

CIVIC PARTNER 2016 ANNUAL REPORT SNAPSHOT- CALGARY CENTRE FOR PERFORMING ARTS (ARTS COMMONS)

CALGARY CENTRE FOR PERFORMING ARTS (ARTS COMMONS)

Mission: To bring the arts...to life.

Mandate: To foster, present and promote the arts; to provide and care for our assets; to ensure optimal utilization of our assets.

Registered Charity

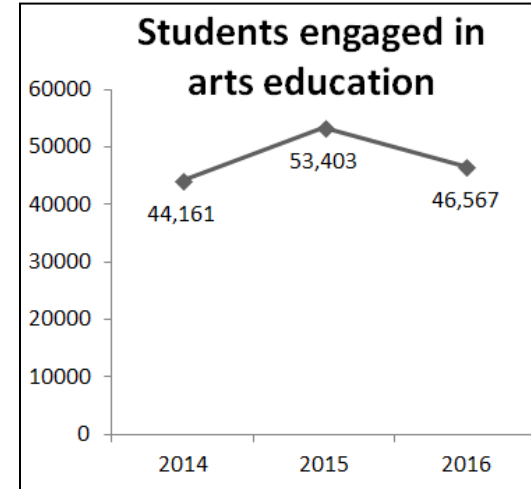
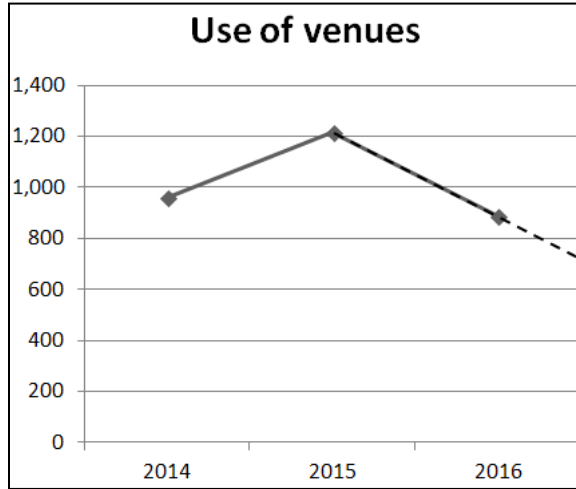
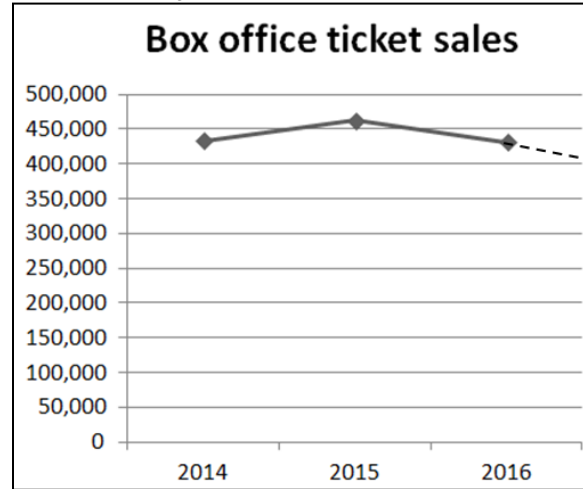
2016 City Investment

Operating Grant:\$2,419,174

Capital Grant:\$887,937

City owned asset? Yes

How did they do in 2016?



The story behind the numbers

- In 2016, revenue from venue usage and ticket sales was down 19%. Arts Commons continued to pursue revenue opportunities and diversification. Gains in development and support services helped offset the impact of decreased activity.
- The venues were used for performances or concerts held by 191 community organizations.
- 46,567 students attended youth-oriented programs, performances, or events.
- 1,741 volunteers contributed 20,931 hours of their time.

Snapshot of 2017-18 priorities

- Further develop customer experience and community benefit.
- Continue to provide a diverse range of unique artists, provide opportunities for Calgarians to expand their worldview, look for ways to collaborate with local artists and partners.
- Continue to upgrade, update, and enhance Arts Commons' physical and technological infrastructure.
- Continue advocacy and awareness work and develop transparent, genuine and mutually beneficial relationships.
- Continue to explore opportunities to diversify and protect revenue streams and operate cost effectively.



1. **Organization Name:** Calgary Centre for Performing Arts (operating as Arts Commons)
2. **Fiscal Year:** September 1, 2015 - August 31, 2016
3. **Latest Annual Report available and web address:** Arts Commons' most recent Report to Community and Audited Financial Statements to August 31, 2016, are available at <https://www.artsccommons.ca/en/WhoWeAre/ArtsCommons/ReportToCommunity>
4. **Current Vision, Mission and Mandate:**

Vision Statement: A creative and compassionate society, inspired through the arts.

Mission Statement: To bring the arts...to life.

Mandate:

- To foster, present and promote the arts.
- To provide and care for our assets.
- To ensure optimal utilization of our assets.

YEAR IN REVIEW

5. **What key results of your organization in 2016 contributed to Council Priorities in The City's 2015-2018 Action Plan including A prosperous city, A city of inspiring neighbourhoods, or A healthy and green city? [The City of Calgary - Council Priorities](#)**

Among the accomplishments for the 2015/16 Season, the following highlights show how Arts Commons has contributed to The City of Calgary's Action's Plan's goals of building a prosperous economy, inspiring communities, and building a healthy and green city:

- Arts Commons engaged Deloitte LLP (on a pro bono basis) to undertake an economic impact study to quantify the economic benefits of the operations of Arts Commons and its Resident Companies. In 2015/16, Deloitte presented its findings and determined that *"Based upon direct spending that is undertaken by Arts Commons and its Resident Companies; these organizations create economic activity exceeding \$87.73 million and 879 jobs in Alberta on average per year from 2012 to 2014. Out of this \$87.73 million, \$48.65 million is a value added to the economy, of which \$34.33 million is attributed to employment income."*
- Arts Commons played a critical role in the sustainability of 190+ organizations (resident companies, not-for-profit and others) by maintaining the complex's 560,665 gross square feet of space that houses six performance venues, rehearsal halls, shops, a variety of public engagement spaces and administrative spaces.
- Arts Commons subsidized the cost of venues and facility utilization for its resident companies, partners and numerous community user groups; serving as incubator

and facilitator and increasing access to venues and services to all communities.

- Arts Commons completed the replacement of venue seating and aisle lighting replacement in the Engineered Air Theatre, Martha Cohen Theatre, Max Bell Theatre and Motel Theatre to address safety concerns and to enhance the effectiveness, efficiency and sustainability of the complex. Work is underway on the replacement of venue seating and aisle lighting in the Jack Singer Concert Hall for Summer of 2017.
- Arts Commons is a major presenter of the performing arts in Canada. Under the banner of 'Arts Commons Presents', Arts Commons presented the award-winning BD&P World Music, *National Geographic Live*, PCL Blues, TD Jazz, and a number of other single engagements.
- Arts Commons provided increased access to Tessitura Arts Enterprise Software that helped users of the Arts Commons Box Office run their businesses more efficiently, work smarter, cut expenses and increase revenue. Through Tessitura, Arts Commons provided a comprehensive suite of ticketing, marketing and fundraising tools to share information, increase productivity, and provide complete customer relationship management services.
- Arts Commons continues to explore meaningful opportunities to share services with other similar businesses in an effort to enhance the effectiveness, efficiency and sustainability of its operations and that of other arts organizations. In addition to its existing agreement with CICF, Arts Commons entered into a service agreement in 2015-16 with Alberta Ballet to provide them with full cycle accounting and human resource services.
- Arts Commons played a key role in fostering and promoting the development and delivery of arts education programs and community engagement initiatives, including partnerships with the Calgary Board of Education, the Calgary Catholic School District and the Calgary Association for the Development of Music Education.
- Arts Commons partnered with a significant number of artists and organizations to curate and provide a public platform for visual and media arts throughout the facility.
- Arts Commons is a significant employer of visual and performing artists.
- Arts Commons has begun implementation of its waste diversion benchmark established with DIG (Do It Green); including the introduction of compostable cups and collection bins in the Jack Singer Concert Hall and the provision of compostable waste bins in administrative offices and public spaces with the intent to produce less waste and divert as much waste from the landfill as possible.

6. Using your organization's existing performance measurement data, please provide selected 2016 performance measures that describe how much you did, how well you did it, and how Calgarians are better off.

	Performance Measure	2014 Results	2015 Results	2016 Results	What story does this measure tell about your work? Why is it meaningful?
How much did you do?	Use of Arts Commons' venues including but not limited to: Jack Singer Concert Hall, Max Bell Theatre, Martha Cohen Theatre, Engineered Air Theatre, Big Secret Theatre, Motel, Arts Learning Centre, The Hub, and Rehearsal Halls	959 performances concerts or events held by 162 community organizations	1,215 performances concerts or events held by 315 community organizations	889 performances concerts or events held by 191 community organizations	These results demonstrate that Arts Commons' facility and assets are of demonstrable value to the community
	Total number of tickets distributed through the Arts Commons Box Office, inclusive of Resident Companies and other community users of the venues (Jack Singer Concert Hall, Max Bell Theatre, Martha Cohen Theatre, Engineered Air Theatre, Big Secret Theatre, and Motel)	433,469	462,100	430,968	These results demonstrate that the programs offered by Arts Commons and its Resident Companies are of great value to the citizens of Calgary
	Total number of artists engaged by Alberta Theatre Projects, Arts Commons Presents, Calgary International Children's Festival, Calgary Philharmonic Orchestra, Downstage, One Yellow Rabbit and Theatre Calgary	Data not collected	1,002 artists engaged or employed	757 artists engaged or employed	These results demonstrate that Arts Commons and its Resident Companies are leading employers of artists in Calgary

	Number of students engaged in arts education programming, including participation in the <i>National Geographic Live Student Matinees Series</i> , One Day Arts School, Artist-in-the-Classroom, and matinee audiences of all Resident Company performances and concerts	44,161 students attended youth-oriented programs performances or events	53,403 students attended youth-oriented programs performances or events	46,567 students attended youth-oriented programs performances or events	These results demonstrate that the educational initiatives undertaken by Arts Commons and its Resident Companies are of great value to the Calgary Board of Education and the Calgary Catholic School District
	Participatory support by members of the community through the provision of volunteer time and effort in support of Arts Commons and our Resident Companies, listed above	Data not collected	1,754 active volunteers providing 22,702 volunteer hours	1,741 active volunteers providing 20,931 volunteer hours	These results demonstrate that the programs offered by Arts Commons and its Resident Companies inspire significant volunteerism among Calgarians
How well did you do it?	Revenue Generation as a result of venue maximization and revenue diversification	\$5,539,019	\$6,458,827	\$5,764,991	These results demonstrate the monetization of the asset (venues) to support the resiliency and sustainability of the 560,665 square foot facility
	Revenue generation from the public sector in alignment with Arts	\$1,977,451	\$953,482	\$1,349,414	These results demonstrate that Arts



**Calgary Centre for Performing Arts (Arts Commons)
Civic Partner Annual Report 2016**

	Commons' life-cycle priorities in the care for the 560,665 square foot facility				Commons maintains a meaningful engagement with all three levels of government in the care of the facility
	Revenue generation from the public and private sectors in alignment with Arts Commons' operating priorities	\$4,410,589	\$4,047,160	\$4,335,811	These results demonstrate that Arts Commons maintains a meaningful engagement of the public and private sectors in provision of programs and services by Arts Commons for the benefit of the community

How are Calgarians better off?

The lives of hundreds of thousands of Calgarians and visitors are enriched having benefited from the experiences that are produced and presented annually at Arts Commons. Collectively, Arts Commons is a key contributor to the social, economic, cultural and intellectual life and well-being of this great city. The following are a few comments from those whose lives Arts Commons impacts:

- *“Arts Commons is a fantastic organization with top notch facilities. They are exceptionally supportive of the Calgary arts community and we look forward to working with them again.”*
- *“Arts Commons provides authentic experiences that keep us coming back.”*
- *“It was my first time going to see the Calgary Philharmonic Orchestra and it was definitely a fantastic experience. The concert hall itself was neat and beautiful. I was overwhelmed with emotions and I will admit that I cried at the end. Overall experience left me with a great memory! Thank you!”*
- *“My best memory of Arts Commons was hearing the Johnny Gaudreau anthem in One Yellow Rabbit’s ‘Calgary I love you, but you’re killing me’. Still has me laughing.”*
- *“My favourite music moment was listening to the amazing score for Theatre Calgary’s The Little Prince premiere with two 8 year olds.”*
- *“The Community Opportunity Fund Campaign (COF) allowed a small-size local music school like us to provide our students with a performance experience that has developed a sense of community, nurture*

the joy of live music making and self-expression, in a professional, yet intimate recital venue like the Engineered Air Theatre. We truly appreciate the support of local talent development through programs like the COF.”

- *“I am very glad to be a part of the Volunteer Program at Arts Commons, it is a great opportunity to become exposed to the arts community in Calgary while at the same time promoting a sense of community.”*
- *“...you folks at Arts Commons treat us so well and this is just the beginning! You’re going above and beyond helping us newer volunteers feel comfortable with the Volunteer Program, the Concierge Role, other opportunities and how everything works. I’m really looking forward to being part of (and I hope I can create) a great volunteer experience with Arts Commons. So...’Thank You!’”*
- *“I had a student who was excited to participate at the site, who ‘blossomed’ at school during our rehearsals and final production. Their in-class behavior has been more confident in their verbal expression as well as their peer relations.”*
- *“It is difficult to “nutshell” Arts Commons. I have played in most of the theatres and event the hallways, I have been in residency at the Ledge Gallery, and as a patron, I have experienced much more. There is no other place in the city as diverse and dynamic for the arts community – a unique and critical hub for Calgary.”*
- *“Big thanks for sponsoring tickets to the Paco Pena Flamencura” concert with the BD&P World Music series. I really enjoyed the show – the guitar playing, dancing and singing were amazing! I was able to use the second ticket to treat a good friend of mine who loves World Music and who recently lost his job and is down on his luck. Much appreciated!”*
- *“We are very pleased to be holding our third consecutive Commencement Ceremony at the lovely Jack Singer Concert Hall. It is a spectacular venue for this special moment and our graduates and their families have nothing but great things to say about the reception we host in the lobby afterwards.”*
- *“Working with Arts Commons I was given a lot more freedom than I’m used to while creating art in a public space. They told me, “You can do anything, no limits, except paint on the heritage building.”*
- *“On behalf of the members of Vanguard Jazz Orchestra, I want to express my deep appreciation to you both for bringing VJO to Calgary. It was a highlight of our 50th anniversary year. Thanks so much for having the vision and stamina to have us perform for your young musicians and general public.”*



FINANCES

7. What resources were leveraged to support operational activities in 2016?

Arts Commons received a consolidated operating grant of \$2,396,147 from The City of Calgary to assist in the fulfillment of its mandate; to provide programs to the citizens of Calgary, and to operate the facility. Arts Commons leveraged The City’s operating grant to generate an additional \$9,309,698 in ticket sales and other earned revenues, contributions from other levels of government, and community support through corporate sponsorship, foundation partnerships, philanthropic gifts from corporation and individuals, in support of Arts Commons’ operations (ratio of 1 : 3.9). Arts Commons also leveraged The City’s operating grant to directly support the resident companies (Alberta Theatre Projects, Calgary International Children’s Festival, Calgary Philharmonic Orchestra, Downstage, One Yellow Rabbit and Theatre Calgary) that collectively had an operating budget of \$40,999,257.

8. Do you anticipate any changes to plans and/or budget projections for 2017-2018?

The downward pressure on the diversified revenue streams that Arts Commons experienced during the 2015/16 Season will continue through the 2016/17 and 2017/18 Seasons. Given this new economic norm, Arts Commons will ensure that its expenditures are in alignment with its annual operating income projections and its available working capital.

9. Please describe the impact, if any, of the economic downturn on your organization’s operations or revenues including any adjustments you have made to your operations.

While Arts Commons ended the 2015/16 Season with a modest operating surplus, the effects of the new economic norm were significant, with revenues from venue usage and ticket sales down 19% year over year. In its ongoing focus on improving resiliency and sustainability, Arts Commons continued to pursue revenue opportunities and diversification by maximizing the capacity of its core services and venues while maintaining a competitive cost structure. Gains in development and support service revenues helped offset the impact of the decreased activity. This resulted in the third consecutive year of positive operational results, which will help ensure both the sustainability of Arts Commons’ operations and the ability to respond dynamically to opportunities or future challenges as they present themselves.

LOOKING FORWARD

10. What are your priorities and deliverables for 2017-2018?

Customer Experience & Community Benefit – Arts Commons will focus on development of its customer experience strategies and platform; continue to increase its concierge program beyond venue doors; develop new relationships with diverse sectors of the community and increase its capacity to gather and use data to make decisions to enhance community impact.

Artistic Contribution – Arts Commons Presents a) live performance and ticketed events; b) educational initiatives in collaboration with the Calgary Board of Education and the Calgary Catholic School District; c) public engagement and programming, which is accessible, participatory and animated to the facility and surrounding community; and d) visual and media arts; facilitating a broad spectrum of inter-arts initiatives, mainly within, but not limited to, the facility. Programming at Arts Commons provides a diverse range of unique artists to Calgary audiences; provide opportunities for Calgarians expand their world view via speakers that take them around the world and to look for ways to collaborate with local artists and partners; whether through co-promoting the presentation of unique artistic opportunities, hosting free arts experiences, or just providing space and venues for artists and arts organizations to explore their craft. Overall Arts Commons continues to present with a focus on diversity and accessibility for Calgarians.

Learning, Growth Efficiencies & Sustainability – It is critical that Arts Commons continues to upgrade, update, and enhance its physical and technological infrastructure to remain competitive, efficient and resilient. Arts Commons recognizes that it must remain innovative in its approach to enhance the effectiveness and efficiency of the facility.

In the 2017/18 Season Arts Commons will be fully operational with its capital planning and management software and begin to implement the Asset Management Plan currently in development with the assistance of The City and KPMG. Arts Commons is addressing such infrastructure needs as occupational health and safety items, urgent building condition assessment items and a significant backlog of finishes throughout the building. Finally, Arts Commons will continue to ensure its culture is one which represents the organization's core values: *Be Our Best, Always; Do the Right Thing; Be Open.*

In addition, Arts Commons will begin to work with TRG that will guide the organization through a transformation to increase organizational capacity and result in sustaining revenue growth. TRG's full arsenal of pricing, patron loyalty, and data counsel – and the expertise needed to help Arts Commons implement lasting, manageable change – will result in stronger, longer patron relationships.

Advocacy & Awareness – Arts Commons plays a critical role in the sustainability of its Resident Companies, partners and community organizations by maintaining the complex’s 560,665 gross square feet of space that houses seven performance venues, rehearsal halls, shops, a variety of public engagement spaces and administrative spaces. It is imperative that Arts Commons continues to focus on growing investment in its operational, project and lifecycle needs through transparent, genuine and mutually beneficial relationships.

Finance & Governance – Arts Commons will focus on enhancement of its relationships with patrons; increased focus on infrastructure needs, technology platforms and mitigation of the continued risks faced with the new economic norms. Arts Commons will continue to explore any opportunity to diversify and protect its revenue streams while implementing best practices in the management of its business and governance model to operate cost-effectively.

UPDATE ON RISK MANAGEMENT AND GOVERNANCE

11. What are your organization’s top 3-5 strategic risks? Describe briefly how you are managing these risks.

For the upcoming 2016/17 fiscal year, Arts Commons has identified the following three strategic risks:

1. Alberta’s new economic norm: Past dramatic economic declines were often followed by equally dramatic returns to prolonged periods of growth, as oil prices regained their upward momentum. Unfortunately, it appears that the current economy is the new norm. All of Arts Commons revenues streams (venue utilization, fundraising and programming) will continue to be under considerable pressure. In response, Arts Commons will continue to ensure that its expenditures are in alignment with its annual operating income projections and its available working capital.
2. Relevance: The spiritual health of Calgary, its neighbourhoods, and the larger region can be measured by the state of the arts. The arts deepen the understanding of the human spirit, extend one’s capacity to comprehend the lives of “others”, and allow us to imagine a more just and humane world. Through their diversity of feeling, their variety of form, their multiplicity of inspiration, the arts make our culture richer and more reflective. Given the increase in entertainment options, the growth of the City’s diversity, the growing younger generation, and the economic challenges, it is crucial for Arts Commons to ensure that it remains relevant to the community. Arts Commons needs to increase its efforts to matter in the lives of people, through diversified programming, public engagement, education and relationship building.

3. Aging Infrastructure: The 560,665 square foot facility was planned in the boom years, but built during a recession and opened to the public on September 14, 1985. Thirty-two years later, Arts Commons is part of Calgary's social infrastructure—places like libraries, museums, parks and arenas that help to make our community, home. These facilities and their programs enable families to play together, give neighbours a place to meet, and where Canadians can celebrate the many cultures that make Canada so diverse. The strength of this foundation enables communities and local businesses to grow and ensures Canadians have a high quality of life. However, the physical infrastructure includes many crucial elements at the end of their lifecycle, requiring increasing investment of time and funds. Arts Commons has partnered with The City to undertake a comprehensive facility condition assessment, and is now engaged in the development of an asset management plan with The City and KPMG to address this challenge.

12. Summarize any activities in 2016 that increased your Board's knowledge and awareness about industry trends, impact of changing economic conditions, risks faced by the organization, or other information needed to make informed decisions.

Throughout the year the Arts Commons Board is provided with many opportunities to engage with, and learn from, senior staff of the organization, as well as external industry experts, both locally and internationally. During the 2015/16 Season, the Board received monthly updates from senior staff on results compared to budget as well as current economic factors that were thought to impact future forecasts - positively or negatively. During the annual business plan and budget review the Board is presented with not only the strategic and operational goals of the organization, but a risk analysis matrix which identifies and categorizes significant risks the organization faces in the coming year. This information is accompanied by strategies Arts Commons has developed to mitigate those risks and the impact to the overall mission and vision going forward. Our Board also benefitted from a series of presentations by the management of our various Resident Companies.

In addition, on February 17, 2016, the Board was involved in an annual strategic planning retreat that was attended by Steven Wolff, a Principal with AMS Planning & Research Corp. The goal of the retreat was to deepen the Board's understanding of the evolution of the role of the art centre in North American municipalities.

13. Will any Board or senior management positions be vacant in 2017? If yes, please describe succession plans that are in place.

Arts Commons anticipates that the current Chair will step into the role of Past Chair at the AGM, which will take place in December 2017. The Governance Committee is responsible for identifying a successor and this effort is currently underway.

Arts Commons does not have nor does it anticipate having any Senior Management positions vacant during the 2017-18 Season.

The average term for a member of the Arts Commons Board of Directors is currently three years, and the average term for a member of the leadership team is 10 years. The terms of reference for the Board of Directors indicates that the process for the nomination and election of new members includes the recommendation of potential new members to the Board annually and not less than 30 days prior to the Annual General Meeting.

14. (a) Mark an “X” by all statements that apply to your organization:

Arts Commons uses:

Y Defined term limits for Board members.

N A skills and experience matrix to identify gaps on the Board and recruit new board members.

Y A structured process for identifying, monitoring and managing risk.

N A Board policy for risk management.

Y A risk map, matrix, register or similar tracking tool to assess the risks we face.

Y A risk management plan or other tool that is updated at least annually.

Y Tools to communicate key risks to the Board at least annually.

Y A Board committee delegated with the responsibility for oversight of our organization's risk management practices.

N A formal crisis management, business continuity, or similar plan to be ready for an emergency situation.

(b) Add any additional comments about your organization's risk management practices:

A risk analysis matrix; which identifies and categorizes significant risks the organization is facing, is developed and presented annually to the Board of Directors. This matrix is accompanied by strategies Arts Commons management has developed to mitigate those risks and the impact to the overall mission and vision going forward.

CAPITAL AND ASSET MANAGEMENT

15. Provide a summary of your organization's 2016 capital development, including specific lifecycle/maintenance projects.

The following highlights a few of the significant lifecycle/maintenance projects undertaken during the 2015/16 Season, which were done to ensure the ongoing operational viability of the complex and its venues for the benefit of Calgarians and visitors:

- Replacement of theatre venue seating and aisle lighting in the Engineered Air Theatre, the Martha Cohen Theatre, the Max Bell Theatre and the Motel Theatre; with the acclaimed Jack Singer Concert Hall to receive new seating and aisle lighting in the Summer of 2017.
- Renovation of the Jack Singer Rehearsal Hall to better meet the needs of the Calgary Philharmonic Orchestra and improve the revenue generating potential of the venue.

16. What funding was leveraged to support capital activities in 2016?

Arts Commons leveraged a grant of \$1,500,000 provided by The City of Calgary through the Capital Civic Partner Grant Program (CCPGP) during the 2015/16 Season to secure a \$1,500,000 grant from the Government of Canada through the Canada Cultural Spaces Fund (CCSF) to undertake the replacement of theatre venue seating and aisle lighting replacement in the five principal venues at Arts Commons.

Please note that while these grants were awarded during the 2015/16 Season, Arts Commons only recognized that portion of each grant as revenue in the fiscal year ending August 31, 2016, in accordance with GAAP:

- The City of Calgary (Capital Civic Partner Grant Program) - \$1,500,000 grant, booked \$887,937
- Government of Canada (Canada Cultural Spaces Fund) - \$1,500,000 grant, booked \$1,232,426