Arts Consulting Group

DOWNTOWN Victoria

# Downtown Victoria Business Association

## Final Report

Cultural Centre Planning Study

**January 26, 2018**

Martin Bragg, Senior Vice President
Peter Mraz, Associate Vice President

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# Executive Summary

Picture credits:
Google

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# Executive Summary

- Arts Consulting Group (ACG) was retained to examine the viability of converting the former Provincial Courthouse at 28 Bastion Square, Victoria BC to a downtown arts space or arts hub
- ACG's methodology included data analysis, stakeholder interviews, community meeting, local market analysis, demographic analysis, benchmarking, and the development of a pro forma financial model
- ACG has determined that there is significant interest, demand and need for an arts hub in downtown Victoria
- ACG recommends the establishment of a new organization, set up as a non-profit society, to operate the facility
- A sample financial model indicates that the venue would generate an annual operating deficit of $18,021 which would need to be covered by contributed income (fundraising) or government support
- Further analysis is needed to confirm the viability of the project, including the development of a detailed architectural concept, cost estimates, and fundraising feasibility, all of which may significantly alter the assumptions behind the financial model

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Picture credits: Victoria Arts Council Facebook page, *Cranes #2* by Sandy O'Reilly

# A. Introduction

Picture credits: Google

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Picture credits: Google

# ACG Firm Profile

- **International firm** with 16 offices throughout North America
- **Integrated service** in cultural facility and program planning, market analysis and community engagement, business and operational models, programming plans, and fundraising feasibility
- Completed **dozens of facility & program planning studies and/or master plans** for new or renovated arts and culture facilities, including symphony halls, theatres, museums, mixed-use spaces, and festival venues (outdoor/indoor)
- Team members with **direct experience** in managing arts organizations and facilities
- **Hands-on guidance and tested ideas** to create a sound and persuasive case for a concept that **invigorates your community** through a **legacy of inspiring experiences**

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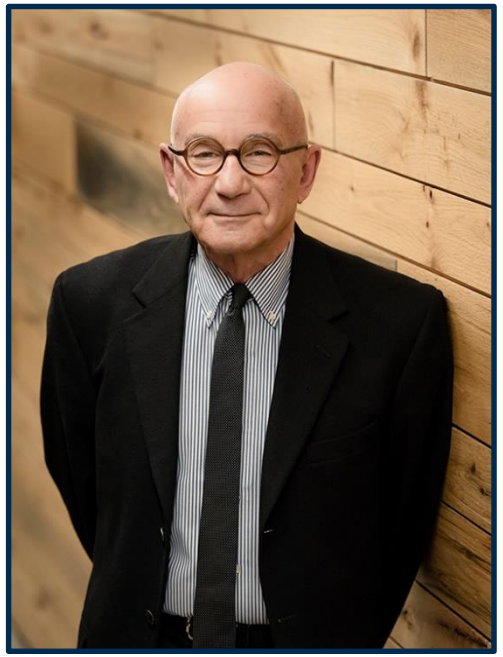
# ACG Project Team

**Martin Bragg**
**Senior Vice President**



**Victor Gotesman**
**Vice President**

**Peter Mraz**
**Associate Vice President**

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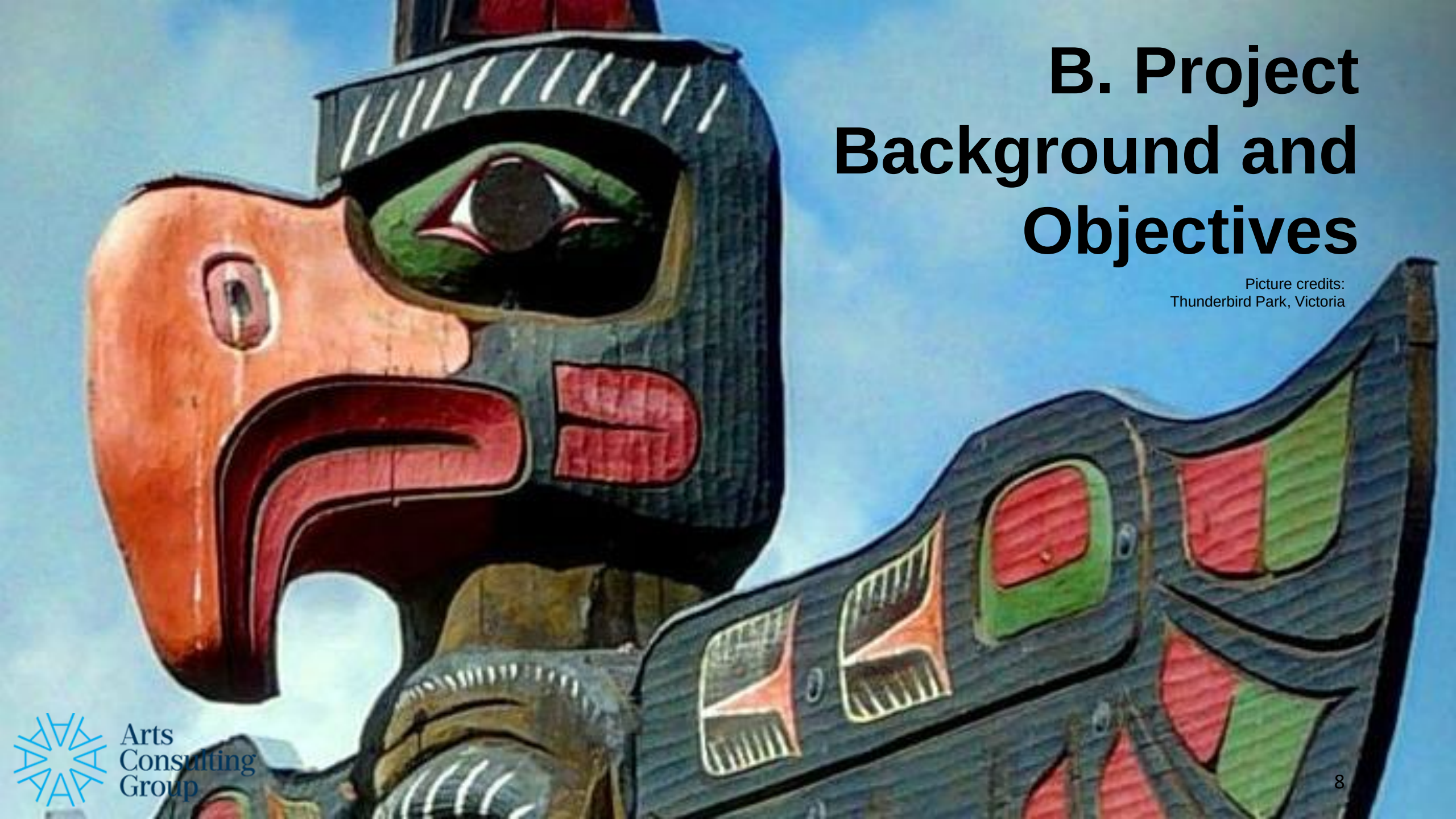
# B. Project Background and Objectives

Picture credits:
Thunderbird Park, Victoria



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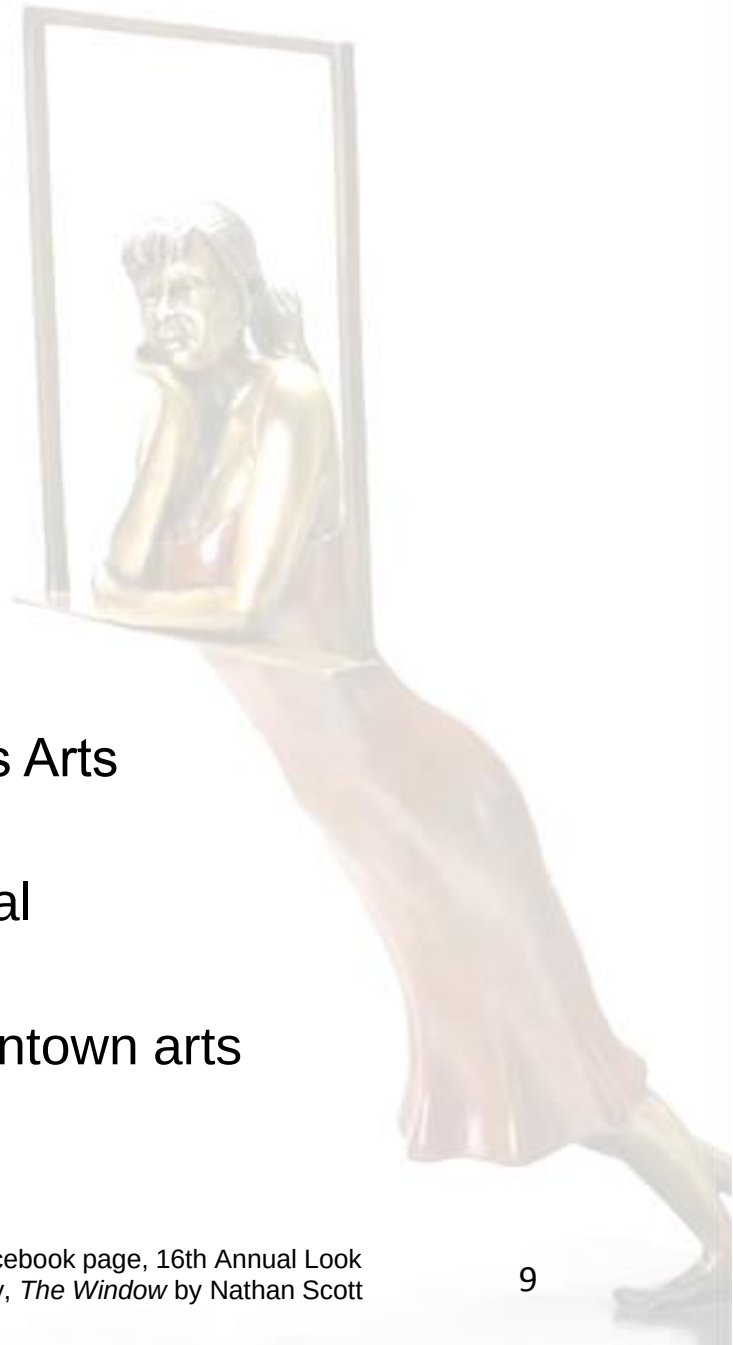
# Project Background

- The City of Victoria has a long history of supporting arts and culture
- A soaring real estate market has caused an increase in rent for arts organizations throughout the city
- There are concerns that organizations and artists are being forced out of affordable venues, and they may potentially move out of Victoria and Vancouver Island
- Several activities have been conducted by the DVBA to examine the need for an affordable arts space in the community
- The need for a variety of art spaces has also been identified in the City's Arts and Culture Master Plan
- DVBA initiated discussion about the potential use of the former Provincial Courthouse at 28 Bastion Square, a national historic site
- ACG has been retained to examine the viability of the building as a downtown arts space or arts hub



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Picture credits: Victoria Arts Council Facebook page, 16th Annual Look Show, BEST IN SHOW category, *The Window* by Nathan Scott

# Objectives

- Review the new cultural centre or arts hub concept in the context of local and regional community needs
- Assess competitive facilities, programs, and services in the Greater Victoria area and explore strategic program partnership opportunities for rentals, resident companies, and studio space
- Review and analyze audience market demographics, including drive times, education, income, age, ethnicity, and other information about the region
- Benchmark comparable facilities and operating structures in similarly sized communities
- Develop a concept plan with associated pro forma financial operating income and expense estimates based on recommended configuration and facility amenities
- Provide reports detailing the methodology, findings, and recommendations for the above



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Picture credits: Victoria Arts Council Facebook page, poster for Limelight 2017 exhibition, Cedar Hill Recreation Centre, May 5-17, 2017

# C. ACG Methodology

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Picture credits: Google

# Scope and Timeline

- **Kick-off**: October 11, 2017
- **Step 1**: Data Review, Benchmarking and Market Study
  - Stakeholder interviews and Community Meeting
  - Tour of the building at 28 Bastion Square
  - Three comparable facilities considered nationally
- **Step 2**: Competitive Market Analysis
  - Inventory of local facilities
- **Step 3**: Drivetime Demographic Analysis
  - Within 20, 40, and 60 minutes from 28 Bastion Square
  - Compared with provincial and national averages: age, race, household income, marital status, educational attainment

**Initial findings presented on November 24, 2017**

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- **Step 4**: Program Concept Plan
- **Step 5**: Operational & Financial Plan

**In this report, including additional findings from Steps 1-3**

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Picture credits: Victoria Arts Council Facebook page, poster for Limelight 2017 exhibition, Cedar Hill Recreation Centre, May 5-17, 2017

# Materials Reviewed

- Create Victoria survey report, September 2017
- Victoria Arts & Culture survey, February 2017
- Create Victoria Arts & Culture Master Plan Draft and Final Reports 2017
- 28 Bastion Square Phase 2: Asset Management Plan, Moore Wilson Architects
- 28 Bastion Square floor plans:
  - Floor 1
  - Floor 2
  - Floor 3
- Environics Demographic Data within 20-, 40-, and 60-minute drivetime from 28 Bastion Square, Victoria, BC V8W 1H8; estimates for 2017
- Statistics Canada data for British Columbia and Canada; estimates for 2016
- City of Victoria Community Heritage Register, 28-30 Bastion Square, March 2005
- BC Register of Historic Places, 28-30 Bastion Square, Victoria, BC, Unique FPT Identifier: DcRu-357
- Canada's Historic Places, 28-30 Bastion Square, Victoria, BC, August 2012
- Artspace Winnipeg, MB, Financial Statements for year ending August 31, 2016

Picture credits: Downtown Victoria Business Association

# Art Space Working Group Members*

| Name | Affiliation |
|---|---|
| Lisa Helps | Mayor, City of Victoria |
| Elizabeth Jacquot | Board Member, Bastion Square Association |
| Jocelyn Jenkyns | Acting City Manager, City of Victoria |
| Darryl Jonas | President, Bastion Square Association |
| Randy Joynt | Manager of External Affairs, The Royal McPhearson Theatres Society |
| Margaret Lucas | Councillor, City of Victoria |
| Pamela Madoff | Councillor, City of Victoria |
| Ian Piears | Cultural Outreach Manager, Downtown Victoria Business Association |
| Nichola Reddington | Senior Cultural Planner, City of Victoria |

** As of January 17, 2018*

Picture credits: Downtown Victoria Business Association

# Community Meeting Participants

| # | Name | Organisation (if applicable) | # | Name | Organisation (if applicable) |
|---|---|---|---|---|---|
| 1 | Tristan Bacon | Working Class Theatre | 14 | Jen Gravel | Tourism |
| 2 | Adam Bailey | Dogwood | 15 | Toni Hall | PGNB |
| 3 | Steven A. Bjornson | | 16 | Cindy Hatt | Artist/Business Owner |
| 4 | Yvonne Blomer | City's Poet Laureate | 17 | Jack Hayes | Vino Buono |
| 5 | Marjorie Boies | Societie Francophone | 18 | Katie Hughes | Uvic Legacy Arts Gallery |
| 6 | Claire Butterfield | | 19 | Ben Isitt | City of Victoria |
| 7 | Ross Crockford | Focus Magazine | 20 | Doug Jarvis | Ministry of Casual Living |
| 8 | Nancy Curry | Disability Theatre Research | 21 | Rebekah Johnson | Blue Bridge Theatre |
| 9 | Zoe Dickinson | | 22 | Ken Kelly | BSRA |
| 10 | Ian Ferguson | Beachfire Films | 23 | Anna Kemp | |
| 11 | Paula Flaa | | 24 | Aidan Knight | |
| 12 | Laura Fleeleus | Arc Hive | 25 | Ryan Levis | |
| 13 | Eileen Gillette | | 26 | Catlin Lewis | Media Net |



Picture credits: Downtown Victoria Business Association

# Community Meeting Participants – Continued

| # | Name | Organisation (if applicable) |
|---|---|---|
| 27 | Justin Love | Limbic Media |
| 28 | Jeremy Loveday | City of Victoria |
| 29 | Ben Lumley | |
| 30 | David MacPherson | Story Theatre Company |
| 31 | Jeff Nicholls | |
| 32 | Jenn Nicols | CRD Community Development |
| 33 | Chantelle Pasychny | |
| 34 | Andrew Phoenix | Wonderheads Theatre |
| 35 | Siobhan Powlowski | Pacific Peoples Partnership |
| 36 | Brian Richmond | Blue Bridge Theatre |
| 37 | Oryanna Ross | Atomique |
| 38 | Dawn Ruecki | BC Government |
| 39 | Peter Sandmark | Media Net |

| # | Name | Organisation (if applicable) |
|---|---|---|
| 40 | David Schwab | Quadratic Sound |
| 41 | Daniel Scott | Planet Earth Poetry |
| 42 | Martin Segger | |
| 43 | Ester Stylos | Artist (Ceramics) |
| 44 | Graeme Sykes | Real Property Division |
| 45 | Nancy Szabo | Birds & Birch/Etsy |
| 46 | Ursula Szkolak | Vic Dance Collab |
| 47 | Rick Thomas | Artist/Retired |
| 48 | Tiffany Tjosvold | Embrace Arts Foundation |
| 49 | Kirsten Van Ritzen | Broad Theatrics |
| 50 | Brittany Vis | Maritime Museum of BC |
| 51 | Will Weigler | |

Picture credits: Downtown Victoria Business Association

# First Stakeholder Interviews – October 2017

| Name | Affiliation |
|---|---|
| Tristan Bacon | Artistic DIrector, Working Class Theatre |
| Andrew Barret | Impulse Theatre |
| Mercedes Batiz-Benet | Artistic Director, Puente Theatre |
| Caron February | Made in Victoria |
| Lynda Gammon | Facility Chair, Open Space |
| Kathleen Gilbert | Film Commissioner, Vancouver Island South Film & Media Commission |
| Marcus Hardman | Executive Director, Kaleidoscope Theatre |
| Pamela Madoff | City Councillor, City of Victoria |
| Helen Marzolf | Director, Open Space |
| Kerri Milton | Former Executive Director, Downtown Victoria Business Association |
| Matthew Payne | Artistic Producer, Skam Theatre |
| Ian Piears | Cultural Outreach Manager, Downtown Victoria Business Association |
| Kathy Ramsey | President, Arts BC |
| Peter Sandmark | Executive Director, MediaNet |

Picture credits: Downtown Victoria Business Association

# Second Stakeholder Interviews – November 2017

| Name | Affiliation |
|---|---|
| Steven Bjornson | Data Science, Limbic Media |
| Ian Case | Director, Farquhar Auditorium UVIC |
| David Leverton | Executive Director, Maritime Museum of British Columbia |
| Heather Lindsay | Executive Director, Intrepid Theatre Company |
| Justin Love | President, Limbic Media |
| David MacPherson | Artistic Director, Story Theatre & President of Pro Art Alliance |
| Siobhan Powlowski | Deputy Director, Pacific Peoples Partnership |
| Tiffany Tjosvold | Embrace Arts Foundation |
| Brittany Vis | Associate Director, Maritime Museum of British Columbia |
| Stephen White | Executive Producer, Dance Victoria |



Picture credits: Downtown Victoria Business Association

# D. Findings and Analysis

Picture credits: Victoria Arts Council Facebook page,
*Love Letters in Blue* by Rose Cowels

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# Indigenous History in Victoria

- The province of British Columbia boasts the highest Indigenous diversity in Canada. There are three main First Nations language groups on Vancouver Island: the Coast Salish, the Nuu-chah-nulth and the Kwakwaka'wakw. Victoria is the home of the Lekwungen People who are also known as the Esquimalt and Songhees Nations. Lekwungen is the original language of this area, and the traditional culture has been here for thousands of years.
- 2017 was declared A Year of Reconciliation by the City of Victoria.

**Mayor Lisa Helps:**

**"Reconciliation is more than words. It is about understanding the past and deepening connections between the City and the Songhees and Esquimalt Nations on whose territory we reside."**

**"Reconciliation means changing our practices and the landscape of the city to honour the past and create the future with our First Nations partners."**

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Picture credits: http://www.theunitywall.ca, *Killer Whale*, Unity Wall Mural PHASE I, sponsored by Greater Victoria Harbour Authority

# Indigenous History in Victoria

## City of Victoria's Media Release June 30, 2016:

- The 150th anniversary of Canada is an opportunity for the City of Victoria and residents throughout the region to demonstrate our local ongoing commitment to Reconciliation. Canada's Truth and Reconciliation Commission said that "knowing the truth about what happened in residential schools in and of itself does not necessarily lead to reconciliation", and that action is needed beyond recognition.
- "From my perspective, the City of Victoria's Year of Reconciliation 2017 is a sincere effort to build genuine relationships for the benefit of all of us," noted Chief Ron Sam, Songhees First Nation. "We are appreciative that the City of Victoria has reached out to work with us in a meaningful way. We welcome new opportunities to learn from one another. With collaborative efforts, we can achieve anything we put our hearts and minds to."
- Esquimalt Nation Chief Andy Thomas, Esquimalt First Nation, acknowledges the City's commitment to a year of recognition, reconciliation and action. Esquimalt Nation expresses their openness to continue discussion on the reconciliation process.

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Picture credits: http://www.theunitywall.ca, *Running Deer*, Unity Wall Mural PHASE I, sponsored by Greater Victoria Harbour Authority

# Indigenous History in Victoria

## City of Victoria's Media Release June 30, 2016:

- The City of Victoria has begun this journey of reconciliation, and the history and culture of the Songhees and Esquimalt Nations is evident in many way across the City. Spindle whorls are displayed throughout the city marking important places in Lekwungen territory, recognizing the economic trading history of the First Nations in this region. Victoria's Spirit Square, honouring local First Nations' history, occupies the western half of City Hall's Centennial Square precinct.

**Embracing 2017 as a Year of Reconciliation in Victoria will bring many more opportunities to recognize and take action on Reconciliation with local First Nations.**

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Picture credits: Aboriginal Tourism BC, impression of a completed marker, by Butch Dick, Songhees artist

# Building History – The Provincial Courthouse

- The Provincial Courthouse is a three-storey building on the corner of Langley Street and Bastion Square in the Old Town District of Victoria.
- From a heritage value, The Provincial Courthouse (1889) is significant as a manifestation of Victorian law and order in British Columbia, and is valued as the oldest post-Confederation courthouse in the province. The work of prominent architect Hermann Otto Tiedemann, this castle-like structure remains as an historic embodiment of the fortitude of law, order, stability and justice which have been practiced at this site since the 1860s.

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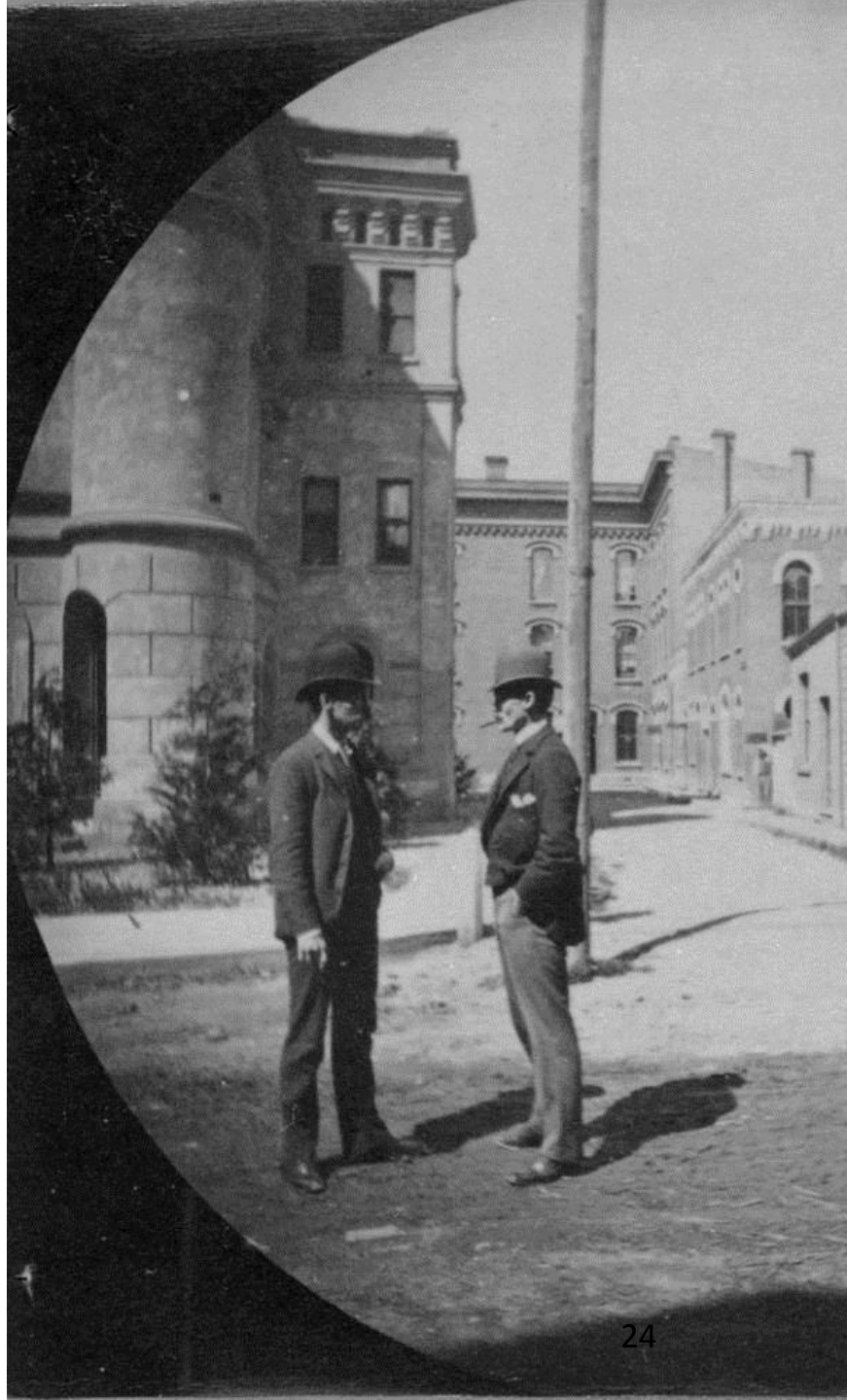
Picture credits: Royal BC Museum, Archives Collection, Item B-09368 - Courthouse, Victoria, around 1888

# Building History – Continued

- Architecturally, the building's eclectic design and state-of-the-art construction provide it with its solid and stable presence in the city's commercial core. Tiedemann's combination of towers, arched windows and Italianate decorative elements make this one of the grander of the more than thirty courthouses built in the province in the late nineteenth century.
- This free-standing building has four distinct facades in a high-density urban area. Brick faced with stucco, which was treated to resemble stone, give this building an unmistakable strength and gravity, suitable to its former role as a centre of justice.
- Subsequent modifications to the design and facilities by prominent architect Francis Mawson Rattenbury, including the addition of a new court rooms and a state-of-the-art open-cage elevator in 1899, provide significant insight into the need to ensure that the image of this place was kept up-to-date.



*Source: Edited from City of Victoria Planning and Development Department*

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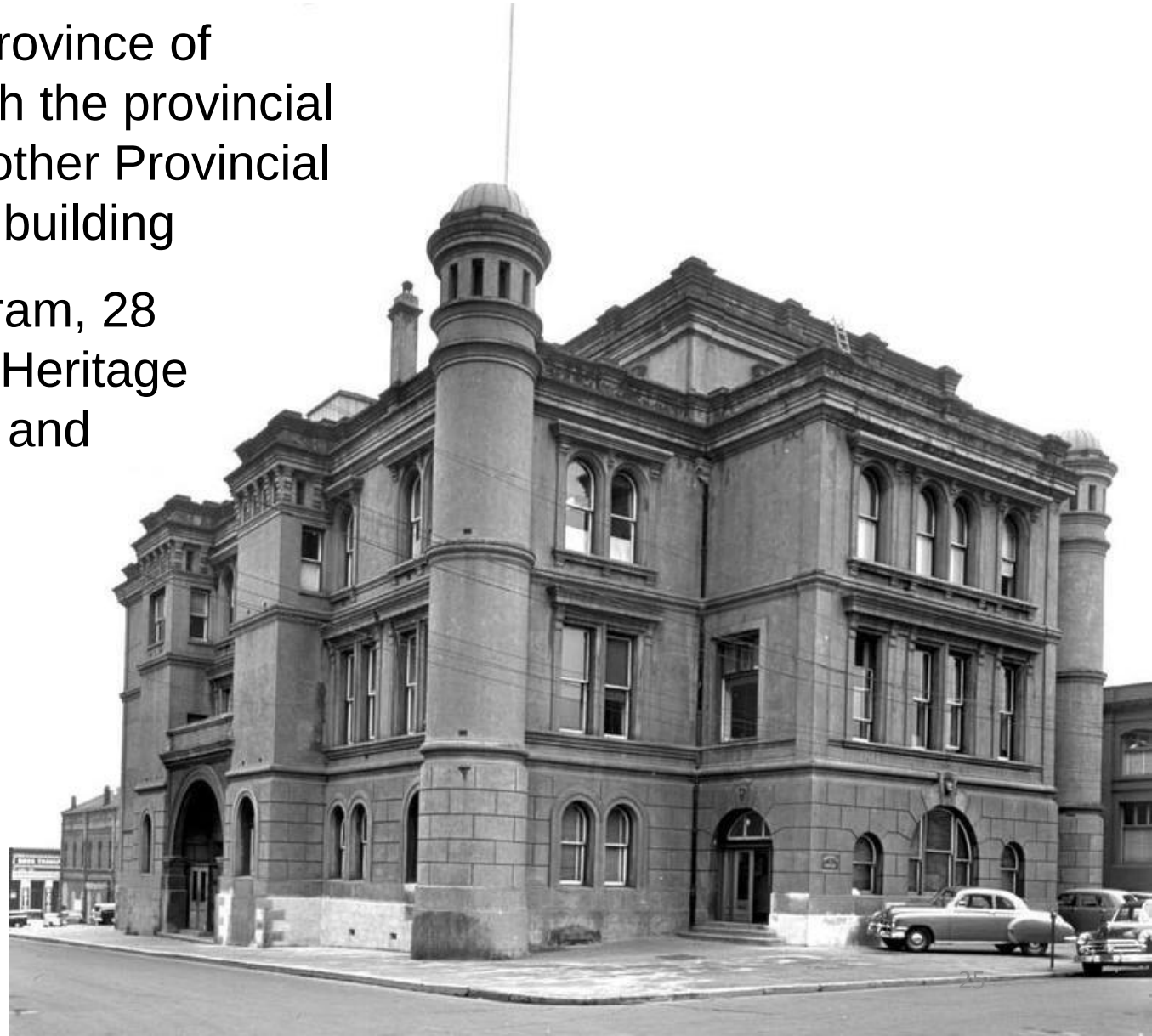
Picture credits: Royal BC Museum, Archives Collection, Item F-07423 - Outside the courthouse, Bastion Street; Chancery Lane, looking west from Langley Street, Victoria, around 1892

# Building History – Heritage

- The building is currently owned by the Province of British Columbia and is managed through the provincial Real Property Division. Over the years, other Provincial departments have had an interest in the building
- Within the City of Victoria Heritage Program, 28 Bastion Square is currently listed as (R) Heritage Registered, (NHS) National Historic Site and usage is described as Institutional
- The heritage recognition of the building will have an impact on construction improvements allowed to the interior and exterior of the building



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Picture credits: Royal BC Museum, Archives Collection, Item I-02285 - Law Courts, Bastion Street At Langley, Victoria, 1950

# Building History – Heritage

- The character-defining elements of the building include:
  - The views between the courthouse, Langley Street and the building's façade on Bastion Square.
  - The solid, free-standing form and rectilinear massing of the brick bearing walls.
  - The composite stylistic elements, including the eclectic blend of corner towers, turreted roofline, dramatic arched entrance and the assemblage of exterior treatments such as the simulated stonework.
  - The paired and triple windows, combination of flat-head and round arch-and-window groupings and window casements with brackets or pediment crowns.
  - Original configurations of the floor plans with large, open spaces.
  - The extent and condition of the authentic (historic) fabric of the interior features such as the interior plasterwork, woodwork, finishes, staircase and details of such rooms as the courtroom (including the alterations attributed to Rattenbury).

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Source: City of Victoria Community Heritage Register

# Current Building Condition

- ACG and members of the working group were able to view the interior, exterior as well as small portion of the roof structure at 28 Bastion Square.
- ACG observed that the building is in a reasonably good shape for a building of its age, although with the lack of use for the past several years it is falling into disrepair and water leakage was visible in a number of places.
- ACG was informed that the Province of British Columbia is currently spending more than $250,000 per year to maintain the building and that additional work will be required to repair the roof in FY 2018.

Picture credits: Martin Bragg

# Current Building Condition – Pictures

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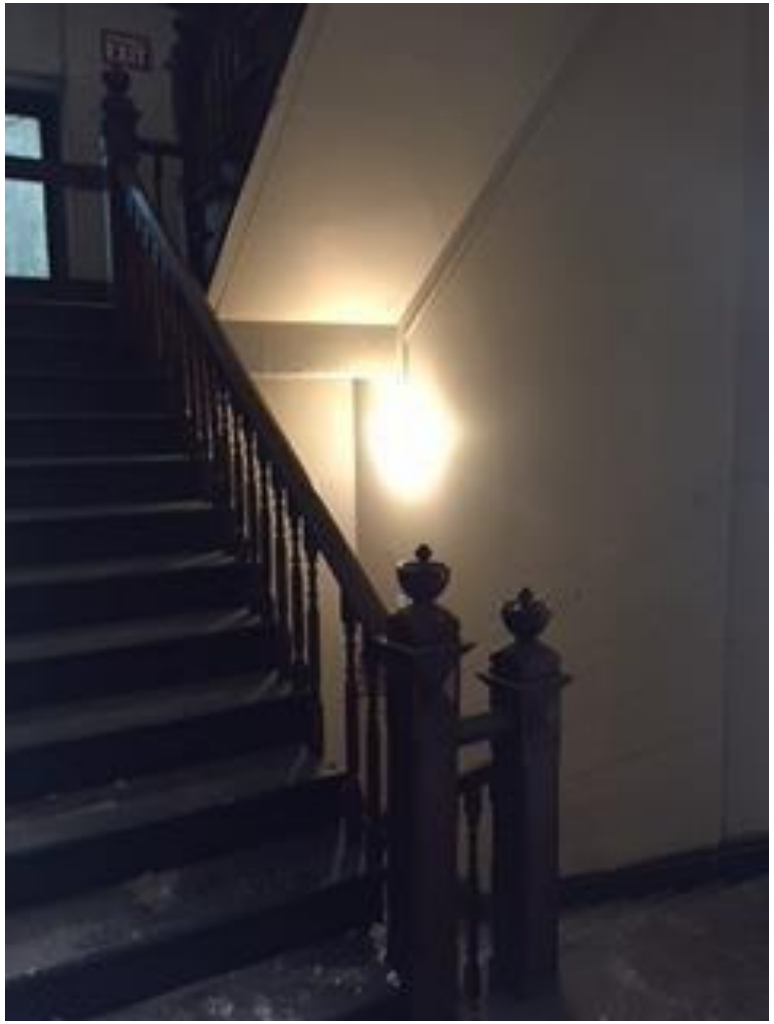
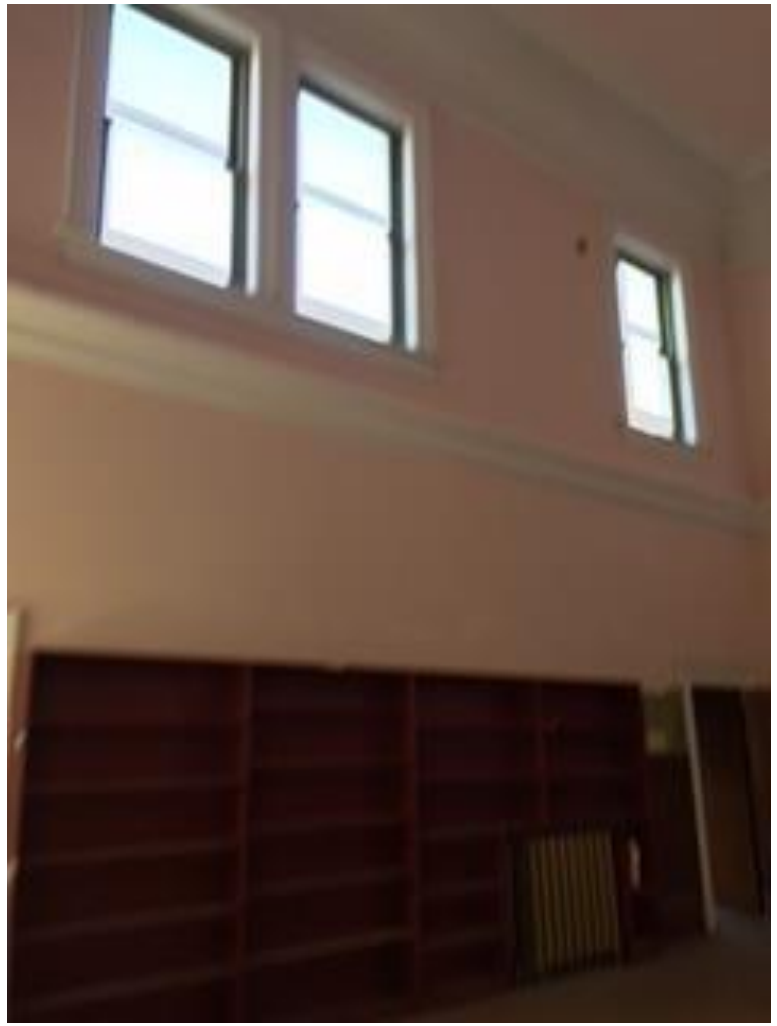
Picture credits: Martin Bragg

# Current Building Condition – Pictures





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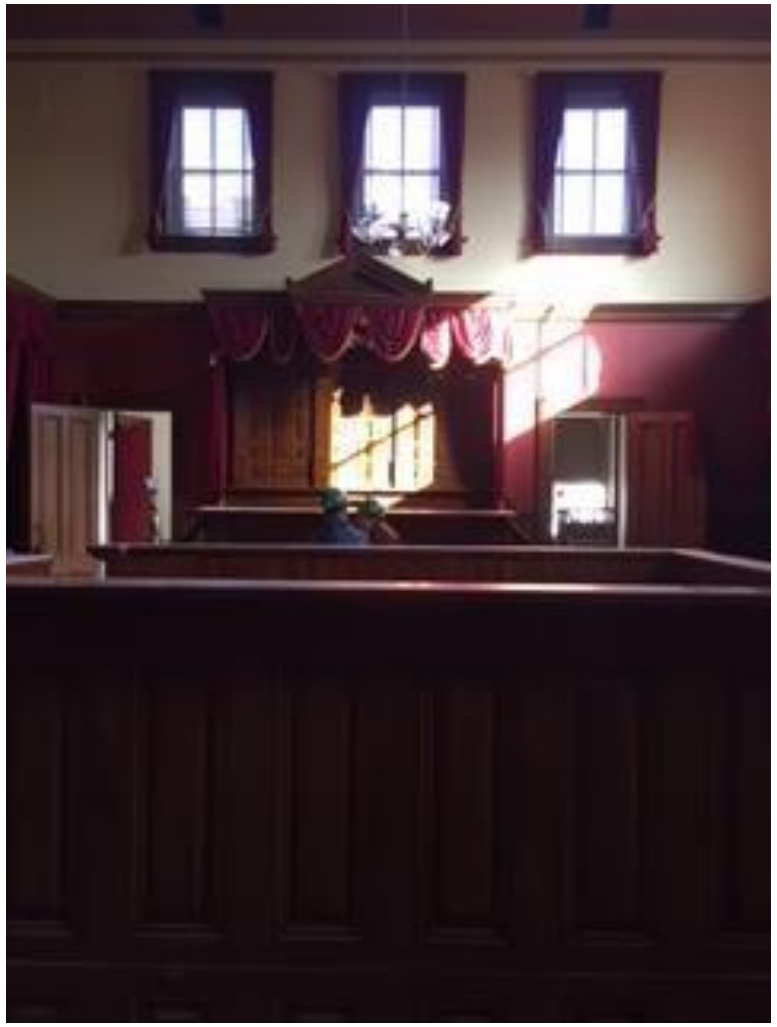
Picture credits: Martin Bragg

# Current Building Condition – Pictures



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Picture credits: Martin Bragg

# Stakeholder Interviews – Sample Comments

- Make the plan for 28 Bastion Square a “portable concept” so if this building falls through we can transfer the concept
- Sound transfer is a critical element
- Governance and effective operating model is key to success
- There are 475 cultural organizations with more than one staff member working in Victoria
- Bastion Square needs a compelling vision and concept
- Can this look like a creative campus, with office and studio space, meeting rooms, a place to house provincial organizations
- There is a desperate need for space in the artistic community
- Concern and opportunity around recent IATSE certification of the Intrepid Theatre’s spaces
- A new arts central space, a Hub, could be the answer to keeping artists in Victoria
- Make Bastion Square the anchor for a mini Granville Island with a tie in to the market
- Losing school space due to recent change in government/teacher negotiations
- Bastion Square has to be an accessible space, and the current elevator is not an option
- 13 Municipalities can be a problem as they will not want to pay for a downtown Victoria space
- Bastion square is a valuable film location and could house film offices

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# Sample Stakeholder Comments – Continued

- Bastion square could be an opportunity for Victoria and BC artists to be able to display and sell art
- Could there be a retail location for made in Victoria artists?
- Is there room for maker space in addition to creative spaces like studios?
- Ideal dream would be to have shared studio and office space with like minded artists
- Space for Educational and First Nations programming
- There are few options for performance space, can 28 Bastion Square house office space?
- It would be a game changing concept to have Bastion Square as a vibrant cultural centre
- Rock Bay light industrial area is already attracting artists
- Bastion Square could be an incubator
- A real opportunity to work with the First Nations community
- Vast majority of Victoria's artists are not paid
- Victoria is a No community, we have the opportunity to change that to a Yes community
- Bastion Square has a staggering amount of work that needs to be done, including seismic and the fact that the building is a designated heritage site, but leaving it to fall apart is not an option
- Can we make a case for support due to the sheer number of artists and arts groups who need space?

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# Community Meeting

- Took place on October 12, 2017
- More than 50 community members participated in a two-hour public conversation
- Facilitated by ACG Senior Vice President Martin Bragg and ACG Vice President Victor Gotesman
- Following the community meeting and stakeholder interviews, ACG has begun to refer to 28 Bastion Square as an “Arts Hub” and “Artspace Victoria” to describe its potential, as the building interior will not have the capacity to accommodate a large performing arts “theatre” space

Picture credits: The Sculpture Studio, Victoria, *Living hope* by David Hunwick

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# Community Meeting Notes

- Secure Tri-level government support
- One floor for studio work spaces
- Focus on the heritage history of the building
- Free studio for anyone to learn and connect
- Communal working space for authors, artists etc.
- Victoria has space – just not being utilized effectively. March Square & Great Victoria Shakespeare Festival. UVIC Phoenix Theatre vacant during summer – how can this be used.
- Affordable space and storage (props archives, etc.)
- Collaboration between art mediums, musicians, dancers and visual arts.
- Cabaret performance space
- Free accessible community art space
- Café/Bar area
- Flexible use (studio, performance, events)
- Shared Studio Space Dance/Theatre
- A small (100 seat) performance venue
- Accommodation for visiting artists
- Shared social space that be used for reception/talks
- Art Residency space/studio
- Art + Tech, research, production and exhibition like S.A.T Montreal
- E.A.T (Experiments in Art and Tech). Society from 1960 & 70's NYC
- Reasonable cost of space rental
- Workshop and educational space
- Media art production space, A/V production / art
- A free studio room for any income level to learn and experiment with recording
- Flexible art/cultural space
- Work with the Maritime Museum?
- Utilize boomerang court
- Galley space /screening room
- Physically accessible for diverse performers

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# Community Meeting Notes – Continued

- Non-profit visual literary and performing arts centre
- Office (small and private)
- Artist studio space and art installation
- Small studios where artists can work and sell from to public/tourists. Mixed use/art mediums
- Bet you didn't think hairdressing could fit in to this. Hair show. Education Space. Collaboration.
- Open and accessible to the public
- Disability Theatre Arts Co-operative
- Office and rehearsal space
- Focus on community variety of arts
- Artist/Makers spaces. Retail floor for surrounding area artists. One Floor for first nations.
- Affordable artist work space and selling opportunity. Lots of little work studio spaces, mixed media
- Accessible and low-cost mentorship programs for women in technical fields..

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Picture credits: Victoria Arts Council Facebook page, poster for 18th Annual Look Show, The Bay Centre, March 25 – April 15, 2017

# Community Meeting Notes – Key Takeaways

- Overwhelmingly a  strong desire from the artistic community for the creation of an “Arts Hub”
- Lack of affordable and available rehearsal and performance space
- Lack of affordable studio and creation space
- Lack of space for Victoria visual artists retail space
- Lack of affordable office space
- The concept of using 28 Bastion Square is in complete alignment with the Create Victoria Arts and Culture Master Plan
- The artistic community wants to continue develop art in all forms in Victoria
- The opportunity for cross discipline interaction and activities
- The involvement of First Nations people is important
- An educational component is important
- An open and welcoming environment for the public
- The ability for artistic activity to “spill out” into Bastion Square
- The Vertigo 50-80 seat Club facility is at full capacity and in use 363 days a year

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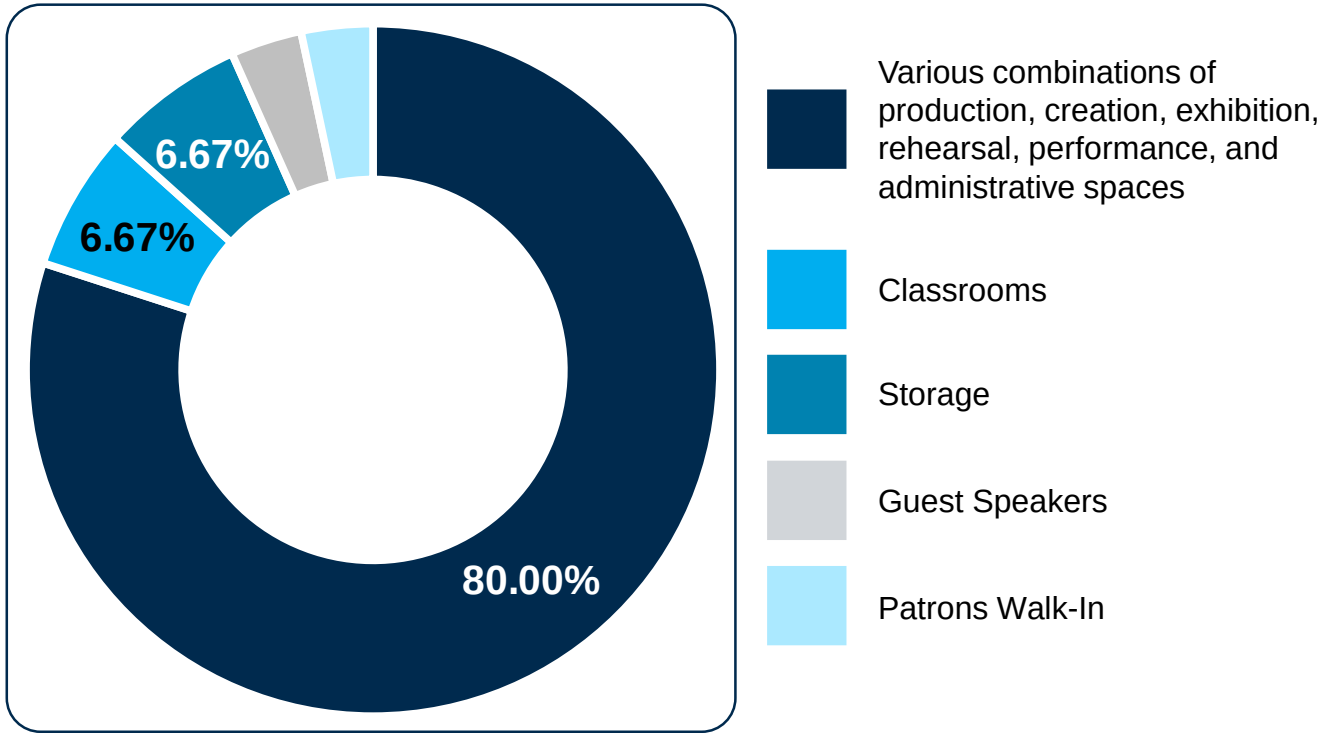
# Victoria Arts & Culture Survey: Findings

1. Conducted in February 2017
2. Total of 55 respondents, of which:
   a) **61.82% Performing Arts**
   b) 12.73% Music
   c) 5.45% Visual Arts/Applied Arts
   d) 3.64% Maker
   e) 3.64% Digital/Multi-Media
   f) 12.73% Other
3. Type of space required:
   a) 18.18% Rehearsal
   b) 14.55% Performance
   c) 9.09% Meeting/Event Space
   d) 1.82% Creation
   e) 1.82% Retail
   f) **54.55% Other**

Break-down of 54.55% for “Other” space required:

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# Victoria Arts & Culture Survey: Findings – Continued

4. 79.63% require a space smaller than 2,500 square feet
5. 77.36% prefer a downtown Victoria location
6. 45.45% have a budget for rent/utilities less than $500 per month; 21.82% have a budget greater than $1,500 per month
7. 14.55% would use the space full-time; **85.45% would use the space on a part-time, temporary, or event basis only**
8. 61.11% would be willing to go to a pop-up location until a permanent location is secured
9. 50.91% would be ready to move to a new space within less than 3 months

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Picture credits: Victoria Arts Council Facebook page, Kelly Dawn Dabous, Look Show Artist in Residence, The Bay Centre, March 9, 2015

# Benchmarking

- ACG and the working group identified three comparable cultural facilities that serve communities or neighbourhoods that are similar to Victoria
- The goal of the benchmarking analysis was to provide input and best practices information on program and business model options for a new cultural hub for Victoria
- Facilities considered included:
  - Artscape Wychwood Barns, Toronto, ON
  - Artspace, Winnipeg, MB
  - cSPACE King Edward, Calgary, AB
- Areas considered:
  - Programming, rental activity, resident companies, residencies, and distribution of producing, presenting, and rentals for daytime and evening usage.
  - Annual budget, earned and contributed revenue, and ownership and management structures.

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Picture credits: Victoria Arts Council Facebook page, *Les Symptomes II* by Luke Garrison, Little Gems Art and Craft Fair, November – December 2017

# Artspace, Winnipeg, MB

- Seeks to improve the efficiency, effectiveness and capacity of Manitoba arts and culture organizations by providing facilities, at below market value rates, to house their operations; and providing shared administrative and management services to support their operations.
- Creates space for arts and culture to flourish, plays a vital role in supporting the health of Manitoba's arts and cultural organizations, provides home to artists, arts organizations and a range of support services.
- Re-purposed 55,000 square foot former dry goods warehouse.
- Integral component of Manitoba's arts and cultural infrastructure and a primary catalyst in the development of Winnipeg's cultural heart, the historic Exchange District.
- Each year over 80,000 people pass through the Artspace building's doors to create, produce, exhibit, support, view and learn.
- Home to eighteen arts and cultural organizations, a number of individual artists and the Artspace staff and programs.

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Picture credits: Google

# Artspace, Winnipeg, MB – Continued

- Current usable space is 30,000 square feet.
- Artspace came into being as a way of responding to the needs of the artistic community in an area of Winnipeg, years ago, that was not as desirable as it is today.
- There were already artists squatting in the building at the time the arts space concept was born
- The focus of the building was less on performance art than it was on visual and literary arts.
- The building is a registered heritage site, which increases the costs of any repairs such as that the replacement of windows has to conform with heritage regulations.
- The province bought the building under the Manitoba Centennial Corporation Act.
- Artspace is a separate entity, incorporated as a non-profit society, with a 100 year lease with MCC.
- Expectation is to be self sufficient and provide for the maintenance of the building.
- Artspace pays no property tax to the City of Winnipeg, which is valued at approximately $80,000 per year.
- Artspace has 22 subleases and provides support services to 45 organizations in Manitoba.

# Artspace, Winnipeg, MB – Continued

- Support services include mentorships in Fundraising and the arts management program offers support in administration areas such as HR and bookkeeping.
- Artspace has not had a new tenant over the past 20 years, had communal space available, including meeting, studio and board room.
- Governance structure is evolving. Originally the Board was made up of tenants in the building. Today, tenants make up 50% of the Board.
- There are no performance spaces. There was a commercially available space, but it was converted into more arts rental space.
- Artspace charges $7.35 per square foot.
- There is no time clause on tenant agreements, after 10 years it rolls over and there have been only two rent increases in the last 15 years.
- Artspace pays for all utility costs.
- Artspace recommends having an operating endowment fund in place and being cautious about charitable status due to CRA restrictions on charitable activities.

# Artspace, Winnipeg, MB – Continued

- Artspace Inc. Statement of Operations, year ending August 31, 2016

| REVENUE | $ |
|---|---|
| Rental Income | $255,139 |
| Program Income | $60,476 |
| Private and Corporate Support (programs) | $86,372 |
| Government Support (building) | $30,500 |
| Government Support (programs) | $222,360 |
| Amortization of deferred contributions | $3,562 |
| **TOTAL REVENUE** | **$658,409** |

| EXPENSES | $ |
|---|---|
| Administration (building + programs) | $91,694 |
| Tenant Services (photocopier, etc.) | $23,378 |
| Building Operations | $206,989 |
| Artspace Arts Management | $60,818 |
| Artsupport MB (programs) | $277,788 |
| **TOTAL EXPENSES** | **$660,667** |

| | |
|---|---|
| **(Deficit) Excess of Revenue over Expense** | **$(2,258)** |
| Prior year | $2,286 |

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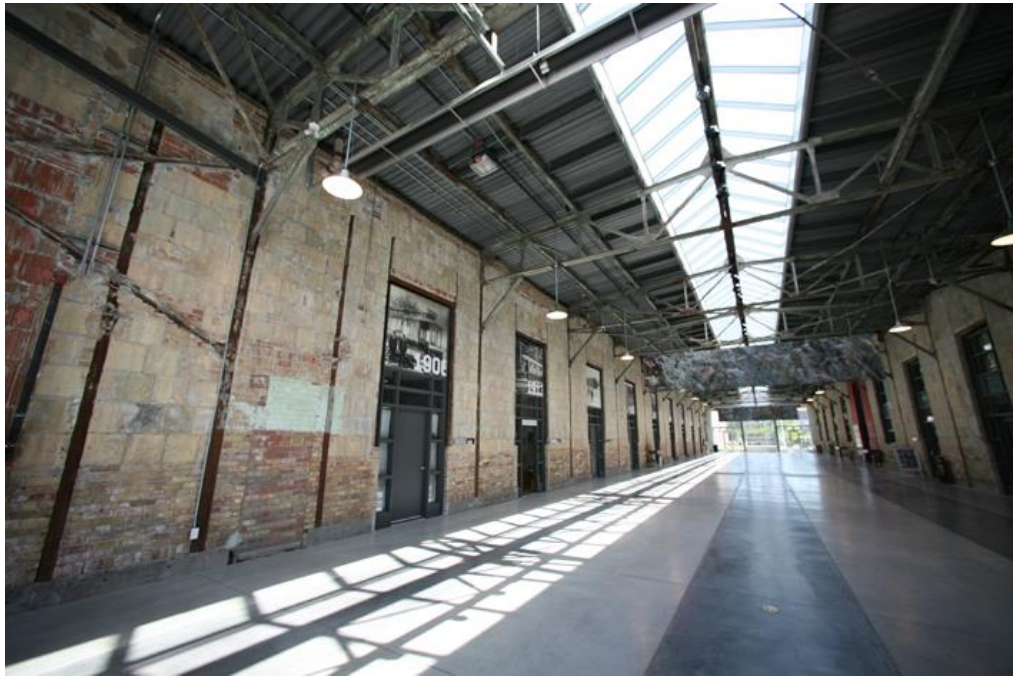
# Wychwood Barns, Toronto, ON

- A community cultural hub that opened in 2008 where a dynamic mix of arts, culture, food, security, urban agriculture, environment and other community activities and initiatives come together to provide a new lease on life for a century-old former streetcar repair facility.
- Designated heritage structures. The original streetcar repair barns were built between 1913-1921 for the Toronto Civic Railway and later the Toronto Transit Commission (TTC) – an excellent example of twentieth-century industrial architecture. By 1985, however, they were declared surplus and boarded up.
- Artscape was named developer of an adaptive re-use plan for the building in 2006. The $23-million redevelopment was completed in 2008.



- Owned by the City of Toronto and operated by Artscape under a 50-year lease. Artscape manages building operations and tenancy of the building.
- Artscape Non-Profit Homes Inc. administers the residential component of the Barns as part of its arrangement with the Canada-Ontario Affordable Housing program and the Affordable Housing Office of the City of Toronto.
- The City of Toronto Parks, Forestry & Recreation operates the park and space surrounding three sides of the Barns.

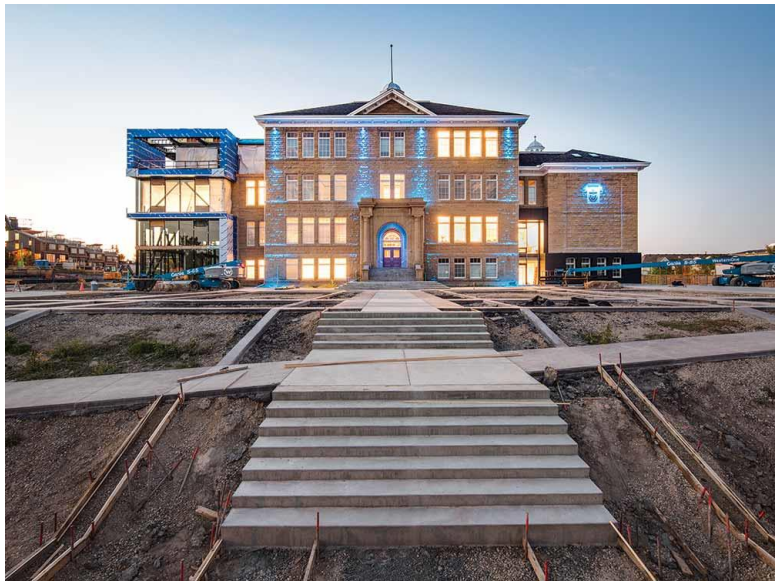
Picture credits: Google

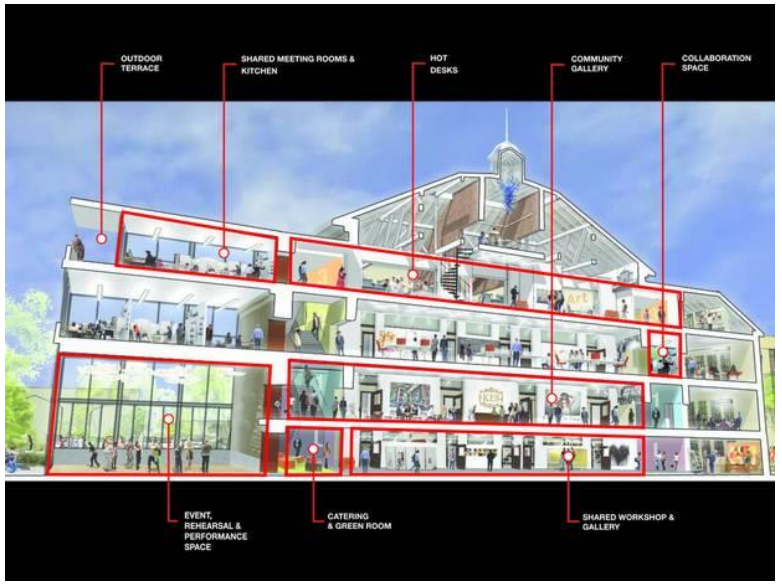
# Wychwood Barns, Toronto, ON – Continued

- Wychwood had a lot of surprises with the Heritage aspect of the buildings.
- Wychwood has a broad mix of commercial, artist and gallery spaces.
- Owned by the City of Toronto with a long term lease in place with Artscape.
- Some of the initial revenue for construction was derived from Section 37 agreements whereby developers would contribute cash to the project in return for increased density.
- Wychwood was actively involved with fundraising at all three levels of government and the private sector.
- There was debt following the construction, which Artscape secured as a mortgage secured by the City of Toronto.
- There is a full complement of staff dedicated to the activities at Wychwood Barns.
- Utilization of the space as an event centre has been critical to its financial success.
- Wychwood hosts fairs, weddings, events, corporate functions, etc.
- Rental rates are on a sliding scale between non-profit and for profit entities, with for profit rentals supporting the lower rental rates for arts organizations.

# cSPACE King Edward, Calgary, AB

- An arts hub, innovative venue and co-working space for Calgary to experiment, explore and spark change.
- The mission of cSPACE King Edward is to provide the conditions that diverse communities of creatives need to remain vital, sustainable and innovative while generating dividends for Calgarians across the city.
- Areas of focus include:
  - **SHARED SPACE** – Affordable, flexible and inspiring spaces that are responsive to the evolving needs of new artistic practices, missions and enterprises while delivering unique gathering places for all Calgarians.
  - **VIBRANT COMMUNITY** – Diverse and meaningful opportunities to engage with peers and collaborators, amplified through greater connectivity to surrounding neighbourhoods.
  - **KNOWLEDGE SHARING** – Specialized workshops, services and peer-to-peer mentorship focused on nurturing creative entrepreneurship, building confidence in artists, designers and makers to generate innovative cultural products and experiences for Calgary and the world.



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Picture credits: Google

# cSPACE King Edward, Calgary, AB – Continued

- 42,000 square feet of curated space, tenants determined through RFP approach.
- Started with 10 years worth of community responses and the vision of two major funders, who are also shareholders, the Calgary Foundation and Calgary Arts Development (City of Calgary Funding Agency).
- Began when artists were being pushed out of Calgary due to soaring rents due to Calgary's expansion with oil revenue.
- cSpace is about building an artistic community and ensuring that artists have viable careers.
- There was a strong desire to create an Arts Hub and an Arts Incubator.
- cSpace is in response for a desire in the community to have innovation spaces.
- cSpace governance is designed around the company act, which gives the organization more flexibility. They are a wholly owned subsidiary of a wholly owned subsidy with two shareholders as noted above.
- cSpace is offering leases from one to ten years with some on five plus five terms.

# cSPACE King Edward, Calgary, AB – Continued

- Having an event and theatre space is critical to the overall financial model.
- Weddings will be a big business, it is critical to look at commercial and private functions being able to subsidize the business model.
- cSpace has no current financials they can share and have not concluded a first year of operation.
- Scale matters, a diversity of users and diversity of tenures in the building and a mix of financial capacities.
- cSpace has tried to curate the space so that they have 4 – 5 small hubs within the larger concept of the Arts Hub with organizations who serve hundreds of artists, in which case tenants are bringing more artists into the building.
- cSpace advises to ensure that there are big construction contingencies in place in the order of 15% - 18%, especially for older building which may have asbestos factors to deal with.
- Involve the tech sector and digital media.

# cSPACE King Edward, Calgary, AB – Continued

## Government of Canada Press Release

**December 20, 2017**

Today, the Honourable Kent Hehr, Minister of Sport and Persons with Disabilities and Member of Parliament (Calgary Centre), toured cSPACE King Edward, the first multi-tenant, shared space development of its kind in Calgary. This innovative creative hub is benefitting from $500,000 in funding through the Canada Cultural Spaces Fund for specialized equipment, including theatrical lighting, blackout draperies, an audiovisual system, stage platforms, and acoustical walls and reflectors in its Studio Theatre. cSPACE will also purchase professional, gallery-style lighting for each of its large hallway galleries.

This funding is in addition to the $2 million in Canada Cultural Spaces Fund support received by cSPACE for the construction of a new west annex, attached to the renovated King Edward school building, which was completed last month. The three-storey annex includes cSPACE's Studio Theatre, production, rehearsal and exhibition spaces, as well as an outdoor exhibition space.

**Investing in cultural hubs is an important pillar for Creative Canada, the first-ever strategy for the creative economy and a renewed policy approach to strengthen Canada's diverse and vibrant creative sector.** cSPACE's unique role as an arts incubator was highlighted earlier this year when the Honourable Mélanie Joly, Minister of Canadian Heritage, announced the Government of Canada's vision for Canada's cultural and creative industries in a digital world.

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# Benchmarking – Key Takeaways

- 30,000 square feet of space, or close to that number is key to making an Arts Hub viable financially
- Having the ability to have retails space at market value rates ensures an ongoing level of subsidy for annual operations
- The mix of artists, is not only viable, it is necessary for success
- The need for 28 Bastion Square to have available event space is critical, better if it has the ability to have small performance spaces
- The organizational model for 28 Bastion Square will need to be a separate entity, not a collective
- The Federal Government is supportive of the concept of Arts Hubs and Creative spaces and has funding available for the type of venture envisioned with 28 Bastion Square
- Having the active participation of all levels of government is critical
- 28 Bastion Square will need to have a major proponent or visionary for the 28 Bastion Square renovation project, a person, or entity that will continue to focus on getting the project completed
- The Heritage value of the building is important, and realistic construction cost estimates should be put in place for its renovation

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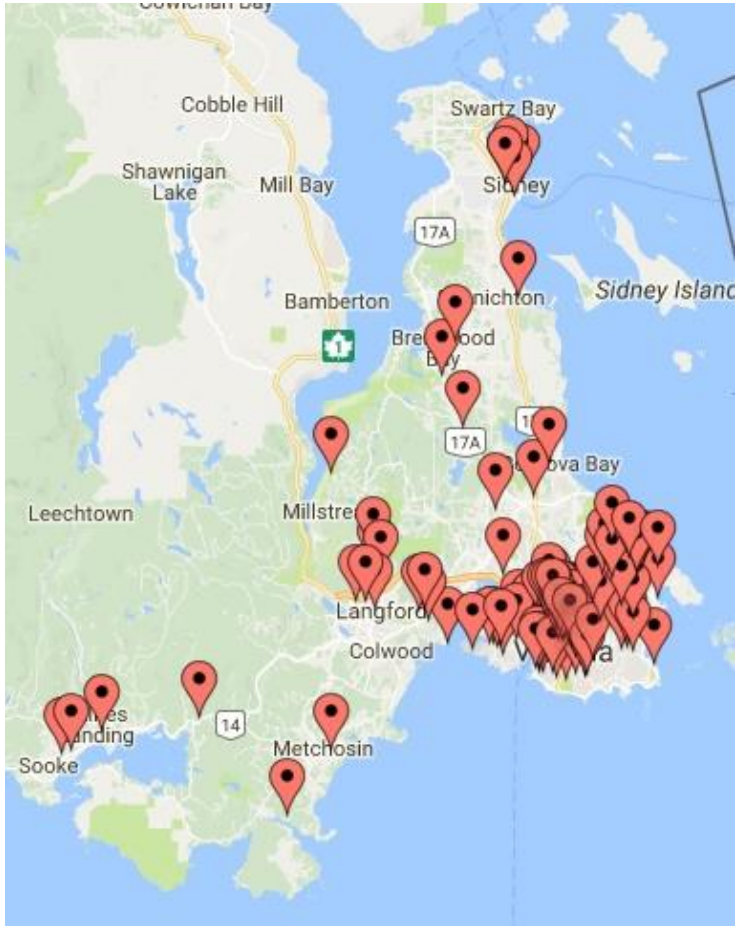
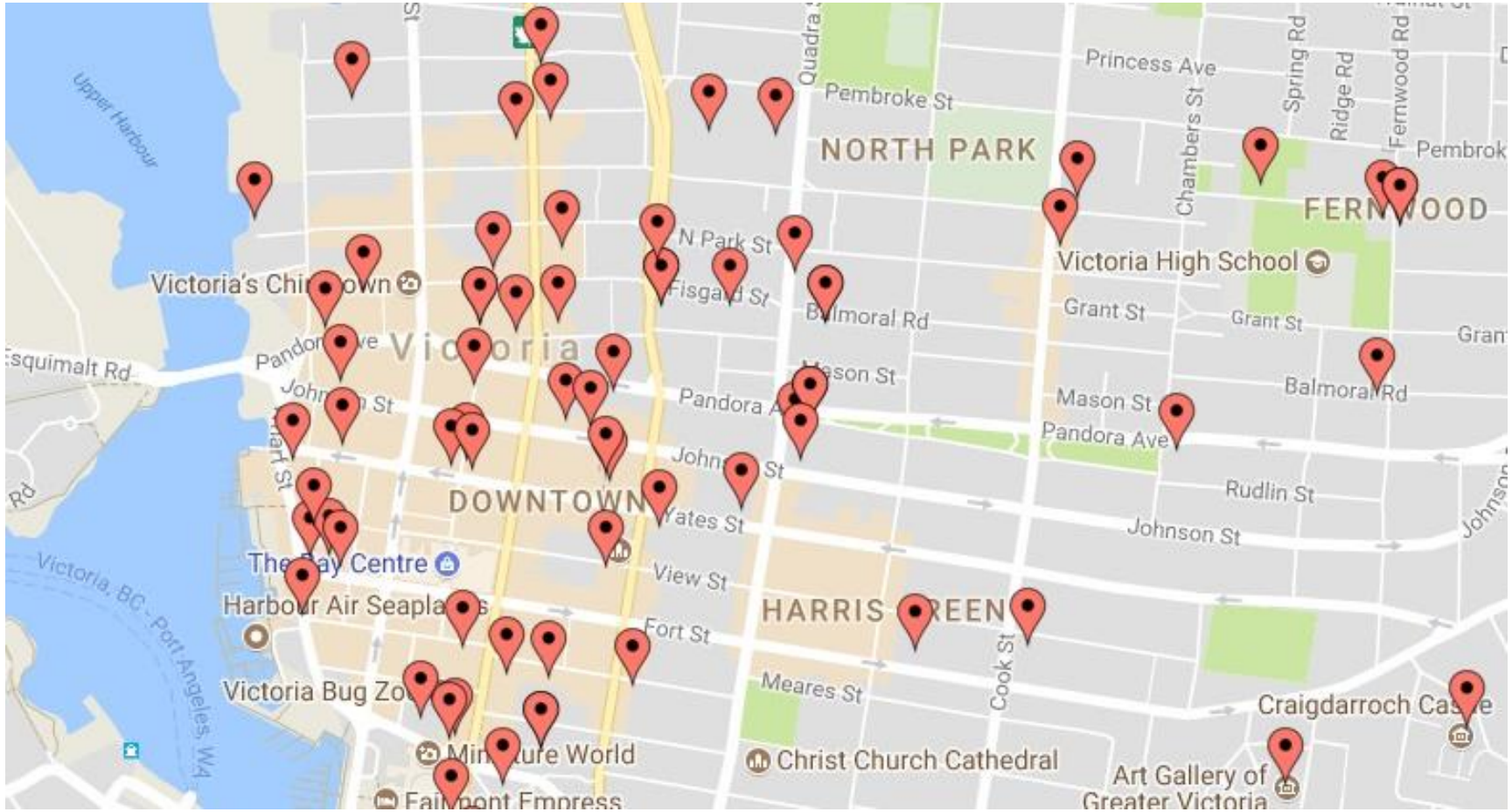
# Competitive Market Analysis

- ACG analyzed 170+ venues in greater Victoria region, including arenas, multi-purpose halls/venues, galleries, theatres, churches, outdoor venues, school auditoria, hospitality venues (bars, cafes, etc.) with performance spaces, studios, and other facilities that offer classroom and meeting spaces, as follows (general overview and zoom-in on downtown Victoria):



# Competitive Market Analysis – Continued

- ACG conducted postal code analysis of all venues to determine the distribution of different venue types in greater Victoria area. 28 Bastion Square is location in V8W (downtown Victoria). Three postal codes in immediate proximity to V8W are V8T to the north, V8V to the south, and V9A to the west (across Upper Harbour). The following table provides an overview of various venue types in different postal codes:

| POSTAL CODE | TYPE OF VENUE | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Theatre | Hospitality (café, bar, etc.) | Art Gallery | Multi-Purpose, Music Hall, etc. | Church | Studio | Arena | Outdoor | Meeting spaces Classrooms | Miscellaneous Other | TOTAL |
| V8L | 2 | 1 | | 3 | | | | | | 1 | 7 |
| V8M | | 2 | | | | | | | | | 2 |
| V8N | | | 1 | 2 | | | | | | | 3 |
| V8P | 3 | 2 | 1 | 2 | 1 | | | | 1 | | 10 |
| V8R | 3 | | | 3 | 1 | | | | | 1 | 8 |
| V8S | 1 | | | 1 | | | | | | 1 | 3 |
| V8T | 2 | 4 | 1 | 11 | 2 | 6 | 1 | 2 | 1 | 3 | 33 |
| V8V | 4 | 1 | 2 | 7 | 3 | 1 | | 2 | | 1 | 21 |
| V8W | 8 | 9 | 3 | 12 | | 3 | | 4 | 2 | 6 | 47 |
| V8Y | 1 | | | | | | | | | | 1 |
| V8Z | 1 | 1 | | 1 | 1 | | | | | 1 | 5 |
| V9A | 1 | 5 | | 5 | | 2 | 1 | | | | 14 |
| V9B | 1 | 1 | 1 | 3 | 1 | | 1 | 1 | | | 9 |
| V9C | | | | 2 | | | | 1 | 1 | | 4 |
| V9E | | 1 | | | 1 | | | | | | 2 |
| V9Z | 1 | 1 | | 1 | | | | 1 | | | 4 |
| TOTAL | 28 | 28 | 9 | 53 | 10 | 12 | 3 | 11 | 5 | 14 | 173 |

# Competitive Market Analysis – Continued

- Tables on this page provide a list of all venue types, ranked by their frequency for all postal codes combined, and then for V8W only
- Theatres and music halls / multi-purpose venues account for 42.55% of all venues in V8W
- Meeting spaces, classrooms, studios, and rehearsal facilities seem to be under-represented in downtown Victoria compared to other venue types

| TYPE of SPACE | All Codes |
|---|---|
| Arena | 3 |
| MS/Classrooms | 5 |
| Art Gallery | 9 |
| Church | 10 |
| Outdoor | 11 |
| Studio | 12 |
| Misc/Other | 14 |
| Hospitality | 28 |
| Theatre | 28 |
| Multi-Purpose | 53 |
| TOTAL | 173 |

| TYPE of SPACE | V8W only |
|---|---|
| Arena | 0 |
| Church | 0 |
| MS/Classrooms | 2 |
| Art Gallery | 3 |
| Studio | 3 |
| Outdoor | 4 |
| Misc/Other | 6 |
| Theatre | 8 |
| Hospitality | 9 |
| Multi-Purpose | 12 |
| TOTAL | 47 |

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# Venue analysis in V8W

- ACG analysed art galleries, theatres, and multi-purpose venues in V8W, with the following results (*There are multiple spaces within Union Club and Crystal Garden, as per next slide):

| # | Venue | Street Address | Postal Code | Distance from 28 Bastion Square (walking; in meters) | Type | Capacity |
|---|---|---|---|---|---|---|
| 01 | Open Space | 510 Fort Street | V8W 1E6 | 160 | Multi-purpose | 220 |
| 02 | UVic Legacy Art Gallery | 630 Yates Street | V8W 1K9 | 280 | Multi-purpose | 100 |
| 03 | Deluge Contemporary Art | 636 Yates Street | V8W 1L3 | 300 | Art Gallery | 40 |
| 04 | The Marquee Room | 506 Pandora Avenue | V8W 1N6 | 400 | Multi-purpose | 200 |
| 05 | Union Club | 805 Gordon Street | V8W 1Z6 | 450 | Multi-purpose | * |
| 06 | Victoria Event Centre | 1415 Broad Street | V8W 2B2 | 450 | Multi-purpose | 250 |
| 07 | Maritime Museum of BC | 634 Humboldt Street | V8W 1A4 | 550 | Multi-purpose | 100 |
| 08 | Dales Gallery | 537 Fisgard Street | V8W 1R4 | 550 | Art Gallery | 75 |
| 09 | Vic Theatre | 808 Douglas Street | V8W 2B6 | 600 | Theatre | 213 |
| 10 | Ambrosia Event Centre | 638 Fisgard Street | V8W 1R6 | 650 | Multi-purpose | 220 |
| 11 | Sunset Labs | 401 Herald Street | V8W 3N8 | 650 | Multi-purpose | 100 |
| 12 | McPherson Playhouse | 3 Centennial Square | V8W 1P5 | 650 | Theatre | 772 |
| 13 | Martin Batchelor Gallery | 712 Cormorant Street | V8W 1P6 | 650 | Art Gallery | 80 |
| 14 | Downtown Community Activity Center | 755 Pandora Avenue | V8W 1N9 | 700 | Multi-purpose | 185 |
| 15 | Royal Theatre | 805 Broughton Street | V8W 1E5 | 700 | Theatre | 1,416 |
| 16 | Victoria Conference Centre Theatre | 720 Douglas Street | V8W 3M7 | 700 | Theatre | 400 |
| 17 | Crystal Garden | 713 Douglas Street | V8W 2B4 | 750 | Multi-purpose | * |
| 18 | Victoria Public Market at the Hudson | 1701 Douglas Street | V8W 2G7 | 750 | Multi-purpose | 400 |
| 19 | Intrepid Theatre Club | 1609 Blanshard Street | V8W 3C8 | 850 | Theatre | 50 |
| 20 | Bayanihan Community Centre | 1709 Blanshard Street | V8W 2J8 | 950 | Multi-purpose | 70 |
| 21 | Metro Studio | 1411 Quadra Street | V8W 2L2 | 1,000 | Theatre | 185 |

# Venue analysis in V8W – Continued

- Multiple spaces within Union Club and Crystal Garden:

**UNION CLUB**

| # | Space | Capacity | Square feet |
|---|---|---|---|
| 01 | Reading Room | 100 | 2,970 |
| 02 | Centennial Ballroom | 150 | |
| 03 | McKenzie Room | 40 | |
| 04 | McKenzie Lounge | 45 | 736 |
| 05 | Begbie Lounge | 50 | |
| 06 | Rooftop Terrace | 35 | |
| 07 | Meeting Room 1 | | 100 |
| 08 | Meeting Room 2 | | 100 |
| 09 | Meeting Room 3 | | 100 |

**CRYSTAL GARDEN**

| # | Space | Capacity | Square feet |
|---|---|---|---|
| 01 | Lecture Theater | 400 | 3,700 |
| 02 | Saanich | 227 | 2,135 |
| 03 | Oak Bay | 169 | 1,850 |
| 04 | Esquimalt | 96 | 1,064 |
| 05 | Victoria | 35 | 384 |
| 06 | Carson Hall | 1,500 | 14,689 |
| 07 | Salon A | 500 | 5,056 |
| 08 | Salon B | 494 | 5,025 |
| 09 | Salon C | 468 | 4,608 |
| 10 | Sidney | 85 | 945 |
| 11 | Langford | 30 | 360 |
| 12 | Metchosin | 30 | 360 |
| 13 | Colwood | 90 | 945 |
| 14 | View Royal | 60 | 672 |

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# Venue analysis in V8W – Summary

- Almost all multi-purpose venues in V8W have greater capacity than performance studios envisioned for 28 Bastion Square
- The exceptions are Intrepid Theatre Club and Bayanihan Community Center, which have a capacity of 50 and 70 people, however they are 850 and 950 meters away from 28 Bastion Square, respectively
- The analysis indicates that there is a relative lack of smaller performance venues/studios (less than 80 capacity) in downtown Victoria / immediate proximity to 28 Bastion Square

Picture credits: Intrepid Theatre Club

# Demographic Analysis

- Drive time analysis conducted within 20-, 40-, and 60-minute drive times (off-peak) from the following location:
  - 28 Bastion Square, Victoria, BC V8W 1H9, Canada
- Population characteristics considered (2017 estimates and 2022 projections):
  - Total population
  - Age and race/ethnicity
  - Marital status
  - Educational attainment
  - Annual household income



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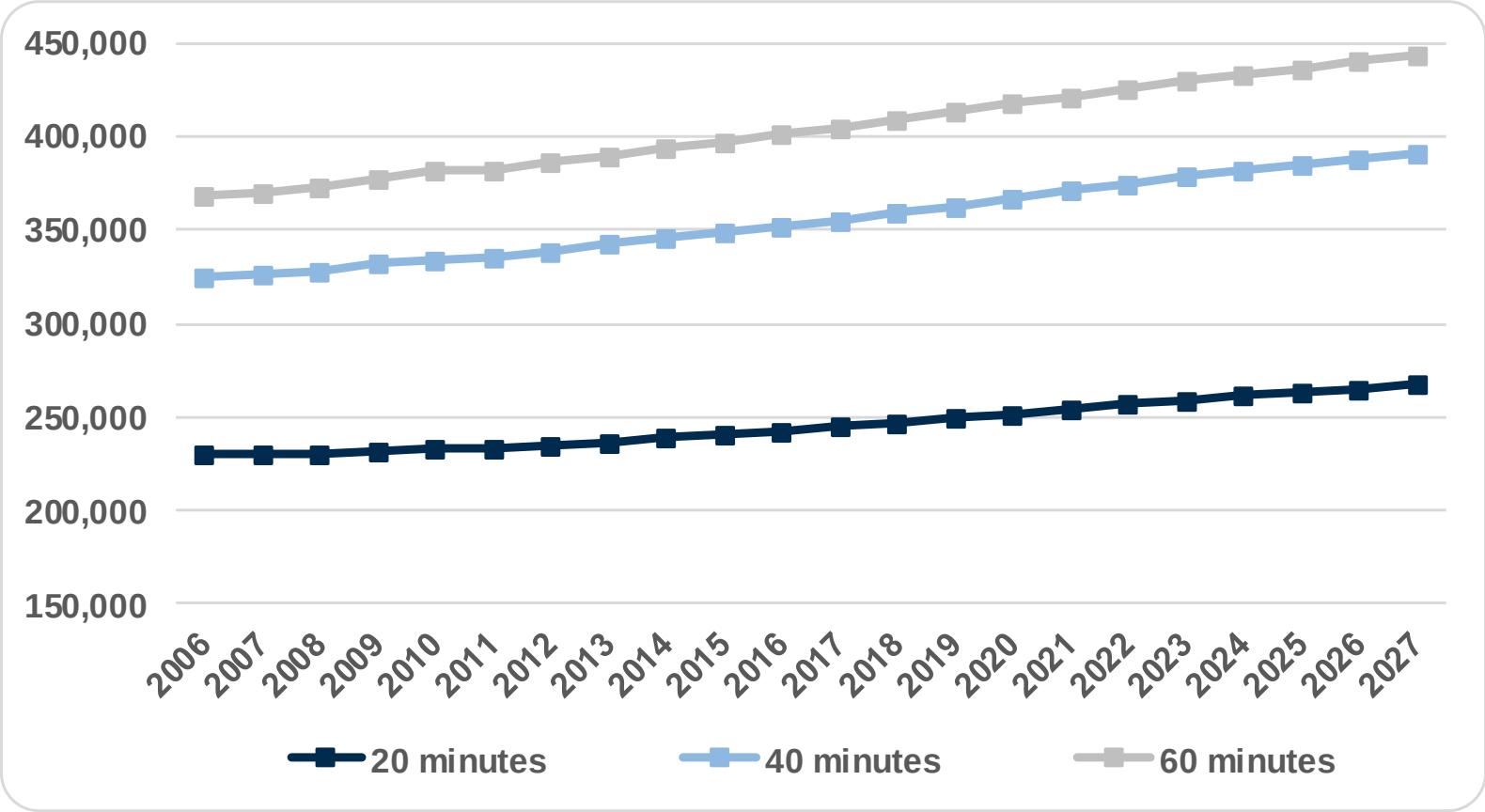
Picture credits: Victoria Arts Council Facebook page, *Voices of Canadian Women* by Melody Cornell, The Bay Centre, March 8-12, 2017

# Total Population




*Source: Environics Demographic Data; 2006-2016 actuals and 2017-2027 projections*

- Total population within 40 and 60 minutes from Bastion Square has grown, and is projected to grow, faster than population within 20 minutes

| YEAR | 20 minutes | 40 minutes | 60 minutes |
|---|---|---|---|
| **2007** | 230,061 | 325,789 | 370,287 |
| **2012** | 234,795 | 338,815 | 386,218 |
| **2017** | 244,690 | 355,636 | 404,772 |
| **2022** | 256,742 | 374,793 | 425,803 |
| **2027** | 267,100 | 390,793 | 443,266 |

| YEAR | 20 minutes | 40 minutes | 60 minutes |
|---|---|---|---|
| **2007** | N/A | N/A | N/A |
| **2012** | 2.06% | 4.00% | 4.30% |
| **2017** | 4.21% | 4.96% | 4.80% |
| **2022** | 4.93% | 5.39% | 5.20% |
| **2027** | 4.03% | 4.27% | 4.10% |

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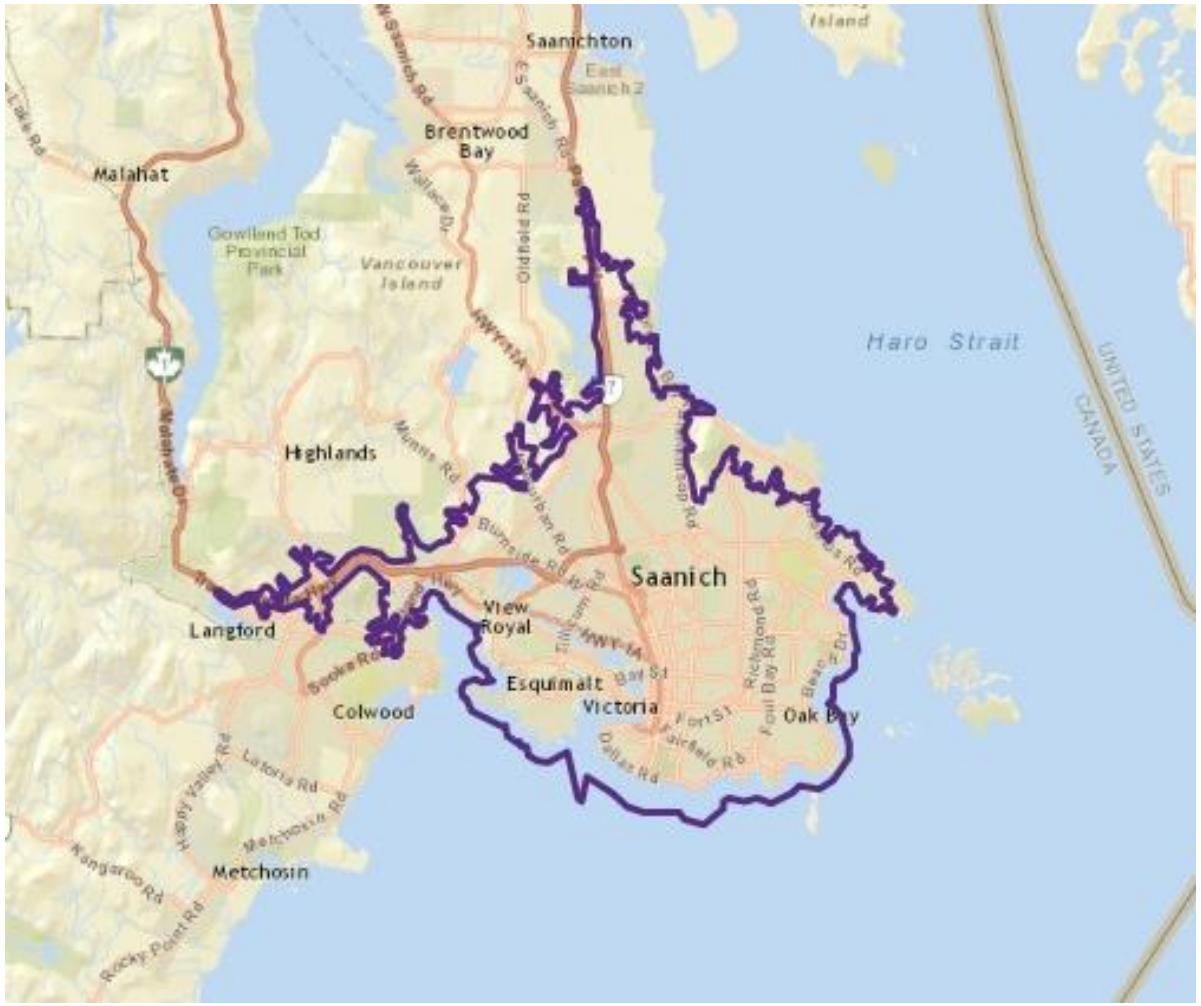
# Demographic Analysis: 20-minute Drivetime Overview




*Source: Environics*

- Compared to other drivetime areas, the population within 20 minutes from 28 Bastion Square tends to be:
  - Older
  - More educated
  - Less likely to be married
  - More likely to be a visible minority

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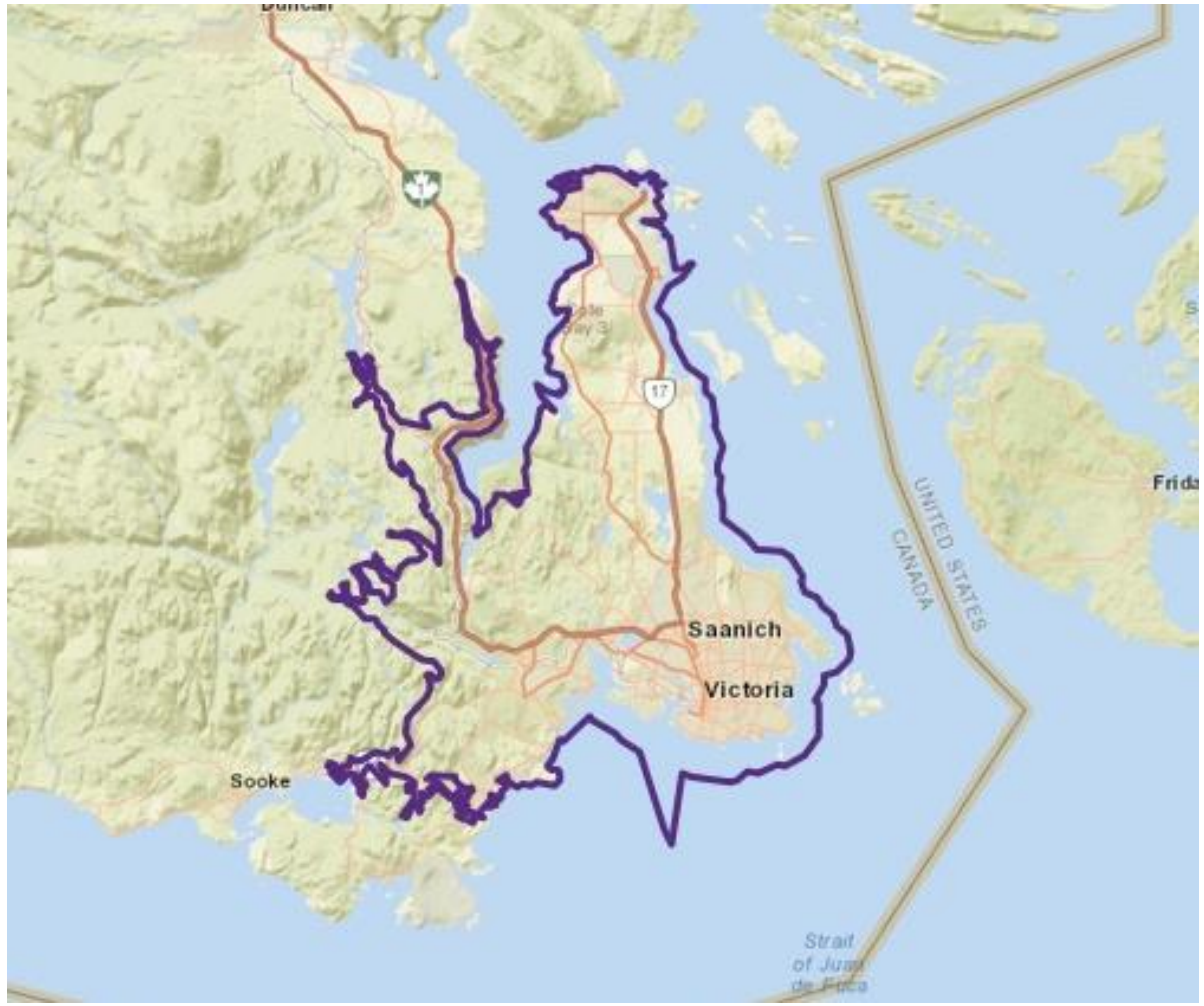
# Demographic Analysis: 40-minute Drivetime Overview




*Source: Environics*

- Compared to the 20-minute drivetime area, the population within 40 minutes from 28 Bastion Square tends to be:
  - Slightly younger
  - More affluent
  - More likely to be married or living common law
  - Less likely to be a visible minority

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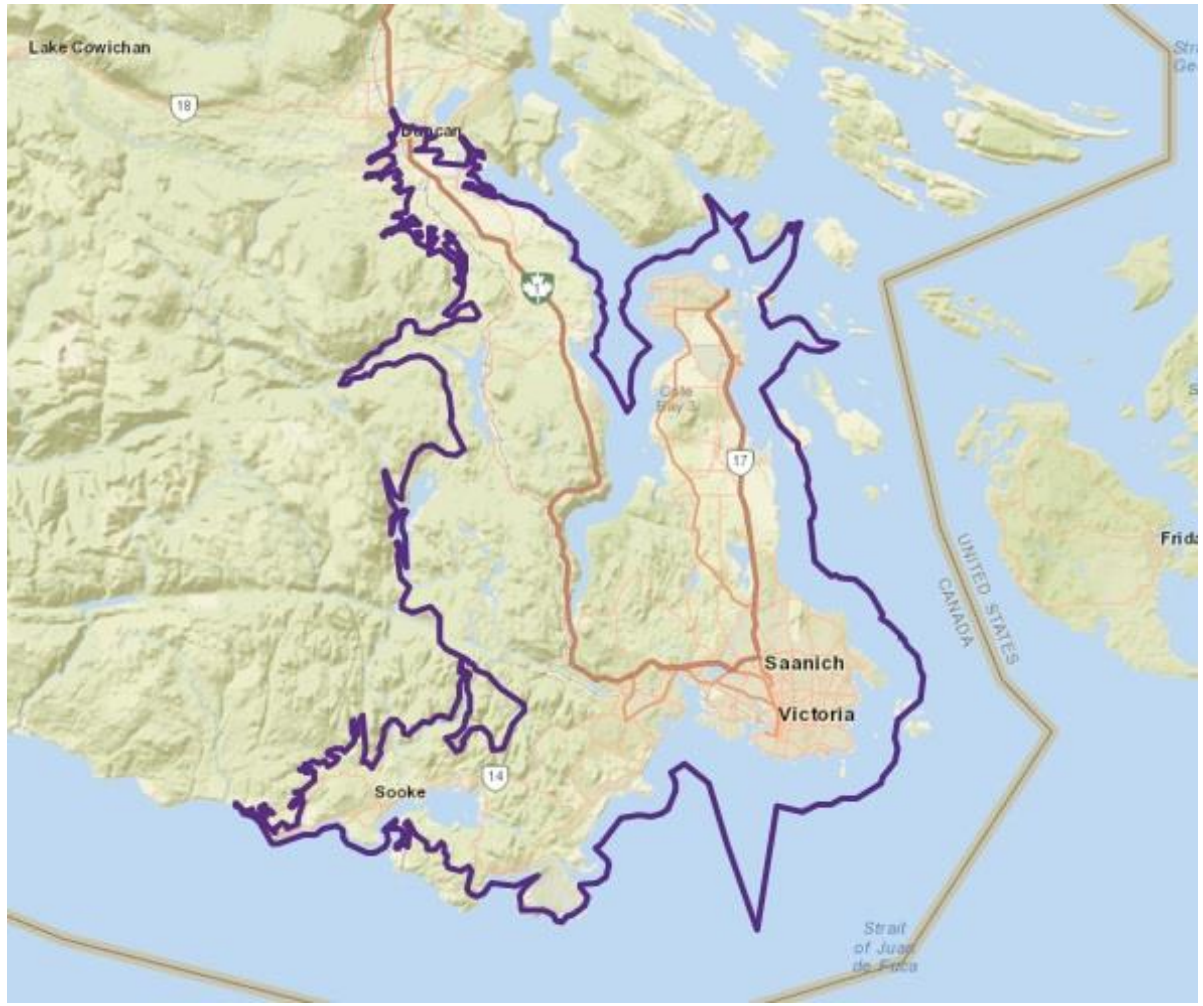
# Demographic Analysis: 60-minute Drivetime Overview




*Source: Environics*

- Compared to other drivetime areas, the population within 60 minutes from 28 Bastion Square tends to be:
  - Slightly younger
  - Less likely to be a visible minority
  - More likely to be married or living common law
  - Less likely to have a Bachelor degree or higher

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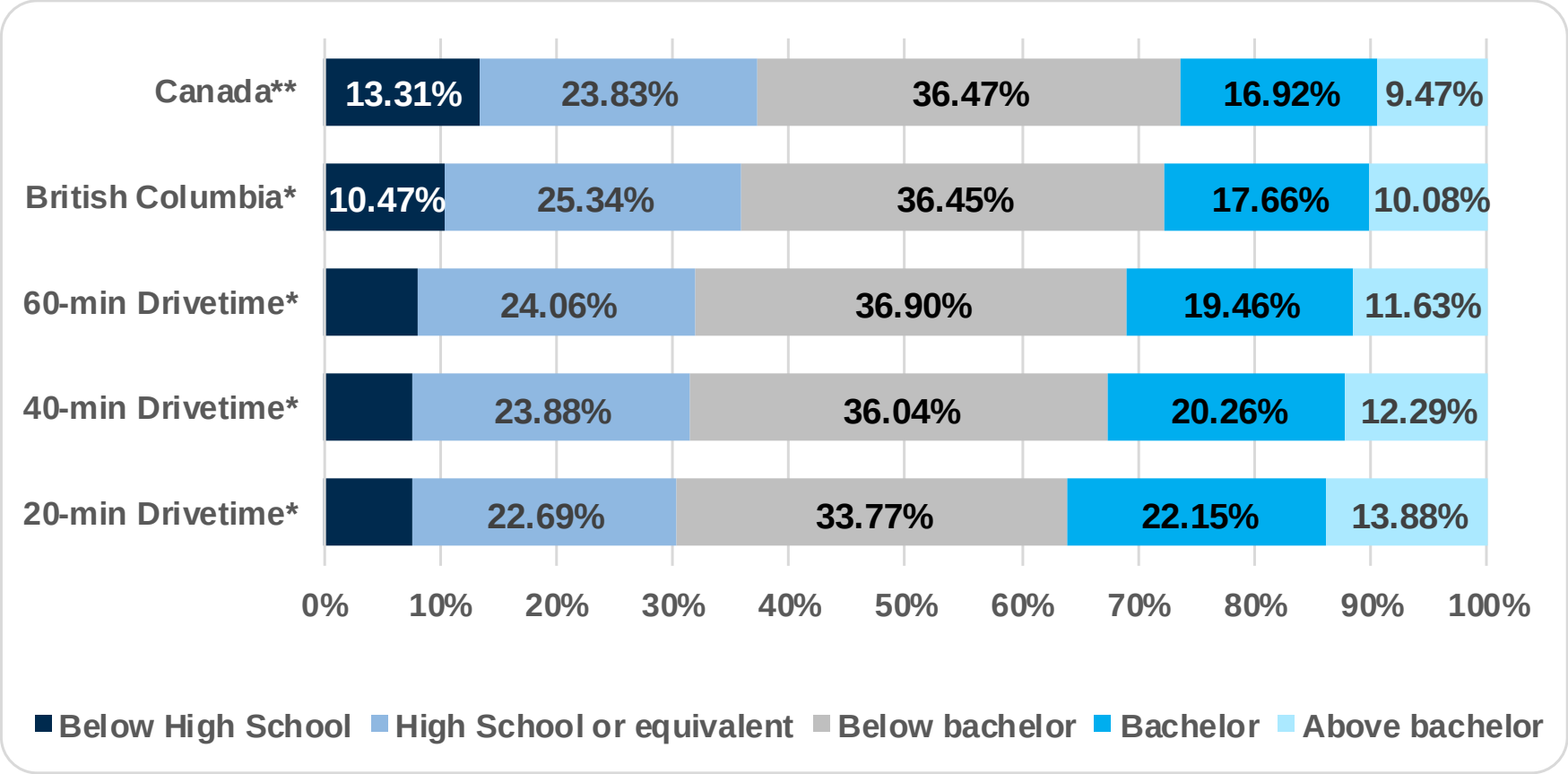
# Comparison with Provincial and National Averages

## EDUCATIONAL ATTAINMENT FOR POPULATION AGE 25 – 64




- Areas closer to 28 Bastion Square report significantly higher educational levels than British Columbia and Canada.
- Within 20-minute drivetime, 36% of population age 25-64 have a bachelor degree of higher, compared to 26% for Canada.

**Educational attainment is a key indicator for arts attendance and participation**

** Environics Demographic Estimates 2017*
*** ACG calculations based on Environics projections*

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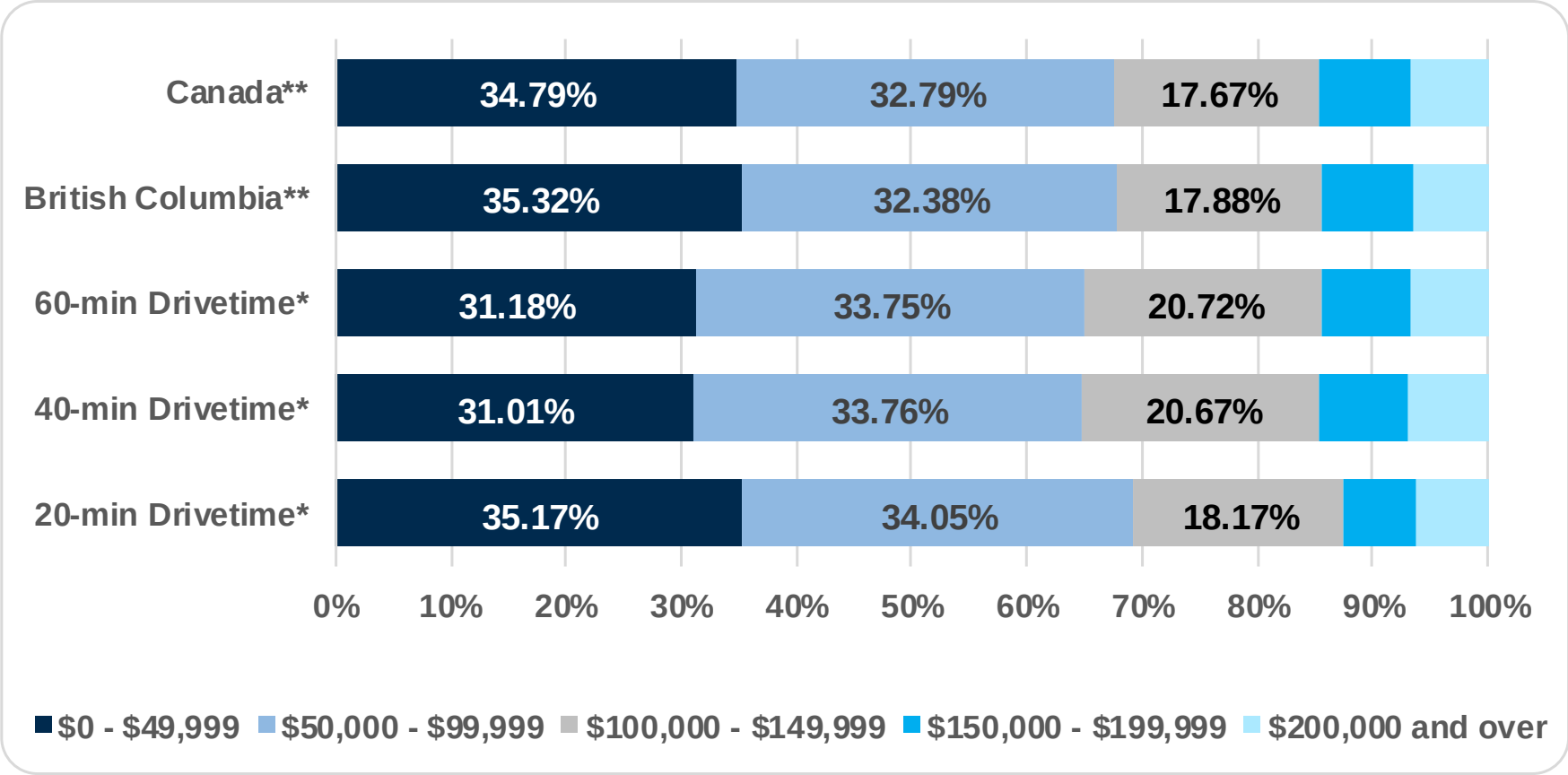
# Comparison with Provincial and National Averages

## ANNUAL HOUSEHOLD INCOME




- Households within 40 and 60 minutes from 28 Bastion Square report higher annual income levels than within 20 minutes, as well as British Columbia and Canada.
- 35% of households within 40 and 60 minutes report annual income greater than $100,000.

**Annual income is a key indicator for arts attendance and participation**

** Environics Demographic Estimates 2017*
*** Statistics Canada, data for 2016*

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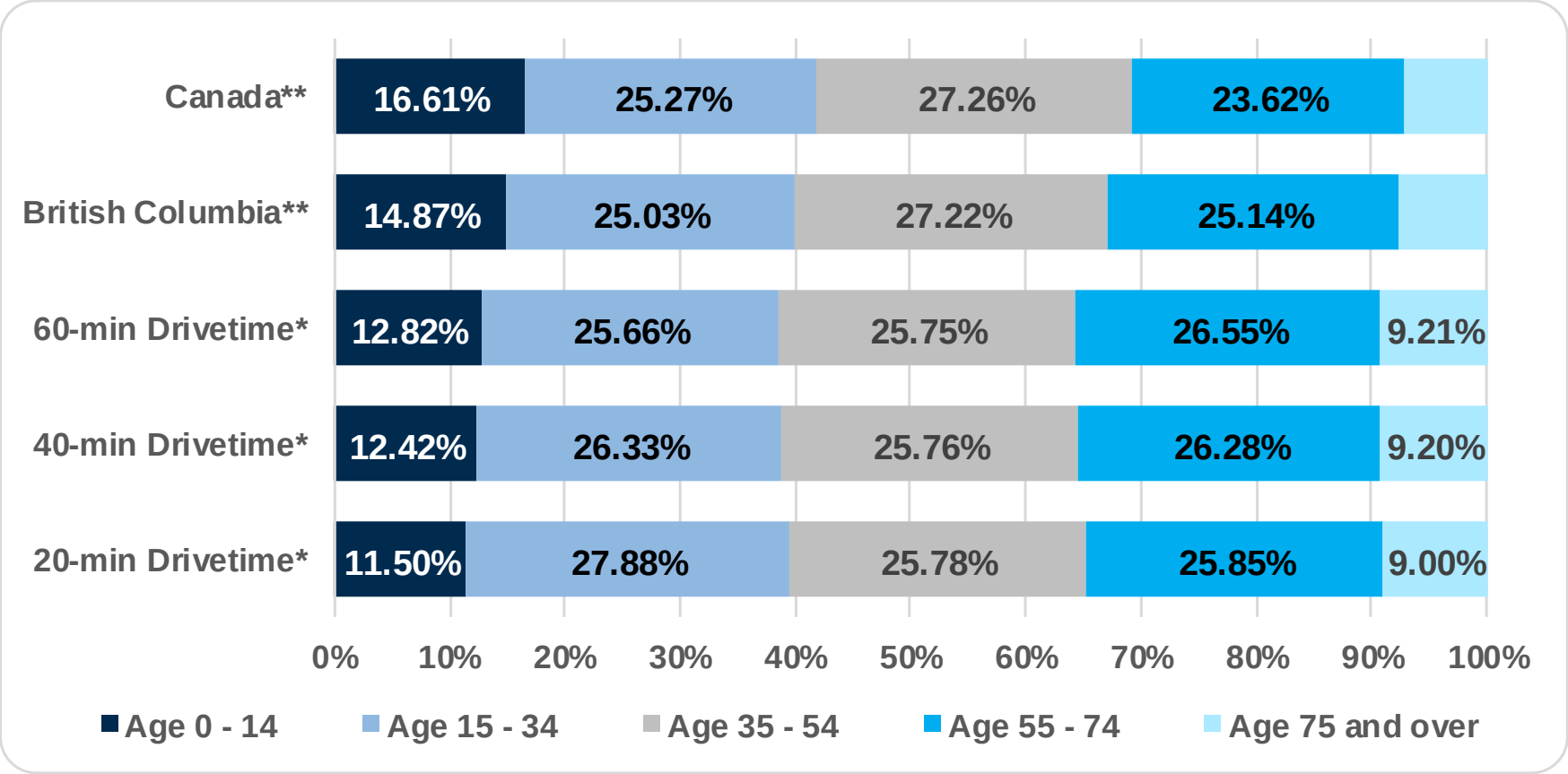
# Comparison with Provincial and National Averages

## AGE DISTRIBUTION




- Population in areas closer to 28 Bastion Square tends to be older than in British Columbia and Canada.
- 11.50% of population within 20 minutes is less than 15 years old, compared to 16.61% for Canada.

**Age distribution may have implications for types of programming at 28 Bastion Square that would appeal to local residents**

** Environics Demographic Estimates 2017*
*** Statistics Canada, data for 2016*

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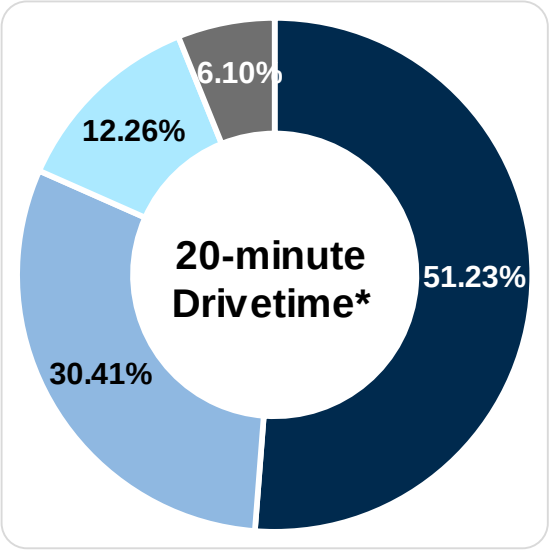
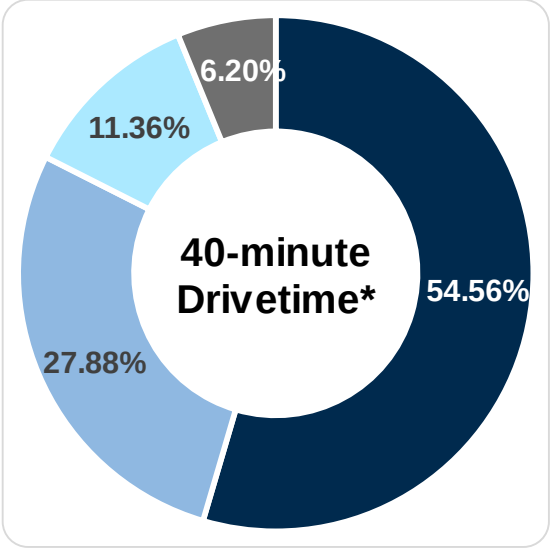
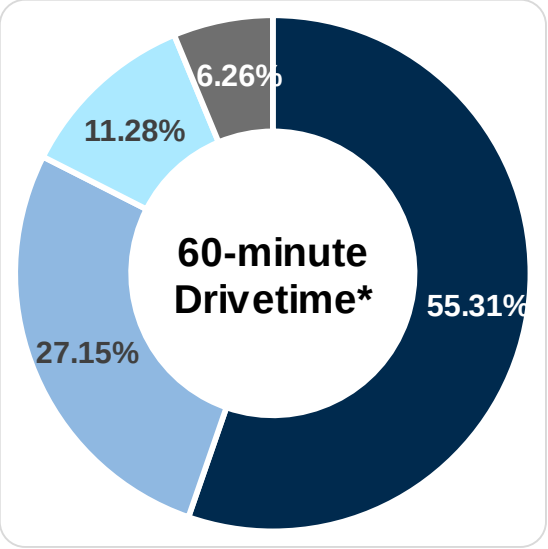
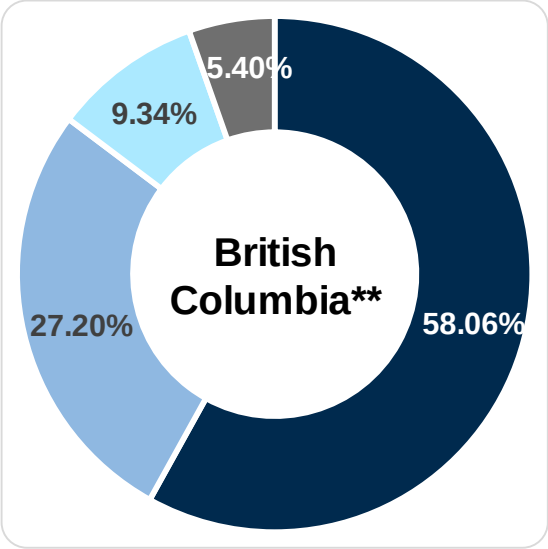
# Comparison with Provincial and National Averages

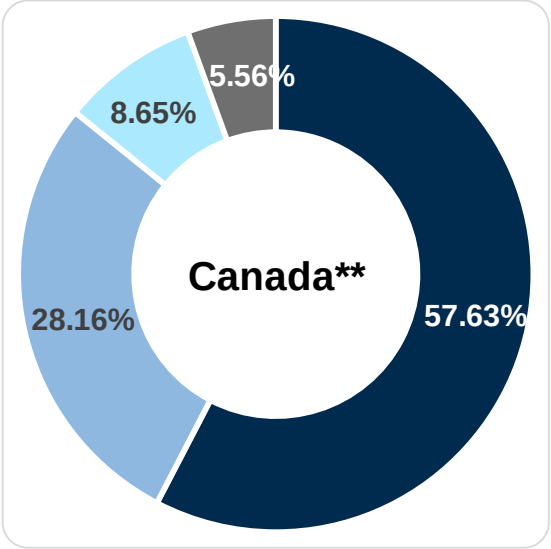
## MARITAL STATUS FOR POPULATION AGE 15+




- Married or living common law
- Never married
- Separated or Divorced
- Widowed

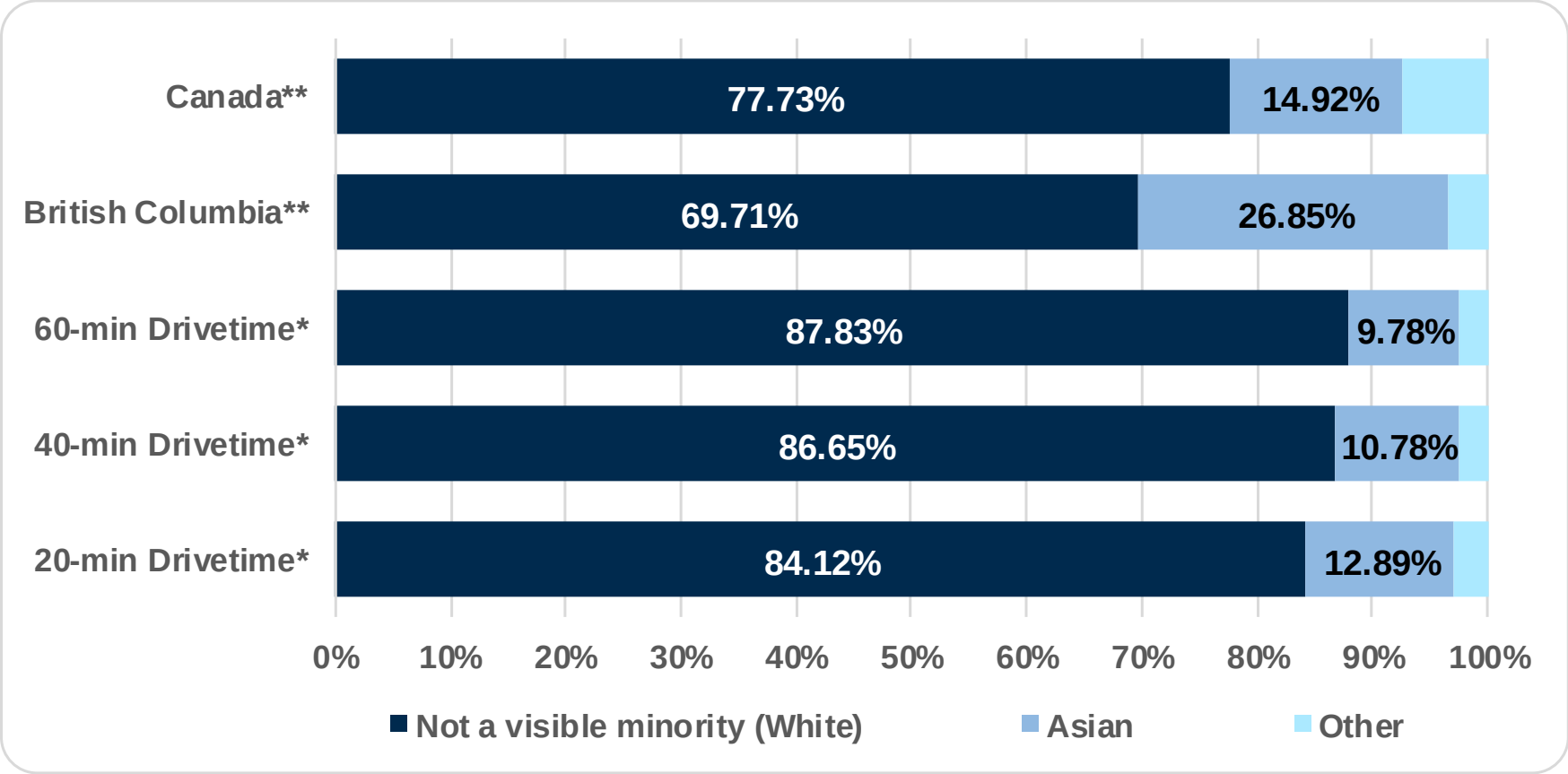
** Environics Demographic Estimates 2017*
*** Statistics Canada, data for 2016*

- Population closer to Bastion Square tends to be single, whether never married, separated, divorced, or widowed.
- Within 20 minutes, 48.77% of population age 15+ is not married or living common law, compared to 41.94% for British Columbia and 42.37% for Canada.

**Marital status of local population may have implications for types of programming, e.g. family events, etc.**

# Comparison with Provincial and National Averages

## MINORITY DISTRIBUTION




- Population within 20, 40, and 60 minutes from 28 Bastion Square is predominantly white (not a visible minority).
- The higher proportion of Asian population for BC is likely influenced by the City of Vancouver.
- To facilitate analysis, the "Asian" category includes Chinese, Filipino, Korean, Japanese, as well as south, southeast, and west Asian minorities.

** Environics Demographic Estimates 2017*
*** Statistics Canada, data for 2016*

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# Top Canadian Cities for Millennials

- Recent study from Points 2 Homes ranked top millennial hot spots in Canada
- Various aspects of life were considered such as affordable housing, employment rates, crime rates, and climate
- Victoria came in at Number 2, which makes it the top city in BC for millennials
- Out of all Canadian cities included in the studied, Victoria was Number 1 for overall life satisfaction and climate satisfaction

- The study found that:

**"Victoria is a magnet city for young, educated Canadians, boasting the second highest percentage of millennials in the country, many of whom have a bachelor degree or above. Aside from having a low unemployment rate, this city also holds the top position for climate"**

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Source: Roundhouse Radio 98.3 Vancouver, *Study shows Victoria as top city in B.C. for millennials*, January 17, 2018

Picture credits: Google

# Program Concept Plan

## ASSUMPTIONS – BUSINESS MODEL

- Separate non-profit society established with its own Board and Management team
- Operated as a primarily rental facility, with limited presenting/curating function by the venue
- Minimal full-time management expected – technicians, front of house, beverage & food, production staff, etc. will be available on per-event basis at additional cost (charged on top of the rental rate)
- No Box Office function provided by the venue, tenants expected to sell tickets for their performances/events directly
- The non-profit society will be expected to raise operating funds from both public and private sources to support its operations, including potential City, Province, and Federal support/subsidy
- The non-profit society will collect rental income directly from Bar/Restaurant/Retail tenants on Floor 1

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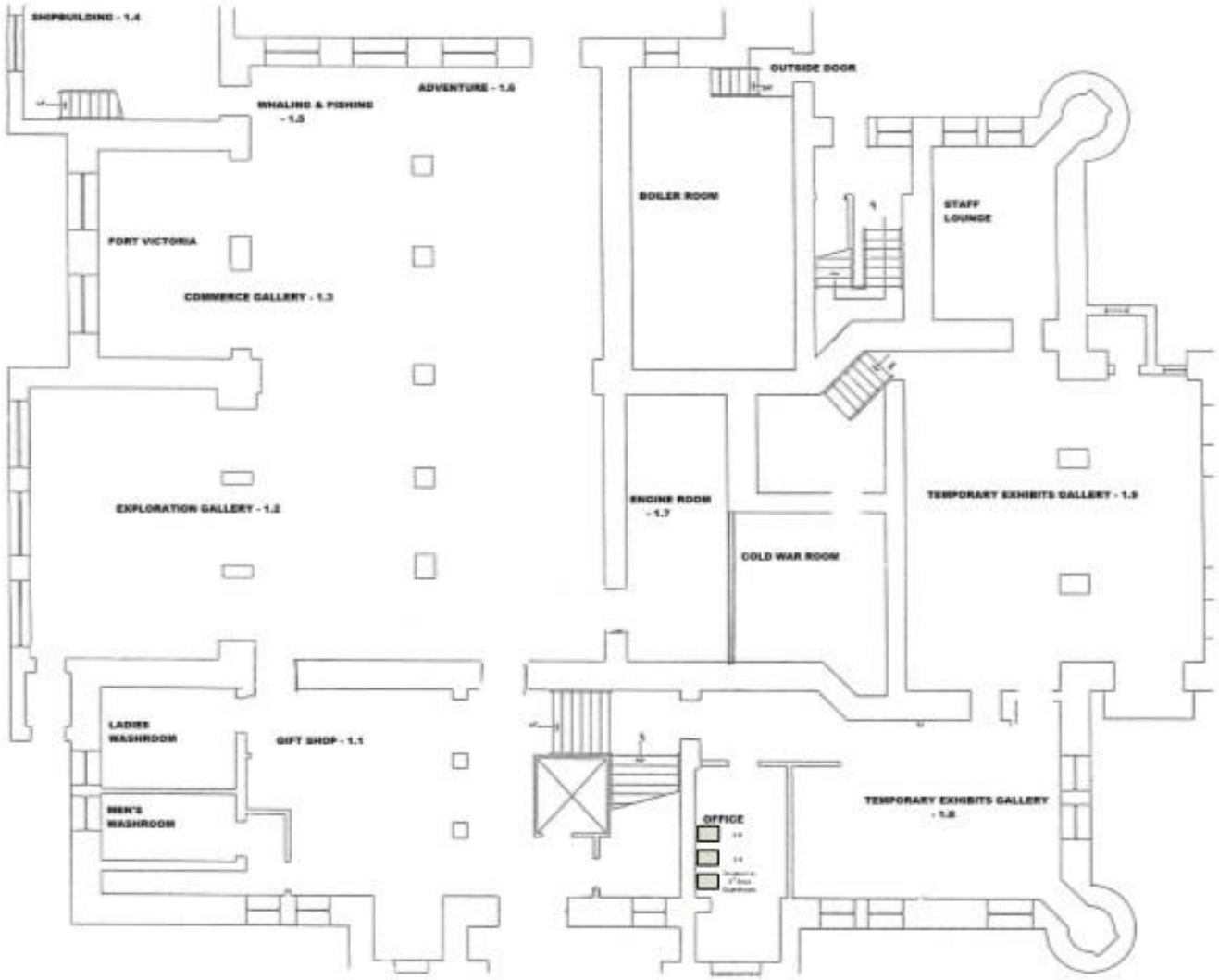
Picture credits: Victoria Arts Council Facebook page, Autumn 2017 Newsletter, *Encre L Marquet* by Eugène Grasset

# Program Concept Plan

## ASSUMPTIONS – SPACES

| Floor | Space | Square feet | Capacity | Notes |
|---|---|---|---|---|
| 1 | Gallery/Exhibition Space | 3,000 | 200 | Standing capacity |
| 1 | Visual & Craft Artist Retail | 1,000 | | |
| 1 | Bar/Restaurant/Retail | 3,600 | | Including storage |
| 1 | Arts Hub Office | 400 | | Accessible location for the public to get information |
| 2 | Offices for Rent (x5, capacity 5 each) | 2,000 | 25 | |
| 2 | Flex Studios (x4, capacity 20 each) | 6,000 | 80 | For classrooms, workshops, etc. |
| 3 | Performance/Rehearsal Studio 1 | 1,800 | 40 | |
| 3 | Performance/Rehearsal Studio 2 | 2,200 | 60 | |
| 3 | Performance/Rehearsal Studio 3 | 2,500 | 80 | |
| 3 | Dressing Rooms/Performance Support | 1,000 | | Including BOH washrooms |
| 3 | Bar/Concessions | 500 | | Including storage |
| TBD | Public Washrooms | 500 | | |
| TBD | Storage | 500 | | For chairs, tables, etc. used for commercial events |
| All | Hallways, Circulation, Escape, etc. | 5,000 | | Assume 20% of everything above |
| **TOTAL** | | **30,000** | | |

# Floor 1 – Current Layout

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# Floor 1 – Space Use Assumptions

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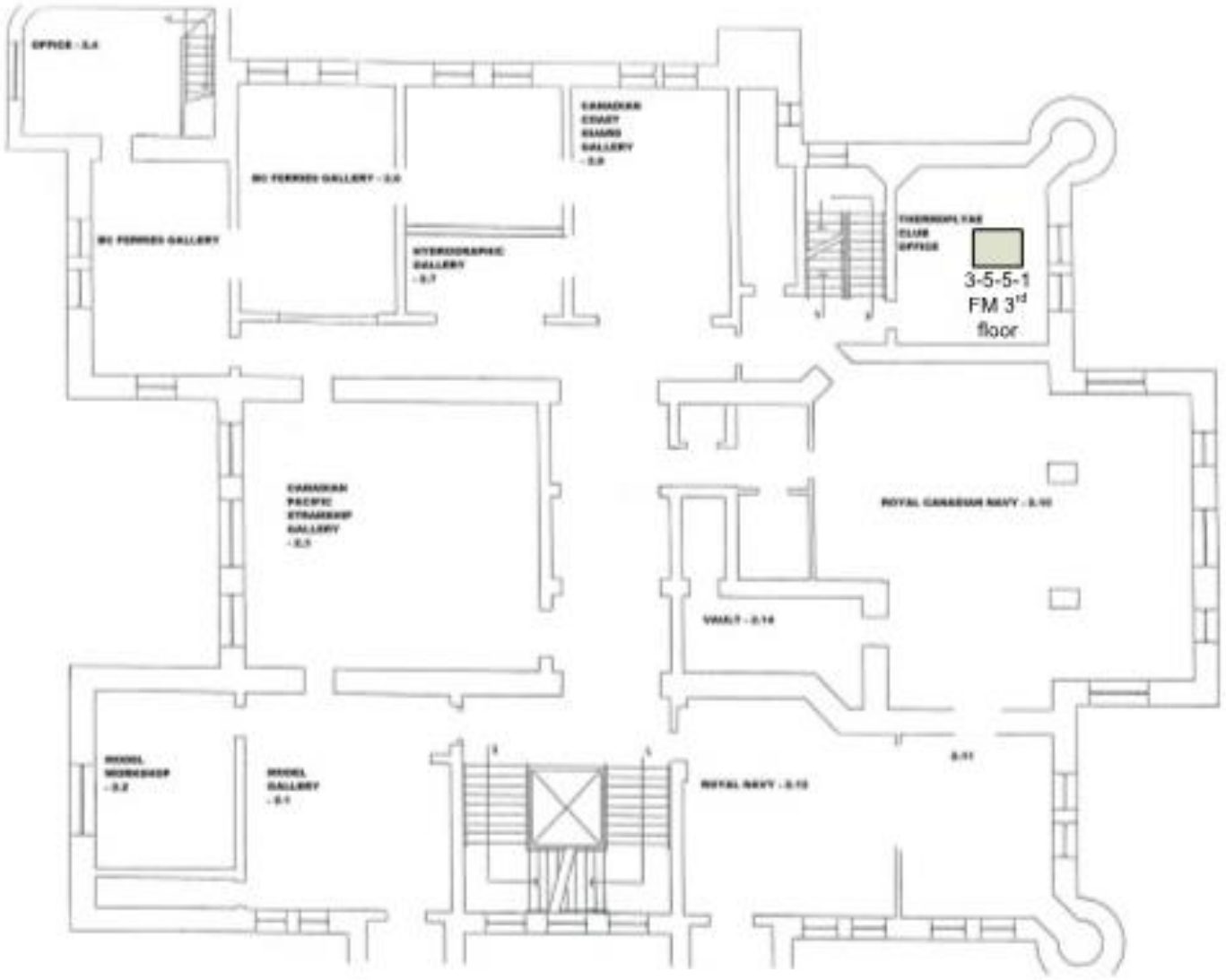
# Floor 2 – Current Layout

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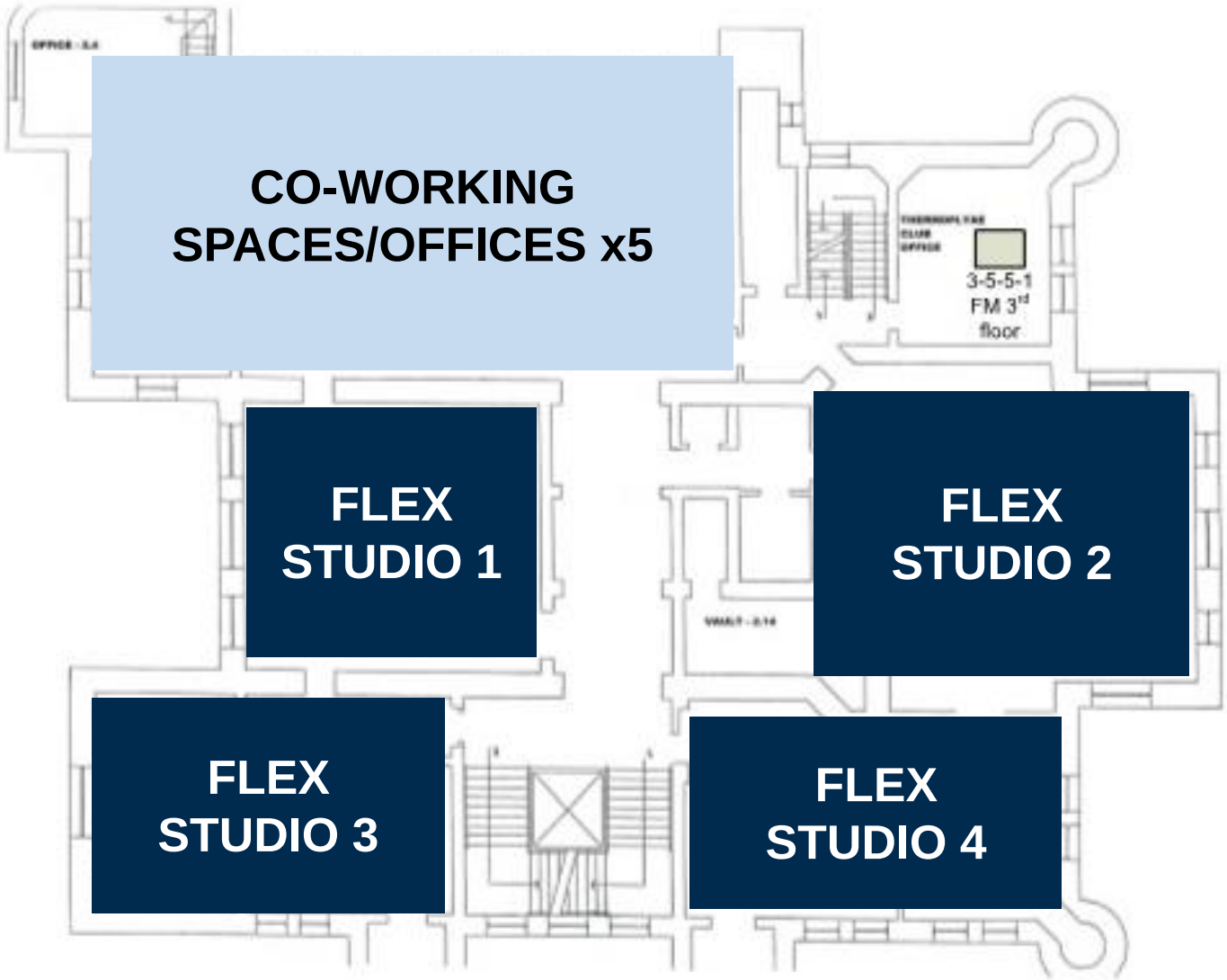
# Floor 2 – Space Use Assumptions

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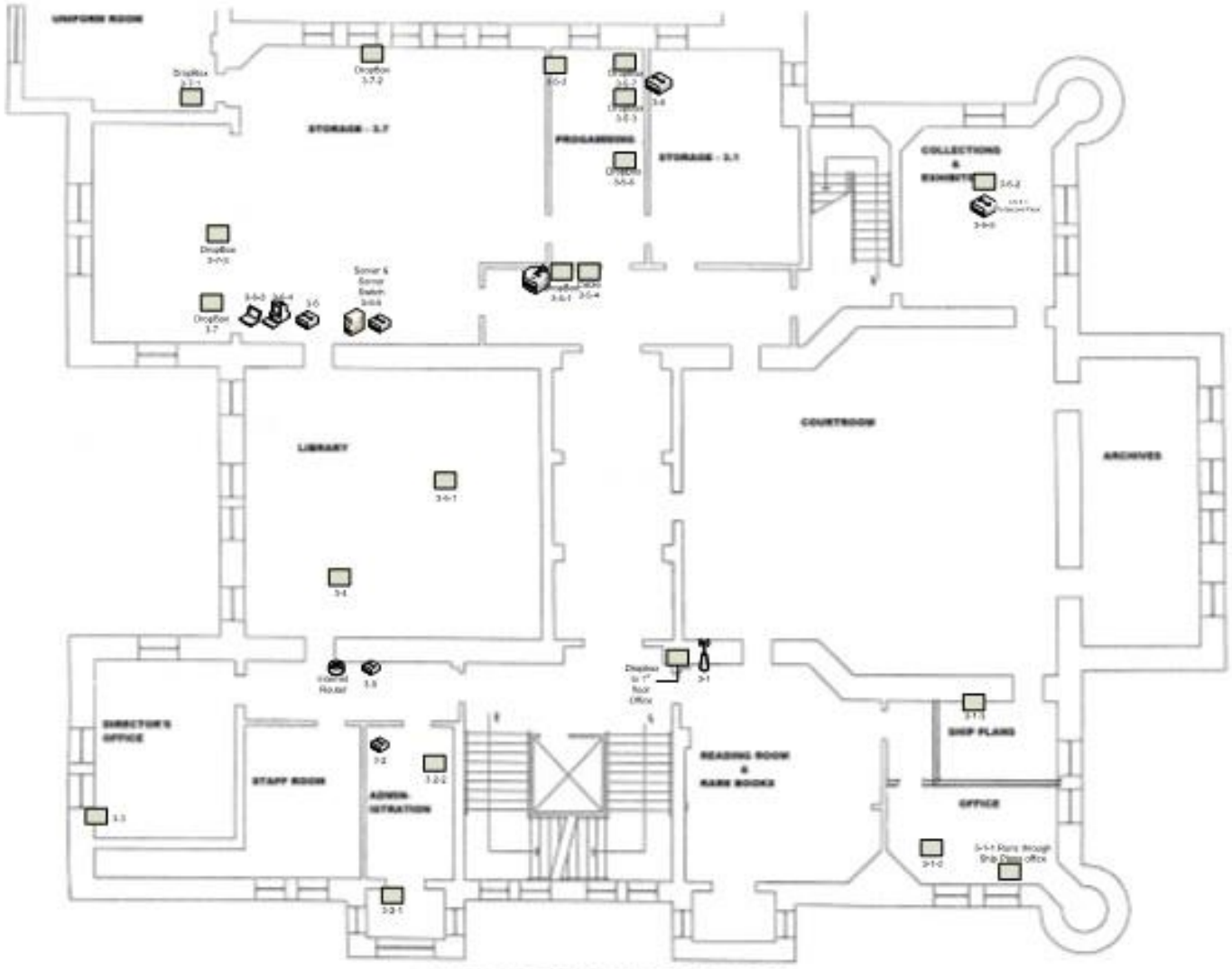
# Floor 3 – Current Layout

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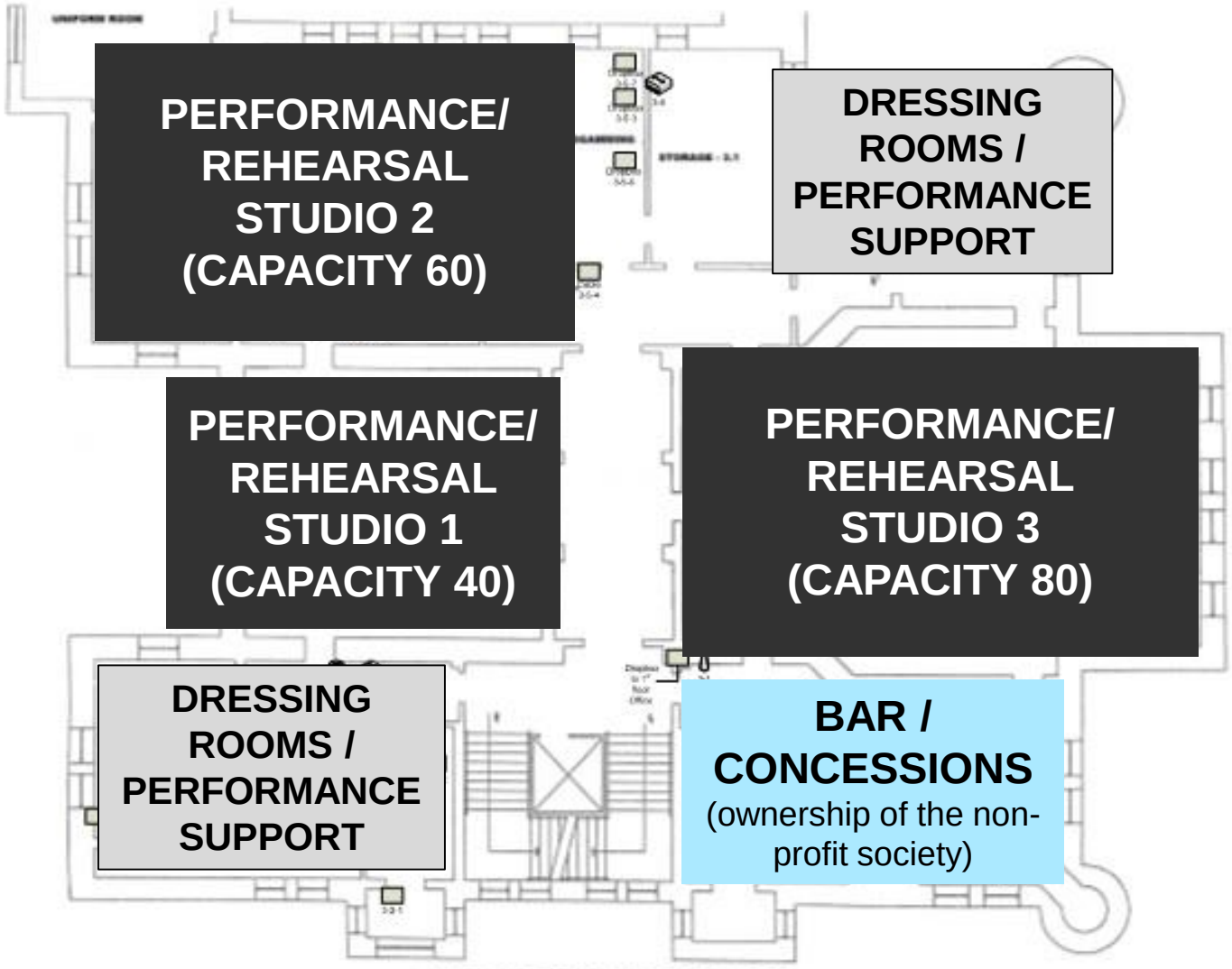
# Floor 3 – Space Use Assumptions

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# Operational and Financial Plan

## ASSUMPTIONS – USAGE AND ATTENDANCE

- Gallery/Exhibition space (capacity 200)
  - Rented for exhibitions 320 days per year; assume average visitation 50 people per day
  - Assume 24 non-profit events per year (2 rentals per month) x 4 hours each; assume average attendance 120 people per event
  - Assume 48 private events per year (4 rentals per month) x 4 hours each; assume average attendance 200 people per event
  - Assume exhibitions and rentals can overlap (daytime/evening)
- Visual and Craft Artist Retail
  - Assume opening hours 360 days per year, with average visitation 40 people per day – assume all Gallery visitors
- Bar/Restaurant/Retail space on Floor 1
  - Assume rental by commercial tenant for 365 days per year
- Arts Hub Office on Floor 1 (capacity 5)
  - Used by venue management team, i.e. no rental income expected, assume average usage/occupancy 100% for 365 days per year
- Offices on Floor 2 (x5; capacity 5 each)
  - Assume 2x offices rented on permanent basis by non-profit tenants for 365 days per year, average usage/occupancy 80%
  - Assume 3x offices rented on temporary basis (hot desking, etc.) by non-profit tenants for 180 days per year each (15 days per month), average usage/occupancy 60%
  - Not available to for-profit tenants TBD

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# Operational and Financial Plan

## ASSUMPTIONS – USAGE AND ATTENDANCE

- Flex Studios (x4; capacity 20 each)
  - Assume 2x studios rented on permanent basis by non-profit tenants for 365 days per year, average usage/occupancy 60%
  - Assume 2x studios rented on temporary basis by non-profit tenants for 180 days per year (15 days per month as one-off rentals), average occupancy 60%
  - Not available to for-profit tenants TBD
- Performance/Rehearsal Studio 1 (capacity 40)
  - Assume 220 non-profit rentals per year x4 hours each
  - Assume 60 for-profit rentals per year x4 hours each
  - Assume average attendance 60%
- Performance/Rehearsal Studio 2 (capacity 60)
  - Assume 180 non-profit rentals per year x4 hours each
  - Assume 40 for-profit rentals per year x4 hours each
  - Assume average attendance 55%
- Performance/Rehearsal Studio 3 (capacity 80)
  - Assume 140 non-profit rentals per year x4 hours each
  - Assume 20 for-profit rentals per year x4 hours each
  - Assume average attendance at 50%

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# Operational and Financial Plan

## ASSUMPTIONS – ATTENDANCE/USAGE PER YEAR

| Floor | SPACE | Exhibitions | Non-profit usage | Private / For-profit rentals | TOTAL | Ticketed (Yes/No) | Total Ticketed | Total Non-Ticketed |
|---|---|---|---|---|---|---|---|---|
| 1 | Gallery | 16,000 | 2,880 | 9,600 | **28,480** | No | 0 | 28,480 |
| 1 | Visual & Craft Artist Retail * | 0 | 0 | 0 | **0** | No | 0 | 0 |
| 1 | Arts Hub Office | 0 | 1,825 | 0 | **1,825** | No | 0 | 1,825 |
| 2 | Offices – Perm Rentals (x2) | 0 | 2,920 | 0 | **2,920** | No | 0 | 2,920 |
| 2 | Offices – Temp Rentals (x3) | 0 | 1,620 | 0 | **1,620** | No | 0 | 1,620 |
| 2 | Flex Studios – Perm Rentals (x2) | 0 | 8,760 | 0 | **8,760** | No | 0 | 8,760 |
| 2 | Flex Studios – Temp Rentals (x2) | 0 | 4,320 | 0 | **4,320** | No | 0 | 4,320 |
| 3 | Performance/Rehearsal Studio 1 | 0 | 5,280 | 1,440 | **6,720** | Yes | 6,720 | 0 |
| 3 | Performance/Rehearsal Studio 2 | 0 | 5,940 | 1,320 | **7,260** | Yes | 7,260 | 0 |
| 3 | Performance/Rehearsal Studio 3 | 0 | 5,600 | 800 | **6,400** | Yes | 6,400 | 0 |
| **TOTAL** | | **16,000** | **39,145** | **13,160** | **68,305** | **N/A** | **20,380** | **47,925** |

** Visual & Craft Artist Retail customers are assumed to be included in Gallery visitors*

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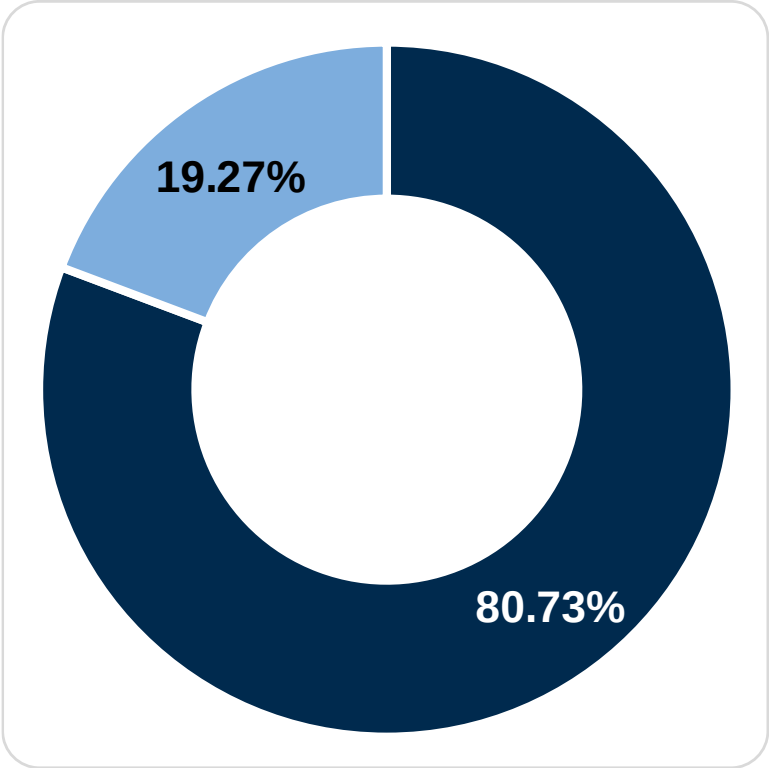
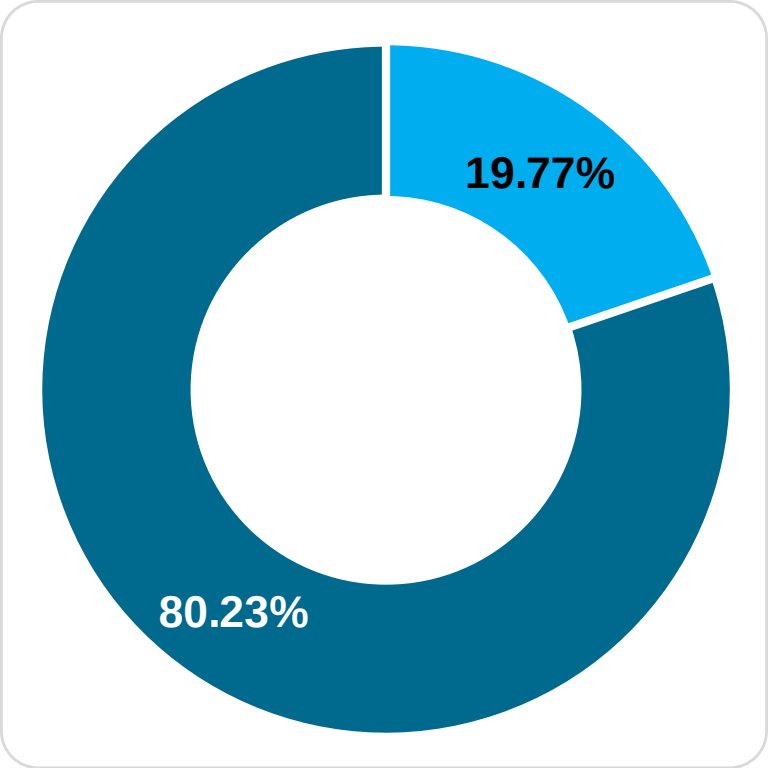
# Operational and Financial Plan

## ASSUMPTIONS – ATTENDANCE PER YEAR (TOTAL OF 68,305 USERS/VISITORS)




Non-profit users/visitors (including exhibitions)

For-profit users/visitors

Repeat users/visitors (permanent rentals)

Unique users/visitors (temporary rentals)

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# Operational and Financial Plan

## ASSUMPTIONS – RENTAL RATES AND OTHER INCOME

- **Gallery / Exhibition space:**
  - $50 per day for exhibitions
  - $20 per hour for non-profit events
  - $250 per hour for private/for-profit events
- **Visual & Craft Artist Retail**
  - $35 per day
- **Bar / Restaurant / Retail on Floor 1**
  - $40 per square foot per year
- **Arts Hub Office on Floor 1**
  - Used by venue management, no income expected
- **Flex Studios (x4)**
  - $50 per day per studio for permanent rentals
  - $75 per day per studio for temporary rentals
  - Not available to for-profit tenants TBD
- **Offices (x5 available for hire)**
  - $25 per day per office for permanent rentals
  - $40 per day per office for temporary rentals
  - Not available to for-profit tenants TBD
- **Performance/Rehearsal Studio 1 (capacity 40):**
  - $20 per hour for non-profit rentals (or $120 per day)
  - $30 per hour for private rentals (or $180 per day)
- **Performance/Rehearsal Studio 2 (capacity 60):**
  - $25 per hour for non-profit rentals (or $150 per day)
  - $40 per hour for private rentals (or $240 per day)
- **Performance/Rehearsal Studio 3 (capacity 80):**
  - $30 per hour for non-profit rentals (or $180 per day)
  - $50 per hour for private rentals (or $300 per day)

- Assume net concessions income of $1 per ticket holder (performance studios only)
- Assume facility fee of $1 per ticket sold (TBD, performance studios only)
- No parking income and no box office fees expected (box office function not provided)
- Assume Endowment allocation of $9,000 per year (more below)

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# Operational and Financial Plan

## ASSUMPTIONS – REVENUE

| RENTAL INCOME | Exhibitions | Non-profit rentals | Private rentals | TOTAL |
|---|---|---|---|---|
| Gallery | $16,000 | $1,920 | $48,000 | **$65,920** |
| Visual & Craft Artist Retail | | $12,600 | | **$12,600** |
| Arts Hub Office * | | $0 | | **$0** |
| Offices – Perm Rentals | | $18,250 | | **$18,250** |
| Offices – Temp Rentals | | $21,600 | | **$21,600** |
| Art Studios – Perm Rentals | | $36,500 | | **$36,500** |
| Art Studios – Temp Rentals | | $27,000 | | **$27,000** |
| Performance Studio 1 | | $17,600 | $7,200 | **$24,800** |
| Performance Studio 2 | | $18,000 | $6,400 | **$24,400** |
| Performance Studio 3 | | $16,800 | $4,000 | **$20,800** |
| **TOTAL RENTAL INCOME** | **$16,000** | **$170,270** | **$65,600** | **$251,870** |

| OTHER INCOME | TOTAL |
|---|---|
| Facility Fees | **$20,380** |
| Net Concessions | **$20,380** |
| Retail Rental on Floor 1 | **$144,000** |
| Utility fees recovered from commercial tenants on Floor 1 ** | **$9,000** |
| Endowment Allocation *** | **$9,000** |
| **TOTAL OTHER INCOME** | **$202,760** |

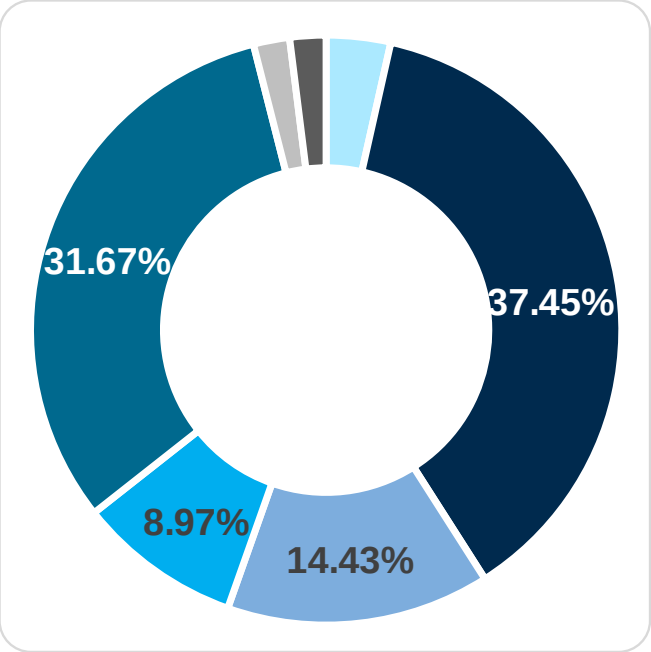
| | |
|---|---|
| **TOTAL INCOME** | **$454,630** |

** Occupied by venue management, no income expected*
*** Assume $2.50 per square foot x 3,600 square feet*
**** Assume 3% annual return on $300K Endowment*

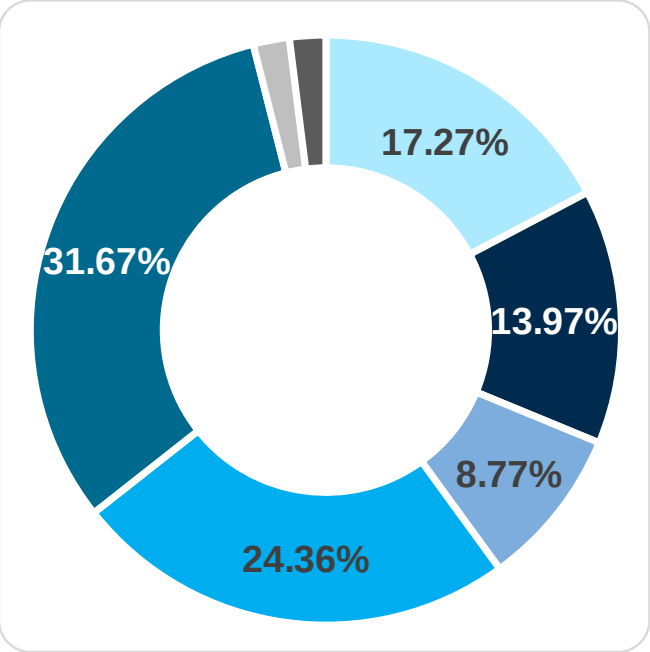
# Operational and Financial Plan

## ASSUMPTIONS – REVENUE (TOTAL INCOME OF $454,630)

By type of use:




By space:

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# Operational and Financial Plan

## ASSUMPTIONS – PAYROLL *

| Facility Staffing Assumptions | Qty | FTE p.p. | Total FTE | Salary per FTE | Total Salary | Benefits at 18% | Total Payroll |
|---|---|---|---|---|---|---|---|
| General/Operations Manager | 1 | 1 | 1 | $75,000 | $75,000 | $13,500 | $88,500 |
| Technical Manager | 1 | 1 | 1 | $60,000 | $60,000 | $10,800 | $70,800 |
| Office/Finance/HR Manager | 1 | 0.5 | 0.5 | $50,000 | $25,000 | $4,500 | $29,500 |
| Marketing/Fundraising Coordinator | 1 | 1 | 1 | $45,000 | $45,000 | $8,100 | $53,100 |
| Cleaning/Maintenance | 3 | 0.5 | 1.5 | $25,000 | $37,500 | $6,750 | $44,250 |
| Security | 2 | 0.5 | 1 | $25,000 | $25,000 | $4,500 | $29,500 |
| **TOTAL** | **9** | **N/A** | **6.0** | **N/A** | **$267,500** | **$48,150** | **$315,650** |

** Salary estimates based on prevailing industry standards in North America for similar organizations with annual budget of less than $0.5 million. The cost of Stage Crew, House Manager, Food/Beverage Manager, and Bartenders/Concessions staff is not included in rental rates (to be charged separately based on needs/requirements of individual renters). IT management function is assumed to be outsourced to an external service provider (included in Administration expenses below).*

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# Operational and Financial Plan

## ASSUMPTIONS – OTHER EXPENSES

| MARKETING and DEVELOPMENT | Preliminary | Notes |
|---|---|---|
| Printing and Publications | $1,500 | Promoting the venue to potential renters |
| Web Design, Maintenance | $2,000 | |
| E-marketing, Social Media | $2,000 | |
| Earned Media | $5,000 | |
| Public Relations | $1,000 | |
| Development Events, etc. | $4,000 | Donor cultivation, fundraising memberships, etc. |
| **TOTAL** | **$15,500** | |

| FACILITIES and OPERATIONS | Preliminary | Notes |
|---|---|---|
| Telephone Contracts | $5,000 | Assume in-house phone system |
| Building Maintenance Repairs | $2,500 | |
| Facility Maintenance Contracts | $5,000 | |
| HVAC Contract | $2,000 | |
| Utilities (electricity, gas, water, sewer, etc.) | $75,000 | Assume 30,000 square feet at $2.50 per square foot per year |
| Cleaning Supplies | $5,000 | |
| Production/Equipment Rental | $3,500 | |
| **TOTAL** | **$98,000** | |

# Operational and Financial Plan

## ASSUMPTIONS – OTHER EXPENSES

| ADMINISTRATION | Preliminary | Notes |
|---|---|---|
| Bank/Legal/Accounting | $4,000 | Audit fee, legal fees, bank services, etc. |
| Payroll Services/Pension Admin Fees | $1,500 | |
| Insurance | $10,000 | Property, general liability, commercial umbrella, etc. |
| Taxes | $0 | |
| Rent Payable to Province | $1 | |
| Liquor License | $4,000 | By event |
| Postage | $500 | |
| Professional Development, Memberships | $1,000 | Training, including dues/subscriptions to professional organizations, etc. |
| Office Supplies | $1,000 | |
| Copier | $1,500 | |
| Office Software Licensing | $1,000 | |
| IT Services (outsourced) / Online Bookings | $10,000 | |
| **TOTAL** | **$34,501** | |

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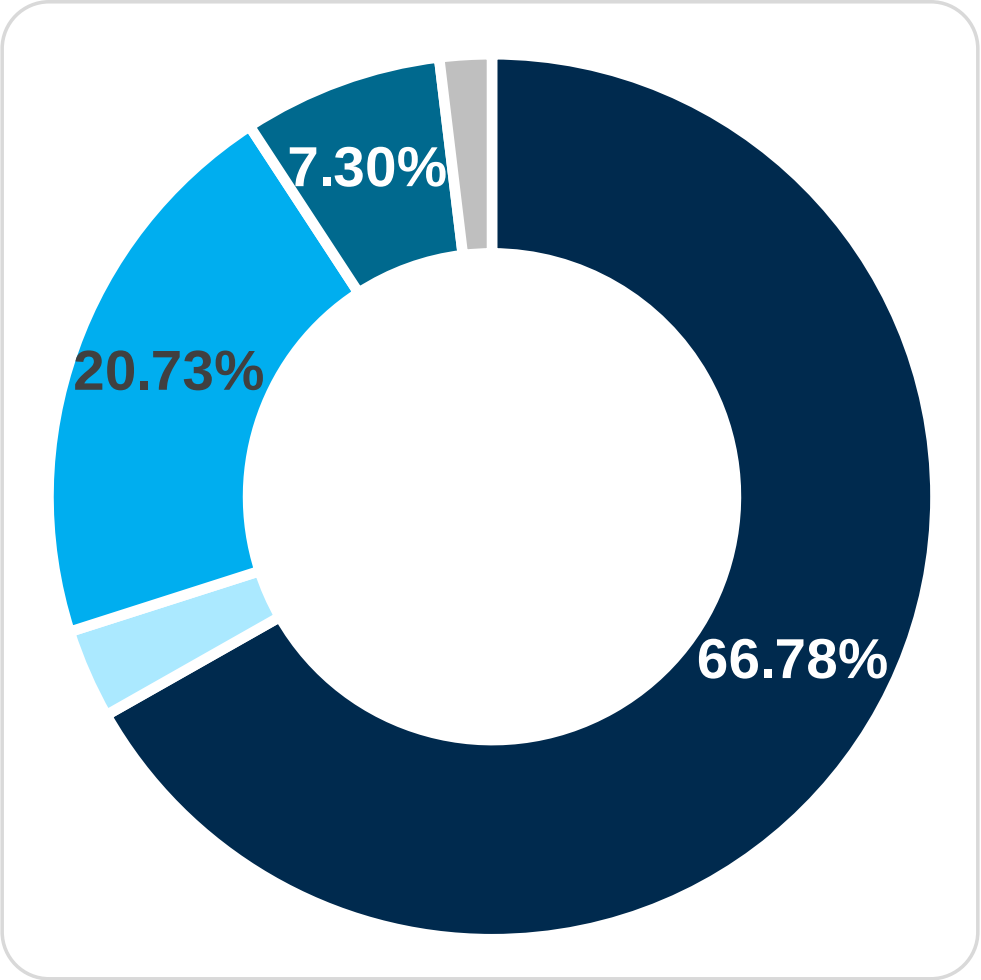
# Operational and Financial Plan

## ASSUMPTIONS – EXPENSES (TOTAL of $472,651)




- Total Payroll Including Benefits
- Marketing and Development
- Facilities and Operations
- Administration
- Capital repairs (from Endowment)

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# Operational and Financial Plan

## FINANCIAL MODEL SUMMARY

| REVENUE ASSUMPTIONS | Preliminary |
|---|---|
| Rentals – Gallery Exhibitions | $16,000 |
| Rentals – Non profit | $170,270 |
| Rentals – For profit | $65,600 |
| Facility Fees | $20,380 |
| Net Concessions (Floor 3) | $20,380 |
| Retail Rental Income (Floor 1) | $144,000 |
| Utility fees recovered from commercial tenants on Floor 1 | $9,000 |
| Endowment Allocation (capital repairs, etc.) | $9,000 |
| **TOTAL** | **$454,630** |

| EXPENSE ASSUMPTIONS | Preliminary |
|---|---|
| Total Payroll | $315,650 |
| Marketing and Development | $15,500 |
| Box Office | $0 |
| Administration | $34,501 |
| Facilities and Operations (incl. Utilities) | $98,000 |
| Capital repairs (Endowment Allocation) | $9,000 |
| **TOTAL** | **$472,651** |

| | |
|---|---|
| **NET OPERATING RESULT (Contributed Revenue Needs)** | **- $18,021** |

**ACG has developed a modelling tool (separate Excel) which allows for any of the assumptions to be revised to see their effect on Net Operating Result**

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# Operational and Financial Plan

## Potential Sources of Contributed Revenue:

- Foundations
- Individual donations
- Corporate sponsorships
- Annual Gala, other fundraisers, etc.
- Provincial government subsidy
- Federal government subsidy
- CRD subsidy
- City of Victoria subsidy

## Ways to Address Deficit if Contributed Revenue goals not met:

- Increase rental rates (and marketing efforts to offset price sensitivity)
- Increase facility and box office fees
- Reduce costs (payroll, overheads, etc.)
- Consider alternative business models, e.g.:
  a) Incorporate the venue into the City organizational structure to realize cost efficiencies on e.g. insurance, software licences, marketing, cleaning costs, etc.
  b) Make this a FOR-PROFIT arts entity. Significant implications on the operational model, rental rates and fundraising capacity.
  c) Make this a for-profit NON-ARTS entity (business offices, all retail, etc.). Depends on the vision. ACG not in a position to advise on this.

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# E. Recommendations and Next Steps

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Picture credits: Victoria Arts Council Facebook Page, *Morning on Fisgard* by Kristofer Parley

# Recommendations

1) ACG has determined that there is significant interest, demand and need for an Arts Hub in Victoria
2) With the availability of the 28 Bastion Square building, and the fact that the building is close to an industry recommended threshold of 30,000 square feet, ACG recommends that this building should be pursued as an Arts Hub
3) The City of Victoria should pursue a memorandum of understanding with the Province of British Columbia to secure the ability to pursue the building as a Victoria Arts Hub
4) The City of Victoria should consider entering into a lease with the Province of British Columbia for a nominal rate to be the catalyst that actively begins the process of bringing the Arts Hub online
5) With the possible exception of Open Space, now under new leadership, ACG did not identify a viable resident company with capacity to undertake operational management of the Arts Hub
6) ACG recommends the establishment of a new organization, set up as a non-profit society, that will enter into an operating agreement with the City, and which will be able to participate in securing funds from all three levels of government to support both the renovation costs of the building and ongoing operations

# Recommendations – Continued

7) The establishment of a society operating model will provide the ability for the new organization to close operating deficits through both private and public sector support
8) It will be important to determine who will be responsible for future capital needs of the Arts Hub as the facility ages. This will depend on the terms and conditions of the lease agreement between the Province and the City, and/or the operating agreement between the City and the newly established non-profit society
9) The Province should consider engaging an architect and a theatre planner with specific expertise in renovating similar heritage buildings (as multi-use arts venues) to prepare a detailed space plan, which will likely include revised square footage and/or capacity of various spaces within the building, which will in turn have an impact on the financial model and usage assumptions
10) Based on the architectural concept and space plan, the Province should engage a cost consultant to estimate renovation and fit-out costs for the Arts Hub
11) Based on the cost estimates, the Province should conduct a fundraising feasibility study to assess the capacity of the local community to support the renovation of the building, including an Endowment Fund to support on-going operations, capital repairs, etc.

# Recommendations – Continued

12) In line with the City of Victoria's commitment to reconciliation, there should be a focus on inclusion of indigenous artists in the Arts Hub. This could take, for example, the form of preferential rental rates available to indigenous artists and/or a semi-permanent display of indigenous art in the gallery/exhibition space on Floor 1
13) Given the number of artists, arts organizations and cultural industry companies in Victoria, there exists a strong viability for resident tenants. For purposes of this study ACG has assumed that two offices and two Flex Studios on Floor 2 will be occupied by permanent resident tenants
14) There should be further engagement with the hi-tech sector in Victoria, as this study was not focused on that sector and other commercial organizations who will prove to be beneficial in the ultimate mix of usage of the building



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Picture credits: The Sculpture Studio, Victoria, *Meadow Hare* by David Hunwick

# Thank You

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Picture credits: Victoria Arts Council Facebook page, poster for 3rd Annual Victoria Arts Council Juried Show, The Atrium Building, May 2017