



ATTACHMENT 6

St. Lawrence Centre: Business Plan Report

February 2022

Updated 2023



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Background and Process

While guiding TO Live stakeholders in a 5-year strategic plan effort, AMS was also charged with assessing operational implications of the re-imagination of the St. Lawrence Centre (STLC). Recognizing its important place and essential contributions to the strategic goals of TO Live, this report reflects operating and financial dimensions for the reimagined St. Lawrence Centre.

In late 2021, and with the support of TO Live staff, AMS conducted a series of debriefing interview sessions with internal and external stakeholders to understand the perspectives on, and priorities of the project to date, as well as the most up-to-date plans for the building program. Other research inputs included a potential user survey and comparable research to inform the operating model. AMS then developed an activity profile for a future 'base year' of operations¹ at STLC, and financial pro forma models for the same which were reviewed with staff.

Since that time, TO Live and their partners at the City, CreateTO facilitated a public charrette and architect selection process, which evolved some design and operational perspectives. This updated report incorporates the most current building program, design intentions and related operational implications into the business plan.

The re-imagining of the STLC is seen as an opportunity to create an unique cultural hub that combines themes of culture and community with technology, accessibility and sustainability. In the context of the STLC these themes can be further elaborated upon as follows:

- **Culture and Community:** An inclusive space, welcoming and celebrating diverse audiences and artists, especially those not reached by traditional performance spaces;
- **Technology:** State-of-the-art technical and digital capabilities that will meet the rapidly evolving needs of artists and expectations of audiences.
- **Accessibility:** A new approach to accessibility, ensuring that all bodies regardless of age, culture, ability or identification, are able to create, work, and play in any part of the space.
- **Sustainability:** First-of-its-kind performing arts centre with respect to its sustainable design ambition and operating efficiency.

¹ A 'base year' of operations refers to approximately the 3rd year of full operations following renovation under the new direction of the TO Live Strategic Plan



Community Perspective

In an effort to understand the specific programming mandate for the St. Lawrence Centre within the greater strategic plan for TO Live, AMS spoke with a broad range of community stakeholders. The important themes remain consistent with the new STLC and have notable operating ambitions. These six themes are discussed below: programming priority; flexible spaces; equity, access and affordability; creative process; delivery systems; and funding.

Programming Priorities

The primary shift in programming delivery at the STLC can be summarized as a transition from *landlord* to *culture maker*. This means that STLC (or TO Live), at its own or shared risk, presents and hosts a wide diversity of content to the public and simultaneously becomes a hub supporting the creative process for artists.

A balance of activity and content should be achieved between rental use by small local artists and organizations, larger and more stable sustaining users, and an anchor presenter (e.g. TO Live). TO Live presentations will bring diverse and international content to the stages of the STLC.

Space

Flexibility is key in repositioning STLC for future success in ways that transcend traditional performance and presentation. Adaptable spaces for presentation (including gallery space), creation and incubation, and administrative space are how the STLC will best serve the local artistic community, as well as enable TO Live to showcase the world's most innovative artistic programs through presentation. As a community asset, stakeholders also desire more fluidity between the inside and outside. This may include more visibility into the building from the street, and the addition of accessible and open common space and a café, among other changes to the physical space.

Equity, Access and Affordability

Stakeholders envision the new STLC as a centre that will be actively shared by artists and arts organizations, educational partners, private entities, and community stakeholders alike.

With a goal of ensuring access for a variety of partners, a high priority for access would be given to local artists and organizations. In addition, many artists and organizations which are seeking space for development, creation, and presentation,



operate on very small budgets, and smaller organizations who are important partners in realizing the approved future direction for TO Live indicate that the cost of renting the Centre in the past has proved a significant barrier.

Stakeholders also emphasized the importance of accessible prices for the public; many public-facing presentations and activities should offer ticket price points that are accessible to the community². Though marketplace research indicates that some community members do have the capability to pay for full-price tickets³, programs should nonetheless be created to provide more affordable tickets to foster a wider, more representative community audience.

As addressed in the master plan, the scale and size of existing spaces are too large for many local artists and organizations. Further, the new STLC should be a “porous” space, active and accessible to the community throughout the day whether for performance or simply as a public space. The addition of spaces for the general public to visit (i.e., a café) will generate regular, informal use of the space, extending its active hours significantly. Designed for flexibility, spaces at the STLC may also be utilized for public meetings and events as in the past. Finally, STLC’s programs and spaces must be free of inherent cultural and aesthetic biases, and therefore be open to non-traditional ways of presenting the arts.

Creative Process

The provision of space for artists to develop work is a critical contribution to the future of the regional arts ecosystem. To best serve the dynamic needs of artists (local or otherwise), it is important to provide more space for artistic development and innovation. Stakeholders recommended offering residency opportunities for extended periods of time without the pressure to present work in a public setting. While some elements of the creative process can be open and accessible to the public, various spaces and extended time should also be carved out to serve these ‘closed residencies’, giving artists control over whether or when to present their work to the public.

Delivery – live and virtual

² Frequently identified as under \$20 per ticket

³ See ‘potential user survey’ results below



Stakeholders believe that the future of the STLC is primarily about enabling in-person convening, whether to develop work or engage audiences. The community expects that flexible theatre spaces, rehearsal halls, studios and workshops, lobbies, and outdoor spaces (parks, street corners, etc.) will be activated throughout the day. Its spaces should also be equipped with cutting-edge technology and livestreaming equipment, virtual and augmented reality technology, and high-speed internet connectivity.

Funding

In order to enable access to a broader spectrum of the community (both artists and the public), the operation of a new STLC will require the reexamination of existing funding sources as well as additional support from new partners. The role of the TO Live Foundation is particularly important as there is no expectation of an additional investment for operations from the City of Toronto.

In addition to the activation of the TO Live Foundation and other fundraising initiatives connected to both providing community access and space for artistic development at STLC, stakeholders suggest that it would also be prudent to investigate other potential sources of investment. For example, Is there opportunity in the development of a 'creative tax' source, for which there is precedent in comparable institutions across North America? These questions will be important to consider, in support of this robust future vision.



Activating the St. Lawrence Centre

Potential User Survey

To establish a baseline of interest, technical needs, and potential use activity by the local community, AMS conducted a survey of potential users⁴, encompassing a broad base of local organizations of all kinds, as well as individual artists. Most respondents to the survey are performing arts producing organizations.

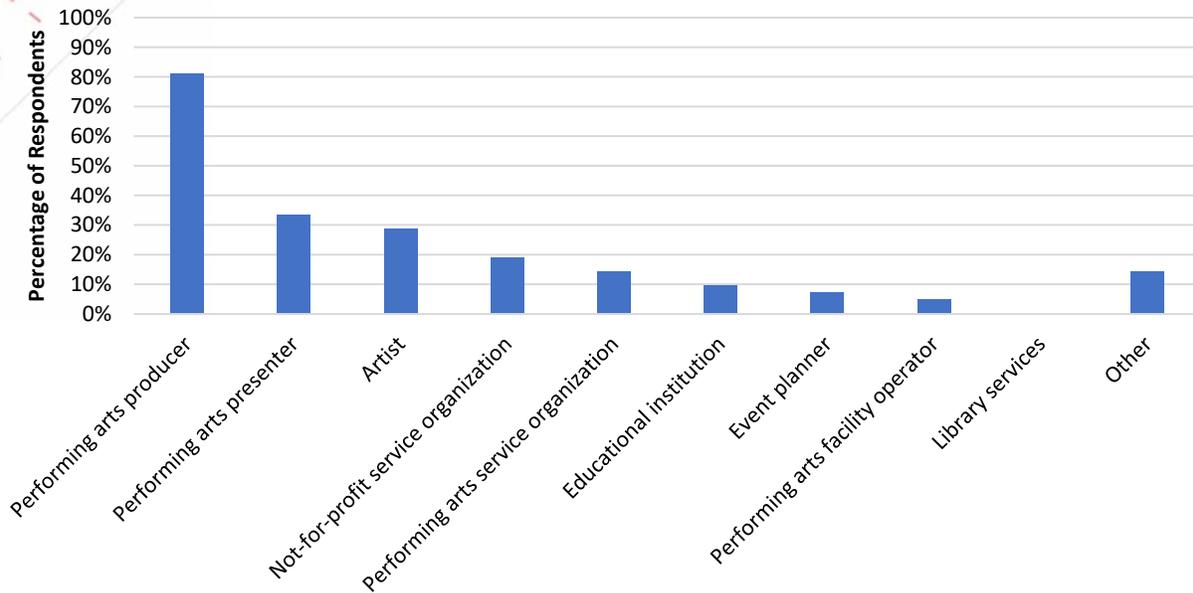


Fig 1: Potential User Survey – respondent types

These respondents program a variety of genres, calling for the STLC to support a wide spectrum of arts, cultural and other special events with flexible spaces. A preponderance of survey respondents consider themselves to be festival producers⁵, and dominant genres include multi-disciplinary work (33%), stage plays (33%), dance (31%), and classical music (29%). 29% offer community events, and 21% also provide education programming to their constituencies.

⁴ Including those who expressed interest in the use of a reimagined St. Lawrence Centre from Kerr Smith's 2021 survey; total respondents: 42

⁵ Sourced from survey question "Which of the following best describes you/your organization's programming/activity?"



Sixty percent of responding organizations operate on annual budgets of under \$500,000, underscoring the significant need for access to subsidized spaces for development and performance among local user groups.

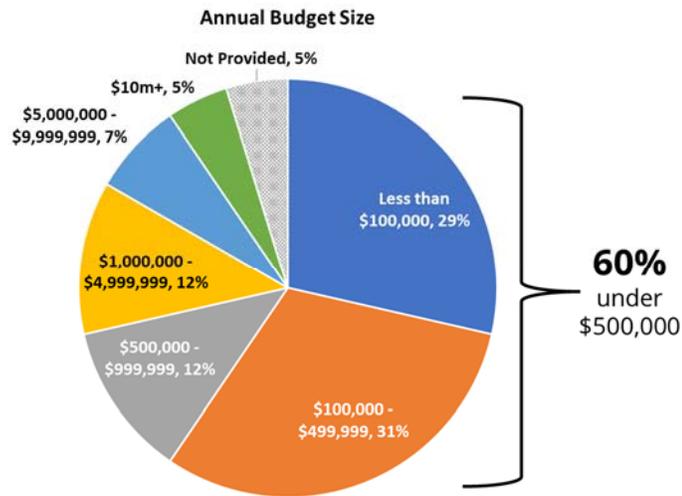


Fig 2: Respondent annual budget size

Though conditions due to COVID-19 are consistently in flux, the future undoubtedly holds a place for hybrid presentation and educational offerings. More than 70% of potential user respondents in late 2021 were offering virtual programming and activities, either exclusively or in tandem with live, socially-distanced programming. Under non-pandemic conditions this sample of respondents anticipate annual program offerings exceeding 5,400 events and serving over 3.8 million audiences from around the greater Toronto area, while continuing to offer digital programming. This volume of live and digital programming represents great opportunity for the STLC.

An important indicator of the capacity of the marketplace (both for organizations to pay rent and audiences to purchase tickets) is the most commonly offered ticket pricing. While only one third charge less than \$40 as a *maximum* ticket price for performances, events and education programs, 45% of respondents also offer tickets and/or tuitions free of charge or by donation for at least some of their programs. The significant portion of respondents offering at least some free tickets and tuitions is indicative of the need for reduced-price access to space.



Fig 3: Ticket prices offered

When considering the rental of spaces, the two most important factors to potential users are affordability and availability of space, followed by available (and presumably affordable) production staff and equipment. 95% of respondents say that an affordable⁶ rental is 'important' or 'essential', and 93% say the same about space availability.

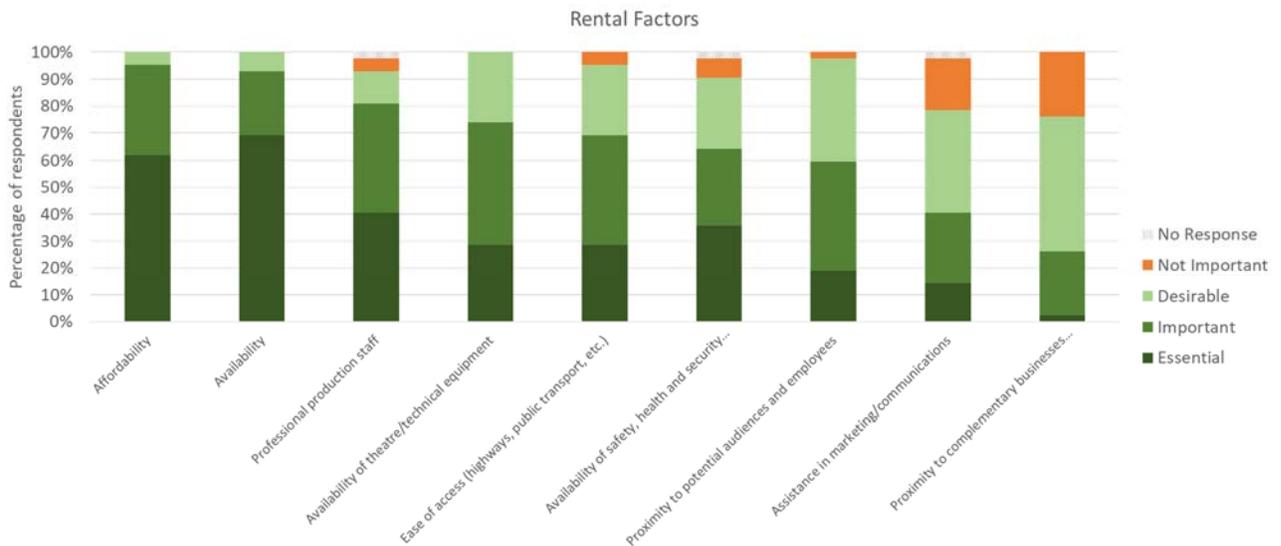


Fig 4: Rental Factors

⁶ Often defined as a discount of 50% or more off market rate



Use of St. Lawrence Centre

Nearly all respondents⁷ to the survey expressed interest in using venues at the STLC, under the assumption that their needs would be met by the spaces as redeveloped. More than half say they would plan to migrate programs from other rental venues or expand existing programming or events into the new STLC.

The strongest interest is in spaces for performance and rehearsal: about 70% of respondents say they have a need for both a proscenium stage for performances, as well as space for rehearsal.

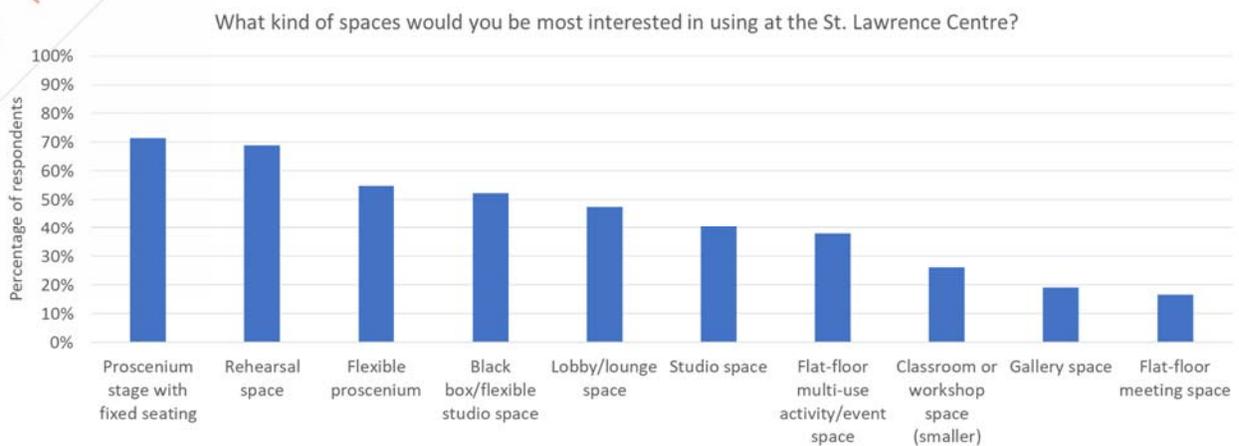


Fig 5: What kind of spaces would you be most interested in using at the St. Lawrence Centre?

Based on the user survey, a proscenium theatre, whether with fixed or flexible seating, garners very strong interest from local user groups and artists. Nearly 220 use days were forecast for a proscenium theatre in the optimum capacity range of 650 – 1000 seats⁸, and other organizations would also be likely to use the space given their maximum and minimum capacity requirements.

⁷ 95% express interest in renting venues at STLC

⁸ Respondents were asked to indicate minimum, maximum, and optimum capacity for the space, as well as forecast annual use days under assumption that the space fits their capacity needs.

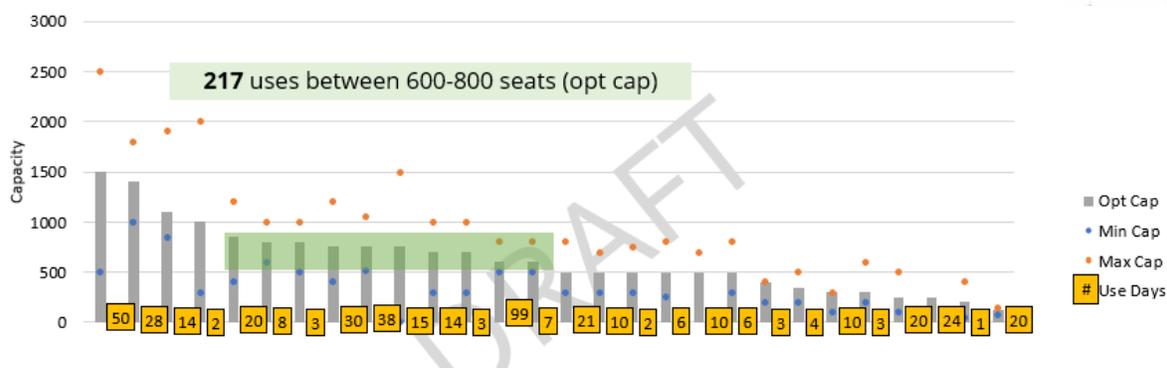


Fig 6: Forecast capacity needs and use days in a proscenium theatre

A modular⁹ acoustic hall of a smaller capacity (typically used in a configuration of under 200 seats) would serve well over 200 uses by a wide variety of community arts groups.

In addition, a variety of flexible, flat floor spaces for rehearsals and events, ranging from a capacity of approximately 25 to 100 people, would serve the broadest need of potential user respondents. There is a particularly strong demand for affordable and available rehearsal spaces of various sizes: nearly 800 potential annual uses were recorded for rehearsal spaces ranging in capacity from as small as 10 people to as many as 80 people. Use of classrooms¹⁰, studios¹¹, galleries¹², and lobby spaces for events¹³ round out the potential use of the STLC.

Activity Profile

Given the inputs provided through community briefings, the potential user survey, and comparable operating research, and considering the recommended building program put forth by DTAH and Novita¹⁴, AMS, with input from TO Live staff, has illustrated a potential activity profile

⁹ A larger capacity may be feasible to accommodate the needs of larger organizations, assuming that the space can be divided such that organizations with smaller needs may be accommodated

¹⁰ Optimum capacity ranges between 15-100 with potential use of 130+ use days

¹¹ Optimum capacity ranges between 20-200 with potential use of 220+ use days

¹² Optimum capacity ranges between 40-400 with potential use of 85 use days

¹³ Optimum capacity of approximately 100 with potential use of 180+ use days

¹⁴ Includes a 600-seat main hall, 400-seat black box, 4 rehearsal / event halls, and various studio and other spaces



for the STLC¹⁵. Forecast activity outlines a ‘full book’ of potential use in a future base year. The activity projection posits that the main hall space is active a robust 315 days per year; more than 50% of this activity is use is by local not-for-profit organizations and artists.

The main 650-1000 seat hall is forecast to be programmed predominantly by a variety of local not-for-profit organizations and artists, including some who have historically been tenants of the STLC. Rental activity in the hall is supplemented by a diversity of TO Live Presentations, with a primary focus on drawing diverse international artists into the Centre. Some commercial and corporate use (about one-third of total use days in the main hall) is also modeled, balancing the needs expressed by survey respondents with the future priorities of the STLC.

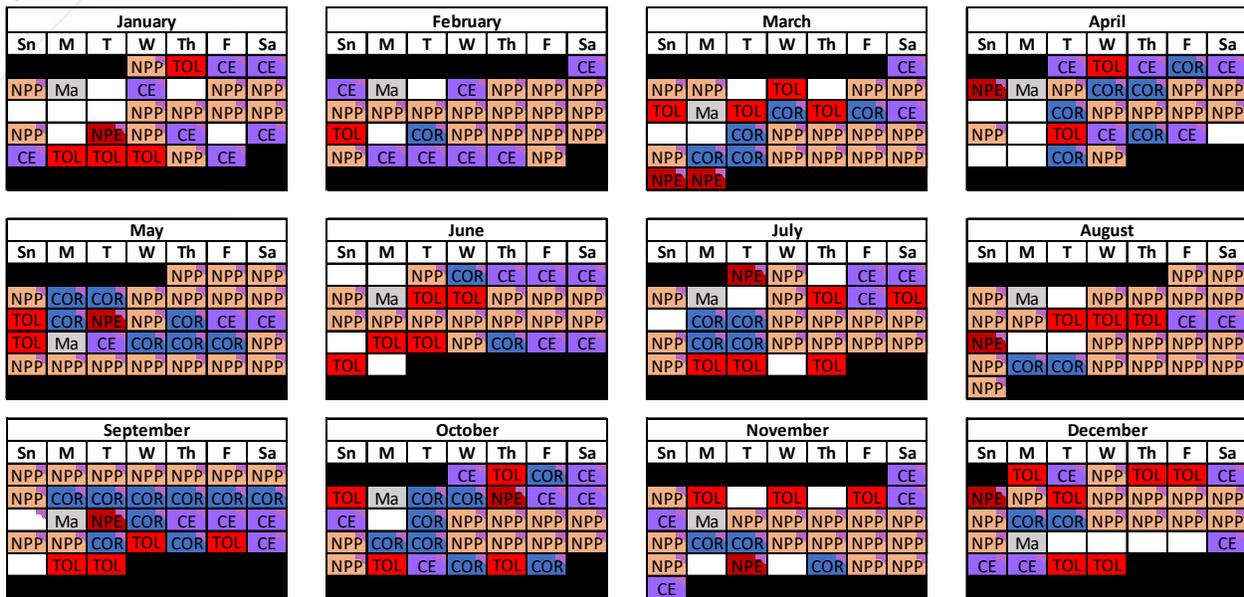


Fig 7: Utilization of 600-800 seat hall

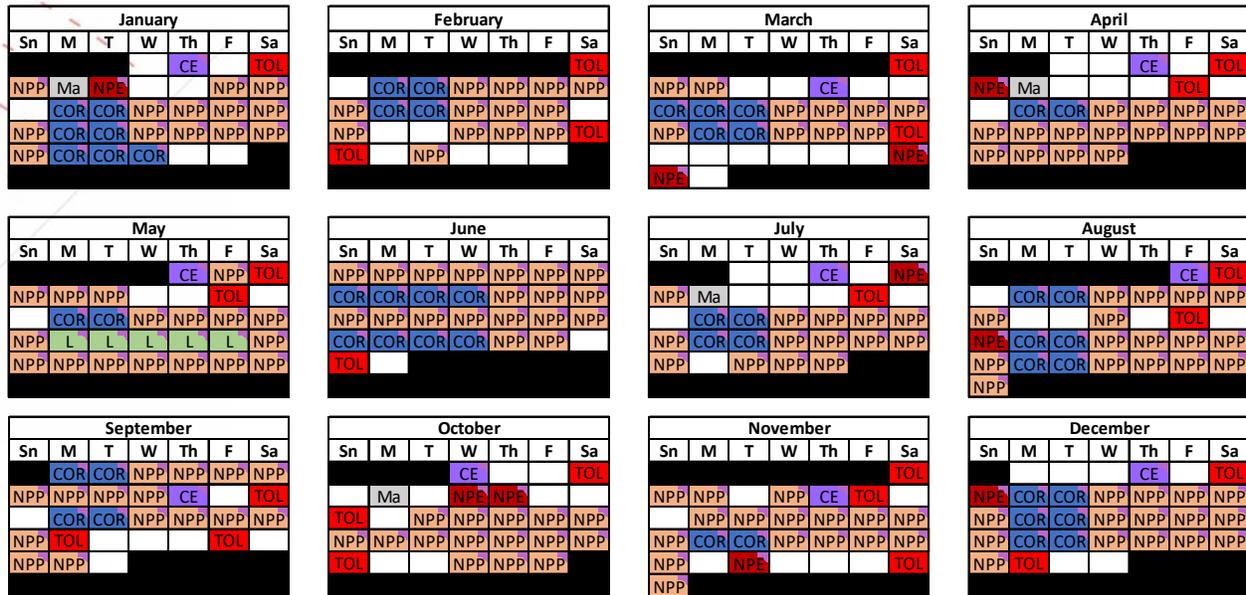
70% of the use of the smaller acoustic hall¹⁶ is by local organizations and not-for-profits for the purpose of performance or events, while TO Live rounds out use of the space, presenting 25 events annually. In addition to the main hall, the Acoustic Hall also provides opportunity for TO Live to ‘invest’ in the provision of space for local organizations by providing discounted base

¹⁵ Updated with most recent information from the design team to a 700-seat main hall, 300-seat acoustic hall, 4 rehearsal / event halls, and various studio and other spaces



rental rates for the use of the space. Its adjacency to the rehearsal halls (see below) enable larger scale convenings for artistic or corporate use as well.

Fig 8: Utilization of 300-seat black box



The range of large, medium and small rehearsal halls that are envisioned are expected to be used for a mix of rehearsal and event activity, as well as space for residency and creative development based on their capacity and flexibility¹⁷. The large rehearsal hall, approximately 3,000 square feet (279m²) can expect 319 annual uses, 61% of which are allocated to rehearsal. Medium rehearsal hall(s) ranging in capacity between 1,600 – 2,000 square feet (149-186m²) would be used primarily for rehearsal¹⁸, with more than 240 annual uses. The proposed adjacencies of the large and medium rehearsal halls to the acoustic hall allows for larger scale corporate use as well. Finally, a small rehearsal hall of approximately 1,200 square feet (111m²) would serve smaller rehearsal needs, and can expect to exceed 130 uses per year. The primary use of the small rehearsal space would be for rehearsal purposes (77%), while remaining uses are allocated to small not-for-profit needs for event & meeting space.

¹⁷ The use of additional planned spaces, including rental use of media spaces, is also incorporated into this pro forma modeling

¹⁸ This is based on recorded demand for space of that capacity; minimal community need for event space in that range was recorded



	LARGE REHEARSAL	MEDIUM REHEARSAL	SMALL REHEARSAL
REHEARSAL USES	193	234	109
OTHER NON-PROFIT USES	118	0	29
CORPORATE RENTALS	8	8	0

Fig 9: Utilization of rehearsal spaces

The following table outlines the activity which drives the operating model of the future St. Lawrence Centre¹⁹.

USE TYPE	MAIN VENUE	ACOUSTIC HALL	REHEARSAL (L)	REHEARSAL (M)	REHEARSAL (S)
TO LIVE PRESENTS	43	25	0	0	0
COMMERCIAL RENTALS	103	60	8	8	0
NOT-FOR-PROFIT RENTALS	169	188	311	234	138

Fig 10: Activity Profile summary

¹⁹ This level of activity remains fixed across each pro forma model (baseline case, high, and low), while the 'mix' of commercial rental types, and attendance and capture rates change



Pro Forma Operating Models

Based on the inputs of the activity profile and using existing data from the STLC as a baseline, as well as comparable operating research, AMS has created several alternate pro forma operating models for the STLC to represent the spectrum of possible operating results for the Centre in a full, stable operating year.

The following represents the preferred approach and presents three different cases to account for sensitivity, based on attendance and activity mix. The first represents a 'base' year of operations²⁰, denoted as the 'baseline' model; the second, a 'high earned revenue' case in which earned revenue producing attendance and sales rates are notably high; and a third 'low earned revenue' case, in which lower attendance and capture rates result in lower earned revenue, and thus higher required TO Live investment. This sensitivity analysis assumes a fixed level of activity across all scenarios.²¹ The primary assumptions outlined below shift the balance of earned revenue between the models:

- The average percentage of ticket inventory sold per event
- The rate of patron capture for food and beverage sales (both concessions and café sales)
- The mix of corporate rental types; larger scale corporate rental events command greater net revenue from banqueting activities, whereas smaller, shorter meeting and events have a lower earned income threshold

Following guidance regarding the future of activity and operations at the STLC in the TO Live Strategic Plan, these pro forma operating models have been outlined in the following pages and reviewed by and revised with input from TO Live staff.

The following represent 'programmatic' operating models which are driven by changes in programmatic activity; the programmatic changes imagined for the STLC are the primary financial drivers of each of these models, while general overhead related to management and operations is supported in large part by the larger TO Live organization. It is important to note that the STLC inherently relies on the efficiencies provided by TO Live management and operations. In the baseline case, TO Live's investment in the STLC totals \$1,122,000, and includes investments in presented programs, provision of space for artist residencies, and base rental rate

²⁰ A 'base year' of operations refers to the 3rd year of full operations following renovation under the new direction of the TO Live Strategic Plan

²¹ Activity levels (number of activities), and per capita and average ticket price assumptions do not change between each case



discounts at the Centre. TO Live investment could range from as little as \$670,000 in the high earned income case, to upwards of \$1,640,000 in a low earned income case.

St. Lawrence Centre			
Schedule 2: Summary Pro Forma			
Operating Overview	Baseline	High Case	Low Case
Earned Revenues			
Ticket Sales (presentations)	\$1,376,000	\$1,588,000	\$1,164,000
Ticket Fees/Surcharges - CIF (pass through)	\$640,000	\$738,000	\$541,000
Ticket Fees/Surcharges - Ticket Rebate	\$396,000	\$457,000	\$335,000
Ticket Fees/Surcharges - Box Office	\$176,000	\$203,000	\$149,000
Facility Rentals - Stage / Other	\$720,000	\$720,000	\$720,000
Rental Additions/Chargebacks (gross)	\$851,000	\$851,000	\$851,000
Concessions (net)	\$390,000	\$495,000	\$293,000
Corporate Sales	\$305,000	\$413,000	\$123,000
Total Earned Revenues	\$4,854,000	\$5,465,000	\$4,176,000
Contributed Revenues			
TO Live Investment (TOTAL)	\$1,122,000	\$671,000	\$1,639,000
Total Contributed Revenues	\$1,122,000	\$671,000	\$1,639,000
Total Revenue	\$5,976,000	\$6,136,000	\$5,815,000
Operating Expenses			
Season Programming	\$1,689,000	\$1,689,000	\$1,689,000
Theatre Operations	\$864,000	\$926,000	\$802,000
Building Operations	\$1,567,000	\$1,567,000	\$1,567,000
CIF (pass through)	\$640,000	\$738,000	\$541,000
Compensation (FTE personnel)	\$916,000	\$916,000	\$916,000
Residency Expenses	\$300,000	\$300,000	\$300,000
Total Operating Expenses	\$5,976,000	\$6,136,000	\$5,815,000
Net Operating Result	\$0	\$0	\$0

Fig 11: Summary Pro Forma

Assumptions



A series of assumptions are important to the pro forma model, particularly those related to the building program and activity. The notable elements of the current building program include a total gross square footage of 175,000 SF:

- A flexible main venue with a capacity of 650-1000 and an accompanying acoustic hall with a capacity of 300 drive presentation activities
- 3-4 rehearsal spaces ranging from 1,200 – 3,000 square feet, available to host rehearsals, workshops and events by local organizations
- Several ancillary spaces for production, development, and administration

In modeling attendance, an average of 65% sold rate across all venues is assumed in the baseline case, in addition to the provision of 15% of house (on average) allocated to free and reduced-price tickets. The average percentage sold ranges from 55% in the low earned income case, to 75% in the high earned income case.

The model escalates to an opening date of 2029. Figures are in 2023 dollars.

Revenues

Earned Revenues

The baseline case shows gross earned revenues of \$5.98 million are driven by ticket sales for presentations, with supplementary revenue directly from various ticket fees (CIF and ticket fees and rebates), base facility rental fees, labor chargebacks, and concessions, catering and café revenues.

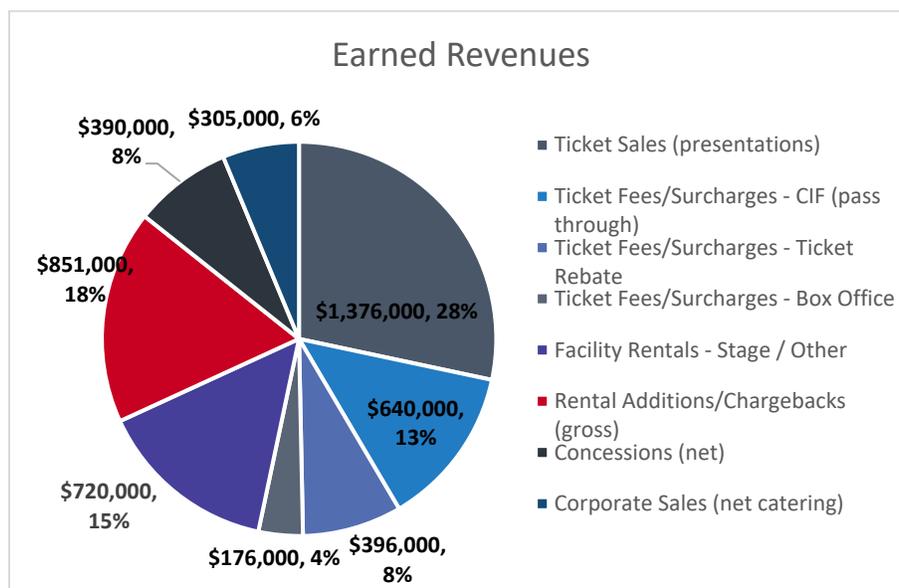


Fig 12: Earned Revenues (baseline model)



TO Live Presents

In the baseline case, a total of 68 presented events across the two spaces sell at 65% of capacity on average²², garnering an average ticket price of \$46. TO Live Presents activity in the STLC earns \$1.4 million in gross ticket sales, and accrues \$1.69 million in associated presentation expenses²³, calling for an investment from TO Live of \$300,000 annually to balance the presented line of business at the STLC. A higher average percentage sold (75%) in the high earned revenue case results in a smaller deficit on presented events, while 55% sold in the low earned revenue case calls for a larger investment from TO Live. TO Live presented activity levels at the STLC remain the same in all scenarios.

	Baseline	High Case	Low Case
TO LIVE PRESENTS			
<i>Ticket sales (gross)</i>	\$1,376,000	\$1,588,000	\$1,164,000
<i>TO live investment</i>	+\$313,000	+\$101,000	+\$525,000
<i>Presented expenses</i>	-\$1,689,000	-\$1,689,000	-\$1,689,000
<i>Presented (net for STLC)</i>	\$0	\$0	\$0

Ticket fees

All tickets sold accrue a facility fee surcharge (FFS) of \$3.98 per ticket in the 650-1000-seat hall and \$2.65 per ticket in the black box. 100% of CIF revenue is passed through STLC as expense, and therefore adds \$0 to the bottom line; this is to say that the models represent CIF as gross revenue and equivalent gross expense. Additionally, \$2.25 per ticket is assessed across all sales as 'ticket rebate' net revenue, and an additional \$1.00 fee per ticket supports venue operations. In the baseline case, net ticket fees add more than \$570,000 in net revenue to the bottom line. Meanwhile, with increased ticket sales, the 'high earned revenue' case sees more than \$50,000 in additional net revenue from ticket fees; the low earned revenue case sees a nearly \$70,000 reduction from the baseline in net revenue from ticket fees.

²² An additional 15% of the house is offered at reduced price or free

²³ Including artist fees, production, marketing, and other related presentation expenses



TICKET FEES	Baseline	High Case	Low Case
<i>CIF Revenue</i>	\$640,000	\$738,000	\$541,000
<i>CIF expense</i>	-\$640,000	-\$738,000	-\$541,000
<i>Ticket rebate revenue</i>	+\$396,000	+457,000	+335,000
<i>Box Office surcharge</i>	176,000	203,000	149,000
<i>Ticket fees (net)</i>	\$572,000	\$660,000	\$484,000

Food and Beverage (net)

In the baseline case, show-related concessions, estimated at a per capita of \$5.00, capture rate of 70% of audiences, and 30% net after cost of goods and other related expenses, yield \$390,000. A range in assumed capture rate between 60% (low earned income case) and 80% (high earned income case) with a fixed per capita of \$5.00 results in a range of net revenues from concessions between \$293,000 and \$495,000.

An average per capita of \$10.00 and an assumed sales target of 100 units daily at 50% net of costs, the planned 'hub' café yields a net result of \$183,000 in the baseline case. Daily sales targets range from 75 units per day in the low earned income case, to as many as 125 units per day in the high earned income model, driving a range of net revenue in the café between \$137,000 - \$228,000.

In addition to these food and beverage revenues, the mix of corporate rental uses²⁴ determine a range of net catering sales revenues. In the baseline case, 85% of the uses are for small, brief corporate meetings, while the remaining 15% of uses (4 uses in total) are larger banquet-type uses with a higher estimated per capita, and thus a higher per-event cost to corporate users. This mix of corporate events in the baseline case yields an additional \$305,000 in net catering sales

²⁴ 108 total corporate rental events are estimated annually, while the mix of corporate event type changes from case to case; these are included in 'commercial' rentals



for corporate events. In the high case, a mix of 75% small meeting uses and 25% large banquet uses yields \$413,000 in net corporate catering sales. The low case assumes 95% small meeting uses by corporate renters, while only 5% of corporate activity is subject to large banquet use; this results in \$123,000 in net catering sales for corporate activity. The mix of corporate rental event activity is a driver of the differences between the low, baseline, and high cases.

<i>Food & Beverage (net)</i>	<i>Baseline</i>	<i>High Case</i>	<i>Low Case</i>
<i>Show-related concessions / bar (net)</i>	\$208,000	\$267,000	\$156,000
<i>Hub Café (net)</i>	\$182,000	\$228,000	\$137,000
<i>Corporate Catering</i>	\$305,000	\$413,000	\$123,000
<i>Food & Beverage (net)</i>	<i>\$695,000</i>	<i>\$908,000</i>	<i>\$416,000</i>

Rentals & Variable Labor

Gross rental revenues (not including variable labor charges) include stage rental, corporate rental, and other facility rental fees. Based on the forecast activity, and assuming 'market' rental rates for STLC venues which are competitive in the marketplace (not above or below market) for all rentals, the STLC could expect \$1,570,000 in base gross rental revenues in a base year. Given the mandate of the STLC to provide space for more artists and groups, this model has assumed steep discounts on base rental rates, in addition to the "provision of space", both subsidized and even free, to some community users. With average discounts on rental rates for qualifying users ranging from 50% to 80% off market rates, the expected total revenue from base rental fees which are charged to the users amounts to \$720,000. In order to provide this space at deep discounts for many users (including free provision of space for some), all cases show that TO Live provides an investment in base rentals. The investment in providing space from TO Live amounts to \$650,000 for base rentals (not inclusive of labor charges).

The volume of rental activity remains the same across all cases, as do discounted base rental rates for many users. Variations in supporting earned revenues across other lines of business in the high and low cases²⁵ result in an increase or reduction in the need for financial support from TO Live to meet fixed expenses and demonstrate a breakeven operation of the STLC. The

²⁵ These variations include percentage sold, F&B sales, and corporate rental activity mix, as aforementioned



table below represents the expected facility rental base charges and corresponding TO Live investment required to reach 'full fare' rental revenue potential, based on the activity modeled, in the baseline case.

Base Rental Revenues (gross)	Baseline
<i>Facility Rentals – Stage / Other (earned revenue from users)</i>	\$720,000
<i>TO Live Investment - Base Rent & Provision of Space (contributed)²⁶</i>	+\$643,000
<i>'Full Fare' rental revenue potential (gross)</i>	\$1,363,000

While most rental activity is expected to serve not-for-profit users and artists with limited ability to pay rent, full-fare commercial activity, both on the stage and as corporate event rentals, will continue to be an important part of the rental user mix, serving to support earned revenue generation between base rental fares and corporate catering sales²⁷.

In addition to base rental revenues above, gross revenues from rental additions and chargeback labor, which is charged in full to user groups, amounts to \$851,000²⁸.

Expenses

Operating expenses are driven by the cost of presented programming (a variable expense based on activity volume and mix), and increased building operations costs, fixed on the basis of square footage, as well as compensation and theatre operations, all according to the 5-year TO Live Strategic Plan.

²⁶ This amount is offset indirectly by corporate earnings and earned revenue from food & beverage sales in order to balance TO Live's budget

²⁷ See the above section on Food & Beverage revenues

²⁸ Associated variable labor expenses are reflected in 'theatre operations' expenses below.

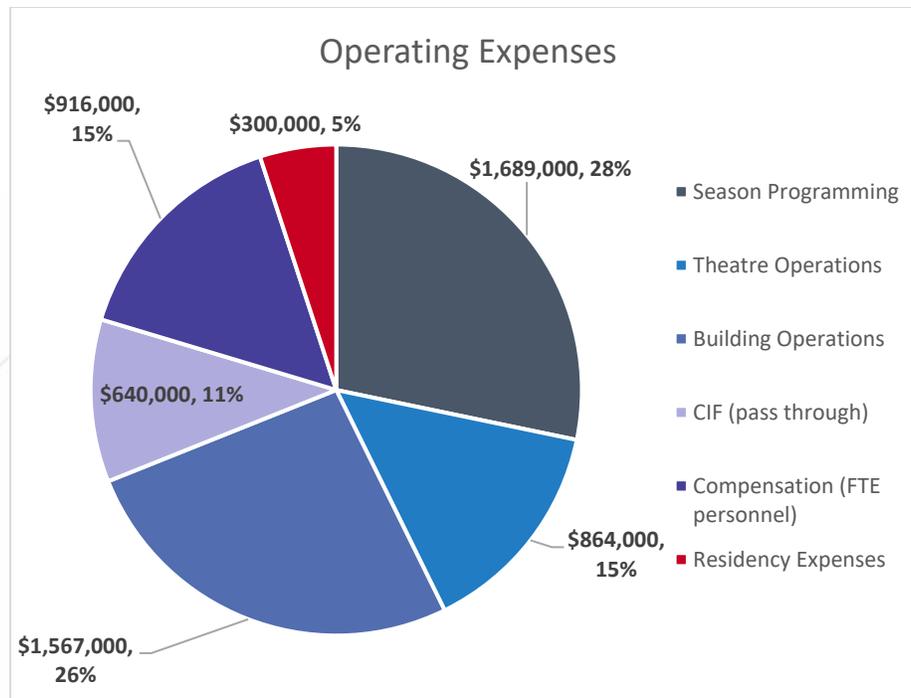


Fig 13: Operating expenses (baseline model)

Staffing

A total headcount of 11 across all modeled cases includes 6 full-time staff (Facilities Manager, Stage Production Manager, E&E manager, Programming/Residency Manager, Events Manager, and IT Manager), as well as additional headcount for housekeeping (total of 5 heads). This amounts to \$916,000 in salaries and benefits annually. Full-time staffing expenses are a fixed expense, and FTE staffing remains fixed, a decision which was made based on equivalent levels of activity in the STLC across each modeled case.

Building Operations

The cost of building operations is based on the total gross square footage in the current iteration of the building program at 175,000 GSF. Inclusive of utilities, insurance, security, cleaning & maintenance expenses, etc., this line amounts to \$1,567,000. Building operations are a fixed expense based on the assumption of a fixed building footprint square footage, as well as the total volume of activity remaining steady across all modeled cases.

Theatre Operations

Driving theatre operations is a \$2.50 per ticket expense allocated to box office operations (primarily gross expense for credit card fees) resulting in \$427,000 in the baseline case. This



expense is variable, based on the number of tickets sold: in the high case, this box office operations expense amounts to \$489,000, whereas in the low case it dips to \$365,000.

Contracted labor also drives this line as a variable expense based on activity, amounting to another \$391,000. Although contracted labor expenses are a variable expense, activity does not change between the modeled cases, therefore the cost of variable labor remains the same in the baseline, high, and low cases.

Total theatre operations expense ranges from \$802,000 in the low case, to \$926,000 in the high case, based on the impact of ticket sales on box office expenses.

TO Live Investment Summary

The TO Live strategic plan calls for investment in the STLC to support the priorities of provision of space, artistic development, and community access is imperative and immediate. This strategic decision to invest in equity and community access is closely aligned with TO Live’s long-term strategy in advancing the sustainability of communities and culture. The ultimate goal is a commitment to invest in TO Live’s civic assets (‘cultural hubs’), coupled with an endowment to serve the continuous creation and production of Canadian culture.

TO Live’s total investment in the new STLC is forecast to range from \$671,000 to \$1,640,000; this is an investment which may be supported by several potential revenue streams. The following table summarizes the areas of investment in STLC as contributed revenue to offset expenses, in addition to the investment of \$300,000 in unreimbursed expense to provide space and stipends specifically for residencies and fellowships:

<i>TO Live Investments in STLC</i>	<i>Baseline</i>	<i>High Case</i>	<i>Low Case</i>
<i>TO Live Presents</i>	\$313,000	\$101,000	\$525,000
<i>TO Live Investment - Base Rent & Provision of Space (variable based on earned revenue production)</i>	+\$509,000	+\$270,000	+\$814,000
<i>TO Live Investment – Residencies & Fellowships</i>	+\$300,000	+\$300,000	+\$300,000
<i>TO Live Investment TOTAL</i>	<i>\$1,122,000</i>	<i>\$671,000</i>	<i>\$1,639,000</i>

This plan for investment in community organizations and support for residents of Toronto is bold but important. To accomplish the plan, close consideration of TO Live’s sources of investment,



including existing City investments, revenue from Meridian Hall, potential dedicated tax revenue, increasing support from the TO Live Foundation, and other philanthropic sources must be carefully considered.

The new STLC presents a vital opportunity to carry out the newly crafted purpose of TO Live, to *amplify the role of performance spaces as a force for social engagement, cultural exchange, and creative innovation*. As a vital part of the current performing arts and cultural ecosystem in Toronto, a reimagined St. Lawrence Centre presents great promise in supporting the future of arts in culture in Toronto, by its concerted effort in ‘making space’ for artists, culture makers, and its communities.