



2016-2020 STRATEGIC PLAN AND BRAND REVIEW

MARCH 14, 2017

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EXECUTIVE SUMMARY

GOAL #1

**Explore the Feasibility of
Developing a New Theatre
Complex**

In the late 1970s a group of visionary citizens started the process that would result in the construction of what would become the Flato Markham Theatre; Markham was a community of approximately 60,000 citizens with the majority as German, Irish, Scottish and English decent. Diverse populations were a small percentage of the total community.

The Flato Markham Theatre is now over 30 years old and lacks many of the amenities necessary for a truly first-class audience experience. The lack of a fly tower limits the type and scope of performances possible, or doesn't allow a performance to be experienced at full production impact. With just 527 seats, performance revenues are limited and therefore the type of performers the theatre can attract are limited by the ticket revenue potential. Additionally, due to these issues, the theatre is not as attractive to potential commercial renters. In a seats per capita comparison in the GTA, Markham is by far the lowest.

Municipality	Seats per Capita
Kingston	0.0070 seats per capita
Burlington	0.0053 seats per capita
Richmond Hill	0.0034 seats per capita
Brampton	0.0030 seats per capita
Oakville	0.0026 seats per capita
Markham	0.0017 seats per capita

With Markham's population of over 300,000 as a primary market, there is ample market base for a 800-1,000 seat theatre. For example, the 775-seat Grand Theatre in Kingston has a population base of only 123,000 and the 730-seat Burlington Performing Arts Centre has a population base of 175,000.

The Flato Markham Theatre is located in a district made up of municipal buildings and a high school and is somewhat remote from the Markham downtown. This location does not lend itself to creating a vibrant urban lifestyle and limits the positive economic impact that a better located facility would have.

"With globally competitive companies, new infrastructure, attractive amenities, convenient transportation links, an exploding population, and a highly educated workforce, Downtown Markham will be the leading shopping and entertainment address in the Greater Toronto Area (GTA) by 2025," according to Remington Group. A new performing arts facility could be a welcome addition to this vision for Markham.

Planning is currently underway for a new York University campus in Markham. Programs that will be located at the Markham campus of particular interest to this strategic plan will be a Bachelor of Arts including Games & New Entertainment Media, Interactive Information Design, and Digital Cultures & Creative Industries.

The City of St. Catharines and Brock University have developed a model that could help form a potential relationship between York University and the City of Markham. The recently opened Marilyn I Walker School of Fine and Performing Arts at Brock University and FirstOntario Performing Arts Centre have a unique relationship that gives the University priority use of two of the four venues at the FirstOntario Performing Arts Centre. The University has access to two state-of-the-art venues and the FirstOntario Performing Arts Centre receives over \$750,000 in annual support for the next 10 years from Brock.

As part of a feasibility study for a new performing arts facility, the City of Markham should examine the possibility of incorporating a facility within the performing arts centre that could meet the technological needs of York University's media program and additionally meet the needs of local artists using cutting edge technology in their work.

This could position Markham at the leading edge of the convergence of performing arts, diversity and technology — a natural development for a community with so many leading technology companies, including over 72% visible minorities. It would also position a new performing arts centre in Markham as a unique facility within the GTA and the country.

OBJECTIVE #1

Carry Out a Feasibility Study for A New Performing Arts Facility

RATIONALE

Municipalities plan for cultural facilities based on the projected needs of the community twenty years into the future. With the necessary planning horizons and fundraising needs, a five-year planning process is generally the minimum necessary to develop feasibility studies, plan, implement capital campaigns, and develop building plans, etc. Added to that is a two-year construction time frame. At the end of that 20-year planning horizon, the population of Markham will probably be well over half a million people.

Currently, the Flato Markham Theatre cannot meet the needs of the present day market, let alone what that market will be in twenty years. It would be prudent for the City or Flato Markham Theatre community leaders to start the planning process now for those future needs.

ACTIONS

1. Implement a Needs Assessment study to more accurately predict the current and future facility needs for a performing arts venue(s) in Markham
2. Look at potential locations for new facilities that can most positively impact the development of Markham as a culturally vibrant and exciting community to live
3. Look at development and funding models including Public-Private Partnerships
4. Access Federal Heritage facility planning funding
5. Begin a dialogue with real estate developers and community leaders to examine interest and options in a performing arts centre redevelopment, possibly in the new Downtown Markham currently under development
6. As part of a feasibility study for a new performing arts facility, the City of Markham should examine the possibility of incorporating a facility within the performing arts centre that could meet the technological needs of York University's media program and additionally meet the needs of local artists using cutting edge technology in their work
7. Position Markham at the leading edge of the convergence of performing arts and technology, a natural development for a community with so many leading technology companies
8. Position a new performing arts centre in Markham as a unique facility within the GTA and the country

GOAL #2

Create an Industry
Leading Program and
Organization that
Champions the Diversity
and Innovation of
Markham

Markham is recognized as Canada's most diverse city with visible minorities being over 72% of the population; predominantly Chinese (38%) and South Asian (19%) and 40% list English as their mother tongue. The Non Visible Minority represents 28% of the population (2011 Census).

Markham's Diversity is reflected in the City's Culture Plan, Markham Diversity Action Plan, the 2015-2019 Strategic Plan "Building Markham's Future Together", and the Integrated Leisure Master Plan. The need for program equity was seen as an opportunity for community development and creating greater social cohesion.

Markham's Culture Plan "Vision for the Future" states that "Markham will continue to lead GTA edge cities in cultural participation and engagement as a place where people can come together to share and celebrate the rich diversity of cultural expression and experience that is unique to Markham."

In the performing arts sector, the temptation to program almost exclusively to the non-visible minorities can be overwhelming. Presenters are familiar with these markets, their likes and dislikes, as well as how to effectively market to them, and there is a long history in Markham of successfully appealing to this market. Indeed, almost all of the presenting industry is set to serve this market.

Programming to a diverse audience is much more of a challenge. Lack of artistic knowledge, audience preferences, and communication channels on the part of the presenter are a barrier. Artists may not be found through the trusted and familiar mechanisms and relationships with artist managements and partnering with other presenters is a challenge. Risk financing becomes necessary as the presenter builds networks to find work and build programs to reach out to diverse audiences.

Markham is recognized as a leading innovation city with many head offices of the country's leading technology companies. Technology is playing a major role in the performing arts, as arts producing companies use it in new and innovative ways. Montreal is currently the field leader with artists like Robert Lepage and 4D Arts stretching the boundaries of computer technology. York University will play a leading role in this development – fostering synergies between the Theatre, the high tech community, and York University could catapult Markham and its performing arts facility at the forefront of new trends.

The Flato Markham Theatre, and by extension the City of Markham, can be a leader in the field in Canada by creating a program that truly reflects the community's diversity and innovation technologies.

OBJECTIVE #2

Develop a Comprehensive Diversity Plan

RATIONALE

Markham is recognized as Canada's most diverse City with visible minorities being over 72% of the population. The Non Visible Minority represents only 28% of the population. These trends will accelerate and even the current 2011 StatsCan data does not reflect the 2016 reality. The Flato Markham Theatre, like many of the regional theatres in the GTA, is somewhat dependent on the Non Visible Minority as both audiences and staff. The long term success of the Theatre will depend on building relationships and audiences within Markham's diverse communities.

ACTIONS

9. Develop a five-year plan to diversify staff beginning with front of house ushers and ticket takers
10. Continue to build direct relationships with Markham's diverse communities to help diversify staff and audiences
11. Create bilingual or multilingual marketing materials
12. Enhance programming plan within the Diamond Series to expand the offerings of performers that reflect the diversity of Markham, with a focus on Asian and South Asian communities
13. Develop a commissioning plan to develop work from Canadian performing arts groups that reflect Markham's diversity
14. Take the lead in helping develop tours for diverse artists within touring networks like Ontario Presents
15. Build direct relationships in collaboration with local businesses and arts organizations abroad that can bring performances of interest to Markham's audiences, with a priority focused on Hong Kong and mainland China and Taiwan based organizations

OBJECTIVE #3

Develop a Five-Year Plan to Expand the *Discovery Programs*

RATIONALE

A key strategy that the Flato Markham Theatre has developed in order to build arts awareness in diverse communities in Markham, is to start with the youth in the community, who reflect the future diversity in the community. To have the maximum impact on youth in the community the expansion of the “Every Child, Every Year” should grow to cover all primary grades. Performances programmed should also reflect the diversity of the audience. The “Discovery Camps” have also been a successful way of building future audiences for the arts in a diverse youth cohort. By reaching out to community centres, more youth will feel comfortable participating in these programs and indicates the willingness of the Flato Markham Theatre to reach out to the entire community.

ACTIONS

16. Create an Endowment Fund to support the long term development of the “Every Child, Every Year” program for all students in Grades 1-8
17. Review rental strategies to enable the Theatre to expand the number of dates available for this program
18. Add an additional grade annually
19. Continue to grow the “Camp” of the Theatre through use of community centres as staff and resources become available
20. Develop “Camp” programs that also include artistic disciplines that connect Markham’s diverse communities

OBJECTIVE #4

Integrate Technology and Innovation into Theatre Programming

RATIONALE

Markham is recognized as a leading innovation city with many head offices of the country's leading technology companies. Technology is playing a major role in the performing arts, as arts producing companies use it in new and innovative ways. Montreal is currently the field leader with artists like Robert Lepage and 4D Arts stretching the boundaries of computer technology. York University can play a leading role in this development – fostering synergies between the Theatre, the high-tech community, and York University could catapult Markham and its performing arts facility at the forefront of new trends.

ACTIONS

21. Explore international cultural partnership opportunities to introduce cutting edge technology in performing arts production and position Markham as a leader within the GTA and in the country
22. Examine the possibility of incorporating technology and innovation in the performing arts centre that could meet the technological needs of York University's media program and additionally meet the needs of local artists using cutting edge technology in their work
23. Connect and build relationships with many leading technology companies in Markham for innovation in performing arts production and audience experience

GOAL #3

Building a Sustainable Infrastructure

The Flato Markham Theatre experienced exponential programmatic growth over the past seven years. The number of days of use of the theatre has increased to 340 in 2015, and the number of performances in the Professional Entertainment Series has increased to 60 in the current 2016/17 season, not including the educational performances. Theatre rental revenues have increased by 36% or \$218,460, and ticket sales for the Professional Entertainment Series and children camp registrations have increased from \$592,971 to \$1,193,493, or 101%. Contributed income (fundraising) has increased from \$115,062 to \$372,578 or 224%. In addition, “in kind” donations have increased significantly as well.

The Discovery program for youth offered 14 free “Every Child, Every Year” performances for all Markham schools’ grades 1-3. Over 8,000 attended the Discovery matinees, workshops, masterclasses, and showcases. Over 800 youth participated in the youth camps.

All of this growth has been accomplished with little corresponding growth in full time staff and an actual decrease in funding by the City of 6%. With inflation averaging 1.68% during that time period, the actual reduction in municipal funding is over 18%.

It is apparent that the Flato Markham Theatre is operating at or beyond capacity, both from theatre date availability and staff and resources to support the programming. In order to move forward, it is critical for the staff, the Theatre’s Advisory Board and the City to address building an adequate supporting infrastructure to maintain the growth that has occurred.

OBJECTIVE #5

Create a Sustainable Staffing Model

RATIONALE

The long-term success and growth of the Flato Markham Theatre is dependent on a skilled and committed staff and a sustainable staffing model. The Theatre's days-of-use are at a maximum and the ability of the current staff to meet current demand is questionable in the long term. Several management positions have multiple roles, where the level of expertise in one of the roles may not be adequate to support the current and/or future growth. There is also the need of a succession plan to maintain the smooth transition of staff in the future.

ACTIONS

24. Identify current staffing needs and align future programmatic growth to a sustainable staffing model
25. Develop business case rationale for new support
26. Identify strategies for addressing the staffing shortfalls through FTE's, contract employees or contracting out work
27. Develop a succession plan for key staff
28. Look at hiring a fundraiser or a fundraising consultant
29. Review skills and training needs to support a more data driven, evidence based organization in marketing, fundraising and box office

OBJECTIVE #6

Establish a Programming Policy for a Sustainable Professional Entertainment Series

RATIONALE

While the programming of the Professional Entertainment Series (known as the Diamond Series in the Flato Markham Theatre's programming) is at a high level, there needs to be a clearly articulated programming policy endorsed by the Advisory Board and the City. A Presenting Programming policy aligned more closely with the Mission will help clarify programming decisions and solidify ongoing support for the Presenting program and establish programming direction for the future.

ACTIONS

30. Create a guiding policy for programming
31. Define program goals and mix
32. Develop 5-year programming plan that aligns resources to program that creates a sustainable model and takes into consideration staff resources and theatre availability

OBJECTIVE #7

Strengthen Relationship with the Community and Develop Related Policies

RATIONALE

The number of use days for the Flato Markham Theatre are realistically at a maximum. Any ongoing expansion of programming will probably require a corresponding reduction of theatre use in other areas. In order to make the best decisions on theatre access, a revised theatre rental policy is necessary. The future success of the Flato Markham Theatre will depend on the success, growth and quality of community based organizations.

ACTIONS

33. Revise the first-come, first-served rental policy and develop a new matrix for rental priority that aligns more closely with the organization's mission
34. Develop policies that address the balance of rentals, Diamond Series (Professional Entertainment Series) and education initiatives in alignment with the organizational mission
35. Explore ways to support the community program providers through special artistic initiatives, shared marketing support, and production skills development
36. Explore ways to cultivate new community program providers especially from diverse communities that may not be represented in the current mix of theatre users

OBJECTIVE #8

Establish a Charitable Foundation

RATIONALE

An arms-length Charitable Foundation will be more successful in raising funds, as many individuals and corporations are reluctant to donate to a municipality that they feel is supported through property taxes. Many granting organizations and government agencies will not fund City organizations, but will fund an arms-length Foundation. A Foundation can also establish and manage endowment funds in support of programming priorities and hire fundraising staff or fundraising consultant.

ACTIONS

37. Explore the feasibility of establishing a Foundation including transitioning the current Advisory Board to a Foundation Board
38. Explore steps needed for incorporation and charitable status
39. Explore the feasibility of maintaining funds at the Toronto Community Foundation prior to receiving charitable status from Canada Revenue Agency
40. Develop endowment and investment policies
41. Develop endowments in support of the Diamond Series and Every Child Every Year program
42. Look at hiring a fundraiser or a fundraising consultant reporting to the Foundation

OBJECTIVE #9

Develop a Brand Identity that Accurately Reflects the Current Theatre Reality

RATIONALE

The Flato Markham Theatre brand is well established in Markham and the immediate surrounding area. Yet the reach of the theatre needs to be enhanced through efforts to reach all the diverse community groups. The branding over time has been developed with an outside creative agency and more recently the addition of a digital marketing agency with direction by theatre marketing staff. As part of the brand review, we recommend the creation of a new logo, and a new style guide that will pull together the print elements and the digital presence of the Flato Markham Theatre. This will assist with the increased awareness and enhance the brand identity, which will allow the Flato Markham Theatre to reach new audiences and generate excitement for upcoming seasons.

ACTIONS

43. Create a new or updated identity to be launched in 2017
44. Develop and launch a stand-alone website that will allow Flato Markham Theatre to have its own consumer focused brand presence*
45. Increase integration of digital platforms, including social media into the marketing communications plan
46. Add analytics to the marketing activities which will allow for better marketing investment measurement and management
47. Actively build and manage the Theatre database, including patron list, rental client list, members list, partners & sponsors lists
48. Rework the marketing planning process based on an audience segmentation strategy, with the goal of changing demographic and consumer behaviour

* The Theatre's website is ranked the second as the source to obtain information about performances, events, etc. (based on the Patron Survey conducted in November 2016). However, the current online experience is not optimal.

OBJECTIVE #10

Develop an Effective Communications Strategy Directed at Council, City Administration, and Theatre Stakeholders

RATIONALE

The Flato Markham Theatre has over 30 years of successful operation. However, a comprehensive communications strategy needs to be developed and implemented in order to more effectively communicate to City Council, senior City Administrators, patrons, donors, and sponsors of the operational success that the Theatre has experienced and more clearly articulate the impact (culturally, socially and economically) that the Flato Markham Theatre has on the community.

ACTIONS

49. Develop a strategy to communicate directly with City Council and senior City Administration on a biannual basis in a face-to-face meeting with the Chair of the Advisory Committee and the General Manager to more effectively educate these key authorizers on theatre operations, successes, and priorities
50. Publish an Annual Report outlining accomplishments over the preceding year and including audited financial statement and theatre use statistics
51. Commission an Economic Impact Study to quantify the economic impact of the theatre on the community
52. Simplify and reduce the number of key indicators that the Theatre tracks and reports on annually for more effective communication

THE 2016-2020 STRATEGIC PLAN

HISTORY

Flato Markham Theatre (previously Markham Theatre for Performing Arts)

Markham Theatre for Performing Arts opened its doors for the first time in October of 1984. The inaugural gala performance featured renowned Canadian artists Haygood Hardy and Moe Kaufman, among others.

One of the 'claims to fame' that Markham Theatre boasts is that for 6 years, during the summer, it was home to the television series the "Super Dave Show". This show allowed many superstars to showcase on Markham Theatre's stage including: The Smothers Brothers, Ray Charles, K.D. Lang and Celine Dion. Of course this is nothing compared with the many live albums and radio shows that have been recorded at the Theatre.

The theatre was initially planned as a joint project between the York Region Board of Education and the Town of Markham. As the project continued to develop in the early 1980's, it became a facility wholly owned and operated by the Town of Markham. Some of the organizations in the Town who lobbied Town Council for the building of the theatre included Markham Concert Band, Markham Little Theatre and Markham Men of Harmony. These

groups still call Markham Theatre 'home'.

When it initially opened, the theatre was expected to operate with a staff of four and be used for about 100 days a year. Over the past 30 plus years, the staff has grown to eleven people and in 2015, there were over 340 uses of the theatre with over 130,000 people coming through the doors.

The Theatre is equipped with up-to-date technology for technical components, such as lighting and sound, for all events. It features an intimate atmosphere with 527 seats. The furthest seat is only 65 feet away from centre stage, never leaving a bad seat in the house. The warm modern architecture makes the Theatre a multi-faceted venue for everything from corporate meetings to weddings, when shows aren't on stage.

Since 1987, Markham Theatre's Professional Entertainment has featured a diverse mix of performers as part of the annual October to April season. Many stars have appeared on the Markham Theatre's stage including: Tafelmusik, Les Ballet Jazz De Montreal, Marcel Marceau, Royal Winnipeg Ballet,

The Irish Rovers, The Vienna Choir Boys, André-Phillipe Gagnon, Canadian Brass, The Chinese Golden Dragon Acrobats, Burton Cummings, Natalie MacMaster, Stuart McLean, Shanghai Acrobats, Rita Coolidge, Jesse Cook, Jann Arden, Colin James, The Nutcracker, Bruce Cockburn, Holly Cole, John McDermott, Lawrence Gowan, Cleo Laine, Lighthouse, Second City, Leahy, Pat Metheny, José Feliciano, Jim Cuddy, Emanuel Ax, Midori, Kaha:wi Dance Theatre, Yamato Drummers of Japan, Hong Kong Ballet, Abdullah Ibrahim & Ekaya, U-Theatre of Taiwan, Randy Bachman, Lizt Alfonso Dance Cuba, Colm Wilkinson, Russian National Ballet Theatre, Preservation Hall Jazz Band, Chucho Valdes, Oliver Jones, Emilie-Claire Barlow, Bela Fleck and many, many more.

With almost 300 live performances each year, the Theatre is busier now more than it has ever been. Live theatre, concerts, comedy shows and family entertainment features an ever changing array of performing arts. Markham Theatre continues to honour respected artists and their Canadian talent in series of performances offered all through the season.

Since its opening in 1984, the Markham Theatre for Performing Arts has been truly a gem in the Town of Markham. Its recent financial success and positive feedback from audiences, have stormed the community with a variety of widely attended programs. Featuring the best in professional performances, Markham Theatre has incorporated itself into the community and educational presentations.

The Theatre also offers Drama camp to students in July and August. In 2016, approximately 800 students engaged

in activities including rehearsing, writing and presenting a production on the stage for family and friends. The Markham Theatre for Performing Arts is one of the most active and successful community theatres in Canada.

Public Policy Content

Building Markham's Future Together
2015-2019 Strategic Plan

City of Markham Culture Policy & Plan
2012

Everyone Welcome – Markham
Diversity Action Plan

Integrated Leisure Master Plan

Markham's Green Print Sustainability
Plan

2011-2015 Markham Theatre Strategic
Plan

Definitions

Readers unfamiliar with the organization of performing arts centres may wish to familiarize themselves with the following terminology.

Artists – Performers whether individual or ensemble

Backstage – The non-public areas of the Theatre including stage, dressing rooms, offices etc.

Catchment Area – The population base the Theatre serves

Complimentary Ticket – Admission ticket provided at no charge to the users

Contributed Income – Revenue stream from sponsorships, playbill advertising sales, Annual Gala, live & silent auctions, and donations at all levels

Discovery Series – Name encompassing all Markham Theatre’s educational and community outreach programs, including school matinees, workshops, masterclasses, lectures, artists’ residencies, youth camps, workshops, & family programs

Event – Any number of activities occurring in the Theatre including live performance, rehearsal, educational program, meeting whether open to the public or private

Fly Tower – Area above stage containing rigging for lifting scenic elements out of sight

Front of House – The lobbies and other public spaces

Headliner – Usually a famous individual artist

Masterclass – In-depth training session by a performer usually offered to trained students and/or professional artists in the performing arts

Main Stage – The auditorium and stage

Theatre Management – The staff lead by the Theatre General Manager

Marketing Plan – Promotional plan in support of ticket sales and rentals

Offerings – Events which are offered to the ticket buying public

Presenter – Anyone who organizes an event and takes the financial risk

Product – The content of any event offered for sale to the public

Program – Generally refers to all events

Production – General term referring to preparation and staging of the event

PES – Professional Entertainment

Series, Programs presented by the Theatre and for which the Theatre assumes the risk, for example, Diamond Series and Discovery Education program

Renter – Organization or individual who purchases use of the theatre for a specified period for an event

School Matinees – Educational staged performance, usually 60 minutes and aligned with school curriculum. Study guides are usually provided to prepare students

Season – The period of highest activity beginning after Labour Day and continuing until Victoria Day

Sponsor – Business or Individual who provides cash or in kind services in return for exposure in the season brochure, event advertising, event playbill, complimentary tickets etc.

The Theatre – Flato Markham Theatre

Theatre Endowment – The total balance recorded at the year end from the Theatre Endowment including the Capital Improvement Reserve and the Theatre Endowment Reserve Fund

City Subsidy – The percentage of the total financial participation from the Corporation over the total cost of the Theatre operation

Utilization Rate – Number of events in relation to available dates

Workshops – Short (usually one hour) educational program most likely offered to amateur artists, students or interested stakeholders

Youth Camps – March Break and summer theatre camps, actors’ workshops and Junior Stars Camp and any other camps provided by the Flato Markham Theatre

THE FLATO MARKHAM THEATRE STRATEGIC PLAN 2011-2015

The Strategic Plan for 2011-2015
defined the Theatre's:

Vision

Live arts matter to all.

Mission

To cultivate a vibrant Creative
Community through live arts.

Values/Guiding Principles

1. Artistic Excellence

- Position as a centre of excellence for the performing arts
- Enable community organizations to achieve artistic excellence
- Strive in presenting artists recognized for their highest artistic integrity and standards
- Include programs with exclusive and innovative presentations
- Embrace diversity through various performing arts forms and genres

2. Community Engagement

- Recognize the civic role and strive to serve and give access to as many residents as possible
- Embrace the rich diversity of the City of Markham
- Engage local artists and community groups
- Take live arts to the community

3. Knowledge

- Educate audiences to appreciate presentations regardless of the genre and/or aesthetic
- Prioritize the engagement of youth
- Enhance skills, knowledge, and opportunities for youth
- Enhance education offerings through partnership with schools, colleges, and universities

4. Partnership

- Create and maintain meaningful, dynamic partnerships with our community
- Bring Markham to the world and the world to Markham

5. Sound Management and Governance

- Commit to operate with a balanced budget with continuity of sound financial support from the City of Markham
- Develop and implement a rigorous fundraising process and infrastructure
- Ensure that financial planning includes building capacity to earn and raise income

FLATO MARKHAM THEATRE AFTER 30+ YEARS OF OPERATION

Utilization

In 2015, the final year of the 5-year strategic plan, the Theatre was in use 340 days, with 115 event uses presented by the Flato Markham Theatre including the Diamond Series, the Discovery Series and Summer Camps. Programming provided by the community equalled 225 days of use, including 114 days of use by commercial renters and 111 by community renters. Available days (Dark Days) dropped from 65 to 35 over the past 5 years.

Financial Performance

The end-of-year financial statements for 2015 show revenues of \$2,429,584 and expenses of \$2,994,398 for a net cost of \$564,814. The theatre has consistently maintained the originally targeted level of net costs for programming.

Programming

In 2015, the programming was almost exactly 1/3 commercial rentals, 1/3 community rentals, and 1/3 by the presenting and education program of the Theatre. Approximately 60% of the presenting program is market supported, i.e. with the objective of generating a profit, and 40% risk program or more fine arts oriented.

THE FLATO MARKHAM THEATRE IN 2021

The Strategic Plan for 2016-2021 for the Flato Markham Theatre took place over a six-month time period from June to November 2016. The intention of the Strategic Plan is to identify strategies and goals, which will consolidate and grow the development of the Flato Markham Theatre over the coming five years.

In the broadest terms, these strategies should produce the following outcomes over the next five years:

- Create a sustainable staffing model
- A programming philosophy and policy to reflect the intentions and current programming practice of the Professional Entertainment Series
- A revised rental policy
- A revised governance structure to create a Foundation in support of programming initiatives
- A diversity strategy for programming and staffing
- An expanded development/fundraising plan including the establishment of an endowment in support of the Discovery Series to expand the Every Child, Every Year program
- Examine the feasibility of a 2nd or new theatre space(s)

Observations On The Last Strategic Plan

Background

Since its opening over 30 years ago, the Flato Markham Theatre has established itself as a major performing arts facility in the north eastern corner of the Greater Toronto Area (GTA). Its use has expanded and adapted to the growing and changing demographics of the area. It is currently operating at full capacity with over 340 use days in 2015.

This review process began with a review of relevant planning background documents including the Building Markham's Future Together 2015-2019 Strategic Plan, City of Markham Culture Policy & Plan 2012, Everyone Welcome – Markham Diversity Action Plan, Integrated Leisure Master Plan, Markham's Green Print Sustainability Plan and the 2011-2015 Markham Theatre Strategic Plan.

The process also included confidential conversations with the Mayor, City Councillors, City staff, Flato Markham Theatre staff, the Theatre Advisory Board and various community partners. Conversations were focused on whether the Theatre was meeting community expectations and the future needs of the community and the Theatre's ability to meet those future needs.

COMMUNITY PERCEPTIONS OF THE FLATO MARKHAM THEATRE

Audience survey responses indicate a high level of satisfaction to the performances presented by the Theatre. The Flato Markham Theatre is perceived as a major asset to the community and is recognized by Council and Senior City staff as a successful organization that provides excellent return on municipal investment.

At the same time, there is the perception that the Theatre is at a crossroads in its ability to meet the needs of the community. As the population of Markham has increased from approximately 60,000 to over 300,000 over the life span of the Theatre, the number of use days has reached the practical maximum days available. Organizations that wish to use the Theatre have been turned away due to lack of available rental dates. As current users have priority to book dates for future years, new groups are unable to access the Theatre and find their ability to grow their organizations and audiences limited as a consequence.

In addition, the growth of diverse populations within Markham has reshaped the demographics of the City to the point where Markham is recognized as the most diverse community in Canada. The Theatre's ability to grow new audiences within these diverse communities and not to

be overly reliant on the shrinking non diverse community is recognized as a major challenge and opportunity.

Urban Context

The Flato Markham Theatre is located in a district made up of a municipal building and a high school and was originally conceived as an addition to the high school. The current location of the theatre does not lend itself to creating a vibrant urban lifestyle and limits the positive economic impact that a better located facility would have.

"Downtown Markham is positioned to become the epicenter of Markham – a world class community located a short distance from Canada's economic engine, Toronto. With globally competitive companies, new infrastructure, attractive amenities, convenient transportation links, exploding population, and a highly educated workforce, Downtown Markham will be the leading shopping and entertainment address in the Greater Toronto Area (GTA) by 2015." (Remington Group)

MARKET CONTEXT

Strategic Location

The City of Markham sits on the north east corner of the Greater Toronto Area

and the south eastern corner of the Region of York. Markham's strategic position has the advantage of sitting just north of the City of Toronto with a population (2011) of 2.615 million people. It is one of the five cities along the 407 corridor along with the Town of Richmond Hill, the City of Vaughan, City of Mississauga and the City of Brampton. It is part of the region of York with a population of 1.2 million residents.

Catchment Areas

The Flato Markham Theatre's primary market is the City boundaries whose residents are more fully aware of activities within their community. This primary market runs on a north-south axis, with strong market penetration into the southern end of Whitchurch-Stouffville.

The secondary market is a radius of approximately 15 kilometres from the theatre with good market penetration

easterly into Pickering. This may be due to the lack of a similar strong presenting program to the East. Around a 20 kilometres radius, there are several competing performing arts venues including:

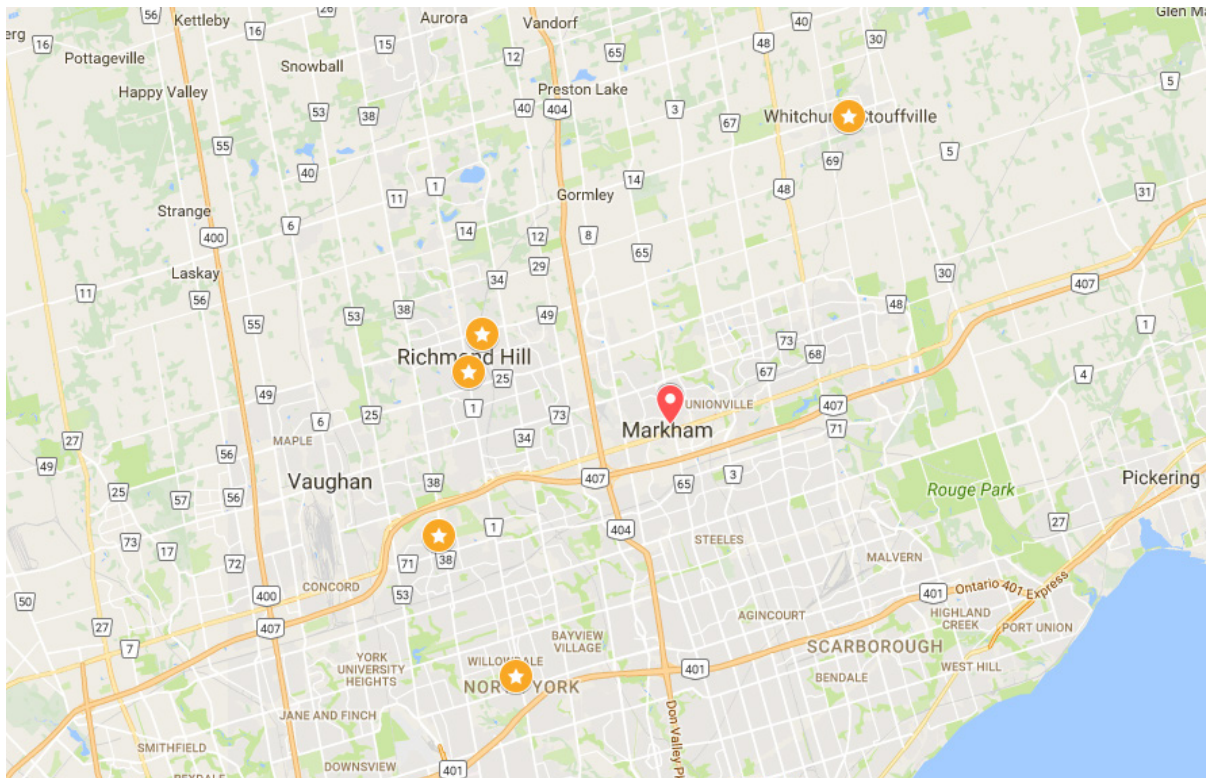
Toronto Centre for the Arts,
North York (4 venues)
1,036, 550, 183, 296 seats

Richmond Hill Performing Arts Centre,
Richmond Hill (2 venues)
631, 150 Seats

Vaughan City Playhouse
Vaughan
390 Seats

The Curtain Club
Richmond Hill
150 Seats

Lebovic Centre for Arts & Entertainment
Whitchurch-Stouffville
150 Seats



The Lebovic Centre for Arts and Entertainment and The Curtain Club are small venues that are not a main competitor. The Vaughan City Playhouse has 74% of the seating capacity of Markham and does not appear to have an active presenting program. The Toronto Centre for the Arts is in the process of a major renovation of their large theatre space with the creation of two new theatres of 550 seats and 296 seats. The Toronto Centre for the Arts does not have a presenting program, and is strictly a rental house.

The Richmond Hill Performing Arts Centre is the most direct competitor with a larger seating capacity in the large theatre space, plus an additional 150-seat black box. The Centre also has a full fly tower, and is over 20 years newer. However, the Flato Markham Theatre has a long, well established history and a presenting program with an excellent reputation. It would clearly appear that both Richmond Hill and Markham have their established audience within their respective City boundaries and their audiences don't overlap to the degree that one might expect. Markham's greatest secondary market success is to

the north and east of the venue where there are no direct competitors.

However, future projects could possibly impact the growth of the market to the southeast of Markham. Two projects are currently under study, including a new performing arts centre in Whitby and the "Durham Live" project in Pickering. The Whitby project has been described in a media coverage as follows: "Whitby has the potential to assume a leadership position in Durham, and certainly the eastern part of the GTA, for the development of a purpose-built performing arts centre because of its central location and its potential advantageous position in the market. The facility will be about 7,000 square metres, with capacity for 1,100 patrons, a stage tower and orchestra pit."

Based on the information on the Durham Live project website (<http://dlive.ca/>), the complex would be located in Pickering and would be home to a massive new tourist development that includes a casino, hotel, waterpark, performing arts centre, and outdoor amphitheatre.

In addition, it appears that the City



of Vaughan is studying the possibility of a new performing arts centre in the new downtown emerging in the Jane Street and Hwy. 7 area, at the doorstep of the Spadina subway extension. It has been recommended that the City should explore opportunities to forge new partnerships with nearby institutions, such as York University, and with other countries — such as Italy, China and Israel — that Vaughan has built relationships with already.

It was also recommended to City of Vaughan Council members that the first step for the city is to look at updating its so-called cultural plan; the City completed one about five years ago, which some Councillors were admittedly unaware of. Council members voted to have city staff bring forward the original cultural plan for review by Council and prepare a report outlining a proposal for developing a “nurturing and supportive cultural framework for the city.” Several Councillors emphasized the need to move quickly.

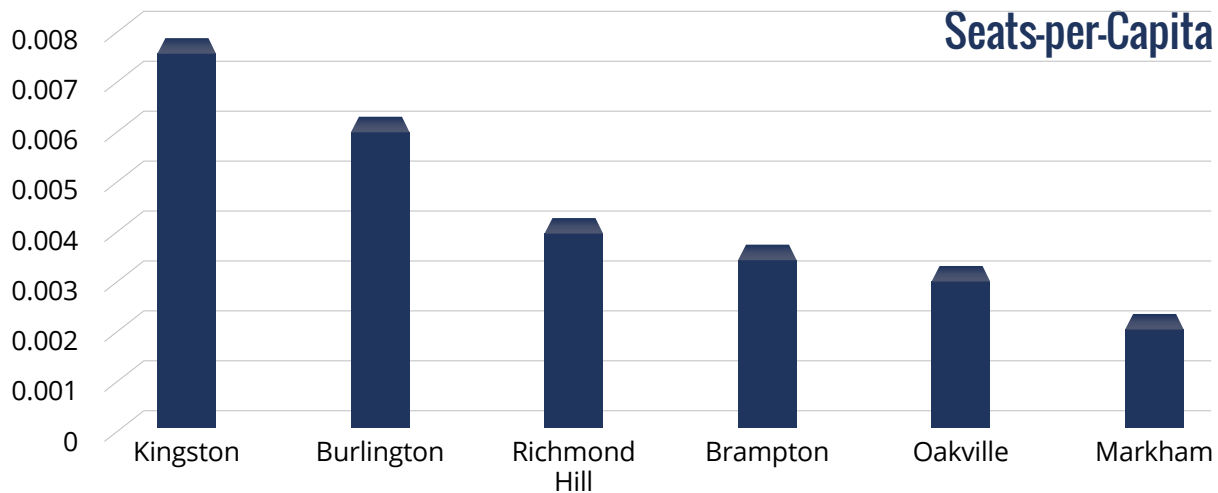
While the Flato Markham Theatre has a significant head start over its competitors, it seems likely that larger, state-of-the-art performing arts facilities may be built in the region in the coming years. Newer facilities could have a major competitive advantage over the Flato Markham Theatre.

Market Capacity

The total number of theatre seats available within the Flato Markham Theatre market catchment area is 4,064. This number is within a market catchment population of more than 1.5 million people within the primary and secondary markets within 20 kilometres.

For comparison by seats per capita in the GTA, Markham is by far the lowest in the GTA:

Municipality	Seats per Capita
Kingston	0.0070 seats per capita
Burlington	0.0053 seats per capita
Richmond Hill	0.0034 seats per capita
Brampton	0.0030 seats per capita
Oakville	0.0026 seats per capita
Markham	0.0017 seats per capita



With a primary market in excess of 300,000, there is more than an ample market base for a theatre seating 527. For example, the 775-seat Grand Theatre in Kingston has a population base of only 123,000 and the 730-seat Burlington Performing Arts Centre has a population base of 175,000.

Strengths in the Primary Market

Using household income as an indicator of potential attendance, Markham scores very high with over 54% of households have an income in excess of \$80K, 42% over \$100K, and 21% over \$150k. Over 33% of the market has a University Degree compared to 27% nationally and over 55% have a University degree or college diploma. A combination of higher wealth and education are positive indicators of higher attendance at cultural events.

Observation

There would appear to be plenty of capacity within the Flato Markham Theatre's market to support a 527-seat theatre. In fact, it would be easy to make the argument that the market could support a larger multi-theatre venue, especially given the growth in the market and the time frame needed to plan and build such a venue.

DIVERSITY AND DEMOGRAPHICS

Markham is recognized as Canada's most diverse City, with over 72% of the population being visible minorities. The largest diverse community is Chinese at 38% of the total populations, followed by the South Asian population at 19%, with 40% list English as their mother tongue. The Non Visible Minority represents 28% of the population (2011 Census).

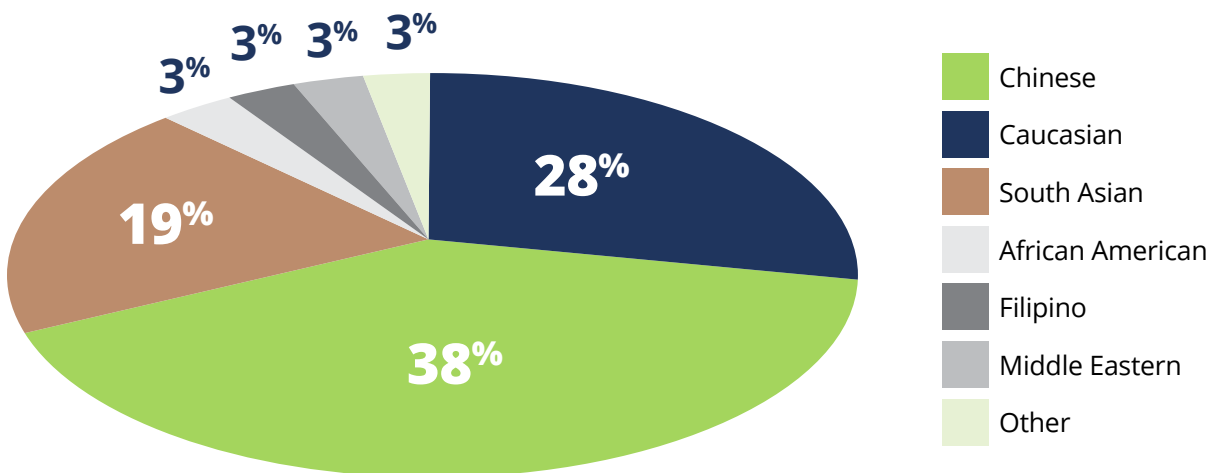
Demographics

Total Markham Population 2011 **300,140** **100%**

Non Visible Minority 83,040 28%

Visible Minorities

Chinese	114,950	38%
South Asian	57,375	19%
Black	9,715	3%
Filipino	9,020	3%
West Asian/Middle East	6,185	2%
Arab	3,400	1%
Korean	3,160	1%
South East Asia	2,750	1%
Latin America	1,600	1%
Japanese	1,145	0%



The level of awareness of the diverse nature of Markham is reflected in their Culture Plan, Markham Diversity Action Plan, the 2015-2019 Strategic Plan "Building Markham's Future Together", and the Integrated Leisure Master Plan. *The need for program equity was seen as an opportunity for community development and creating greater social cohesion.*

The Markham Culture Plan "Vision for the Future" says "Markham will continue to lead GTA edge cities in cultural participation and engagement as a place where people can come together to share and celebrate the rich diversity of cultural expression and experience that is unique to Markham."

All the performing arts centres in the GTA are being challenged to develop a program that more accurately reflects their community's diversity. It would be incorrect to assume that diverse communities are only interested in their own culture. For example, there is a significant interest in classical western music within the Asian community, and second and third generation visible minorities may be more fully integrated into the popular mainstream arts and entertainment.

However, recent research suggests that the desire for integration into mainstream cultural activities is counter-balanced to a considerable degree by a desire for some heritage retention among second-generation Chinese Youth. When asked "How do you feel about your Chinese heritage," over 50% of all respondents actually used the same word "proud" to describe their feelings about their heritage. They used words such as, "proud to be who I am because it adds another dimension to who I am," "proud because it defines who I am," "proud because of the

culture, art, and moral teachings," "proud, and enjoy participating in celebrations and learning about it from my parents." (*ETHNIC IDENTITY AND SEGMENTED ASSIMILATION AMONG SECOND-GENERATION CHINESE YOUTH*, Harry H. Hiller & Verna Chow)

It is clear that the presentation of programming that reflects the diversity of Markham is critical to several generations of immigrants in establishing and celebrating their cultural roots. It could also be of interest to the "non-visible minority" in understanding the rich culture of their neighbours and fellow citizens.

Four of the top 10 most diverse cities in Canada, as a percentage of population, including Markham, Brampton, Richmond Hill and Mississauga, lie along the 407 corridor. The temptation to program almost exclusively to the non-visible minorities in these communities can be overwhelming. Presenters are familiar with these markets, their likes and dislikes, as well as how to effectively market to them. There is a long history in Markham of successfully appealing to this market. Indeed, almost all of the presenting industry is set to serve this market.

Programming to a more diverse audience is much more of a challenge. Lack of artistic knowledge, audience preferences, and communication channels on the part of the presenter are a barrier. Artists may not be found through the trusted and familiar mechanisms and relationships with artist managements and partnering with other presenters is a challenge. Risk financing will be necessary as the presenter builds networks to find work and build audiences for more diverse programming.

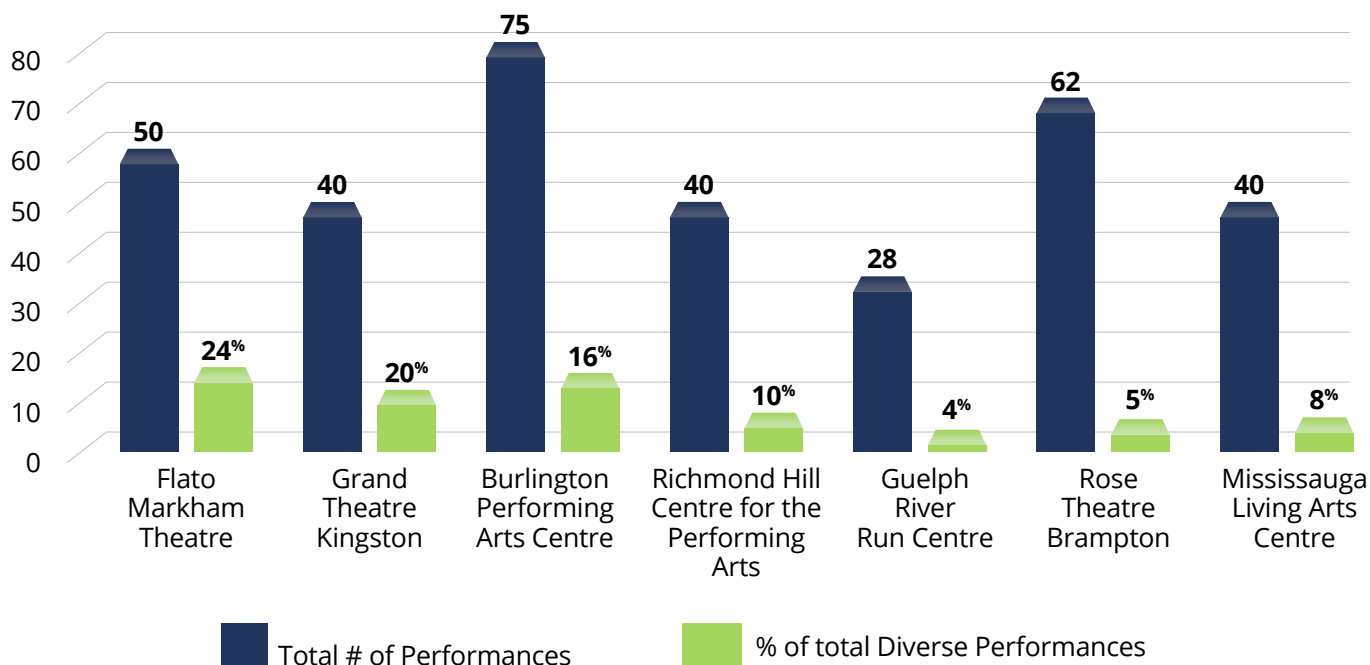
In comparing the diversity of programming in their respective “Presenting Season”, it is apparent that many of the performing arts centres in the top 10 most diverse cities in Canada program little that is specifically targeted at their diverse communities. The end result is that these facilities are overly dependent on their shrinking “non-visible minority” communities to support the vast majority of their programming.

Even taking the broadest definition of diversity, most venues are clearly not targeting their diverse communities. It is somewhat ironic that Burlington and Kingston, with the lowest percentage of diversity, have some of the highest programming targeted to diverse communities.

2016/2017 Presenting Season

Theatre	Total # of Performances	% of Total Diverse Performances	Shows
Flato Markham Theatre	50	24%	Jane Bunnett & Maqueque, Forever Tango, Hiromi, Shanghai Acrobats, Sampradaya, Maceo Parker, KasheDance, Shaun Majumder, Balé Folclórico de Bahia, Shanghai Dance Theatre, Immortal Chi
Grand Theatre Kingston	40	20%	Gypsy Sound Revolution, Maceo Parker, Los Lobos, Ladysmith Black Mambazo, Balé Folclórico de Bahia, Kaha:wi, Immortal Chi, Tanya Tagaq
Burlington Performing Arts Centre	75	16%	Crystal Shauwanda, Jane Bunnett & Maqueque, Forever Tango, Shanghai Acrobats, Maceo Parker, Los Lobos, Stewart Goodyear, African Guitar Summit, Balé Folclórico de Bahia, Eliana Cuevas, Kaha:wi, Shaolin Warriors
Richmond Hill Centre for the Performing Arts	40	10%	Los Lobos, Kaha:wi, Jackie Richardson, Tariq Harb
Guelph River Run Centre	28	4%	Shaun Majumder
Rose Theatre Brampton	62	5%	Shaun Majumder, Gypsy Sound Machine, Jarvis Church & Divine Brown
Mississauga Living Arts Centre	40	8%	Shaun Majumder, Barrio Flamenco, Kite Runner

2016/2017 Season Performances



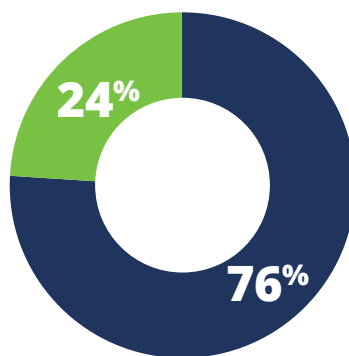
Total # of Performances at FMT

School Matinees
and Every Child, Every Year

19

Diamond Series

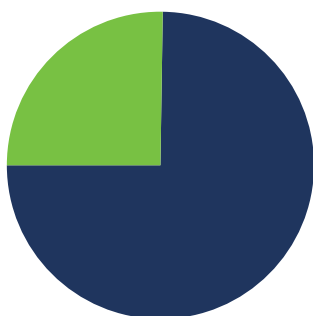
60



Diamond Series

of Diverse
Performances

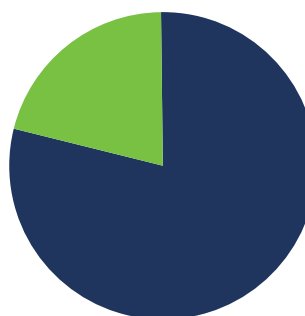
25%



School Matinees and Every Child, Every Year

of Diverse
Performances

21%



It is clear that the Flato Markham Theatre has developed one of the more diverse offerings among their aspirational peer venues. While much of this programming can be targeted at the broader community as well as specific diverse communities, Markham is clearly a leader in this area. Their initiative in presenting Sampradaya, KasheDance, and Shanghai Dance Theatre in the 2016/17 season are good examples of taking risks to meet diversity goals and audience development objectives.

However, if one looks at the diversity issue through the lenses of equity, with only three programs targeted at the Chinese Community who make up 38% of the market, there is clearly room for growth and development.

Recommendation

That a fund be established to support the commissioning of new work from nationally recognized diverse performing arts organizations for performance at the Flato Markham Theatre, and that the Theatre Manager take the leadership in working with other presenters in Ontario and with Ontario Presents Block Booking process to help build tours for these artists. Special relationships should be developed between the Theatre Manager with internationally recognized performing groups from China, Hong Kong, Taiwan and India to develop touring opportunities to Markham and to North America.

Staffing Diversity

It is critical that the Flato Markham Theatre make efforts to diversify its staff to better reflect the diverse nature of their community. While it may take

some time to diversify the full time staff, efforts should be made to diversify the part time front of house and box office staff. Since this is the staff that the customer is more likely to encounter while attending performances, a significant impact could be made in a short period of time.

Engaging with community groups and building relationships with organizations within the community could help identify perspective employees. Since front of house staff require only minimal training, diversifying this group of employees could be relatively straight forward. Having employees with language skills in Mandarin or Cantonese would also be an asset.

As stated in the Markham Diversity Action Plan, "The Familiarity Factor: Our focus groups told us that new immigrant seniors are more likely to attend programs if there is a dedicated staff member from their community who looks as they do and can speak the same language."

The Flato Markham Theatre, and by extension the City of Markham, can be a leader in the field in Canada by creating a program that truly reflects the community's diversity and innovation.

SITUATION ANALYSIS

Strengths

- Audience survey responses indicate a high level of satisfaction with performances presented by the Theatre
- The Flato Markham Theatre is perceived as a major asset to the community and is recognized by Council and Senior City staff as a successful organization that provides excellent return on municipal investment
- The Flato Markham Theatre has developed one of the more culturally diverse offerings among their peer regional venues
- Ticket sales for the Professional Entertainment Series and Discovery program have increased from \$592,971 to \$1,193,493, or 101%
- Contributed income (fundraising) has increased from \$115,062 to \$372,578 or 224%
- The Flato Markham Theatre delivers tremendous value for money with the lowest level of City support compared to peer venues in the region
- The Flato Markham Theatre has one of the highest utilization rates compared to peer venues in the region with over 340 days of use; This high utilization rate is being achieved with only one theatre space, compared to 2-3 rental spaces in comparative venues
- The Professional Entertainment Series (Diamond Series) program is recognized as one of the best in the municipally supported programs in Ontario, presenting well-known national and international artists as well as a willingness to take artistic risks with new and emerging artists
- The Discovery Series and summer camp program are regional leaders in offering opportunities for youth to participate in the performing arts
- There would appear to be plenty of capacity within the Flato Markham Theatre's market to support a 527-seat theatre. In fact, it would be easy to make the argument that the market could support a larger multi-theatre venue, especially given the growth in the market and the time frame needed to plan and build such a venue

Challenges

- The Flato Markham Theatre is now over 30 years old and lacks many of the amenities necessary for a truly first-class audience experience
- The lack of a fly tower limits the type of performances possible, or doesn't allow a performance to be experienced at full production impact
- With just 527 seats, performance revenues are limited and therefore the type of performers the theatre can attract are limited by the ticket revenue potential

- The Flato Markham Theatre is located in a district made up of a municipal building and a high school and is somewhat remote from the Markham downtown and does not lend itself to creating a vibrant urban lifestyle and limits the positive economic impact that a better located facility would have
- It seems likely that larger, state-of-the-art performing arts facilities may be built in the region in the coming years and newer facilities could have a major competitive advantage over the Flato Markham Theatre
- The Theatre is at a crossroads in its ability to meet the needs of the community; As the population of Markham has increased from approximately 60,000 to over 300,000 over the life span of the Theatre, the number of use days has reached the practical maximum days available
- Organizations that wish to use the Theatre have been turned away due to a lack of available rental dates
- As current users have priority to book dates for future years, new groups are unable to access the Theatre and find their ability to grow their organizations and audiences limited as a consequence
- For comparison by performing arts seats per capita in the GTA, Markham is by far the lowest in the GTA
- If one looks at the diversity issue through the lenses of equity, with only three programs targeted at the Chinese Community who make up 38% of the market, there is clearly room for growth and development
- The Flato Markham Theatre remains overly reliant of the “non-visible minority” market that is shrinking as a percentage of the total population of Markham
- The Theatre is unable to take the financial risks of bringing more interesting, challenging and diverse programming to the community
- Budgetary support from the City is inadequate to support the ambitions of the Theatre to grow audiences from diverse communities in Markham
- Economic pressures force the Theatre to give financial objectives priority over community development goals
- Staffing is inadequate to meet the increased demands of Theatre use; The Flato Markham Theatre also has multiple job responsibilities within a single position
- The ability to sustain the current level of activity, let alone grow the program will be severely limited by the current level of staffing
- While in its day the Markham Theatre for the Performing Arts was state-of-the-art and met the needs of the community, in the modern context, it cannot realistically be expected to meet the needs of a 21st century
- Markham is a diverse community that is approximately 5 times the population size of the early 80’s and recognized as the most diverse community in Canada

SWOT Analysis

Strengths

The Flato Markham Theatre has a hard working and dedicated staff and an experienced and knowledgeable General Manager. It is located within a large, affluent and educated market that is growing at a fast pace. It has a well-developed presenting program and strong demand for rental use from both commercial and community clients. The Theatre is growing its educational offerings as well as its arts camps with a positive market response. Financially the Theatre is providing real value to the City at a very low cost to tax payers.

Weaknesses

Seating capacity is limited in relation to the market size. The lack of a fly tower limits the Theatre's capability to support certain type of performances. Staffing is inadequate to meet the increased demands of Theatre use. Budgetary support from the City is inadequate to support the ambitions of the Theatre to grow audiences from diverse communities in Markham. Use of the Theatre has reached its maximum capacity.

Opportunities

The Flato Markham Theatre has the opportunity to take the lead in the Country in developing a program that more accurately reflects the current diversity of Canada. Through the commissioning of new work and taking the leadership in building touring opportunities, the Flato Markham Theatre could be recognized nationally and internationally as a leader in this area.

Threats

Due to lack of investment capacity, the Flato Markham Theatre remains overly reliant of the "non-visible minority" market that is shrinking as a percentage of the total population of Markham. Due to increased financial pressure from the City, the Theatre is unable to take the financial risks of bringing more interesting, challenging and diverse programming to the community. Economic pressures force the Theatre to give financial objectives priority over community development goals. Proposed new performing arts facilities in the region could pose a competitive challenge.

GOVERNANCE

Options For Operating Structure

City Department Model

The Flato Markham Theatre is currently operated as a department within Culture and Economic Development, with the Theatre's General Manager reporting directly to the Director of Culture and Economic Development.

Under this model, the City provides supporting resources including financial, human resources, and technology, as well as ongoing financial support. This model gives the City full control over the facility and final responsibility for financial performance. While this model is prevalent in Ontario, it is much less common in the rest of the country.

Arm's Length Model

More common in the rest of the country is the arm's length model. Examples in Ontario include The Burlington Performing Arts Centre, the Centre in the Square in Kitchener, the Thunder Bay Community Auditorium, and the Capitol Centre in North Bay Ontario. This model generally functions through a Memorandum of Understanding (MOU) between the municipality and a single purpose non-profit entity responsible for the management of the performing arts centre with the theatre's general manager reporting directly to a Board of Directors. Under this model, the City remains as the owner of the facility and is responsible for the physical entity.

Privatised Model

Several Canadian municipalities have explored the privatization of their performing arts facilities including, most recently Brampton and Vaughan, although none have been successful in implementing this model. Recently the City of Hamilton was successful in privatizing its arena and performing arts centre as one entity. However, it was the revenues generated by the arena that made it possible to operate the performing arts centre. The performing arts centre, the 1,800-seat Hamilton Place, has seen a significant drop in usage and has lost many of the local professional performing groups like Opera Hamilton and is generally unaffordable for amateur community groups. The lack of experienced facility operators for performing arts centres as well as the economics of live performance in smaller venues and municipalities make this model unrealistic.

Evolving Model

The Flato Markham Theatre appears to have an effective Advisory Board that has been helpful in fundraising and engaging with the community, as well as advising on operational and programming issues. While the Theatre has been very effective growing its fundraising, both in sponsorship and individual giving, with the number of head offices in the community, there should be room for significant additional growth.

As a first step, an arms-length Foundation might be a more effective mechanism to grow the fundraising. Individuals and corporations might be more willing to give to an arms-length Foundation than the City, who they may perceive they already support through their taxes. Many Foundations and Governments funding bodies do not fund municipalities, but would fund an arms-length charity. Additionally, as an incorporated entity, the Foundation could have the option of employing a full time development manager, where the City might not be prepared to make that investment. A Foundation could also create endowment funds to support specific programming initiatives.

As the arms-length foundation gains the experience of this more enhanced role, and the City becomes more comfortable with this model, an evolution to a full arms-length governance model could become a realistic possibility.

Recommendation

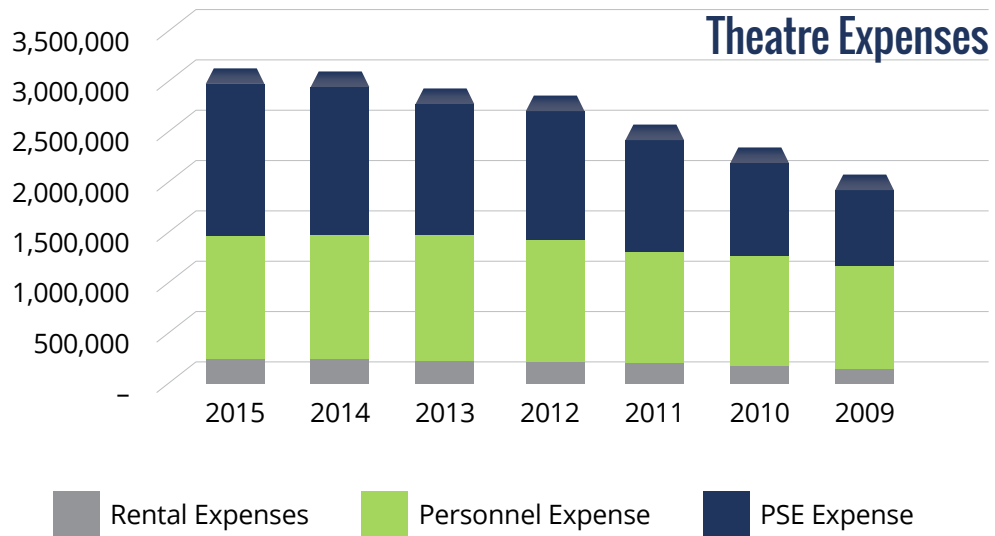
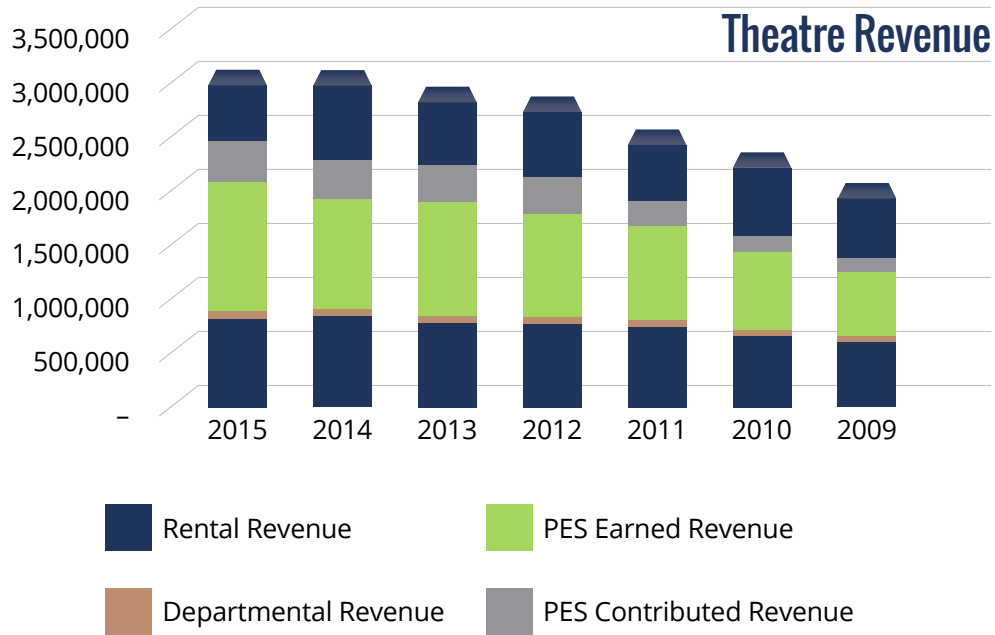
The Theatre Advisory Board, in cooperation with the City, to look into the option of incorporating as a charitable Foundation.

FLATO MARKHAM THEATRE BUDGET OVERVIEW

Observations on the Budget

The past seven years have seen significant positive growth in the budget of the Flato Markham Theatre. Theatre rental revenues have increased by 36% or \$218,460, and net revenue for rentals are up 30% or \$138,127 since 2009. Ticket sales for the Professional Entertainment Series have increased from \$592,971 to \$1,193,493, or 101%. Contributed income (fundraising) has increased from \$115,062 to \$372,578 or 224%. Expenses for the Professional Entertainment Series have correspondingly increased from \$805,643 to \$1,561,222, leaving a net revenue increase of \$102,459 or 105% for the Professional Entertainment Series. Departmental expenses have increased from \$960,855 to \$1,163,862 or 21%. The City investment has fluctuated from a high of \$711,007 in 2014 to a low of \$564,814 in 2015.

However, much of the significant growth occurred between 2009 and 2011. As potential “use days” have reached their maximum in 2012 and clearly levelled off over the past 4 years, growth has plateaued. The only recent significant growth has been in earned income in the Professional Entertainment Series between 2014 and 2015. The 2015 year was a good year for most presenting programs in the province, and it may be unrealistic to expect to sustain this level of revenues over expenses in the Professional Entertainment Series in future years.

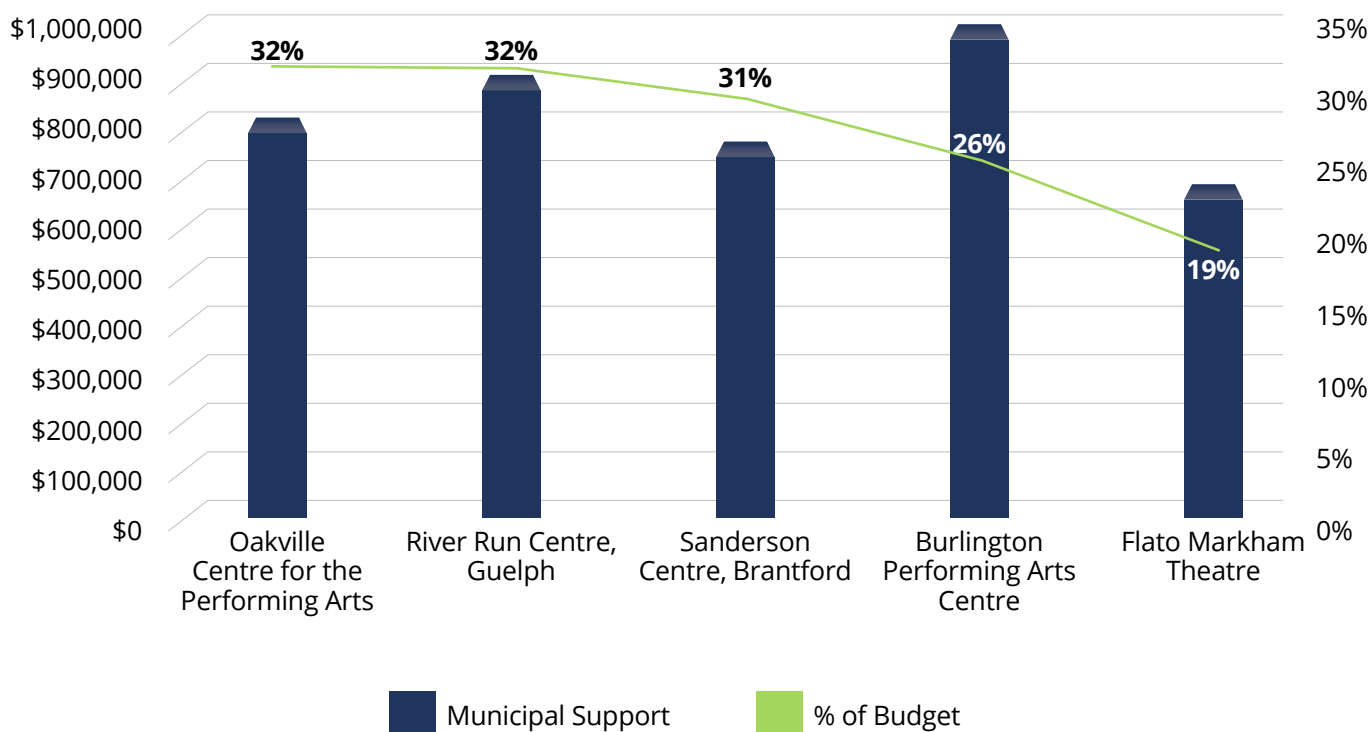


Investment by The Municipality*

Theatre	Revenues	Expenses	Municipal Support	% of Budget	Notes
Flato Markham Theatre	\$2,454,584	3,019,398	\$564,814	19%	City provides support in accounting, IT, Human Resources, snow removal, grounds maintenance
Burlington Performing Arts Centre	\$2,707,010	\$3,659,171	\$952,161	26%	Stand alone, non-profit organization must pay for all building, grounds, snow removal, building maintenance, annual audit, downtown parking levy, etc.
Oakville Centre for the Performing Arts	\$1,587,421	\$2,333,421	\$746,000	32%	City provides support in accounting, IT, Human Resources, snow removal, grounds maintenance, building maintenance, professional development, and some marketing support
Sanderson Centre, Brantford	1,503,291	\$2,180,267	\$676,976	31%	City provides support in accounting, IT, Human Resources, building maintenance. No grounds or snow removal expenses
River Run Centre, Guelph	\$1,771,200	\$2,601,405	\$830,205	32%	City provides support in accounting, IT, Human Resources, building maintenance

* Based on the availability of data

Investment by Municipality



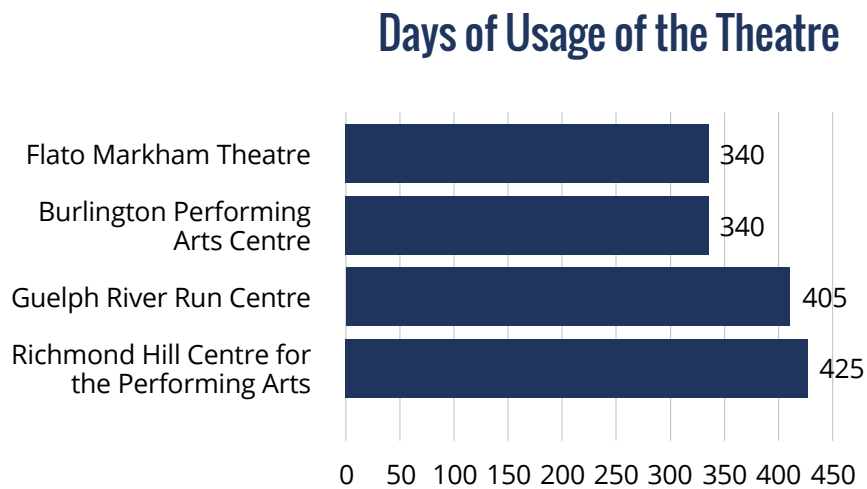
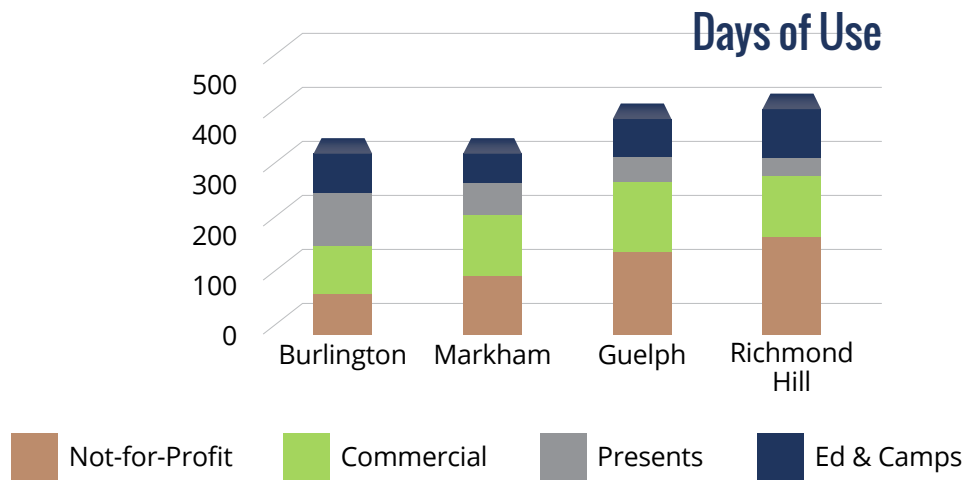
While it is difficult to get an “apples to apples” comparison, it is clear that the City of Markham has the lowest percentage of City support compared to peer venues in the area. However, it should be noted that in 2014 City support was \$711,007, equalling 24% of expenses and that the seven-year average has been around 24%. Some additional municipal support would still leave the Flato Markham Theatre at the lower end of municipal support in the region.

FLATO MARKHAM THEATRE UTILIZATION - 2015 CALENDAR YEAR

The Flato Markham Theatre is very heavily used and is, for all intents and purposes, at capacity. The Theatre has turned away over 100 potential rentals due to the lack of available dates. Taking into consideration little demand for dates in early September, late December and early January, and summer camp usage in July and August, there are literally no dates available.

Comparison to Peer Venues in Southern Ontario 2015 Season

Theatre	Large Theatre	Small Theatre	Lobby	Education Programs	Camps & Engagement	Total
Flato Markham Theatre (only has one theatre space in the venue)						
Not-for-Profit	111	0	0			111
Commercial	114	0	0			114
Presents	60	0	0			60
Education & Camps				17	38	55
Total	285	0	0	17	38	340
Guelph River Run Centre						
Not-for-Profit	42	61	14		40	157
Commercial	73	50	07			130
Presents	21	22	05		0	48
Education & Camps				56	14	70
Total	136	187	26	56	40	405
Burlington Performing Arts Centre						
Not-for-Profit	33	32	12			77
Commercial	55	28	9			92
Presents	45	53	0			98
Education & Camps				13	60	93
Total	133	113	21	13	60	340
Richmond Hill Centre for the Performing Arts						
Not-for-Profit	146	37	0			183
Commercial	99	16	0			115
Presents	27	06	0			33
Education & Camps				30	64	94
Total	272	59	0	30	64	425



Observation

It is always difficult to get an “apples-to-apples” comparison as every venue seems to count their usage in different ways. However, the four venues compared have a very high utilization rate ranging from 340 days of use in Markham to 425 days of use in Richmond Hill. High utilization is one sign of success but cannot be an end in itself if the mission of the organization and community development needs are not being met.

What is remarkable about the Flato Markham Theatre is that this high utilization rate is being achieved with only one theatre space compared to 2-3 rental spaces in the comparative venues. This high utilization rate in only one space will put a significant amount of wear and tear on the building and equipment and increase capital expenditures in the long run.

Theatre rental use has been driven by historic use where the previous year’s renters have the first opportunity to book similar dates for the following year. With the lack of rental dates available, this could result in stagnation of the development of local performing organizations and prove difficult to meet the organizational mission and community development needs.

Recommendation

It is recommended that the Flato Markham Theatre look at curating their rentals through the development of a rental policy that articulates programming and community development priorities and that potential rentals be evaluated against the policy priorities.

OVERVIEW OF PROGRAM OFFERINGS

Flato Markham Theatre Presentations - Diamond Series (Professional Entertainment Series) (PES)

PES Summary

The Flato Markham Theatre presents approximately 50 productions annually with a total of 60 performances, due to multiple performances of some productions. Productions are organized by genre with series names of Special Attractions, World Stage, Totally Classical, All That Jazz, Great Canadian Performers, Fabulous Footwork, Nostalgia, Family Fun, and Classics Rock.

Productions offer a good mix of market based programming and more risky arts oriented programming. The program is recognized as one of the best in the municipally supported programs in Ontario, presenting well-known national as well as international artists. The seating capacity is a limiting factor on the type of artist's fees the venue can pay, and thus limits the choice of artists the venue can present. Additionally, the venue limitation of no fly tower precludes the presentation of some performances, or prevents the

optimal performance experience for the audience. Limited technical set up time in the theatre, due to time constraints, has also negatively impacted the optimum performance by the artists.

The Diamond Series would appear to be at its maximum number due to lack of availability of dates in the Theatre and the capacity of the staff to manage the additional marketing and production demands that a large presenting season poses for staff. Programming 50 productions per year as well as the education program is also very demanding of the General Manager's time.

The lack of programming for Millennials has also been identified as a potential issue. Most programming that is of interest to Millennials operates on a much shorter lead time than other programming. It is doubtful that it makes sense for the Theatre to hold back dates for that type of potential presentation when the demand for dates is already so intense. That being said, there is interest from similar types of venues in Ontario, to program performances targeting Millennials that are not part of their regular season presentations. It is possible that some of the shows might fall into an open date at the Flato Markham Theatre.

Observation

While the Flato Markham Theatre offers more programming targeted to the

diverse communities than any other municipal performing arts centres in the region, expansion of this type of programming will be necessary to truly serve all of the citizens of Markham and build the audiences of the future.

Recommendation

The Flato Markham Theatre should develop an endowment fund from municipal, corporate and individual sources to support the expansion of programming targeting diverse communities in Markham.

Discovery Series

The Discovery Series has two components, School Matinees and Every Child, Every Year. School Matinees are generally performers that are already scheduled for evening performances from the Professional Entertainment Series and then held over for an additional school performance during the day. There are usually three productions in the School Matinee Series and a student is charged \$10 per ticket.

Every Child, Every Year is a free program offered to all Grades 1-3 in the City of Markham. There are generally three productions with 4-6 performances of each production. This program is modelled after the Linamar for the Performing Arts program in Guelph at the River Run Centre which presents 56 free performances to every child in Grades 1-8 every year.

Observation

If the long-term goal is to expand the Every Child, Every Year program to all primary grades, it will have a significant impact on available rental dates.

The decision to expand the program must be guided by the overall mission and objectives of the Flato Markham Theatre.

Recommendation

That the Flato Markham Theatre create an Endowment Fund to support the long term development of the Every Child, Every Year program and develop a plan to expand the current program over the next five years.

The New Presentation Model

Performing Arts Centres in a municipally supported environment have a unique mandate of community cultural development that is different from facilities that are run by the private sector, or Universities, or managed by non-profit producing organizations that are often the facilities' major users. Municipal performing arts centres play many roles. They are a venue, a presenter, a cultural developer, an educator, a public place, and a builder of community social equity.

On any given day they host and present artists and performing arts companies from across Canada and the world, collaborate with local artists and companies, introduce children to their first experiences with the arts, create moments of context that bridge the space between artist and audience, and all the while ensure the centre remains healthy, sustainable and dynamic.

Many municipal performing arts centres now fulfill the role of cultural developer in their communities, curating and developing presenting seasons of touring professional performers that

bring cultural offerings not met either by commercial rentals or local performing groups.

As the field of presenting professional touring artists has matured and developed in sophistication, the presenting programs of many municipally supported performing arts centres are moving away from the old model of a transactional, profit-focused programming and moving toward mission-driven, curated programming aimed at supporting important artistic work and community cultural development.

Demographic, technological and lifestyle changes over the past 20 years has made the transactional model of presenting less and less viable in theatre across North America, and many theatres are looking at new models of presenting. Canadian demographics are evolving in such a way as to make the demographic make-up of our communities unique. "Off the shelf" buying of performances in an industry dominated by the U.S., will no longer meet the evolving needs

of our Canadian communities. New models of partnership, commissioning and collaboration will be necessary to meet future needs.

Review of Programming In Ontario Theatres

Survey of Programming at Comparable Municipal Theatres

In order to put Flato Markham Theatre's presentations into an industry context, the review surveyed the season "presenting" programs offerings at six comparable Ontario municipal performing arts centres; Richmond Hill Centre for the Performing Arts, The Burlington Performing Arts Centre, Kingston Grand Theatre, Guelph's River Run Centre, Brampton's Rose Theatre and Mississauga's Living Arts Centre. "Presenting" programs are where the theatre selects the artists, pays all the artist fees, marketing and production costs and retains all ticketing revenues, thus taking on all financial risks.

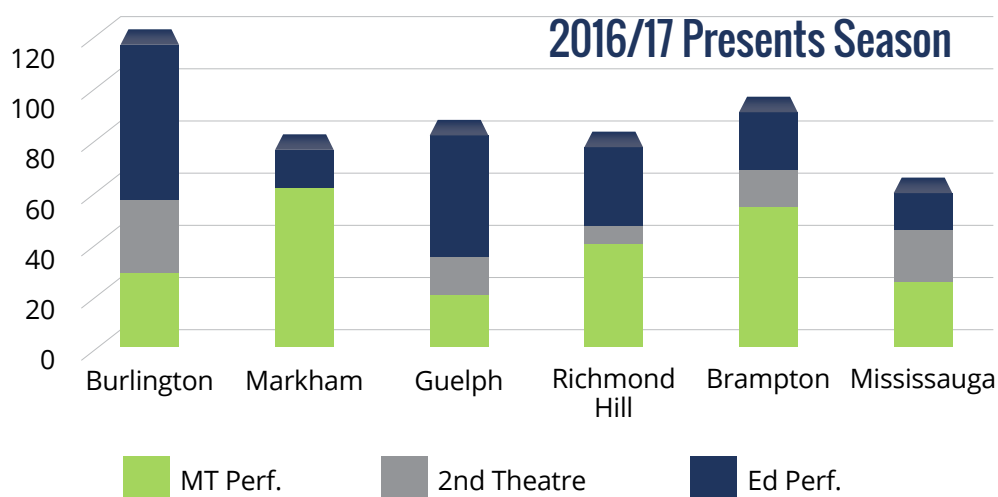
Seating Capacities

Community	Population 2011 Census	Theatre Name	Theatre 1 Seating Capacity	Theatre 2 Seating Capacity
Markham	301,700	Flato Markham Theatre	527	0
Burlington	175,800	The Burlington Performing Arts Centre	730	200
Kingston	123,400	Grand Theatre	775	90
Richmond Hill	185,500	Richmond Hill Centre for the Performing Arts	631	150
Guelph	121,700	River Run Centre	785	300
Brampton	523,900	Rose Theatre	870	150
Mississauga	713,400	Living Arts Centre	1,315	310

The Professional Presenting Program 2016/17 Season

55

2016 - 2017 Season	Large Theatre # Prod.	Large Theatre # Perf.	Small Theatre # Prod.	Small Theatre # Perf.	Education # of Prod.	Education # of Perf.	Total # Prod.	Total # Perf.
Flato Markham Theatre	50	60	0	0	6	17	56	77
Kingston Grand Theatre	38	38	2	12	6	6	46	56
Burlington Performing Arts Centre	51	56	24	39	11	22	86	117
Richmond Hill Centre for the Performing Arts	34	40	6	6	13	32	47	78
River Run Centre Guelph	20	20	8	14	8	56	36	90
Rose Theatre Brampton	49	53	13	14	13	24	75	91
Mississauga Living Arts Centre	23	25	17	19	6	16	46	60



The balance of programming between large theatre/small theatre and public programs/education programs has a significant impact on operational departments. With only the one large theatre, the Flato Markham Theatre has the most large theatre programs to present compared to its peer venues.

Programming in the small theatre spaces would impact operational departments like marketing, box office, front of house and production much less than a large theatre production. Education performances tend

to be multiple performances of the same production. For example, the River Run Centre in Guelph presents eight different productions in their education program, but presents each production up to 7 times, lowering the impact on production staff. Also, tickets are free, negating the need for extensive marketing efforts, and box office. Additionally, the impact on the General Manager's time is much greater to program, schedule and contract 50 large theatre productions.

STAFFING LEVELS

Staffing	Burlington Performing Arts Centre	Flato Markham Theatre	Guelph River Run Centre	Richmond Hill Centre for the Performing Arts	Grand Theatre Kingston
Executive Director/ General Manager/ Theatre Manager/ Facility	1	1	1	1	1
Executive Assistant/ Administrative Assistant/Assistant	1	1	0	1	0.75
Manager of Operations/ Production Supervisor	1	1	1	0	1
Programming/ Performing Arts Manager	.5	0	0	0	1
Development/ Sponsorship	.5	0	0.5	1	0.5
Patron and Client Services/Front of House Manager/Event Services	1	1	1	1	1
Audience Services Associate/Front of House Coordinator/Volunteer	0.5	0	1.5	0	0.5
Marketing Manager	.5	1	0.5	1	1
Marketing Coordinator/ Communications/ Assistant	2	1	1	2	1
Rental Manager/ Bookings Associate	1	1	0	0	0
Technical Supervisor/ Production	1	0	1	1	1
Accountant/Analyst/ Finance Clerk/Business Co-ordinator	.75	0	0	1	0.75
Education/Outreach/ Engagement/Discovery	.75	0	0	1	1
Box Office Manager/ Box Office Supervisor/ Coordinator	1	0	1	1	1
Box Office Assistant/ Clerk		1			1
Technical Staff	3	2	3	0 - PT	2
Total Staff	15.5	10	11.5	11	14.5

It is difficult to get an “apples to apples” comparison on staffing levels. For example, Richmond Hill has no technical staff listed but obviously this must be filled by part-time staff on a seasonal basis and would employ a number equivalent to the 3 full time staff employed by others. Also, the pattern of use has a large impact on staffing levels. The 56 school performances at the River Run Centre have a much lower impact on staffing than 56 individual rentals of the large theatre space of the Flato Markham Theatre.

Communities that are older and more remote from Toronto have a longer history of local performing groups who take a large number of rental dates in the venue compared with the newer suburbs where the performances tend to be all individual “one-offs” with far greater impact administratively, managing contracts and billings, constant production changes, and more performances and fewer rehearsals.

For example, the “small theatre” usage in Guelph is very high, yet the Symphony has 26 days of rehearsal time, Guelph Dance 20 days, including 10 days of dance camp, and Royal City Musical Productions has 9 days of use. Administering 3 contracts is far simpler than 55 individual contracts.

As well, rehearsals and dance camps have minimal impact on production and Front of House staff and no impact on marketing and box office. Compare that with approximately 170 distinct groups that the Flato Markham Theatre has to work with and one can see the much greater staff impact in all areas.

The Flato Markham Theatre also has multiple job responsibilities within a single position. For example, the General Manager is responsible for programming, fundraising and general management of the organization. The Theatre would appear to be heavily dependent on this one position, leaving them vulnerable to a staff change.

As well, a single employee, the Client

Services Manager, oversees both the Box Office and Front of House, a heavy load of responsibility and brings into question the level of equal expertise in both areas of responsibilities. This could result in a long term impact on data and customer data management negatively impacting marketing and fundraising capabilities and potential.

The Business Coordinator has responsibilities for administration, finance, human resources and assisting in fundraising as well as general project support for the General Manager.

Observation

The ability to sustain the current level of activity, let alone grow the program will be severely limited by the current level of staffing.

Recommendation

The Flato Markham Theatre look to hire a full-time fundraiser or contract a consultant, to grow the organizations capacity to raise additional funds from individuals, corporations, foundations and other levels of Government. If a Foundation is established, perhaps the Fundraiser could be an employee/contractor of the Foundation if the City is reluctant to hire an FTE.

The Flato Markham Theatre review their current box office staffing to ensure that they have the level of expertise needed to support future growth in marketing and fundraising initiatives. If the current level of expertise is not adequate to support future growth, a Box Office Supervisor or Manager should be added to the staff. The Flato Markham Theatre should consider having the box office reporting to the Marketing Manager to better coordinate between marketing department and box office. The Flato Markham Theatre should develop a succession plan for the General Manager especially to develop a strategy to maintain the high level of programming in the PES series.

THE FLATO MARKHAM THEATRE FACILITY

In the late 1970s when some visionary citizens started the process that would result in the construction of what would become the Flato Markham Theatre, Markham was a community of approximately 60,000 citizens, the majority of German, Irish, Scottish and English decent. Diverse populations were a small percentage of the total community. Some of the organizations in the Town who lobbied Town Council for the building of the theatre included Markham Concert Band, Markham Little Theatre and Markham Men of Harmony.

The then Markham Theatre for the Performing Arts was, along with the Oakville Centre for the Performing Arts, one of the first suburban performing arts facilities in the Greater Toronto Area (GTA). When it initially opened, the theatre was expected to operate with a staff of four and be used for about 100 days a year. Over the past 30 plus years, the staff has grown to eleven people and in 2015, there were over 340 uses of the theatre with over 130,000 people coming through the doors.

While in its day the Markham Theatre for the Performing Arts was state-of-the-art and met the needs of the community, in the modern context it cannot realistically be expected to meet the needs of a 21st century, diverse community that is approximately 5 times the population size of the early 80's and recognized as the most diverse community in Canada.

In the past few years, new venues have been constructed in Brampton, Richmond Hill, Burlington, and St. Catharines that provide the audience and performers amenities that surpass the earlier venues in Markham and Oakville. The City of Oakville is currently in the feasibility study phase for a new performing arts facility, as are the City of Vaughan, Pickering and Whitby.

The Flato Markham Theatre is over 30 years old and lacks many of the amenities necessary for a truly first class audience experience. The lack of a fly tower limits the type of performances possible, or doesn't allow a performance to be experienced at full production impact. The facility has cramped lobby spaces and inadequate office and storage spaces.

The Flato Markham Theatre is very heavily used and is, for all intents and purposes, at capacity. The Theatre has turned away over 100 potential rentals due to the lack of available dates. The lack of a second, smaller space not only limits the dates available for use, but limits the use of the 527-seat theatre to groups that can fill that size venue. This inhibits the growth of emerging arts groups that could develop and grow in a smaller venue.

With just 527 seats, performances revenues are limited and therefore the type of performers the theatre can attract limited by the ticket revenue

potential. Additionally, due to these limitations, the theatre is not as attractive to potential commercial renters.

With a primary market in excess of 300,000, there is more than ample market base for a theatre seating closer to 800-1,000 as well as a smaller black box type venue seating 175-250. For example, the 775-seat Grand Theatre in Kingston has a population base of only 123,000 and the 730-seat and 160-seat Burlington Performing Arts Centre has a population base of 175,000.

The Flato Markham Theatre is located in a district made up of a municipal building and a high school and is somewhat remote from the Markham downtown and does not lend itself to creating a vibrant urban lifestyle and limits the positive economic impact that a better located facility would have. A viable option for a new performing arts centre could be the new downtown currently under development by The Remington Group.

In their marketing materials the developer states, "Markham downtown is positioned to become the epicenter of Markham – a world class community located a short distance from Canada's economic engine, Toronto. With globally competitive companies, new infrastructure, attractive amenities, convenient transportation links, exploding population, and a highly educated workforce, Downtown

Markham will be the leading shopping and entertainment address in the Greater Toronto Area (GTA) by 2015." A new performing arts facility could be a welcome addition to this vision for Markham.

York University Markham Centre Campus

Planning is currently underway for a new York University campus in Markham. Programs that will be located at the Markham campus of particular interest to this strategic plan will be a Bachelor of Arts including Games & New Entertainment Media, Interactive Information Design and Digital Cultures & Creative Industries.

The City of St. Catharines and Brock University have developed a model that could help form a potential relationship between York University and the City of Markham. The recently opened Marilyn I Walker School of Fine and Performing Arts at Brock University and FirstOntario Performing Arts Centre have a unique relationship that gives the University priority of using two of the four venues at the FirstOntario Performing Arts Centre. The University has access to two state-of-the-art venues and the FirstOntario Performing Arts Centre receives over \$750,000 in annual support for the next 10 years from Brock.



As part of a feasibility study for a new performing arts facility, the City of Markham should examine the possibility of incorporating a facility within the performing arts centre that could meet the technological needs of York University's media program and additionally meet the needs of local artists using cutting edge technology in their work. This could position Markham at the leading edge of the convergence of performing arts and technology, a natural development for a community with so many leading technology companies. It would also position a new performing arts centre in Markham as a unique facility within the GTA and the country.

Observation

In planning for the needs of cultural facilities, communities try and plan based on the projected needs of the community twenty years in the future. With the necessary planning horizons and fundraising needs, a five-year planning process is generally the minimum necessary to develop feasibility studies, plan and begin to implement capital campaigns, and develop building plans etc. Added to that is a two-year construction time frame.

By 2031, the population of Markham is expected to be 421,600. What we know now is that the Flato Markham Theatre cannot meet the needs of the current market, let alone what that market will be in twenty years. This timing would also fit within the planning horizons of the new York University Markham campus. It would be prudent for the City or community leaders to begin to plan for those future needs.

Recommendation

The City of Markham carry out a Feasibility Study for a new performing arts facility. Work closely with York University to examine the feasibility of incorporating their needs into this study.

Vision for Flato Markham Theatre

Leader in Diversity and Innovation!

- By 2031, the population of Markham is expected to be 421,600
- What we know now is that today the Flato Markham Theatre cannot meet the needs of the current market, let alone what that market will be in five, ten or twenty years
- The timing of planning for the FMT's future needs should also align within the planning horizon of the York University Markham campus
- It would be prudent for the City of Markham and the Flato Markham Theatre community leaders to start the planning process now for those future needs
- Just like Markham officials did some 35 years ago when they planned and approved the construction of the current Flato Markham Theatre

THE BRAND REVIEW

For the purpose of this strategic plan development and brand review, we have conducted research with stakeholders, current patrons and rental clients to understand how they perceive the current brand, services, communications and brand interactions. The overall goal of the brand review is to strengthen the marketing opportunities for Flato Markham Theatre and to build stronger customer relationships. A number of recommendations have been incorporated as a result of this review, yet we hasten to recommend that annual surveys be conducted to keep the brand current, up-to-date and relevant. Marketing strategy, channels and tactics need to be adjusted based on current and changing consumer behaviour and adapted to marketing trends.

An effective brand review addresses where Flato Markham Theatre is and why, where Flato Markham Theatre should be, and how does Flato Markham Theatre get there. The following pages provide details on those points.

Situation Analysis

The current branding for the Flato Markham Theatre has been developed over time and has primarily followed a set of graphic standards that have been executed by the current graphic design company that has been on board for a number of years.

Since digital marketing was executed by a separate digital agency, some consistency was not evident. In addition, for the Flato Markham Theatre's presenting programming – Diamond Series, separate performance profile pages were created and were used to promote individual shows, without a direct correlation to the Season Brochure or the Flato Markham Theatre's web presence on the City of Markham website.

No formal brand guidelines seem to exist for the Flato Markham Theatre, that we are aware. If we compare Flato Markham Theatre's brand with other municipally owned performing arts venues, very few performing arts centres actually have or adhere to formal guidelines. They rely heavily on municipal communication departments, or in-house marketing resources, to manage any formal branding. It appears that management likes the idea of changing up the branding every year, and only the logo remains a constant icon in the brand strategy.

KEY ISSUES

Branding

Flato Developments, being the naming patron for the Markham Theatre, was not consulted when the current Flato Markham Theatre logo was developed. One of our recommendations will be to re-visit the current identity and to look at formalized brand guidelines, which will allow the Flato Markham Theatre to stand out from the cluttered performing arts centre market in their own catchment area.

Marketing & Outreach Channels

Based on the review of past marketing activities and annual budget, mass marketing advertising takes a prominent role in overall marketing. The disadvantage of using newspaper advertising is that no accurate tracking mechanism was in place to measure whether the advertising spending is effective; or would that budget be better off used on more targeted marketing approach. In addition, given the Flato Markham Theatre's efforts of trying to advertise to audience with diverse ethnic background, many newspaper, radio and TV outlets were engaged for marketing; however, it may further dilute the effectiveness by satisfying advertising frequency.

The Theatre employed digital marketing activities in recent years, however, the effectiveness of the digital marketing agency is questionable after reviewing the contract and activities.

Database Management

Flato Markham Theatre celebrated its 30th year anniversary in 2015. For operating over 30 years, one can expect that the Theatre possess a large amount of patron data that can be drawn upon for marketing the season annually. However, it seems the total patron database only represent a fraction of total visitors through the doors over the years. The ticketing software – TixHub has been used by the Theatre for 12 years; the ticketing system is used for patron information capture and depository, ticket order process (online or via box office), issuing tickets, ticket purchase details and history, etc.

The mailing information of patrons can be used for direct mail marketing or general mailing; the email addresses captured can be used for any e-marketing initiatives (with patrons' opt-in permission and consent). Our observation is that the Theatre could make much improvement in applying data mining practices to distill the business intelligence contained in the database and utilizing for targeted marketing efforts.

VISION PURPOSE GOAL

The Flato Markham Theatre's 2011-2015 strategic plan listed the vision as:

Live arts matter to all.

The Mission was then defined as:

To cultivate a vibrant Creative Community through live arts.

The goal for the brand review is not to revisit these statements, but through adherence of a proposed brand guidelines to have the communication elements deliver on the brand promise. For now, '**Live Arts Matters**' has been used as the brand promise.

Brand Vision

The Flato Markham Theatre has clearly demonstrated that through innovative and community oriented programming, it has carved out a niche in finding a special resonance with a loyal group of ticket buyers. In our patron survey, we were able to engage almost 800 ticket buyers, which indicate that the Theatre has a very loyal connection to their current patrons. This means that the brand does not need a wholesale change, but more of tweak instead.

Brand Identity & Assets

Here are a few options of the new brand identity for consideration:



The modern treatment of the new proposed brand identity positions the theatre's iconic name in a narrow red field. This closeness, between the text and the object, creates a sense of intimacy, which embodies the feeling of attending a performance at the theatre. The rebranding creates an opportune moment for the Theatre to add to Flato Markham Theatre's innovative performing arts program that is known far and wide.



The proposed version positions the entirety of the new identity within a square space. This offset square upward positioning is illustrative of the progress and leadership that the venue offers to the arts sector in the Toronto area.

Having part of the text moving towards the border of the square emphasizes Flato Markham Theatre's connection to the entire community.



The identity uses a casual script to suggest movement, similar to the performers who come alive on stage at Flato Markham Theatre. Once again, the narrow red field alludes to the intimate performance space found within the venue. This option also allows for an easily recognizable logo, which can be used in a variety of communications channels as a wordmark.

The following are some examples of how the new brand identity can be applied in print advertising and digital marketing:



FLATO
MARKHAM
THEATRE

where art comes alive.

**A CELTIC FAMILY
CHRISTMAS**

THURS, DEC 15 | 8PM

**"Nothing short of jaw dropping... performances that will raise you up
and performances that will leave you misty-eyed." - The Guardian**

FLATO DEVELOPMENTS INC. MARKHAM Weins Canada metrolandmedia

**CALL OUR BOX OFFICE AT
905-305-7469 (SHOW) TODAY!**



FLATO
MARKHAM
THEATRE

where art comes alive.

**A CELTIC
FAMILY
CHRISTMAS**

THURS, DEC 15 | 8PM

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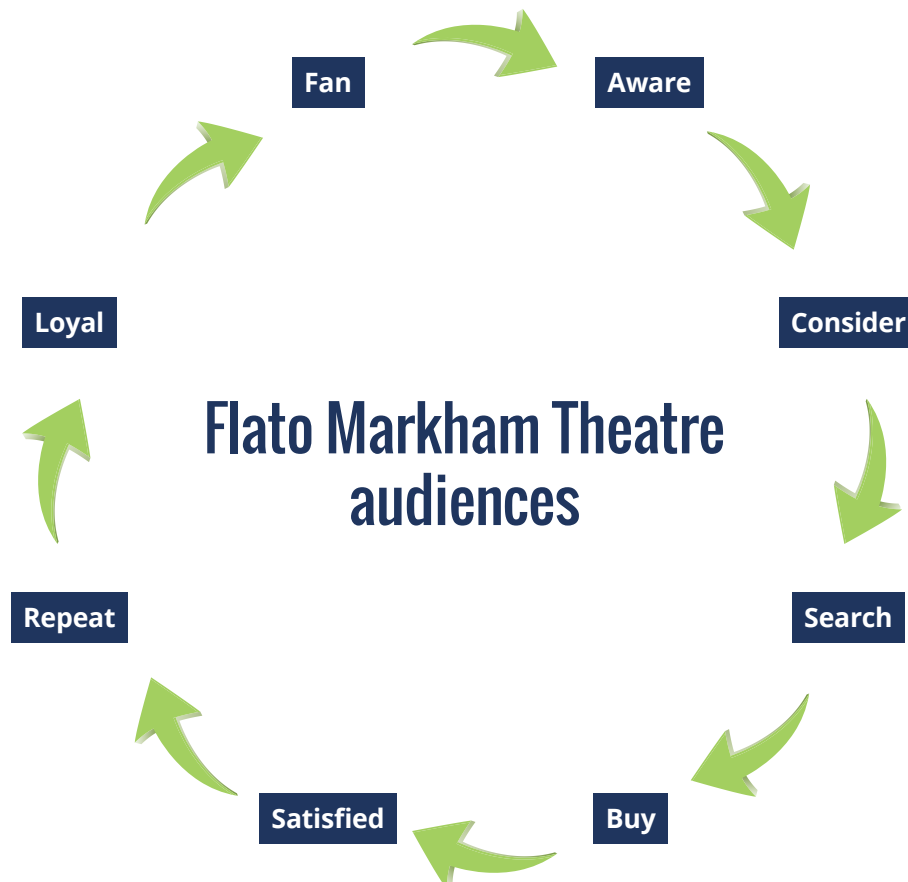
**CALL OUR BOX OFFICE AT
905-305-7469 (SHOW) TODAY!**

Examples of digital marketing on Google, Facebook, etc:



STRATEGIES

Based on the competitive market analysis, it is apparent that the marketing mix needs to be updated to deal with the current market realities. We recommend matching the marketing strategy and execution to audiences' buying behaviour and lifestyle cycle.



- Solidify awareness of the Flato Markham Theatre's position in audience's mind
- Use public relations, content marketing, and Search Engine Optimization to assist audiences with finding the performance and ticketing information and making an informed purchasing decision
- Provide audiences with an easy-to-use website interface and box office interaction during the ticket buying process
- Deliver a satisfied audience experience before, during, and after the performance
- Sampling programs and convert free trial users into ticket buyers and patrons
- Reward loyal customers and drive repeat sales
- Delight patrons and build a fan base and a Flato Markham Theatre community

The Patron Survey results pointed out that the season brochure remains the most important tool to connect with the ticket buyers. The website is the second most important element and there we see ample opportunity to make it a more effective tool. Given that Markham is part of the Toronto media market, it remains very expensive to utilize traditional mass media, like Radio and TV to reach current and new audiences, nor does it seem to be very effective given the responses received through our surveys. Even though PR and particularly PR generated through the agent representatives of the various artists, may allow us to tap into these opportunities, with significant resources, mass media investments are best avoided, unless special opportunity presents itself.

We recommend that the season brochure distribution strategy will be modified to take advantage of current and past box office statistics, plus Environics research to ensure that the Theatre maximizes its effectiveness. In addition, we recommend that the Theatre be able to have their own branded website, independent from the City of Markham, that will be more user-centric. The website experience should be seamless, easy to access and integrated with the social media and digital marketing strategies. Thirdly we recommend a mid-season launch event to support a final push for ticket sales for the Diamond Series to be held after the traditional year-end holiday season.

Community newspapers, mobile ads, e-newsletters, house programs and digital marketing will round out the marketing strategy. Revising the house program to fewer times a year, since the development of the content takes a lot of staff time. Unless it can be finalized before the season gets underway; or it is mandatory to keep the current arrangement with the publisher in tact and receive this free of charge, we recommend only two to four issues a year to cut down on staff involvement.

Due to the timing of the alignment of the cultural assets and the Economic Development department, one would suspect that there are efficiencies that should present itself when it comes to sharing of audiences. It is paramount that patrons that support the Flato Markham Theatre could also be potential supporters of the Varley Art Gallery and the Museum. All three are complimentary as key pillars of the Destination Markham strategy, which is a key pillar of the City of Markham's strategic plan.

EXECUTION

While we were developing the strategic plan, the Flato Markham Theatre was temporarily without the services of a dedicated marketing manager (and soon after, a marketing assistant). While this normally would present a major set back and jeopardize marketing effectiveness resulting in loss of revenue, an outside marketing agency was quickly engaged to fill the roles of managing and taking over the marketing activities temporarily.

By doing so, it was discovered quickly that marketing staff have little time to be strategic, since a lot of decisions are driven by historical behaviour, not necessarily based on patron profiles. Important Box Office data is unavailable, because certain standard reports cannot be generated. Staff are not well trained and there is no measurement built-in regarding the effectiveness of many tactics. There is too much emphasis on building an annual marketing plan vs. setting up a simple flexible marketing activity matrix that can be implemented on a seasonal or monthly basis.

It was recommended that a work plan template be followed, that will allow the theatre management to be informed at all times which marketing tactics are being deployed by season and by show. That way, the plan can be adjusted

quickly and efficiently without having to rewrite the plan or having large media investments in place that are not effective. An external specialized marketing agency partner should be deployed to pull together and add resources that perhaps cannot be accessed by internal marketing staff. In this case, management will have access to a valuable resource, which can assist with sudden staff attrition cases.

- Focus on Flato Markham Theatre's marketing activities by prioritizing return-on-investment and effort (ROI and ROE)
- A good marketing execution plan should include a brand budget, marketing goals, calendar of coordinated marketing activities, and project work plans

MEASUREMENT

Measurement on branding and marketing activities in most cases is financially oriented. When it comes to the Diamond Series season, one has to take into account the opportunity that exists to introduce new patrons to the Flato Markham Theatre, since a large percentage (30%) of patrons are 65 and older.

By partnering with major sponsors and developing cross marketing opportunities, the Flato Markham Theatre brand and seasonal offerings can be introduced to a wide variety of audiences that perhaps have not yet been reached. Weins Canada (Automotive) and Flato Developments (Real Estate) are just two of the Theatre's sponsors. Weins Platinum Plus Rewards members must be seen as a premium audience to approach for sampling the Flato Markham Theatre brand offering. A formalized test program should be put in place for the 2017/18 season.

Another major opportunity exists with large employers of head offices in Markham. Introducing the Flato Markham Theatre Diamond Series and other programs (Discovery Program, etc.) to these head office employees, would drastically enhance ticket and sponsor opportunities.

The Key Performance Indicators are identified and included in the Addenda.



SOURCES AND REFERENCES

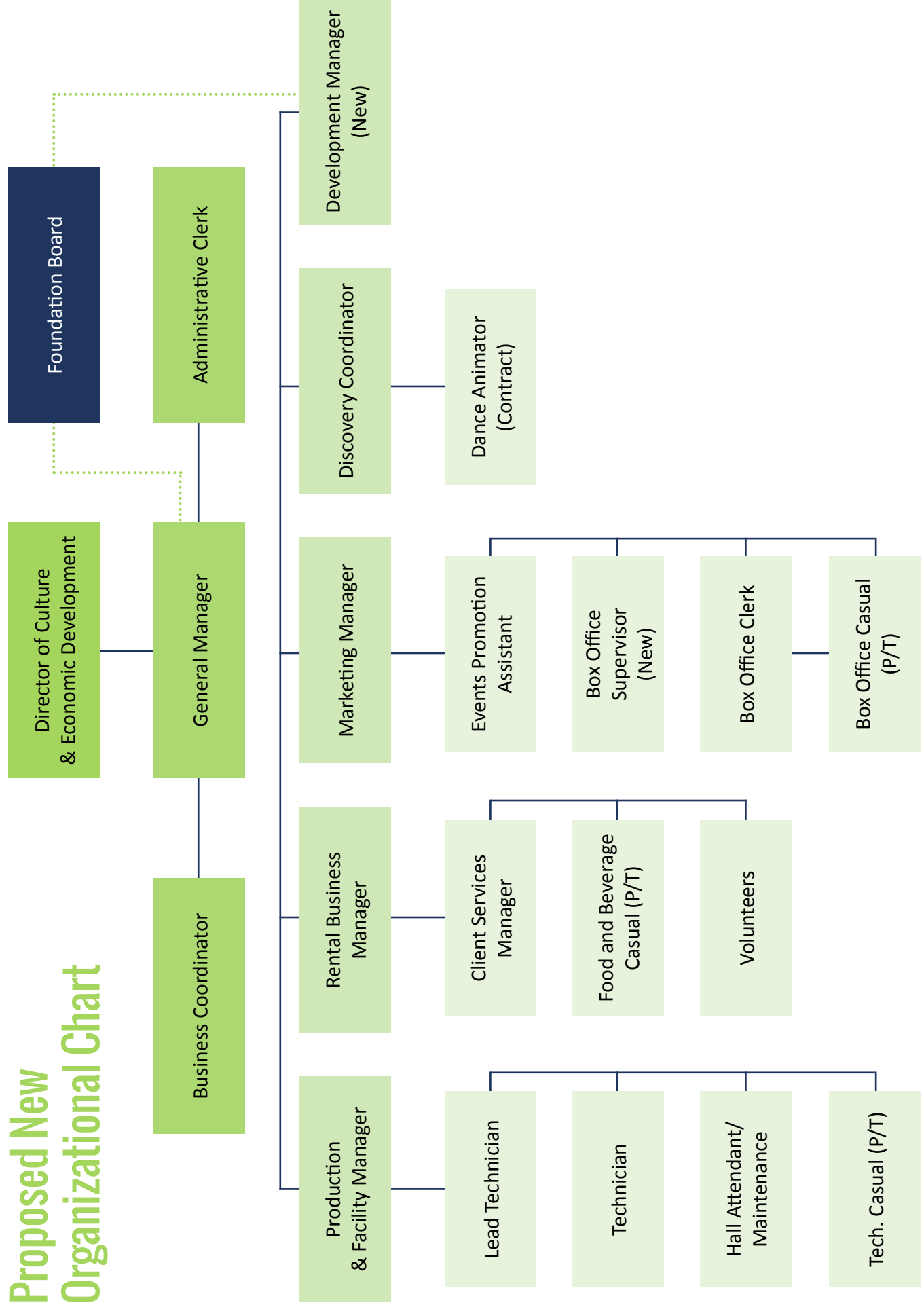
Flato Markham Theatre season programming and website
Richmond Hill Performing Arts Centre programming and website
The Curtain Club (Richmond Hill) programming and website
Toronto Centre for the Arts (North York) programming and website
Vaughan City Playhouse programming and website
Lebovic Centre for Arts & Entertainment (Whitchurch-Stouffville)
programming and website
The Burlington Performing Arts Centre programming and website
Oakville Centre for the Performing Arts programming and website
Guelph River Run Centre programming and website
Sanderson Centre, Brantford programming and website
Rose Theatre Brampton programming and website
Mississauga Living Arts Centre programming and website
Grand Theatre Kingston programming and website
City of Markham website
York University – Markham Centre website (<http://markhamcentre.info.yorku.ca/>)
Durham Live project website (<http://dlive.ca/>)
City of Vaughan website
Statistics Canada website – Census info

DOCUMENTS AND REPORTS REVIEWED

City of Markham Building Markham Future Strategy
City of Markham Integrated Leisure Master Plan
City of Markham Culture Policy and Plan
City of Markham Diversity Action Plan
City of Markham Greenprint Sustainability Plan
City of Markham 2015 Annual Report
Building Markham's Future Together 2015-2019 Strategic Plan
Flato Markham Theatre's currently available infrastructure drawing(s)
Flato Markham Theatre's 2011-2015 Strategic Plan
Flato Markham Theatre's 2010-2015 metrics
Flato Markham Theatre's 2015-2016 partners list
Flato Markham Theatre's 2014-2015 events listings
Flato Markham Theatre's Diamond Series Programs
(2013/14 Season, 2014/15 Season, 2015/16 Season, 2016/17 Season)
Flato Markham Theatre's 2015/16 marketing and advertising samples
(ads and newspaper inserts)

ADDENDA

Proposed New Organizational Chart



Proposed Key Performance Indicators

1. Net revenue from the Diamond Series
(ticket sales minus direct presenting expenses)
2. Net rental revenues
3. Total attendance and participation
4. Annual breakdown of days of use between Commercial, Community, Education & Camps, and Presenting season
5. Revenues from fundraising including: sponsorship, grants from other sources, and in-kind
6. Total income minus total expenses = Municipal support
7. Growth of diversity of new rental clients, staff and PES program
8. Growth of Discovery Program
9. Tracking of # events, # performances
10. Marketing performance indicators

Stakeholders Consulted

Mayor Frank Scarpitti, City of Markham

Jack Heath, Deputy Mayor, Regional Councillor, City of Markham

Nirmala Armstrong, Regional Councillor, City of Markham

Joe Li, Regional Councillor, City of Markham

Valerie Burke, Ward 1 Councillor, City of Markham

Alan Ho, Ward 2 Councillor, City of Markham

Don Hamilton, Ward 3 Councillor, City of Markham

Karen Rea, Ward 4 Councillor, City of Markham

Colin Campbell, Ward 5 Councillor, City of Markham

Amanda Collucci, Ward 6 Councillor, City of Markham

Logan Kanapathi, Ward 7 Councillor, City of Markham

Alex Chiu, Ward 8 Councillor, City of Markham

Andy Taylor, Chief Administrative Officer, City of Markham

Brenda Librecz, Commissioner, Community and Fire Services, City of Markham

Trinela Cane, Commissioner, Corporate Services, City of Markham

Jim Baird, Commissioner, Development Services, City of Markham

Joel Lustig, Treasurer, City of Markham

Stephen Chait, Director of Culture and Economic Development, City of Markham

Dennis Flaherty, Director of Corporate Communications & Community Relations

Shakir Rematullah, President, Flato Developments Inc.

Wayne Chan, VP, Commercial & Residential Property Investments,
Remington Group

Sophia Sun, President of Phoenix International Inc.

President of Canadian Chinese Investment Association, Phoenix International Inc.

Amin Tejani, Vice President, Weins Canada

Karyn Toon, Director, Corporate Relations, Allstate Insurance Company of Canada

Eric Fagen, Vice-President, Corporate Communications, PowerStream Inc.

2016 Theatre Advisory Board Members

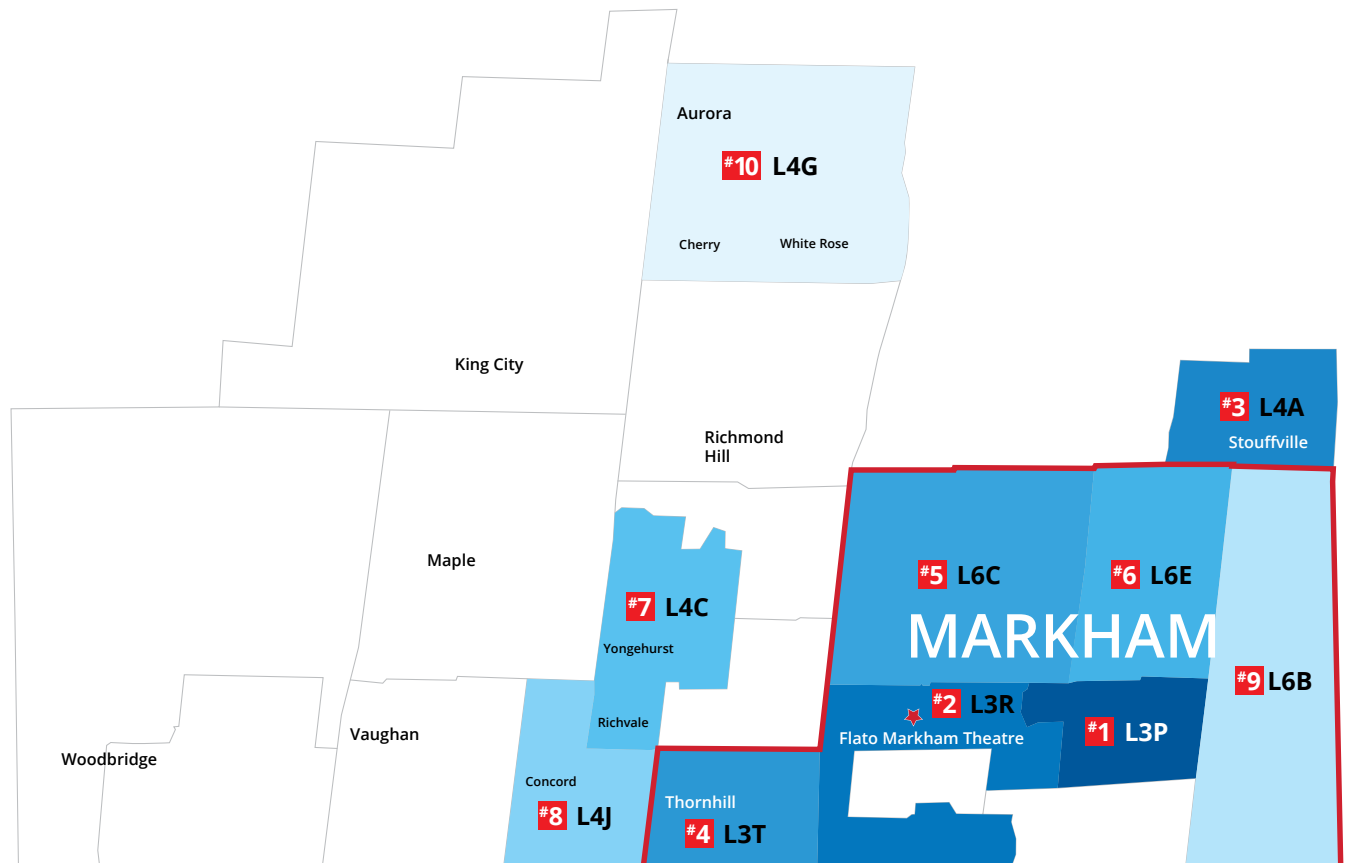
Mayor Frank Scarpitti, City of Markham
Councillor Alex Chiu, Ward 8, City of Markham
Stephen Chait, Director, Culture & Economic Development
Councillor Amanda Collucci, Ward 6, City of Markham
Councillor Alan Ho, Ward 2, City of Markham
Billy Pang, YRDSB Trustee-Markham
Maureen Weaver, Principal, Unionville High School
Eric Lariviere, General Manager, Flato Markham Theatre
Eric Fagen, PowerStream
Anne Gilligan, Weins Canada
Aleem Israel, AFINA Capital Management Inc.
Deborah Jestin
Arun Mathur, Gerald Duthie & Co, LLP
Ronald Minken, Minken Employment Lawyers
Heather Reading
Justin Reid, Sulliden Mining Capital
Shaun Sauve, Metroland Media
Sophia Sun, Phoenix International Inc.
John Tidball, Miller Thomson LLP, Theatre Board Chair
Stephen Timms, IBM
Karyn Toon, Allstate Insurance Company of Canada
Scott Hill, Business Rental Manager, Flato Markham Theatre
Andrew Rosenfarb, Production & Facility Manager, Flato Markham Theatre

Flato Markham Theatre Staff

Eric Lariviere, General Manager
Scott Hill, Rental Business Manager
Janet Cahais, Client Service Manager
Cortney Harkin, Marketing Manager (at the time of the consultation)
Helen Mah, Business Coordinator
Ashley Van Eysinga, Discovery Coordinator

Patron Survey Questionnaire and Findings

Flato Markham Theatre - Patrons



FMT patrons locations based on Patron Survey – Top 10 ranking
– the darker blue colour represents the higher patron concentration

Flato Markham Theatre - Competition

In the Patron Survey we conducted, we asked “**In addition to the Flato Markham Theatre, what other performing arts centre(s) do you visit?**”

Here are the top 10 answers.

