

ARTS **BUILD** ONTARIO  
**SOCIAL PURPOSE  
REAL ESTATE FOR  
ARTS SPACES**  
REAL ESTATE FOR CREATIVE CHANGE



# Welcome & Land Acknowledgement



# About Arts Build Ontario

We are a provincial arts service organization that provides small and medium-sized organizations with tools, training, and advice to successfully manage physical and digital creative spaces.

ABO works to reimagine the future of creative spaces through dedicated research projects and an engaged network of supportive partners.

# Project Partners



**Toronto  
Metropolitan  
University**



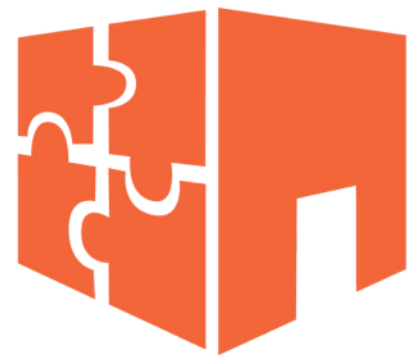
Funded by the Government of Canada  
Financé par le gouvernement du Canada

**Canada** 



# SPRE 104

Business Modelling for Social  
Purpose Real Estate Development



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# Agenda



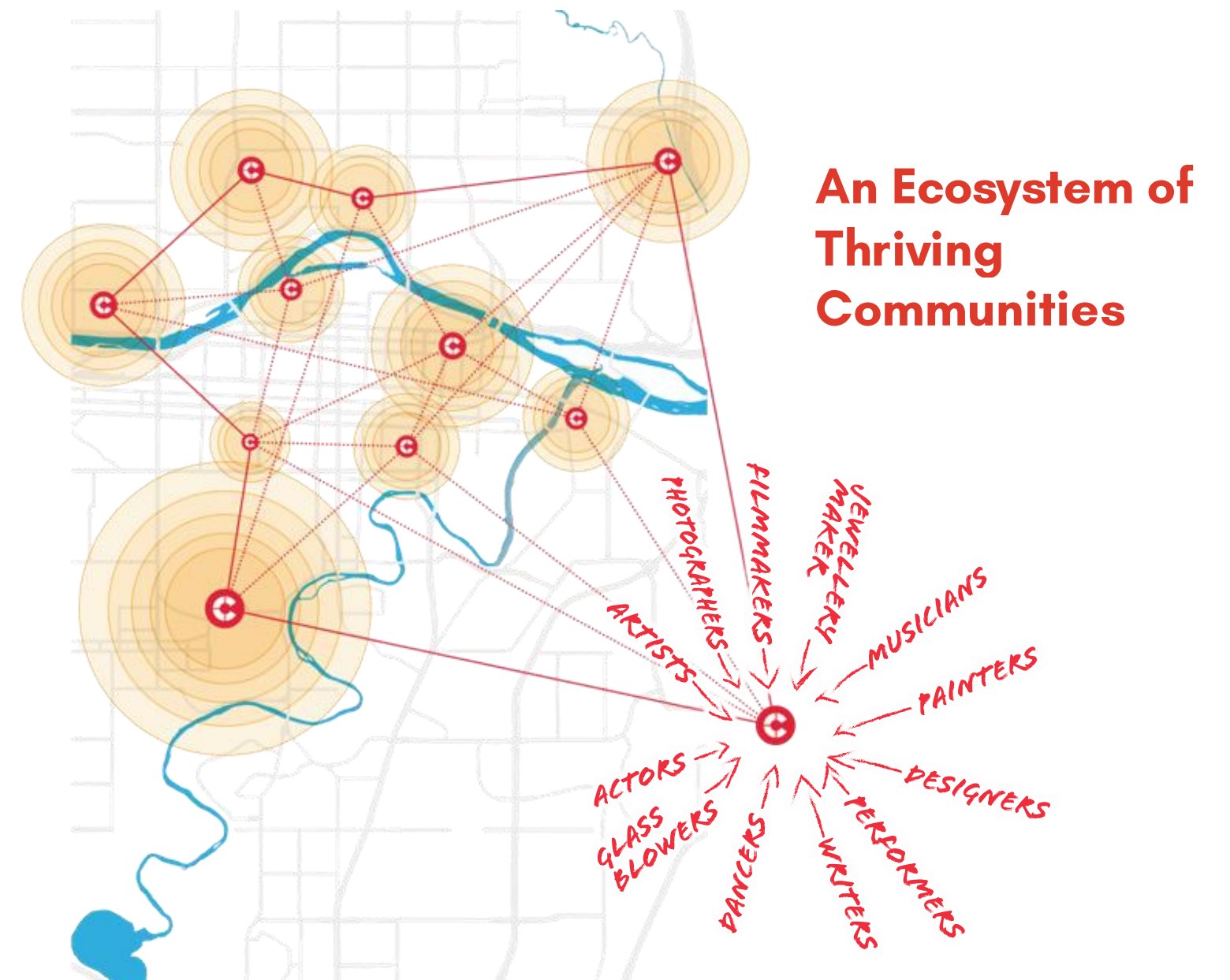
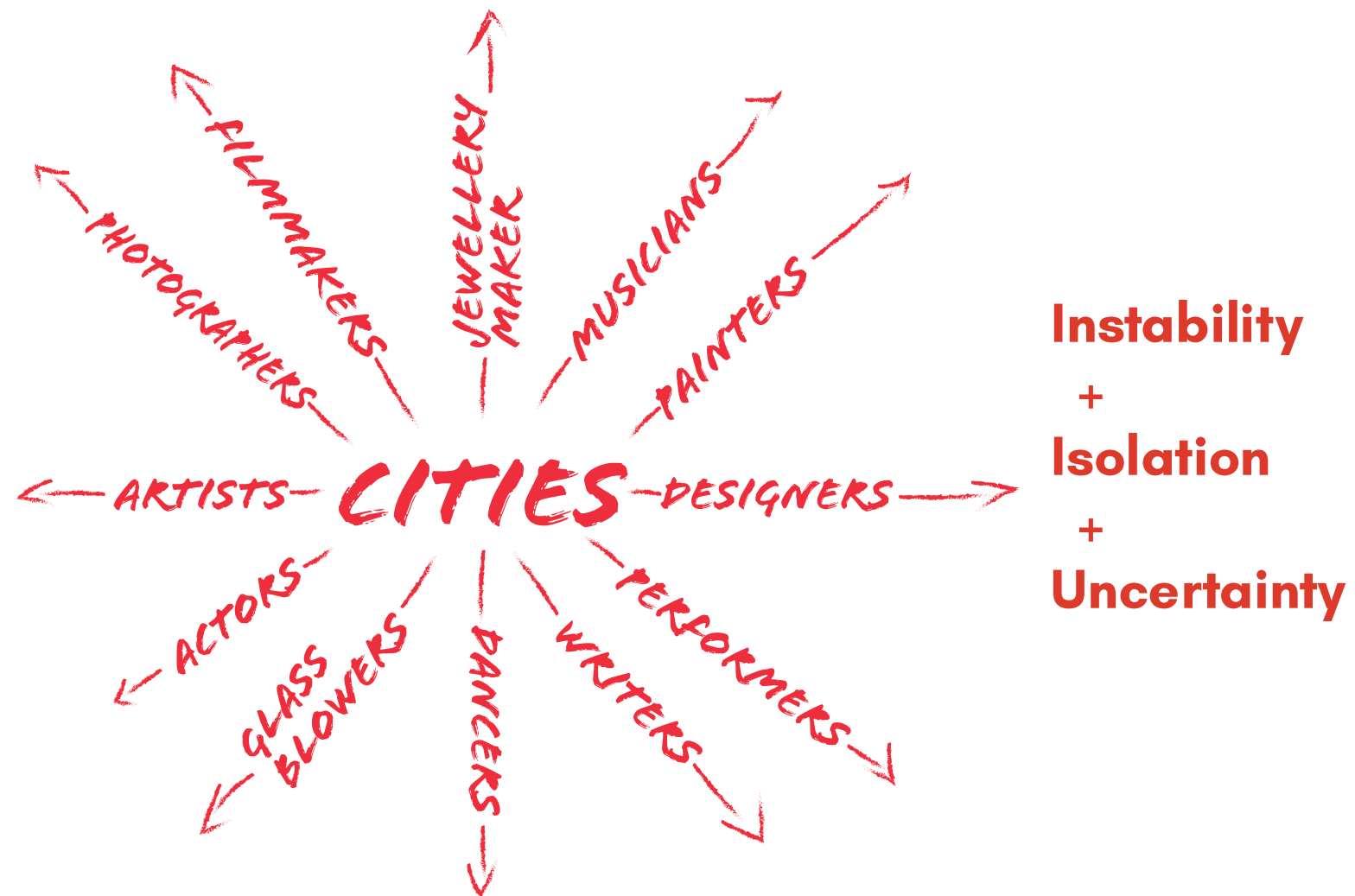
1. SPRE for Arts & Culture
2. The 'Iron Triangle' of Social Enterprises
3. The Mission 'Block'
4. The Capacity 'Block'
5. The Capital 'Block'
6. cSPACE's Canvas



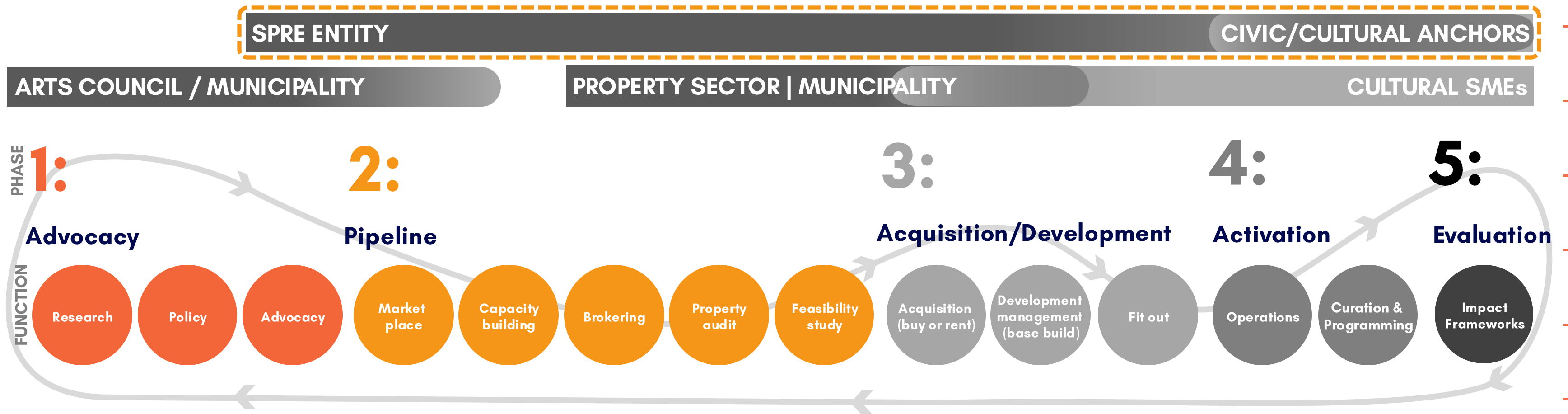
**REID HENRY**  
**CONSULTANT**

# 1. SPRE for Arts & Culture

# Facing the Affordability Crisis

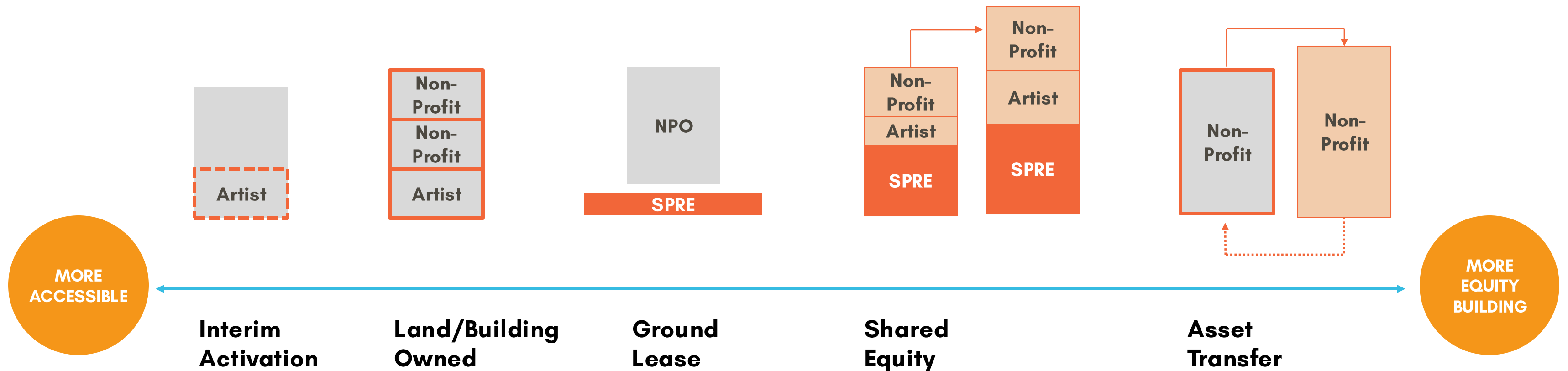


# Creative Space Development Cycle



\* Adapted from 2024 Making Space for Culture Incubation Program, Left Bank Co.

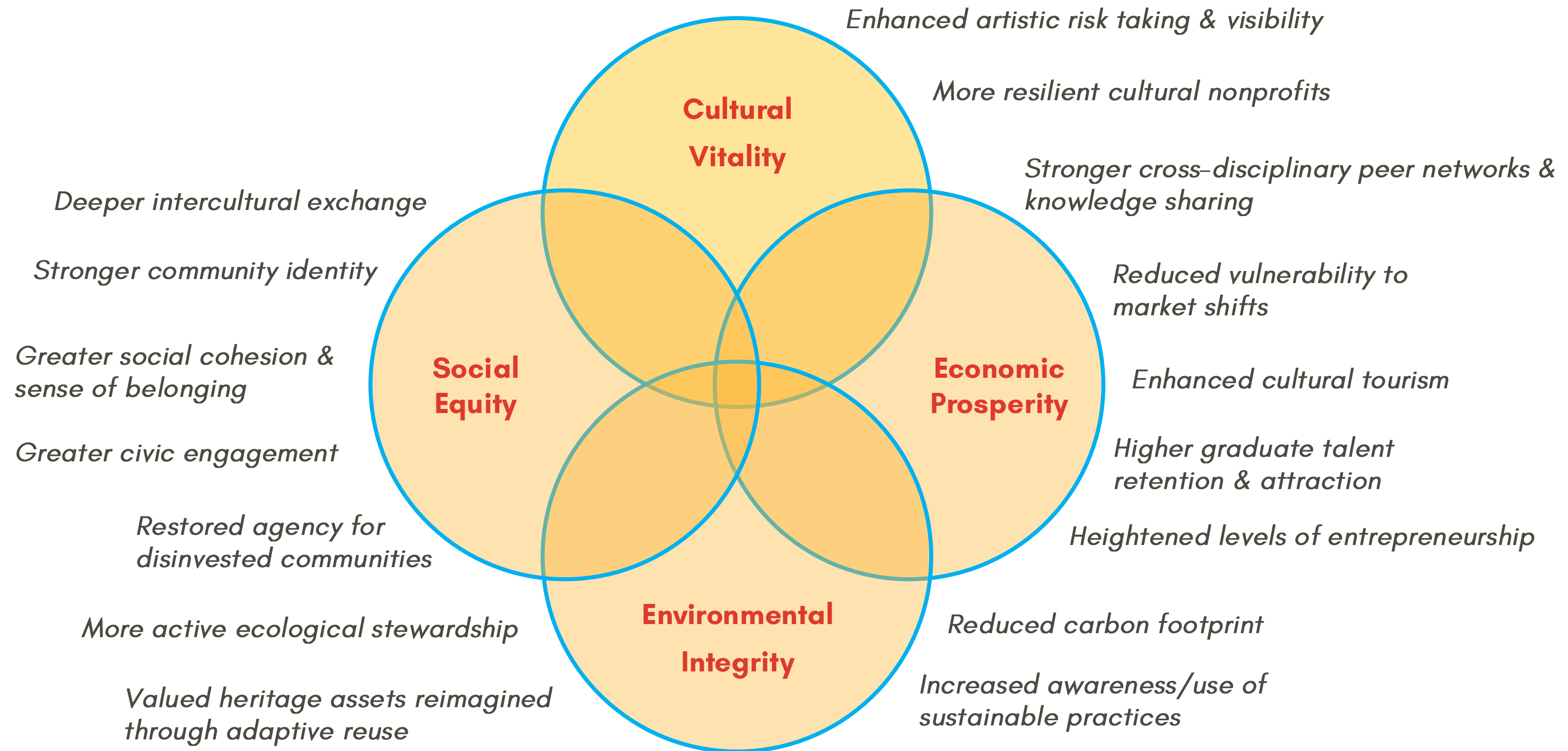
# A Spectrum of Real Estate Approaches



*\* Adapted from Case for Support: Regenerative Investment in Culture, 221A*



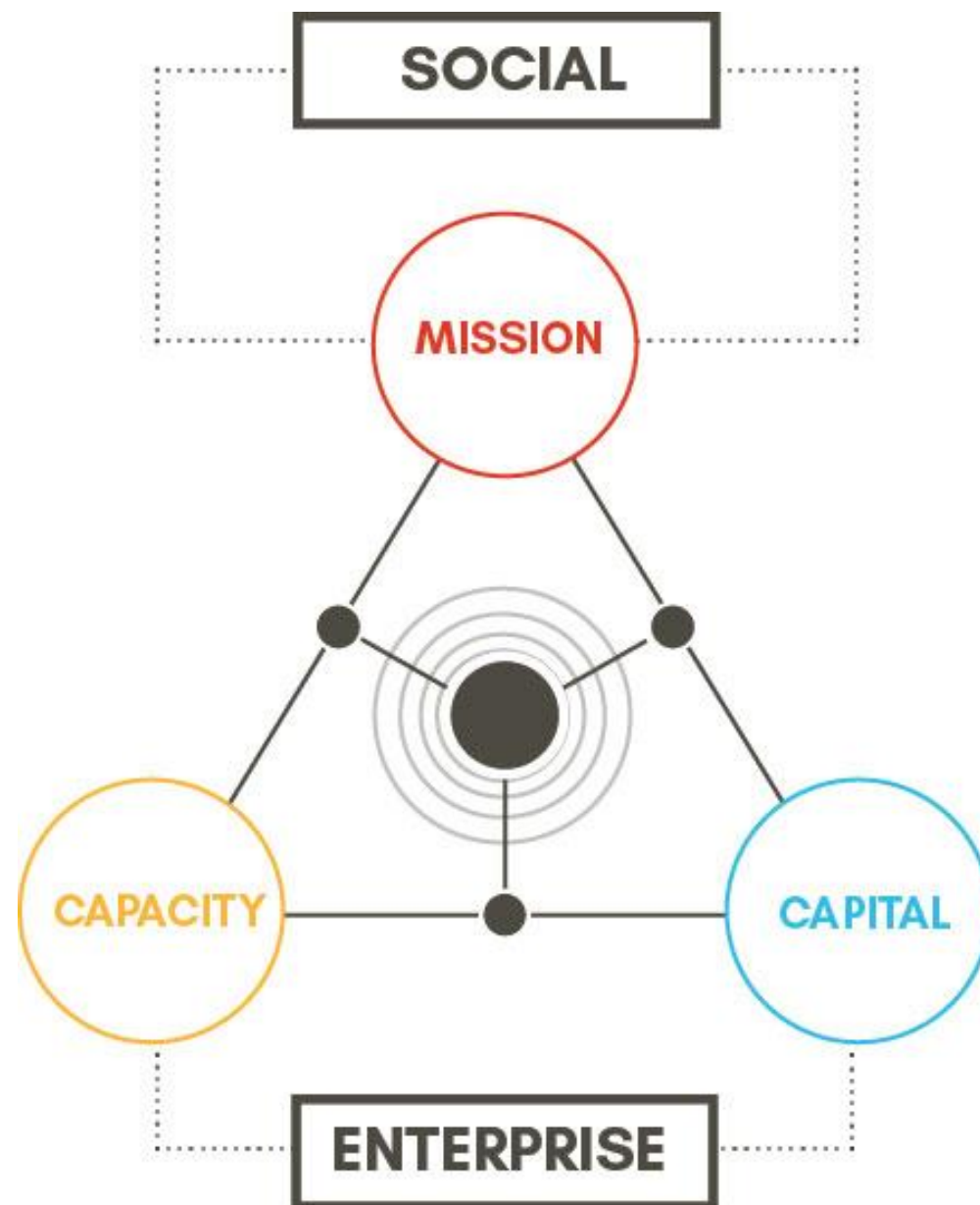
# An Array of Strategic Goals





## 2. The 'Iron Triangle' of Social Enterprises

# Alignment of Social + Enterprise



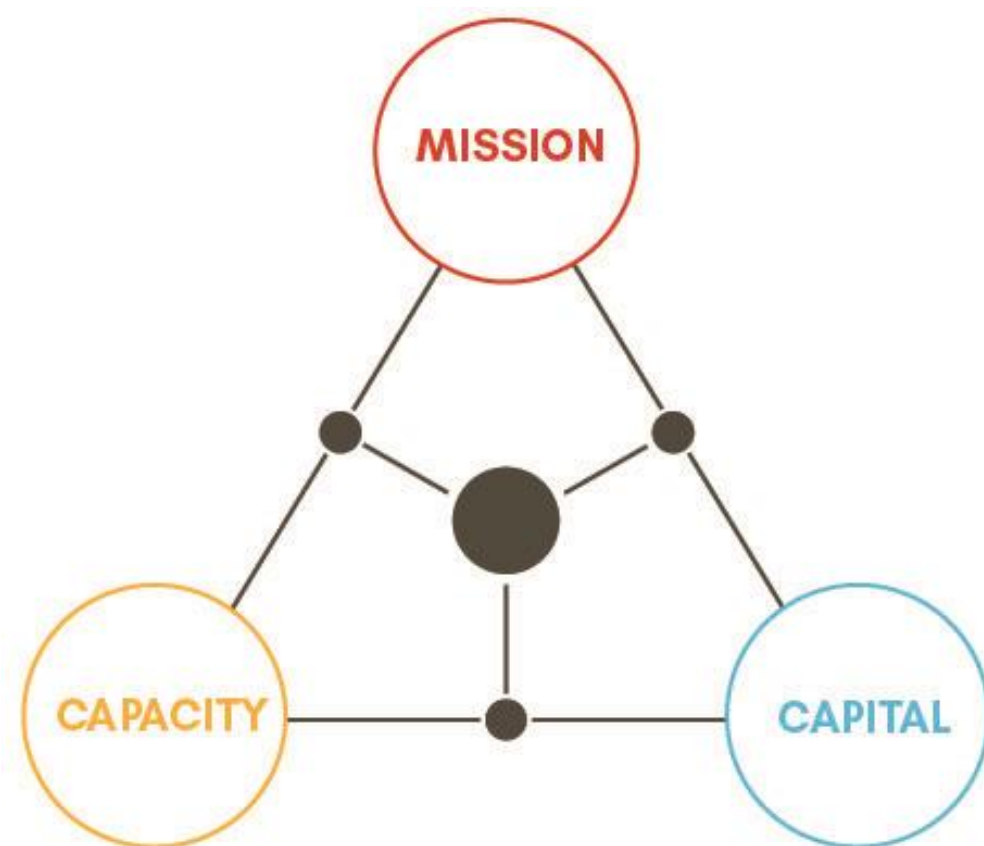
**Coherence of mission, capacity and capital 'triangle' shapes:**

Desirability + Feasibility + Viability

**Community resonance underpins the triangle's balance, providing:**

Credibility + Durability + Sustainability

# Designing Business Models



=

BUSINESS MODEL 'CANVAS'

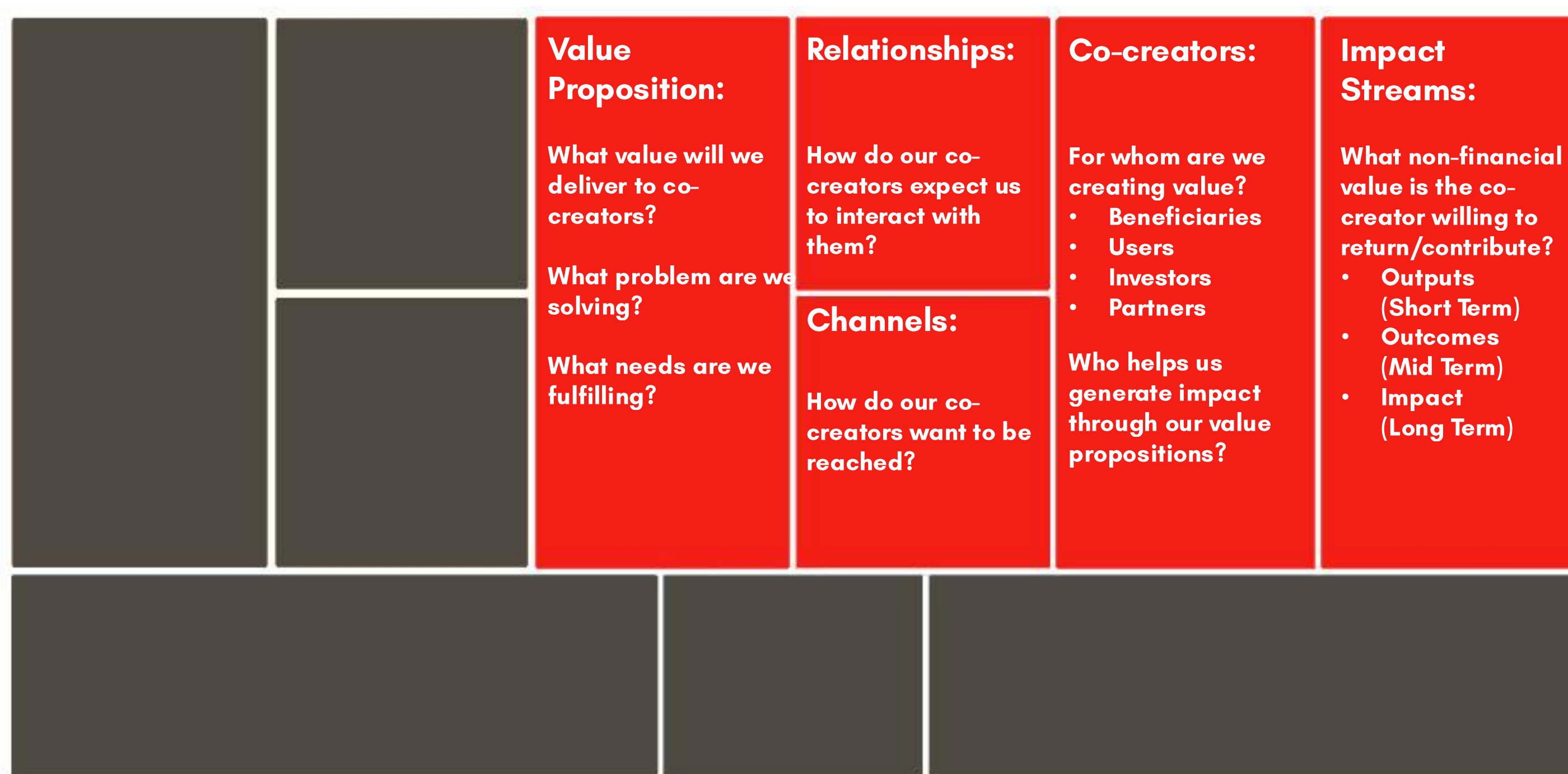
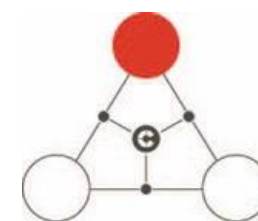


*\* Adapted from Strategyzer.com*

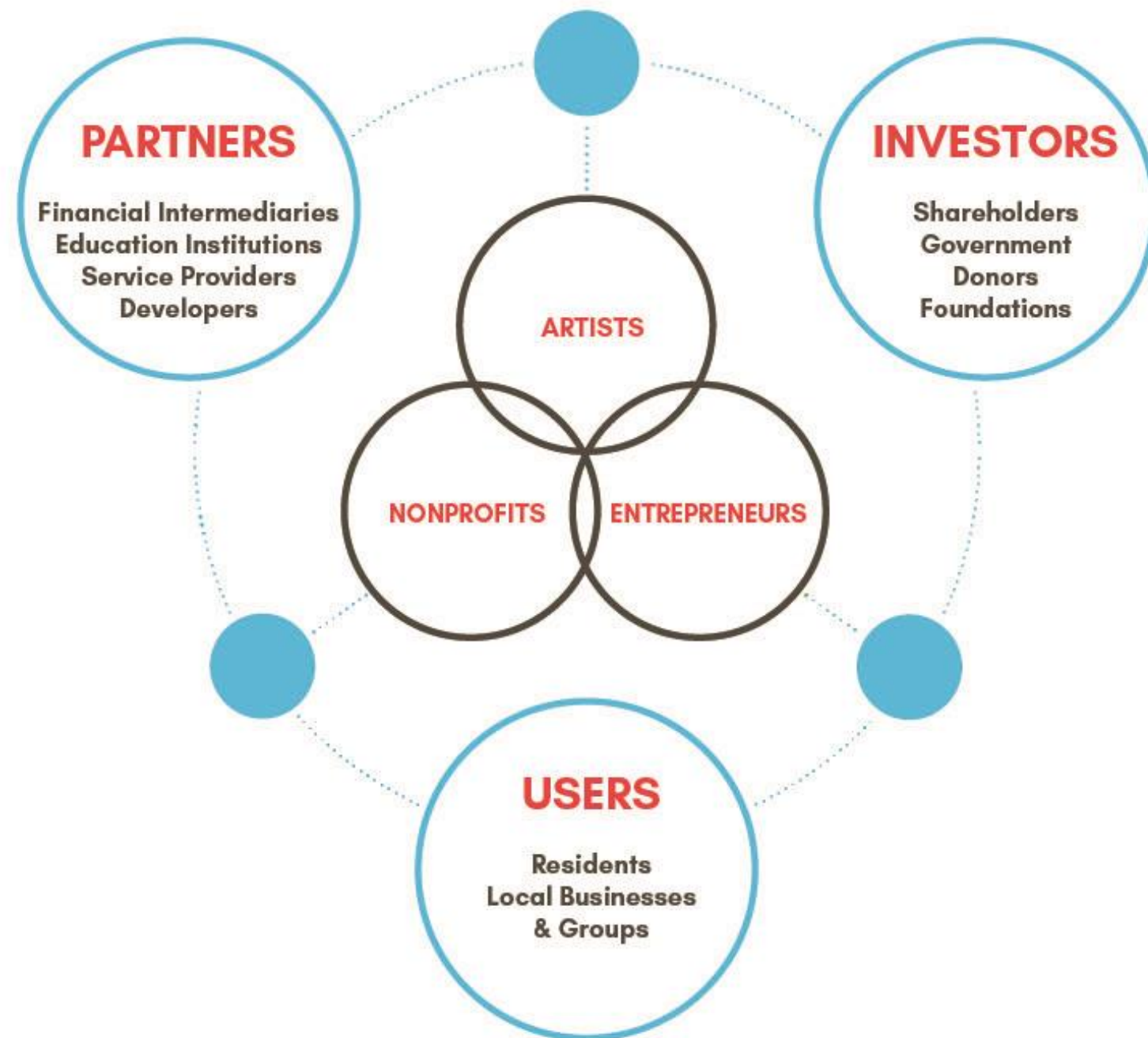


# 3. The Mission 'Block'

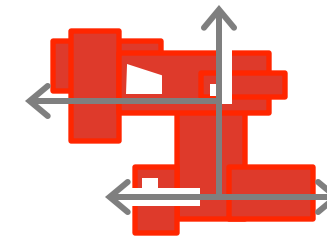
# Mission 'Block'



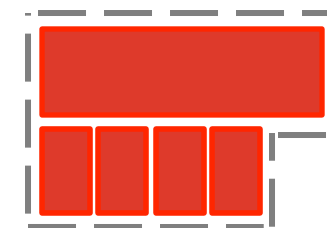
# Define Who You Generate Value For (& With)



## ECOSYSTEM LENS



## NEIGHBORHOOD LENS

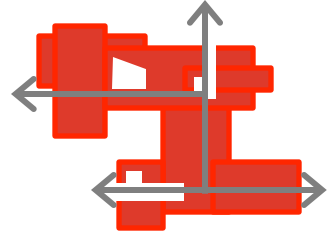


## PROJECT LENS



# Shape the Value Proposition

## ECOSYSTEM LENS



### Research & Engagement:

*Arts Spaces Strategy*  
*11 community 'world cafes'*

Key insights:

- Captured the impact of real estate volatility on creation/production
- Prioritized affordable and collaborative 'incubation' spaces
- Adaptive re-use of heritage identified as opportunity
- Signaled aspiration for a non-profit space development entity

*Arts Professionals Survey*  
*Cultural Facility Inventory*

Key insights:

- A shortage of rehearsal and production facilities existed
- Identified significant demand for flexible 100–250 seat "black box" theater
- 90% of respondents felt art space development was an urgent priority

*Incubator Benchmark Study*  
*Vital Signs Public Survey*

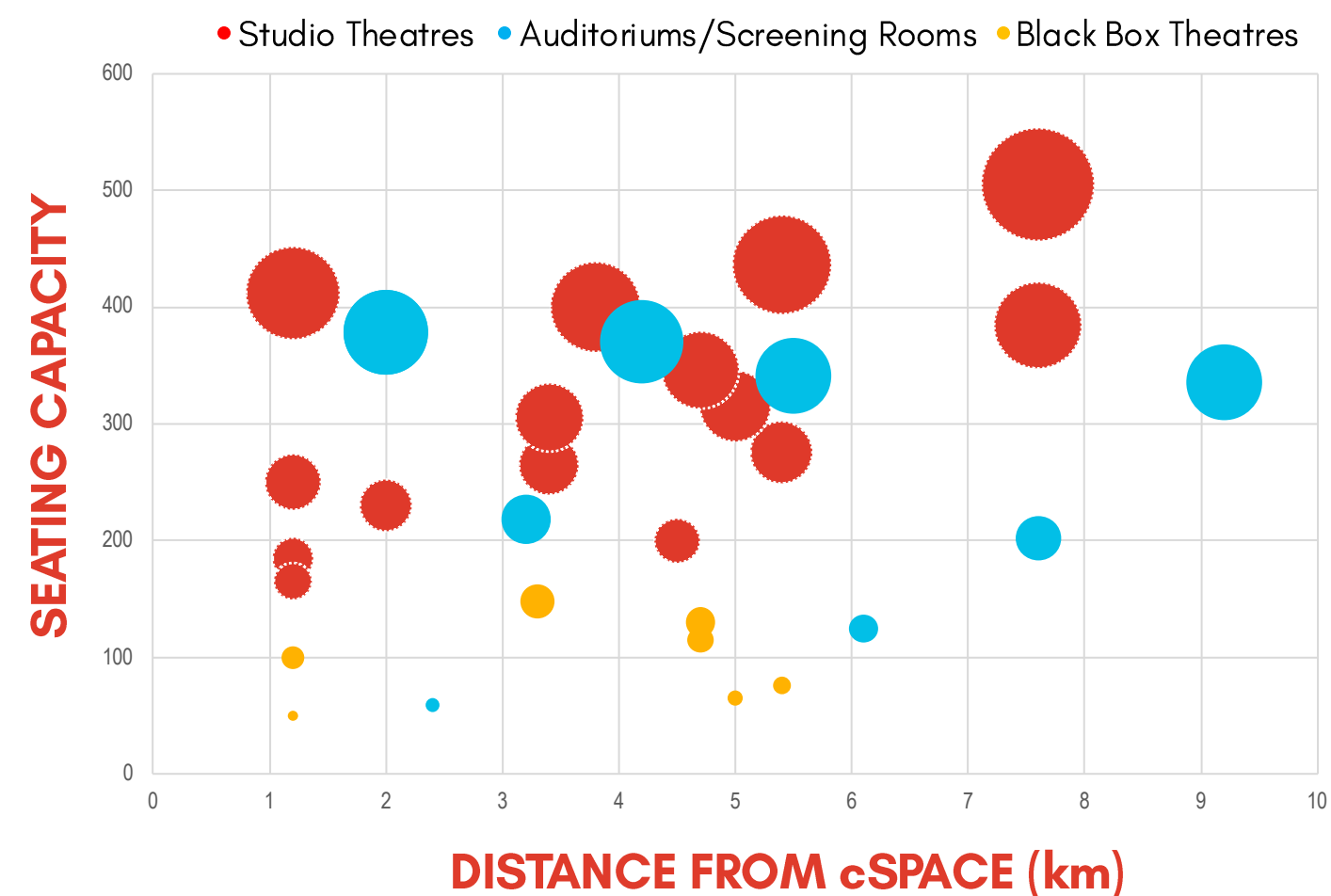
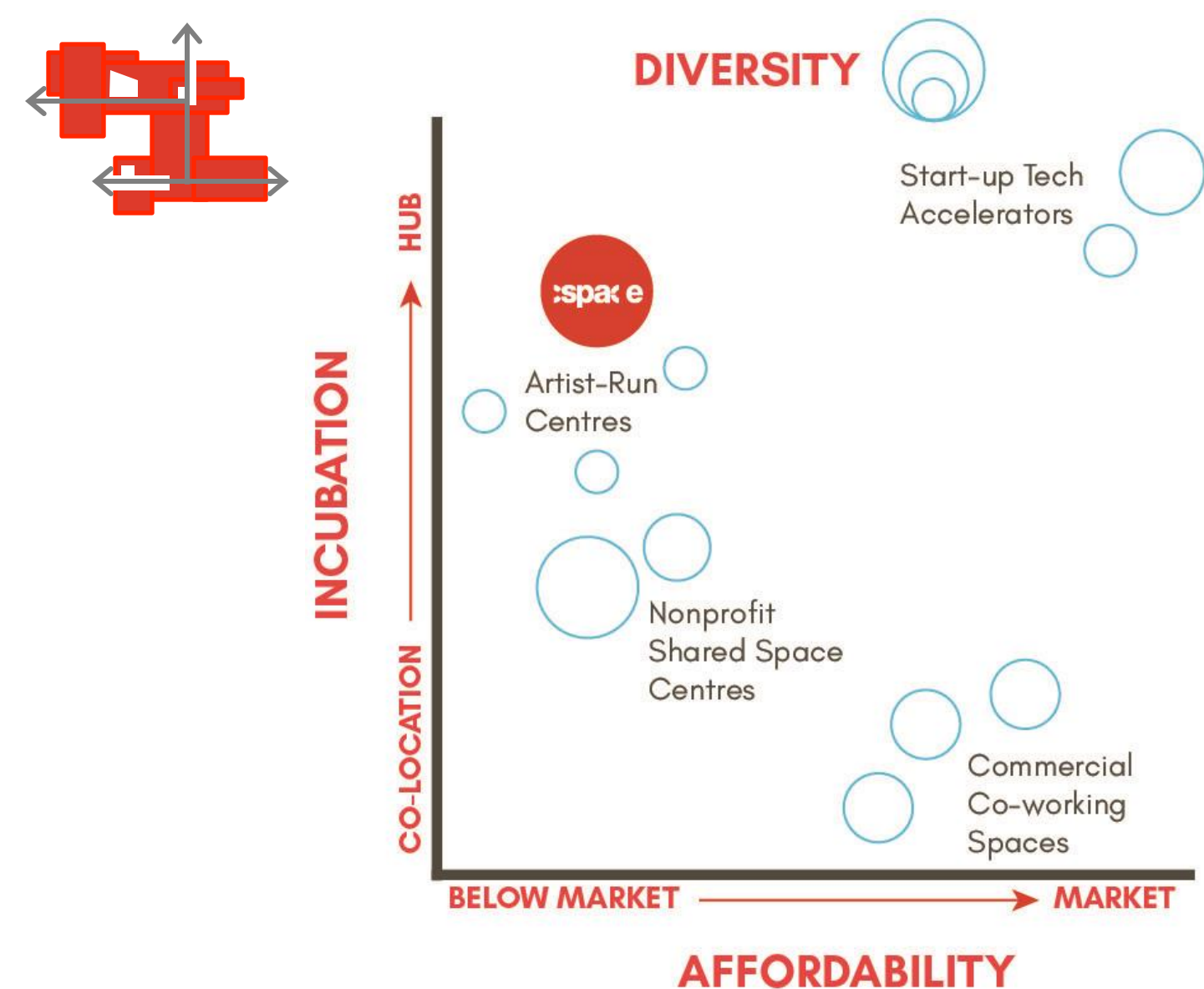
Key insights:

- Signaled community foundation commitment to Arts and Heritage "signature project"
- Broad public support for developing more compelling and accessible art space



# Shape the Value Proposition

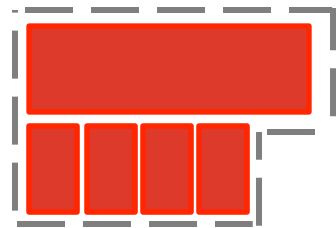
## ECOSYSTEM LENS





# Shape the Value Proposition

## NEIGHBORHOOD LENS



### Research & Engagement:

*Artist and Non-Profit Space Market Survey  
Census Analysis*

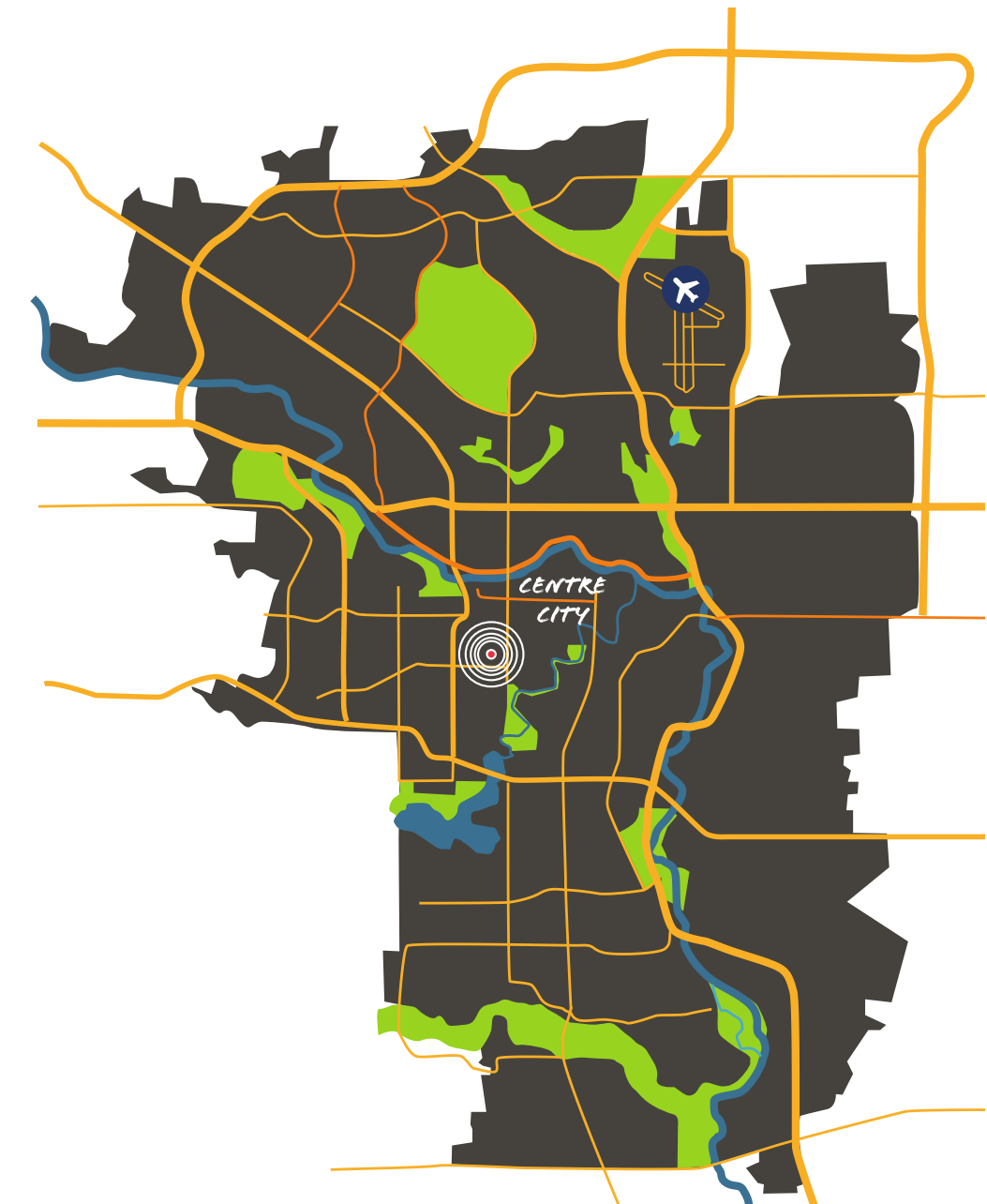
#### Key insights:

- Nearly ½ of the city's artists live in 10 inner city neighborhoods
- Proximity to transit and walkable neighborhoods a priority
- High concentration of cultural industry workers

### Local Community Demographic Research

#### Key insights:

- 30 minute walk radius from cSPACE incl. 22,000 people
- High concentrations of 20-34 yr olds
- Full neighborhood spectrum from wealthy to gentrifying to lower income areas



# Shape the Value Proposition

## PROJECT LENS

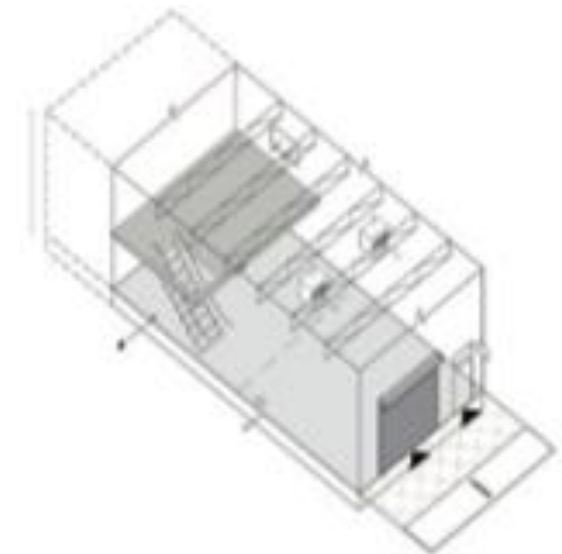


### Research & Engagement:

*Artist and Non-Profit Space Market Survey  
Tenant REOI and RFPs*

#### Key insights:

- Estimated market size for work/production/rehearsal space was 120k – 150k s.f.; work-only studios was 60k – 85k s.f.; and live/work space was 120 units
- Deep sector interest in shared meeting/conference space and rehearsal/performance venues
- Rent affordability threshold identified around 60–80% of Class 'C' commercial rates
- Most significant demand from Non-Profits was for 400 – 500 s.f. space and 800 – 1,000 s.f.
- Artist studio demand spread evenly across 200 – 500 s.f



# Co-Create a Shared Vision



## **4 key elements to cSPACE's portfolio development strategy:**

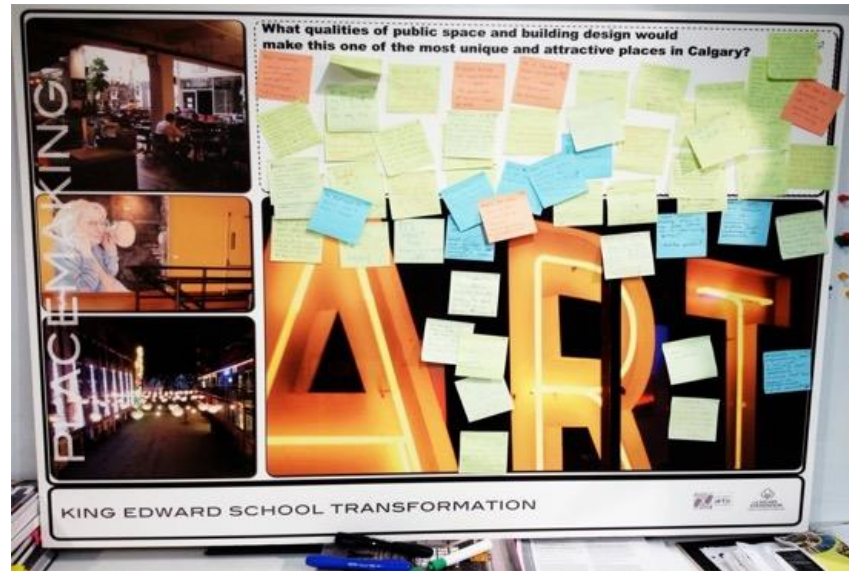
- Align multi-stakeholder visions
- Transform undervalued assets
- Design for revenue diversification
- Engage activation partners

## **'Flagship' opportunity:**

- 3 acre vacant and derelict former school site
- Walkable, inner city location, close to transit and a vital main street
- Proximity to other civic/recreational facilities
- Potential for 40-50k s.f. of multi-functional space
- Potential for land value uplift to generate capital for the reuse of the school building



# Co-Create a Shared Vision

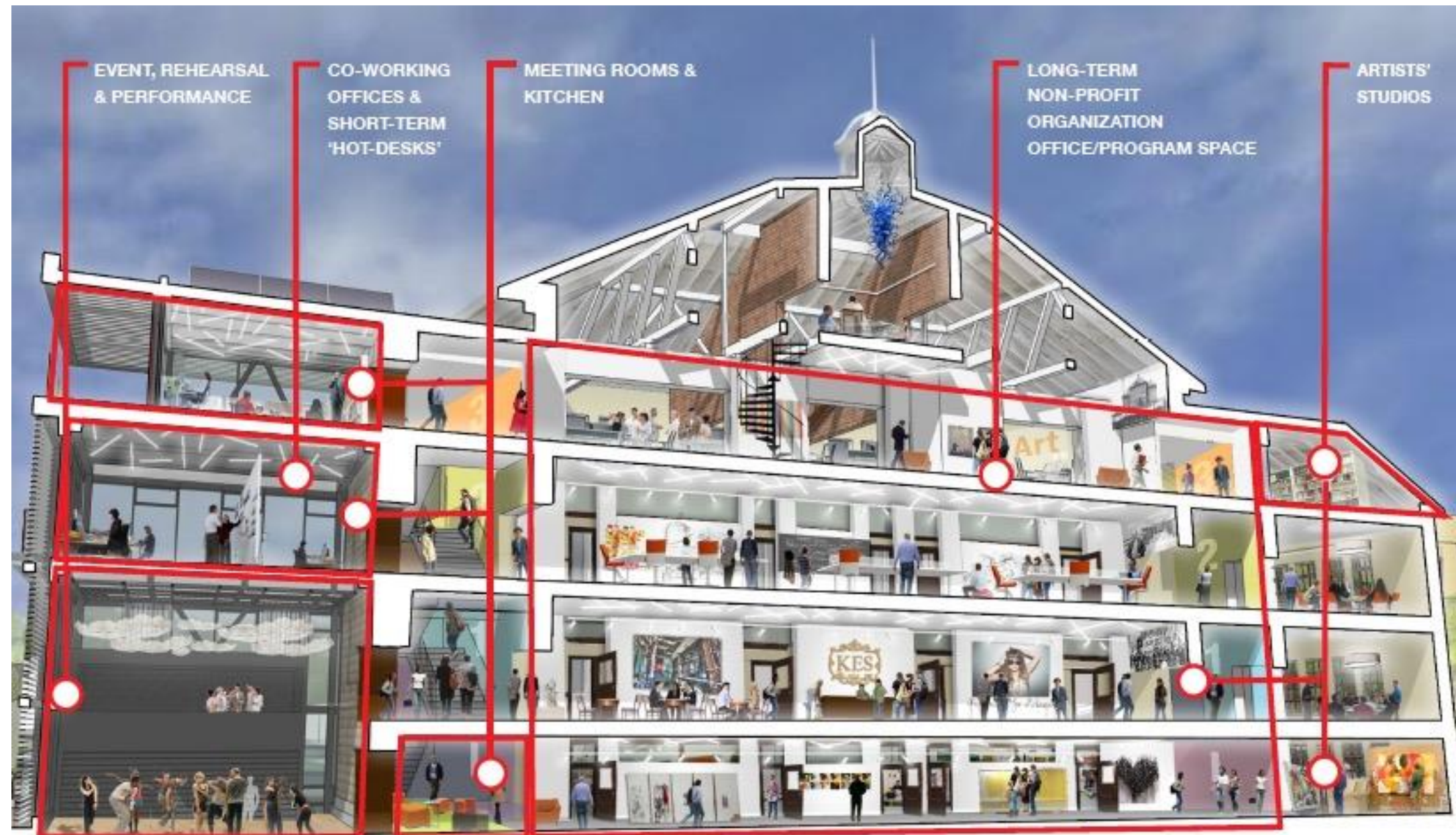


## Extensive 10-month engagement with city-wide arts and local communities:

- Community advisory committee included artists, residents, community association members, BID leadership, and shareholder board members
- Technical advisory committee including senior City staff, heritage experts, developers, designers, engineers, and project managers
- Community open houses and sector information sessions
- Public information booths at local festivals and civic buildings
- Project website – repository



# Co-Create a Shared Vision



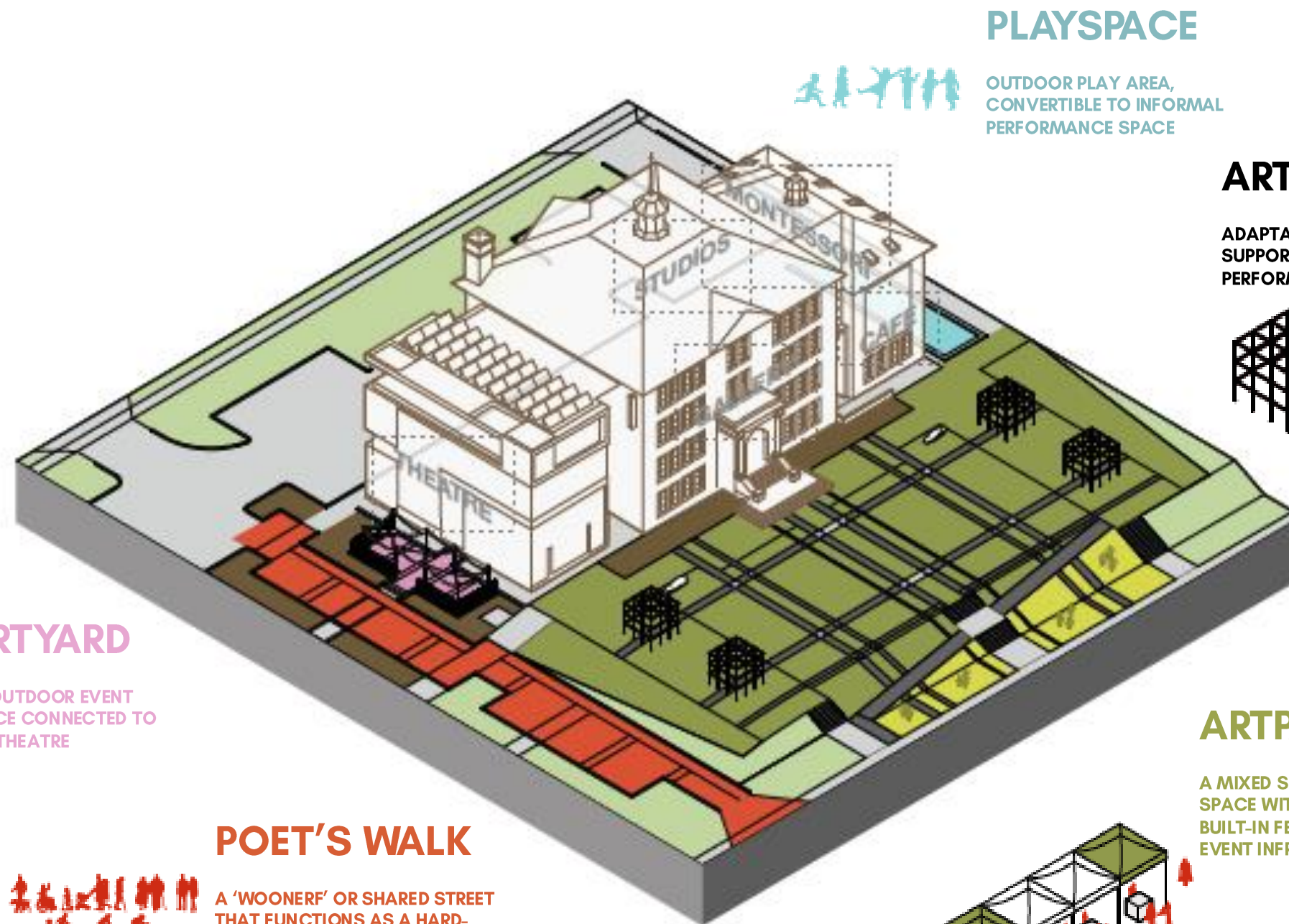
**Shape the community experience and program of spaces while maximizing rentable space (long and short term)**





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# Co-Create a Shared Vision



## ARTYARD

AN OUTDOOR EVENT  
SPACE CONNECTED TO  
THE THEATRE



## POET'S WALK

A 'WOONERF' OR SHARED STREET  
THAT FUNCTIONS AS A HARD-  
SURFACE EXTENSION OF THE  
ARTPARK WITH LOCAL POET  
INSTALLATIONS

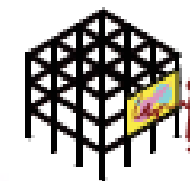


## PLAYSPACE

OUTDOOR PLAY AREA,  
CONVERTIBLE TO INFORMAL  
PERFORMANCE SPACE

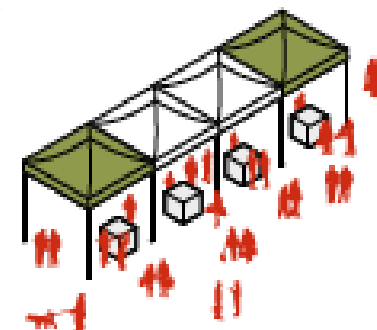
## ARTCUBES

ADAPTABLE STRUCTURES TO  
SUPPORT EXHIBITIONS AND  
PERFORMANCES



## ARTPARK

A MIXED SURFACE PUBLIC  
SPACE WITH FLEXIBLE,  
BUILT-IN FESTIVAL AND  
EVENT INFRASTRUCTURE

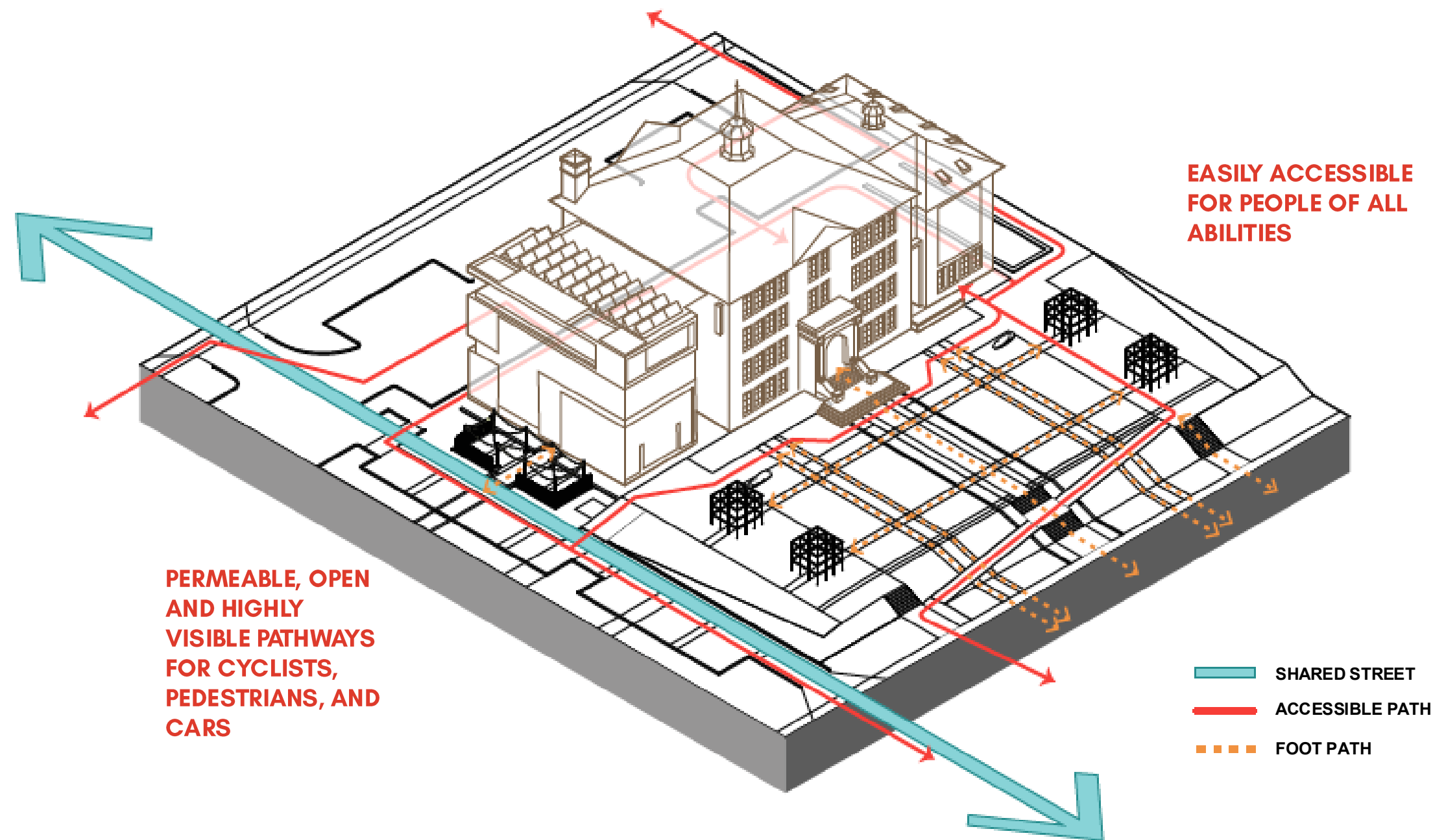


**Amplify creativity  
throughout the  
public realm and  
extend  
opportunities for  
revenue  
generation**



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# Co-Create a Shared Vision



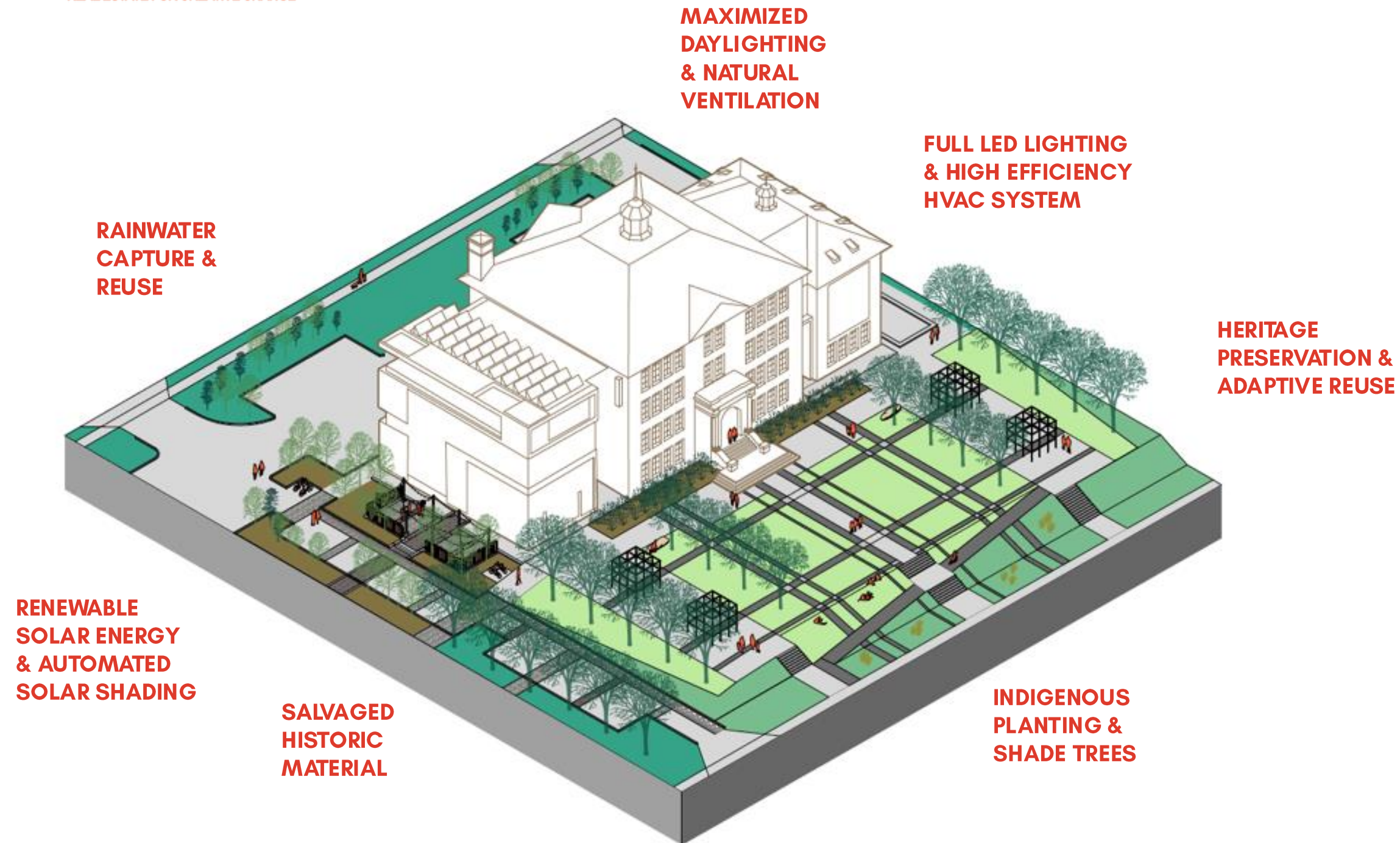
**Ensure  
permeability,  
legibility and  
accessibility to  
serve all  
communities**





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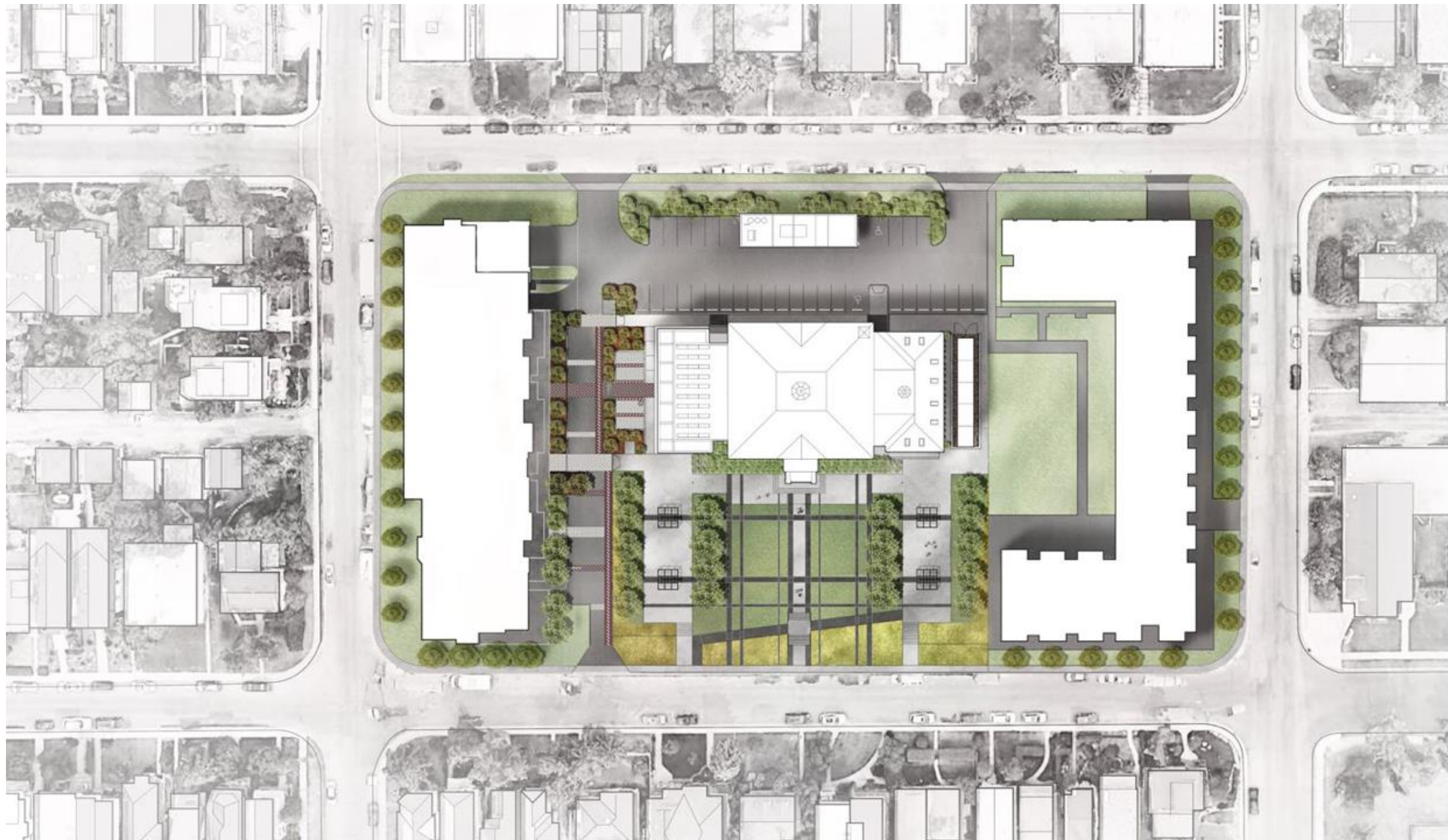
# Co-Create a Shared Vision



**Integrate sustainable design as an upfront placemaking and operating investment**



# Co-Create a Shared Vision



**Facilitate an exchange of value with mission-aligned development partners**



# Co-Create a Shared Vision



**A transformed heritage asset with sustainability at its core**

**An inspiring place for empowering diverse creative communities**

**An inclusive gathering place and civic commons**

**A collaborative model of land development**

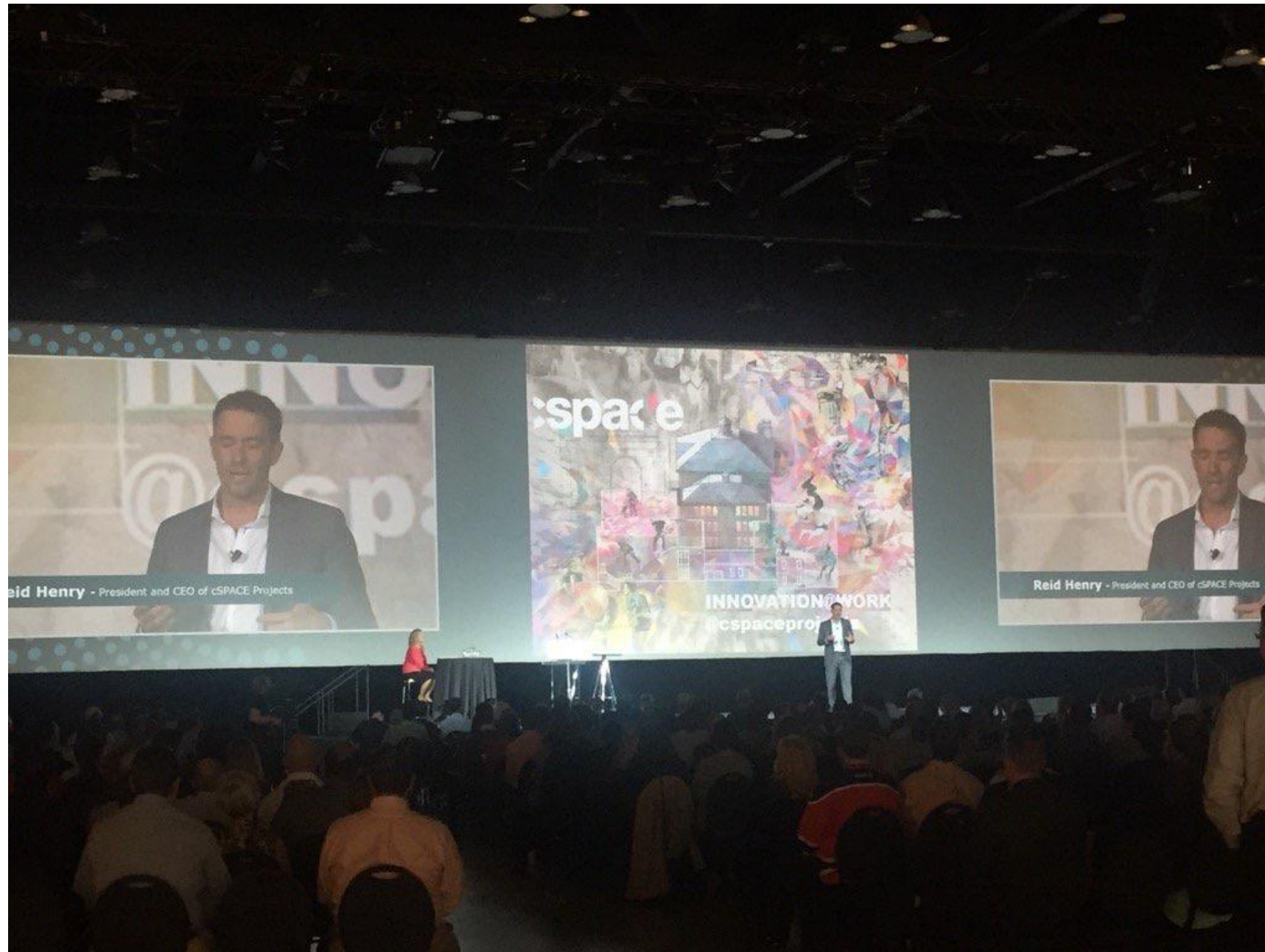
**A viable social enterprise**

**A vibrant tourism asset, showcasing local talent**

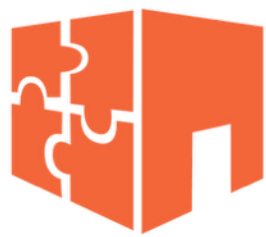




# Connect People to Mission & Ideas







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# Connect People to Mission & Ideas



## New cSPACE King Edward artistic hub names 29 tenants

ERIC VOLMERS, CALGARY HERALD  
More from Eric Volmers, Calgary Herald ([HTTP://CALGARYHERALD.COM/AUTHOR/ERICVOLMERS](http://calgaryherald.com/author/ericvolmers))

Published on: October 20, 2016 | Last Updated: October 20, 2016 5:07 PM MDT



Left to right Michele Stammers, executive director of the Making Treaty 7 Cultural Society, Reid Henry president and CEO of cSpace Projects and Troy Emery Teague, artistic director of the Making Treaty 7 Cultural Society at the renovated King Edward School in Calgary, Ab., on Thursday October 20, 2016. Mike Drew/Postmedia



## Meet among the masters



## Our Town: cSpace grand opening will be a show stopper

JACQUIE MOORE, SWERVE  
More from Jacquie Moore, Swerve ([HTTP://CALGARYHERALD.COM/AUTHOR/JACQUIE-MOORE-SWERVE](http://calgaryherald.com/author/jacquie-moore-swerve))

Published on: August 31, 2017 | Last Updated: August 31, 2017 4:00 AM MDT



The King Edward school has been transformed into cSpace, a non-profit, "social purpose real estate initiative" JASON DZIVER / SWERVE

A dancer, an actor and a writer walk into a building . . .  
and shows are choreographed, rehearsals proceed



## Art, Nurtured

BY KYLEE PEDERSEN

On a sunny morning in Calgary, Brian "Bunny" Batista walks into his fourth-floor studio space. He puts his meals for the day in the fridge and turns on the sound system. He waters his orchids before setting up the drawing benches and easels around his studio.

Three floors below on the main floor, Paula Timm waves hello to the baristas at Barrow Espresso, and stops to chat with her studio neighbours at Metro Design. When the Montessori school is in session, she prepares to be mobbed by a troupe of three-year-olds as she makes her way to her own studio space.

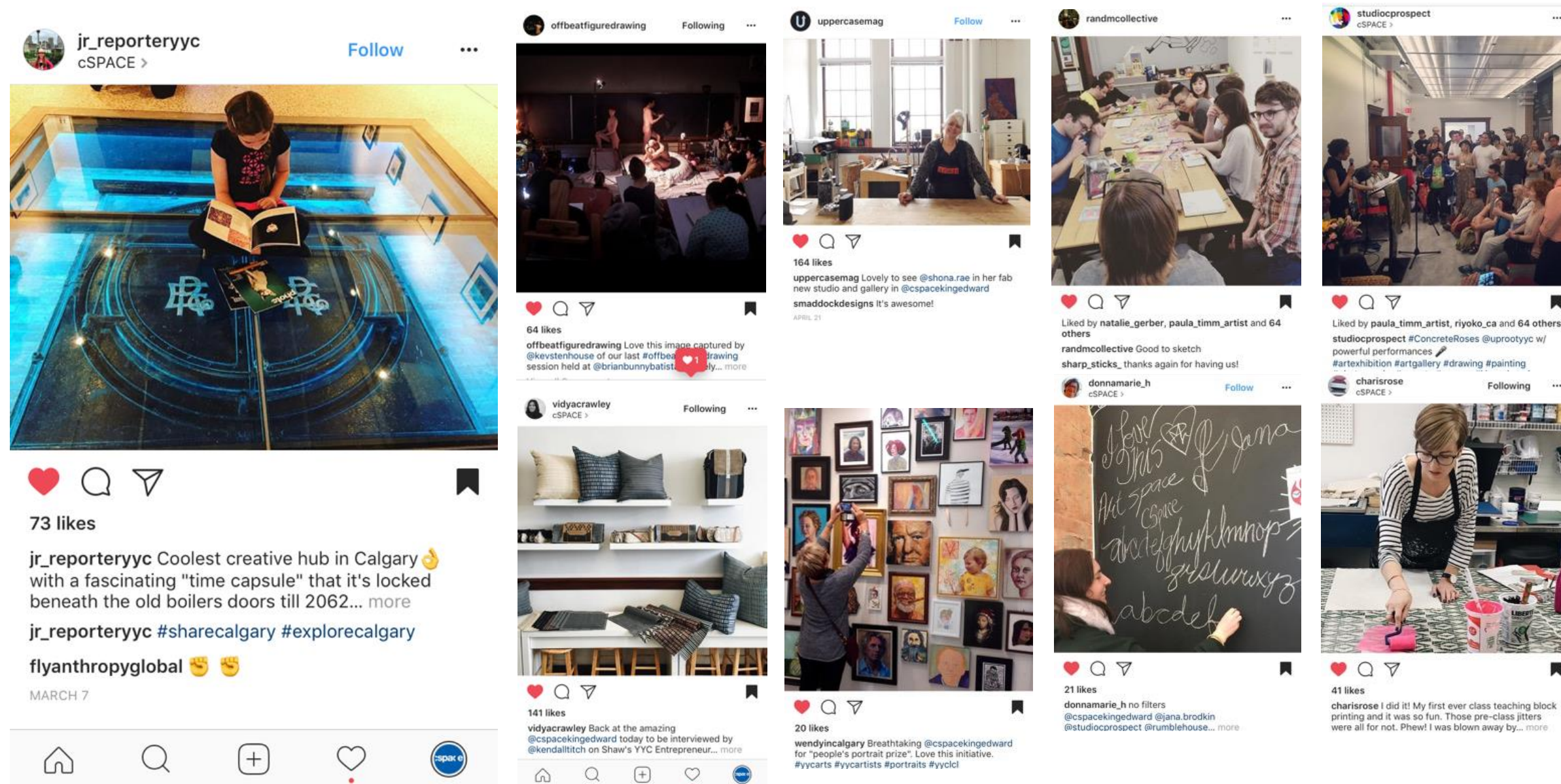
If you stood on 30th Avenue SW, in between the loping streets of 16th and 17th facing north, you could perhaps glimpse, through the tall rectangular windows lined up like teeth in between sandstone bricks, the tenants of cSPACE King Edward going about their morning routines. Imagine a set of classrooms spaced out along high-ceilinged narrow hallways, which are filled with artists, performers, activists, crafters, writers, designers, teachers and baristas. Here, in what used to be King Edward School, Calgary's creatively inclined have been given a place to co-work, collaborate and appreciate the arts, whether performance, acrylic-based or of the latte variety.

cSPACE King Edward opened in 2017 as an experimental arts incubator and creative hub after extensive renovations that kept certain nostalgic





# Connect People to Mission & Ideas







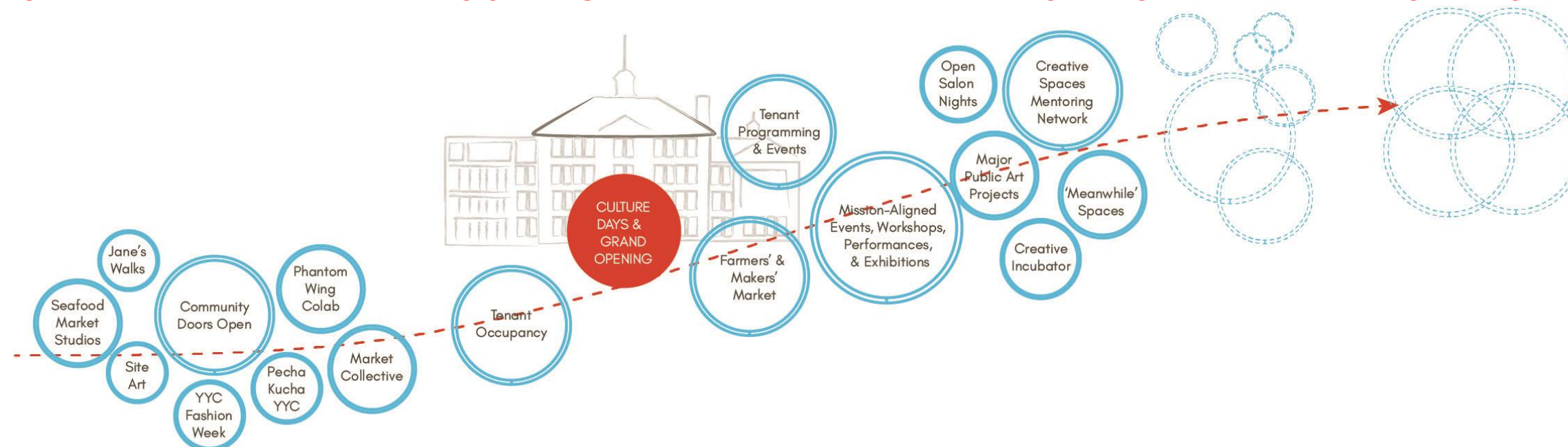
# Purposefully Build Mission Momentum

**+ assemble  
CREATIVITY**

**+ nurture  
COMMUNITY**

**+ cultivate  
CAPACITY**

**+ shape  
CHANGE**







# Delivering Value: Creative Commons







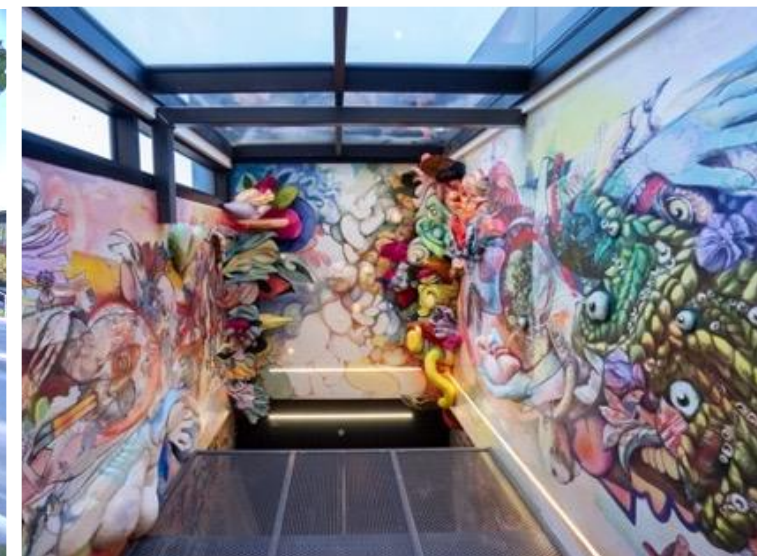
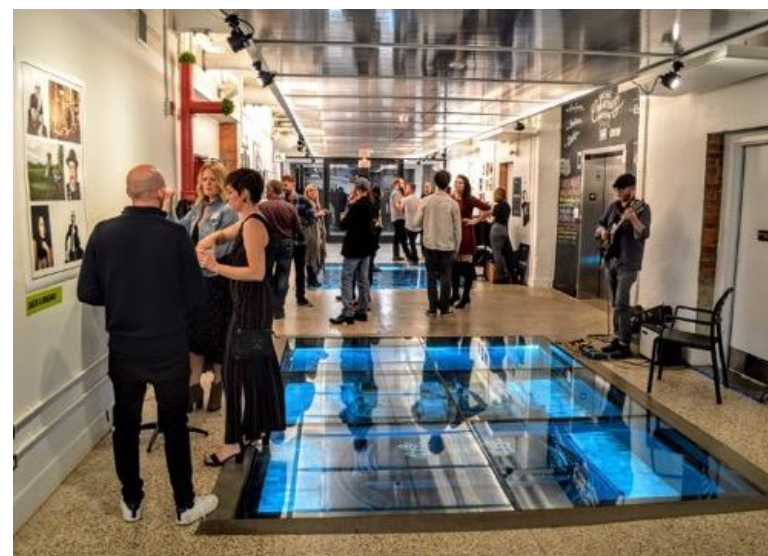
# Delivering Value: Learning Commons







# Delivering Value: Community Commons

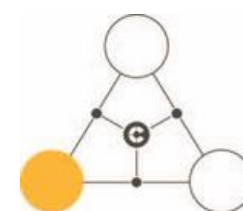






# 4. The Capacity 'Block'

# Capacity 'Block'



## Key Delivery Partners:

Who are our key partners & suppliers?

Which resources are we acquiring vs inhouse?

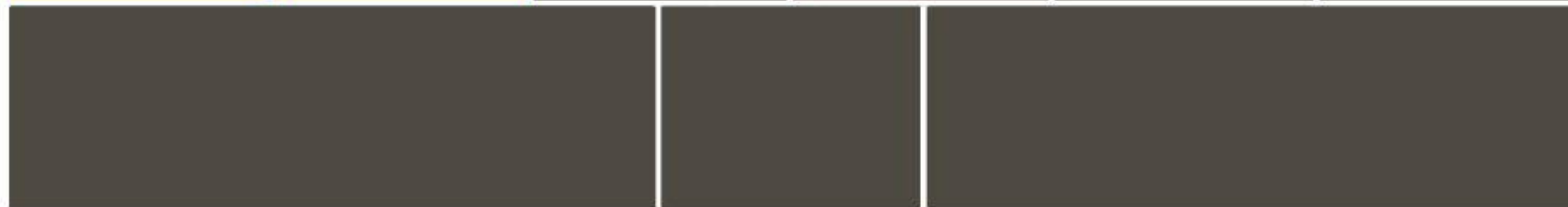
Which key activities do partners perform?

## Key Activities

Which core activities do our value propositions require?

## Key Resources:

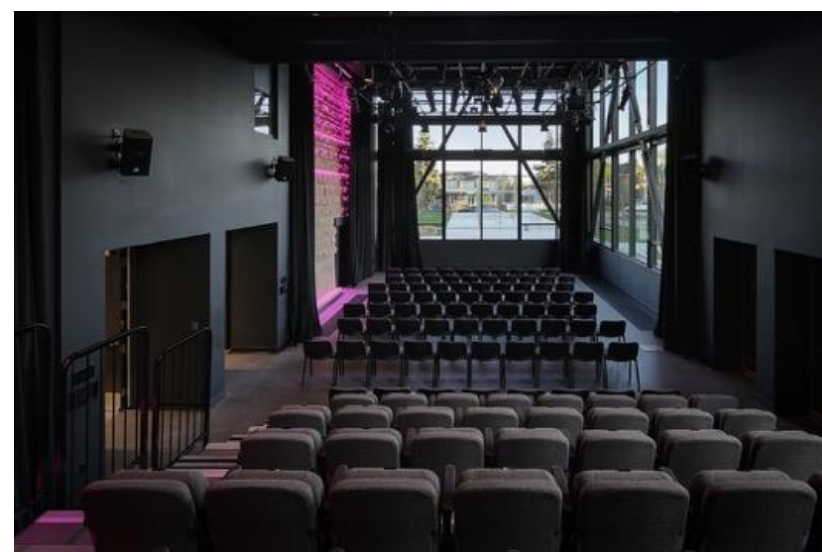
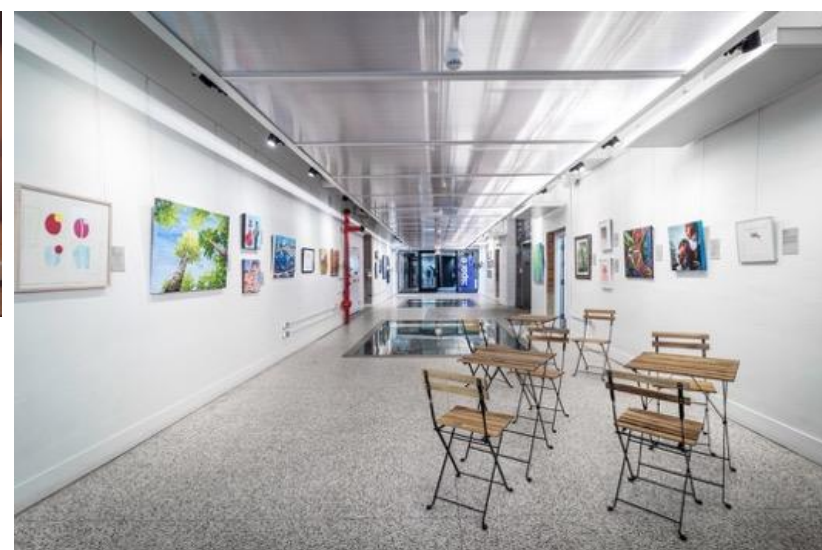
Which resources do our value propositions require?



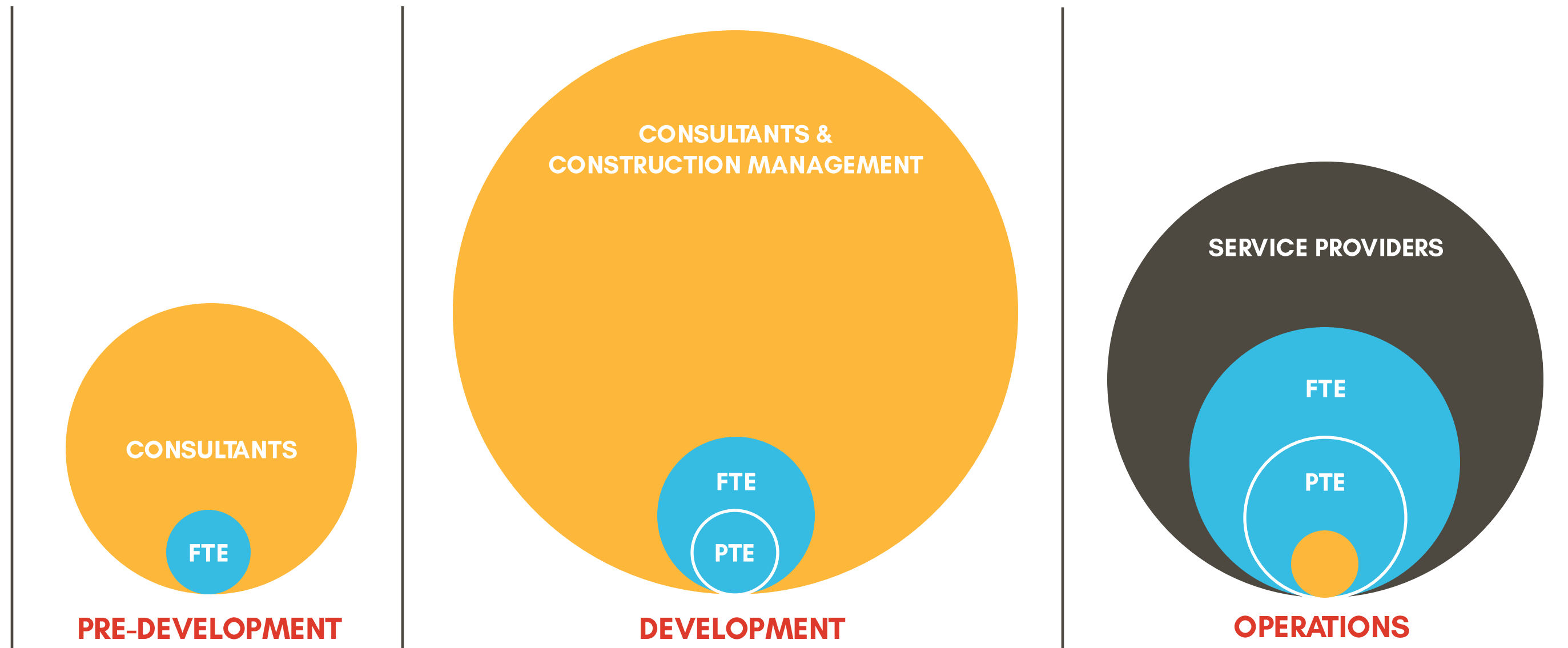




# Plan for Impact of Major Transitions

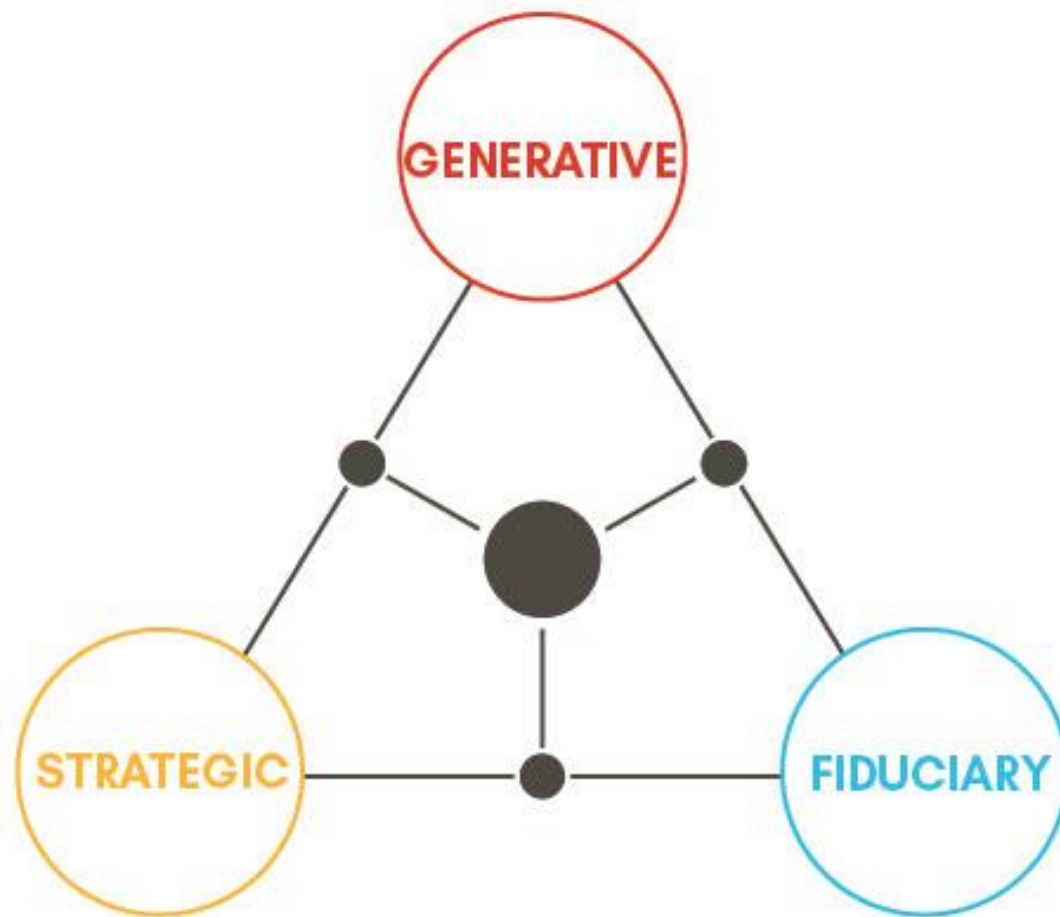


# Build Capacity Through the Stages of Development





# Shape Governance Modes to the Development Stage

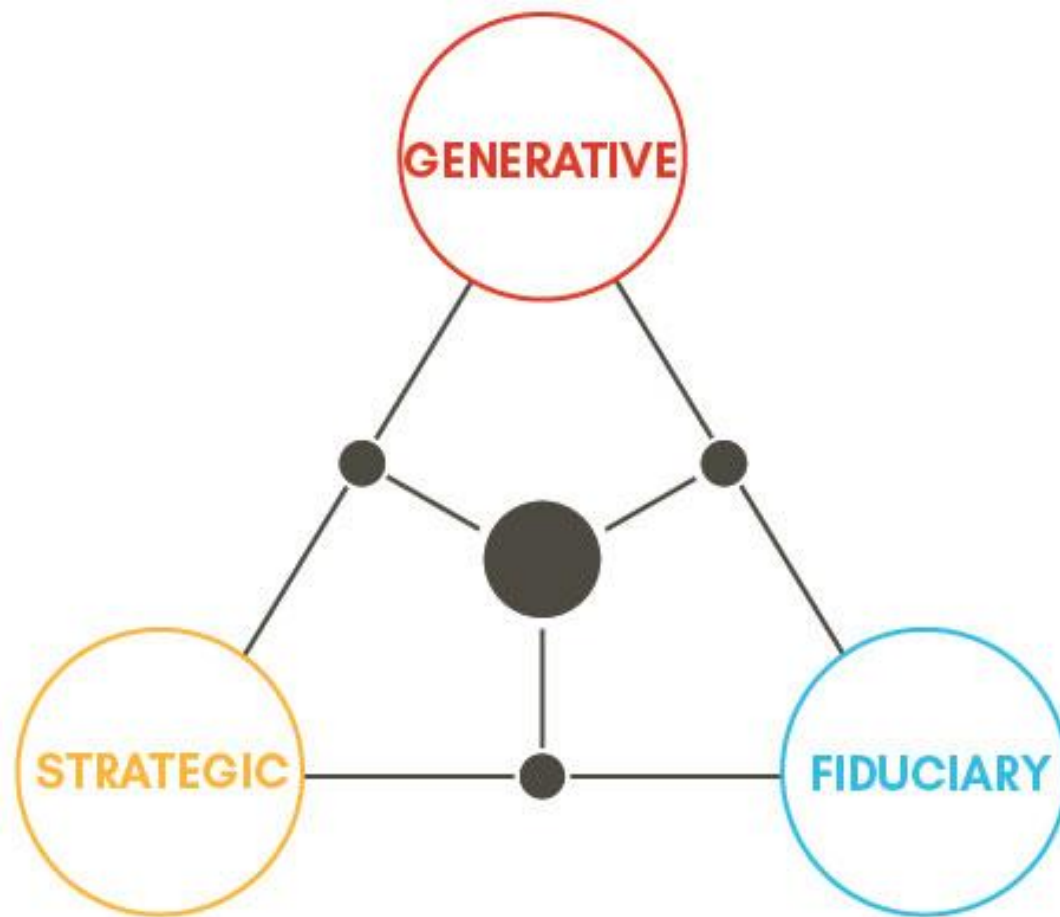


## Generative mode:

- **Primary Role:** 'Sensemaker'
- **Central Purpose:** Source of leadership for the organization
- **Board Provision:** Insight
- **Core Work:** Reconcile value propositions, manage accountability, discern and frame adaptive issues, think collectively, make sense of circumstances
- **Source of Power:** Ideas
- **CEO-Board Relationship:** Think tank peers
- **Key Question:** What's the key question?
- **Problems are to be:** Framed

\*Adapted from "Governance as Leadership", Boardsource

# Shape Governance Modes to the Development Stage

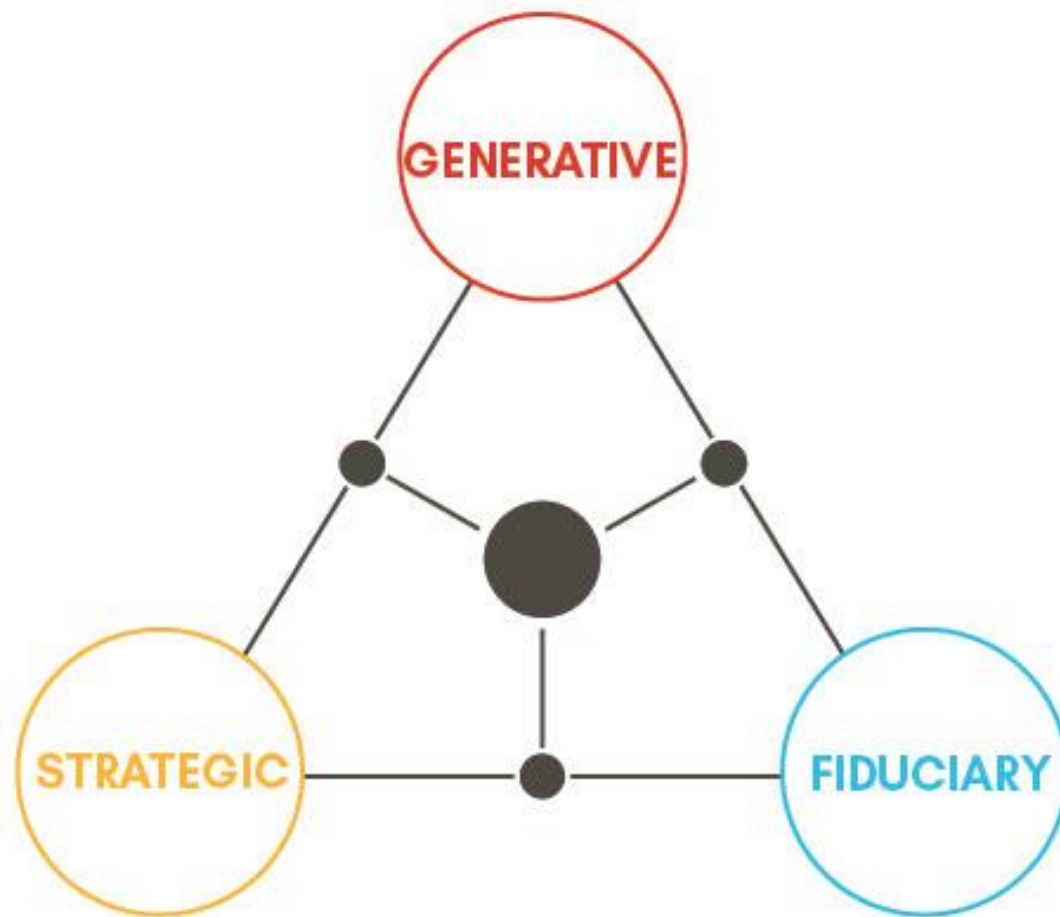


## Strategic mode:

- **Primary Role:** 'Strategist'
- **Central Purpose:** Partnership with Management
- **Board Provision:** Foresight
- **Core Work:** Analytical, shape strategy, review performance
- **Source of Power:** Expertise
- **CEO-Board Relationship:** Strategic alliance
- **Key Question:** What's the plan?
- **Problems are to be:** Solved



# Shape Governance Modes to the Development Stage



## **Fiduciary mode:**

- **Primary Role:** 'Sentinel'
- **Central Purpose:** Stewardship of assets
- **Board Provision:** Oversight
- **Core Work:** Technical, oversee operations, ensure accountability, select and assess CEO, ratify policy
- **Source of Power:** Formal authority, relationship with CEO
- **CEO-Board Relationship:** Hub and spoke
- **Key Question:** What's wrong?
- **Problems are to be:** Spotted

# Cultivate Capacity Through Strategic Partnerships



## Architecture of Program Delivery

- Deliver incubation programming directly
- Curate through tenant capabilities:
  - non-profit leadership training
  - access to project financing
  - industry workshops and training
  - 'Hub' of hubs
  - ~~• Post-secondary continuing education !!~~
- Leverage space to sponsor mission-aligned external programming partnerships:
  - Creative sector workshops, festivals and conferences
  - Monthly speaker series and networking

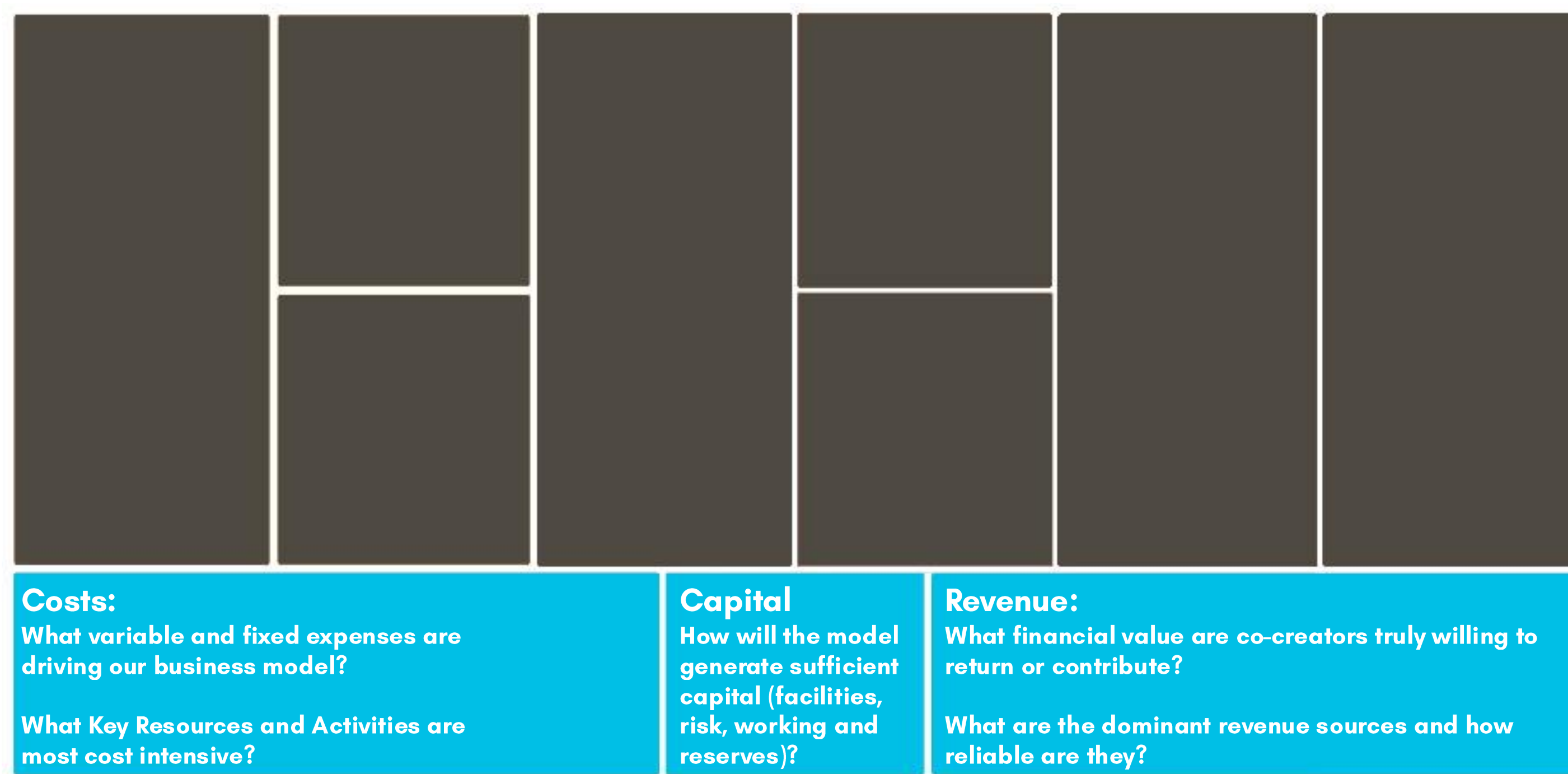
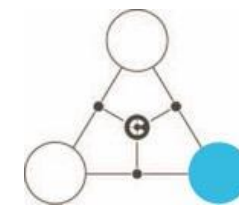
# 5. The Capital 'Block'





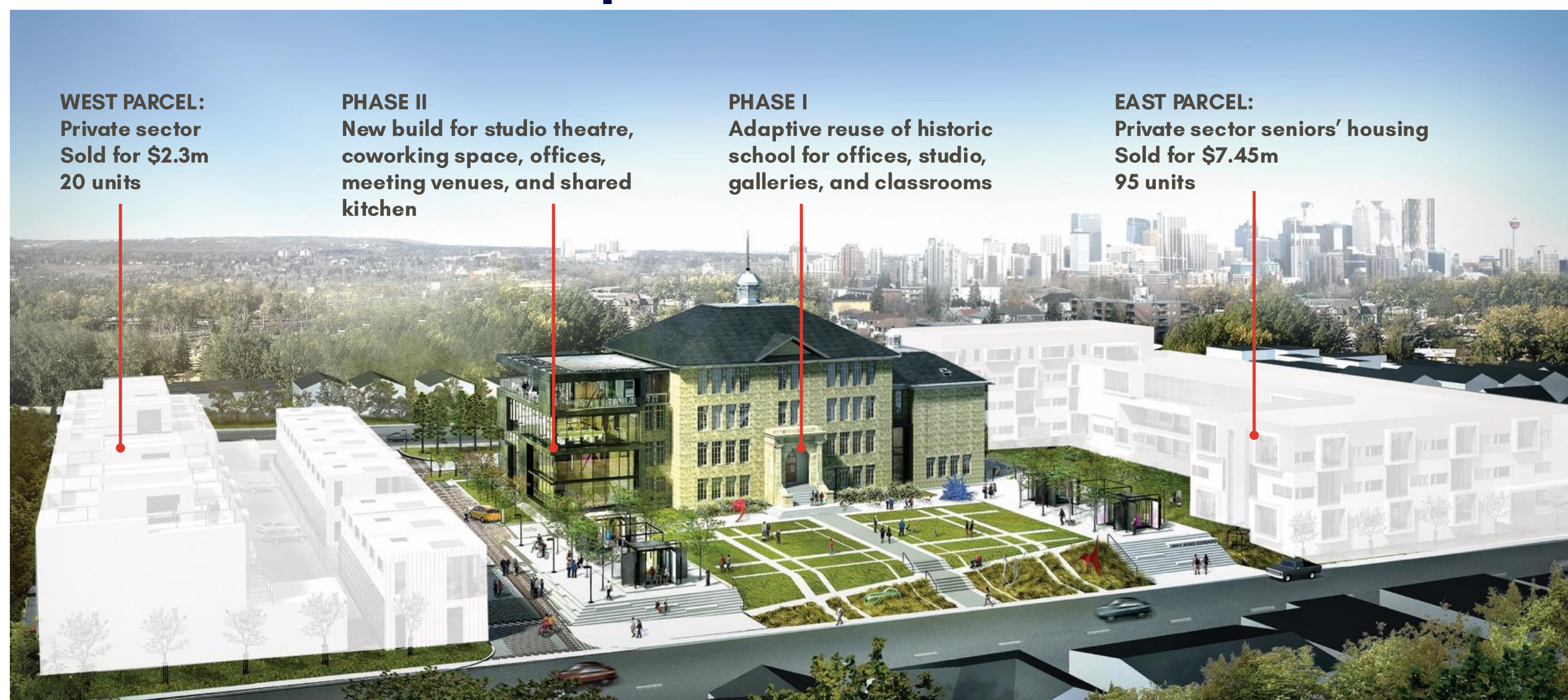
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# Capital 'Block'





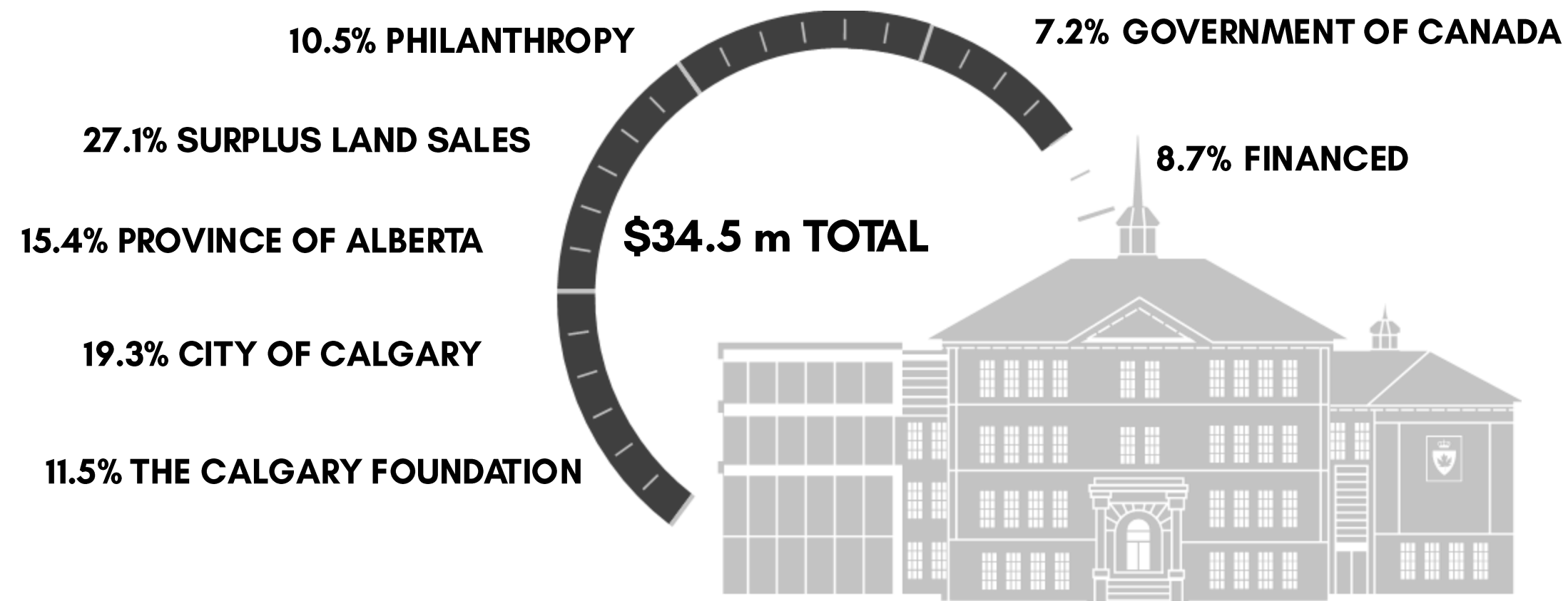
# Build Momentum Through the Capital Stack





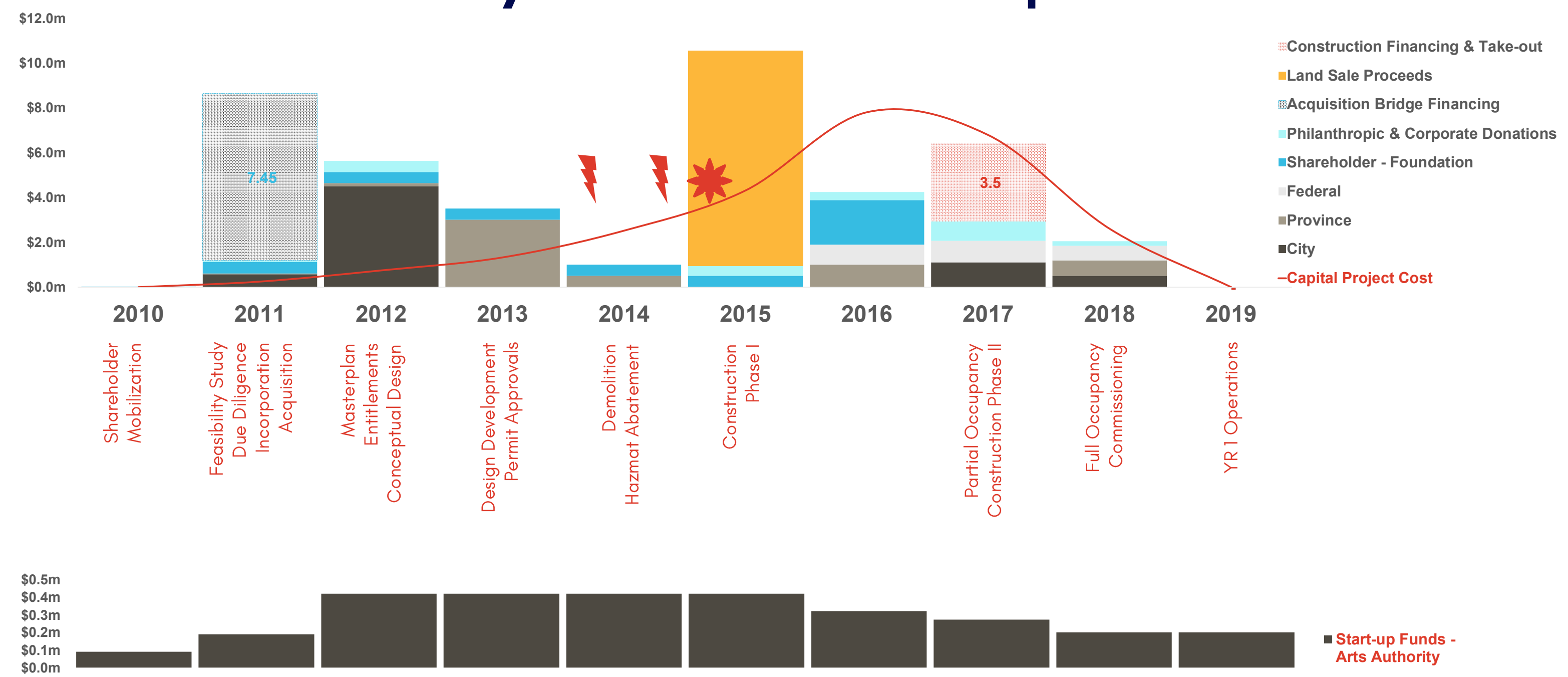


# Build Momentum Through the Capital Stack



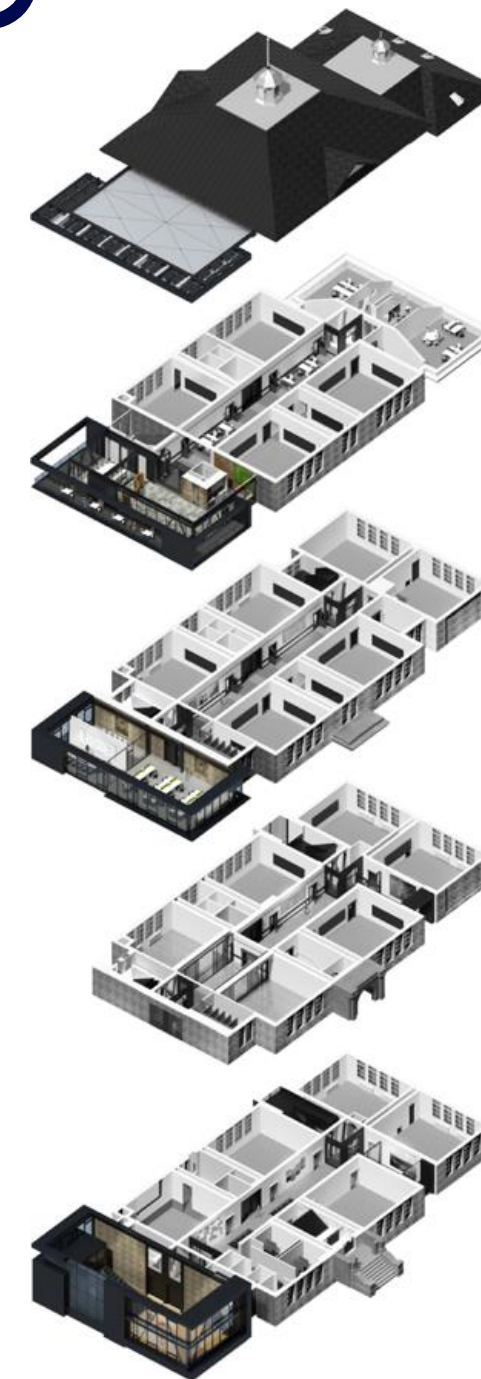
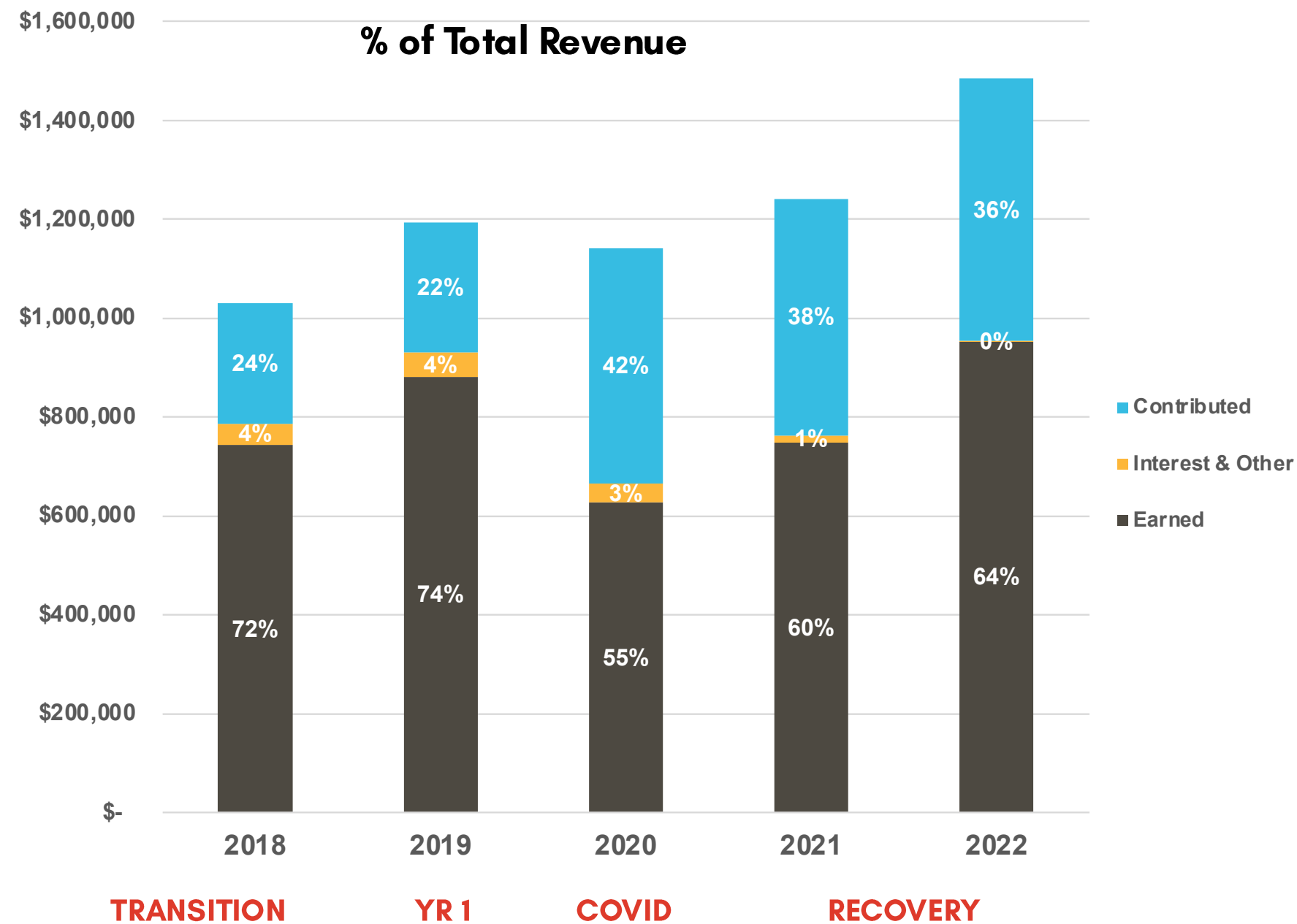


# Enable Adaptability Through Key Partnerships

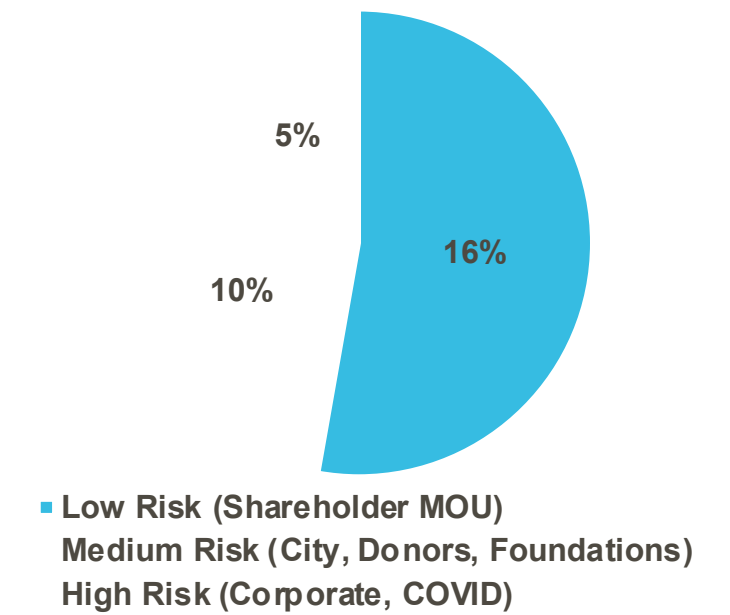




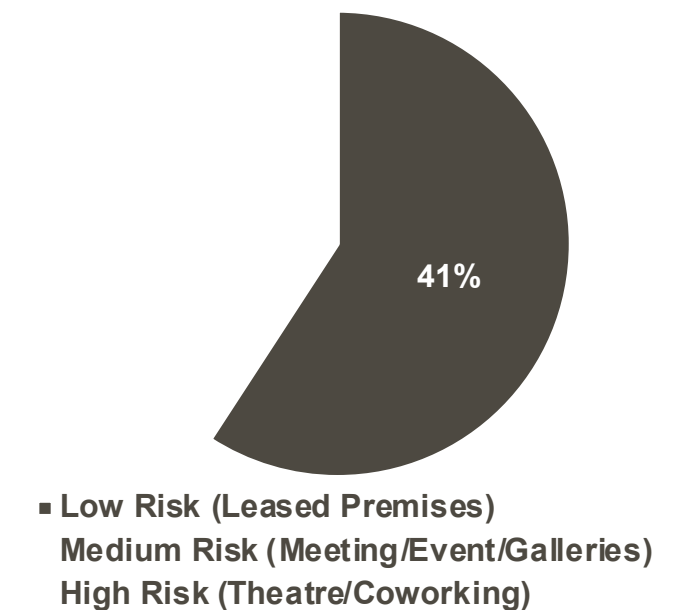
# Diversify Revenue & Drive to Scale



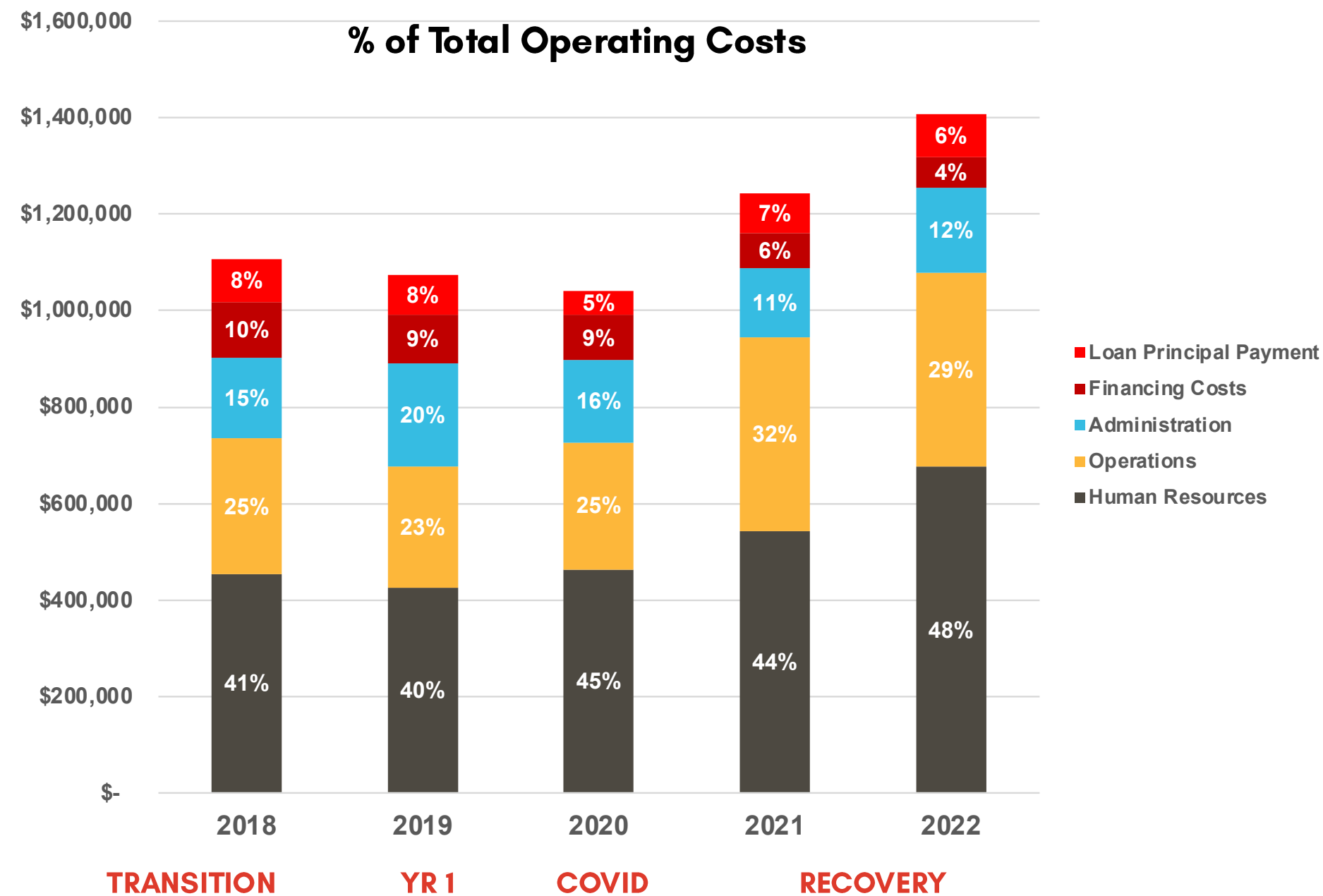
**% of Total Contributed Revenue**



**% of Total Earned Revenue**



# Micro-Manage Operational Drivers & Risks



## Key OpEx levers:

- Staff capacity, expertise & wellness
- Cost of debt
- Building energy use management
- Procurement strategies
- Technology – event software, BMS, renewable energy





# Identify & Monitor Key Risks

## Value propositions:

- Limited leveraging of multiple sectors
- Donors not compelled to participate
- Perception that cSPACE does not provide added value compared to other market opportunities for space
- Lack of partnership opportunities explored with the development industry
- Local resident support for cSPACE declines
- Limited understanding of partnership value by post-secondary institutions

## Channels & Relationships:

- Awareness among donor market insufficient to achieve final fundraising target
- Social media engagement is limited
- Awareness and uptake of rental venues is low
- Media interest is limited

## Key Partnerships & Resources:

- City Council support declines
- Shareholder support diminishes
- Lack of community partnerships' potential
- cSPACE team lacks expertise in key areas

## Co-Creators:

- Insufficient sponsor engagement
- Various levels of government not compelled to participate in projects
- Priority needs of the cultural/creative sector are not being met sufficiently

## Cost & Revenue Structure:

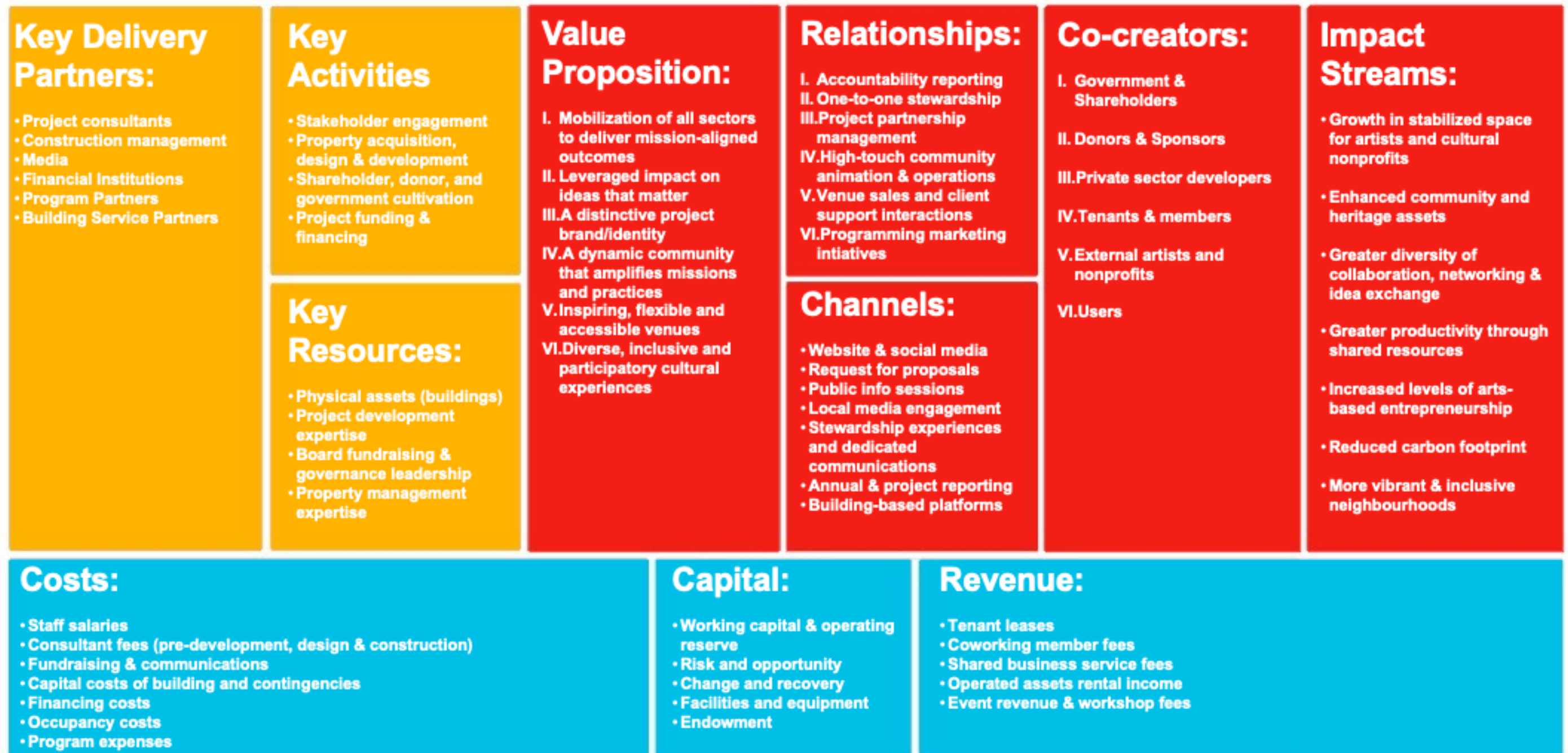
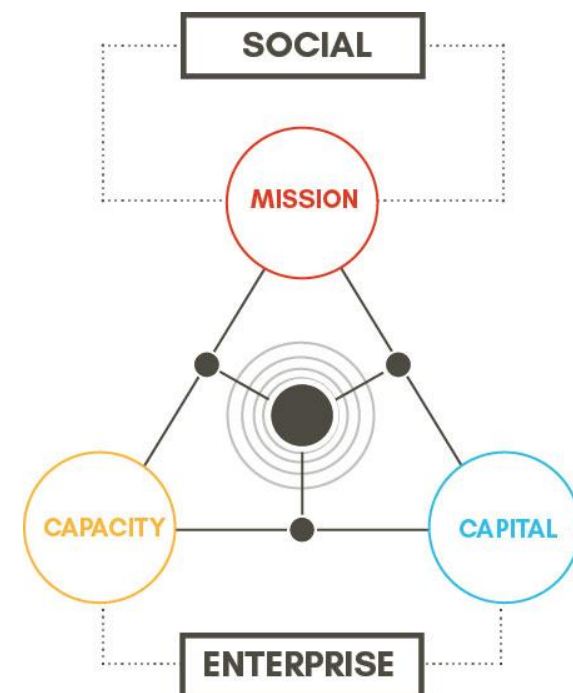
- Cost escalation outpaces revenue
- Insufficient revenue exists to cover capital budget of projects
- Insufficient revenue exists to cover core operating costs



# 4. cSPACE's Canvas



# Mission, Capacity & Capital



# Contact

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