



management  
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incorporated

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# Fredericton Playhouse Phase Two Feasibility Study

## Final Report

# table of contents

<b>1. INTRODUCTION.....</b>	<b>3</b>
<b>2. DEVELOPMENT OPTIONS.....</b>	<b>5</b>
<b>3. FUNDRAISING FEASIBILITY.....</b>	<b>14</b>
<b>4. MOVING FORWARD.....</b>	<b>16</b>

**Appendices:**

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

# 1. introduction

In 2013, Webb Management Services was hired by Fredericton Playhouse Inc and the City of Fredericton to complete a feasibility study on the future of the Fredericton Playhouse. That study went beyond previous studies that considered whether the existing building should be renovated or replaced to address the fundamental questions of what the next version of the Playhouse should be, do and include in response to the evolving needs of the community.

The study concluded that the current facility should not simply be replaced, given that current and new uses and users suggest the need for different spaces, that the market can and should support more activity and that the Playhouse organization can and should extend its reach/impact. We suggested that the next facilities should be more open, more active and more supportive of a range of cultural activities, and that there should be a stronger connection between new facilities and community goals. We recommended the following:

- \* The main hall should have a slightly larger capacity (+850 seats) with better functionality, technology and flexibility
- \* There should be a new secondary flexible performance space with 200-300 seats
- \* There should be a new multi-purpose room for rehearsal, special events and smaller performances
- \* There should be additional classrooms and program space
- \* There should be expanded public space capable of exhibiting the visual arts and artists of the region
- \* There should be open and active lobbies with good food service
- \* The box office size, shape and location should be more along the lines of a welcome centre, rather than the traditional cash collectors in a cage
- \* All spaces should be wired and equipped for film and new media
- \* Fundamentally, the new venue should be seen as not just a “Playhouse,” but rather a performing arts centre

Our architectural partners, Diamond and Schmitt, then took this concept and developed a space program and capital budget for this facility concept, also considering how a site might be selected for new facilities.

The results of this first phase of work were presented in January of 2014. The Steering Committee was directed to advance the project by looking more closely at various site and development options and to consider how and from where the funding might be assembled to build these recommended facilities.

On that basis, Webb Management Services was hired to continue the investigation on the project, with Diamond Schmitt engaged to develop physical plans and KMA Consultants Inc. brought on to complete a fundraising feasibility study for the project.

This is our report on those two new investigations. First of all, we will describe the process of developing and evaluating a set of development options at different specified sites in Fredericton, and then suggest the relative merits of those different sites. That work is followed by the KMA report on a funding plan for the project, considering how it should be presented to potential funders, how (and to what extent) they are likely to respond, and how then a capital campaign should be advanced.

## 2. development options

The brief for this component of work is to consider the physical, operational and financial implications of a set of options determined in the community. Specifically, those options are:

- \* Option X: Renovate the current facility within the existing envelope
- \* Option 1: Build one new building with two halls
- \* Option 2: Renovate or convert the existing Playhouse and add one new building
- \* Option 3: Build two new buildings at two different sites, one being the existing Playhouse site

These options (with a series of embedded site choices) were developed and selected by the Steering Committee with the advice of the City. They are by no means the only options available for the project, but they provide the means to evaluate a set of important questions, including:

- \* Is it better to develop one building or two to deliver these new facilities to the community?
- \* Is it better to locate new facilities in the current downtown core or on the edge of the downtown?
- \* Is it important to re-use the existing Playhouse structure as a part of the solution, or perhaps just the Playhouse site?

As we began the investigation, a couple of additional assumptions were made to focus our efforts. This included the idea that the Charlotte St. Arts Centre might be used to satisfy the need for smaller spaces, allowing us to focus on just the two main performance spaces as being the keys to the next version of the Playhouse. This allows us to reduce the space program and capital budget that was first shared at the end of our first phase of work. We also confirmed the idea that a downtown location for new facilities would be critically important. And finally, we embraced the idea that we should look for co-development opportunities at all possible sites in the hopes that a commercial development component might help to fund the overall project, not necessarily using the traditional “P3” approach.

Now we will proceed to the explanation of the development options, referring to Appendix A as the deck that was used to explain and illustrate these options to the community. Also appended to the report is more detailed information on the space programs and capital budgets (Appendix B) and more detailed information on operating budgets (Appendix C).

### **The Base Option – One new facility with the full set of new spaces**

Let’s start with a review of the Base Option that was first proposed last year. Here, we proposed one new facility that included all of the elements coming out of our first phase work. Specifically:

- \* An 850-seat multi-purpose hall with a proscenium stage, full fly tower, orchestra pit and orchestra shell that makes it an excellent hall for theatre, music, dance, opera, the spoken word, film and other events.

- \* A 300-seat flexible theatre that is also excellent for that same set of disciplines but also adds a higher level of flexibility, able to be transformed from a traditional proscenium theatre to a flat floor space or cabaret set-up.
- \* An additional multi-purpose room usable for rehearsals, special events and smaller performances
- \* Additional classrooms and program space
- \* Expansive public spaces with enhanced food service capabilities.

### **Option X – Renovate the current facility**

This cryptically titled option, added at the suggestion of the City, was to consider if the current Playhouse facility could be renovated to provide the one large hall without extending beyond the current building envelope. The results, shown on slides 1 and 2, make clear that this option has only limited appeal. The fundamental problem is that this level of renovation forces compliance with current life safety and accessibility codes, which then forces the need for elevator access to the balcony level and barrier-free access on the orchestra level. And while the problem on the orchestra level can be solved by reducing the already limited lobby space in favour of new access routes, there is simply not enough room on the balcony to add the elevator, which then renders the balcony unusable. Slide 2 shows the necessary modifications on the orchestra level, and how the reduction in capacity there plus the loss of the balcony reduces the overall capacity of the theatre to 463 seats.

The second issue, as pointed out in the work of RV Anderson, is that the basic repair and upgrade of mechanical and other systems in the building is estimated to cost some \$12.5 million in construction, which likely means something in the order of \$15 million when grossed up to include related capital costs.

Our conclusion, then, is that a decision to renovate the current building would not be a good one, in that it is expensive and moves the organization backwards – reducing the critically important capacity of the theatre to a level that makes it unusable to a set of local users and touring programs.

### **Option #1 – One new building containing two halls at one of two possible sites**

Now we move on to our set of three new options that move the organization forward, attempting to increase the capacity of the main hall and adding a second hall. In this option, explained and illustrated on Slides 3 through 9.

Option 1A (Slides 4 through 6) places this new facility in what is currently a mostly-vacant site along King St. at Regent St. in the core of the downtown. The property, which is owned by private interests, is quite large, and certainly has the size to accommodate both new halls as well as a significant commercial/residential development component. As we show on the site plan, we place the new performing arts facilities in mid-block to give that commercial development the prime corner location. Also note the location of the existing parking deck located right behind the new project, which would certainly address parking concerns anyone might have over this location. The floor plans show the location and arrangement of the two halls, both having orchestra and balcony levels. The other key to this option is that the two halls are able to share spaces, from the box office and lobby areas to the backstage support and load-in areas. There is also an aerial view for this option, showing how the new arts centre and commercial development fill in this urban block.

Option 1B (Slides 7 through 9) places the new hall at the corner of Pte. Ste. Anne and an extended version of York St., along the river in a prime area for development as identified in draft versions of the City Centre Plan. In fact, this plan calls for use of the current Justice Building Annex as the envelope into which the new 300-seat theatre is placed, and then that the rest of the Justice Building becomes a possible site for commercial development. The site plan and floor plans again show the arrangement of the two spaces and the sharing of both public and backstage areas. The aerial view also highlights the two key differences with this site – that its location on the flood plain forces the elevation of key spaces (and thus a higher cost), and that the building at this location would represent a form of urban pioneering, likely to have few neighbours in the initial years until other projects were developed along Pte. Ste. Anne.

### **Option #2 – The Playhouse renovated as either the large or small hall, plus one new building**

Slides 10 through 17 illustrate the second option, in which we are trying to find a way to use the current facility to solve a part of the puzzle. Option 2A (Slides 11 to 14) attempts to put the large hall at the current location. But unlike Option X, where we were not to expand beyond the existing envelope, we now have the ability to push out the walls of the existing Playhouse as long as it still fits on the current site. The plans on Slides 13 and 14 show the work we've done to determine how the current large hall can be re-used, after the satisfaction of new life safety and accessibility codes. But even with the expansion of both the public and backstage areas, the fact remains that only a 701-seat hall is possible (as opposed to the recommended 850-seat hall or even the current 709 seats). And it must also be recognized that we are squeezing spaces to achieve the renovated hall. The chart on Slide 12 shows that while the needed components for the second small theatre fit fairly easily into the footprint, there are significant compromises made to get our 701-seat space into the modified Playhouse, most notably in terms of the size of the lobbies and the auditorium itself. Also note that in this option, any desire to maintain the existing exterior architecture of the Playhouse is not addressed.

Option 2B places our second performance space into the existing Playhouse building. As mentioned, it's not a difficult fit, but there are a couple of challenges. First of all, we are simply creating this space by using the orchestra level of the current Playhouse, which means that we don't get the flexible multi-purpose space that we recommended in the last round of work. Secondly, placing the smaller theatre into the building turns out to be a relatively inefficient use of that space, with the total area far greater than what a new 300-seat flexible theatre would require.

### **Option #3 – Two new buildings, with one new hall in each one, the smaller one being located at the current Playhouse site**

In this final option, illustrated by Slides 18 through 21, we propose two new buildings, one for each of the recommended performance spaces, with the smaller hall built on the current site of the Playhouse. So we start with the idea that the current Playhouse is demolished and a new 300-seat theatre is built. Slides 20 and 21 illustrate that project. It shows that the new building fits easily on the site, leaving significant additional space (both behind and above) for co-development. Then we go back to our two other sites (King/Regent and York/Pte. Ste. Anne), where we add a new 850-seat hall. Slide 19 shows how easily the one large hall fits on those two sites. The footprints are somewhat smaller with only one hall, leaving additional room for co-development.

It would be helpful at this point to remind ourselves why splitting cultural facilities between multiple facilities is even worth considering. Certainly the case to put multiple halls into one building is compelling given the opportunity to share spaces and services, thereby reducing capital and operating costs. But the fact is that some communities are prepared to sacrifice those cost savings and operating efficiencies for a couple of reasons:

1. In order to promote the development of a cultural district by distributing cultural assets around a targeted area.
2. When the resources are not in place to fund the entire project and the option of phasing provides a way to move forward.

### **Summary of Options**

Before we summarize these options and speak to their relative merits, we should say a bit more about how these capital and operating budget numbers were developed.

Appendix B is a one-page capital budget summary developed by Diamond Schmitt. It shows the existing space program for the Playhouse in the first column, then adds the estimates of spaces required for all of the development options, starting with the base option and then adding three additional ones. The net areas for each building component are added up and then “grossed up,” reflecting the difference between the inner dimensions of the identified spaces and the total space required for all spaces, plus walls, corridors, mechanical areas and so on. Thus, the total area for the base option is 89,600 gross square feet, basically three times the size of the current Playhouse.

The next step is to assign construction costs for each project component, which are here based on comparable Canadian projects escalated to 2014 dollars. Then, the final step is to add a cost factor that translates construction costs into total costs to include various soft costs like fees, permits, site preparation and so on. On that basis, we get an estimated capital cost for each development option. Note that the only costs not included are the demolition of the current Playhouse, the acquisition of other sites, and the various costs and proceeds that might result from a co-development opportunity.

Appendix C is a pro-forma operating budget that suggests how new facilities will perform on an ongoing financial basis. The pro-forma shows activity for programmable spaces in each option, then projects operating income and expenses in order to then suggest the incremental funding requirement associated with each of our development options. The first column in the spreadsheet represents actual results for the current playhouse in fiscal 2014. Then we escalate those results by four years to show equivalent results for fiscal 2018. That exercise then allows us to suggest how operating performance differs through each of our options. The following chart summarizes those various operating budgets. The most important thing to note is that we are not forecasting any increase in contributed income from the City, other government or private funders, despite the significantly greater reach and impact that new facilities will have on the community.

ACTIVITY SUMMARY	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
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

OPERATING BUDGET SUMMARY	EXISTING FP	BASE OPTION	OPTION 1	OPTION 2A	OPTION 2B	OPTION 3
<b>Earned Revenue</b>						
General Operations Income	\$550,050	\$933,958	\$810,446	\$725,360	\$810,446	\$810,446
Presentation/Programs Income	\$622,473	\$1,119,739	\$1,081,041	\$903,337	\$1,081,041	\$1,081,041
City of Fredericton Support	\$646,700	\$704,903	\$704,903	\$704,903	\$704,903	\$704,903
Other Income	\$117,630	\$133,928	\$132,500	\$129,645	\$132,500	\$132,500
<b>Total Income</b>	\$1,936,853	\$2,892,528	\$2,728,890	\$2,463,245	\$2,728,890	\$2,728,890
Cost of Goods Sold	\$55,100	\$97,233	\$76,911	\$71,788	\$76,911	\$76,911
<b>Gross Operating Profit</b>	\$1,881,753	\$2,795,295	\$2,651,979	\$2,391,457	\$2,651,979	\$2,651,979
<b>Operating Expenses</b>						
Administrative Expenses	\$601,037	\$835,876	\$820,656	\$789,605	\$805,130	\$820,656
Building and Operations Expense	\$675,475	\$1,224,336	\$1,070,391	\$1,127,983	\$1,280,977	\$1,170,319
Presentation/Programs Expenses	\$644,178	\$928,250	\$902,911	\$764,677	\$914,291	\$913,201
<b>Total Operating Expenses</b>	\$1,920,690	\$2,988,463	\$2,793,957	\$2,682,265	\$3,000,398	\$2,904,176
<b>Result of Operations</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>Earned Income/Operating Expenses</b>	<b>58%</b>	<b>65%</b>	<b>64%</b>	<b>56%</b>	<b>59%</b>	<b>61%</b>

The costs of operating a much larger building are partly offset by increasing rental income and box office proceeds, but is realistic to expect that new facilities cost more to sustain, depending on which pieces are included and whether they are in one building or two.

Here then is the chart that summarizes the components, size, capital costs and operating costs associated with these development options:

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 701-seat theatre: \$24.0M	FP reno as 300-seat theatre: \$15.4M	New 850-seat theatre: \$30.0M to \$31.7M
Total		\$45.9M	\$38.1M to \$39.9M	New 300-seat theatre: \$10.6M	New 850-seat theatre: \$30.0M	300-seat Theatre on FP Site: \$10.6M
Additional Annual Funding Over Escalated Budget:	\$ 150,726	\$ 99,537	\$ 248,366	\$ 305,978	\$ 209,756	

In summary:

- \* The Base Option is a building covering almost 90,000 gross square feet that gives us our new 850-seat hall, a high-quality, flexible, 300-seat studio, a multi-purpose space for rehearsals, meetings, special events and small performances (for up to 100 people), two additional classrooms, expansive public areas, upgraded facilities for food and beverage operations, and appropriate levels of backstage and support spaces. The capital costs for this option are \$45.9 million (in 2014 dollars), and the additional annual funding required is in the range of \$150,000.
- \* Option 1 in new building covering 72,000 gross square feet that includes the 850 and 300-seat theatres. It requires only 72,000 gross feet of space, and has a capital budget that ranges from 38.1M (for the King and Regent location) to \$39.9 million (for the Pte. Ste. Anne location). The increase in annual funding drops down to approximately \$100,000.
- \* In Option 2A, we get the smaller mainstage theatre (701 seats) at the current location and a new 300-seat theatre at one of our two new sites. The capital cost is the lowest of the set, but the main theatre is smaller and somewhat compromised by being squeezed into the existing building. This is also the option where there is a significant interruption of operations, which is a major concern for local arts organizations and promoters, as well as the Playhouse board and management. And here we also see the higher increase in annual funding given the cost of maintaining the Playhouse.
- \* In Option 2B, the 850-seat theatre is built at one of our two new sites, while the existing Playhouse is re-purposed to accommodate the 300-seat theatre. The capital costs are the highest of the set given the inefficiencies of re-using the Playhouse for this purpose, as are the incremental annual funding costs given the inefficiency of using the existing Playhouse as the smaller theatre.
- \* Option 3 places the large performance space in a new building at one of two possible sites, with the smaller theatre built at the current Playhouse site. The two buildings require 77,000 gross square feet of area and have a capital cost of \$40.6 million (for the King and Regent location) to \$42.3 million (for the Pte. Ste. Anne location). The increase in annual funding is lower than our second option given smaller more efficient new building, but is more than Option 1, reflecting the loss of operating efficiencies when the two theatres are placed in two buildings as opposed to one.

### **Evaluating the Options**

We presented building and location options at a series of meetings in Fredericton on October 27, 28 and 29. Presentations were made to the board of the Fredericton Playhouse, senior staff at the City of Fredericton, members of City Council, representatives of regional communities and local service districts, Fredericton Playhouse staff, former board leadership of the Playhouse and the general public. A list of those attending these various meetings is attached as Appendix D.

Each group heard an extensive presentation on the history of the project, how the case to replace the Playhouse has been made, and then how various options have been developed. All of the presentations ended with a slide that asked the audience to answer the following two questions:

- \* What do you like and dislike about each option? Why?
- \* What do you like and dislike about each site? Why?

These questions were sufficient to engage our various audiences in lively discussions about options and sites. Here are some of the more significant things we heard from meeting to meeting:

- \* There seems to be a clear understanding that Option X is not a viable option for the future of the Playhouse and the community. Audiences understood that spending so much money to get a single, smaller hall would not be in anyone's best interest.
- \* Most of the audiences tended to favour Option 1 over Options 2 & 3 because of the efficiencies and potential synergies associated with combining the two main performance spaces into one building.
- \* In a couple of these meetings, we were encouraged to bring back the base option as being the most attractive for the community as and if we truly wanted to develop a next-generation performing arts building that was more open and active with a broader set of uses and users.
- \* Related to that point, concerns were raised over the possibility of satisfying the need for smaller spaces using the Charlotte St. Arts Centre given its current need for improvement and location a bit removed from the rest of the downtown. Others were intrigued by this possibility and suggested that more work should be done to consider how to partner with Charlotte St.
- \* We heard virtually no support for Option 2, as there was a wide recognition that the cost and outcomes of re-using the existing structure would not lead to a good result. And there was a near universal desire to avoid the interruption of operations that would come with Option 2A.
- \* Several individuals expressed some support for Option 3 in recognition of its value at promoting the development of a downtown arts district or supporting a phased version of the project as and if the funds are not initially available for the entire project. There were also some who favored this option because of their attraction to the existing Playhouse site, wanting that to remain in use for a cultural purpose.
- \* With all of these options, there was general support for the idea of co-development, recognizing that a commercial development partner might make the difference in getting the project funded. However, there was concern over what might actually be developed and some anxiety about the prospect of "just another condo building."
- \* Many groups wanted to talk about the future of the Playhouse site, particularly if new facilities were developed somewhere else. There was a concern that the value of the property would be lost and some anxiety about the prospect of the building being designated as surplus property. It

was agreed that plans for the future of the Playhouse site should be integrated into the overall redevelopment project.

- \* The Regent and King site was attractive to a number of those attending our meetings. People liked the idea that this largely vacant property could finally be developed to create a more vibrant and active core, and many noted the value of the existing parking deck directly behind the site. But there were also concerns about the site, including the view that the combination of this new building plus co-development next door would create too much traffic and cause other access problems.
- \* The Pte. Ste. Anne and York St. site was attractive and intriguing for other members of the audiences. People liked the potential profile and architectural potential of the building at this site, and that it could be a catalytic development to bring other important projects to this part of the downtown. There were also concerns and criticisms of this location, including the lack of parking nearby (that the building would actually be taking away parking) and that it would be displacing existing cultural groups now using the Annex building as well as taking over the site of the Harvest Jazz & Blues Festival's main tent. There were also concerns about locating the building on the flood plain, especially given heightened concerns about future weather events, and that the building might be somewhat "lonely" in its early years at this location.
- \* For both of these sites there were also concerns about making a good deal with the current property owners, and also some concern about timing (particularly as it regards the future of the Justice building).
- \* We were particularly gratified by the response of regional government representatives to the project. There were a number of positive comments about the project and some gratitude for the opportunity to be engaged in the planning process in a meaningful way at this early stage. One of the concerns for the group related to parking, as many older regional residents are already anxious about their ability to find affordable and convenient parking for events at the Playhouse.

## Conclusions

The exercise of considering development options and sites leads us to the following conclusions:

Option 1 is the most popular of the options considered, for good reason. There are significant benefits in combining multiple performance spaces into one location, leading to operating efficiencies and cost savings as well as additional programming synergies. Having said that, we would encourage the Steering Committee to keep the Base Option on the table as the development choice that would likely have the greatest value and impact in the region as and if funds are in place to add those additional facilities.

Option 3 should also remain on the table as the project moves forward. It may not be necessary to split the buildings to drive the development of a district given the presence of so many other cultural anchors in the downtown, but the prospect of phasing and the desire to re-use the Playhouse site for cultural purposes may make this a good choice.

As to Option 2 and Option X, we think we've heard that the community is finally ready to let go of the idea of re-using the Playhouse building, an idea we would wholly endorse. Extending its life is not cost effective and does not yield the types of facilities we believe are needed to move the organization and community forward.

As to the question of sites, we are pleased that the two new locations have generated some support in the community, as well as highlighting some legitimate concerns. What is now important is that the community has a stronger sense of what makes a good site and the fact that there are locations that might well satisfy these criteria.

It is our experience that new performing arts facilities often end up at sites that were not even imagined at this stage in the planning process. But this exercise has been both illuminating and beneficial, as there is now a large group of staff, elected officials, partners and citizens who are much better prepared to be intelligently opportunistic as and when it is time to locate the next version of the Playhouse.

## 3. fundraising feasibility

KMA Consultants Inc. (KMA) was commissioned to conduct a pre-campaign planning study to test the feasibility of The Fredericton Playhouse raising \$10 million in a private sector campaign for a new performing arts centre (PAC). Such a study focuses on how known key variables for successful campaigns are at work in a specific situation.

Specifically, the study examines: awareness of and opinions about the organization; views of the case for support for the proposed project; the financial potential for support including local conditions; the availability of strong volunteer leadership for a campaign; the readiness of the organization to conduct a campaign, and aspects of planning.

The KMA work is presented in Appendix D: Pre-campaign Planning Study Report. Following are highlights from that work.

KMA reported that:

- There is a great deal of respect, goodwill and enthusiasm for TFP, as an important contributor to the area's cultural, community and economic life, with TFP leadership frequently mentioned as an important asset.
- There is a significant lack of understanding of the need for a new PAC. Many know of existing Playhouse limitations and failings, but few yet believe it should be replaced. The proposal raised numerous important and unanswered questions.
- 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 because The Playhouse has not approached the community in a major campaign for decades.
- While many would make gifts, the gift levels suggested by potential donors, when taken together and evaluated by established standards, did not support a goal of \$10 million.
- KMA reviewed several factors and recommended that no goal above \$4.0 million be considered by The Playhouse for the project as currently described.
- 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 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.

### **Six imperatives to moving forward**

KMA also identified "six imperatives" that in its opinion must be followed in order to conduct a campaign for any amount for a new PAC:

1. More key people in Fredericton must agree 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.

#### **Recommendations re a campaign for a Performing Arts Centre**

KMA made several recommendations affecting campaign preparation. The primary ones are:

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 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.
4. That at the same time TFP and the City pursue site selection, co-development (if integral to the project) and securing provincial and federal involvements.
5. That for use in campaign communications and cultivation, TFP should begin developing the narrative for a vision of what the performing arts can and should be in Fredericton, and the contribution TFP/ a new PAC will make to that vision, including 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 TFP set a public campaign goal of not more than \$4 million.

That TFP maximize its preparedness to reach, or, possibly, exceed the goal of \$4 million by preparing to seek exceptional gifts from certain key prospects, and pursue prospects for whom naming of the building or its two auditoriums might be valuable.

## 4. moving forward

It is our opinion that the Playhouse redevelopment project is now in a strong position to move forward. There is strong engagement in the community and the region in the planning process, and growing enthusiasm towards the idea of replacing the Playhouse with a new performing arts centre that is responsive to the evolving needs of audiences and users and also to the community's vision for the future.

Advancing the project now involves moving down three parallel tracks, as follows:

### **Track One: Fundraising**

The first track relates to fundraising, which now means more planning and effort coordinating public sector funding sources, preparing for a private sector campaign, and considering the possibilities for a mixed-use development in order to bring development funds to the project. The key step is setting a timeline for the pursuit of funding, which will require a high level of coordination between various levels of government and the private sector.

### **Track Two: Planning, Design + Construction**

The second track covers the development of a more specific physical plan, including the refinement and selection of a development option, the selection and acquisition of a site, development of a more precise capital budget, and agreement on planning, design and construction process most appropriate for the funding and development partners. All of these plans and decisions are subject to progress on the funding track, both in terms of the scale and timing of the project.

### **Track Three: Planning for Operations**

Finally, there is the track related to planning for operations, which initially involves updating the business plan to reflect changes in the physical and financial plans, doing more specific work around the challenge of financially sustaining the new facilities, and then developing a plan to move operations to new facilities and address any potential interruption of operations.