	89,557
MSA Population	3,629,190	121,436	66,523	2,478,996	3,939,363

Summary Profit & Loss

Vancouver Performing Arts Facility
Economic Model v1.0
updated 18 March 2020

	Y1	Y2	Y3	Y4	Y5
	forecast	forecast	forecast	forecast	forecast
	2023	2024	2025	2026	2027
Revenues					
<u>Space Rental Revenue</u>					
Mainstage	51,198	85,383	140,556	140,556	146,178
Studio	33,072	44,732	66,364	66,364	69,019
Total Rental Revenue	84,270	130,115	206,920	206,920	215,197
<u>Ancillary Revenue</u>					
Labor Chargebacks	31,247	52,137	84,184	85,868	87,585
Ticket Fees	37,013	55,913	89,888	89,888	89,888
Gross Show Concessions Revenue	22,672	42,588	81,611	81,611	81,611
total Other Rental Revenue	90,932	150,637	255,683	257,366	259,084
<u>Presenting Revenue</u>					
Ticket Sales	31,078	62,156	129,285	129,285	139,230
Ticket Fees	5,738	11,475	22,950	22,950	22,950
Concessions Revenue	4,848	9,696	19,393	19,393	19,393
total presenting revenue	41,664	83,328	171,628	171,628	181,573
<u>Sustained Support & Contributed Revenue</u>					
Philanthropic Contributions	TBD	TBD	TBD	TBD	TBD
Sustained Government Support	TBD	TBD	TBD	TBD	TBD
Partial Occupancy Cost Reimbursement	91,817	93,654	95,527	97,437	99,386
total sustained support & contributed revenue	91,817	93,654	95,527	97,437	99,386
TOTAL REVENUE	308,683	457,733	729,758	733,352	755,240
Expenses					
<u>Administrative Expenses</u>					
Staff Salaries & Benefits	465,463	474,772	484,268	493,953	503,832
Administrative Overhead	133,971	140,250	146,555	147,887	149,244
total Administrative Expenses	599,434	615,023	630,823	641,840	653,076
<u>Space Rental Expenses</u>					
Performance Labor	29,760	49,654	80,175	81,779	83,414
Concessions COGS	10,375	19,488	37,345	37,345	37,345
Total Rental Expenses	40,134	69,142	117,520	119,124	120,759
<u>Presenting Expenses</u>					
Direct Performance Expenses	31,800	64,872	132,339	134,986	137,685
Performance Labor	2,915	5,947	12,131	12,374	12,621
Concessions COGS	2,219	4,437	8,874	8,874	8,874
total presenting expenses	36,934	70,819	144,470	147,359	150,307
<u>Occupancy Expenses</u>					
Building Occupancy	134,734	137,429	140,178	142,981	145,841
total Occupancy Costs	134,734	137,429	140,178	142,981	145,841
total operating expenses	811,236	892,413	1,032,991	1,051,304	1,069,983
Expense Contingency	56,787	62,469	72,309	73,591	74,899
TOTAL EXPENSES	868,023	954,881	1,105,300	1,124,895	1,144,882
Net (Contributed Revenue Required)	(559,339)	(497,148)	(375,543)	(391,543)	(389,642)