

3. SHENKMAN ARTS CENTRE – CAPITAL RENEWAL FUND

**CENTRE DES ARTS SHENKMAN – FONDS DE RENOUVELLEMENT
D'IMMOBILISATIONS**

COMMITTEE RECOMMENDATIONS

That Council:

1. Approve the creation of a Capital Renewal Fund (CRF) for capital program requirements related to the operation of the theatres at the Shenkman Arts Centre effective January 1, 2017, and enact the by-law necessary to establish this reserve fund.
2. Approve the addition of a capital surcharge to the fee schedule for the Shenkman Arts Centre for consideration as part of the 2017 Draft Budget, as described in this report.

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

1. approuve la création, le 1^{er} janvier 2017, d'un Fonds de renouvellement des immobilisations pour répondre aux exigences du programme d'immobilisations liées à l'exploitation des théâtres au Centre des Arts Shenkman, et d'édicter le règlement municipal nécessaire à l'établissement de ce fonds de réserve;
2. approuve une majoration des prix de la grille tarifaire du Centre des Arts Shenkman aux fins d'étude pour le budget préliminaire de 2017, comme le décrit le présent rapport.

DOCUMENTATION / DOCUMENTATION

1. General Manager's Report, Parks, Recreation and Cultural Services, dated 4 October 2016 (ASC2016-PRC-GEN-0005).

Rapport du Directeur general, Services des parcs, loisirs et culture daté le 4 octobre 2016 (ASC2016-PRC-GEN-0005).

2. Extract of draft Minutes, Community and Protective Services Committee, 20 October 2016

Extrait de l'ébauche du procès-verbal, Comité des services communautaires et de protection, le 20 octobre 2016.

**COMMUNITY AND PROTECTIVE
SERVICES COMMITTEE
REPORT 18
26 OCTOBER 2016**

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**COMITÉ DES SERVICES
COMMUNAUTAIRES ET DE
PROTECTION
RAPPORT 18
LE 26 OCTOBRE 2016**

**Report to
Rapport au:**

**Community and Protective Services Committee
Comité des services communautaires et de protection
20 October 2016 / 20 octobre 2016**

**and Council
et au Conseil
9 November 2016 / 9 novembre 2016**

**Submitted on October 4, 2016
Soumis le 4 octobre 2016**

**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ASC2016-PRC-GEN-0005

SUBJECT: SHENKMAN ARTS CENTRE – CAPITAL RENEWAL FUND

**OBJET: CENTRE DES ARTS SHENKMAN – FONDS DE RENOUVELLEMENT
D'IMMOBILISATIONS**

REPORT RECOMMENDATIONS

That the Community and Protective Services Committee recommend Council:

- 1. Approve the creation of a Capital Renewal Fund (CRF) for capital program requirements related to the operation of the theatres at the Shenkman Arts Centre effective January 1, 2017, and enact the by-law necessary to establish this reserve fund.**
- 2. Approve the addition of a capital surcharge to the fee schedule for the Shenkman Arts Centre for consideration as part of the 2017 Draft Budget, as described in this report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des services communautaires et de protection recommande au Conseil :

- 1. d'approuver la création, le 1^{er} janvier 2017, d'un Fonds de renouvellement des immobilisations pour répondre aux exigences du programme d'immobilisations liées à l'exploitation des théâtres au Centre des Arts Shenkman, et d'édicter le règlement municipal nécessaire à l'établissement de ce fonds de réserve;**
- 2. d'approuver une majoration des prix de la grille tarifaire du Centre des Arts Shenkman aux fins d'étude pour le budget préliminaire de 2017, comme le décrit le présent rapport.**

BACKGROUND

The Shenkman Arts Centre (SAC) will enter its eighth year of operation in 2017. A sustainable funding model to support the capital needs of the Theatres is necessary to ensure they remain professionally equipped and provide a quality experience for patrons.

In March 2005, Council approved the creation of a Capital Renewal Fund (CRF) to fund future capital program requirements at Centrepointe Theatre through the collection of a

ticket surcharge of \$1.25. Over the years, this fund has allowed Centrepointhe Theatres to replace the seating and draperies, the audio system, and dimmers, to complete upgrades the lift for persons with disabilities and to electrical systems, and to acquire a new monitor console and speakers ensuring the performance spaces remain state-of-the-art.

DISCUSSION

The Shenkman Arts Centre, moving into its eighth year of operation, hosts over 400 events in its theatres annually. Equipment is aging and new technologies are emerging making current systems obsolete, and general wear and tear of the performance spaces requires ongoing maintenance.

The Shenkman Arts Centre Strategic Plan states that one of its priority objectives is to generate new funds for facility improvements. In response to this objective and the impending life-cycle needs of the Theatres, the Community Consultative Group of the Shenkman Arts Centre has been consulted and have endorsed the creation of a ticketing surcharge starting January 1, 2017 to support capital improvements of the Centre's theatres.

A recent survey conducted by staff in March 2015 identified that Ottawa facilities similar to the Shenkman Arts Centre (Centrepointhe Theatres, Great Canadian Theatre Company and the National Arts Centre) and other similar Ontario facilities (Sony Centre (Toronto), Centre in the Square (Kitchener), Massey Hall (Toronto), Oakville Arts Centre, St. Catharines Arts Centre) have established capital renewal funds, with surcharges applied on their tickets ranging from \$0.75 to \$3.00.

Ticket surcharges of \$1.25 per ticket purchased for a show in Harold Shenkman Hall (HSH) and \$0.75 for tickets purchased for a show in Richcraft Theatre (RT) will be applied, or a flat fee of \$100 in HSH or \$50 in RT will be applied to rental clients with non-ticketed events or who opt to not use the City's box office provider. Aligned with Centrepointhe Theatres' established approach, the surcharge will not be applied to tickets for performances for school audiences, young audience programming (under the age of 12 years old), and high school graduations.

The Shenkman Art Centre Reserve Fund shall be operated, managed and maintained by the City Treasurer from:

- a. the ticket surcharge collected on each ticket sold for events at Shenkman Theatres;
- b. the earnings derived from the investment of moneys held in the Shenkman Theatres Reserve Fund; and
- c. any allocation from such other sources or revenue as may be determined by the Council for the City of Ottawa.

It is estimated that the new fund will generate approximately \$40,000 annually for theatre equipment replacement, upgrades to front of house and backstage areas, and theatre system upgrades. Annually, staff in consultation with SAC's Building and Asset Development Committee will establish priorities and recommendations regarding the Capital Renewal Fund spending plan.

RURAL IMPLICATIONS

There are no specific rural implications.

CONSULTATION

Staff have consulted with the Shenkman Arts Centre Community Consultative Group of the Centre's Strategic Plan, comprising of resident arts partners, rental clients, neighbouring businesses, and other stakeholders, who have endorsed a ticketing surcharge being introduced for funding capital program requirements related to the operation of the theatres at the Shenkman Arts Centre.

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of the report recommendation.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

FINANCIAL IMPLICATIONS

There are no financial implications. Staff will submit the necessary By-Law to Council to enact the Reserve Fund.

ACCESSIBILITY IMPACTS

The Capital Renewal Fund will help replace equipment that will maintain current accessibility standards and improve access to live performances over time.

Examples include:

Assisted Listening Devices – Will need to be replaced to provide better speech-to-noise ratios for patrons who are hard of hearing.

Audience Seating – As audience seating is replaced in both theatres, there are opportunities to improve accessible seating.

Video Infrastructure – New video equipment may open opportunities to distribute live performances to patrons unable to attend a performance in person.

Lobby Furniture – As lobby furniture is replaced, there are opportunities to improve accessible seating.

TERM OF COUNCIL PRIORITIES

Healthy and Caring Communities: HC4 – Support Arts, Heritage and Culture.

DISPOSITION

The Parks, Recreation and Cultural Services Department will implement the ticket surcharge by January 1, 2017 as outlined within this report.