

## **Study of Large Theatres in the City of Toronto (Various Wards)**

*(City Council on December 14, 15 and 16, 1999, adopted this Clause, without amendment.)*

**The Economic Development and Parks Committee recommends the adoption of the following report (November 9, 1999) from the Commissioner of Economic Development, Culture and Tourism, subject to amending Recommendation No. (3) by adding the words, “the said business plan to include the sale, divestiture and operation at arms-length of the Ford Centre for the Performing Arts;”.**

The Economic Development and Parks Committee reports, for the information of Council, having requested the Commissioner of Economic Development, Culture and Tourism, in consultation with Tourism Toronto and appropriate staff, to develop a strategy, based on “A Study of Large Theatres in the City of Toronto” by Graeme Page Associates/NetGain Partners, the said strategy to include:

- (a) marketing, raising awareness and improving the cultural aspects of the industry; and
- (b) monies spent by the City on the upkeep of the theatre facilities, i.e., operating costs, grants, etc., and how much direct revenues the City receives from theatre facilities;

and report thereon to the Economic Development and Parks Committee.

**The Economic Development and Parks Committee submits the following report (November 9, 1999) from the Commissioner of Economic Development, Culture and Tourism:**

Purpose:

To recommend a direction for the management of civic theatres and to provide a consulting report entitled “A Study of Large Theatres in the City of Toronto”.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report. Any financial implications relating to the operation of individual City of Toronto theatres will be the subject of future reports.

Recommendations:

It is recommended that:

- (1) Council recognize the important contribution that the cultural sector makes to the social and economic vitality of the City and that, through its policies and programs, the municipality fosters the health and development of the cultural sector;
- (2) the consulting report, entitled “A Study of Large Theatres in the City of Toronto”, prepared by Graeme Page and Associates/NetGain Partners, October 13, 1999, be received for information;
- (3) the Commissioner of Economic Development, Culture and Tourism, the Chief Financial Officer and Treasurer, and the North York Performing Arts Centre Corporation Emergency Committee, with the assistance of an appropriate consultant, develop a business plan for the operation of the Ford Centre for the Performing Arts that maximizes social and economic benefits to the City while minimizing the impact on the City’s budget;
- (4) the Commissioner of Economic Development, Culture and Tourism and the Chief Financial Officer and Treasurer work with the Board of Directors of the St. Lawrence Centre for the Arts to develop a strategy to make the St. Lawrence Centre more self-sufficient; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

As part of the approval of the 1999 Operating Budget, Council directed the Commissioner of Economic Development, Culture and Tourism to report to the Economic Development and Parks Committee, by the end of 1999, on the future of theatres in Toronto, including those occupying City buildings that operate privately (Clause No. 1 of Report No. 8 of The Strategic Policies and Priorities Committee, April 26, 27, and 28, 1999). Council recognized the need for additional information on the theatre sector as it considered future directions for the management of civic theatres, in general, and the operation of the Ford Centre for the Performing Arts following the departure of Livent.

Given the scope of the requested theatre report, staff decided to engage a consulting team to study theatres in Toronto. In May 1999, the Culture Division established a Steering Committee of theatre professionals to guide the development of the Theatre Study. The Committee included staff of the Culture Division, Ms. Anne Bermonte (Toronto Arts Council), Ms. Elizabeth Bradley (Hummingbird Centre for the Performing Arts), Ms. Pat Bradley (Professional Association of Canadian Theatres), Ms. Jessica Fraser (Toronto Theatre Alliance), Ms. Linda Intaschi (Mirvish Productions) and Mr. Jim Polk (Ontario Ministry of Citizenship, Culture and Recreation). Staff developed a Request for Proposals with the advice of the Steering Committee and this request was sent to six consultants with experience in the theatre field.

On June 7, 1999, the Culture Division received proposals to conduct the Theatre Study from three consulting teams. The Steering Committee met on June 14, 1999, to review the proposals

and unanimously recommended that the Theatre Study be conducted by Graeme Page and Associates/NetGain Partners.

Comments:

The cultural sector makes an important contribution to the social and economic life of the City of Toronto. The sector accounts for 10 percent of the jobs in the City and is one of the major reasons tourists visit Toronto. A vibrant cultural life adds to the social well-being of the City and provides its identity. The municipal government, through its many cultural policies and programs, plays a key role in fostering the health and development of the cultural sector.

The City maintains a direct interest in the theatre sector through the ownership and operation of several major theatres and a concern for the health of the cultural sector, in general. As the City examines the role played by municipal theatres, it needs to acquire a better understanding of theatre capacity in the City and the role played by both public and privately-owned venues. The City commissioned the Theatre Study to explore the role that it might play in shoring up an economically vital cultural industry while seeking cost-effective means to limit the risks and costs associated with participation in this industry. The Study includes all theatres in the City with a capacity of 500 seats or more. In order to make the results more meaningful to the City, several City-owned facilities with fewer than 500 seats have been included.

Major Findings:

It is recommended that the report, entitled “A Study of Large Theatres in the City of Toronto”, be received for information.

Major findings of the Theatre Study include:

- (a) there are 32 large performance venues in the City with a total seating capacity of 53,197;
- (b) the City owns 12 of the venues included in the Study with total seating of 15,171 or 28.5 percent of the total inventory;
- (c) 29,924 seats or 56 percent have come into the inventory in the last two decades;
- (d) there is an even distribution of seating capacity from the small to the largest theatres with no significant gaps or duplication in the inventory;
- (e) there is, currently, a severe shortage of commercially viable large-scale theatre product that continues to be a challenge for rental venues;
- (f) the exchange rate of the Canadian dollar makes U.S. shows very expensive to mount in Canada;
- (g) some producers are by-passing Canada altogether because they can not generate sufficient revenues;

- (h) with so many theatrical venues chasing fewer shows, renters and promoters are enjoying a buyer's market;
- (i) the total economic impact created by tourist spending on cultural events in Toronto is between \$400 million and \$500 million annually;
- (j) cultural tourism in Toronto has been diminished by the reduction in the number of long-running theatrical productions and by the end of the substantial expenditure by Livent aimed at the tourist market; and
- (k) when compared with the cities of Chicago, Cleveland and Vancouver, the City of Toronto falls in the low to mid-point in municipal support for live performance facilities and activities; ahead of Cleveland, behind Vancouver and substantially behind Chicago.

#### Next Steps:

The report "A Study of Large Theatres in the City of Toronto" suggests a variety of options for the City, looking at three scenarios. What could the City do if the number of seats stays the same, increases or decreases in the future? The report describes a wide range of possible actions that have helped staff formulate the recommendations contained in this report. The current recommendations deal with the short-term situation when the number of seats is likely to remain at the current level.

#### Ford Centre for the Performing Arts:

The venues in the Ford Centre for the Performing Arts are not duplicated elsewhere in the Toronto marketplace. In fact, this relatively new building offers some of the best facilities available in the City. Given the state of the theatre industry described in the Study, it is very unlikely that an operator can be found to program the Centre under conditions similar to the original operating model. This assessment has been borne out by recent attempts to find an acceptable operator. This does not mean, however, that the Ford Centre ceases to be an important component in the cultural life of the City. The challenge is to retain these substantial benefits in a cost-effective way for the City. It is recommended that the Commissioner of Economic Development, Culture and Tourism, the Chief Financial Officer and Treasurer, and the North York Performing Arts Centre Corporation Emergency Committee, with the assistance of an appropriate consultant, develop a business plan for the operation of the Ford Centre for the Performing Arts that maximizes the social and economic benefits to the City while minimizing the impact on the City's budget.

#### St. Lawrence Centre for the Arts:

The St. Lawrence Centre for the Arts is similar to the City's smaller theatres in that it has a major arts organization as its prime tenant. The Centre is identified with the Canadian Stage Company that performs in the Bluma Appel Theatre from September to May. The St. Lawrence Centre currently requires a substantial financial contribution from the City to sustain its annual operations. The City needs to examine the St. Lawrence Centre budget in the context of the

operation of the other City-owned theatres. It is recommended that the Commissioner of Economic Development, Culture and Tourism and the Chief Financial Officer and Treasurer work with the Board of Directors of the St. Lawrence Centre for the Arts to develop a strategy to make the St. Lawrence Centre more self-sufficient.

#### Hummingbird Centre for the Performing Arts:

The Hummingbird Centre for the Performing Arts is near the end of a restructuring process that will see a community Board of Directors assume financial responsibility for the Centre. As the Theatre Study indicates, the Hummingbird Centre will face operating challenges if the Canadian Opera Company is successful in building an Opera House at Queen and University in downtown Toronto. In any case, a move of the Hummingbird's prime tenants to a new Opera House would not occur immediately as the Opera House would take years to construct. There are many unknowns when trying to understand the ramifications of such a scenario. Will the Canadian Opera Company realize its goal of a new Opera House? What will the state of the theatre industry be should such a move take place several years in the future? An active community Board of Directors is in the best position to work through these challenges if and when they arise. Pursuant to an existing Council authority, the relevant City staff are negotiating a lease with the new Hummingbird Centre Board and will be reporting to Council in the near future on the outcome of those negotiations.

#### Conclusions:

The report, entitled "A Study of Large Theatres in the City of Toronto", provides information about this important cultural industry that will inform City policy and programs for years to come. The Study's major findings provide insight into the challenges currently facing this industry and the implications that this holds for the cultural sector in Toronto. The health and development of the cultural sector is of prime importance to the City of Toronto for the positive social and economic impact that it has on the City. The City should move carefully within the context of its limited finances to maximize the positive benefits that City-owned theatres have on the community.

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(A copy of the Final Report (October 13, 1999) entitled "A Study of Large Theatres in the City of Toronto", prepared by Graeme Page Associates/NetGain Partners, referred to in the foregoing report was forwarded to all Members of Council with the November 29, 1999 agenda of the Economic Development and Parks Committee, and a copy thereof is on file in the office of the City Clerk.)