

March 2015

# Fredericton Playhouse Phase Two Feasibility Study

## Final Report Appendices

- A. Physical Development Plans**
- B. Preliminary Capital Budget**
- C. Alternative Operating Budgets**
- D. KMA Pre-campaign Planning Study Report**

**appendix a:**

**physical development plans**

## Existing Playhouse renovation option study for extended life, life safety and accessibility

Balcony level closed, seat count reduced to 463 seats.  
Refurbishment option is excluded.

The RV Anderson study projected a cost of \$12.3M to renovate the building, only addressing necessary system upgrades.

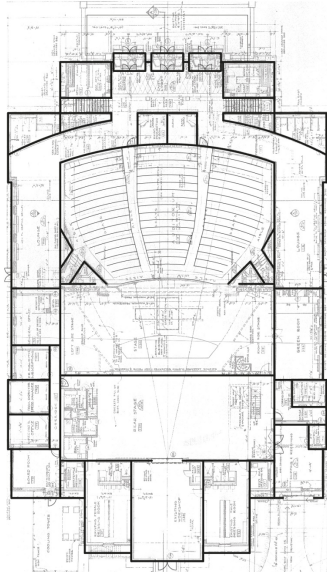


- Sidewalk
- Existing Playhouse
- Theatre Volume
- Green Space

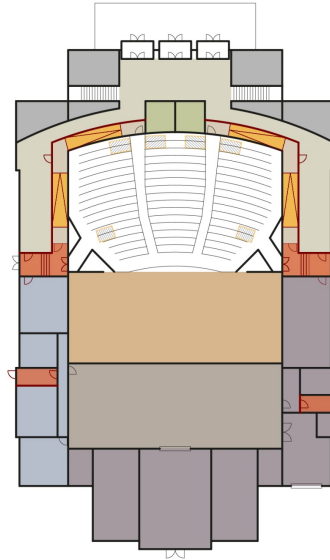
# OPTION X: What's Possible

## Orchestra Level Plan

### Existing



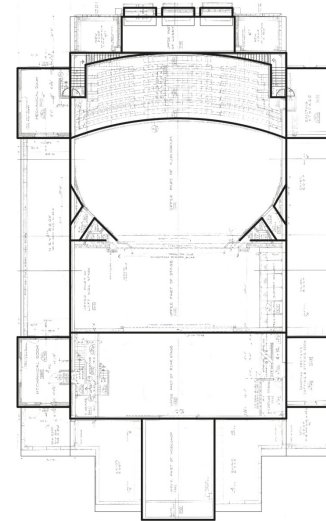
### Renovated



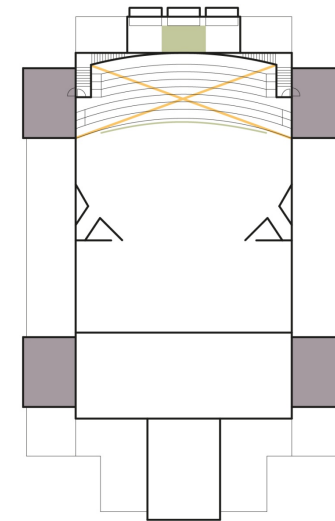
- Existing Walls
- New Walls
- New Exiting
- New Barrier Free Access
- New Barrier Free Seats
- New Sound & Light Lock
- Lobby space  
5000sf recommended  
2400sf provided
- Lobby Support  
1900sf recommended  
1100sf provided
- Washroom  
1000sf recommended  
450sf provided
- Auditorium Infrastructure  
-Control booth  
-Light positions  
-Follow spot
- Performance Area  
3200sf recommended  
2400sf provided
- Rear Stage  
2500sf
- Admin & Building Service  
4350sf recommended  
1400sf provided
- Back of House Area  
3600sf recommended  
3600sf provided

## Balcony Level Plan

### Existing



### Renovated



- Existing Walls
- New Walls
- Second Balcony Closed  
Cannot meet barrier free  
accessibility requirements
- Auditorium Infrastructure  
-Control booth  
-Light positions  
-Follow spot
- Back of House Area  
3600sf recommended  
3600sf provided

### Seat Count

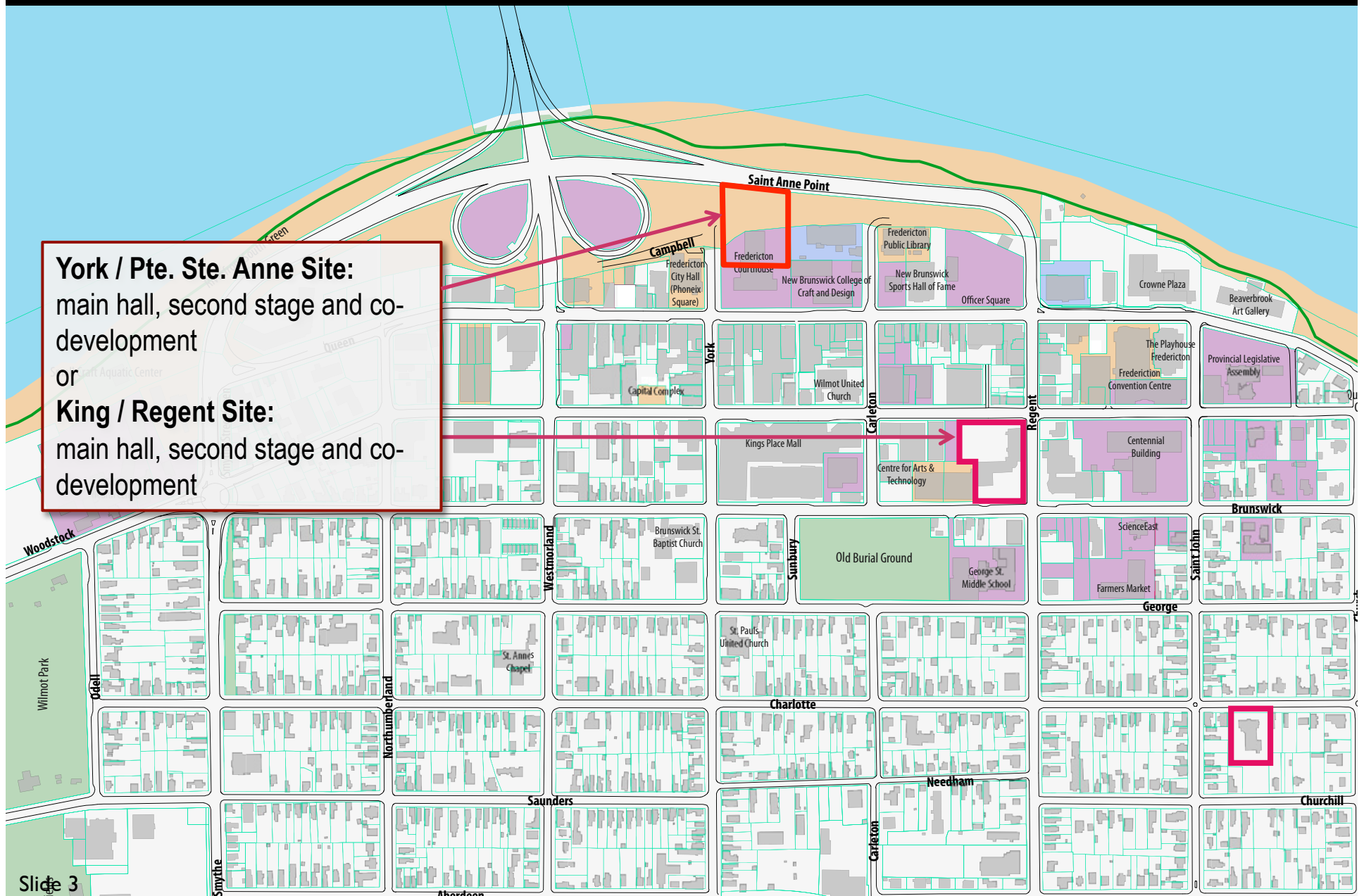
	Existing	Proposed
Auditorium	469	463
Balcony	240	0
Total	709	463

### Barrier Free Seats

	Existing	Proposed
Auditorium	4	12
Balcony	0	0
Total	4	12



# OPTION I: One building / Two venues



# OPTION 1A (King/Regent Site): Site Plan



# OPTION 1A (King/Regent Site): Floor Plans



## OPTION 1A (King/Regent Site): Concept Sketch



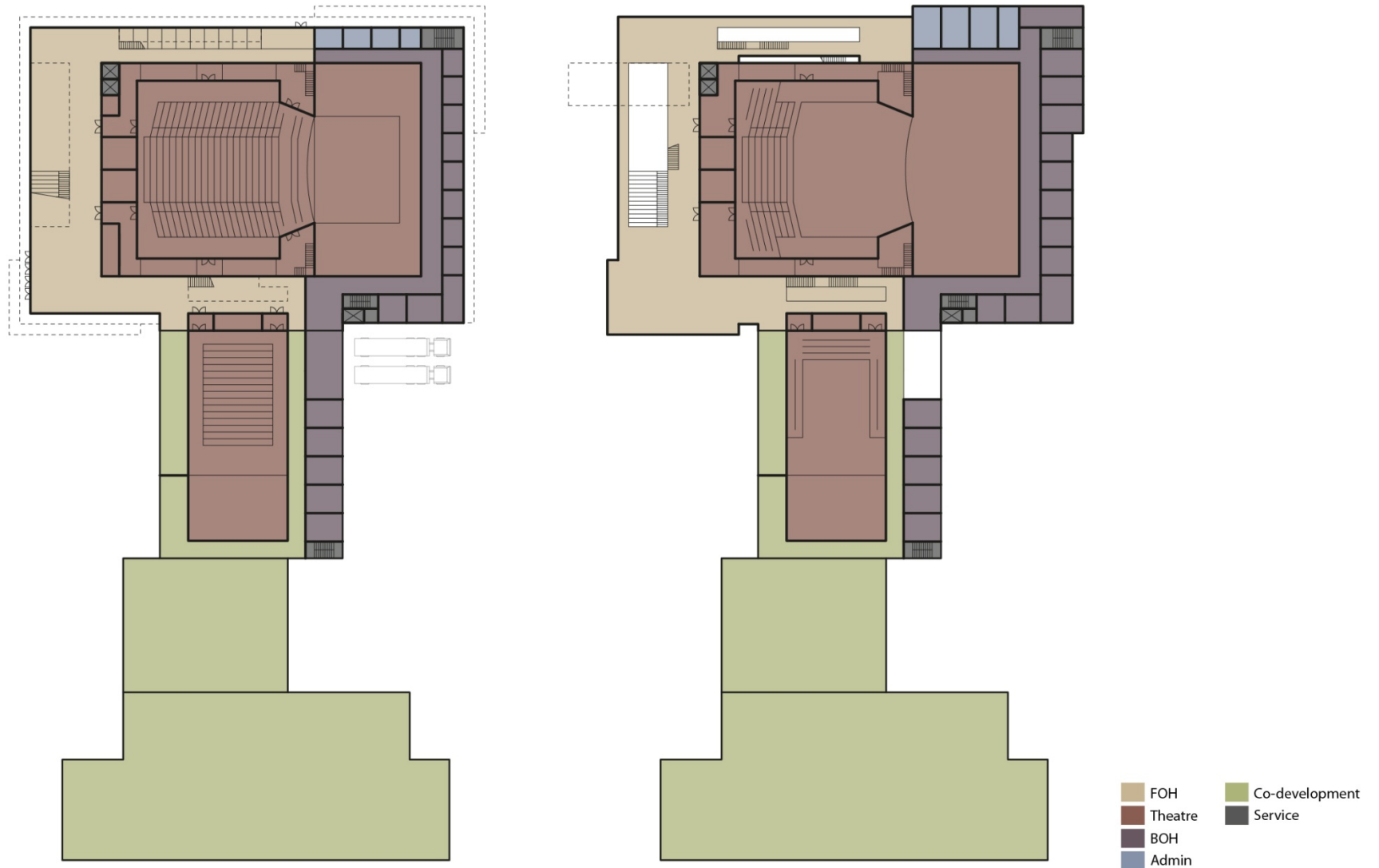
Aerial view from Northeast

# OPTION 1B (York/Pte. Ste. Anne Site): Site Plan





# OPTION 1B (York/Pte. Ste. Anne Site): Floor Plans

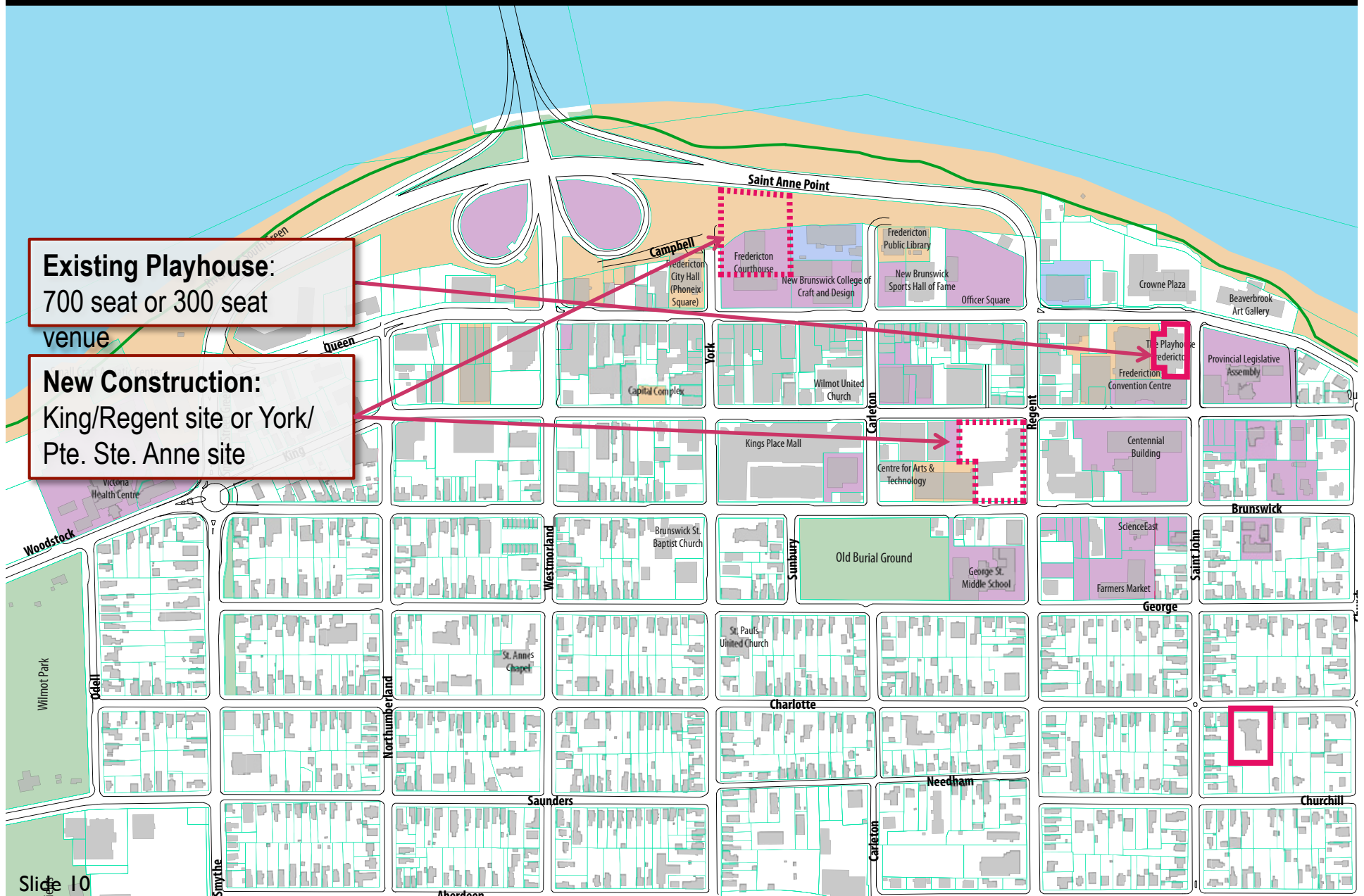


## OPTION 1B (York/Pte. Ste. Anne Site): Concept Sketch



Aerial view from Northwest – without Future Development

## OPTION 2: Existing reno & expansion + One new building

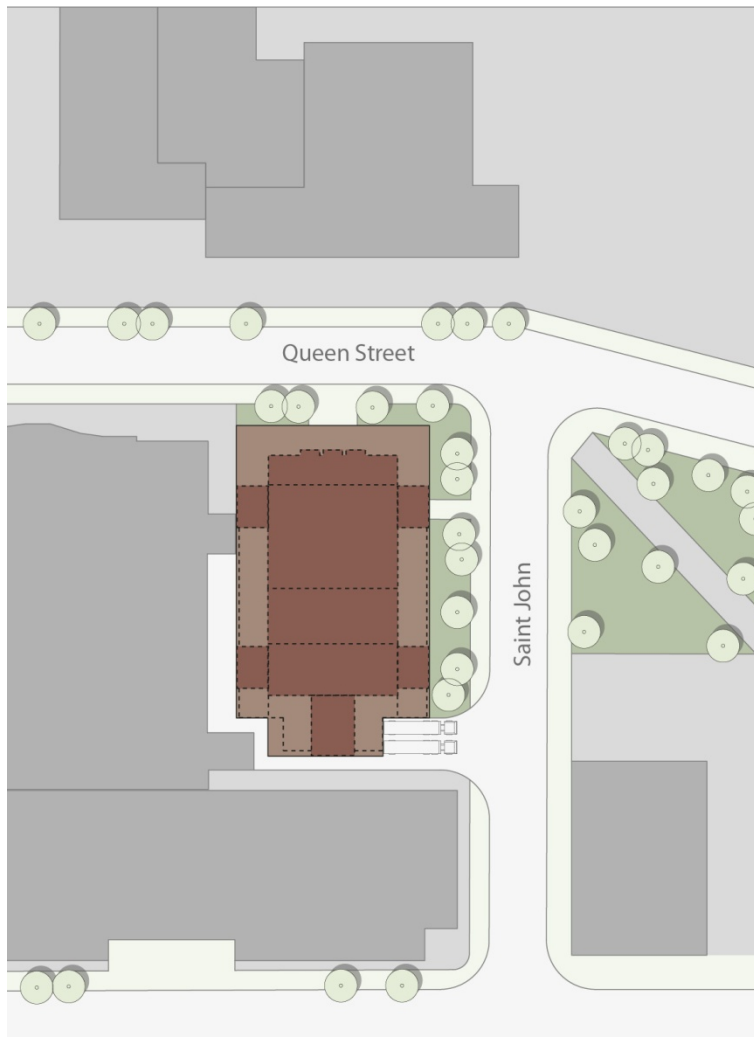




# OPTION 2: Existing Playhouse Site Plan

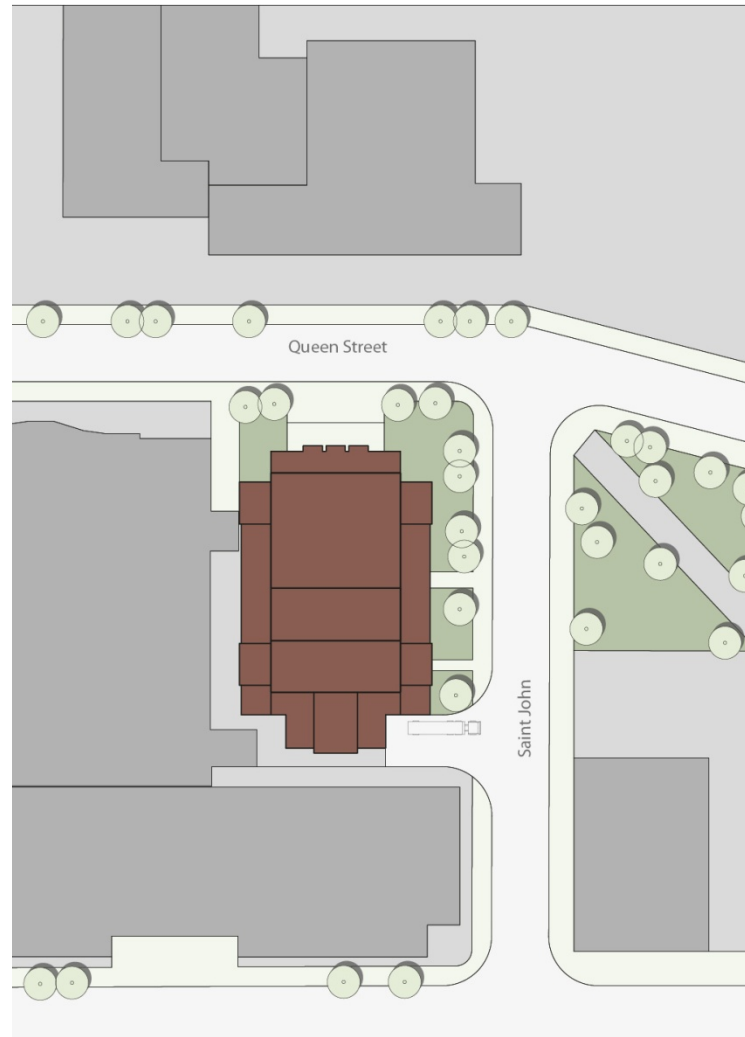
## Option 2A

Renovate & Expand Building  
for 701 seat Main Hall



## Option 2B

Renovate & Convert Building  
for 300 seat Second Stage

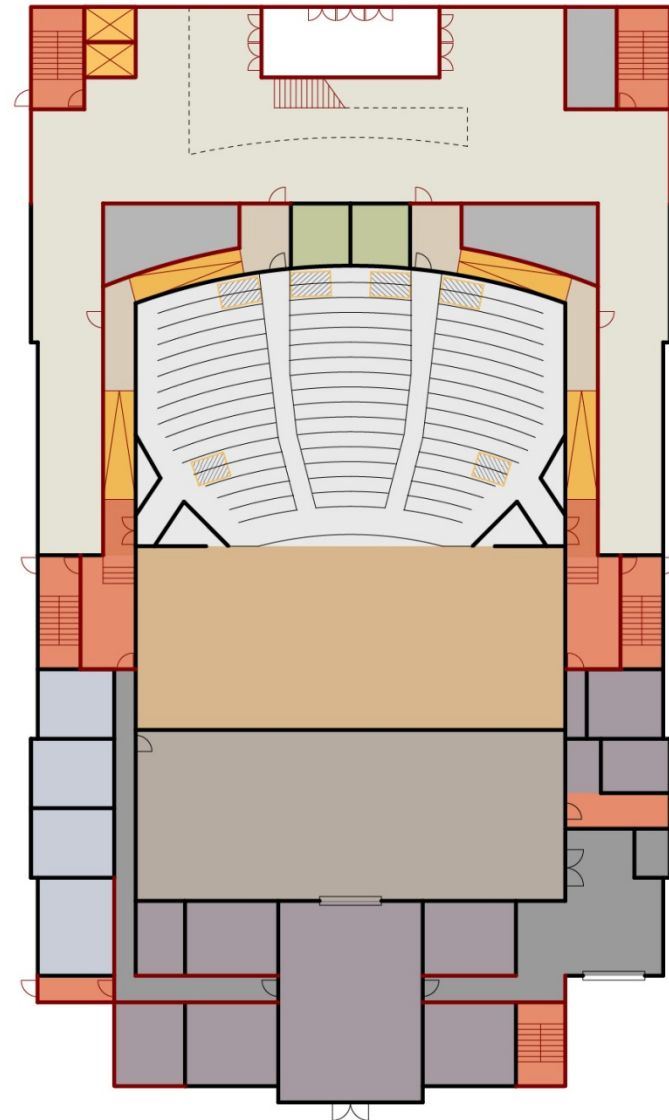
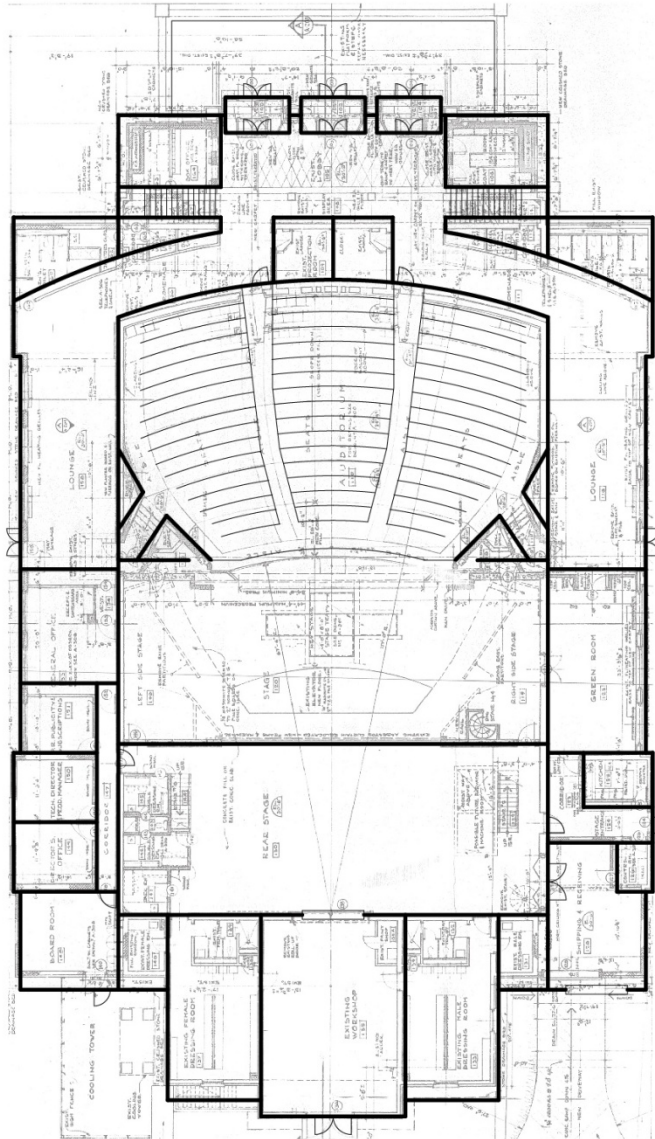


- Sidewalk
- Expansion
- Existing Playhouse Reno
- Green Space

# OPTION 2: Area Comparison

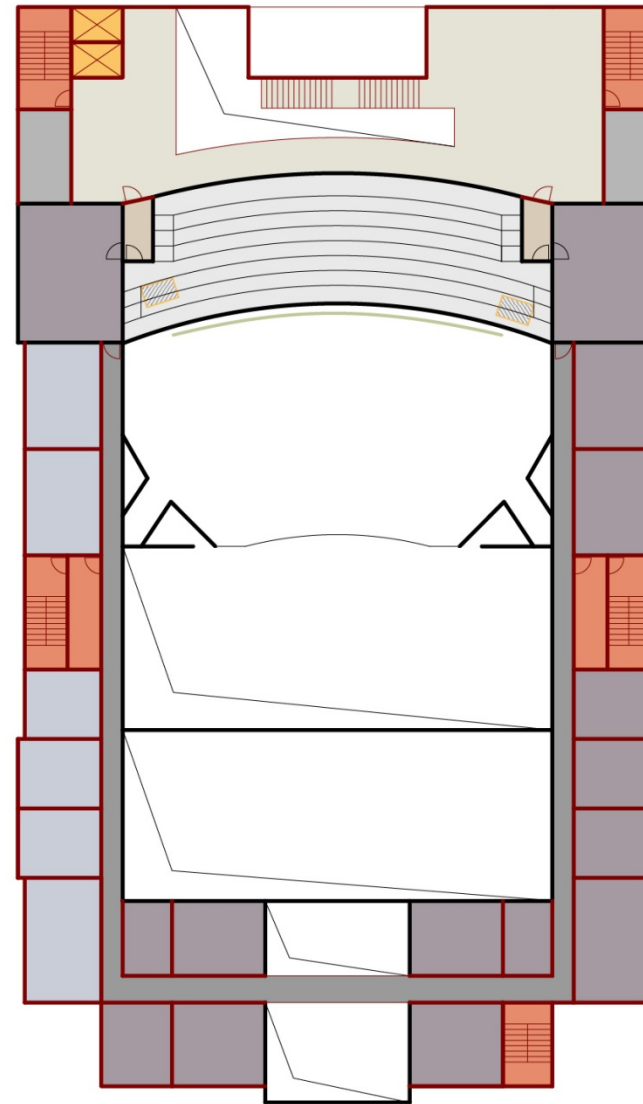
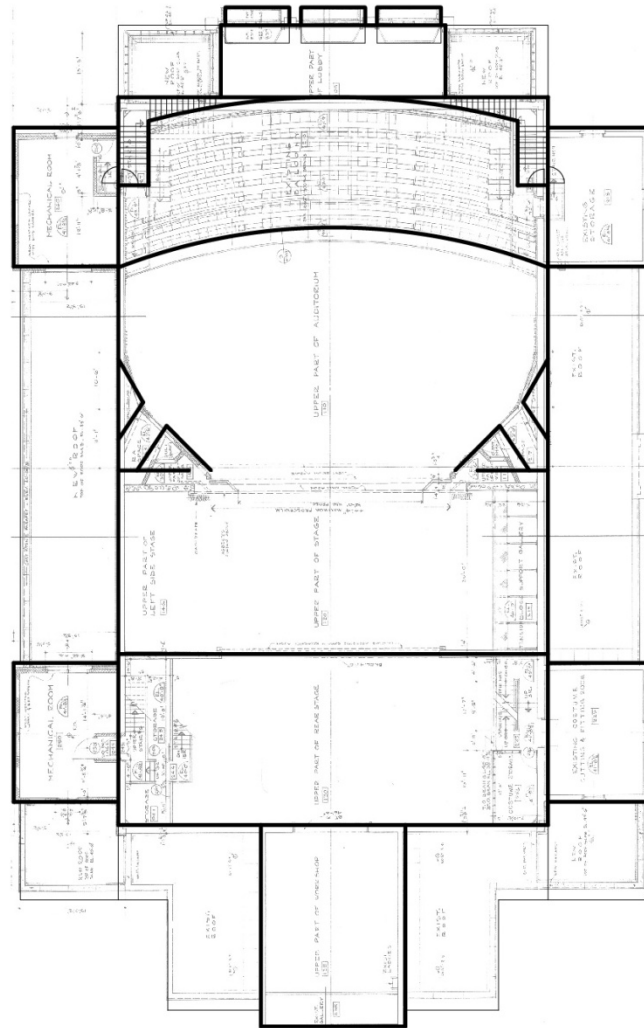
Area Comparison	Option 2A			Option 2B		
	Renovate & Expand as 701 seat Main Hall			Renovate & Convert for 300 seat Second Stage		
	Existing	Recommended	Provided	Existing	Recommended	Provided
<b>Lobby Space</b>	<b>3,000</b>	<b>5,000</b>	<b>4,000</b>	<b>3,000</b>	<b>3,000</b>	<b>2,400</b>
<b>Lobby Support</b>	<b>1,100</b>	<b>1,900</b>	<b>1,900</b>	<b>1,100</b>	<b>1,250</b>	<b>1,100</b>
Washroom	450	1,000	1,000	450	600	450
<b>Auditorium</b>	<b>6,250</b>	<b>10,805</b>	<b>7,250</b>	<b>3,900</b>	<b>2,500</b>	<b>3,900</b>
Orchestra	3,900	5,800	3,900			
Balcony	2,350	3,215	2,350			
SLL	0	1,790	1,000			
<b>Performance Area</b>	<b>2,400</b>	<b>3,280</b>	<b>2,400</b>	<b>2,400</b>	<b>1,600</b>	<b>2,400</b>
<b>Admin &amp; Building Service</b>	<b>1,200</b>	<b>2,710</b>	<b>2,710</b>	<b>1,200</b>	<b>2,205</b>	<b>2,205</b>
<b>Back of House</b>	<b>6,500</b>	<b>6,080</b>	<b>6,500</b>	<b>6,500</b>	<b>6,080</b>	<b>6,500</b>
Rear Stage	2,500		2,500	2,500		2,500

# OPTION 2A (701 seat Main Hall): Orchestra Level Plan



- Existing Walls
- New Walls
- New Exiting
- New Barrier Free Access
- New Barrier Free Seats
- New Sound & Light Lock
- Auditorium Infrastructure
  - Control booth
  - Light positions
  - Follow spot
- Auditorium  
7250sf
- Lobby space  
3000sf existing + 1000sf  
=4000sf provided
- Lobby Support  
920sf existing + 980sf  
=1900sf provided
- Performance Area  
2400sf
- Rear Stage  
2500sf
- Admin & Building Service  
1200 existing + 1510 sf  
=2710sf provided
- Back of House Area  
4000sf
- Total  
24760sf x 1.55(Grossing factor)  
=38378sf

# OPTION 2A (701 seat Main Hall): Balcony Level Plan



Seat Count

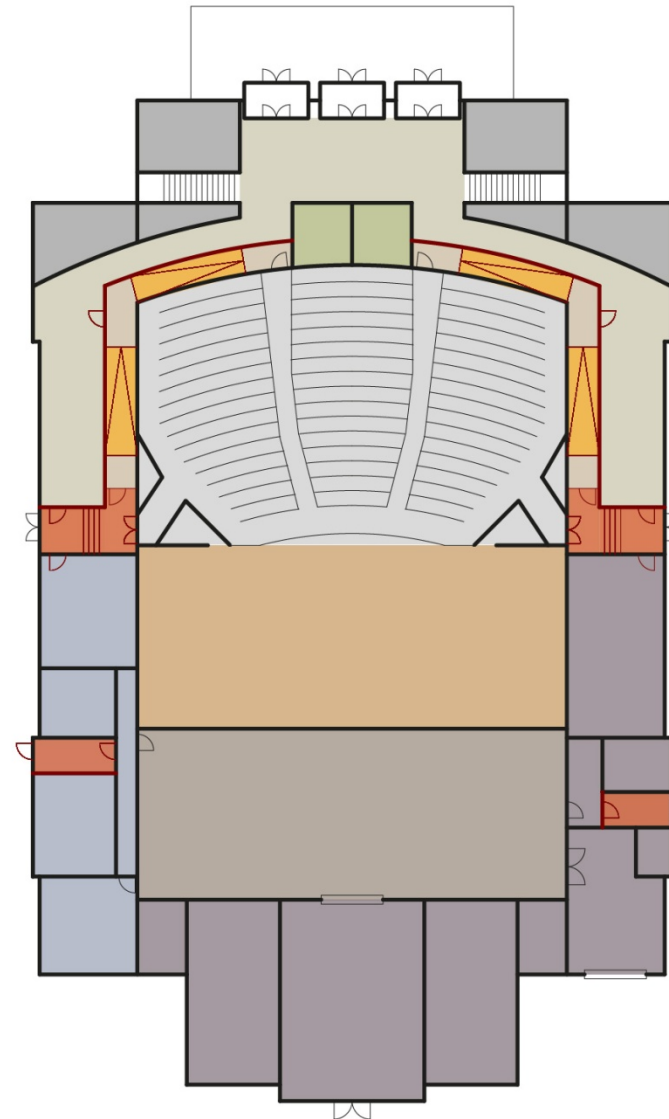
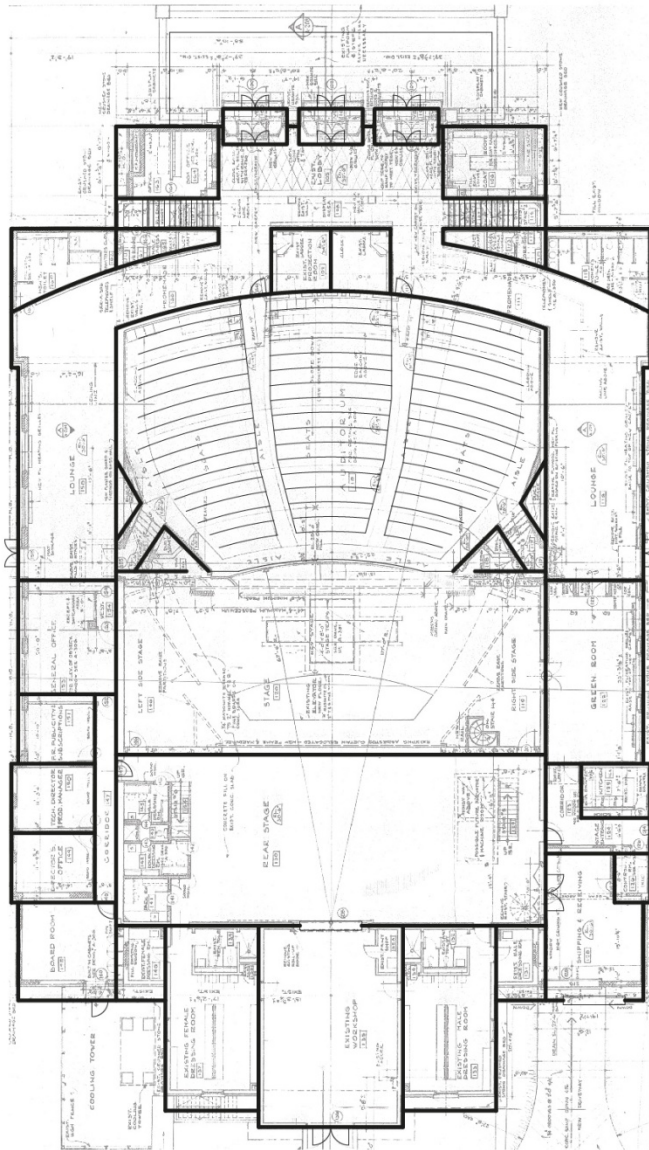
	Existing	Proposed
Auditorium	469	463
Balcony	240	238
Total	709	701

Barrier Free Seats

	Existing	Proposed
Auditorium	4	12
Balcony	0	4
Total	4	16

- Existing Walls
- New Walls
- Existing
- Barrier Free Access
- Barrier Free Seats
- New Sound & Light Lock
- Auditorium Infrastructure
  - Control booth
  - Light positions
  - Follow spot
- Auditorium
- Admin & Building Service
- Back of House Area

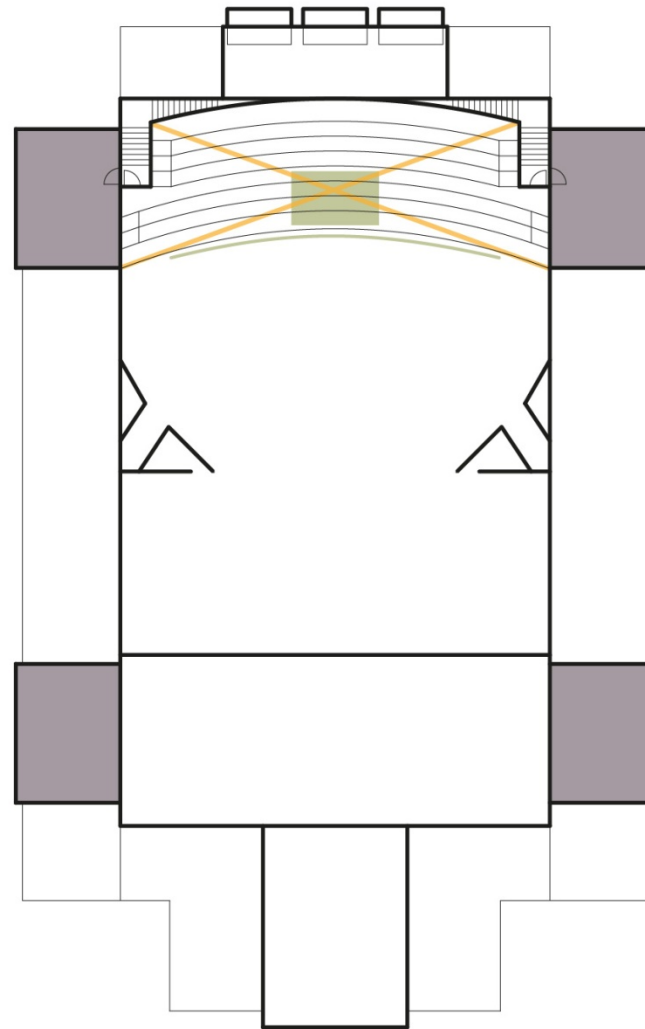
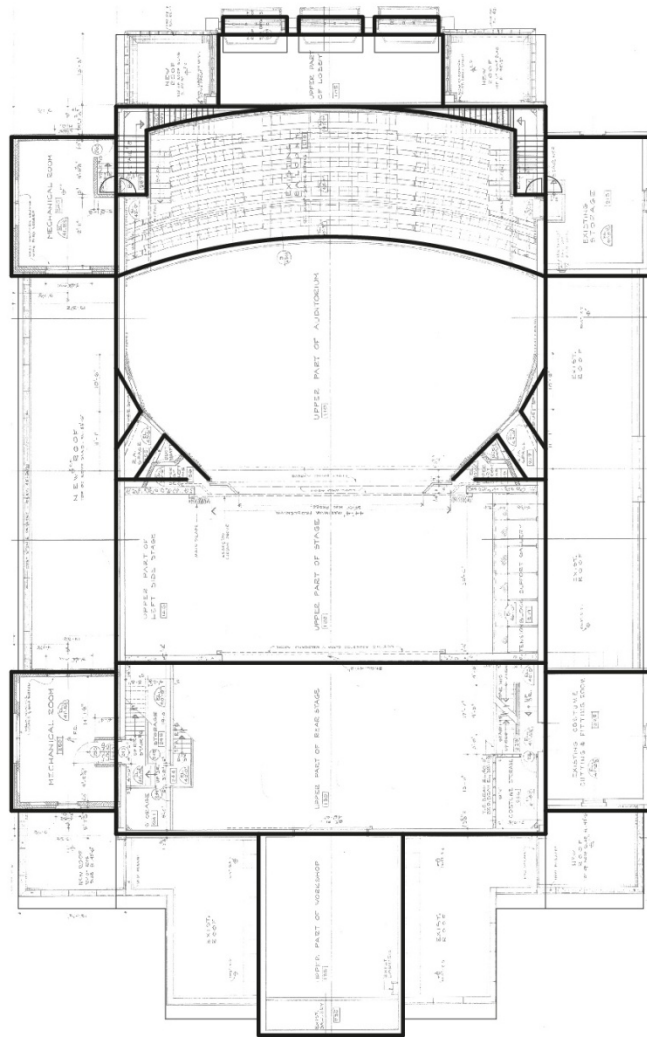
# OPTION 2B (300 seat Second Stage): Orchestra Level Plan



- Existing Walls
- New Walls
- New Exiting
- New Barrier Free Access
- New Sound & Light Lock
- Auditorium Infrastructure
  - Control booth
  - Light positions
  - Follow spot
- Auditorium
  - 4500sf
- Lobby space
  - 2400sf
- Lobby Support
  - 920sf
- Performance Area
  - 2400sf provided
- Rear Stage
  - 2500sf
- Admin & Building Service
  - 2205sf
- Back of House Area
  - 4000sf
- Total 18925sf x 1.37(Grossing factor)  
=25900sf



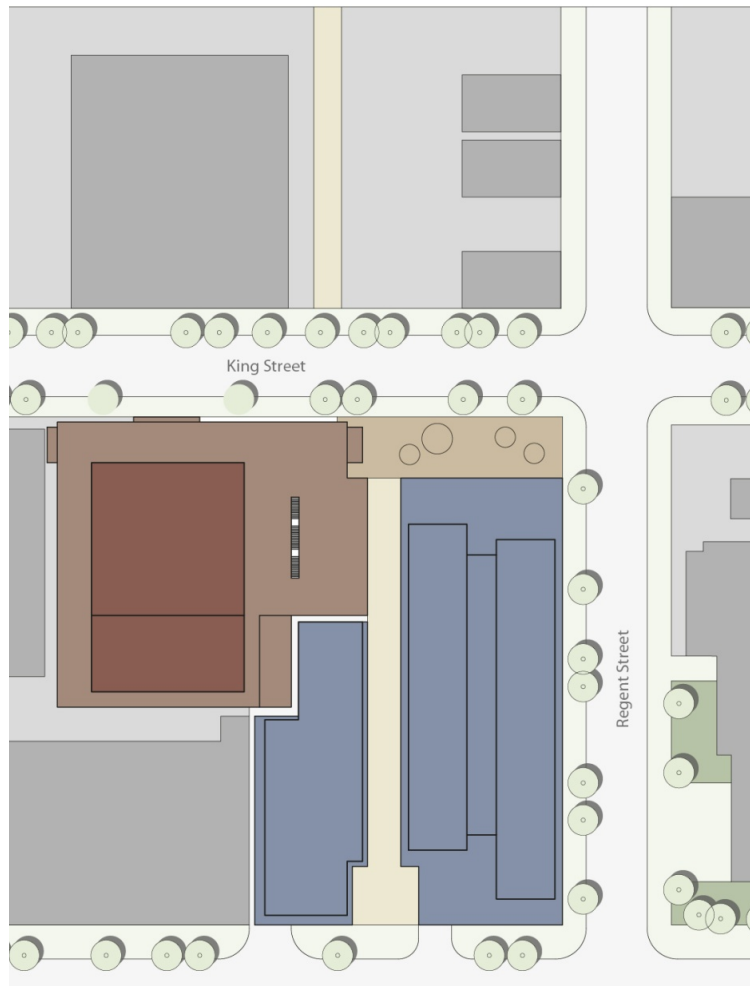
# OPTION 2B (300 seat Second Stage): Balcony Level Plan



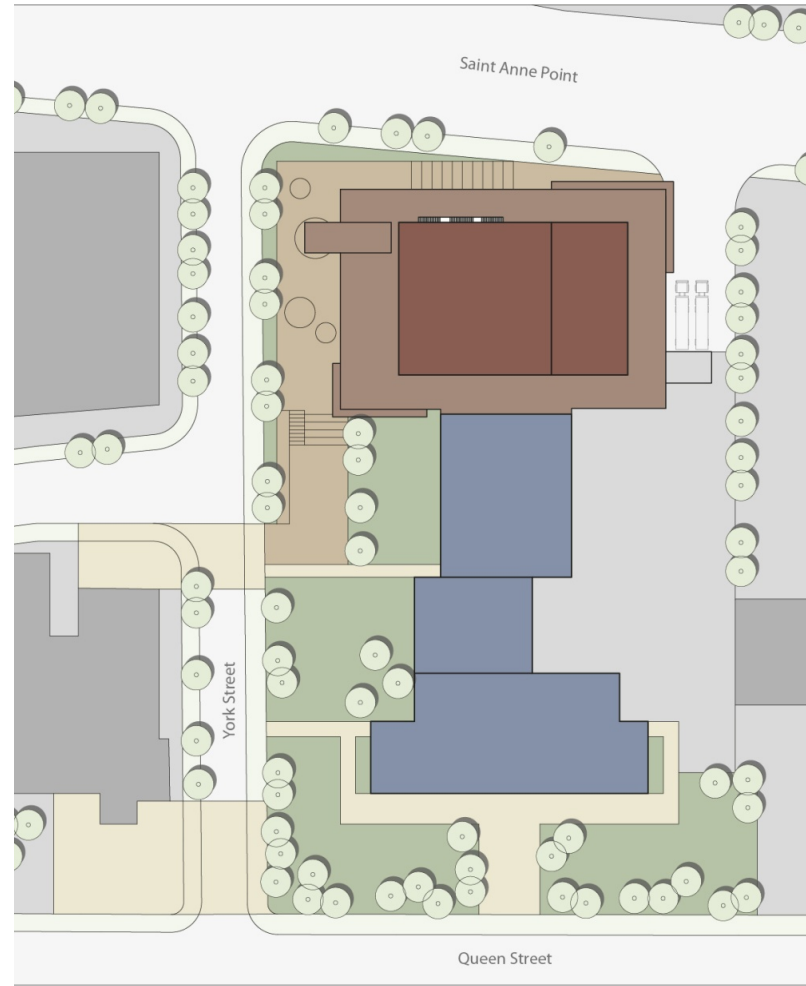
- Existing Walls
- New Walls
- Second Balcony Closed
- Auditorium Infrastructure  
-Control booth  
-Light positions  
-Follow spot
- Back of House Area

# OPTION 2B: Main Hall Site Plan

King / Regent Site

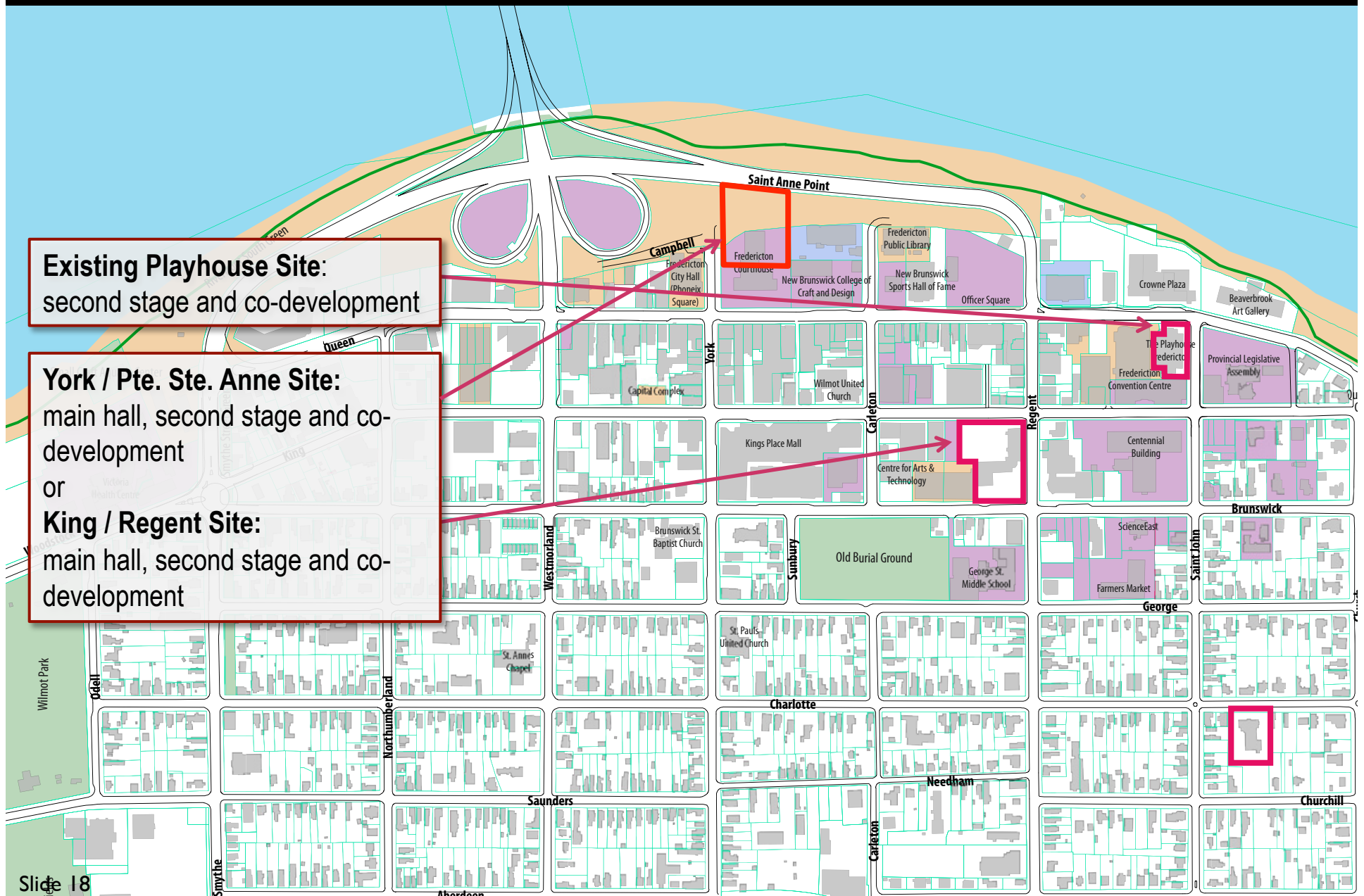


York / Pte. Ste. Anne Site



- Sidewalk
- Extended Public Space
- New Public Plaza
- FPAC
- Theatre Volume
- Co-development
- Green Space

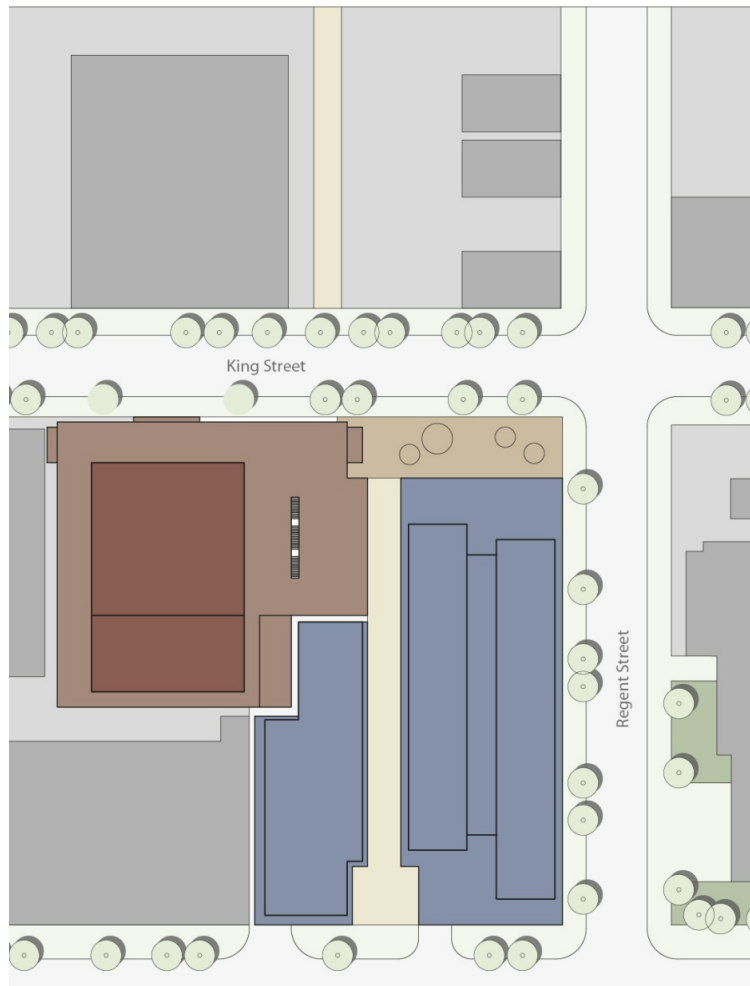
# OPTION 3: Two buildings / Two sites (phased)



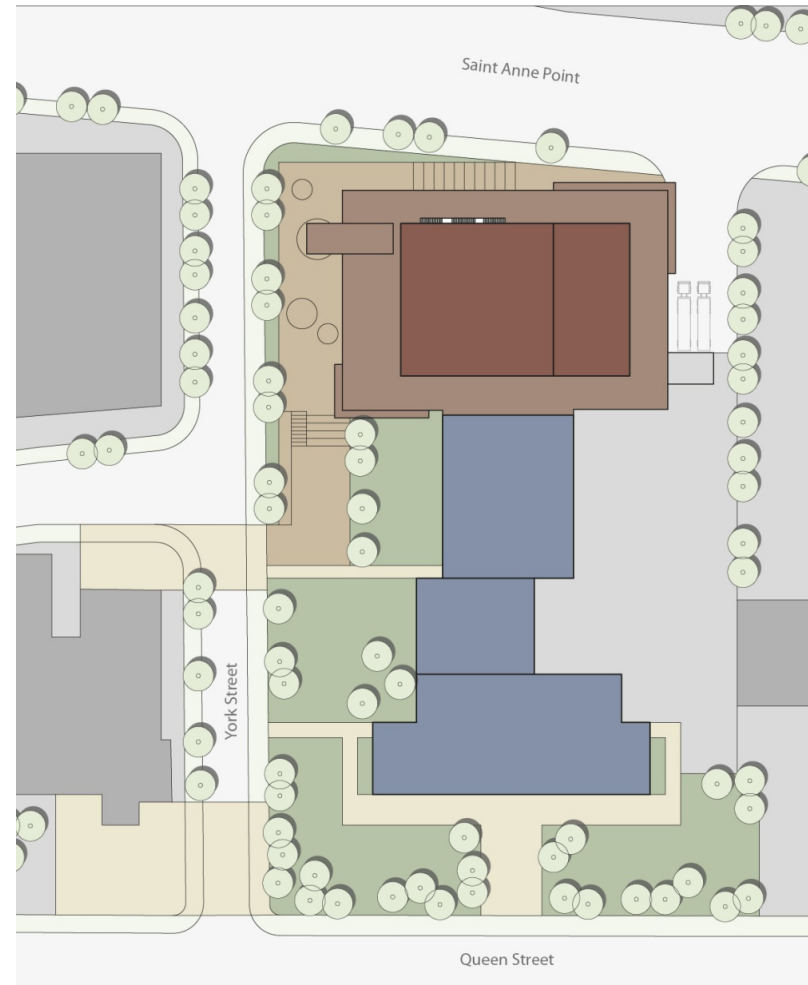


# OPTION 3A&B: Site plans

King / Regent Site



York / Pte. Ste. Anne Site



- Sidewalk
- Extended Public Space
- New Public Plaza
- FPAC
- Theatre Volume
- Co-development
- Green Space

## OPTION 3A&B: Second Stage @ FP site



## OPTIONS 3A&B (Second Stage): Concept Sketch2



Aerial view from Northeast

# COMPARING OPTIONS

SPACES, OPTIONS & COST		OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Description:		Two new halls in one new building	Renovated main space and new small space	New main space and renovated small space	Two new halls in two new buildings
Components:	Theatre #1	850-seat multi-purpose theatre in new building	Renovated 701-seat main space	850-seat multi-purpose theatre in new building	850-seat multi-purpose theater in new building
	Theatre #2	New 300-seat studio theatre	New 300-seat studio theatre	Existing FP renovated for 300-seat studio theatre	New 300-seat studio theatre
Area (GSF):		71,741	61,712	79,205	77,639
Capital Cost Range:			FP Reno as Mainstage: \$24.0M	FP Reno as 2nd Stage: \$15.4M	New 850-seat theatre: \$30.0M to \$31.7M
			New 300-seat theatre: \$10.6M	New 850-seat theatre: \$30.0M	300-seat Theatre on FP Site: \$10.6M
	Total	\$38.1M to \$39.9M	\$34.6M	\$45.4M	\$40.6M to \$42.3M
Additional Annual Funding:		\$55K	\$105K	\$160K	\$130K

Notes: Interruption of operations in Option 2A  
Disposition of FP site part of Option #1 funding plan  
Capital costs in 2014 dollars

**appendix b:**

**preliminary capital budget**

	Existing	Phase I Program	One New Building (Two Venues)		Existing Playhouse Renovation + One New Building				Two New Buildings			
			Option 1A	Option 1B	Option 2A		Option 2B		Option 3A		Option 3B	
	Existing Playhouse	FPAC	King & Regent Street Site	York / Pte. Ste. Anne Site	Existing Playhouse Reno	Second Stage Site 2	Playhouse Reno as Second Stage	Main Hall Site 2	King & Regent Street Site	Existing Playhouse Site	York / Pte. Ste. Anne Site	Existing Playhouse Site
<b>Space Program</b>												
<b>LOBBIES AND PUBLIC SPACE</b>	3920	13900	10250	10250	5900	4250	3320	6900	6900	4250	6900	4250
<b>MAIN HALL</b>	709 seats 15150	850 seats 20670	850 seats 20850	850 seats 20850	701 seats 16150		850 seats 20850		850 seats 20850	1900	850 seats 20850	1900
<b>SECOND STAGE</b>		300 seats 5550	300 seats 5550	300 seats 5550		300 seats 7450	300 seats 13400			300 seats 5550		300 seats 5550
<b>ADMINISTRATION</b>	1200	2335	2335	2335	1360	1205	1205	1360	1360	1205	1360	1205
<b>BUILDING SERVICES</b>		2010	2010	2010	1350	1000	1000	1350	1350	1000	1350	1000
<b>TOTAL NET AREA</b>	20,270		40,995	40,995	24,760	13,905	18,925	30,460	30,460	13,905	30,460	13,905
Grossing Factor	1.28		1.75	1.75	1.55	1.75	1.37	1.75	1.75	1.75	1.75	1.75
Gross Area Sub-total					38,378	24,334	25,900	53,305	53,305	24,334	53,305	24,334
<b>TOTAL GROSS AREA</b>	<b>25,900</b>		<b>71,741</b>	<b>71,741</b>	<b>62,712</b>		<b>79,205</b>		<b>77,639</b>		<b>77,639</b>	
<b>(Charlotte Street Arts Centre)</b>												
<b>LOBBIES AND PUBLIC SPACE</b>												
<b>MULTIPURPOSE THEATRE (BLACK BOX)</b>		100 seats 4085										
<b>CLASSROOM/LECTURE/MEETING</b>		2x60 seats 1500										
<b>COMMUNITY EXHIBITION</b>		1150										
<b>TOTAL NET AREA</b>		51,200										
Grossing Factor		1.75										
<b>TOTAL GROSS AREA</b>		<b>89,600</b>										
				**+ 5% floodplain			* RV Anderson Report				**+ 5% floodplain	
<b>\$/SF</b>	\$	410	\$ 425	\$ 445	\$ 500	\$ 350	\$	450	\$ 450	\$ 350	\$ 475	\$ 350
<b>AREA</b>		89,600	71,741	71,741	38,378	24,334		53,305	53,305	24,334	53,305	24,334
					\$ 19,189,000	\$ 8,516,900	\$ 12,300,000	\$ 23,987,250	\$ 23,987,250	\$ 8,516,900	\$ 25,319,875	\$ 8,516,900
<b>CONSTRUCTION COST</b>	\$	36,736,000	\$ 30,489,925	\$ 31,924,745	\$	27,705,900	\$	36,287,250	\$	32,504,150	\$	33,836,775
Construction cost x 1.25		1.25	1.25	1.25		1.25		1.25		1.25		1.25
<b>TOTAL PROJECT COST</b>	\$	45,920,000	\$ 38,112,406	\$ 39,905,931	\$	34,632,375	\$	45,359,063	\$	40,630,188	\$	42,295,969

\* does not include land acquisition costs

**appendix c:**

**alternative operating budgets**

SPACES, OPTIONS & COST		EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Description:				Two new halls in one new building	Renovated main space and new small space	New main space and renovated small space	Two new halls in two new buildings
Components:	Theatre #1	709-seat multi-purpose theater in existing FP	850-seat multi-purpose theater in new building	850-seat multi-purpose theatre in new building	Renovated 701-seat main space	850-seat multi-purpose theatre in new building	850-seat multi-purpose theater in new building
	Theatre #2		New 250-seat studio theater	New 300-seat studio theatre	New 300-seat studio theatre	Existing FP renovated for 300-seat studio theatre	New 300-seat studio theatre
	Multipurpose Room	One 120-person multi-purpose room	100-seat multipurpose room				
	Meeting/Event Rooms		Two 60-person class, meeting, lecture rooms				
Area (GSF):		25,900	89,600	71,741	61,712	79,205	77,639
Capital Cost Range:					FP reno as 850-seat theatre: \$24.0M New 300-seat theatre: \$10.6M	FP reno as 300-seat theatre: \$15.4M New 850-seat theatre: \$30.0M	New 850-seat theatre: \$30.0M to \$31.7M 300-seat Theatre on FP Site: \$10.6M
Total			\$45.9M	\$38.1M to \$39.9M	\$34.6M	\$45.4M	\$40.6M to \$42.3M
Additional Annual Funding Over Escalated Budget:			\$ 150,726	\$ 99,537	\$ 248,366	\$ 305,978	\$ 209,756
<b>ACTIVITY</b>		<b>Projected 2013-14</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>
LARGE HALL - CAPACITY		709	850	850	701	850	850
<b>Live Presenting</b>							
	Performances	39	43	43	39	43	43
	Event Days	33	40	40	33	40	40
	Prep Days	14	14	14	14	14	14
	Total Days in the Theater	47	54	54	47	54	54
	Ave Capacity Sold	52%	50%	50%	51%	50%	50%
	Paid Attendance	13,307	18,275	18,275	13,943	18,275	18,275
	Average Ticket Price	\$ 31.76	\$ 36.85	\$ 36.85	\$ 36.85	\$ 36.85	\$ 36.85
	Total Box Office	\$ 422,672	\$ 673,434	\$ 673,434	\$ 513,795	\$ 673,434	\$ 673,434
<b>Inbound Education Programs</b>							
	Performances	5	8	8	8	8	8
	Annual Participants	1,033	2,244	2,244	2,244	2,244	2,244
	Paid Participants	1,015	2,040	2,040	2,040	2,040	2,040
	Average Fee	\$ 7.42	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
	Program Fees	\$ 7,529	\$ 18,506	\$ 18,506	\$ 18,506	\$ 18,506	\$ 18,506
	Total Days in the Theater	7	8	8	8	8	8
<b>Professional Rentals</b>							
	Performances	39	35	35	37	35	35
	Total Days in the Theater	43	39	39	41	39	39
	Ave Capacity Sold	52%	60%	60%	62%	60%	60%
	Paid Attendance	15,480	17,850	17,850	16,081	17,850	17,850
	Average Ticket Price	\$ 40.40	\$ 43.73	\$ 43.73	\$ 40.40	\$ 43.73	\$ 43.73
	Rental Box Office	\$ 610,473	\$ 780,585	\$ 780,586	\$ 610,473	\$ 780,586	\$ 780,586
	Average Daily Rental Rate	\$ 1,045	\$ 1,202	\$ 1,202	\$ 1,045	\$ 1,202	\$ 1,202
	Total Rent Collected	\$ 44,946	\$ 47,120	\$ 47,120	\$ 43,315	\$ 47,120	\$ 47,120
<b>Local Professional Rentals</b>							
	Performances	11	9	9	11	9	9
	Total Days in the Theater	16	13	13	16	13	13



SPACES, OPTIONS & COST	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Ave Capacity Sold	28%	28%	28%	30%	28%	28%
Paid Attendance	5,164	2,142	2,142	5,164	2,142	2,142
Average Ticket Price	\$ 30.30	\$ 32.80	\$ 32.80	\$ 30.30	\$ 32.80	\$ 32.80
Rental Box Office	\$ 81,030	\$ 70,251	\$ 70,251	\$ 81,030	\$ 70,251	\$ 70,251
Average Daily Rental Rate	\$ 1,185	\$ 1,363	\$ 1,363	\$ 1,185	\$ 1,363	\$ 1,363
Total Rent Collected	\$ 18,967	\$ 17,790	\$ 17,790	\$ 18,908	\$ 17,790	\$ 17,790
<b>Local Amateur Rentals</b>						
Performances	27	20	20	22	20	20
Total Days in the Theater	32	28	28	31	28	28
Ave Capacity Sold	56%	60%	60%	62%	60%	60%
Paid Attendance	12,186	10,200	10,200	9,562	10,200	10,200
Average Ticket Price	\$ 20.20	\$ 21.87	\$ 21.87	\$ 20.20	\$ 21.87	\$ 21.87
Rental Box Office	\$ 232,528	\$ 223,023	\$ 223,023	\$ 232,528	\$ 223,023	\$ 223,023
Average Daily Rental Rate	\$ 935	\$ 1,075	\$ 1,075	\$ 935	\$ 1,075	\$ 1,075
Total Rent Collected	\$ 29,911	\$ 30,098	\$ 30,098	\$ 28,789	\$ 30,098	\$ 30,098
<b>Student/Charity Rentals</b>						
Performances	11	9	9	11	9	9
Total Days in the Theater	11	10	10	11	10	10
Ave Capacity Sold	41%	40%	40%	41%	40%	0
Paid Attendance	2,792	3,060	3,060	3,132	3,060	3,060
Average Ticket Price	\$ 15.15	\$ 16.40	\$ 16.40	\$ 15.15	\$ 16.40	\$ 16.40
Rental Box Office	\$ 61,653	\$ 50,180	\$ 50,181	\$ 61,653	\$ 50,181	\$ 50,181
Average Daily Rental Rate	\$ 759	\$ 873	\$ 873	\$ 759	\$ 873	\$ 873
Total Rent Collected	\$ 8,347	\$ 8,796	\$ 8,796	\$ 8,347	\$ 8,796	\$ 8,796
<b>Non-Performance Commercial Rentals</b>						
Total Days in the Theater	3	10	10	8	10	10
Average Daily Rental Rate	\$ 1,292	\$ 1,485	\$ 1,485	\$ 1,292	\$ 1,485	\$ 1,485
Total Rent Collected	\$ 3,875	\$ 14,854	\$ 14,854	\$ 10,333	\$ 14,854	\$ 14,854
<b>Non-Performance Nonprofit Rentals</b>						
Total Days in the Theater	5	4	4	5	4	4
Average Daily Rental Rate	\$ 675	\$ 776	\$ 776	\$ 675	\$ 776	\$ 776
Total Rent Collected	\$ 3,375	\$ 3,105	\$ 3,105	\$ 3,375	\$ 3,105	\$ 3,105
<b>Totals</b>						
Performances	132	124	124	128	124	124
Total Days in the Theater	159	162	162	162	162	162
Paid Attendance	49,944	53,567	53,567	49,922	53,567	53,567
Presented Event Box Office	\$ 422,672	\$ 673,434	\$ 673,434	\$ 513,795	\$ 673,434	\$ 673,434
Total Box Office from Rentals	\$ 985,684	\$ 1,124,040	\$ 1,124,041	\$ 985,684	\$ 1,124,041	\$ 1,124,041
Total Box Office	\$ 1,408,356	\$ 1,797,474	\$ 1,797,475	\$ 1,499,479	\$ 1,797,475	\$ 1,797,475
Program Fees	\$ 7,529	\$ 18,506	\$ 18,506	\$ 18,506	\$ 18,506	\$ 18,506
Rent Collected	\$ 109,421	\$ 121,764	\$ 121,764	\$ 113,068	\$ 121,764	\$ 121,764
<b>SMALL HALL - CAPACITY</b>	150	300	300	300	300	300
<b>Live Presenting</b>						
Performances	4	12	12	11	12	12
Event Days	4	11	11	10	11	11
Prep Days	3	4	4	4	4	4
Total Days in the Theater	7	15	15	14	15	15
Ave Capacity Sold	63%	55%	55%	55%	55%	55%
Total Attendance	380	1,980	1,980	1,815	1,980	1,980
Average Ticket Price	\$ 32.03	\$ 25.09	\$ 25.09	\$ 25.09	\$ 25.09	\$ 25.09
Total Box Office	\$ 12,172	\$ 49,674	\$ 49,674	\$ 45,535	\$ 49,674	\$ 49,674

SPACES, OPTIONS & COST	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
<b>Film Presenting</b>						
Screenings		16	16	16	16	16
Event Days		8	8	8	8	8
Prep Days		0	0	0	0	0
Total Days in the Theater		8	8	8	8	8
Ave Capacity Sold		33%	33%	33%	33%	33%
Total Attendance		1,584	1,584	1,584	1,584	1,584
Average Ticket Price		\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Total Box Office		\$ 19,008	\$ 19,008	\$ 19,008	\$ 19,008	\$ 19,008
<b>Inbound Education Programs</b>						
Performances	21	12	12	12	12	12
Annual Participants	1,007	1,100	1,100	1,100	1,100	1,100
Paid Participants	151	1,000	1,000	1,000	1,000	1,000
Average Fee	\$ 21.03	\$ 17.68	\$ 17.68	\$ 17.68	\$ 17.68	\$ 17.68
Program Fees	\$ 3,176	\$ 17,680	\$ 17,680	\$ 17,680	\$ 17,680	\$ 17,680
Total Days in the Theater	3	12	12	12	12	12
<b>Professional Rentals</b>						
Performances		60	60	58	60	60
Total Days in the Theater		67	67	65	67	67
Ave Capacity Sold		60%	60%	60%	60%	60%
Paid Attendance		10,800	10,800	10,440	10,800	10,800
Average Ticket Price		\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Rental Box Office		\$ 270,000	\$ 270,000	\$ 261,000	\$ 270,000	\$ 270,000
Average Daily Rental Rate		\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Total Rent Collected		\$ 40,320	\$ 40,320	\$ 38,976	\$ 40,320	\$ 40,320
<b>Local Professional Rentals</b>						
Performances	6	15	15	13	15	15
Total Days in the Theater	9	20	20	17	20	20
Ave Capacity Sold	67%	30%	30%	30%	30%	30%
Paid Attendance	551	1,350	1,350	1,170	1,350	1,350
Average Ticket Price		\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Rental Box Office		\$ 7,196	\$ 27,000	\$ 23,400	\$ 27,000	\$ 27,000
Average Daily Rental Rate	\$ 417	\$ 451	\$ 451	\$ 451	\$ 451	\$ 451
Total Rent Collected	\$ 2,500	\$ 8,795	\$ 8,795	\$ 7,622	\$ 8,795	\$ 8,795
<b>Local Amateur Rentals</b>						
Performances	5	20	20	18	20	20
Total Days in the Theater	8	28	28	25	28	28
Ave Capacity Sold	80%	60%	60%	60%	60%	60%
Paid Attendance	601	3,600	3,600	3,240	3,600	3,600
Average Ticket Price		\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Rental Box Office		\$ 14,080	\$ 54,000	\$ 48,600	\$ 54,000	\$ 54,000
Average Daily Rental Rate	\$ 297.13	\$ 295	\$ 295	\$ 295	\$ 295	\$ 295
Total Rent Collected	\$ 2,377	\$ 8,250	\$ 8,250	\$ 7,425	\$ 8,250	\$ 8,250
<b>Student/Charity Rentals</b>						
Performances	0	9	9	8	9	9
Total Days in the Theater		10	10	9	10	10
Ave Capacity Sold		40%	40%	40%	40%	40%
Paid Attendance		1,080	1,080	960	1,080	1,080
Average Ticket Price		\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Rental Box Office		\$ 10,800	\$ 10,800	\$ 9,600	\$ 10,800	\$ 10,800
Average Daily Rental Rate		\$ 265	\$ 265	\$ 265	\$ 265	\$ 265
Total Rent Collected		\$ 2,673	\$ 2,673	\$ 2,376	\$ 2,673	\$ 2,673

SPACES, OPTIONS & COST	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
<b>Non-Performance Commercial Rentals</b>						
Total Days in the Theater	0	5	5	4	5	5
Average Daily Rental Rate	\$	239 \$	239 \$	239 \$	239 \$	239
Total Rent Collected	\$	1,193 \$	1,193 \$	955 \$	1,193 \$	1,193
<b>Non-Performance Nonprofit Rentals</b>						
Total Days in the Theater	0	1	1	1	1	1
Average Daily Rental Rate	\$	215 \$	215 \$	215 \$	215 \$	215
Total Rent Collected	\$	215 \$	215 \$	215 \$	215 \$	215
<b>Totals</b>						
Performances	36	144	144	136	144	144
Total Days in the Theater	27	166	166	155	166	166
Paid Attendance	1,683	21,394	21,394	20,209	21,394	21,394
Box Office from Presenting	\$ 12,172	\$ 68,682	\$ 68,682	\$ 64,543	\$ 68,682	\$ 68,682
Rental Box Office	\$	361,800 \$	361,800 \$	342,600 \$	361,800 \$	361,800
Total Box Office	\$ 12,172	\$ 430,482	\$ 430,482	\$ 407,143	\$ 430,482	\$ 430,482
Program Fees	\$ 3,176	\$ 17,680	\$ 17,680	\$ 17,680	\$ 17,680	\$ 17,680
Rent Collected	\$ 4,877	\$ 61,446	\$ 61,446	\$ 57,569	\$ 61,446	\$ 61,446
<b>MULTIPURPOSE ROOM - CAPACITY</b>		100				
<b>Live Presenting</b>						
Performances		6				
Event Days		6				
Prep Days		2				
Total Days in the Theater		8				
Ave Capacity Sold		55%				
Total Attendance		330				
Average Ticket Price	\$	20.00				
Total Box Office	\$	6,600				
<b>Film Presenting</b>						
Screenings		16				
Event Days		8				
Prep Days		0				
Total Days in the Theater		8				
Ave Capacity Sold		33%				
Total Attendance		528				
Average Ticket Price	\$	12.00				
Total Box Office	\$	6,336				
<b>Inbound Education Programs</b>						
Performances		30				
Annual Participants		600				
Paid Participants		500				
Average Fee	\$	9.00				
Program Fees	\$	4,500				
Total Days in the Theater		30				
<b>Professional Rentals</b>						
Performances		60				
Total Days in the Theater		67				
Ave Capacity Sold		60%				
Paid Attendance		1,800				
Average Ticket Price	\$	12.00				
Rental Box Office	\$	21,600				
Average Daily Rental Rate	\$	200				

SPACES, OPTIONS & COST	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Total Rent Collected		\$ 13,440				
<b>Local Professional Rentals</b>						
Performances		15				
Total Days in the Theater		20				
Ave Capacity Sold		30%				
Paid Attendance		450				
Average Ticket Price		\$ 12.00				
Rental Box Office		\$ 5,400				
Average Daily Rental Rate		\$ 180				
Total Rent Collected		\$ 3,510				
<b>Local Amateur Rentals</b>						
Performances		20				
Total Days in the Theater		28				
Ave Capacity Sold		60%				
Paid Attendance		1,200				
Average Ticket Price		\$ 12.00				
Rental Box Office		\$ 14,400				
Average Daily Rental Rate		\$ 162				
Total Rent Collected		\$ 4,536				
<b>Student/Charity Rentals</b>						
Performances		9				
Total Days in the Theater		10				
Ave Capacity Sold		40%				
Paid Attendance		360				
Average Ticket Price		\$ 12.00				
Rental Box Office		\$ 4,320				
Average Daily Rental Rate		\$ 146				
Total Rent Collected		\$ 1,470				
<b>Non-Performance Commercial Rentals</b>						
Total Days in the Room		5				
Average Daily Rental Rate		\$ 131				
Total Rent Collected		\$ 656				
<b>Non-Performance Nonprofit Rentals</b>						
Total Days in the Room		1				
Average Daily Rental Rate		\$ 118				
Total Rent Collected		\$ 118				
<b>Totals</b>						
Performances		156				
Total Days in the Room		176				
Paid Attendance		5,168				
Presenting Box Office		\$ 12,936				
Rental Box Office		\$ 45,720				
Total Box Office		\$ 58,656				
Program Fees		\$ 4,500				
Rent Collected		\$ 23,730				
<b>LEARNING SPACES (2) - CAPACITY</b>		2X60				
<b>Non-Performance Commercial Rentals</b>						
Total Days in the Room		20				
Average Daily Rental Rate		\$ 75				
Total Rent Collected		\$ 1,500				
<b>Non-Performance Nonprofit Rentals</b>						

SPACES, OPTIONS & COST		EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Total Days in the Room			30				
Average Daily Rental Rate			\$ 68				
Total Rent Collected			\$ 2,025				
<b>Totals</b>							
Total Days in the Room			50				
Total Rent Collected			\$ 3,525				
OUTBOUND PROGRAMS							
Days in Other Spaces			10	10	10	10	10
Rent Paid		\$	5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Performances			5	5	5	5	5
Annual Participants			1,000	1,000	1,000	1,000	1,000
Paid Participants			500	500	500	500	500
Average Fee		\$	26	\$ 26	\$ 26	\$ 26	\$ 26
Total Fees		\$	13,005	\$ 13,005	\$ 13,005	\$ 13,005	\$ 13,005
Staff Cost /Day		\$	433	\$ 433	\$ 433	\$ 433	\$ 433
Other Cost/Day		\$	208	\$ 208	\$ 208	\$ 208	\$ 208
Total Direct Costs		\$	6,407	\$ 6,407	\$ 6,407	\$ 6,407	\$ 6,407
Net from Outbound Programs		\$	6,598	\$ 6,598	\$ 6,598	\$ 6,598	\$ 6,598
ALL SPACE TOTALS							
Paid Attendance		51,627	80,129	74,961	70,131	74,961	74,961
Presented Event Box Office		\$ 434,844	\$ 755,052	\$ 742,116	\$ 578,338	\$ 742,116	\$ 742,116
Rental Box Office		\$ 985,684	\$ 1,531,560	\$ 1,485,841	\$ 1,328,284	\$ 1,485,841	\$ 1,485,841
Total Box Office		\$ 1,420,528	\$ 2,286,612	\$ 2,227,957	\$ 1,906,622	\$ 2,227,957	\$ 2,227,957
Program Fees		\$ 10,705	\$ 53,691	\$ 49,191	\$ 49,191	\$ 49,191	\$ 49,191
Total Rent Collected		\$ 114,298	\$ 210,465	\$ 183,210	\$ 170,636	\$ 183,210	\$ 183,210
<b>OPERATING BUDGET</b>		<b>Projected 2013-14</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>	<b>Forecast 2017-18</b>
<b>Earned Revenue</b>							
<i>General Operations Income</i>							
Box Office Fees		\$ 94,000	\$ 167,988	\$ 165,110	\$ 128,672	\$ 165,110	\$ 165,110
Ticketing Service Charges		34,500	69,611	65,121	60,925	65,121	65,121
Unredeemed Box Office Credits		13,000	39,204	22,834	17,795	22,834	22,834
Commissions - Merchandise		9,000	13,734	12,753	10,791	12,753	12,753
Concessions		58,500	90,796	84,940	79,467	84,940	84,940
Goods and Services - Procured		38,000	63,139	51,191	47,678	51,191	51,191
Personnel Fees		163,500	273,604	220,256	205,140	220,256	220,256
Promotional Considerations (gen. operation)		3,550	5,417	5,030	4,256	5,030	5,030
Rent - Basic		136,000	210,465	183,210	170,636	183,210	183,210
<i>Total General Operations Income</i>		<b>550,050</b>	<b>933,958</b>	<b>810,446</b>	<b>725,360</b>	<b>810,446</b>	<b>810,446</b>
<i>Presentation/Programs Income</i>							
Advertising (programs)		8,924	15,470	14,473	13,540	14,473	14,473
Grants		71,800	117,393	117,393	117,393	117,393	117,393
Education/Enrichment Fees		9,986	40,686	36,186	36,186	36,186	36,186
New Outbound Education Programs			13,005	13,005	13,005	13,005	13,005
Memberships		13,063	19,934	18,510	15,663	18,510	18,510
Sponsorships		87,000	144,159	126,322	118,182	126,322	126,322
Ticket Sales		422,500	755,052	742,116	578,338	742,116	742,116
Travel Subsidies - Artist Selection		9,200	14,039	13,036	11,031	13,036	13,036
<i>Total Presentation/Programs Income</i>		<b>622,473</b>	<b>1,119,739</b>	<b>1,081,041</b>	<b>903,337</b>	<b>1,081,041</b>	<b>1,081,041</b>
<i>Other Income</i>							

SPACES, OPTIONS & COST	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Bank Interest	4,300	6,562	6,093	5,156	6,093	6,093
City of Fredericton (operating stipend)	470,700	704,903	704,903	704,903	704,903	704,903
176,000 City of Fredericton (services in kind)	176,000					
Other Government		0	0	0	0	0
Contributions (private sector)	48,000	52,320	52,320	52,320	52,320	52,320
Other Grants (mostly employment grants)	23,500	25,615	25,615	25,615	25,615	25,615
Fundraising Events (private sector)	33,030	36,003	36,003	36,003	36,003	36,003
Miscellaneous	8,800	13,429	12,470	10,551	12,470	12,470
<i>Total Other Income</i>	<b>764,330</b>	<b>838,831</b>	<b>837,403</b>	<b>834,548</b>	<b>837,403</b>	<b>837,403</b>
	<b>1,936,853</b>	<b>2,892,528</b>	<b>2,728,890</b>	<b>2,463,245</b>	<b>2,728,890</b>	<b>2,728,890</b>
<b>Cost of Goods Sold</b>						
Concessions - Goods	25,600	44,063	37,171	34,775	37,171	37,171
Procured Goods and Services	29,500	53,170	39,740	37,013	39,740	39,740
<b>TOTAL COGS</b>	<b>55,100</b>	<b>97,233</b>	<b>76,911</b>	<b>71,788</b>	<b>76,911</b>	<b>76,911</b>
<b>GROSS OPERATIONS PROFIT</b>	<b>1,881,753</b>	<b>2,795,295</b>	<b>2,651,979</b>	<b>2,391,457</b>	<b>2,651,979</b>	<b>2,651,979</b>
<b>EXPENSES</b>						
<i>Administrative Expenses</i>						
Bad Debts	237	310	284	232	258	284
Board / committee meetings	1,500	1,962	1,799	1,472	1,635	1,799
Marketing (general)	9,700	12,688	11,630	9,516	10,573	11,630
Fundraising (annual campaign/general)	8,900	11,641	10,671	8,731	9,701	10,671
Fundraising Events	21,000	27,468	25,179	20,601	22,890	25,179
Memberships / Licenses	5,100	6,671	6,115	5,003	5,559	6,115
Miscellaneous	4,100	5,363	4,916	4,022	4,469	4,916
Office Equipment	5,000	6,540	5,995	4,905	5,450	5,995
Office Supplies	4,000	5,232	4,796	3,924	4,360	4,796
Postage & Delivery	700	916	839	687	763	839
Professional and Audit fees	7,800	10,202	9,352	7,652	8,502	9,352
Professional Development	16,000	20,928	19,184	15,696	17,440	19,184
Existing Salaries and Benefits -- Managem	458,600	499,874	499,874	499,874	499,874	499,874
New Position Salaries and Benefits						
Full-time Staff						
Program Staff		45,000	45,000	45,000	45,000	45,000
Operating Staff		105,000	105,000	105,000	105,000	105,000
Service Fees	3,000	3,924	3,597	2,943	3,270	3,597
Information Technology	28,000	36,624	33,572	27,468	30,520	33,572
Consultant Fees	2,400	3,139	2,878	2,354	2,616	2,878
Telephone	22,200	29,038	26,618	21,778	24,198	26,618
Travel and Meetings	2,800	3,357	3,357	2,747	3,052	3,357
<i>Total Administrative Expenses</i>	<b>601,037</b>	<b>835,876</b>	<b>820,656</b>	<b>789,605</b>	<b>805,130</b>	<b>820,656</b>
<i>Building and Operations Expense</i>						
Heat & A/C (In Kind)	77,000	95,461	76,433	86,397	106,927	82,717
Maintenance (In kind)	35,000	134,400	107,612	92,568	118,808	116,459
Power (In kind)	52,000	179,200	143,482	138,852	178,211	155,278
Insurance/water (In kind)	12,000	41,514	33,239	28,592	36,697	35,972
Non-City Maintenance	25,000	73,472	58,828	92,568	118,808	63,664
Credit Card/POS Fees	49,000	87,568	86,068	67,074	86,068	86,068

SPACES, OPTIONS & COST	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Patron Services	6,000	7,848	7,848	7,848	7,848	7,848
Janitorial Supplies	8,300	11,761	10,856	10,856	10,856	10,856
Refuse Collection	1,600	2,093	2,093	2,442	2,616	2,616
Storage -- off site	3,175	4,153	4,153	4,153	4,153	4,153
Technical Supplies & Expenses	13,000	17,004	17,004	21,255	21,255	21,255
Ticketing System & Supplies	21,000	27,468	27,468	34,335	34,335	34,335
Wages, Salaries & Benefits - Ticketing	73,900	96,661	96,661	112,771	120,827	120,827
Wages, Salaries & Benefits - Technical	223,200	328,439	291,946	316,274	316,274	316,274
Wages, Salaries & Benefits - Patron Service	26,700	37,834	37,834	37,834	37,834	37,834
Wages, Salaries & Benefits - Janitorial & Maintenance	48,600	79,461	68,866	74,164	79,461	74,164
<i>Total Building &amp; Operations Expense</i>	<b>675,475</b>	<b>1,224,336</b>	<b>1,070,391</b>	<b>1,127,983</b>	<b>1,280,977</b>	<b>1,170,319</b>
<i>Presentation/Programs Expenses</i>						
Advertising & Communications	129,650	231,698	227,729	177,471	227,729	227,729
Promotions & Audience Development	1,860	2,433	2,636	2,433	2,636	2,433
Artists' Fees	299,608	453,031	445,270	347,003	445,270	445,270
Block Booking Commissions	2,335	3,054	3,309	3,054	3,309	3,054
Production & Artistic - <i>Christmas @theplay!</i>	50,012					
Hospitality, Meals, Per Diems	5,800	7,586	8,219	7,586	8,219	7,586
Outreach and Education	20,021	30,552	26,187	26,187	26,187	26,187
SOCAN	6,400	8,371	8,371	8,371	8,371	8,371
Sponsor Expenses	892	1,167	1,167	1,167	1,167	1,167
Artist Selection	20,000	26,160	26,160	26,160	26,160	26,160
Technical Expenses (rentals, services)	15,000	22,890	22,890	22,890	22,890	22,890
Travel and Accommodations - Artists	25,700	39,218	39,218	36,417	36,417	36,417
Technical Personnel Fees (internal)	35,300	53,868	53,868	57,716	57,716	57,716
Wages, Salaries & Benefits - Programs	31,600	48,222	37,888	48,222	48,222	48,222
<i>Total Presentation Expenses</i>	<b>644,178</b>	<b>928,250</b>	<b>902,911</b>	<b>764,677</b>	<b>914,291</b>	<b>913,201</b>
<b>TOTAL OPERATIONS EXPENSE</b>	<b>1,920,690</b>	<b>2,988,463</b>	<b>2,793,957</b>	<b>2,682,265</b>	<b>3,000,398</b>	<b>2,904,176</b>
<b>OPERATIONS SURPLUS (DEFICIT) before transfers &amp; F</b>	<b>(38,937)</b>	<b>(193,168)</b>	<b>(141,978)</b>	<b>(290,808)</b>	<b>(348,419)</b>	<b>(252,197)</b>

<b>Increase in Annual Funding from Escalated Current Facility</b>	<b>150,726</b>	<b>99,537</b>	<b>248,366</b>	<b>305,978</b>	<b>209,756</b>
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**Ratios and Formulas**

Total Earned Income	\$	1,113,823	\$	1,943,290	\$	1,779,651	\$	1,514,007	\$	1,779,651	\$	1,779,651
Earned Income/Operating Expenses		58%		65%		64%		56%		59%		61%
Escalation Factor from 2014 to 2018												
Box Office Fees as a % of Ticket Sales		22%		22%		22%		22%		22%		22%
Total Paid Attendance		51,627		80,129		74,961		70,131		74,961		74,961
Average Order Size		2.2		2.2		2.2		2.2		2.2		2.2
# of Ticket Orders		23,467		36,422		34,073		31,878		34,073		34,073
Service Charge/Order	\$	1.47	\$	1.91	\$	1.91	\$	1.91	\$	1.91	\$	1.91
Ticketing Service Charge	\$	34,500	\$	69,611	\$	65,121	\$	60,925	\$	65,121	\$	65,121
Unredeemed BO Credits as % of Box Office												
		3%		5%		3%		3%		3%		3%
Concession Income/Paid Attender	\$	1.13	\$	1.13	\$	1.13	\$	1.13	\$	1.13	\$	1.13

SPACES, OPTIONS & COST	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
Goods and Services - Procured as % of Re	28%	30%	28%	28%	28%	28%
Personnel Fees as a % of Rent Collected	120%	130%	120%	120%	120%	120%
Program Advertising/Paid Attender	\$ 0.17	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19
Education Program Participants	2,022	5,984	3,140	3,140	3,140	3,140
Education Fees/Paid Participant	\$ 4.94	\$ 4.51	\$ 4.94	\$ 4.94	\$ 4.94	\$ 4.94
Sponsorship Income/Paid Attender	\$ 1.69	\$ 1.80	\$ 1.69	\$ 1.69	\$ 1.69	\$ 1.69
COGS						
Concessions as % of Sales	44%	49%	44%	44%	44%	44%
Procured Services as % of Sales	78%	84%	78%	78%	78%	78%
Bad Debts as % of Rental Income	0.2%	0.2%	0%	0%	0%	0%
Fundraising Costs as % of Proceeds	19%	15%	15%	15%	15%	15%
Fundraising Event Costs as % of Event Pro	64%	73%	64%	64%	64%	64%
Building and Op Expense/Square Foot	25,900	89,600	71,741	61,712	79,205	77,639
Heat & A/C (Natural Gas)	\$ 2.97	\$ 1.07	\$ 1.07	\$ 1.40	\$ 1.35	\$ 1.07
Maintenance	\$ 1.35	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Power (Electricity)	\$ 2.01	\$ 2.00	\$ 2.00	\$ 2.25	\$ 2.25	\$ 2.00
Insurance/water	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46
Non-City Maintenance	\$ 1.89	\$ 0.82	\$ 0.82	\$ 1.50	\$ 1.50	\$ 0.82
Credit Card/POS Fees as % of Ticket Sales	12%	12%	12%	12%	12%	12%
Advertising & Communications as % of Tick	31%	31%	31%	31%	31%	31%
Promotions & Audience Development as %	0.4%	0%	0%	0%	0%	0%
Artists' Fees as % of Ticket Sales	71%	60%	60%	60%	60%	60%
O&E Expense as a % of O&E Revenues	200%	200%	200%	200%	200%	200%
Sponsor Expenses as % of Sponsor Incom	1%	1%	1%	1%	1%	1%



**appendix d:**

**KMA Pre-campaign Planning  
Study Report**

THE FREDERICTON  
PLAYHOUSE

REPORT FROM  
CAPITAL CAMPAIGN  
PLANNING STUDY

KMA CONSULTANTS INC.

January 29, 2015



*Helping Non-Profits Succeed.*  
**SUCCEED.**

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# 1. Executive Summary

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Conducting a pre-campaign study for The Fredericton Playhouse (TFP) has been a significant pleasure. The calibre of people we have met during interviews and groups, their engagement in the topic, and the energy, efficiency and vision of TFP personnel has been invigorating. We also enjoyed collaborating with the excellent team they have put together, including Webb Management Services and Diamond Schmitt Architects.

The study was commissioned to test the feasibility of The Fredericton Playhouse raising \$10 million in a private sector campaign for a new performing arts centre (PAC). In this report we note the methods used and people consulted and we summarize the discussion. As well, we include a detailed survey of the current fundraising climate and competition.

We discovered that there is a great deal of respect, goodwill and enthusiasm for TFP. It is seen as an important contributor to the cultural, community and economic life of the area. The leadership of TFP is frequently mentioned as an important asset.

We also discovered a significant lack of understanding of the need for a new PAC among those we engaged. Many know that the existing Playhouse has many limitations and failings, but relatively few have come to the point of believing it should be replaced. Most feel that the proposal raises a large number of important and unanswered questions.

Nonetheless, a high percentage of those interviewed would support The Playhouse in a capital campaign, based on the value they assign to The Playhouse, their loyalty, and their recognition that The Playhouse has not approached the community in a major campaign for decades.

Still, while many would make gifts, the gift levels suggested by potential donors, when taken together and evaluated by established standards, do not support a goal of \$10 million or any goal approaching that level. Mechanical application of rules-of-thumb to our study results would produce a goal under \$ 3 million. We discuss several factors leading to that conclusion, but also suggest a way forward that would make setting a larger goal a responsible and reasonable choice.

Before the community is approached for any goal, the information and communication needs call for a sustained engagement around vision and the rationale and plan for a new PAC. TFP has strong momentum in those areas, and seems well equipped to stimulate the discussion various stakeholders must have about TFP, and the future of the performing arts in Fredericton and the area.

*Respectfully submitted,  
KMA Consultants*

## 2. Study Goals and Methods

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### **2.1 Goals of the study**

#### **Leadership**

- Confirm/explore suitability of individual leadership candidates (already identified and/or as identified during the study) and lay foundation for leadership recruitment strategy.
- Identify from among those interviewed additional women and men who are willing to consider playing a volunteer role in a campaign.
- Identify men and women who may help pinpoint, gain access to, and secure cornerstone and major gifts from important individual, corporate, group and foundation prospects.

#### **The Case for Support**

- Test the degree to which the vision of Webb/FPI and the project itself are understood and supported in principle by constituent groups.
- Test the general level of support for specific elements of the project proposed.

#### **Potential for Support**

- Assess the degree to which the project (and its various elements) is likely to elicit financial support, and under what conditions.
- Assess the potential for naming opportunities and other recognition to elevate the likelihood of giving and/or the size of gifts.
- Assess the potential effect of other fundraising activities on the proposed campaign.
- Recommend a range for the Campaign goal.

#### **External Awareness**

- Assess general perceptions of the initiatives to be funded with an emphasis on determining strengths and weaknesses potentially affecting campaign support.
- Assess any public relations, perception or awareness issues brought forward during the study that would have to be addressed before or during the campaign.
- Recommend a course of action related to such issues.

#### **Campaign Planning**

- Propose refinements to current campaign planning based on study findings.
- Recommend general positioning of campaign within Webb/FPI's existing communications and marketing strategy (developed further during case development).

#### **Internal Resources and Readiness**

- Make observations and/or recommendations on any aspect of organizational readiness for a campaign that may arise from engagement with Webb/FPI leadership and staff.

## **2.2 Study activities**

The study incorporated these activities:

- Review of FPI planning documents and collateral material;
- Scan of campaign and related activity around New Brunswick and the Atlantic region;
- Meetings with the senior TFP leaders, and participation in discussions with architect, arts consultant, and city staff etc.;
- Observing community consultations;
- Review of results of fundraising (annual and previous campaigns) and fundraising systems;
- Development of research tools (project description for use in discussions, interview questionnaires, group discussion guides) for approval by the Playhouse;
- 33 personal interviews including 41 individuals representing the various constituencies of TFP;
- Two group discussions involving a total of 21 representatives of the Board, senior staff, volunteers, and other stakeholders (group discussions largely focus on case-for-support and perception issues).

### 3. Key Findings – General

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This section focuses on what was heard by KMA during interviews and groups.

#### 3.1. Image/Reputation

- TFP has a high profile and a stellar reputation in the community.
- People generally rate the experience of attending an event at TFP very highly.
- People value TFP for its role as a cultural anchor and focal point for the city, for the diversity of its offerings, for the impetus it adds to arts endeavours, and the excellent execution of its work.
- Many people credit Tim Yerxa with the success of TFP in recent years, as well as giving high marks to other staff and to volunteers.
- There is a strong consensus that TFP is well managed, although many people say they believe so because they never have heard or seen otherwise, saying they don't know the details of TFP operations.
- No one identified any reputational issues that would negatively affect TFP fundraising.
- A relatively small number identified limitations affecting performers/ groups.
- Several people believe TFP rental fees are too high for a number of smaller organizations in the city. A few also believe TFP should offer more free opportunities or discounted rates on tickets to organizations serving disadvantaged persons.
- People are uncertain what the educational role of TFP is, yet have a sense it should or could be larger.

#### **Question:**

*Do you feel that, overall, the work of the Playhouse is: Outstanding, Good, Average, Poor*

Of 33 responses, 42 per cent answered "outstanding", 60 per cent were above "good."

Poor	0
Average	1
Good	10
Good to outstanding	6
Outstanding	14
No answer/don't know	2

**KMA COMMENT:** The image, reputation and popularity of TFP is an enormous asset.

### 3.2 Awareness of PAC project

- By a wide margin, most people interviewed said they were already aware of the discussion about replacing or upgrading the Playhouse prior to the interviews.
- Several people mentioned news stories dealing with mechanical studies, deficiencies of the building etc., heard/read over a period of years.
- Many people said they had little knowledge of the extent of the challenges/limitations of the building prior to reading the material sent out for this study.
- A majority believe most people in the community have little understanding of the challenges and limitations of The Playhouse structure.

**OBSERVATION:** The community knows something must happen and a major project will not be a surprise.

### 3.3 Perceptions of physical limitations of The Playhouse

*The following are some of the elements named when people described “weaknesses” of the Playhouse:*

- Public space in general
- Line-ups – for concession, bathrooms, coatroom
- Green room too small
- Lack of orchestra pit
- Poor acoustics
- Lack of flexibility for public shows
- Air quality, heating
- Mechanical systems

**KMA COMMENT:** Most comments were directly related to “customer experience” as a patron. Only a few seem tuned into the infrastructure deficiencies.



### 3.4 The appeal of a new PAC

- Most understand the appeal of having a new PAC, and the asset it would be to the cultural life of the city: most assume it would be busy and well used.
- A very small number are passionately in favour of making a dramatic statement about the importance of the performing arts in Fredericton through such a new Centre. In such cases there is an instinct to have more seats than 800 and a building that is seen as transformational for the city and region.
- In general, those most involved in the arts (of any kind, and whether as organizers, leaders, volunteers, managers, artists, or audience members/patrons) are more clearly inclined to favour construction of new facilities on a new site.
- During interviews it became clear that the actual proposed features of any new PAC do not yet capture people's attention. People are thinking much more about economic considerations (see later section) and the potential locations.
- For some, the appeal of a new PAC grows when married to ideas for retail/office/residential co-development, which would be seen as creative, fiscally responsible and forward-thinking.
- Asked if, based on interview discussion and materials sent in advance of interviews, it "makes sense" to replace the Playhouse with a new facility, about half of respondents said yes. Almost half said no, and a few had no opinion or said maybe.
- For a majority of the respondents, the question becomes choosing "what we want" versus "what we need" and even "what we can get by with."
- As many as a quarter of interviewees caution that it would undermine its success if building a new PAC results in higher ticket prices and/or higher rental fees for community groups.

#### **Question:**

*On a scale of 1 to 5, please rate the importance you place on this project for the Greater Fredericton area, with 1 being very low and 5 being very high.*

# of responses: 52 (from interviews and groups)

**Average rating: 3.9 out of 5**

(6 interviewees did not give a rating: two said they didn't know enough, two simply didn't comment and two were sufficiently critical of the entire idea that they could not even entertain the question. Some people had difficulty separating their positive feelings for The Playhouse from how they would rate the importance of a new PAC for Fredericton.)

**KMA COMMENT:** The actual proposed features of any new PAC are abstract and theoretical and do not yet capture people's attention. People are thinking much more about economic considerations, potential locations and the plans for the current building and site.

### 3.5 Key questions and concerns of the project (non-fiscal/economic)

- There is great loyalty to the current building, and its historic presence in Fredericton.
- Many have a strong preference for the current location.
- Many see it as visually crucial to that part of downtown, citing adjacent unappealing office buildings, parking garages, and hotel façade.
- The Playhouse is also seen as the most “public” downtown building (notwithstanding the Beaverbrook Art Gallery, which people appreciate but which is seen as engaging only a small segment of the population.)
- Most patrons never think of the limitations of The Playhouse because their experience is generally very positive.
- Most people find it hard to believe nothing long-term and economically viable can be done on the current site.
- Generally, interview participants are sceptical of the conclusion that a totally new building is needed; despite saying it “makes sense” to build a new facility, they have many significant questions that must be answered before they would actually endorse a plan.
- People have only a vague understanding of how a new PAC would make a major difference in Fredericton. They have not seen or been captivated by a vision.
- For many respondents, the question of the desirability/importance a new PAC cannot be answered without knowing what happens to the current building and site.
- Several people said they suspect that an unspoken desire to “keep up” with Moncton and/or Saint John partly inflates the desire for a new PAC.
- The discussion about a new PAC is coloured by an undercurrent of negativity ranging from doubts to scepticism to anger surrounding the Convention Centre, which several characterize as a “white elephant” that doesn’t achieve its business projections, and did not deliver a “promised” new hotel.
- Those most concerned about the Convention Centre find it difficult to get past the question of why The Playhouse wasn’t rebuilt at the same time, if the needs of The Playhouse had been known by the City for a long time.
- People want to know why spaces within the Convention Centre could not still be used for Playhouse activities, and indeed, whether it is possible to rebuild The Playhouse on its current site and integrate it more fully with the Convention centre, to gain some of the additional footprint needed by The Playhouse.
- A small number articulated doubts about the will of the City to design, fund and build something that would be striking, appealing, efficient, and provide long-term serviceability.

**KMA COMMENT:** The “information” and “case-for-support” needs of the project cannot be overstated and will require significant attention early on.

### 3.6 Key questions and concerns about the project (fiscal/economic)

- Many interviewees expressed ‘sticker shock’ at the initial overall budget of \$40 million.
- People with experience in building or engineering or similar projects do not question that the costs are appropriate to what is described, but several strongly question whether that level of expenditure is appropriate for Fredericton.
- While not saying that the Playhouse is a lower priority, many people question what the priority needs are in the city and whether such an amount should be invested in “culture.” Others, however, cite the “Smart Centre” designation, Fredericton as a “town & gown” community and as a cultural hub as signs that culture (broadly defined) is a high priority and essential to Fredericton’s identity.
- Many people are highly dubious that a new PAC will not, in the end, require a larger operating subsidy from the City, to which they would be opposed.
- People note the statistics about how many households buy a Playhouse ticket etc. but do not have a basis of comparison with other facilities: the assumption seems to be that a higher percentage of households use sports facilities, for example.
- A few people mentioned the need for a new aquatic facility in the city.
- Many people consider the project as “aspirational,” or “nice to have” rather than needed.
- Running through almost all interviews were observations that times are very tough in New Brunswick and not likely to get better.
- Business people are pessimistic about economic growth in Fredericton in next few/several years, citing a shrinking housing sector, and reduced hiring in high-tech.
- They report a feeling of “discouragement” over provincial and local trends for employment and economic development.
- Several people interviewed are uncertain enough about the future that they question the sustainability of the City’s current operating support for TFP.
- People do not see how anyone can count on provincial funds for such a project or any other major project.
- Many cannot imagine any way for the province to justify an investment even if it did want to participate.
- Some people interviewed believe it would be imprudent and “unseemly” to invest \$40 million in a single facility, unless there is a change in the province’s economic climate.

**KMA COMMENT:** Many people are unaware of the current and emerging performing arts needs of the community. Many have only a superficial understanding of why the current building and site cannot meet those needs. Those information gaps, and the size of the proposed project make it likely the PAC will be classed as optional and “nice” rather than as integral to the well-being of the community. At the same time, the economic situation puts the entire discussion in a stark frame.

## 4. Campaign dynamics for The Fredericton Playhouse

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### 4.1 Key questions and concerns related to a potential TFP campaign

- There is no resistance to the idea of a capital campaign conducted by The Playhouse. Its reputation and popularity are strong, and it is a highly valued community asset.
- Several people noted that The Playhouse has never had a major capital campaign, and for the right plan, would likely find strong support.
- A minority (one third) of people interviewed believe that the people of Fredericton can and would donate \$10 million to a new PAC.
- Some make a distinction between “capacity” (which they believe exists in Fredericton) and “appetite” to support another campaign (an appetite which they believe is flagging.)
- A number of people said “Yes, if you can get million-dollar gifts from persons x, y and z outside the community.”
- People quickly cite donor fatigue as a big issue in Fredericton, with some interviewees still fulfilling pledges to the YMCA, the Hospice and other campaigns.
- Some people expect resistance to such a campaign from a sector of the population because other municipal facilities (arenas) have been built without a public appeal.
- People involved in the YMCA campaign note that it took an enormous effort and extreme thoroughness in canvassing donors to raise half of what is proposed as a goal for TFP.
- Those who do think such a goal is achievable strongly underscore their belief that it will be very difficult.
- Most people concede that there are always competing campaigns, but believe the coming campaign for the University of New Brunswick (now reportedly in Cabinet recruitment) would compete directly with The Playhouse for donors and volunteers.

**Question:** *Do you believe a goal of \$10 million is attainable in a fundraising campaign to be pledged over a three-year period?*

Yes	11
Probably	1
Maybe	7
No	6
Unlikely	5
Don't know	1

**KMA COMMENT:** The ambivalence of the group about the prospects for a \$10 million campaign is accentuated by the many questions people have about the plans being developed, and uncertainty about the priority Frederictonians will place on the performing arts. Few of those interviewed believe the playhouse can raise \$10 million without substantial gifts from people who do not live in the city.

## 4.2 Giving & volunteering: Indicators of involvement and buy-in

**Question:** *Would you personally financially support a capital campaign for TFP?*

*(In numerous interviews, this question had to be prefaced by a statement such as "If your questions were answered," or "If The Playhouse brought forward a proposal you could be enthusiastic about, would you ...)*

Yes	27*	
No	4	
Maybe	1	
Not applicable	1	*See table of gifts below

**Question:** *Would you be willing to take an active part in this campaign as a volunteer?*

Yes	7
Maybe	5
Unlikely	2
No	18

## 4.3 Potential gifts identified during interviews

**Question:** *In what range might your gift be? (Note: this is not a commitment or pledge).*  
27 people said they would give. 22 were willing to specify a potential amount.

Possible pledge total over 3 years	# of pledges at this level	Totals	
\$250,000	1	\$250,000	
\$50,000	5	\$250,000	
\$25,000	3	\$75,000	
\$20,000	2	\$40,000	
\$15,000	1	\$15,000	
\$10,000	3	\$30,000	
\$5,000	5	\$25,000	
\$2,000	1	\$2,000	
\$1,500	1	\$1,500	
<b>Total</b>	<b>22</b>	<b>\$688,500</b>	Note: three respondents gave a range for their possible gift. This table reports the total based on the numbers from the high end of the range. The total using the low-end numbers is \$598,500, a difference of \$90,000.

**KMA COMMENT:** In sections 4.2 and 4.3 one sees the heart of the challenge for TFP. The high levels of goodwill will translate into a willingness to give, as loyal friends, enthusiastic supporters and good citizens. That willingness to give does not, however, translate into an automatic willingness to help make a campaign happen, nor into gift amounts (among those interviewed) that would generate confidence about success in a large campaign. (Meanwhile, based on our interviews, we believe that those same gifts would be available for a campaign to refurbish/reconfigure the existing Playhouse.)

#### 4.4 Potential campaign leadership

Interviewees were asked about their own potential involvement as volunteers (reported above) as well as any they would suggest as leaders, producing a lengthy list of individuals recommended to The Playhouse for consideration. That list is delivered separately to TFP, to be held as a confidential file until such time as active volunteer recruitment begins.

**KMA COMMENT:** Leadership recruitment is the single most important task in conducting a campaign and so will require significant strategic effort.

#### 4.5 Readiness of TFP to conduct a campaign

Readiness to campaign is a function of the capacity of an organization's personnel and systems, the giving history of its donors, and the potential of its prospects.

TFP is not highly developed as a fundraising organization. Fundraising has largely meant sponsorships (\$75,000-\$95,000 in any year) and hosting a popular annual event (this year, *The Rogers Backstage Bash* on Feb 21, 2015) with proceeds supporting education and outreach programming. The annual giving program "Friends of the Fredericton Playhouse" raised \$46,000 in 2013, and is steadily growing.

	2011-12	2012-13	2013-14
Donations	\$ 38,061	\$ 36,446	\$ 46,000
Grants	\$ 12,981	\$ 6,297	\$ 8,200
Fundraising Events	\$ 23,181	\$ 27,413	\$ 28,500

In 2004, TFP raised \$117,000 from 195 individual donors (with a few gifts in the \$5,000 range) through the "Take A Seat" appeal to replace all seating in the auditorium. TFP, therefore, does not have an established major donor program as a basis for beginning a campaign. It also does not have a "fundraising identity" in the community.

TFP staff are very capable and well-regarded, but also fully occupied, and with no unused excess capacity for a major campaign. That capacity must be created from the ground up. This is not unusual: most organizations launching a capital campaign hire staff for the campaign. Those costs typically are considered part of the goal and are paid out of the proceeds of the campaign.

What TFP does have is a very positive reputation in the community, high recognition, a lot of goodwill, a roster of committed volunteers, and an extensive pool of people from the Greater Fredericton area who buy tickets. Creating capacity to conduct a capital campaign is much easier than building a reputation and community goodwill.

The disciplined and energetic way in which TFP approaches tasks suggests to KMA that TFP is equal to the challenge of creating and executing a campaign. This conclusion is reinforced when one considers that a campaign is likely not imminent, allowing TFP time to make sound strategic choices in preparing. The greater challenge will be refining the project to a much higher level of definition, and meeting the information needs of the community.

## 5. The context for campaign fundraising for TFP

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The KMA study included a detailed environmental scan of fundraising in Canada and NB, and especially as is relevant to the TFP project. The detailed report is provided under separate cover. The observations extracted here help illuminate planning steps for the PAC project.

### 5.1. Donor preferences & priorities

According to the most recent data derived from Canada Revenue Agency and other reports, “Arts & Culture” remains one of the lowest philanthropic priorities among Canadian donors.

	Sources of charitable gifts by total \$	% of segment total given to “arts & culture”	Percentage within segment given to other sectors
<b>Individuals</b>	57 %	1 %	Religious – 38% Health – 20% Other – 14% International aid/disaster – 13% Social services – 10% Education & research – 4%
<b>Foundations</b>	24 %	8 %	Education & research – 29% Social services – 17% Health & hospitals – 15% Religion – 9% International – 6% Other – 16%
<b>Businesses</b>	19 %	3 %	Health & hospitals – 66% Social services – 10% Schools & universities – 6% Sports & recreation – 5% Other – 6% United Way – 4%

#### *Primary implications for TFP.*

- Individuals remain of greatest importance as donors, most influential decision-makers, and champions, particularly in a major campaign.
- All campaigns require significant lead gifts: that need is accentuated for any campaign for “Arts & Culture.” (Current trends are that it is taking longer than in the past for people to decide to make such gifts.)
- One should not evaluate a potential goal solely from campaign results in other sectors.
- A new PAC must be seen as also making a clear and significant contribution to the educational and social service needs and priorities of the community.
- The case must include the value of performing arts for the health and welfare of the entire community – one cannot assume that is understood or accepted.



## 5.2 Emerging Trends

- 25% of donors together accounted for 83% of the value of all donations (in 2010).
- 10% of donors account for 63% of the total donations
- University graduates donate on average double everyone else, and are far more likely to donate than others.
- The *largest demographic group* of donors is now in the 35 - 44 age range, a shift from 2007 and 2004 which reported the largest demographic of donors to be between the ages of 45 - 54. However people older than 55 make the biggest gifts and give more in total.
- Education, household income and age are important factors in top philanthropic giving as well as giving to the arts and culture sector.
- University graduates are much more likely than other Canadians to donate to an arts and culture organization as are those with household incomes of \$100,000
- Women are more likely than men to donate to arts and culture organizations.

### *Primary implications for TFP*

- Given the high educational levels of the people of the area, and the City's own identity as a cultural hub and the SMART City emphasis, TFP is well positioned to experience the benefit of these demographic realities.
- Several people noted that they are drawn to TFP through activities including their children or grandchildren, or to support activities focused on children and youth. TFP will want to emphasize these intergenerational connections, and also engage people aged 35-54 who are just coming into their own as donors.

## 5.3 Other campaigns with particular relevance to TFP

The Canadian philanthropic marketplace has become one of the most active and competitive in the world. This reality is no different in Atlantic Canada. Over the last 10 years there have been more multi-million dollar campaigns than ever imagined in this region.

*(Details of these and other campaigns are found in the environmental scan report.)*

**University of New Brunswick:** The largest campaign in the University's history was the *Forging Futures Campaign*, completed in 2006, reporting \$100 million raised.

One gift accounted for 20 per cent of that total. KMA has been told that the University is now actively recruiting a new cabinet for a campaign with a significantly larger goal.

**Beaverbrook Art Gallery – Restoration Campaign** \$25 Million (2009 to present). As of April 2014 the Gallery reported raising \$16 million, of which \$8.4 million is from the federal and provincial government (\$3.4 million & \$5 million respectively) and \$7.6 million from the private sector, to date. One gift of \$1.12 million accounts for 14% of that total.

**YMCA Fredericton – “New Y Campaign”** \$11 Million. In 2012 the YMCA announced that their goal of raising \$5 million private support was reached. Some donors are still fulfilling pledges. Volunteers in that campaign report it as an enormous effort, and see it as the largest “community” campaign ever run in the city. On a goal of \$5 million, the largest gift reported in public was \$450,000, or nine (9) per cent of the goal.



**The Fredericton Hospice:** Launched in May 2014, the campaign has reportedly raised \$1.32 million on a goal of \$2.2 million. The largest reported gift to date is \$200,000. Several interviewees cited The Hospice as an example of a high priority need in the community, rather than a ‘want’ or ‘nice to have,’ which is how some view the building of a new PAC.

**Chalmers Regional Hospital Foundation** – Various campaigns have been completed, with little public reporting of major gift amounts. KMA was told that the Foundation is preparing for a new campaign, but no goal or focus was disclosed.

**Greater Saint John Regional YMCA** - In February 2014 it was reported that of the \$11.7 million goal, \$2.2 million came from governments, and \$7 million raised from the private sector. This is notable here only because of the \$7 million raised, \$3 million came from a single donor.

**Saint John Diocese of the Roman Catholic Church** – \$10 Million (on-going)

The \$10 campaign for the restoration the Cathedral of the Immaculate Conception is currently in the quiet phase. No gifts have been publicly reported, nor campaign volunteers announced. Fredericton is in the Diocese. Some interviewees noted they’d be making gifts to the campaign.

**Atlantic Cancer Research Institute:** The institute’s *Cancer Research Saves Lives* campaign, with a goal of raising \$10 million (\$5 million private fundraising and \$5 million research grants) is expected to successfully close in the spring of 2015. Two \$1 million gifts have been reported.

**Imperial Theatre Company Foundation** – The “Keep it Live” \$2.9 million campaign was completed in 2009, reporting two gifts of \$500,000 each.

#### Performing arts projects and campaigns outside Atlantic Canada

**St. Catherine’s Performing Arts Centre (ON)** - Launched in April 2013, the *New Performing Arts Centre* Campaign has reported raising \$2.5 million of its \$5 million fundraising goal (on a project costing \$60 million.) To date the campaign has reported one gift of \$1 million (20 per cent of the goal), and three other gifts totalling \$1.3 million.

**Burlington Performing Arts Centre (ON)** – In February 2014 the Center announced the completion of their \$11 million campaign, \$4 million of which was provided by the federal government. Of the \$7 million raised from donors, one family gave \$5 million.

**National Theatre School of Canada (ON)** – Launched in 2008, the national “Revealing Talent” campaign ran for five years, raising \$14 million. They reported three gifts at \$1 million or more and three at \$4450,000 or more. All lead gifts came from businesses or foundation.

#### *Primary implications for TFP*

- As the examples make clear, competition for donor gifts is intense.
- Lead gifts are crucial in every campaign.
- Campaign time frames are longer than ever.
- Apart from universities and hospitals, a \$10 million goal would be at the upper end of the market in NB, and for the other arts organizations profiled.

## 6. Overview of the situation for The Fredericton Playhouse

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In our opinion TFP has done an admirable job of bringing the concept of a new performing arts centre to the stage where it can be discussed in this way. Moving forward requires addressing the challenges of the situation, which we describe here as encapsulated in eight tensions.

### 6.1. Eight tensions affecting a potential campaign for The Fredericton Playhouse

1. Love and loyalty for the existing building	VS	Potential for greater accomplishment and service, and long life offered by a new PAC
2. The pleasant and happy experience of the Playhouse for most patrons	VS	The limitations of The Playhouse today and implications for its future
3. The high regard people have for TFP as a venue and as an organization in the community	VS	The complications of being municipally owned (precedents and track record with other projects, lengthy arc for decision making; difficulty in casting an exciting vision and galvanizing action)
4. The solely abstract understanding of what a new PAC might be	VS	The scepticism about the conclusion that a great future cannot be obtained on the current site
5. The well-refined concepts and descriptions of what is needed in a PAC	VS	The lack of a defined site to build on
6. The total cost of the project	VS	Pessimism about the economic climate
7. The campaign goal	VS	The community's sense of priorities and of what is an appropriate investment
8. The high proportion of people who say they would give	VS	The generally modest total of gifts identified during the study

### 6.2. Addressing the tensions

In our opinion, the tensions described here are not insurmountable. They are, however, heavily intertwined. KMA proposes TFP follow these assumptions in formulating its approach.

- The community cannot envision building a new PAC of any kind until the details of the limitations of the current facility and site are well understood and accepted by a much larger group of key people.
- The highest-calibre volunteer leadership will not be available unless the discussion moves away from what is not possible at the current site to what will be accomplished for the community through a new PAC.
- Most campaign activity cannot be undertaken until a site is identified and secured, a documented total budget is established, and the funding package is defined, including firm commitments from government(s).
- Success will be easier to achieve if the project and campaign are perceived as broad-based community-wide efforts, rather than an undertaking of the municipality.

Consequently the vision should be seen as firmly rooted in The Playhouse and the performing arts community, while the campaign is led by volunteers.

### 6.3. Setting a campaign goal

Identifying gifts of \$688,500 during the study does not set the stage for a private-sector campaign for \$10 million. If rules of thumb common in capital campaign fundraising were mechanically applied, the gap between the goal and what the study suggests is dramatic.

- For example, if we said we want to find at least one gift for 10% of the campaign goal, based on the \$250,000 contribution identified by one donor, we would project a goal of \$2.5 million (and as can be seen from earlier notes, 10% is a low threshold when compared with similar projects).
- If we assume (as is often done) that there will be gifts totaling as much as four times the amounts identified during a study, we would project a goal of \$2.75 million. (Note – in many circumstances, people will calculate the rule-of-thumb total based on a multiplier of three, rather than four.)

Those projections are ones we could recommend with a high degree of confidence, and that would immediately be understood in the fundraising sector. Achieving those amounts still requires an excellent campaign.

The inevitable question is whether or not The Playhouse can raise more than \$2.75 million. It is our opinion that TFP has potential to go beyond this nominal ceiling, for these reasons:

- The lack of engagement with the actual case for support for a new PAC, and the effect of numerous unanswered questions depresses enthusiasm for a project, and keeps aspects of the discussion theoretical. Therefore some gift amounts may be understated, compared with what people may be moved to do when presented with an exciting and compelling vision and a clear plan, and when they are asked by one of their peers, or someone of stature in the community.
- The high percentage of people who said they would make a gift – despite articulating many concerns and questions documented earlier – suggests that willingness to support The Playhouse exists broadly in the community.
- People with substantial means who do not live in Fredericton but may have an interest were unavailable to participate in an interview. One cannot presume on their responses, but it is reasonably likely that some non-residents would participate at some level.

The question then is how much can The Playhouse raise? We cannot answer that definitively. We do not think it will be close to \$10 million. But if our key recommendations are implemented, and TFP runs a strong, disciplined campaign, then a goal of \$4 million could be possible and in our opinion, would be a responsible choice for TFP.

Although speculative, it is also conceivable that TFP could raise more than \$4 million if certain key prospective donors chose to make a new PAC a high priority for their philanthropy. A campaign for TFP should prepare for such discussions.

## 7. Moving forward

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The leadership of TFP never planned on rushing into a capital campaign for a new performing arts centre.

The pre-campaign planning study assigned to KMA Consultants was part of an orderly process of evaluating the limitations of the current property, the needs and expectations of the community, how to maximize the potential for the performing arts in the city for a generation to come, and what options may exist to support that potential, and at what cost. With a concept developed to a higher level of refinement, the potential to raise funds for the prevailing consensus could be evaluated.

### 7.1 Six imperatives

In the opinion of KMA, TFP now faces six imperatives on which it must act in order to move forward. (We write these recognizing that decisions are not solely TFP's to make, and that the City plays a key role in setting direction: we have not attempted to allocate responsibilities between the City, TFP or any other stakeholder.)

To conduct a campaign, *for any amount*, for a new PAC:

1. More key people in Fredericton must come to agreement that the current site cannot host a facility that meets an acceptable level of performing arts needed for the future.
2. The future of the current building and property must be defined, or at least parameters set for defining that use in the future, in ways that assure people of its use in ways seen as a benefit to the community.
3. People must be introduced to a vision for the performing arts for the entire area, in which a new PAC is not only useful but essential.
  - The vision must be as specific as possible regarding programming, and elevate sights for the performing arts.
  - The vision must also show broad benefits for education, for engaging youth, and for strengthening the social fabric of the city.
  - A description of what will happen to the current site must be worked out.
4. The site for such a PAC must be selected.
  - If use of a specific site allows for co-development, or, especially if it requires co-development to be financially feasible, the plan by which that co-development is realized must create confidence that the development will occur.
5. The project budget must be confirmed, including land costs etc.
6. The contributions of various levels of government must be defined and firmly committed. *(See next page)*

## **7.2 Access to government funding for a new performing arts centre**

Typically in Canada, citizens (who also are the donors) expect large community installations to be supported by their governments. Hence comment # 6, above. A common pattern for many projects in the past has been that three levels of government have each provided a third of total government support. That, of course, is not automatic.

In this case, following that pattern, if TFP had a budget for a new PAC of \$40 million, and set a private-sector goal of \$4 million, TFP would be approaching governments at all levels for support totaling \$36 million. That would suggest a request to each level of government of \$12 million.

### City of Fredericton

It is KMA's understanding that City Council has identified the building of a new PAC to be a priority. No motion has yet been passed allocating funds, but the City is reportedly prepared to authorize \$14 million from its debt financing program. Further, we understand that taking on debt for construction of a new PAC can be accommodated entirely within debt financing limits prescribed in the City's approved long-term financial plan.

### Government of Canada

The most apparent source of funds from the Government of Canada is from the "Administrative Agreement on the Federal Gas Tax Fund" or what is commonly known as the gas tax program, which has a specific emphasis on cultural and recreational infrastructure. Those funds are already allocated by province, but are ultimately assigned to expenditures by municipalities. The City of Fredericton was considering certain infrastructure expenditures using those funds but is amenable to seeking funding from other federal channels, and allocating gas tax rebates to a new performing arts centre. Should this prove possible, this would become the backbone of the federal contribution.

As well, TFP can and should apply for support from the Canada Cultural Spaces Fund, although it is unlikely any grant from that fund would approach \$12 million (the nominal 'share' allocated to the federal government in this model.) The Atlantic Canada Opportunities Agency (ACOA) may also be interested in collaborating on funding for such a significant project. Consequently, a multi-pronged approach to the federal government is required.

### Province of New Brunswick

No specific program exists within the province to support such projects. TFP will almost certainly be required to enter into sustained discussions with provincial authorities about a new PAC and build a case for its long-term economic and cultural value to Fredericton, and to adjacent communities and the entire region.

The province might also play a role in securing land for the project. Although such action does not provide cash needed for construction, it would still represent a substantive contribution.

### Other municipalities

TFP (possibly with the City) should make an effort to engage other municipalities within the current and future FPH/PAC service area. The new PAC might be significantly more regional in its reach and focus than the existing Playhouse can be. Nearby municipalities might play a crucial role in bringing the project to fruition, if they concluded that they and their residents will benefit. These discussions should explore both capital and operating funds, including the potential use of gas tax revenues.

## **7.3 Recommendations**

KMA recommends:

1. That as quickly as possible, the Board and management of TFP, and leadership in the City create a strong internal consensus and come to a shared, firm conclusion that the preferred future is for a new performing arts centre on a new site.
2. That TFP develop a scenario for a project that is viable with \$ 4 million (or less) of investment from private sector donors (and that is still acceptable when people evaluate it as city taxpayers.)
3. That if the preferred future to which the City and TFP ultimately commit is for construction of a new PAC on a new site, TFP conduct an intensive educational engagement with community and business leaders, key donors and patrons, and colleagues from arts organizations that introduce them, in depth, to the deficiencies of the current site for either refurbishment or a new building on-site.

Preparing an answer to the question of use of the current site is also important.

We suggest briefings – “deficiency tours” or “hard-hat tours” – or something similar, where small homogeneous groups (developers in one group, retailers in another, donors in another etc.) physically tour the building, have their questions answered about the building, and costs of reconstruction etc. and become better acquainted with the factors leading to the conclusion that a new facility is required and is Fredericton’s best choice.

4. That at the same time TFP and the City pursue site selection, co-development (if integral to the project) and defining or refining provincial and federal involvements and ensuring those are secure.
5. That for use in campaign communications and cultivation, TFP should begin developing the narrative for what the performing arts can and should be in Fredericton and what contribution TFP and/or a new PAC will make including various kinds of programming.
6. That TFP begin investing in its organizational capacity to raise funds, particularly through prospect research, donor cultivation and engagement with volunteers (although not specifically discussing the campaign until an opportune and strategic time).



7. That all those who took part in the study receive a thank you and brief report as soon as possible. This is a strategic communication and KMA can advise TFP on its content.
8. That TFP set a public campaign goal of not more than \$4 million.
9. That TFP maximize its preparedness to reach, or, possibly, exceed the goal of \$4 million by:
  - a. preparing additional supportive material that shows how a truly exceptional gift (beyond what might be expected in a campaign for \$4 million) would be used to make a strategic difference in the entire PAC program;
  - b. be well prepared to discuss opportunities for recognition, in particular naming of the building's two auditoriums or the building itself, with 'price points' determined more by the cost of the entire project rather than the campaign goal.