



Notice of Meeting and Meeting Agenda Performing Arts Facilities Select Committee

Wednesday, January 19, 2022

9:30 AM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

C. Plant (Chair), D. Screech (Vice Chair), L. Helps, G. Holman, D. Howe, J. Loveday,
C. McNeil-Smith, R. Martin, R. Mersereau, K. Murdoch, L. Seaton, N. Taylor, K. Williams

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1. [22-038](#) Minutes of the December 8, 2021 Performing Arts Facilities Select Committee Meeting

Recommendation: That the minutes of the Performing Arts Facilities Select Committee meeting of December 8, 2021 be adopted as circulated.

Attachments: [Minutes - December 8, 2021](#)

4. Chair's Remarks

5. Presentations/Delegations

In keeping with directives from the Province of BC, there is limited space for the public to attend CRD Board meetings in-person at this time. However, the public may continue to view meeting materials and Live Webcasts online. If you wish to attend a meeting in-person, please email legserv@crd.bc.ca.

CRD encourages delegations to participate electronically. Please complete the online application for "Addressing the Board" on our website and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the CRD Board at crdboard@crd.bc.ca.

6. Committee Business

6.1. [22-042](#) 2022 Performing Arts Facilities Select Committee Terms of Reference

Recommendation: The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:
That the 2022 Performing Arts Facilities Select Committee Terms of Reference attached at Appendix A be approved.

Attachments: [Staff Report: 2022 PAF Select Committee TOR](#)
[Appendix A: 2022 PAFSC TOR](#)

6.2. [22-040](#) Costs and Timeline Associated with a Region-Wide Referendum on a Full Regional Performing Arts Facilities Service

Recommendation: That the Costs and Timeline Associated with a Region-Wide Referendum on a Full Regional Performing Arts Facilities Service report be received for information and policy options for sub-regional performing arts facilities services be considered.

Attachments: [Staff Report: Costs Timeline Referendum - Regional PAF Service](#)
[Appendix A: Cost Estimate for Region-Wide Referendum](#)
[Appendix B: Amended Bylaw No. 4445, Arts Facilities Service](#)
[Appendix C: Communications Plan For Public Awareness](#)
[Appendix D: Updated Service Plan for Regional Service](#)

6.3. [21-877](#) Advancing a Full Regional Performing Arts Facilities Service without Alternative Approval Process

Recommendation: [At the December 8, 2021 PAFSC meeting, the Select Committee passed a motion that staff report back to the Committee with detailed costing and timeline for running a region-wide referendum, including additional requirements for staff capacity. The report is presented under Item 6.2.]
The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:
That the Advancing a Full Regional Performing Arts Facilities Service without Alternative Approval Process report be received for information

Attachments: [Staff Report: Advancing a Regional Performing Arts Facilities Service](#)
[Appendix A: Decision-Making Flowchart](#)
[Appendix B: Letter from Langford](#)
[Appendix C: Bylaw No. 4445 Performing Arts Facilities Service](#)

6.4. [21-878](#) Options for Sub-regional Performing Arts Facilities Services

Recommendation: [At the December 8, 2021 PAFSC meeting, this report was postponed pending consideration of advancing a full regional Performing Arts Facilities Service.]
The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:
That the Royal and McPherson Theatres Services Advisory Committee be directed to reconsider changes to Bylaws No. 2587, "Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998", and No. 2685, "McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999", to create greater budgetary flexibility for the funding of the Royal Theatre and McPherson Playhouse.
(NWA)

Attachments: [Staff Report: Subregional Performing Arts Facilities Service](#)
 [Appendix A: Decision Making Flowchart](#)
 [Appendix B: Bylaw No. 2587 Royal Theatre Service](#)
 [Appendix C: Bylaw No. 2685 McPherson Playhouse Service](#)

7. Notice(s) of Motion

8. New Business

9. Adjournment

The next meeting is At the call of the Chair.

To ensure quorum, please advise Tamara Pillipow (tpillipow@crd.bc.ca) if you or your alternate cannot attend.

Meeting Minutes

Performing Arts Facilities Select Committee

Wednesday, December 8, 2021

9:00 AM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT

Directors: C. Plant (Chair), D. Screech (Vice Chair) (EP), M. Alto (for L. Helps), G. Holman, P. Brent (for D. Howe), J. Loveday, C. McNeil-Smith (EP), R. Martin (EP), R. Mersereau, K. Murdoch, L. Seaton (EP), N. Taylor, K. Williams (EP)

Staff: N. Chan, Chief Financial Officer; K. Morley, General Manager, Corporate Services; C. Gilpin, Manager, Arts & Culture; M. Lagoa, Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Directors L. Helps, D. Howe

The meeting was called to order at 9:01 am.

1. Territorial Acknowledgement

Chair Plant provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by Director Mersereau, **SECONDED** by Alternate Director Alto,
That the agenda for the December 8, 2021 Performing Arts Facilities Select
Committee meeting be approved.
CARRIED

3. Adoption of Minutes

3.1. [21-895](#)

Minutes of the September 8, 2021 Performing Arts Facilities Select
Committee Meeting

MOVED by Director Mersereau, **SECONDED** by Director Murdoch,
That the minutes of the Performing Arts Facilities Select Committee meeting of
September 8, 2021 be adopted as circulated.
CARRIED

4. Chair's Remarks

The Chair acknowledged the long day ahead for the committee members and
thanked everyone for attending.

5. Presentations/Delegations

There were no presentations or delegations.

6. Committee Business

6.1. [21-877](#) Advancing a Full Regional Performing Arts Facilities Service without Alternative Approval Process

N. Chan introduced C. Gilpin who spoke to Item 6.1.

Discussion ensued on the following:

- how amending the bylaw would affect participation
- the separation of capital and operational funding support
- the asset management plan established for Royal and McPherson Theatres
- the criteria for Community Works funding eligibility
- time frame to have expenses related to a region-wide referendum included in the 2022 budget process
- mechanisms to opt in or out of the service
- the implications of including a referendum question on municipal election ballots

MOVED by Alternate Director Alto, SECONDED by Director Loveday, That staff report back to the Committee with detailed costing and timeline for running a region-wide referendum, including additional requirements for staff capacity.

CARRIED

OPPOSED: Holman, Martin, Seaton

The remaining agenda item 6.2. is postponed.

6.2. [21-878](#) Options for Sub-regional Performing Arts Facilities Services

Postponed pending the results of agenda item 6.1.

7. Notice(s) of Motion

There were no notice(s) of motion.

8. New Business

There was no new business.

9. Adjournment

MOVED by Alternate Director Alto, SECONDED by Director Mersereau, That the December 8, 2021 Performing Arts Facilities Select Committee meeting be adjourned at 9:50 am.

CARRIED

CHAIR

RECORDER

**REPORT TO PERFORMING ARTS FACILITIES SELECT COMMITTEE
MEETING OF WEDNESDAY, JANUARY 19, 2022**

SUBJECT **2022 Performing Arts Facilities Select Committee Terms of Reference**

ISSUE SUMMARY

This report is to provide the 2022 Performing Arts Facilities Select Committee updated Terms of Reference for the Committee's review.

BACKGROUND

At its meeting of March 10, 2021, the Board supported a motion "to begin the process of establishing a regional service for the purposes of planning, developing and funding of performing arts facilities that have regional impact."

On April 14, 2021, the Board approved the 2021 Terms of Reference (TOR) for the Performing Arts Facilities Select Committee (the "Committee").

On October 13, 2021, the Board passed an amended motion that sent the issue back to the Committee for further study of options for a full regional service that does not include Alternative Approval Process or for a sub-regional service.

On December 8, 2021, the Committee reconvened to consider a new set of staff reports on full regional and sub-regional options. The Committee passed a motion asking staff to provide more information on the costs, timeline, and staffing required to conduct a region-wide referendum.

The Committee's mandate remains to define the scope of a service that will plan, develop and fund regional performing arts facilities. Without a need for ongoing external participation and, in having a defined purpose, the most appropriate committee structure is a Select Committee, which will be dissolved once its purpose is completed.

For 2022, item 2.0, c in the TOR has been removed as the work of the Committee has continued through 2021 and may continue to send recommendations and/or reports to the CRD Board in 2022. Draft terms of reference, showing the change, are attached to this report at Appendix A. The proposed revision to the TOR will require ratification by the Board.

CONCLUSION

The Performing Arts Facilities Select Committee reviewed its Terms of Reference to ensure they were still relevant to its work and applicable to any timelines contained therein.

RECOMMENDATION

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

That the 2022 Performing Arts Facilities Select Committee Terms of Reference attached at Appendix A be approved.

Submitted by:	Chris Gilpin, MPA, Manager, Arts & Culture
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2022 Performing Arts Facilities Select Committee Terms of Reference

Terms of Reference

CRD

PERFORMING ARTS FACILITIES SELECT COMMITTEE

PREAMBLE

Acting on the Board motion to establish a regional performing arts facilities service for the planning, development and funding of regional performing arts facilities, the Performing Arts Facilities Select Committee is established by the CRD Board to advise and make recommendations to the Board on the scope and function of a CRD Performing Arts Facilities Service.

The Performing Arts Facilities Service is intended to provide regional oversight on the planning, development and funding of regionally significant arts facilities. Participants would be all municipalities and electoral areas.

The Select Committee's official name is to be:

Performing Arts Facilities Select Committee

1.0 PURPOSE

The mandate of the Committee is to:

- Provide recommendations to the CRD Board on the scope of a service that will plan, develop and fund regional performing arts facilities in order to provide staff direction in the creation of an establishing bylaw.

2.0 ESTABLISHMENT AND AUTHORITY

- a) The Board Chair will appoint the Committee Chair and Committee members.
- b) The Committee will make recommendations to the Board for consideration.
- ~~c) A report is expected by the end of 2021.~~

3.0 COMPOSITION

- a) The Chair, Vice-Chair and Committee members are appointed annually by the Board Chair.
- b) Committee members will be comprised of a number of CRD Directors providing regional representation as deemed appropriate by the Board. Directors appointed to the Select Committee may have their Alternates attend in their place.

4.0 PROCEDURES

- a) The Committee shall meet at the call of the Committee Chair.
- b) The Committee Chair shall determine the agenda or meetings in consultation with staff and any Committee member may request that a matter be placed on the agenda.

5.0 RESOURCES AND SUPPORT

- a) The CFO/General Manager, Finance and Technology, will provide strategic support and act as a liaison.
- b) Minutes and agendas are prepared and distributed by the Corporate Services Division.
- c) The Arts & and Culture Support Service will provide additional administrative support as required.

Approved by CRD Board on _____, 2022

**REPORT TO PERFORMING ARTS FACILITIES SELECT COMMITTEE
MEETING OF WEDNESDAY, JANUARY 19, 2022**

SUBJECT **Costs and Timeline Associated with a Region-Wide Referendum on a Full Regional Performing Arts Facilities Service**

ISSUE SUMMARY

The only remaining option for electoral approval of a full regional performing arts facilities service is through region-wide referendum. This report estimates the costs, timeline, and additional required staff capacity required to deliver a region-wide referendum on this issue.

BACKGROUND

On September 8, 2021, the Board considered a set of four recommended motions from the Performing Arts Facilities Select Committee (PAFSC) that would establish a new full regional performing arts facilities service as set out in Bylaw No. 4445 through Alternative Approval Process (AAP). The motions related to the service itself carried, but the motion related to AAP did not carry, resulting in no clear path forward for bylaw approval.

On October 13, 2021, the Board voted to take no further action on Bylaw No. 4445 and refer the matter to PAFSC to explore full regional options without AAP as well as sub-regional options.

On December 8, 2021, PAFSC considered a report on advancing a full regional performing arts facilities services without AAP. Because the Board voted against using AAP and Langford Municipal Council indicated by letter that they would not consent to participate in a new performing arts facilities service, the only remaining option for electoral approval would be a region-wide referendum. PAFSC passed a motion that “staff report back to the Committee with detailed costing and timeline for running a region-wide referendum, including additional requirements for staff capacity”.

This report responds to the December 8, 2021, PAFSC motion. Costs and additional staffing requirements are detailed in the *Financial Implications* section below. Assuming the Board approves the funding as part of the 2022 CRD budget, the timeline of a region-wide referendum would be coordinated to take advantage of the general local elections occurring on October 15, 2022 (see Table 1 for timeline details).

Table 1. Timeline for Region-Wide Referendum

Dates	Action	Rationale
March 2022	Add referendum expenses to 2022 CRD final budget	Necessary to fund referendum through feasibility reserve fund
April 13 2022	Board resolution to appoint CEO and DCEOs	s. 58 LGA
April – June 2022	Onboarding of auxiliary staff to support legislative services with referendum; Draft, negotiate and execute service contacts with all 13 municipalities	Staff will be required to negotiate individual service contracts with all municipalities for administration of referendum ballots and shared polling locations

Performing Arts Facilities Select Committee – January 19, 2022
Costs and Timeline Associated with a Region-Wide Referendum on a Full Regional Performing Arts Facilities Service

2

Dates	Action	Rationale
June 8, 2022	Ensure bylaw has 1st–3rd reading; Board resolution to establish polls and referendum question; approval of bylaw synopsis	s. 344 of LGA
June 16, 2022	Bylaw sent to Inspector of Municipalities for approval (to be approved after July 27, 2022 for 80-day window)	s.174(2)(d) of LGA
July 15, 2022	Set up webpage for referendum process and details, including bylaw synopsis and FAQs on service	Inform public on the referendum purpose and process
July 15, 2022	Launch Public Awareness Plan (see <i>Communications Considerations</i> below)	Inform public on costs and benefits of the proposed new service
August, 2022	Notice of Advance Registration & Notice of Application to Volunteer as Scrutineer	S. 182(1) LGA
August 30 – September 9, 2022	10-day Period for receiving Applications for Scrutineers	S. 183(2)(b) LGA
September 15 – October 9, 2022	Notice of referendum; to be published in a newspaper at least once each week for 2 consecutive weeks	s. 176 LGA
October 5 & 12, 2022	Advance Voting Opportunities	s. 107(1) CRD Elections Bylaw
October 15, 2022	Referendum held on same day as general local elections	Leverage existing voting infrastructure where possible
November 16, 2022	CRD Board receives results of referendum and if successful, adopts bylaw	s. 158(1) LGA
December 17, 2022	Adopted Establishing Bylaw filed with Inspector of Municipalities following one month quashing period	s. 623(3) LGA

ALTERNATIVES

Alternative 1

That the Costs and Timeline Associated with a Region-Wide Referendum on a Full Regional Performing Arts Facilities Service report be received for information and policy options for sub-regional performing arts facilities services be considered.

Alternative 2

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

1. That staff be directed to implement the elector approval process by way of a region-wide referendum for Bylaw No. 4445, with the general voting day held on October 15, 2022 in conjunction with the general local elections.
2. That third reading of Bylaw No. 4445, “Regional Performing Arts Facilities Service Establishing Bylaw No. 1, 2021”, be rescinded.
3. That the amended Bylaw No. 4445, “Regional Performing Arts Facilities Service Establishing Bylaw No. 1, 2021”, be read a third time;
4. That Bylaw No. 4445 be forwarded to the Inspector of Municipalities for approval.
5. That the 2022 Budget for the Feasibility Reserve Fund be increased by \$504,000 to cover the expenses of a region-wide referendum for Bylaw No. 4445.

IMPLICATIONS

Financial Implications

The estimated total cost of a region-wide referendum is \$504,000 (Appendix A). This cost estimate is based on the CRD conducting the referendum in conjunction with the 2022 municipal election and having the referendum question on each of the individual municipal election ballots.

If the Board elects to proceed by way of a region-wide referendum, it would require the establishment of at least 25 in-person polling locations across all 13 municipalities and the 3 electoral areas. The locations would need be staffed by a minimum of 4 to 6 staff per location, for at least one advance polling day in addition to the general voting day. A referendum requires many of the same steps that are required for a general election (see Table 1 above). However, for a regional referendum the magnitude of the work is exponentially greater given the expansion of the potential number of voters (all eligible voters within the CRD) and the geographic distribution and number of polling locations.

There are efficiencies that would be realized by having a regional referendum in conjunction with the municipal general election on October 15, 2022, as CRD could contract with municipalities to assist by placing the referendum question on municipal ballots, and sharing polling locations and staff, similar to how municipalities administer School District elections on a cost-share basis.

The financial estimate provided in Appendix A is based on an informal canvassing of municipal staff of the potential costs they would seek to recover under contract from CRD if they were to assist with the administering the referendum question. There are a number of contingent factors that could increase or decrease the cost estimate. For example, a municipality may choose not to assist or may not be required to run an election if the seats are acclaimed, in which case CRD would assume the full cost of establishing a polling location in that area. Other factors that would affect costs are whether a separate ballot is required (or whether there is space on the municipal ballot), whether statutory advertising can be combined, or even whether electronic vote counting machines are being used (which can significantly increase the cost of each ballot printed).

Legislative Services staff currently have no capacity to administer a stand-alone referendum in 2022. Staff could administer a referendum in conjunction with the general election with additional contracted staff support; however, service plan adjustment would need to be made to defer other governance projects and processes requiring electoral approval. Arts and Culture staff would also be required to dedicate substantial capacity to support the referendum. The total estimated additional staffing expenses for a region-wide referendum held in conjunction with the general election are \$54,000. This cost forms part of the \$504,000 total estimate.

If the new full regional performing arts facilities service receives electoral approval in October 2022, then the financial requirements of the new service would be incorporated into the budget planning process for the 2023 CRD budget.

Legislative Considerations

Participating area approval may be obtained by way of region-wide assent vote, commonly called referendum, per sections 336, 342 (4), and 344 of the LGA. Other potential forms of approval that have been previously considered by the Board, but rejected, are municipal consent on behalf with alternative approval processes in the electoral areas, or a region-wide alternative approval process.

To initiate a region-wide assent vote, commonly known as referendum, the Board must select this method by a two-thirds majority vote.

The Board's choice on approval method is subject to review by the Inspector of Municipalities, who retains discretion to direct an alternative method.

Bylaw No. 4445 currently specifies that electoral approval would be sought through region-wide AAP. In order to advance this initiative by region-wide referendum, the third reading of Bylaw No. 4445 would need to be rescinded by the CRD Board. An amended Bylaw No. 4445 is required to specify that electoral approval is being sought through region-wide assent voting (Appendix B).

Communication Considerations

In addition to the legal requirements, a public awareness plan would be launched in conjunction with the public notice (see Appendix C for more details). The plan would ensure that voters have all the facts on the costs and benefits associated with a new fully regional performing arts facilities service under proposed Bylaw No. 4445. The plan would leverage the CRD's new engagementHQ digital tools, as well as social media channels and traditional media advertising. The goal of the public awareness plan is not to advocate in favour nor against the referendum issue, but instead to provide unbiased factual information about the proposed new service.

Service Delivery Implications

If the new full regional performing arts facilities service receives electoral approval in October 2022, then the service could launch its programs in 2023, as detailed in the updated service plan (Appendix D).

CONCLUSION

The Performing Arts Facilities Select Committee directed staff to provide more details on region-wide referendum as a potential method of gaining electoral approval for a new full regional performing arts facilities service. At this time, region-wide referendum is the only remaining option to advance a full regional service. The staff report details costs and additional required staff capacity, as well as a timeline for a potential region-wide referendum aligned to the 2022 general local elections in order to leverage existing voting infrastructure.

RECOMMENDATION

That the Costs and Timeline Associated with a Region-Wide Referendum on a Full Regional Performing Arts Facilities Service report be received for information and policy options for sub-regional performing arts facilities services be considered.

Submitted by:	Chris Gilpin, MPA, Manager, Arts and Culture Division
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Cost Estimate for Region-Wide Referendum as part of 2022 Municipal Elections
Appendix B: Amended Bylaw No. 4445
Appendix C: Communications Plan for Public Awareness on Referendum and Proposed Service
Appendix D: Updated Service Plan for Full Regional Performing Arts Facilities Service

Appendix A

Cost Estimate for Region-Wide Referendum as Part of 2022 Municipal Elections

On December 8, 2021, the Performing Arts Facilities Select Committee asked staff to provide detailed costs on running a region-wide referendum to obtain electoral approval for a full regional performing arts facilities service. The estimated total cost of a region-wide referendum is \$504,000 as detailed in Table 1. This cost estimate is based on the CRD conducting the referendum in conjunction with the 2022 municipal election and having the referendum question on each of the individual municipal election ballots.

Table 1. Estimated cost of a region-wide referendum

Expense	Estimated Cost
CRD share of municipal polling cost (to be negotiated)	\$350,000
Contribution to CRD election costs in the Electoral Areas	\$40,000
Statutory required advertising/signage/equipment	\$30,000
Advertising and media costs for outreach	\$20,000
Contribution to contracted staff support for Legislative Services	\$20,000
Staff time to provide community outreach on question for Arts & Culture	\$34,000
Misc	\$10,000
Total	\$504,000

Appendix B: Amended Bylaw 4445

CAPITAL REGIONAL DISTRICT BYLAW NO. 4445

A BYLAW TO ESTABLISH A REGIONAL PERFORMING ARTS FACILITIES OPERATION, FUNDING, AND GRANTING SERVICE

WHEREAS:

- A. Under Bylaw No. 2587, Royal Theatre Local Service Area Establishment Bylaw No. 1, the Regional Board on behalf of the municipalities of Victoria, Oak Bay, and Saanich established a service to fund, operate, and maintain the Royal Theatre;
- B. Under Bylaw No. 2685, McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999, the Regional Board established a local service on behalf of the City of Victoria to fund, operate, and maintain the McPherson Playhouse;
- C. By assent of the electors under section 336, 342, and 344 of the *Local Government Act*, the region's electors have approved the creation of a regional performing arts facilities funding service to encompass both the services set out in Bylaws No. 2587 and 2685, as well as the operation and funding of other performing arts facilities with regional impact;
- D. The Board wishes to establish a service to operate and fund the planning, development, capital, and operation of performing arts facilities with regional impact;

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

Definitions

1. The following definitions are used in this bylaw, both in plural and singular:
 - (a) A “performing arts facility with regional impact” and “regional performing arts facility” means a public venue that:
 - i. is located within the boundaries of the service area, that is, the Capital Regional District;
 - ii. is designed for the primary purpose and function of performing arts presentations;
 - iii. attracts audiences from beyond its local area (e.g. regional or multi-regional draw);
 - iv. functions as a roadhouse-style presentation venue that is available for bookings from a wide range of commercial and community user groups on a year-round basis;
 - v. is not embedded within an educational, religious, or for-profit organization; and
 - vi. is owned or operated by a public authority, non-profit, registered charity, or local government, or a combination thereof.
 - (b) “roadhouse-style presentation venue” means a venue available for rental or use by travelling and local productions, and not possessed or controlled by a single performing arts producing company or organized group of such companies.

Service

2. The Capital Regional District hereby establishes a service for the purpose of recreation, leisure, and community use in relation to operation and funding of performing arts facilities with regional impact, including the operation and funding of the planning, development, capital and operating costs of performing arts facilities with regional impact.

3. The scope of the service includes, without limiting the foregoing:
- (a) Annual capital and operating funding for the Royal Theatre and McPherson Playhouse to established minimum levels, being:
 - i. \$400,000 in capital and \$350,000 in operating for the McPherson Playhouse; and
 - ii. \$480,000 in capital and \$100,000 in operating for the Royal Theatre,where capital amounts may be used for but are not limited to the renovation, reconstruction, or rebuilding of the respective theatre facilities, machinery, equipment, reserve fund transfers or annual debt servicing, and where annual operating amounts may also include capital expenditures of the same nature if necessary or desirable;
 - (b) Operation of grant programs benefitting performing arts facilities with regional impact, including:
 - i. for regional facility planning projects;
 - ii. for major and minor capital improvements to regional performing arts facilities, including payment of debt; and
 - iii. for operations of such regional performing arts facilities;
 - (c) Establishment of a capital reserve fund to benefit performing arts facilities with regional impact, including the construction of new facilities, renovation of existing facilities, and payment of debt for capital projects; and
 - (d) Operation of a grants assistance program, to apply for grants on behalf of the CRD for regional performing arts facilities associated with or operated by the service and to assist regional performing arts facilities in applying for planning, capital, operating, and other grants.

Boundaries

4. The boundaries of the Service Area are the boundaries of the Capital Regional District, including all municipalities and electoral areas.

Participating Area

5. The participating areas for the service are the electoral areas and municipalities making up the Capital Regional District: the Electoral Areas of Salt Spring Island, Southern Gulf Islands, and the Juan de Fuca; and the Municipalities of Victoria, Oak Bay, Esquimalt, Saanich, Central Saanich, North Saanich, Sidney, View Royal, Highlands, Colwood, Langford, Sooke, and Metchosin.

Cost Recovery

6. As provided in Section 378 of the *Local Government Act*, the annual costs of providing the Service, net of grants and revenue, shall be recovered by one or more of the following:
- (a) property value taxes imposed in accordance with Division 3 [*Requisition and Tax Collection*], Part 11 of the *Local Government Act*;
 - (b) fees and charges imposed under Section 397 of the *Local Government Act*;
 - (c) revenues raised by other means authorized under the *Local Government Act* or another Act;
 - (d) revenues received by agreement, enterprise, gift, grant or otherwise.

Cost Apportionment

7. The annual costs recovered by requisition in accordance with this bylaw shall be apportioned among the participants by dividing the costs into two equal parts, one part apportioned on the basis of population, where population is the total population estimate as determined annually by the Regional

District; and one part apportioned on the basis of assessments, where assessments are the annual converted value of land and improvements in the participating areas.

Maximum Requisition

8. In accordance with Section 339(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:
- (a) Three Million and Sixty Thousand dollars (\$3,060,000); or
 - (b) An amount equal to the amount that could be raised by a property value tax rate of \$0.023 per One Thousand Dollars (\$1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the Service.

Transition of Services

9. Despite section 8, if the services established by Bylaw No. 2587, Royal Theatre Local Service Area Establishment Bylaw No. 1, and Bylaw No. 2685, McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999 are still operating and are used to requisition funds, the requisition for this service shall be reduced in proportion by the amounts requisitioned under the respective services under Bylaw No. 2587 and 2685. For clarity, should services under Bylaw No. 2587 or 2685 continue to be operated and no requisition of funds occurs under the respective service, the maximum requisition for this service shall not be reduced.

Agreement

10. The Capital Regional District may enter into agreements with one or more organizations to operate regional performing arts facilities held or operated by the service.

Citation

11. This Bylaw may be cited as the "Performing Arts Facilities Service Establishing Bylaw No. 1, 2021".

READ A FIRST TIME THIS	th	day of	20
READ A SECOND TIME THIS	th	day of	20
READ A THIRD TIME THIS	th	day of	20
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	th	day of	20
RECEIVED THE ASSENT OF THE ELECTORS UNDER SECTION 336 OF THE <i>LOCAL GOVERNMENT ACT</i> THIS	th	day of	20
ADOPTED THIS	th	day of	20

CHAIR

CORPORATE OFFICER

Appendix C:
Communications Plan for Public Awareness on Referendum and Proposed Service

Communications Plan

Performing Arts Facilities Service Region-wide Referendum



CRD | **CRD Department**

January 2022

Capital Regional District
625 Fisgard Street, PO Box 1000
Victoria, BC V8W 2S6

Communications Plan

Performing Arts Facilities Service Region-wide Referendum

CRD | Arts & Culture Support Service

Purpose

- Support awareness about a referendum on creation of a full regional Performing Arts Facilities Service –Bylaw No. 4445
- Provide factual information on the costs and benefits of the proposed new full regional Performing Arts Facilities Service so that electors can make an informed decision.

Background

Proposed Bylaw No. 4445 is an establishing bylaw, which would create a full regional service to **Plan, Develop, and Fund** performing arts facilities that have regional impact.

A Regional Performing Arts Facility (RPAF) is defined as a venue that:

- Is located within the boundaries of the Capital Regional District;
- Is designed for the primary purpose and function of performing arts presentation;
- Attracts audiences from beyond its local area (i.e. has a regional draw);
- Functions as a roadhouse-style presentation venue that is available for bookings from a wide range of commercial and community user groups on a year-round basis;
- Is not embedded as part of an educational, religious, or for-profit organization; and
- Is owned and operated by a non-profit or local government (or combination thereof).

Communications Plan

Performing Arts Facilities Service Region-wide Referendum

CRD | Arts & Culture Support Service

Function	Implementation	Financial / Service Implications
Plan	Planning Grants Program to support: feasibility plans, business plans, renovation or expansion plans, or construction plans. Maximum request amount = 50% of project expenses	Grants administered by CRD to non-profits or local governments. Annual program budget = \$120,000/yr Unspent rolls into next year's budget.
Develop	1. Major Capital Access Program to support major capital projects (construction, expansion) and Minor Capital Grants Program (maintenance, accessibility). 2. Staff support for external grants to apply to provincial and federal funds.	\$1,000,000/yr contribution toward growing reserve fund for major capital projects. Royal Theatre (\$480,000) + McPherson Playhouse (\$400,000) + Charlie White Theatre (TBD, ~\$300,000) = \$1,180,000 for existing minor capital expenses. Annual total budget = \$2,180,000/yr
Fund	Operating Grants Program to existing RPAF at current or comparable level of existing contribution.	Royal Theatre (\$100,000) + McPherson Playhouse (\$350,000) + Charlie White Theatre (TBD, ~\$180,000) Annual program budget = \$630,000/yr
Governance	CRD Board for first year. Reviewed and new committee or commission model could be proposed for some or all of service.	Depends on outcome of review.
CRD operations	1.2 FTE support in Arts and Culture division	Administers granting programs. \$130,000/yr (with benefits).
		Total Requisition = \$3,060,000
		Existing Requisition Included= \$1,330,000
		Total New Fiscal Impact = \$1,730,000

Communications Plan

Performing Arts Facilities Service Region-wide Referendum

CRD | **Arts & Culture Support Service**

Corporate Alignment

Board Priority 4e: Seek 100% participation in the CRD arts function and facilitate a discussion of the region's art facility needs.

Cautionary Points

The CRD is conducting the referendum and must remain neutral throughout the process.

Target Audiences

Qualified Capital Region electors

Key Messages

- The Capital Regional District is asking qualified electors to vote in the Performing Arts Facilities Service regional referendum in conjunction with the General Local Election scheduled for Saturday, October 15, 2022.
- Information on how an elector may register in advance and when advance voter registration period ends.
- Bylaw No. 4445 would establish a new full regional service that would provide financial assistance to plan, develop and fund performing arts facilities with regional impact.
- To pay for the new service, there would be increases to the CRD component of property taxes. All property owners in all CRD jurisdictions would contribute. The amount of tax increase per average household is determined by formula. A financial simulation including estimates of costs for the new service for each jurisdiction is available at [engagementHQ](#).

Communications Plan

Performing Arts Facilities Service Region-wide Referendum

CRD | Arts & Culture Support Service

- In December 2020, the CRD released Stage One: A Public Conversation about Performing Arts Facilities in the CRD. This report shows widespread support for the CRD to take on a greater role in supporting performing arts facilities with regional impact.
- This referendum will ask electors whether they are in support of a Regional Performing Arts Facilities Service and is binding to all jurisdictions in the Capital Regional District (i.e. Public Assent process).

Spokespeople

- Political: Colin Plant
- Organization Representative: Chris Gilpin

Strategies & Actions

Statutory requirements:

- Print advertising in newspaper(s) with circulation throughout the area:
 - Notice of Advance Registration and Notice of application to Volunteer as Scrutineers (once a week for two consecutive weeks)
 - Notice of assent voting (once a week for two consecutive weeks)
- Notice available for public inspection must include how an elector may register in advance and when advance voter registration period ends

Additional strategies:

- Media release

Communications Plan

Performing Arts Facilities Service Region-wide Referendum

CRD | Arts & Culture Support Service

- CRD's custom online platform, engagementHQ, with:
 - Text of Bylaw No. 4445
 - Details of proposed service
 - Financial implications by jurisdiction / average cost per household
 - Options to proceed if the assent vote is not successful
 - Key documents and reports
 - Background including information as to why Board has determined assent voting is necessary and why they decided on the option they are putting forward
 - How/when/where to vote
 - Q&A
- Facebook and Twitter posts
- As needed: direct mailouts, radio ads, posterage at public facilities (e.g. libraries recreation centres & community centres)

The initiatives that will be implemented to support the objectives in communicating with identified audiences. These may include paid media, social media, printed materials, direct mail outs, online content, events, etc.

If the details for an action are too many to include in this communications plan and will be outlined in a supporting plan (such as a media, social media, or event plan), please indicate that and provide only the high-level overview here.

Communications Plan

Performing Arts Facilities Service Region-wide Referendum

CRD | Arts & Culture Support Service

Implementation Plan & Timelines

Target Start / Completion Dates	Action	Department Responsible
March 2022	Add referendum expenses to 2022 CRD final budget	Finance
Prelaunch	Notices available on website: <ul style="list-style-type: none">• Advance Registration• Application to Volunteer as Scrutineers	Legislative Services/ Corporate Communications
Mid-July, 2022	Launch of Public Awareness Campaign: <ul style="list-style-type: none">• Launch of Engagement HQ site• Distribution of Media release• Regular social media posts	Arts & Culture / Corporate Communications
September 16, 2022	Public notice of referendum -notices must be available for public inspection in the local government offices	Legislative Services/ Corporate Communications
Between Sept 16-Oct 9	Publish official notice of assent voting in a newspaper with a circulation in the area once a week for two consecutive weeks (can be in different publications for each area) and/or mailer?	Legislative Services/ Corporate Communications
	Zoom Info Session	Arts & Culture/ Corporate Communications
	Posts on Facebook and Twitter CRD accounts	Arts & Culture/ Corporate Communications
October 15, 2022	Referendum held on same day as local municipal elections	Legislative Services

Informed by LECFA Parts 1 and 4, LGA, s.163(4)

Communications Plan

Performing Arts Facilities Service Region-wide Referendum

CRD | Arts & Culture Support Service

Collateral Materials

The materials that will be produced or used to implement the strategies and actions.

Budget

\$30,000 to cover required statutory required advertising.

Other Resources

Staff-time:

Corporate Communications

- Ad review, contracts, booking & invoicing: 14-21 hours
- Ad development and booking: 2-4.5 hours

Arts & Culture:

- Visual and copy development for social media posts: 5-7 hours
- Development and management of HQ site: 20+ hours
- Zoom info sessions: 20+ hours
- Media release: 5 hours

Service Plan for Establishment of a Performing Arts Facilities Service



Capital Regional District

Revised: January 10, 2022

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1 Overview

1.1 Division & Service Summary

WHY

- On May 19, 2021, the Performing Arts Facilities Select Committee (PAFSC) provided direction that “Staff develop a service bylaw, service plan and a process to consult with municipalities, electoral areas, arts organizations, and other bodies.”
- On December 8, 2021, PAFSC asked staff to provide detailed costs and timeline on running a region-wide referendum to obtain electoral approval for a full regional performing arts facilities service. This adjusted timeline has implications for the timing of service delivery.

WHAT

A regional service to Plan, Develop, and Fund performing arts facilities that have regional impact.

A Regional Performing Arts Facility (RPAF) is defined as a venue that:

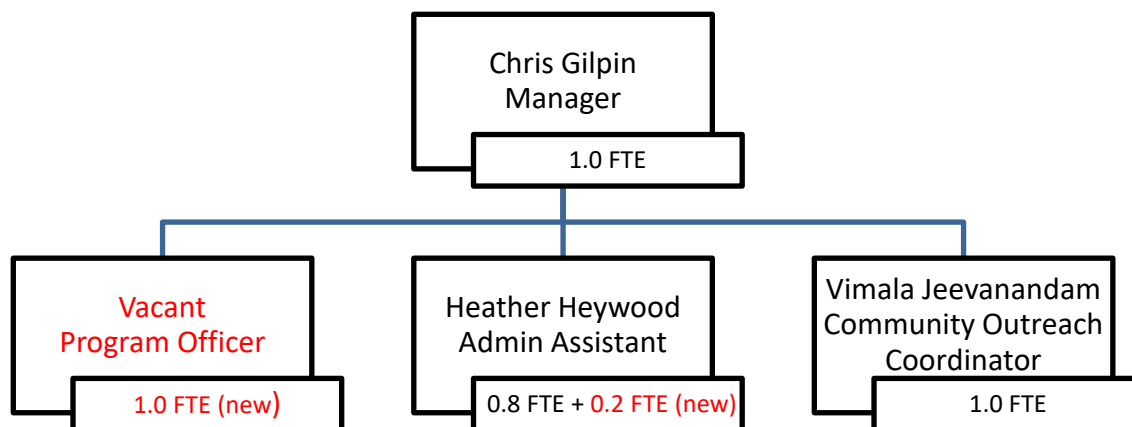
- Is located within the boundaries of the Capital Regional District;
- Is designed for the primary purpose and function of performing arts presentation;
- Attracts audiences from beyond its local area (i.e. has a regional draw);
- Functions as a roadhouse-style presentation venue that is available for bookings from a wide range of commercial and community user groups on a year-round basis;
- Is not embedded as part of an educational, religious, or for-profit organization; and
- Is owned and operated by a non-profit or local government (or combination thereof).

HOW

Function	Implementation	Financial / Service Implications
Plan	Planning Grants Program to support: feasibility plans, business plans, renovation or expansion plans, or construction plans. Maximum request amount = 50% of project expenses	Grants administered by CRD to non-profits or local governments. Annual program budget = \$120,000/yr. Unspent rolls into next year's budget.
Develop	1. Major Capital Access Program to support major capital projects (construction, expansion) and Minor Capital Grants Program (maintenance, accessibility). 2. Staff support for external grants to apply to provincial and federal funds.	\$1,000,000/yr contribution toward growing reserve fund for major capital projects. Royal Theatre (\$480,000) + McPherson Playhouse (\$400,000) + Charlie White Theatre (TBD, ~\$300,000) = \$1,180,000 for existing minor capital expenses. Annual total budget = \$2,180,000/yr
Fund	Operating Grants Program to existing RPAF at current or comparable level of existing contribution.	Royal Theatre (\$100,000) + McPherson Playhouse (\$350,000) + Charlie White Theatre (TBD, ~\$180,000) Annual program budget = \$630,000/yr
Governance	CRD Board for first year. Reviewed and new committee or commission model could be proposed for some or all of service.	Depends on outcome of review.
CRD operations	1.2 FTE support in Arts and Culture division	Administers granting programs. \$130,000/yr (with benefits).
		Total Requisition = \$3,060,000
		Existing Requisition Included= \$1,330,000
		Total New Fiscal Impact = \$1,730,000

1.2 Organization Chart

Proposed staffing for both existing Arts and Culture Support Service and new Performing Arts Facilities Service (new required capacity in red).



Arts and Culture Division would require 1.2 net new FTE to deliver the Performing Arts Facilities Service:

- 0.2 FTE new capacity added to Administrative Assistant (currently at 0.8 FTE)
 - Rationale: higher volume of applications requires additional capacity for data input and processing, as well as secretariat support for committees and adjudications.
- 1.0 FTE new position – Program Officer
 - Rationale: four additional grant programs requires a dedicated program officer to support applicants, adjudication process, and evaluate outcomes, and to draft CRD applications for provincial and federal funding to major infrastructure programs in collaboration with local governments and/or non-profit clients.

The new Performing Arts Facilities Service will also receive staff support from existing roles in finance, information technology, corporate services, and other cross-departmental administrative areas.

1.3 Key Trends, Issues & Risks – Service Specific

A study commissioned by the Capital Regional District (CRD) Regional Arts Facilities Select Committee titled, *Stage One: A Public Conversation about Performing Arts Facilities in the CRD*, proposed a unified decision-making framework for planning, development and funding of regional performing arts facilities. The report highlighted the economic and social value of investing in the arts and confirmed community support for CRD funding and leadership with a priority on performing arts infrastructure.

Facilities and arts programming across the region are varied, with local, sub-regional services or inter- municipal agreements currently governing operational or capital funding. Municipalities and regions would need to be engaged to explore how existing and future states of arts facilities would be integrated into the new service. Specifically, Sidney and North Saanich would need to be consulted on how this service would affect their current inter-municipal arrangement to fund the Charlie White Theatre in the Mary Winspear Centre.

The COVID-19 virus and the corresponding Provincial Health Officer restrictions on events and gatherings has posed major challenges to the performing arts sector throughout 2020 and 2021. Many performing arts facilities have been completely closed or, if open, staged performances in limited ways. The COVID-19 pandemic has also spurred some performing arts organizations to innovate new methods of connecting to audiences online through upgraded livestreaming experiences and to retrofit or upgrade HVAC systems and other health-related infrastructure in their facilities.

Ticket sales at performing arts venues for shows in late 2021 and 2022 have been robust, showing strong renewed consumer demand for performing arts activities, although the level of this demand is clearly connected to trends in COVID-19 virus transmission at the local and provincial levels. According to recent studies, culture goers increasingly plan to return to indoor cultural events as soon as they have reopened with public health guidelines in place. Over 50% of culture goers said that vaccinated audiences are the main precaution necessary to make them feel comfortable in attending indoor cultural events.¹

The Arts and Culture Support Service is guided by its 2020-2023 Strategic Plan, which is co-created with the arts community through consultations. The Performing Arts Facilities Service could have significant implications for the next round of strategic planning, but in the meantime is in alignment with and builds off of current Vision, Mission, Goals and Priorities.

1.4 Link to Board Strategic Priorities

The establishment of a regional performing arts facilities service is in fulfillment of Initiative 12a-1 of the *CRD 2019-2022 Corporate Plan*:

“Facilitate a discussion of the region’s art facility needs & explore partnerships to support 100% participation in the CRD arts function.”

¹ Business in the Arts / Nanos. (June 2021). *Optimism for in-person activities continues to increase among culture-goers*, p. 8.

2 Services

2.1 Service Levels

	Service Level Adjustments in Role/Scope				
Service	Base year	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)	Year 4 (2026)
Plan: Planning Grants Program		Design Planning Grants Program. Deliver pilot version.	Deliver Planning Grants Program.	Deliver Planning Grants Program.	Deliver Planning Grants Program.
Develop: Major Capital Access Program		Design Major Capital Access Program.	Deliver Major Capital Access Program.	Deliver Major Capital Access Program.	Deliver Major Capital Access Program.
Develop: Minor Capital Grants Program		Design Minor Capital Grants Program. Transition from current services funding Royal & McPherson.	Deliver Minor Capital Grants Program.	Deliver Minor Capital Grants Program.	Deliver Minor Capital Grants Program.
Fund: Operating Grants Program for Existing Facilities		Design Operating Grants Program. Transition from current services funding Royal & McPherson (2587 & 2685).	Deliver Operating Grants Program.	Deliver Operating Grants Program.	Deliver Operating Grants Program.
Committee Support	Provide support to Performing Arts Facilities Select Committee	Provide support to Performing Arts Facilities Select Committee for service development and CRD Board.	Provide support for governance review and potential to form new standing committee or commission.	Provide support to committee or commission responsible for oversight of service.	Provide support to committee or commission responsible for oversight of service.
Information Resource and Data Collection	Consultations, as necessary.	Privacy Impact Assessment conducted as part of grant program design.	Application form information and data collected by Arts and Culture Division.	Application form and final report information and data collected by Arts and Culture Division.	Application form and final report information and data collected by Arts and Culture Division.

2.2 Workforce Considerations

	Workforce (FTEs)				
Service	Base year 2022	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)	Year 4 (2026)
Total	No change	1.2 FTE Total (1.0 FTE Program Officer 0.2 Admin Assistant)	1.2 FTE Total	1.2 FTE Total	1.2 FTE Total

3 Divisional Initiatives & Budget Implications

Title & Estimated Completion Date	Description	Priority	Budget Implications
2022			
Establish Service	Acting on Board direction to “begin the process of establishing a regional service for the purposes of planning, developing and funding of performing arts facilities that have regional impact.” - Draft establishing bylaw and service plan. - Additional staff support for referendum from Legislative Services and Arts & Culture	12a-1	\$504,000 (Feasibility Reserve Fund)
Approval Process	- Electoral approval process by region-wide referendum - Authorization by Inspector of Municipalities. - Bylaw comes into force.	n/a	TBD
Existing Bylaws Amended or Repealed	- Royal Theatre bylaws (2587, 2855) - McPherson Playhouse bylaws (2685, 3270)	n/a	Funding for Royal Theatre and McPherson Playhouse absorbed into new service, but still in effect for Budget 2022
Governance Review	- Governance Committee examines possible standing committee or commission models.	n/a	None
Programs Designed	-Draft program guidelines and application forms for Planning Grants, Major Capital Access Program, Minor Capital Grants Program, and Operating Grants.	n/a	None
CRD Board Oversees Establishment	- CRD Board establishes service parameters. o Reviews grant program design. o Reviews Budget 2023 allocations.	n/a	Service levels for Charlie White Theatre determined.
2023			
Planning Grants Program Launched	-1 st intake for planning projects	n/a	\$120,000 (core)

Title & Estimated Completion Date	Description	Priority	Budget Implications
Major Capital Access Program Launched	-1 st intake for major capital projects	n/a	\$1,000,000 contributed to Capital Access Reserve Fund (core)
Minor Capital Grants Program Launched	-1 st intake for minor capital projects	n/a	Royal Theatre (\$480,000) + McPherson Playhouse (\$400,000) + Charlie White Theatre (TBD, \$300,000 approx.) = \$1,180,000 Total (core)
Operating Grants Program Launched	-1 st intake for operating grants	n/a	Royal Theatre (\$100,000) + McPherson Playhouse (\$350,000) + Charlie White Theatre (TBD, \$180,000 approx.) = \$630,000 Total (core)
Staff Support	- Programs integrated into core budget - Program Officer (1.0 FTE) - Admin Assistant (0.2 FTE)	n/a	1.2 FTE \$130,000 (core)
2024			
Programs Evaluated	- Full program review after 1 st year of programs <ul style="list-style-type: none"> o Improvements recommended o Guidelines and application forms revised 	n/a	None
Planning Grants Program Delivered	-2 nd intake for planning projects	n/a	\$120,000 (core)
Major Capital Access Program Launched	-2 nd intake for major capital projects	n/a	\$1,000,000 contributed to Capital Access Reserve Fund (core)
Minor Capital Grants Program Launched	-2 nd intake for minor capital projects	n/a	Royal Theatre (\$480,000) + McPherson Playhouse (\$400,000) + Charlie White Theatre (TBD, \$300,000 approx.) = \$1,180,000 Total (core)
Operating Grants Program Launched	-2 nd intake for operating grants	n/a	Royal Theatre (\$100,000) + McPherson Playhouse (\$350,000) + Charlie White Theatre (TBD, \$180,000 approx.) = \$630,000 Total (core)
Staff Support	- Program Officer (1.0 FTE) - Admin Assistant (0.2 FTE) - Supports committee and delivers programs	n/a	1.2 FTE \$130,000 (core)

4 Goals & Performance Indicators

	Service Goals	Performance Indicators
2022	<ol style="list-style-type: none"> 1. Design four new programs (guidelines and application form) 2. 	<ol style="list-style-type: none"> 1. Guidelines and application forms for new programs endorsed. Privacy Impact Assessment completed. 2. Funding levels established for Royal Theatre, McPherson Playhouse, and Charlie White Theatre in Minor Capital Grants and Operating Grants programs through Budget 2023 planning process.
2023	<ol style="list-style-type: none"> 1. Merge existing Royal Theatre service and McPherson Playhouse service into new Performing Arts Facility Service. 2. Deliver four new programs <ul style="list-style-type: none"> • Planning Grants Program • Major Capital Access Program • Minor Capital Grants Program • Operating Grants Program 	<ol style="list-style-type: none"> 1. Consistent funding levels to Royal Theatre and McPherson Playhouse maintained with no disruption to funding support. 2. At least two applicants to Planning Grants Program.
2024	<ol style="list-style-type: none"> 1. Deliver four programs. 	<ol style="list-style-type: none"> 1. Two or more applicants to Planning Grants Program. 2. Equal or greater number of applicants to other three programs.
2025	<ol style="list-style-type: none"> 1. Deliver four programs. 	<ol style="list-style-type: none"> 1. Two or more applicants to Planning Grants Program. 2. Equal or greater number of applicants to other three programs.

Contact

Name: Chris Gilpin
Title: Manager, Arts and Culture Division
Contact information: 250.360.3205



Making a difference...together

REPORT TO PERFORMING ARTS FACILITIES SELECT COMMITTEE MEETING OF WEDNESDAY, DECEMBER 08, 2021

SUBJECT **Advancing a Full Regional Performing Arts Facilities Service without Alternative Approval Process**

ISSUE SUMMARY

The Capital Regional District (CRD) Board directed staff to review options for establishing a performing arts facilities service with full regional participation that does not involve a region-wide Alternative Approval Process.

BACKGROUND

On September 8, 2021, the CRD Board considered four recommended motions from the Performing Arts Facilities Select Committee to establish a new performing arts facilities service with full regional participation through a region-wide Alternative Approval Process (AAP). Three out of four motions passed, resulting in a mixed outcome with no clear path forward. Directors who did not support the full suite of motions cited either cost or the approval process selected or both as the main rationale for their decision.

On October 13, 2021, the Board considered a staff report that reviewed the outcomes of the September 8, 2021, meeting. The Board passed a motion for an amended recommendation, namely:

1. That staff take no further action related to Bylaw No. 4445 at this time, nor to its proposed approval process as outlined in the recommendations brought to Board on September 8, 2021.
2. That staff be directed to report back to the CRD Arts Facilities committee with options regarding:
 - a. Moving forward with a full regional service that does not include the Alternative Approval Process
 - b. A sub-regional arts facilities service
3. That the following motion be postponed until after the CRD Performing Arts Facilities Select Committee have reviewed the above two options:

That the CRD Board Chair send a letter to all CRD jurisdictions, outlining the benefits of joining the Royal Theatre Service and McPherson Playhouse Service, along with associated costs, and encouraging non participating jurisdictions to join these existing services.

Full regional and sub-regional possibilities for a performing arts facilities service or multiple related services have distinct considerations. This report examines possible options for a full regional service. A separate staff report, "Options for Sub-regional Performing Arts Facilities Services", should be read in conjunction with this report to understand all possible ways forward (see Appendix A for flowchart of decision-making process for all policy options in both reports).

Support for Full Regional Participation

Several jurisdictions have signaled support for the concept of this new service, while others have indicated that they are not interested in participating. On June 21, 2021, Langford City Council sent a letter to the CRD Board, indicating Langford “does not support the establishment of a new performing arts service” (see Appendix B for full letter). On July 14, 2021, Director Holman read into the record a Motion with Notice: Electoral Areas Exclusion from New Regional Arts Facility Service that “the proposed new regional arts facility service exclude electoral areas, while leaving open the possibility that they can opt into the service voluntarily”. On September 8, 2021, at the Electoral Areas Meeting, both Director Holman and Director Hicks voted in favour of this motion, indicating the electoral areas of Salt Spring Island and Juan de Fuca do not support participating in a regional performing arts facilities service.

ALTERNATIVES

Alternative 1

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

That the Advancing a Full Regional Performing Arts Facilities Service without Alternative Approval Process report be received for information.

Alternative 2

That the Performing Arts Facilities Select Committee recommend to the Capital Regional District Board that:

1. The third reading of Bylaw 4445, “Regional Performing Arts Facilities Service Establishing Bylaw No. 1, 2021”, is rescinded.
2. That staff draft changes to Bylaw 4445 specifying that electoral approval will be sought through region-wide referendum.
3. That staff report back to the CRD Board with detailed costing and timeline for running a region-wide referendum, including additional requirements for staff capacity.

IMPLICATIONS

Alignment with Board & Corporate Priorities

Board Initiative 12a-1 in the 2019-2022 Corporate Plan indicates there is a priority to:

“Facilitate a discussion of the region’s art facility needs & explore partnerships to support 100% participation in the CRD arts functions.”

In 2019, the CRD tasked the Regional Arts Facilities Select Committee with holding discussions on the region’s arts facilities needs and engaging a consultant to design and facilitate a process for public and stakeholder input. The Regional Arts Facilities Select Committee convened five times between November 2019 and March 2021 to hold discussions and advance this work. In 2020 consultations were conducted, which lead to the report *Stage One: A Public Conversation about Performing Arts Facilities in the CRD* as well as an online resource documenting an inventory of arts facilities in the region, including their capacity, location, and functions.

On March 3, 2021, the Regional Arts Facilities Select Committee recommended to the Board that the top recommendation of the report be implemented through the establishment of a new regional performing arts facilities service. On April 14, 2021, the Board approved a recommendation from the Governance Committee to create a Performing Arts Facilities Select Committee whose purpose would be “to define the scope and functions of a regional service that will lead to the drafting of an establishing bylaw for the Performing Arts Facilities Service.” The Performing Arts Facilities Select Committee convened three times between May and September 2021. On September 8, 2021, the Performing Arts Facilities Select Committee reviewed an establishing bylaw, accompanying service plan and financial simulation for a regional performing arts facilities service, and made recommendations to the Board.

Through these two select committees, consultations with stakeholders and the general public, the resultant publically-available report and online inventory of arts facilities in the region, the Board has facilitated discussion of the region’s art facility needs and has fulfilled the scope of work outlined in this Board initiative.

Legislative Implications

Before the new service bylaw can be adopted, it must receive approval of the participating areas and the Inspector of Municipalities. The *Local Government Act (LGA)* provides three ways to obtain approval, to be decided by the Board:

1. *LGA* Section 344: Referendum;
2. *LGA* Section 345: Alternative Approval Process (AAP); or
3. *LGA* Section 346: Consent by Municipal Council (on behalf of electors) and by AAP within the Electoral Areas (Municipal Consent/EAs).

The choice on the method of electoral approval for a regional service is made by the Board, but subject to review of the Inspector of Municipalities at the time of Inspector approval of the bylaw.

Under a municipal consent/EA AAP, lack of support from even one part of the region would mean the establishing bylaw would no longer support a regional service; it would become sub-regional. As indicated through letter (Langford) and through vote at the September 8, 2021, Electoral Area Committee (Salt Spring Island and Juan de Fuca electoral areas voted against), these jurisdictions have already expressed they are not interested in joining a regional performing arts facilities service. As such, municipal consent/EA AAP is not a viable option for electoral approval at this time.

Region-wide AAP has been eliminated as an option for electoral approval by the Board vote on September 8, 2021. Thus, the only remaining option for electoral approval is region-wide referendum.

A region-wide referendum would take approximately four to six months and with an estimated cost of over \$500,000. Running a referendum in conjunction with the 2022 local government elections may not result in significant savings, as the CRD cannot require municipalities to participate by placing the referendum question on their ballots or sharing polling locations. This costing and timeline is an approximation, based on previous experiences with smaller sub-regional referenda. If Alternative 2 of this report were resolved, staff would report back with a more detailed cost estimate and a more precise timeline of next steps.

CRD staff currently do not have the capacity to execute a region-wide referendum as a stand-alone process in the same year as a general election. More staff would need to be hired on a temporary basis to support the legislative requirements of a region-wide referendum.

A motion to pursue a region-wide referendum would also require a two-thirds majority vote at the CRD Board in order to pass.

Bylaw 4445 currently specifies that electoral approval would be sought through region-wide AAP (see Appendix C). In order to advance this initiative by region-wide referendum, the third reading of Bylaw 4445 would need to be rescinded by the CRD Board and staff would need to update the draft of the bylaw to specify that electoral approval is being sought through region-wide referendum.

CONCLUSION

The CRD Board directed the Performing Arts Facilities Select Committee to review options for a performing arts facilities service with region-wide participation that did not involve a region-wide Alternative Approval Process as a way of attaining electoral approval. The staff report details the viability and implications of the two remaining options, municipal consent / alternative approval process in electoral areas and region-wide referendum.

RECOMMENDATION

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

That the Advancing a Full Regional Performing Arts Facilities Service without Alternative Approval Process report be received for information.

Submitted by:	Chris Gilpin, Manager, Arts and Culture Division
Concurrence:	Rianna Lachance, BCom, CPA, CA, Acting Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

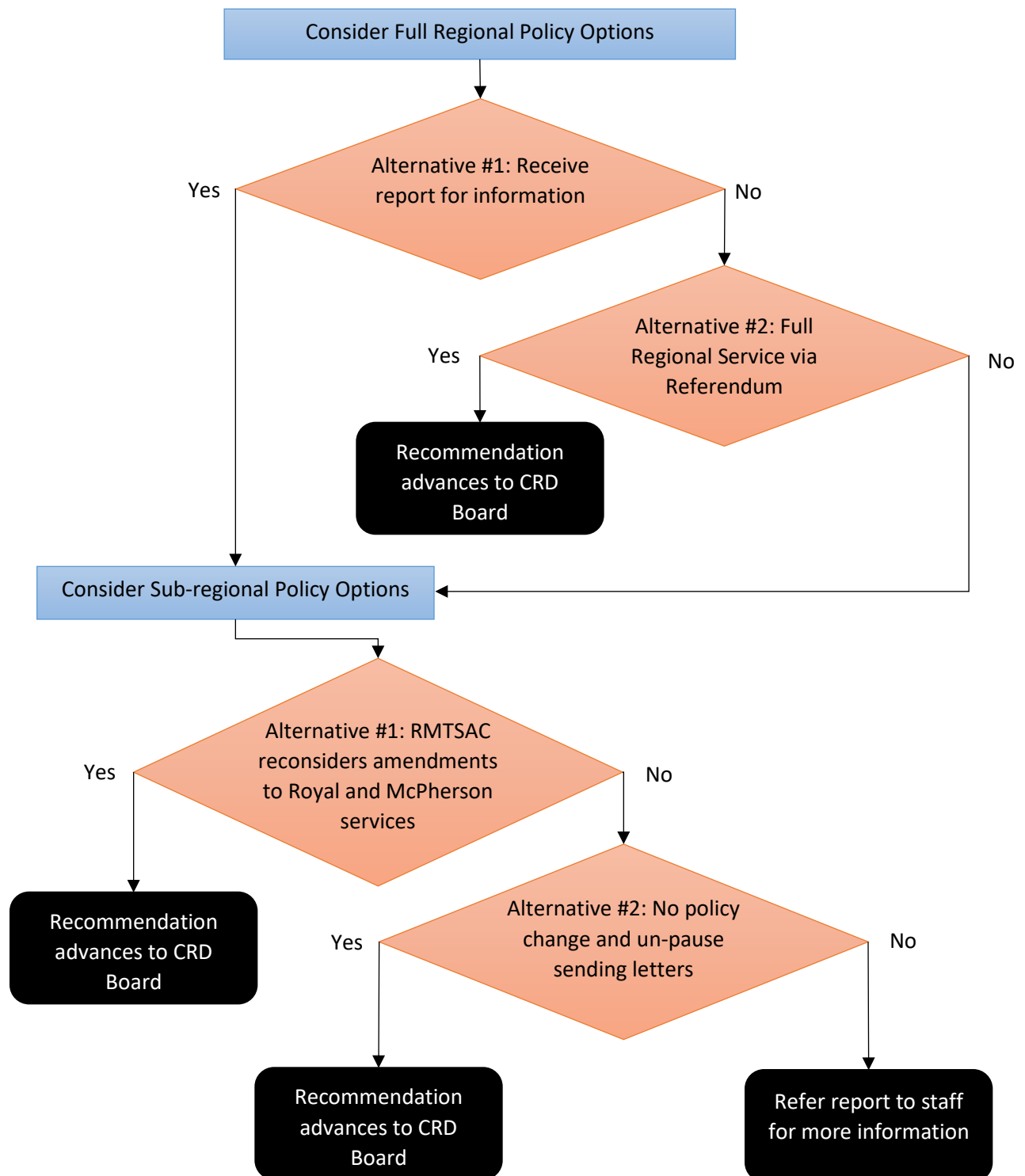
ATTACHMENT(S)

Appendix A: Flowchart of Decision-Making Process for Policy Options

Appendix B: June 21, 2021 Letter from the City of Langford

Appendix C: Bylaw No. 4445, "Regional Performing Arts Facilities Service Establishing Bylaw No. 1, 2021"

Appendix A: Flowchart of Decision-Making Process for Policy Options



2021/06/21

E-Mail: crdboard@crd.bc.ca

CRD Board
625 Fisgard Street
Victoria, BC V8W 2S6

Dear Board Members,

RE: New CRD Regional Performing Arts Service

At the City of Langford's regular meeting of Council held on June 21, 2021, a report was brought forward to discuss the new CRD regional performing arts service.

At that meeting Council directed staff to provide this letter to you advising that the City does not support the establishment of a new performing arts service.

This decision was based on the lack of information with respect to what the service may look like, the potential costs related to the service, the scope of the service with respect to the number and types of facilities and the City's desire to fund services which more directly benefit its residents.

Please don't hesitate to contact me should you need anything further.

Sincerely,



Marie Watmough
Manager of Legislative Services



CAPITAL REGIONAL DISTRICT
BYLAW NO. 4445

A BYLAW TO ESTABLISH A REGIONAL PERFORMING ARTS FACILITIES
OPERATION, FUNDING, AND GRANTING SERVICE

WHEREAS:

- A. Under Bylaw No. 2587, Royal Theatre Local Service Area Establishment Bylaw No. 1, the Regional Board on behalf of the municipalities of Victoria, Oak Bay, and Saanich established a service to fund, operate, and maintain the Royal Theatre;
- B. Under Bylaw No. 2685, McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999, the Regional Board established a local service on behalf of the City of Victoria to fund, operate, and maintain the McPherson Playhouse;
- C. By regional alternative approval process pursuant to ss. 342 and 345 of the *Local Government Act*, the region's electors have approved the creation of a regional performing arts facilities funding service to encompass both the services set out in Bylaws No. 2587 and 2685, as well as the operation and funding of other performing arts facilities with regional impact;
- D. The Board wishes to establish a service to operate and fund the planning, development, capital, and operation of performing arts facilities with regional impact;

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

Definitions

- 1. The following definitions are used in this bylaw, both in plural and singular:
 - (a) A "performing arts facility with regional impact" and "regional performing arts facility" means a public venue that:
 - i. is located within the boundaries of the service area, that is, the Capital Regional District;
 - ii. is designed for the primary purpose and function of performing arts presentations;
 - iii. attracts audiences from beyond its local area (e.g. regional or multi-regional draw);
 - iv. functions as a roadhouse-style presentation venue that is available for bookings from a wide range of commercial and community user groups on a year-round basis;
 - v. is not embedded within an educational, religious, or for-profit organization; and
 - vi. is owned or operated by a public authority, non-profit, registered charity, or local government, or a combination thereof.
 - (b) "roadhouse-style presentation venue" means a venue available for rental or use by travelling and local productions, and not possessed or controlled by a single performing arts producing company or organized group of such companies.

Service

- 2. The Capital Regional District hereby establishes a service for the purpose of recreation, leisure, and community use in relation to operation and funding of performing arts facilities with regional impact, including the operation and funding of the planning, development, capital and operating costs of performing arts facilities with regional impact.

3. The scope of the service includes, without limiting the foregoing:
- (a) Annual capital and operating funding for the Royal Theatre and McPherson Playhouse to established minimum levels, being:
 - i. \$400,000 in capital and \$350,000 in operating for the McPherson Playhouse; and
 - ii. \$480,000 in capital and \$100,000 in operating for the Royal Theatre,where capital amounts may be used for but are not limited to the renovation, reconstruction, or rebuilding of the respective theatre facilities, machinery, equipment, reserve fund transfers or annual debt servicing, and where annual operating amounts may also include capital expenditures of the same nature if necessary or desirable;
 - (b) Operation of grant programs benefitting performing arts facilities with regional impact, including:
 - i. for regional facility planning projects;
 - ii. for major and minor capital improvements to regional performing arts facilities, including payment of debt; and
 - iii. for operations of such regional performing arts facilities;
 - (c) Establishment of a capital reserve fund to benefit performing arts facilities with regional impact, including the construction of new facilities, renovation of existing facilities, and payment of debt for capital projects; and
 - (d) Operation of a grants assistance program, to apply for grants on behalf of the CRD for regional performing arts facilities associated with or operated by the service and to assist regional performing arts facilities in applying for planning, capital, operating, and other grants.

Boundaries

4. The boundaries of the Service Area are the boundaries of the Capital Regional District, including all municipalities and electoral areas.

Participating Area

5. The participating areas for the service are the electoral areas and municipalities making up the Capital Regional District: the Electoral Areas of Salt Spring Island, Southern Gulf Islands, and the Juan de Fuca; and the Municipalities of Victoria, Oak Bay, Esquimalt, Saanich, Central Saanich, North Saanich, Sidney, View Royal, Highlands, Colwood, Langford, Sooke, and Metchosin.

Cost Recovery

6. As provided in Section 378 of the *Local Government Act*, the annual costs of providing the Service, net of grants and revenue, shall be recovered by one or more of the following:
- (a) property value taxes imposed in accordance with Division 3 [*Requisition and Tax Collection*], Part 11 of the *Local Government Act*;
 - (b) fees and charges imposed under Section 397 of the *Local Government Act*;
 - (c) revenues raised by other means authorized under the *Local Government Act* or another Act;
 - (d) revenues received by agreement, enterprise, gift, grant or otherwise.

Cost Apportionment

7. The annual costs recovered by requisition in accordance with this bylaw shall be apportioned among the participants by dividing the costs into two equal parts, one part apportioned on the basis of population, where population is the total population estimate as determined annually by the Regional

District; and one part apportioned on the basis of assessments, where assessments are the annual converted value of land and improvements in the participating areas.

Maximum Requisition

8. In accordance with Section 339(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:
- (a) Three Million and Sixty Thousand dollars (\$3,060,000); or
 - (b) An amount equal to the amount that could be raised by a property value tax rate of \$0.023 per One Thousand Dollars (\$1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the Service.

Transition of Services

9. Despite section 8, if the services established by Bylaw No. 2587, Royal Theatre Local Service Area Establishment Bylaw No. 1, and Bylaw No. 2685, McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999 are still operating and are used to requisition funds, the requisition for this service shall be reduced in proportion by the amounts requisitioned under the respective services under Bylaw No. 2587 and 2685. For clarity, should services under Bylaw No. 2587 or 2685 continue to be operated and no requisition of funds occurs under the respective service, the maximum requisition for this service shall not be reduced.

Agreement

10. The Capital Regional District may enter into agreements with one or more organizations to operate regional performing arts facilities held or operated by the service.

Citation

11. This Bylaw may be cited as the "Performing Arts Facilities Service Establishing Bylaw No. 1, 2021".

READ A FIRST TIME THIS	8th	day of	September,	2021
READ A SECOND TIME THIS	8th	day of	September,	2021
READ A THIRD TIME THIS	8th	day of	September,	2021
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS		day of		
APPROVED BY PARTICIPANTS BYALTERNATIVE APPROVAL PROCESS		day of		
ADOPTED THIS		day of		

CHAIR

CORPORATE OFFICER

**REPORT TO PERFORMING ARTS FACILITIES SELECT COMMITTEE
MEETING OF WEDNESDAY, DECEMBER 08, 2021**

SUBJECT Options for Sub-regional Performing Arts Facilities Services

ISSUE SUMMARY

The Capital Regional District (CRD) Board has directed staff to review options for a performing arts facilities service with sub-regional participation.

BACKGROUND

On October 13, 2021, the CRD Board considered a staff report that reviewed the outcomes of the September 8, 2021, CRD Board meeting. The CRD Board passed a motion for an amended recommendation, namely:

1. That staff take no further action related to Bylaw No. 4445 at this time, nor to its proposed approval process as outlined in the recommendations brought to Board on September 8, 2021.
2. That staff be directed to report back to the CRD Arts Facilities committee with options regarding:
 - a. Moving forward with a full regional service that does not include the Alternative Approval Process
 - b. A sub-regional arts facilities service
3. That the following motion be postponed until after the CRD Performing Arts Facilities Select Committee have reviewed the above two options:

That the CRD Board Chair send a letter to all CRD jurisdictions, outlining the benefits of joining the Royal Theatre Service and McPherson Playhouse Service, along with associated costs, and encouraging non participating jurisdictions to join these existing services.

Full regional and sub-regional possibilities for a performing arts facilities service or multiple related services have distinct considerations. This report examines possible options for sub-regional services. A separate staff report, “Advancing a Full Regional Performing Arts Facilities Service without Alternative Approval Process”, should be read in conjunction with this report to understand all possible ways forward (see Appendix A for flowchart of decision-making process for all policy options in both reports).

Performing Arts Facilities with Regional or Sub-regional Impact

The 2020 report, *Stage One: A Public Conversation about Performing Arts Facilities in the CRD*, includes an analysis of venues, their capacities and their capabilities. While many smaller venues may have limited impact outside of their local jurisdiction, larger venues that draw audiences from across multiple areas of the CRD show greater evidence of having a strong sub-regional or regional impact. The largest and most significant of these are the venues already supported through sub-regional services, namely the Royal Theatre and McPherson Playhouse. The Royal Theatre is the only venue in the CRD equipped for full theatrical productions with a seating capacity over 1000 people (full seating capacity = 1,416). Similarly, the McPherson Playhouse is

the only venue in the CRD equipped for full theatrical productions with a capacity between 500-1000 people (full seating capacity = 772). There are some educational and outdoor venues of this size that can accommodate musical events with limited technical requirements, but there are no other large venues that can host the full range of performing arts shows (theatre, dance, opera, etc.). An analysis of Royal and McPherson Theatres Society ticket sales provides strong evidence that audiences travel from across the CRD to attend shows in these venues, indicating significant impact beyond the City of Victoria.

The *Stage One* report notes that the Royal Theatre and McPherson Playhouse draw audiences from every jurisdiction in the CRD and that “three municipalities are paying while the benefits are enjoyed by all [CRD] municipalities and their residents”. Consequently, the report recommends a “shift toward shared financial responsibility model for these two theatres”.¹ This provides strong rationale for the expansion of these existing sub-regional services to include new participants. Adding new participants would distribute the cost burden among jurisdictions that benefit from these facilities more fairly and would allow municipalities to come together to leverage scale, distributing the cost of any potential increases to the contribution levels to these performing arts facilities more widely, and thus, making such increases more possible.

Current Sub-regional Services for Performing Arts Facilities

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

Table 1. Current CRD Funding for Royal Theatre and McPherson Playhouse

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

* Minor Capital Funding refers to building maintenance, renovation, and accessibility.

The mix of participating areas in the existing sub-regional services demonstrate a desire from jurisdictions to have flexibility in deciding which, if any, of these facilities they wish to support. Separate services—one for each performing arts facility—allows for contribution levels and a mix of participating areas that is more customized and suitable to that specific facility. This approach allows jurisdictions to make their own assessment of the level of impact a performing arts facility has on their local community and base their own level of participation on that assessment.

A sub-regional service that combined contributions for both Royal Theatre and McPherson Playhouse facilities into a single bylaw would provide less choice to potential participating areas and could force some existing participants (Oak Bay, Saanich) into a difficult decision of supporting either both facilities or neither of them. Furthermore, any sub-regional service that attempted to fund all performing arts facilities with sub-regional impact would need to define criteria for what constitutes sub-regional impact. This would be subject to interpretation and potentially stymied by geographical considerations of what constitutes sub-regional impact in different parts of the capital region. For instance, whether or not ArtSpring on Salt Spring Island,

¹ Strategic Moves. (2020). *Stage One: A Public Conversation about Performing Arts Facilities in the CRD*. p. 27.

currently funded by Bylaw No. 3116, “Salt Spring Island Arts Contribution Service Establishment Bylaw No. 1, 2003”, has sub-regional impact on the northern part of the Saanich peninsula and/or other southern gulf islands would require greater analysis.

Having separated sub-regional services—one for each performing arts facility—aligns to the way that the CRD funds recreation facilities and enables greater responsiveness to facility-specific needs in contribution agreements and the mix of participants.

Recent Initiatives to Amend Sub-regional Service Bylaws

Bylaw No. 2587, “Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998” (Royal Theatre Service), and Bylaw No. 2685, “McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999” (McPherson Playhouse Service), specify levels of funding that have remained unchanged since 1998 and 1999 respectively (see Appendix B and C for full text of existing bylaws).

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

On April 23, 2019, the RMTSAC passed a resolution recommending amending the Royal Theatre Service and the McPherson Playhouse Service that would allow the maximum requisition amount to rise over time as the value of property assessments in the CRD increased (“the 2019 sub-regional initiative”), by way of Bylaws No. 4299, “Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998, Amendment Bylaw No. 1, 2019”) and No. 4300, “McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999, Amendment Bylaw No. 1, 2019”.

The amending bylaws were circulated to the participants of the respective services for consent with the following outcomes:

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

The requested meeting was held at which municipal staff conveyed to CRD staff the following points on which they were in agreement:

- That the existing maximum requisition should be increased,
- That specific allocations for capital and operating should be contained within the bylaw,
- That the intermunicipal formula in the bylaw did not need to be changed; and

- That a limit on maximum requisition be specified within the bylaw.

At the conclusion of the meeting there was agreement that the ability to increase funding was worth further exploring and had clear rationale.

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

“Since the introduction of bylaws 4299 and 4300 a year ago, COVID19 has introduced significant uncertainty into the operations of the Royal & McPherson Theatres Society and the theatres. Some time may need to pass before the needs can be known in this changed environment.”

At that meeting, the RMTSAC passed a motion not to proceed any further with the approval process for the amending bylaws, which were subsequently withdrawn. Another key factor in halting this process was the creation, in November 2019, of the Regional Arts Facilities Select Committee. The RMTSAC indicated that it would make sense to postpone this sub-regional initiative until the results of the Board initiative to examine full regional policy options had been fully explored.

Options to Create Greater Flexibility Funding Requisition

The CRD's current sub-regional services for performing arts facilities each contain a fixed maximum level of requisition with no option for increases above that maximum. For the Royal Theatre (Bylaw No. 2587), that fixed maximum level is \$580,000. For the McPherson Playhouse, that fixed maximum level is \$750,000.

A typical establishing bylaw provides flexibility in the potential requisition by defining the maximum requisition with two “the greater amount of either” clauses, either a fixed dollar amount or a potential linked to property assessments, which allows the potential requisition to expand with growth in the region. One approach would be to allow the greater of a) the current fixed maximum requisition amount and b) an assessment factor that would provide an amount equal to that current fixed maximum amount based on the most recent property assessments. This would establish baseline funding at the current level and enable future growth based on assessed value.

Also, there is no cost apportionment method set out in Bylaw No. 2685 (McPherson Playhouse Service), as Victoria is the only participant. Revisions to Bylaw No. 2685 should identify a cost apportionment method to enable cost estimates for jurisdictions interested in joining that service.

The current recommendation incorporates outcomes from both the 2019 sub-regional initiative, as well as the Board priority initiative to explore a new full regional performing arts facilities service. Feedback from municipalities on the 2019 sub-regional initiative was never incorporated into a revised version of the amending bylaws in large part due to the disruption of COVID-19 and desire to explore a full regional performing arts facilities service. The CRD Board has now directed staff to provide sub-regional options. A modified version of the 2019 sub-regional initiative that incorporates feedback from municipalities on the first draft of the amending bylaws would both: a) address the key identified need for greater budgetary flexibility in funding the Royal Theatre and McPherson Playhouse and b) reflect input from current participating areas (see Table 2).

Table 2. Comparison of 2019 Sub-regional Initiative to Current Recommendation

Bylaw	2019 Sub-regional Initiative	Current Recommendation	Notes
2587 & 2685	Change requisition formula from based on Intermunicipal formula to based 100% property assessment.	Do not include this change.	Municipal staff from Oak Bay, Saanich, and Victoria indicated the change was not desired.
2587 & 2685	Remove specific spending allocations for operating and capital.	Do not include this change.	Municipal staff from Oak Bay, Saanich, and Victoria indicated the change was not desired.
2587	Change maximum requisition to the greater of \$580,000 or equivalent per \$1,000/assessments.	Include this change.	Creates greater budgetary flexibility to address capital plan deficit and increase discounts to local user groups.
2685	No change to maximum requisition formula.	Include a change to maximum requisition to the greater of \$750,000 or equivalent per \$1,000/assessments.	Creates greater budgetary flexibility to address capital plan deficit and increase discounts to local user groups.
2685	Add details on cost sharing apportionment method and calculation.	Include this change.	Clarifies cost sharing calculation for potential participants.

ALTERNATIVES

Alternative 1

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

That the Royal and McPherson Theatres Services Advisory Committee be directed to reconsider changes to Bylaws No. 2587, “Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998”, and No. 2685, “McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999”, to create greater budgetary flexibility for the funding of the Royal Theatre and McPherson Playhouse.

Alternative 2

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

1. That Board initiative 12a-1 has been fully explored; and
2. That the CRD Board Chair send a letter to all CRD jurisdictions, outlining the benefits of joining the Royal Theatre Service and McPherson Playhouse Service, along with associated costs, and encouraging non participating jurisdictions to join these existing services.

Alternative 3

That this report be referred back to staff for other revisions or additional information.

IMPLICATIONS

Financial Implications

This report does not recommend how much funding is needed. It recommends amendments to the establishing bylaws that would provide greater budgetary flexibility.

The case for the amount of funding needed is the responsibility of the RMTS to provide to the RMTSAC. The amount of funding approved is the result of RMTSAC deliberation, their recommendation to the Finance Committee, and approval of the Board through the CRD budget approval process. The changes recommended in this report would allow for more flexibility in the budget approval process, as the allowable requisition in Bylaw 2587 and Bylaw 2685 could result in increases in the overall level of funding to the Royal Theatre and McPherson Playhouse.

The addition of any new participants to either service would result in cost reductions to current participants through a wider distribution of cost sharing.

Alignment with Board & Corporate Priorities

Board Initiative 12a-1 in the 2019-2022 Corporate Plan indicates there is a priority to:

“Facilitate a discussion of the region’s art facility needs & explore partnerships to support 100% participation in the CRD arts functions.”

In 2019, the CRD tasked the Regional Arts Facilities Select Committee with holding discussions on the region’s arts facilities needs and engaging a consultant to design and facilitate a process for public and stakeholder input. The Regional Arts Facilities Select Committee convened five times between November 2019 and March 2021 to hold discussions and advance this work. In 2020, consultations were conducted, leading to a report, *Stage One: A Public Conversation about Performing Arts Facilities in the CRD*, as well as an online resource that documents an inventory of arts facilities in the region, including their capacity, location, and functions.

On April 14, 2021, the CRD Board approved a recommendation from the Governance Committee to create a Performing Arts Facilities Select Committee whose purpose would be “to define the scope and functions of a regional service that will lead to the drafting of an establishing bylaw for the Performing Arts Facilities Service”. The Performing Arts Facilities Select Committee convened three times between May and September 2021. On September 8, 2021, the Performing Arts Facilities Select Committee reviewed an establishing bylaw, accompanying service plan and financial simulation for a regional performing arts facilities service, and made recommendations to the CRD Board.

Through these two select committees, consultations with stakeholders and the general public, the resultant publically-available report and online inventory of arts facilities in the region, the CRD Board has facilitated discussion of the region’s art facility needs and has fulfilled the scope of work outlined in this Board initiative.

Legislative Considerations

Reconciling the 2019 request of Saanich Council to provide incremental percent increases is not possible as the options for defining a maximum requisition are contained in the *Local Government Act*:

339. (1) An establishing bylaw for a service must do the following: [...]
- (e) set the maximum amount that may be requisitioned for the service by
 - (i) specifying a maximum amount,
 - (ii) specifying a property value tax rate that, when applied to the net taxable value of land and improvements in the service area, will yield the maximum amount, or
 - (iii) specifying both a maximum amount and a property value tax rate as referred in the subparagraphs (i) and (ii), in which case the maximum amount is whichever is greater at the applicable time.

Increases cannot be fixed in the bylaw as indexed to inflation or any specific percentage amount.

The mandate of the Royal and McPherson Theatres Services Advisory Committee (RMTSAC) is to advise and make recommendations on CRD services related to the Royal Theatre and McPherson Playhouse. The RMTSAC is composed of representatives from the participating areas of the existing services with two members from Victoria, two members from Saanich, and one member from Oak Bay.

If the recommendation of this report is advanced as proposed, the process for the approval of amending bylaws can be expected to take five to eight months, involving the following steps:

- The CRD Board directs the RMTSAC to reconsider amending Bylaw Nos. 2587 and 2685 to create greater budgetary flexibility,
- The RMTSAC reviews options for amendments, implications for current participating areas, and recommends policy direction to CRD Board,
- The CRD Board directs staff to draft amendments,
- Amending bylaws receive approval and three readings by the CRD Board,
- The respective bylaws are circulated to the current participating areas for consent (2/3 consent is required):
 - For amendments to Bylaw No. 2587 (Royal Theatre Service), two of the three participating areas of Oak Bay, Saanich and Victoria must consent; and
 - For amendments to Bylaw No. 2685 (McPherson Playhouse Service), the sole participating area of Victoria must consent,
- Approval by the Provincial Inspector of Municipalities is sought and if granted; then
- The CRD Board gives final reading and adopts the bylaws.

CONCLUSION

The CRD Board directed the Performing Arts Facilities Select Committee to review options for a sub-regional performing arts facilities service. These options were informed by previous work by the Royal and McPherson Theatres Services Advisory Committee to create amending bylaws for the Royal Theatre and McPherson Playhouse services. Subsequent feedback from current participants was incorporated in the revised approach to amending Bylaw Nos. 2587 and 2685.

RECOMMENDATION

The Performing Arts Facilities Select Committee recommends to the Capital Regional District Board:

That the Royal and McPherson Theatres Services Advisory Committee be directed to reconsider changes to Bylaws No. 2587, “Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998”, and No. 2685, “McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999”, to create greater budgetary flexibility for the funding of the Royal Theatre and McPherson Playhouse.

Submitted by:	Chris Gilpin, Manager, Arts and Culture Division
Concurrence:	Rianna Lachance, BCom, CPA, CA, Acting Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

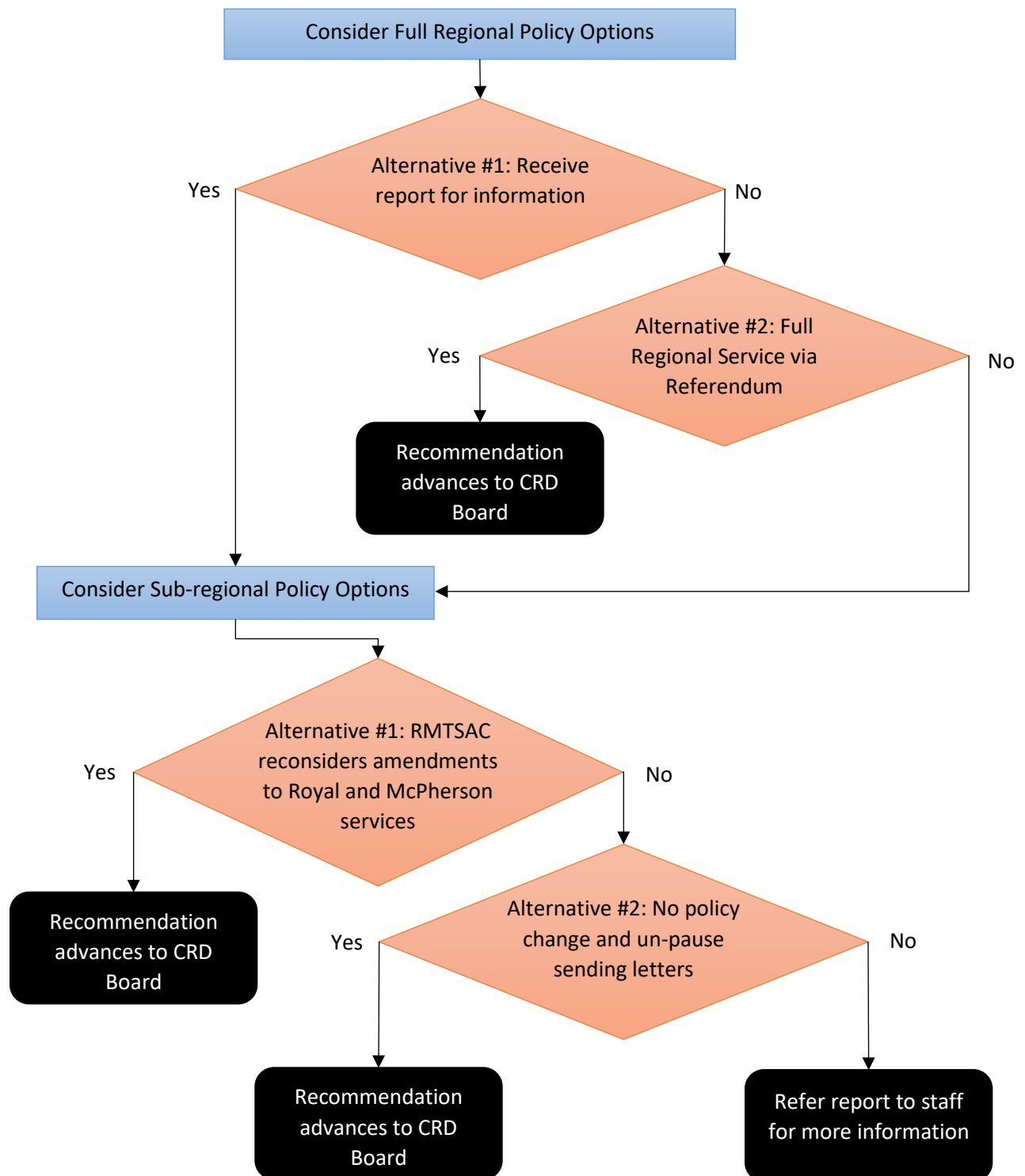
ATTACHMENT(S)

Appendix A: Flowchart of Decision-Making Process for Policy Options

Appendix B: Bylaw 2587, “Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998”

Appendix C: Bylaw 2685, “McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999”

Appendix A: Flowchart of Decision-Making Process for Policy Options



CAPITAL REGIONAL DISTRICT

BYLAW NO. 2587

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

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

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

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

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

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

Local Service

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

Boundaries

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

Participating Area

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

Cost Recovery

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

Maximum Requisition

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

Apportionment

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

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

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

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

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

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

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

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

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

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

Grants in Lieu of Taxes

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

Committee and Operation

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

Citation

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

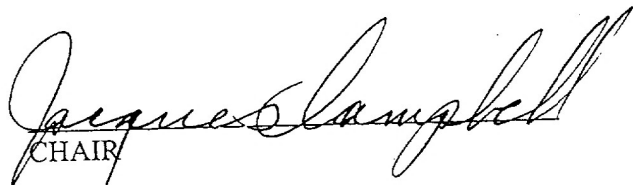
READ A FIRST TIME THIS 11th day of February 1998

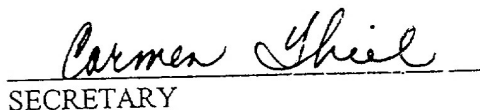
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APPROVED BY THE INSPECTOR
OF MUNICIPALITIES THIS 6th day of March 1998

ADOPTED THIS 25th day of March 1998


CHAIR


SECRETARY

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

CAPITAL REGIONAL DISTRICT

BYLAW NO. 2685

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

WHEREAS:

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

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

Local Service

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

Boundaries

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

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Participating Area

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

Cost Recovery

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

Maximum Requisition

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

Apportionment

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

Committee and Operation

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

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

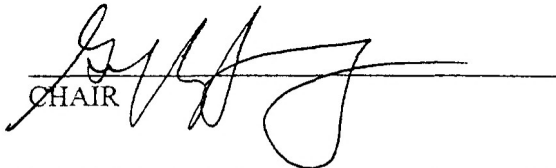
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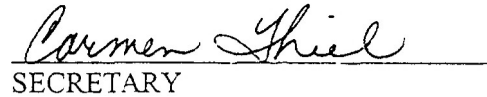
READ A SECOND TIME THIS 27th day of January 1999

READ A THIRD TIME THIS 27th day of January 1999

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

ADOPTED THIS 10th day of March 1999


CHAIR


SECRETARY

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