



**CITY OF STEINBACH**  
**PROPOSED PERFORMING ARTS CENTRE ESTIMATED OPERATING PROJECTIONS**  
**JANUARY 2016**

Revenues	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Rental Income <sup>1</sup>	\$ 112,500	\$ 114,750	\$ 117,045	\$ 119,386	\$ 121,774	\$ 124,209	\$ 126,693	\$ 129,227
Ticket Office Rental <sup>2</sup>	\$ 4,000	\$ 4,080	\$ 4,162	\$ 4,245	\$ 4,330	\$ 4,416	\$ 4,505	\$ 4,595
Concession <sup>3</sup>	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Beverage <sup>3</sup>	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Naming Rights/Donations <sup>4</sup>	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250
<b>Total Revenues</b>	<b>\$ 138,250</b>	<b>\$ 140,580</b>	<b>\$ 142,957</b>	<b>\$ 145,381</b>	<b>\$ 147,853</b>	<b>\$ 150,375</b>	<b>\$ 152,948</b>	<b>\$ 155,572</b>
Expenses								
Regular Wages <sup>1</sup>	\$ 262,000	\$ 268,550	\$ 275,264	\$ 282,145	\$ 289,199	\$ 296,429	\$ 303,840	\$ 311,436
Employee Benefits <sup>1</sup>	\$ 62,880	\$ 64,452	\$ 66,063	\$ 67,715	\$ 69,408	\$ 71,143	\$ 72,922	\$ 74,745
Employee training /clothing <sup>1</sup>	\$ 10,060	\$ 10,257	\$ 10,458	\$ 10,664	\$ 10,876	\$ 11,093	\$ 11,315	\$ 11,543
Telephone <sup>2</sup>	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367	\$ 6,495	\$ 6,624	\$ 6,757	\$ 6,892
Advertising <sup>3</sup>	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297	\$ 44,163	\$ 45,046	\$ 45,947
Software <sup>4</sup>	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Office Supplies <sup>2</sup>	\$ 16,500	\$ 16,830	\$ 17,167	\$ 17,510	\$ 17,860	\$ 18,217	\$ 18,582	\$ 18,953
Insurance <sup>2</sup>	\$ 12,500	\$ 12,750	\$ 13,005	\$ 13,265	\$ 13,530	\$ 13,801	\$ 14,077	\$ 14,359
Grounds R&M <sup>2</sup>	\$ 7,500	\$ 7,650	\$ 7,803	\$ 7,959	\$ 8,118	\$ 8,281	\$ 8,446	\$ 8,615
Building R&M <sup>2</sup>	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082	\$ 22,523	\$ 22,974
Cleaning Contract <sup>2</sup>	\$ 24,000	\$ 24,480	\$ 24,970	\$ 25,469	\$ 25,978	\$ 26,498	\$ 27,028	\$ 27,568
Security <sup>2</sup>	\$ 325	\$ 332	\$ 338	\$ 345	\$ 352	\$ 359	\$ 366	\$ 373
Sewer, Water and Garbage <sup>2</sup>	\$ 8,200	\$ 8,364	\$ 8,531	\$ 8,702	\$ 8,876	\$ 9,053	\$ 9,235	\$ 9,419
Property Taxes <sup>2</sup>	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Hydro <sup>2</sup>	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 27,602	\$ 28,154	\$ 28,717
Centra Gas <sup>2</sup>	\$ 8,800	\$ 8,976	\$ 9,156	\$ 9,339	\$ 9,525	\$ 9,716	\$ 9,910	\$ 10,108
Equipment R&M <sup>2</sup>	\$ 7,500	\$ 7,650	\$ 7,803	\$ 7,959	\$ 8,118	\$ 8,281	\$ 8,446	\$ 8,615
Service Contracts <sup>5</sup>	\$ 80,000	\$ 81,600	\$ 83,232	\$ 84,897	\$ 86,595	\$ 88,326	\$ 90,093	\$ 91,895
Merchant Fees <sup>6</sup>	\$ 2,025	\$ 2,066	\$ 2,107	\$ 2,149	\$ 2,192	\$ 2,236	\$ 2,280	\$ 2,326
<b>Total Expenses</b>	<b>\$ 663,290</b>	<b>\$ 676,776</b>	<b>\$ 690,572</b>	<b>\$ 704,688</b>	<b>\$ 719,129</b>	<b>\$ 733,904</b>	<b>\$ 749,020</b>	<b>\$ 764,486</b>
<b>Total Operating Surplus (Deficit)</b>	<b>\$ (525,040)</b>	<b>\$ (536,196)</b>	<b>\$ (547,616)</b>	<b>\$ (559,307)</b>	<b>\$ (571,276)</b>	<b>\$ (583,529)</b>	<b>\$ (596,072)</b>	<b>\$ (608,914)</b>

\* See attached appendix for additional information and footnotes.

\*\* The above projections are preliminary. Many aspects of the proposed facility have not been confirmed, such as its size, scope, operations, and the level of programming. Readers are cautioned that these projections may be subject to revision.

**ESTIMATED PROPERTY TAX IMPACT ON RESIDENTIAL PROPERTY**

Estimated mill rate required to fund the projected annual operating deficit	<b>0.675</b>
Scenario of impact on residential property taxes for a house valued at \$250,000:	
Assessed value	<b>\$ 250,000</b>
Portioned assessment ( X 45% )	<b>112,500</b>
Property tax impact	<b>\$ 75.94</b>



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**APPENDIX**

**Sources for Data**

City of Steinbach Operating Budget information for facilities  
Vernon and District Performing Arts Centre (750 seats)  
City of Fort Saskatchewan Shell Theatre (538 seats)

**Revenues**

1. Event, practice and rehearsal rents - 150 rental days at \$750/day  
40% of revenue allocated to facility rental/ 60% allocated to ticket sales
2. Miscellaneous office space rents
3. Concession sales, merchandise commissions, and beverage sales for 150 rental days and  
represents a reasonable comparison to available information
4. Naming rights and donations approximately 50% of Vernon and Fort Saskatchewan facilities

**Expenses**

1. Wages and benefits estimate is for 5 EFT positions including costs for training, education  
and applicable contribution rate for employee benefits
2. Operating costs based on comparative analysis of facilities owned and operated by the City of  
Steinbach and adjusted relative to square footage
3. Advertising budget based on comparative budgets for design, printing of promotional materials  
and costs of print ads and radio advertising
4. Purchase and annual maintenance costs for a facility rental and booking/ticketing system
5. Costs of artist fees, production costs of a show under a season series per comparable venues;  
assumes 2 large artists a year for an event comparable to Summer in the City
6. Point of sale merchant fees for accepting credit and debit cards - charges 3% of sales