



CITY OF KITCHENER MANDATE FOR CENTRE IN THE SQUARE



REPORT ON MANDATE OPTIONS

Prepared for the

City of Kitchener

March 30, 2015

ARTS  ONTARIO

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Introduction

The Consulting Team

ArtsBuild Ontario is the only organization in Ontario dedicated to realizing long-term solutions for building, managing and financing the sustainable arts facilities needed in Ontario communities.

ArtsBuild provides tools, training and resources that support the development and sustainable creative spaces such as theatres, galleries, concert halls and museums. ArtsBuild Ontario works with arts organizations, funders and consultants to understand the needs of arts organizations and their facilities. Our knowledge of the sector and these processes allows us to bring creativity and insight to the issues related to municipally owned arts facilities.

For this project, ArtsBuild Ontario brought together a consulting team of highly respected practitioners. Our consulting team has demonstrated capabilities in arts consulting, culture programs and policies, and stakeholder and public consultations on many projects.

Throughout the project, we were mindful of the overarching objective of supporting improved operations and more collaborative relationships among the City of Kitchener (CoK), the Centre In The Square (CITS), the Kitchener-Waterloo Symphony (KWS) and the Kitchener-Waterloo Art Gallery (KWAG).

The project lead has been Adele Dobkowski, Executive Director of ArtsBuild Ontario and the Principal of Philanthropy Solutions Inc. The lead for the development of mandate options has been Richard Mortimer and the lead on the stakeholder and public consultations was Judy Wolfe, Partner with Consulting Matrix.

Adele has worked in the fields of culture, health, education, environment and international development. She has particular expertise in strategic planning, financial management, capital projects, partnerships and collaborations, governance and revenue development.

Richard's extensive experience includes policy development and analysis, theatre and nonprofit management, public consultation, research, granting and other program development and delivery, systems review/development, issues management, contract negotiation and risk management.

Judy is a sought-after advisor who helps executives to identify and overcome the strategic issues inherent in planning and managing corporate change. She has helped leaders to find solutions to financial constraints, accountability challenges and change fatigue to achieve lasting results.

Purpose of Project

On August 25, 2014 Council directed City of Kitchener staff to: *Hire a consultant to review the existing mission and mandate for the CITS and develop revised or refreshed mandate for the CITS building.*

The City of Kitchener engaged ArtsBuild Ontario to fulfill this directive and to recommend a renewed mandate for the Centre in the Square -- its most significant cultural asset -- which draws on consultations with stakeholders and the broader community.

The need for a clear mandate from the City arises out of the financial pressures faced by CITS and KWS, one of its resident organizations. Both organizations are at the heart of Kitchener's cultural infrastructure and both receive significant operating grants from the city. Over time, the City has increasingly become involved in the operating details of these organizations. One of the goals of this project is to re-establish the City's role as one of oversight and direction setting.

CITS is struggling to achieve financial stability within the limits of its funding model and believes that one means to improve the situation is by altering its long-standing business relationship with KWS. Specifically, it seeks to move some KWS performance dates away from weekends and use those dates to present commercial offerings with higher potential to generate net revenues.

KWS, which is experiencing equally challenging struggles to achieve financial stability within the limits of its current funding model, believes that moving long-standing dates may have a negative and unsustainable impact on ticket sales, particularly subscription ticket sales.

The two parties have not been able to reach a resolution around this long-standing issue and it is believed that the City, as owner of CITS, should clearly indicate its expectations, in the form of a renewed mandate, with respect to the role CITS should play in the life of the community. It is hoped that this mandate would provide the direction needed to resolve this immediate issue as well as provide the guidance necessary to support the long-term evolution of CITS and the broader arts and culture community. In doing so, the City must recognize the potential impacts that may result on the parties and be prepared to address them.

To achieve a renewed mandate, the ArtsBuild consultant team was tasked to:

- Identify and review strategic alignments among CITS, CoK, KWS and KWAG
- Design and implement a process to provide insight into stakeholder and public opinions about CITS
- Develop CoK mandate options, and prepare a report for Council's consideration

The project commenced on October 23, 2014. The consultants established and maintained clear and regular lines of communication with the CoK and met regularly with the Project Oversight Team, whose membership is described in Appendix A.

We would like to take this opportunity to thank all who participated. Most importantly, we thank the CoK Oversight Team members, and staff and leadership from CITS, KWS and KWAG for all of the guidance and information they have provided to inform this project.

Methodology

The project unfolded in these four phases:

- Background research and meetings to understand strategic alignments among CITS, CoK, KWS and KWAG
- Stakeholder Workshop and Public Consultation
- Development of CoK Mandate Options
- Submission of Final Report

In undertaking this assignment, the consultants used a variety of research techniques to gather quantitative and qualitative information, including consultations, surveys and interviews. The consultants applied rigorous analytical techniques to the data to ensure reliable results.

In this report, we provide two options with analysis and high-level implications for each. We also present a 12-month action plan to achieve progress among CoK, CITS, KWS and KWAG on their most pressing issues. Following this, we provide detailed descriptions of the stakeholder and public consultations that we conducted.

In Appendix D, we have included a thought piece for future consideration on a different approach to municipal funding in relation to helping arts organizations better afford needed venues.

Assumptions

In undertaking their analysis, the consultants have assumed that:

- Culture remains a key component in the City's economic development and tourism strategies
- There will be continued municipal investment in major cultural organizations
- Centre in the Square remains a key component of municipal infrastructure
- Kitchener-Waterloo Art Gallery remains in the Centre

Background

Webb Management Services Incorporated was retained by the CoK in 2014 to review the operations of CITS and KWS, as well as the relationship between the two organizations and with the CoK, and then to advise the CoK, CITS and KWS on strategies for improved operations and more collaborative relationships. The Webb Report was presented to Council on August 25, 2014. It describes the history, context and recent challenges faced by the organizations.

For those wishing to be reminded of this background, the consultants recommend reviewing the Webb report, along with the Management Response summarizing reaction to the report from CITS, KWS and the City.

This project flows directly from the recommendations of the Webb report, which identified the issues and challenges that resulted from a founding mandate that is too broad to provide meaningful directional guidance to CITS. The consultants did not undertake any independent research or analysis with respect to background.

Recommendations of the Webb Report

The Webb report presented general recommendations relating to all of the involved organizations and specific recommendations for CITS and KWS. CITS, KWS and CoK each prepared a management response to the recommendations. The summary of these responses prepared by CoK staff for Council stated that:

‘All three organizations agree that there are three top priority recommendations which must be addressed first before the others are even considered. This is because the outcomes of these three recommendations may end up changing or impacting the others. They include:

- Revisiting the mission and mandate for the CITS
- Facilitated discussions between all three organizations
- Identification and planning of physical improvements to CITS’

Mandate

Definition

In the case of the City of Kitchener as owner of CITS, a mandate is best understood to mean an instruction, directive or charge given to the Board of the Centre with respect to the role the Centre shall play in the life of the community. It is a foundational document upon which all other planning and operational activities may be based. It provides high-level guidance, rather than specific direction, with respect to operational issues and decision-making, ensuring that the arm’s-length relationship between the city and CITS is maintained.

A mandate should:

- Reflect the City's long-term vision and strategies for economic and community development
- Provide sufficient direction so that CITS management can undertake all subsequent strategic and operational planning
- Not be prescriptive with respect to operational matters
- Allow CITS management the freedom necessary to interpret the mandate for its business purposes while holding it accountable for achieving the intent of the mandate

Examples of Mandates

There are few similar examples of such Mandate statements. When they occur, they are often associated with the creation of a facility. They are typically brief and very high-level.

- National Arts Centre founding mandate was *'to operate and maintain the Centre, to develop the performing arts in the National Capital region, and to assist the Canada Council in the development of the performing arts elsewhere in Canada'*.
- Sony Centre for the Performing Arts, owned by the City of Toronto describes *'the promotion, production or presentation of the performing arts'*.
- Centre for the Arts, Brock University mandate is *'to present, promote and nurture new and emerging artists in addition to presenting world class established artists in all genres'*.

More frequently, the 'intent' behind a civic performing arts centre is expressed by a mission or vision typically developed by the board of the facility itself.

- Rose Theatre in Brampton *'is dedicated to presenting quality entertainment to the city's diverse audience, providing the local performing arts community with a venue for excellence in the performing arts, and preserving a Brampton heritage of live performance that dates back to 1922 and includes four active theatres. The Rose will allow local arts organizations like the Brampton Symphony to perform in a venue that will also house exclusive Canadian and international talent'*.
- Centre in the Square maintains a Vision Statement ('A Centre in The Square experience for all') and a Mission Statement ('Creating memorable experiences') that were first adopted in 2001. As well, it identified an Overall Strategic Plan Goal (*'to be recognized as one of Canada's great performing arts centres'*) as part of their Strategic Plan 2013-16.

However, the reference document that comes closest to a Mandate statement deriving from government is probably the founding provincial statute for CITS dating from 1981. It authorizes the creation of an organization *'to provide theatrical facilities and services of every kind within the City of Kitchener for amusement, entertainment and exhibitions; receptions, meetings, and displays; education and cultural activities; and the performing arts, including dramatic, theatrical, musical and artistic works' as well as to promote these activities and publish related materials.*

Such statute language is, of necessity, very broadly inclusive and provides no real direction with respect to narrowing the focus of a Mandate.

Two Mandate Options

A range of options has been considered, based on a continuum balancing between commercial activity with a profit focus and nonprofit activity with a community-benefit focus. The task is to find the most appropriate balance between commercial and community benefit which best reflects the needs, interests and realities which define the Kitchener community and aligns with the City's vision and strategies for economic and community development.

The most 'commercial' end of the continuum describes a Centre which is driven by the 'bottom line' – priority given to rentals and partnerships with commercial presenters, with nonprofit community-based users expected to pay commercial rental rates or offered dates which remain after commercial usage is maximized.

This model suggests the potential for a municipal investment that remains static, although the potential for financial variance can remain high when at-risk programming decisions may fail to generate sufficient box office revenue.

The most 'community benefit' end of the continuum imagines a community cultural hub where priority is given to community-originated cultural expressions of all kinds – a heavily used facility which hosts and actively programs a wide range of nonprofit activities. Commercial entertainment offerings may be considered secondary.

This model suggests the potential for a municipal investment that is greater than the status quo, although with reduced risk of financial variance due to at-risk programming.

After initial analysis and extensive consultations, options at those extreme ends of the continuum were eliminated as being too exclusively focused on one category of performance (commercial entertainment vs. nonprofit culture) and lacking broad public appeal.

Two options remained which fall in the mid-range of the continuum. Both options describe a Centre that may present performances originating from both the commercial entertainment world and the regional nonprofit arts and culture community. However, one is balanced in favour of commercial entertainment with an aim of maximizing profit and one is balanced in favour of community development with an aim of maximizing the Centre's involvement in the local arts and culture community.

Both assume the continued presence of the Kitchener-Waterloo Art Gallery within the facility. Both allow for continued occupancy by the Kitchener-Waterloo Symphony Orchestra, although the terms of that occupancy may be more challenging for the Symphony in the commercial option. Both require CITS to operate in a fiscally responsible manner.

The principal difference lies in the extent to which CITS serves as a home for artists and culture organizations resident in the community and the degree to which it partners with other community organizations in developing new programming.

MANDATE OPTION A

As a key component of civic infrastructure, the Centre In The Square offers the widest possible range of entertainment and cultural experiences while containing or reducing its reliance on municipal investment.

Specifically, the Centre will achieve success by:

- *presenting, co-presenting or facilitating artists and cultural organizations or businesses that will maximize net revenues in support of the operations of CITS in cases where CITS assumes financial risk in the presentation of entertainment products, that risk must be fully accommodated within the CITS budget*
- *presenting, co-presenting or facilitating artists and cultural organizations, including KWS, that require special financial or other considerations, so long as those considerations may be made without jeopardizing the financial stability of CITS*
- *maximizing the use of CITS for non-arts related activities which generate net revenue in support of the operations of the Centre*

CITS shall fulfill its mandate in a fiscally responsible manner and with the full knowledge and support of City Council.

KWAG remains at CITS as a tenant.

MANDATE OPTION B

As a key component of civic infrastructure, the Centre In The Square is, first and foremost, a place for citizens to engage their creativity and to experience and participate in arts and culture that originates from within, and is reflective of, the community.

CITS is a home for the best that the area has to offer in terms of the live and visual arts. As well, CITS responds to the desire of citizens to experience some of the best and most popular arts and cultural entertainments available, wherever they originate.

Specifically, CITS will achieve success by:

- *presenting, co-presenting or facilitating artists and cultural organizations that create cultural product originating from within and reflective of the community*
- *partnering with local cultural organizations in efforts to jointly promote cultural offerings, build diverse audiences and introduce cultural experiences to young people*
- *partnering with local organizations whose primary focus may not be cultural, but that seek to include the experience of live and visual arts as part of their programs and services or that may wish to use the facilities for non-arts purposes*
- *presenting, co-presenting or facilitating artists and cultural organizations or businesses that create or represent cultural products originating from outside the area, with a focus that includes maximizing net revenues in support of the operations of CITS*

CITS shall fulfill its mandate in a fiscally responsible manner and with the full knowledge and support of City Council.

KWS and KWAG remain at CITS as founding partners and resident organizations.

Mandate Implications

| | OPTION A | OPTION B |
|--|---|--|
| Governance and Board membership | <p>Opportunity for better defined Board terms of reference describing membership criteria/ roles/ responsibilities for council representatives, inclusive of Mayor and Council</p> <p>Opportunity to develop new terms of reference for other Board positions</p> <p>Opportunity to review legitimacy and purpose of KWS/ KWAG cross-appointments to CITS Board</p> | <p>Opportunity for better defined Board terms of reference describing membership criteria/ roles/ responsibilities for council representatives, inclusive of Mayor and Council</p> <p>Opportunity to develop new terms of reference for other Board positions</p> <p>Opportunity to review legitimacy and purpose of KWS/ KWAG cross-appointments to CITS Board</p> <p>Potential to increase community representation on Board</p> |
| Management model | <p>Four options from Webb report could be viable: management by independent nonprofit, by third party commercial operator, by the City, or an improved status quo</p> | <p>Third-party commercial operator option likely less viable</p> |
| Relationships | | |
| with the City of Kitchener | <p>Mandate provides greater clarity with respect to City’s expectations and reduced likelihood of involvement in operational issues</p> | <p>Mandate provides greater clarity with respect to City’s expectations and reduced likelihood of involvement in operational issues</p> |
| with KWS | <p>Landlord / tenant relationship</p> <p>Some potential for conflict with CoK being called upon to moderate disputes</p> <p>Greater number of negotiated date shifts and rate changes facilitated by CoK – danger of financial harm (unless risk is mitigated by CoK and/or CITS)</p> | <p>Founding partners/resident organization</p> <p>Reduced potential for conflict with CoK being called upon to moderate disputes</p> <p>Moderate number of negotiated date shifts and rate changes facilitated by CoK – reduced danger of financial harm (unless risk is mitigated by CoK and/or CITS)</p> |

| | | |
|---|---|---|
| | | <p>Joint programming</p> <p>Mutually supportive promotion / marketing / education</p> |
| with KWAG | <p>Landlord / tenant relationship</p> <p>Occupancy terms set by CITS require less negotiation</p> <p>Some potential for conflict with CoK being called upon to moderate disputes</p> <p>Some potential for financial or other harm to KWAG from unilateral change in terms/conditions</p> | <p>Founding Partners/resident organization</p> <p>Mutually determined occupancy terms require more negotiation</p> <p>Reduced potential for conflict with CoK being called upon to moderate disputes</p> <p>Reduced potential for financial or other harm to KWAG</p> <p>Joint programming</p> <p>Mutually supportive promotion/ marketing/ education</p> |
| with other community organizations | <p>Potential for alienation is greater</p> | <p>Potential for joint programming / marketing / promotion is enhanced</p> <p>Proactive outreach</p> |
| with other municipalities | <p>Opportunity to explore joint marketing/ tourism initiatives</p> | <p>Opportunity to explore joint marketing/ tourism initiatives</p> <p>Potential to explore new funding relationships as community outreach and partnerships grow</p> |
| CITS Operations | | |
| Human resource requirements | <p>Close to status quo</p> | <p>Need to refocus some human resources on community outreach / joint programming/marketing / audience development</p> |
| Self-generated revenues | <p>Net earned revenues remain static with some potential to increase</p> <p>Potential opportunities to increase sponsorships</p> | <p>Net earned revenues remain static with some potential to decline</p> <p>Potential opportunities to increase donations / sponsorships</p> |

| Municipal investment | | |
|-----------------------------|--|--|
| Operating | <p>Potential to increase, estimated by CoK in consultation with CITS in the range of \$300K to \$400K</p> <p>Some risk of unanticipated losses due to 'risky' programming</p> | <p>Potential to increase, estimated by CoK in consultation with CITS in the range of \$400K to \$600K</p> <p>Some risk of unanticipated losses due to 'risky' programming</p> |
| Capital | <p>New agreement on shared responsibilities with CoK</p> <p>Potential venue modifications to enhance commercial viability</p> <p>Backlog of capital works estimated by CITS at \$7 M with additional funding required in the future for upgrades and facilities renewal</p> <p>Potential to defray costs through grant funding</p> | <p>New agreement on shared responsibilities with CoK</p> <p>Potential venue modifications to enhance commercial viability and community use</p> <p>Backlog of capital works estimated by CITS at \$7 M with additional funding required in the future for upgrades and facilities renewal</p> <p>Potential to defray costs through grant funding</p> |

Recommendations for Work to be Completed Over the Next 12 Months

Once Council determines its renewed mandate for Centre In The Square, we recommend a set of deliverables and their associated timelines be confirmed by all parties in order to make significant progress on the most pressing issues. We recommend an iterative approach be used, where the learning from each previous step is applied to update the subsequent steps, so that learning and growth through the process is captured.

Once these issues are resolved, creative energy can be applied by all to work towards the shared goal of a vibrant performing arts centre that promotes the civic goals articulated by the City of Kitchener in terms of the quality of life of its residents and the community and economic development needed to maintain Kitchener at the forefront of Canadian communities.

The key issues to be addressed:

- Resolve resource issues among key organizations
- Confirm operating and capital investment by City
- Confirm CITS' reporting / advising / communication relationships with CoK
- Determine best board structure
- Confirm respective roles and responsibilities of Board and staff leadership
- Assess management options for CITS and make recommendation to Council

Our proposed approach envisions an active role for CoK staff in the coming year’s work. The City may choose to retain consultant assistance in the process, but we do not see the need for the senior-level facilitator recommended in the Webb report.

A Role for CoK in Facilitating CITS / KWS Discussions Concerning Date Shifts

CITS contends that access to some of the weekend dates currently held by KWS would allow them to book successful commercial presentations, significantly improving the Centre’s financial performance. KWS believes that shifting any weekend performances to other dates would negatively impact their financial performance and alienate subscribers.

The City, as owner/funder of CITS and major supporter of KWS with a vested interest in the health of both organizations, could consider a role as impartial broker in achieving an agreement. Solutions could include a date shift ‘trial period’ to test viability with limited transition or bridging support offered by the City as a means to contain any potential financial damage to KWS.

12 Month Action Plan

| RECOMMENDED ACTION | DELIVERABLE | TIMING |
|--|---|--|
| Convene Steering Committee to implement the action plan | Terms of Reference and meeting schedule completed. Membership to include the senior staff of CITS, KWS and KWAG, and designated CoK staff | Within one month |
| | Confirm the resources required to deliver the action plan, including a skilled consultant to assist as facilitator | One month |
| Resolve resource issues among key organizations | Agree on the programming calendar for KWS at CITS for 2016/17, confirming specific dates to be shifted and confirm how CoK, CITS and KWS will support associated transition costs | Immediate concern, to be resolved within one month |
| | Develop the transition plan and pro-forma business plans and budgets for 2016/17, including detail of costs associated with the calendar shifts | Three to six months |

| | | |
|---|---|--|
| | Develop a rental fee schedule and multi-year plan to implement it beyond 2016/17 that addresses the financial needs of both CITS and KWS | Three to six months |
| | Prepare budget submission for 2016/17 that reflects the transition plan agreed upon by CITS, KWS and CoK | Six months |
| | Develop a new Memorandum of Understanding (MOU) between CITS and KWS to fully describe the relationship, including agreed-upon terms and mutual responsibilities for annual calendar, rental rates, ticketing and other matters | Six months |
| | Develop a new MOU between CITS and KWAG to fully describe the relationship, including agreed-upon terms of occupancy, including respective responsibilities for maintenance and upkeep | Six months |
| Confirm capital investment by City | Confirm capital needs to bring CITS and KWAG to a state of good repair | Five months - work is already underway |
| | Develop a formal agreement to clarify and govern the responsibilities of CoK, CITS and KWAG for capital projects | Six months |
| | Confirm investment by CoK in immediately-needed capital repairs for CITS and KWAG | Six months |
| | Confirm investment by CITS and KWAG in immediately-needed capital repairs | Six months |
| | Develop mutually agreed upon annual plan for completing and tracking capital projects | Eight months |

| | | |
|--|---|----------------------|
| | Develop a plan for a shared approach to renewing CITS, including the visioning process for the renewed facility | 12 months |
| Confirm CITS' reporting / advising / communication / liaison relationships with CoK | CoK and CITS agree on a revised reporting/ advising/ communication/ liaison format and schedule that involves the Divisions of Economic Development, Arts and Culture, Enterprise, Facilities and Financial Planning | Six months |
| | Develop clear terms to govern the annual grant process for CITS | Six months |
| Determine best board structure for CITS | Determine Council representation on the CITS Board | Three months or less |
| | Develop Terms of Reference for role of Mayor and Councillors on CITS board, clarifying that their role is governance and not operations | Six months |
| | Clarify status and role of KWS/KWAG cross-appointments and develop Terms of Reference and Board Recruitment Matrix for all other Board positions | Six months |
| Confirm respective roles and responsibilities of Board and staff leadership | Develop description of Board and staff responsibilities for communication with CoK and key partners/users | Three months |
| Assess management options for CITS | CoK and CITS to work cooperatively to assess the governance / management models identified by Webb, as well as others, keeping in mind potential impact on KWS and KWAG, in order to make a recommendation to Council | 12 months |

What We Heard: Stakeholder Workshop, November 27, 2014

Purpose of the Workshop

- To understand how CITS contributes to Kitchener's brand and aspirations
- To consider and expand the range of options for a mandate for CITS
- To provide stakeholder input into the development of Kitchener's mandate for CITS
- To conduct the process in a transparent manner that builds trust

Process

- Worked with CoK and the three organizations to develop a comprehensive invitation list
- CoK issued invitations to 219 individual leaders in the arts, business, academic and community domains in Kitchener
 - 69 participants accepted the invitation, with 51 attending
- Observer invitations were sent to 30 staff and elected officials from the cities of Kitchener and Waterloo and the Region
 - Approximately 10 attended as observers for all or part of the workshop
- CoK staff acted as table leaders and facilitated and documented each conversation
- The agenda followed the general line of:
 - what participants appreciate about Centre in the Square
 - what kind of City participants want Kitchener to be
 - how a revitalized CITS would contribute to Kitchener
- Two presentations were provided to participants: the first on three of Kitchener's 'cultural jewels' – KWS, KWAG and CITS; the second on ways of thinking about the mandate that the City will give to CITS
- The consultants presented a range of mandate options, described as 'examples only' and encouraged participants to think beyond those examples. Participants regrouped in tables focussed on the option they preferred or at a table focussed on a discussion of alternate approaches to those provided by the examples
- Since CITS leadership was not able to attend, a special session was held with the CITS Executive Committee on December 5, 2014

Summary of Workshop Themes

The conversations were rich, engaged and on the whole positive and forward-looking. Even those that seemed to be divergent were often interested in the same things, though coming at them from distinct perspectives. For example, at first blush the 'business' and 'artistic' perspectives were different. However, thematically they were often quite aligned.

The following are the key themes we heard articulated.

1. Pride in being/establishing something special, that has a competitive advantage, and the business and marketing plans to make it happen
2. Importance of the Civic District and the density it will provide
3. Need for artistic leadership and vision for CITS
4. Need for an overall and integrated Regional cultural vision and plan
5. Importance of audience development, especially youth-based
6. Serving the community throughout the day and week, offering before and after performance activities

Participants’ Image of Kitchener and Mandate Options

The conversation at every table and for every topic was lively. During the first topic of conversation— *describe an exceptional experience at Centre in the Square* – we heard many superlatives about the hall, about the programming, about the experience. We did not document these; the purpose was to get the participants talking about CITS in a positive manner. This objective was achieved.

During the second conversation, we asked participants to find ten words that describe Kitchener as they would like it to be. (Some included words that describe Kitchener as they believe it to be now.) The seven most popular words used to describe Kitchener (by number of tables where they appeared as part of the consensus) are shown in the chart below. As with every discussion

| | | |
|------------------------------|----------|--|
| Lively cultural scene | 7 | <p>during the workshop, though, there was a very broad range of opinion. Another 40 words were selected once or twice among the eight groups. We note that <i>Community</i> and <i>Affordable</i> ranked very highly.</p> <p>In response to the five example mandate options presented, four tables discussed the community-focused end of the spectrum, while only one person addressed either of the two options at the commercial end. A full 40% chose not to stick with the five options offered and instead focused on a variety of other issues, including the need for - and opportunities presented by -- a strong artistic vision.</p> |
| Community | 5 | |
| Innovation | 5 | |
| Affordable | 5 | |
| Diversity | 4 | |
| Opportunity | 3 | |
| Dynamic | 3 | |

The most in-depth discussions occurred around the question of mandate options for CITS. The reports from the tables provided very interesting input, although they rarely covered the full diversity of opinions expressed. Some of the facilitation notes were explicit about the passion that was expressed that participants did not want to see recorded or reported. The next section summarizes the themes of the overall conversation.

Themes

Pride, Confidence

There was broad agreement that CITS needs a bold vision, a strong brand identity and must become a destination.

Bold

Vision

Be a destination

Be a single, strong identifiable brand

Treat CITS not as just a building with 4 walls, but as something special

Make CITS a special, different venue, unique to KW

Need an artistic vision for the space. Need leadership to develop this artistic vision.

Market and program around CITS as an acoustic jewel. Build this into a competitive advantage

Programming

We asked participants to visualize what would be happening at CITS in their ideal scenario.

The different groups had different perspectives on what the programming should be, but there were three distinct themes:

- deliver real-time experiences
- offer diverse program
- strive for highest quality

Commercial + rentals

Offer different layers of programming

Programming suited to interest groups

Deliver the combination of commercial shows and regional arts/culture offerings that the community wants.

Support regional arts/culture programming by balancing it with commercial activities.

Provide a variety of programming to appeal to a broader audience base.

Deliver Real-Time Experiences

Participants want to enrich their experience with an understanding of how the magic of a performance is created. They are attracted to spaces that give a sense of creative energy and activity.

Millennials
Aging population
Engage culturally diverse part of the community
Engage fans; market to fans
Improve affordability
Find one market (i.e., outside of Kitchener) – and market heavily to it (analogy to St Jacobs’ focus on Quebec)

‘Draw back the curtain’ to allow people to see creative process in action, experience and participate in it.
Always something going on
See/participate in the creativity
Create their own experience
Expand programming: 24/7, year round

Offer Diverse Programming

There was broad agreement that sustainability can only be achieved by offering a variety of programming.

Quality

Whatever the programming is, it has to be high quality.

Highlight the best of what this community does
Highlight the best of what is available to bring into this community
Global talent
National and international touring artists

Marketing

There were several calls for more research on the audience to determine who the audience is and understand what they want to see in order to better match the programming and the price with the target audiences.

There was a variety of suggestions about who the target audience should be. We

Learn what people (the market) want and give it to them
Learn what your competitive advantage is and exploit it
Classify types of users by revenue generators and find the strategic balance between profit and subsidy
Need more data to adequately address the big issue of audience development.

heard as well that participants are concerned that young people leave Kitchener on the weekend rather than finding enough to do at home.

Partners

As expected, there was a wide divergence of opinion about the role to be played in CITS by existing users and other partners.

| No one partner privileged over others | 3 cornerstone organizations | Increase affordability | Innovate |
|---|---|--|--|
| <ul style="list-style-type: none"> •Encourage arts and culture to be market-focused and profitable •Bring in local entrepreneurs and invite them to find solutions •Encourage other venues to step in where/if CITS reduces its availability to the nonprofit arts community | <ul style="list-style-type: none"> •Support existing users •KWS must remain priority #1 •KWS – guaranteed dates/availability – community culture/weekly performances •Showcase cultural assets in our community | <ul style="list-style-type: none"> •Provide tiered rental costs based on group’s ability to pay to improve financial accessibility. | <ul style="list-style-type: none"> •Foster innovative collaboration •Find a model for ‘transformative collaboration’ |

Improve the Audience Experience

Find New Revenue Sources

Many people offered suggestions for expanding the kinds of activities at CITS

- Provide other amenities (restaurants and places to socialize) nearby
- Add conference facilities and meeting rooms for lectures and workshops as a revenue generator
- Provide opportunities for entertainment for corporate functions
- Provide in-house affordable options for catering
- Create a community-building scene through regular events, i.e., ‘Tuesday nights at CITS’.

Expand the Civic District

Many also made suggestions to intensify the audience experience in the immediate vicinity as the Civic District is developed. Participants also see the Civic District as a catalyst for further creative development.

Block should have work/life residences, studios, destination cafes and restaurants, artisan shops, retail, and multicultural resources

Move CEI into the Civic District, in a “Communitech Hub” like capacity, with start-up spaces, studios and more

Turn part of CITS into an incubator (upper rooms, back stage, etc.)

Provide better nearby pre- and post- show experiences (places to meet, dine, and socialize).

Provide opportunities to dine and socialize before and after performances at CITS.

Creative incubator space

Cultural hub – tourist destination (Distillery District / National Theatre)

Conclusion

The community, as represented by the participants in the Workshop, feel a strong attachment to CITS. They are concerned by a perceived lack of vision, strong management, and support from other jurisdictions that yield disappointing financial results, however, they believe that with strong leadership, clear vision and adequate support, CITS will continue to contribute to the cultural and social vitality of Kitchener and beyond.

What We Heard: Public Consultation Survey, January 28-February 18, 2015

Purpose of the Public Consultation

Before committing to a new mandate for CITS, the City of Kitchener wants to ensure that the public has been widely consulted. As described in the previous section, the ArtsBuild Ontario consulting team conducted a Stakeholder Workshop, with a total of 61 people involved as participants or observers on November 27, 2014, to learn about stakeholders' opinions and key issues.

The Stakeholder Workshop themes informed the development of a survey that was made available to Kitchener residents as well as those identified through the three stakeholder organizations' mailing lists. To assist in the development of a CoK mandate for CITS, the survey was designed to be widely distributed and to obtain high level input to these questions about how the community experiences CITS:

- Why people do/ do not go to CITS
- What they would like to see there
- Who they think should be the target audience for CITS
- What would make their visit better

Methodology

Survey Promotion

- A link was placed on www.kitchener.ca for the duration of the survey
- 5,000 promotional post cards were created and distributed within cities of Kitchener and Waterloo at the following locations:
 - Kitchener Community Centres and arenas
 - Conrad Centre
 - KWAG
 - CITS
 - Kitchener BIA
 - The Aud – during Rangers Game and Harlem Globetrotters performance
 - Waterloo Libraries, Arenas and Community Centres
 - Button Factory (Waterloo)
 - Canadian Clay and Glass Gallery (Waterloo)
 - Perimeter Institute (Waterloo)
 - University of Waterloo
- Social media was used to boost distribution.
 - Tweets promoting the survey were sent out from the City of Kitchener on the following dates:

- Jan 29, 31, Feb 4, 6, 8, 12, 14, 16, 18
- CITS, KWS and KWAG e-mailed the survey link to their followers
- The survey link was also publicized at the public events described on pp. 22-3
- Paper copies of the survey were made available at Kitchener community centres

Media Coverage

Media was very active in picking up on the survey and we received coverage through several interviews. A media release sent on January 28 resulted in the following media coverage:

- CBC Radio and 570 News Radio interviews
- 570 News call- in talk show
- The Record

Organizational Participation and Distribution

Centre In The Square supported the survey as follows:

- CITS provided 3 staff to conduct in-person surveys on the nights of Feb 5/6/7 – reaching almost 100 attendees
- CITS kept the promotional postcards on site
- CITS sent out eBlasts on the following dates:
 - January 28: 39,687 emailed, 4,311 people clicked thru to the survey
 - February 16: 35,263 emailed, 1,876 people clicked thru to the survey
 - February 3 (e-news): 8,127 emailed, 27 people clicked thru
- The survey was tagged on CITS Twitter (9,041 followers and Facebook (6,161 likes)

Kitchener-Waterloo Art Gallery supported the survey as follows:

- KWAG sent an eBlast to their membership of 208 twice
- KWAG kept the promotional postcards on site

Kitchener-Waterloo Symphony supported the roll out and promotion of the survey in the following ways:

- KWS sent an eBlast on January 29 to 5,494; 1,578 unique opens and 569 unique clicks
- KWS tweeted about the survey on Feb 11 to 5,200 followers
- KWS posted about the survey on Facebook on Feb 16 to 2,941 followers

Paper and In Person Surveys

Feb 5 (Jim Jefferies), Feb 6 (Shaping Sound), Feb 7 (Foreigner) – CITS:

- Two to three tablets used by CITS staff, averaged 6-8 surveys per tablet per night
 - **75** online surveys completed
 - **12** paper surveys were completed.

Feb 12/13 - The Aud (Harlem Globetrotters and Rangers games)

- One tablet used by three volunteers (including City staff); postcards were distributed
- Attendees surveyed prior to the game
 - Approximately **33** online surveys completed
 - **20** paper surveys completed

Feb 14 – The Market

- Three tablets used by three volunteers (including City staff); postcards were distributed
 - Unsure of the number of online surveys entered – they were there for about 4 hours in the morning. If they averaged 10 per hour for 4 hours with 3 tablets) **120** online surveys completed
 - **53** paper surveys were completed.

Kitchener Community Centres

- Paper surveys distributed to all Kitchener community centres

Key Message to Respondents

The key message given to all recipients of the survey was:

The City of Kitchener would like your opinion on the future development of the Centre In The Square, an important community resource that is celebrating its 35th anniversary this year.

People in our community often tell us that they believe that arts and culture are important for Kitchener to remain a well-rounded, innovative, creative community, able to attract the people and investments that are key to our successful future.

The introduction to the survey reiterated the message:

The Centre In The Square is an internationally-renowned performing arts venue recognized for unparalleled acoustics. It has attracted performances, artists and orchestras from all over the world, and is home to the Kitchener-Waterloo Symphony and Kitchener-Waterloo Art Gallery.

More than 30 years ago, our community was instrumental in the creation of the Centre In The Square. Today, we are asking you to share with us what the Centre means to you and what you want to see there in the future.

Your input today will help inform the future vision for the Centre In The Square.

Survey Platform

SurveyMonkey, a commonly used online survey platform, was used to deliver the survey. The number of questions was limited to facilitate completion. Respondents were given multiple opportunities to comment or expand on the options provided in the questions.

Survey Responses, Completion Rate and Comments

The three stakeholder organizations – CITS, KWS and KWAG – e-mailed the survey link to their followers. The survey link was also publicized on the CoK website and distributed via postcards and in-person at public events.

| Survey Notices Sent | | | |
|--------------------------|--------|---------|-------|
| Source | Sent | Clicked | % |
| CITS | 39,687 | 4,311 | 10.9% |
| Reminder email 1 sent to | 35,263 | 1,876 | 4.7% |
| Reminder email 2 sent to | 8,127* | 27 | 0.3% |
| Total CITS | 39,687 | 6,214 | 15.9% |
| KWS | 5,494 | 569 | 10.4% |
| KWAG | 208 | n/a | n/a |
| TOTAL | 88,779 | | |

*This group is a mix of those that were included in the original mail out to 39,687 and those that were not

Number who started the survey: 8,399

Number who completed the survey (i.e. answered the final question) 7,755

Completion rate = 92.3%

Total number of additional comments to questions that asked for respondent comments: 6,184

This is a very high response rate for a voluntary survey, and a very high completion rate.

Distribution of Responses

Based on the first three digits of the respondents’ postal codes, we have been able to largely determine their home municipality. In very few cases outside of the three municipalities, the three digits are not sufficient to determine exact locations and these were counted as outside the region.

3,402 (43.87%) were from Kitchener. Appendix B contains a map showing the survey distribution in Kitchener. This shows participation and interest in CITS is almost evenly distributed across Kitchener wards.

An additional 453 (5.84%) were from an area that could be in Kitchener or Waterloo.

1,070 (13.80%) were from Waterloo and 466 (6.01%) were from Cambridge.

The remainder was from the various townships and areas outside of the Region.

Only 122 provided invalid postal codes.

| Based on 3 digit Postal Codes | Survey Respondents | |
|--|--------------------|----------------|
| | N | % |
| OUTSIDE REGION | 1,064 | 13.72% |
| REGION | | |
| Cambridge | 466 | 6.01% |
| Kitchener | 3,402 | 43.87% |
| Kitchener/Waterloo | 453 | 5.84% |
| Waterloo | 1,070 | 13.80% |
| North Dumphries | 119 | 1.53% |
| Waterloo/Woolwich | 352 | 4.54% |
| Wellesley | 27 | 0.35% |
| Wilmot | 181 | 2.33% |
| Wilmot, Wellesley, Woolwich & North Dumfries | 390 | 5.03% |
| Woolwich | 109 | 1.41% |
| TOTAL WITHIN THE REGION | 6,569 | 84.71% |
| NON-VALID POSTAL CODES | 122 | 1.57% |
| GRAND TOTAL | 7,755 | 100.00% |

The survey responses were very consistent across respondent locations. Appendix C shows the range of variations +/- 3% between Kitchener Only Respondents and All Respondents

The following chart provides a context for the distribution of survey responses in relation to that of CITS audiences

| Location | Percent of CITS Audience |
|--------------------------------------|--------------------------|
| Kitchener | 33% |
| Waterloo | 18% |
| Cambridge | 9% |
| Guelph | 6% |
| GTA | 9% |
| Other (Kincardine, Owen Sound, etc.) | 25% |

Demographic profile of respondents

Age Bracket

About 80% of respondents were of working age: 13% were 25-34, 28% were 35 – 49 and 39% were 50-64. Of the remainder, most were older (16% were over 65).

Gender

Women 63%

Men 37%

About 30 individuals answered 'other'

As women are about 51% of the general population, they are over-represented among respondents to the survey, and men are under-represented.

Children Living at Home

Over 60% of respondents do not have children living at home.

Employment Status

(numbers do not add up to 100% due to rounding)

Employed full-time 63%

Employed part-time 12%

Student 4%

Retired 23%

The profile is close to that of the City of Kitchener: the participation rate – those employed and looking for work – is 70%; employment is 66% (From Fast Facts about Kitchener). Retired people are over-represented in the survey, as only about 12% of the population is estimated to be of retirement age. (Wikipedia)

Over 400 people chose to add a comment in response to this question. They identified as business owners, unemployed, self-employed, homemakers, or on disability support. There are also many comments about the survey in general in this category.

Impact on Responses

Survey responses did not vary significantly by demographics except in Question 6 (types of programming you would like to see). Women were more likely than men to prefer programmes that are affordable to a wide audience, and touring programs featuring well-known artists.

Survey Questions

| Question | Responses | Skipped |
|--|-----------|---------|
| When was the last time you attended a performance at Centre In The Square? | 8,381 | 18 |
| We are interested in knowing why you haven't been to Centre In The Square. (Note: This was offered only to people who said they had never been to CITS) | 71 | 8,328 |
| Why do you attend performances at the Centre In The Square? | 8,085 | 314 |
| Which of the following would you like to see at Centre In The Square? | 8,125 | 274 |
| Who should Centre In The Square target with its programming? | 7,586 | 813 |
| There are many types of programming offered at Centre In The Square. For each category, please rate its priority to you | 7,952 | 447 |
| Is there anything else that you would like to see presented at Centre In The Square? | | 6,496 |
| Is the diversity of Kitchener-Waterloo well represented at Centre In The Square? | 7,815 | 544 |
| First three digits of your postal code | 7,753 | 646 |
| Your age bracket | 7,931 | 468 |
| Your gender | 7,882 | 517 |
| Do you have children living at home? | 7,884 | 515 |
| Your Employment Status | 7,596 | 803 |

Interpretation

Q. When was the last time you attended a performance at Centre In The Square?

The respondents were, in large part, people who are regular users of Centre in the Square. Altogether, 85% reported that they had visited Centre in the Square within the last year: 22% in the last month and nearly half (47%) in the last six months.

Q. We asked the few respondents who had not visited Centre in the Square why they had not. A few people had not heard of the Centre (because they were new to the City); a few said it was too expensive and a few more said there was nothing on of interest to them. The total number of

respondents to this question is very low. (We can assume that most people who have not been to anything at CITS did not respond to the survey.)

Q. Why do you attend performances at the Centre In The Square?

| We asked respondents to choose as many options as applied. They are listed in order from most commonly selected to least. | N | % |
|---|-------|--------|
| Programmes that I am interested in attending | 6,715 | 83.06% |
| Special night out | 4,488 | 55.51% |
| Close to my home and don't need to travel out of town | 4,231 | 52.33% |
| The special shared experience live performances provide | 3,487 | 43.13% |
| Good value | 2,462 | 30.45% |
| Opportunity to build special memories | 2,087 | 25.81% |
| Regular subscriber to performances at Centre In The Square | 1,368 | 16.92% |

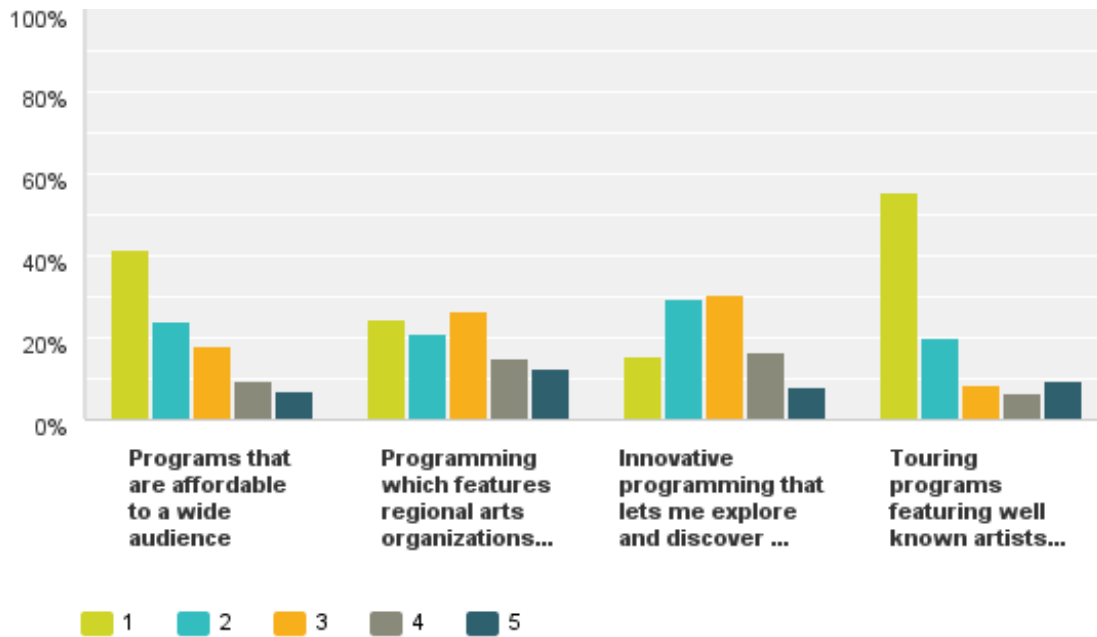
There were few discernible differences between men and women or among people of different ages in their answers to this and other questions. We note that people who have not visited CITS in the last year are (of course) less likely to be subscribers, and less likely to have selected 'Good Value' as a reason to attend.

Q. Which of the following would you like to see at Centre In The Square?

| | N | % |
|--|-------|--------|
| Artists and productions from our Region such as the Kitchener-Waterloo Symphony | 609 | 7.50% |
| Artists and productions from outside our Region | 780 | 9.60% |
| About half and half (from the Region and from the rest of the world) | 2,508 | 30.87% |
| Don't care where they're from as long as they're good | 4,228 | 52.04% |

A clear majority of respondents either want a mix of programming from inside and outside the Region, or do not care where the artists are from as long as the programming is good. These responses are not mutually exclusive

Q. Who should Centre In The Square target with its programming? (Multiple selections possible; listed in order from most to fewest selections)



| | N | % |
|-----------------------------------|-------|--------|
| Adults aged 25-45 | 6,313 | 83.22% |
| Adults ages 46-65 | 6,235 | 82.19% |
| Families | 5,496 | 72.45% |
| Teenagers and young adults | 4,212 | 55.52% |
| Older Adults | 4,039 | 53.24% |
| School children | 3,448 | 45.45% |

Adults and families are the preferred target audiences for CITS.

Q. There are many types of programming offered at Centre In The Square. For each category, please rate its priority to you.

The following bar graph tells us that most people selected ‘Touring programs featuring well known artists’ as a top priority. More than 40% also made affordability a top priority. Women favoured both slightly more than did men.

Q. Is there anything else that you would like to see presented at Centre In The Square?

Over 1,300 people provided comments about what else they would like to see – some specific, some general. These comments will be analyzed in more detail at a later time.

Q. Is the diversity of Kitchener-Waterloo well represented at Centre In The Square?

We specifically did not provide context for this question, leaving it to the respondent to determine what kind of diversity they thought should be represented at a performing arts centre. Unsurprisingly, the most popular responses were ‘Somewhat’ and ‘Not Sure’, and 315 people added comments.

The final substantive question asked was:

Q. What would enhance your experience at Centre In The Square?

The responses indicate a wide diversity of opinion, although a café stands out as the most popular improvement.

| | N | % |
|--|-------|--------|
| A café for lunch, dinner or post-performance within Centre In The Square | 2,413 | 55.61% |
| Pre- and post- show activities such as opportunities to have conversations with performers or other audience members about the performances at Centre In The Square | 1,989 | 45.84% |
| More vibrant district with options for hospitality, shopping and other activities in the surrounding neighbourhood | 1,992 | 45.91% |
| Modernized lobby area with upgraded bar and concession amenities | 1,416 | 32.63% |

Reporting to Council and the Community on Data Collected

Two companion reports showing all data collected in the survey are available:

- A report on all responses
- A report on responses from Kitchener only residents

An analysis of the Kitchener only responses does not indicate any appreciable variance greater than 3% from the larger sample.

The analysis of the over 6,000 comments received through the public consultation is beyond the scope of this project. We understand that CoK is launching the consultation for its Economic Development Strategy, including the updated Cultural Plan, in May 2015. The comments will be

made available for use in this process. As well, a preliminary coding of the comments into three categories will be completed.

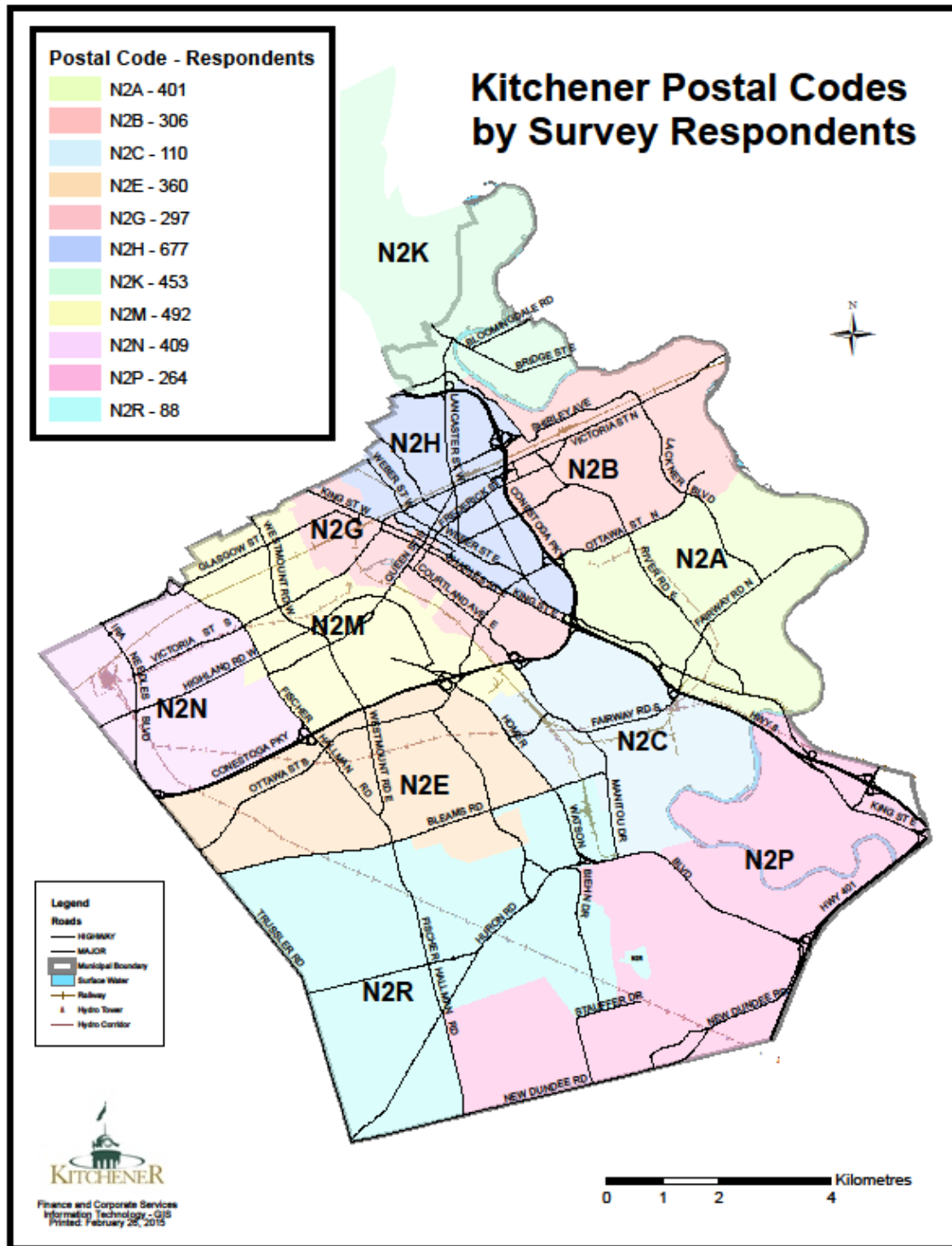
Conclusion

People in Kitchener and in the surrounding communities care about CITS. They see it as an important place for viewing great entertainment. There is a sense that it should offer affordable, high quality performances for working age adults so that they can have a great experience without having to leave the community. Small improvements would be appreciated. The number of respondents, and especially the number of additional comments, speaks to the importance that Kitchener residents attach to CITS.

APPENDIX A: Project Oversight Team

| Name | City of Kitchener Position |
|-------------------------|--|
| Silvia Di Donato | Manager, Arts & Culture, Economic Development and Project Lead |
| Joyce Evans | Deputy Treasurer & Director, Revenue |
| Cynthia Fletcher | Director, Facilities Management |
| Kim Kugler | Director of Enterprise |
| Jana Miller | Executive Director, Office of CAO |
| Colleen Collins | Interim Director, Corporate Communications and Marketing |
| Rod Regier | Executive Director, Economic Development |
| Dan Chapman | Deputy Chief Administrative Officer |

APPENDIX B: Map of Kitchener Survey Responses



APPENDIX C: Comparison of Kitchener Only Respondents to All Respondents

| Kitchener Only Responses vs. All Responses | | | |
|--|--|----------------|-----------------|
| | | Kitchener Only | All Respondents |
| Q.1 | N/A | | |
| Q.2 | Hadn't heard of CITS | 5% | 22% |
| | Too expensive | 46% | 33% |
| | Nothing for me | 32% | 45% |
| Q.3 | Close to home and don't need to travel out of town | 64.49% | 52.33% |
| Q.4 | N/A | | |
| Q.5 | N/A | | |
| Q.6 | #1 Ranking - Programs that are affordable to a wide audience | 37.77% | 41.69% |
| | #2 Ranking - Programs that are affordable to a wide audience | 27.15% | 23.77% |
| Q.8 | Somewhat | 37% | 34% |
| Q.9 | Pre-post show activities... | 57% | 45.80% |
| | More vibrant district | 46% | 43% |
| Q.11 | Age 25-34 | 16.40% | 13.28% |
| Q.12 | N/A | | |
| Q.13 | N/A | | |

APPENDIX D: An Alternative Municipal Funding Approach to Ensure Nonprofit Access to Centre in the Square

The current financial relationships among the City of Kitchener, the Centre in the Square and the Kitchener-Waterloo Symphony Orchestra (and potentially other nonprofit performing arts organizations from the community) assume that CITS will provide preferential rental rates to those nonprofits. In the case of KWS, this reflects historic precedent and the fact that the Centre was built with the intent that it would serve as the home of the Symphony. The operating grant provided to CITS by the city acknowledges this. As CITS struggles to meet its financial objectives, it increasingly identifies this rent disparity as a barrier.

An alternate model may be considered whereby all users of CITS are charged 'market' rent. Nonprofits, including KWS, which wish to rent the facility, would apply to a municipal fund which awards theatre-rental grants. These grants would fund the gap between what the organizations are capable of paying and the 'market' rents charged by CITS.

This approach addresses CITS' conflict between profit objectives and community-benefit objectives and places the onus on municipal governments to ensure/facilitate the presence of community cultural organizations in this municipally-owned facility. As well, it may be considered a more transparent financial relationship among all parties. It would also allow for the potential sharing of this funding responsibility.