



Making a difference...together

ROYAL & MCPHERSON THEATRES SERVICES ADVISORY COMMITTEE

Notice of Meeting on WEDNESDAY, MAY 3RD at 4:00 p.m.

Room 488, 625 Fisgard Street, Victoria, BC, and Electronically

K. Murdock (Chair) S. Brice J. Caradonna K. Loughton C. Plant

AGENDA

1. Territorial Acknowledgement
2. Approval of Agenda
3. Adoption of Minutes of September 7, 2022

Recommendation: That the September 7, 2022, minutes of the Royal and McPherson Theatres Services Advisory Committee meeting be adopted.

4. Chair's Remarks
5. Presentations/Delegations
 - 5.1. Royal & McPherson Theatres Society
6. Committee Business

6.1 Request from Royal and McPherson Theatres Society to Review Maximum Funding Levels in Establishing Bylaws 2685 and 2587

Recommendation: There is no recommendation. This report is for information only.

Attachments: Staff Report: Request from Royal and McPherson Theatres Society to Review Maximum Funding Levels in Establishing Bylaws 2685 and 2587

Appendix A: Letter from RMTS

Appendix B: Timeline of Recent Initiatives on Performing Arts Facilities

Appendix C: Royal Theatre Service Establishing Bylaw 2587

Appendix D: McPherson Playhouse Service Establishing Bylaw 2685

7. Correspondence
 - 7.1 Pacific Opera Victoria, April 24, 2023, Funding for the Royal and McPherson Theatres Service
 - 7.2 Victoria Symphony, May 2, 2023, Funding for the Royal and McPherson Theatres Service
8. New Business
9. Adjournment

To ensure quorum, please advise Heather Heywood at 250-360-3215, or hheywood@crd.bc.ca if you cannot attend.



Making a difference...together

**Minutes of a Meeting of the Royal & McPherson Theatres Services Advisory Committee
Held Wednesday, September 07, 2022, in Room 488, 625 Fisgard St., Victoria, BC**

Present: **Directors:** K. Murdoch (Chair), M. Alto (EP, 4:05 p.m.), S. Brice, C. Plant
Staff: N. Chan, CFO, C. Gilpin, Manager, Arts & Culture; N. More, Committee Clerk (recorder)
Also Present: C. Devlin (President), F. Lehrbass (Executive Director), N. Downer (Manager of Finance), M. Gibbons (Treasurer, EP), Royal & McPherson Theatres Society

Absent: S. Dubow

The meeting was called to order at 4:00 pm.
Chair Murdoch gave the Territorial Acknowledgement.

1. Approval of Agenda

MOVED by Director Brice, **SECONDED** by Director Plant,
That the agenda be approved as circulated.

CARRIED

2. Adoption of Minutes

MOVED by Director Brice, **SECONDED** by Director Plant,
That the minutes of the October 15, 2021, meeting be adopted as previously circulated.

CARRIED

3. Chair's Remarks

Chair Murdoch expressed a wish for a more fulsome discussion regarding the budget and for looking at it in a more strategic fashion. He remarked on looking to the incoming CRD Board after the election for discussion of the fixed amount. He thanked the Royal & McPherson Theatres Society (RMTS) Board members and staff present at the meeting.

Member Alto joined the meeting at 4:05 p.m.

4. Presentations/Delegations

**4.1 Presentation: Royal & McPherson Theatres: Update on Operations and Planning,
C. Devlin and F. Lehrbass**

F. Lehrbass and C. Devlin and made their presentation with the aid of PowerPoint slides, now on file at CRD Finance Administration. Main points included the following:

- 2021 was about maintaining key infrastructure and planning for the re-opening after the pandemic closures. The theatres opened to full capacity in February 2022.
- Subsidies and grants were accessed during the time they were offered between August 2021 and July 2022. Those funding sources have now ended.
- The purchasing power of annual CRD requisitions has declined.

- Capital projects, as well as organizational and asset management planning, are underway.
- The RMTS is the steward of the historic theatres; in order to preserve the assets for their long term functionality, renovations are required over the next 10 to 15 years at an estimated cost of \$40 million. Multiple funding streams will be pursued so that the participating jurisdictions will not carry all of the costs. Continued support is vital.

The presenters provided clarification to the Advisory Committee, including the following points:

- For the capital projects, almost half of the \$40M estimate is related to seismic upgrading for both theatres. Application could be made to the disaster mitigation fund.
- The brick-work project begins in summer 2023. Part of the planning is how to work with local theatre users on use of the theatre during capital projects.
- Indicators of success for theatre management can be approached from different angles, with metrics such as number of tickets sold but also degree of satisfaction and relationships with community presenters.

The Advisory Committee discussed transparency in the relationship between the participating jurisdictions and the Society, and the opportunities post-election for the Society to submit orientation material to the incoming councils, for example.

The Advisory Committee sought further clarification, and the presenters made the following points:

- The CRD bylaws for the theatre and playhouse account for both capital and operating requirements, with a combined CRD requisition amounting to about 11% of the overall budget. The funding has not kept up with inflation and does not provide enough either for operation or capital.
- Past reserved earnings, subsidies and grants makes up the rest of the funds.
- Through prudent management, the Society used surplus revenue to add to the reserve fund for use in emergencies such as earthquakes or the pandemic.
- Earnings may rise with increased audience size, but it depends on the kinds of shows, not just the number of shows.

The Advisory Committee expressed appreciation for the presentation and the work done by the Society to keep operating.

5. Committee Business

5.1. Update on the Performing Arts Facilities Select Committee (verbal)

C. Gilpin reported on the work of the Performing Arts Facilities Select Committee since the last meeting of the Advisory Committee. In summary, the matter has been referred to the incoming CRD Board as a topic for strategic planning in November, 2022. The topic would include not only time and costing of the process for establishing full participation of the region's jurisdictions, but the broader issue of how best to support regional performing arts facilities.

5.2. 2023 Budget for the Royal Theatre Service and the McPherson Playhouse Service

N. Chan remarked on the theatres services bylaws and the fixed funding amounts. Consideration of a regional service was referred to the next board when the currently proposed bylaws did not receive approval.

The Advisory Committee briefly discussed options, including the ability given in the current bylaw for the participating jurisdictions to ask for an increase via an amendment.

MOVED by Director Plant, **SECONDED** by Director Alto,
The Royal & McPherson Theatres Services Advisory Committee recommends to the Finance Committee to recommend to the Capital Regional District Board:

1. That the maximum allowable contribution amount of \$580,000 be approved for the Royal Theatre service; and
2. That the maximum allowable contribution amount of \$750,000 be approved for the McPherson Playhouse service.

CARRIED

6. Adjournment

MOVED by Director Brice, **SECONDED** by Director Alto,
That the meeting be adjourned at 4:59 p.m.

CARRIED

CHAIR

RECORDER

**REPORT TO ROYAL AND MCPHERSON THEATRES SERVICES ADVISORY COMMITTEE
MEETING OF WEDNESDAY, MAY 03, 2023**

SUBJECT **Request from Royal and McPherson Theatres Society to Review Maximum Funding Levels in Establishing Bylaws 2685 and 2587**

ISSUE SUMMARY

On April 19, 2023, the Royal and McPherson Theatres Society (RMTS) sent a letter to the Capital Regional District (CRD) requesting that the maximum funding levels, as fixed in the bylaws for the Royal Theatre Service and McPherson Playhouse Service, are changed to allow potential increases to funding levels through future budgeting processes.

BACKGROUND

On April 19, 2023, the RMTS sent a letter (Appendix A) informing the CRD that the RMTS Board has passed the following resolution:

That the President of the RMTS send a letter to the RMTS Advisory Committee to request removal of the maximum funding levels in CRD bylaws 2685 and 2587 to provide budgeting flexibility that can better address the needs of the Royal Theatre and McPherson Playhouse, community partners, artists and audiences.

Through two sub-regional services, the CRD provides a total of \$1,330,000 in operating and capital funding for the Royal Theatre and McPherson Playhouse (Table 1). The Royal Theatre is owned by the CRD and the McPherson Playhouse is owned by the City of Victoria. Both facilities are managed by a non-profit organization, the Royal and McPherson Theatres Society.

Table 1. Fixed Maximum Amounts of CRD Funding for Royal Theatre and McPherson Playhouse

Performing Arts Facility	Operating Funding	Capital Funding	Participants
Royal Theatre	\$100,000	\$480,000	Oak Bay, Saanich, Victoria
McPherson Playhouse	\$350,000	\$400,000	Victoria

Bylaw No. 2587, "Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998" (Royal Theatre Service), and Bylaw No. 2685, "McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999" (McPherson Playhouse Service), specify fixed maximum amounts for grant contributions that have remained unchanged since 1998 and 1999 respectively. Although a lower amount could be specified in the CRD budgeting process, the maximum amounts have always been recommended by committee and provided to RMTS ever since the bylaws were established.

In 2019, the Royal and McPherson Theatres Services Advisory Committee (RMTSAC) initiated a process to update the maximum amounts in these bylaws, allowing the potential maximum to rise with growth in property assessments, modernizing the cost apportionment, and removing restrictions on operating and capital allocations in the grant amount.

In 2020, the process was suspended and the amending bylaws were withdrawn due to the onset of COVID-19, mixed response from participating jurisdictions in the council consent

process, and the activation of a process exploring options for a new regional arts facilities service (see Appendix B for a detailed timeline of these recent initiatives).

IMPLICATIONS

Financial Implications

Many service bylaws provide flexibility in the potential requisition by defining the maximum requisition with two “the greater amount of either” clauses, either a fixed dollar amount or a potential requisition linked to property assessments, which allows the potential requisition to expand with growth in the region, according to the needs of the service. Importantly, changing the bylaw would only enable the possibility for a higher grant contribution amount; however, the actual amount of funding support would be determined through the annual budgeting process.

Assuming growth in assessments, a change to maximum requisition in both bylaws will provide the potential for the availability of increased support beginning in the 2024 budget year.

Legislative Process

The process to make the requested change would take approximately four to seven months.

For Bylaw No. 2685 (the Royal Theatre Service), an amending bylaw would need to be reviewed by RMTSAC, the Finance Committee, and approved by the CRD Board (1st, 2nd, and 3rd readings) and receive council consent from at least two out of the three current participants (Oak Bay, Saanich, and Victoria).

For Bylaw No. 2587 (the McPherson Playhouse Service), an amending bylaw would need to be reviewed by RMTSAC, the Finance Committee, and approved by the CRD Board (1st, 2nd, and 3rd readings) and receive council consent from Victoria, which is the only participant in the service.

Both amending bylaws, if advanced through those stages, would then require approval by the Inspector of Municipalities at the Province of British Columbia and adoption by the CRD Board.

Alignment with Board & Corporate Priorities

The removing the fixed maximums in the bylaws would advance goal 10b-2 in the CRD Corporate Plan 2024-27 to “[s]cale up regional support for performing arts facilities within the region”. The amending bylaws are enabling legislation. If the bylaws are passed, then an actual increase in financial support would become possible through a future budgeting process.

CONCLUSION

The Royal and McPherson Theatres Society, which operates the Royal Theatre and McPherson Playhouse, has sent a letter to the CRD requesting changes in the bylaws that determine the maximum allowable funding levels. The Royal and McPherson Theatres Services Advisory Committee reviewed the request with context on recent initiatives connected to this issue.

Submitted by:	Chris Gilpin, MPA, Manager, Arts & Culture
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer

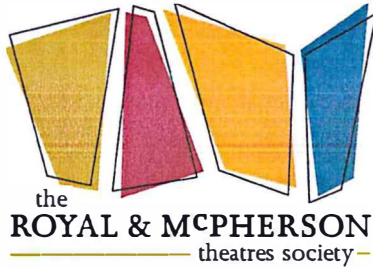
ATTACHMENTS

Appendix A: Letter from RMTS dated April 14, 2023

Appendix B: Timeline of Recent Initiatives on Performing Arts Facilities

Appendix C: Royal Theatre Service Establishing Bylaw (No. 2587)

Appendix D: McPherson Playhouse Service Establishing Bylaw (No. 2685)



April 14, 2023

Kevin Murdoch
Mayor, Oak Bay
Chair, Royal and McPherson Theatres Services Advisory Committee
Capital Regional District

Dear Mayor Murdoch,

The board of the Royal and McPherson Theatres Society passed a motion during its April fourteenth board meeting:

That the President of the RMTS send a letter to the RMTS Advisory Committee to request removal of the maximum funding levels in CRD bylaws 2685 and 2587 to provide budgeting flexibility that can better address the needs of the Royal Theatre and McPherson Playhouse, community partners, artists and audiences.

I look forward to discussing next steps.

Sincerely,

Christopher Devlin

President
Royal and McPherson Theatres Society

cc: Franz Lehrbass, Executive Director
Royal and McPherson Theatres Society

Chris Gilpin, Manager
Arts and Culture Support Service
Capital Regional District

Colin Plant, Chair
Capital Regional District

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APPENDIX B – TIMELINE OF RECENT INITIATIVES ON PERFORMING ARTS FACILITIES

In 2019, the CRD's Royal and McPherson Theatres Services Advisory Committee (RMTSAC) acknowledged that the value of funding received by the theatres through their respective bylaws has eroded over the past 20 years and that the ability to adjust funding levels would be desirable. According to the Royal and McPherson Theatres Society (RMTS), increased funding levels could address the forecasted capital plan deficits for each facility and allow for increased discounts to rental rates for local non-profit community user groups.

On April 23, 2019, the RMTSAC passed a resolution recommending amending the Royal Theatre Service and the McPherson Playhouse Service that would remove the fixed maximum amounts, by way of Bylaws No. 4299, "Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998, Amendment Bylaw No. 1, 2019") and No. 4300, "McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999, Amendment Bylaw No. 1, 2019".

The amending bylaws were approved by the CRD Board (1st, 2nd, and 3rd readings) and circulated to the participants of the respective services for council consent with the following outcomes:

- Oak Bay Council provided consent to Bylaw No. 4299 in a letter dated June 6, 2019.
- Saanich Council requested changes to Bylaw No. 4299. Staff correspondence dated June 19, 2019, conveyed Council's request to limit "the maximum requisition in any given year to the greater of the previous maximum or the previous maximum times a prescribed percentage increase" (note: a CRD bylaw cannot define the maximum requisition as a percent increase).
- Victoria, in correspondence dated January 23, 2020, advised the CRD of the council motion: "That Council direct staff to advise the Capital Regional District staff that the City request the CRD convene a meeting with Victoria, Saanich and Oak Bay staff to discuss funding arrangements for the Royal Theatre service."

The requested meeting was held at which municipal staff conveyed to CRD staff and there was agreement that the ability to increase funding was worth further exploring and had clear rationale.

In November 2019, the CRD Board created the Regional Arts Facilities Select Committee to explore regional approaches to supporting arts facilities.

On July 29, 2020, the RMTSAC reviewed a staff report that noted:

"Since the introduction of bylaws 4299 and 4300 a year ago, COVID-19 has introduced significant uncertainty into the operations of the Royal & McPherson Theatres Society and the theatres. Some time may need to pass before the needs can be known in this changed environment."

- RMTSAC discussed that it would make sense to postpone this sub-regional initiative until the results of the Board initiative to examine other regional policy options had been fully explored through the Regional Arts Facilities Select Committee.
- RMTSAC passed a motion not to proceed any further with the approval process for the amending bylaws, which were subsequently withdrawn.

Between November 2019 and March 2021, the Regional Arts Facilities Select Committee met five times. The main results of these discussions were: a.) to focus on performing arts facilities with regional impact and b.) to commission a study on performing arts facilities in the CRD.

In December 2020, the resulting report, [Stage One: A Public Conversation about Performing Arts Facilities in the CRD](#), was delivered. The report includes an analysis of venues, their capacities and their capabilities. An analysis of Royal and McPherson Theatres Society ticket sales provides strong evidence that audiences travel from across the CRD to attend shows in these venues, indicating significant impact beyond the City of Victoria. The *Stage One* report notes that the Royal Theatre and McPherson Playhouse draw audiences from every jurisdiction in the CRD and that “three municipalities are paying while the benefits are enjoyed by all [CRD] municipalities and their residents”.

In May 2021, the Performing Arts Facilities Select Committee (PAFSC) was formed. The PAFSC met twice in May 2021 to review the report and determine a path forward, directing staff to draft a bylaw and service plan for a new full regional service.

On September 8, 2021, the PAFSC reviewed a staff report with draft bylaw No. 4445 for a Regional Arts Facilities Service that would absorb the existing Royal and McPherson services and expand CRD functions to support planning and start a reserve fund for major future projects. The estimated cost was just over \$3M/yr. The approval process was through Alternative Approval Process. The PAFSC recommended this approach to the CRD Board.

On September 8, 2021, the CRD Board considered four recommended motions from the Performing Arts Facilities Select Committee to establish a new performing arts facilities service bylaw No. 4445 with full regional participation through a region-wide Alternative Approval Process (AAP). Three out of four motions passed, but the motion confirming AAP as the approval process was defeated, resulting in a mixed outcome with no clear path forward.

On October 13, 2021, the Board considered a staff report that reviewed the outcomes of the September 8, 2021, meeting and sent the issue back to the Performing Arts Facilities Select Committee to explore a full regional service that did not include the AAP and to consider sub-regional options.

On December 8, 2021, the PAFSC reviewed a report on remaining options for a full regional performing arts facilities service that did not include AAP and directed staff to provide a report on the costs and timeline of proceeding through region-wide referendum as the approval process.

On January 19, 2022, the PAFSC reviewed a staff report on the costs and timeline associated with a region-wide referendum as an approval process to establish a full regional performing arts facilities service. PAFSC advanced the staff report to the CRD Board without a recommendation.

On February 9, 2022, the CRD Board reviewed the staff report on the costs and timeline associated with a region-wide referendum passed a referral motion that “the matter be referred to the strategic planning session of the new CRD Board”.

On April 12, 2023, after the strategic planning sessions were completed, the new CRD Board approved a strategic plan with goal 10b-2 “[s]cale up regional support for performing arts facilities within the region”.

CAPITAL REGIONAL DISTRICT

BYLAW NO. 2587

A BYLAW TO ESTABLISH THE OPERATION OF THE ROYAL THEATRE AS A LOCAL SERVICE

WHEREAS by Letters Patent, Division XI, dated February 15, 1974, as amended by further Supplementary Letters Patent, the Capital Regional District was granted the function of purchasing, maintaining, equipping, operating and selling the Royal Theatre in Victoria, British Columbia and, pursuant to that authority, sold the Royal Theatre to the City of Victoria, the District of Saanich and the District of Oak Bay.

AND WHEREAS the Board of the Capital Regional District wishes to reacquire the Royal Theatre from the City of Victoria, the District of Saanich and the District of Oak Bay and to exercise the function granted to it by the Letters Patent in accordance with Part 21 of the *Municipal Act* subject to all the terms and conditions contained in the Letters Patent and including all the powers granted by the Letters Patent;

AND WHEREAS the Board of the Capital Regional District wishes to proceed under section 775 of the *Municipal Act* and establish the service as a local service by bylaw under sections 775(4) and 806 of the *Municipal Act*;

AND WHEREAS the Board of the Capital Regional District has obtained the consent of the Councils of the City of Victoria, the District of Saanich and the District of Oak Bay.

NOW THEREFORE the Regional Board of the Capital Regional District in open meeting assembled enacts as follows:

Local Service

1. The function of purchasing, maintaining, equipping, operating and selling the Royal Theatre in Victoria, British Columbia granted to the Capital Regional District by Letters Patent, Division XI, is hereby converted to a local service for pleasure, recreation and community use and includes, without limitation, all facilities and concessions associated with the Royal Theatre and a parking lot.

Boundaries

2. The boundaries of the service area shall be the boundaries of the City of Victoria, the District of Saanich and the District of Oak Bay.

Participating Area

3. The City of Victoria, the District of Saanich and the District of Oak Bay are the participating areas for this local service.

Cost Recovery

4. The annual costs for the local service, net of grants and other revenues shall be recovered by one or more of the following:
 - a) the requisition of money under section 822 of the *Municipal Act* to be collected by a property value tax to be levied and collected under section 824(1) of the *Municipal Act*,
 - b) the imposition of a parcel tax imposed under section 824(2) of the *Municipal Act*; and
 - c) the imposition of fees and other charges that may be fixed by separate bylaw

Maximum Requisition

5. The maximum amount that may be requisitioned under section 816(1) of the *Municipal Act* for the annual cost of the local service will be:
 - a) for capital expenditures including but not limited to, the renovation, reconstruction or rebuilding of a performing arts theatre, machinery and equipment, reserve fund transfers and annual debt servicing payments. the maximum amount will be Four Hundred and Eighty Thousand (480,000) Dollars.
 - b) for annual operating expenditures which may also include expenditures of a nature referred to in a) above, the maximum amount will be One Hundred Thousand (100,000) Dollars.

Apportionment

- 6.(1) In this section the following definitions apply:

population means the population for each municipality most recently published by the Province of British Columbia, Ministry of Finance and Corporate Affairs

grantable crown land means land and improvements owned by the crown or an agent of the crown in the previous year if the municipality received a grant in lieu of taxes for that land and improvements in the year before the current year and where the grant in lieu of taxes was equal to the property tax that would have been payable under section 331 (1)(a), (b) and (c) if the land and improvements were not Crown Land

grantable crown land value means for grantable crown land owned by:

- a) the Province of British Columbia, excluding land owned by the British Columbia Hydro and Power Authority, the previous year's assessed value under the *Assessment Act*
- b) the British Columbia Hydro and Power Authority, the assessed value under the *Assessment Act*, 2 years previous to the current year
- c) the Government of Canada, the value of land and improvements, 2 years previous to the current year

net taxable value of land and improvements means the prior year's net taxable value of land and improvements for general municipal purposes under the *Assessment Act*

converted value of land and improvements means, within each municipality, the net taxable value of land and improvements multiplied by the percentages listed below for each property class added to the grantable crown land values multiplied by the percentages listed below for each property class:

Class of Property	Multiple
1	10 %
2	35 %
3	40 %
4	34 %
5	34 %
6	24.5 %
7	30 %
8	10 %
9	10 %

6.(2) The amount of the annual operating and capital costs recovered by requisition shall be apportioned among the participants on the basis of:

- a) 50% on the basis of the converted value of land and improvements as defined above.
- b) 50% on the basis of population as defined above

Grants in Lieu of Taxes

For the purpose of 814 (4), (5) and (6) of the *Municipal Act* funds paid to the Regional District in respect of the local service will be held to the credit of the participant making the payment.

Committee and Operation

- 8.(1) Despite sections 2 and 16 of the Letters Patent, the Board of the Regional District may maintain, operate, equip and sell the Royal Theatre in accordance with the applicable provisions of the *Municipal Act*.
- (2) Despite sections 5 to 15 of the Letters Patent, the Board of the Regional District may by bylaw provide for the establishment of a committee for the purpose of managing the administration and operation of the Royal Theatre and may, in relation to the committee, exercise the powers of the Regional Board under section 795(2) of the *Municipal Act*.

Citation

9. This Bylaw may be cited as "Royal Theatre Local Service Area Establishment Bylaw No 1, 1998".

READ A FIRST TIME THIS 11th day of February 1998

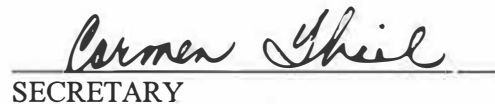
READ A SECOND TIME THIS 11th day of February 1998

READ A THIRD TIME THIS 11th day of February 1998

APPROVED BY THE INSPECTOR
OF MUNICIPALITIES THIS 6th day of March 1998

ADOPTED THIS 25th day of March 1998


CHAIR


SECRETARY

Filed with the Inspector of Municipalities this 27th day of March 1998

CAPITAL REGIONAL DISTRICT

BYLAW NO. 2685

A BYLAW TO ESTABLISH THE OPERATION OF THE
MCPHERSON PLAYHOUSE AS A LOCAL SERVICE

WHEREAS:

- A. A Regional District may, by bylaw, establish a local service under Section 798 (1)(f) of the *Municipal Act* to provide services for pleasure, recreation and other community use;
- B. The Regional Board of the Capital Regional District wishes to establish a local service for the purpose of purchasing, maintaining, equipping and operating the McPherson Playhouse in Victoria, British Columbia;
- C. The approval of the Inspector of Municipalities is required under Section 807 (1)(a) of the *Municipal Act*;
- D. The Regional Board has obtained the consent of the Council of the City of Victoria as required under Sections 807(2)(a)(ii) and 810(1) and (2) of the *Municipal Act*;

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled,
ENACTS AS FOLLOWS:

Local Service

- 1. The Capital Regional District hereby establishes a local service for pleasure, recreation and community use, and includes, without limitation, the McPherson Playhouse and all facilities and concessions associated with the McPherson Playhouse.

Boundaries

- 2. The boundaries of the local Service Area shall be coterminous with the boundaries of the City of Victoria.

Participating Area

3. Only the City of Victoria is a participating area for this Local Service.

Cost Recovery

4. The annual costs for the local service, net of grants and other revenues shall be recovered by one or more of the following:
 - a) the requisition of money under section 822 of the *Municipal Act* to be collected by a property value tax to be levied and collected under section 824(1) of the *Municipal Act*,
 - b) the requisition of money under Section 822 of the *Municipal Act* to collected by the imposition of a parcel tax imposed under section 824(2) of the *Municipal Act*; and
 - c) the imposition of fees and other charges that may be fixed by separate bylaw

Maximum Requisition

5. The maximum amount that may be requisitioned under section 816(1) of the *Municipal Act* for the annual cost of the local service will be:
 - a) for capital expenditures including but not limited to, the renovation, reconstruction or rebuilding of a performing arts theatre, machinery and equipment, reserve fund transfers and annual debt servicing payments. The maximum amount will be Four Hundred Thousand (400,000) Dollars.
 - b) for annual operating expenditures which may also include expenditures of a nature referred to in a) above, the maximum amount will be Three Hundred Fifty Thousand (350,000) Dollars.

Apportionment

6. No apportionment of costs is necessary because there is only one participating area.

Committee and Operation

7. The Board of the Regional District will establish a committee for the purpose of managing the administration and operation of the McPherson Playhouse under Sections 798(9) and 616 of the *Municipal Act*.

8. This bylaw may be cited as "McPherson Playhouse Local Service Area Establishment Bylaw No 1, 1999".

READ A FIRST TIME THIS 27th day of January 1999

READ A SECOND TIME THIS 27th day of January 1999

READ A THIRD TIME THIS 27th day of January 1999

APPROVED BY THE INSPECTOR
OF MUNICIPALITIES THIS 5th day of March 1999

ADOPTED THIS 10th day of March 1999


CHAIR


SECRETARY

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS 15TH DAY OF MARCH 1999

April 24, 2023

Royal and McPherson Theatres Services Advisory Committee
Capital Regional District
PO Box 1000 Victoria, BC V8W 2S6

Re. Funding for the Royal and McPherson Theatres Service

Dear Chair Murdoch and Committee:

Pacific Opera respectfully request the CRD and Owner Municipalities address the financial sustainability of the Royal and McPherson Theatres Service and align the mandate of our civic theatres with the region's cultural policy. We strongly encourage the development of a unified civic theatre mandate that addresses the values and needs of the municipalities, the resident arts organizations, and the communities they mutually serve.

In addition, the level of operating funding and capital requisitions must increase to meet the levels of service expected by the community, including the local professional and community-based performing arts organizations that need accessible and affordable performance venues for delivery of our services. Decades of insufficient funding for the Royal Theatre created the conditions for increased rents and access restrictions levied on the non-profit performing arts organizations in 2019, and threaten their viability to this day.

Without reform the governance and funding of our civic theatres threatens the continued success of the region's abundant arts and culture ecosystem. We believe that all partners – the CRD, Victoria, Saanich, Oak Bay, the RMTS and the resident performing arts organizations that bring their vibrant presentations to the stage – should share equitably in this responsibility. The arts are central to life in our communities, so together we must effect change that will mutually benefit our region and the cultural lives of our citizens.

Sincerely,



Ian Rye | Chief Executive Officer

cc. Franz Lehrbass, Royal and McPherson Theatres Society



May 2, 2023

To the CRD's Royal and McPherson Theatre Services Advisory Committee:

The Victoria Symphony (VS) energetically supports the Royal and McPherson Society's request for increased civic funding of operating and capital requisitions through CRD bylaws and believes it is essential for the sustainability of the local community of artists and producers.

Community-based, not-for-profit arts organizations require affordable access to venues to create attractive, high-quality arts experiences for the public. With funding frozen at levels set decades ago, the RMTS inevitably finds itself in a necessarily adversarial relationship with local producers, which is not what anyone involved wants. As we have been told respectfully by RMTS management, until levels of civic funding are increased, the RMTS must continue to prioritize higher revenue generating touring acts over supporting the needs of valued local producers like the Victoria Symphony, Pacific Opera Victoria, Dance Victoria, Ballet Victoria, and others that employ local artists, arts workers, and community members. Based on the transparent and friendly tone that I am confident now exists between RMTS management and the main local users of the Royal Theatre, there must be a way for us to work together with the CRD to help change the current RMTS funding model as soon as possible.

In addition to having to absorb rapidly increasing rental/labour rates and other fees, which we can only partially pass on to our customers, VS can now only count on 21 "guaranteed" days in the Royal Theatre per season with a handful of other "specials" at Xmas. While we can find another solution for the scheduling and management of rehearsals, I believe that returning the symphony to the Royal for all our mainstage Masterwork and Pops performances (roughly 32 performance days), is imminently necessary to build the Symphony's audience back to pre-pandemic levels and beyond. Recent VS sales successes at Royal Theatre performances and an audience survey done in March of this year support this assertion. In our view, **the Victoria Symphony very much needs to return its home base to the Royal Theatre.** Without a change in the civic funding model, we have been told this will not be possible.

In short, we believe that **levels of public funding, notably in the form of operating and capital requisitions through the RMTS CRD bylaws, must be appropriately increased for the levels of service required by the local community of artists to thrive.** The Victoria Symphony in collaboration with the RMTS has provided the CRD with an increasingly high standard of service for many decades, and we hope the committee will consider this as it considers its funding strategy moving forward. I would be happy to meet in person to discuss how we might work together to identify a solution.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew White".

Matthew White, CEO Victoria Symphony / matthew@victoriasymphony.ca/250.883.9276