



Nicola Valley Community Theatre

BUSINESS PLAN

Nicola Valley Community Theatre Society

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EXECUTIVE SUMMARY

The purpose of the Nicola Valley Community Theatre Society project is to provide a community theatre facility to exhibit, present, and establish a performing arts venue. The vision is to encourage and promote arts, culture and heritage events directed toward the advancement of public education and the aesthetic awareness of the citizens of Merritt and the surrounding rural communities.

The Nicola Valley Community Society (NVCTS) will accomplish this goal by providing land and by constructing a suitable multi-plex cultural space. Furnished with amenities proper to a cinema, exhibition and performance facility, this cultural facility will be made available to user groups for the benefit the community as a whole.

This community facility will be the place to hold classical music and concert events, film festivals, lectures, and conventions. The Society will work closely with user groups to encourage local and touring theatre performances. This cultural space will benefit the community as a whole not only through events designed to raise the horizon of knowledge, but also by providing the community with the opportunity to see exhibitions, heritage presentations, and the performance of artistic works directed toward improving the quality of public dialogue, arts education, and the aesthetic appreciation of cultural and heritage events of artistic merit.

The downtown core of Merritt is in need of an ‘attraction’ that will bring people into this part of the City. While Merritt and the Nicola Valley offer numerous outdoor recreational pursuits throughout the year, the choice for those who are looking for something different is limited. In this digital age, the community misses out on many entertainment opportunities because it lacks a venue and the appropriate equipment to provide an experience people have come to expect on a consistent basis.

The Nicola Valley Community Theatre Society has identified an entertainment opportunity that is currently lacking in the City of Merritt, BC. Attending performing arts events and cultural festivals as well as going to movies is a popular recreational activity among British Columbians. In 2010, nearly three-quarters (71%) of British Columbians attended performing arts events or cultural festivals. With movie ticket sales added to the amount spent by British Columbians on arts and culture events of all kinds, it is not surprising that the BC Chamber of Commerce sees a strong and positive correlation between the economic benefits accruing to business and arts and culture events and sociocultural benefits to the community as a whole.

By providing a product that customers want, the Nicola Valley Community Theatre Society will bring people downtown, thereby giving businesses located there more exposure and potentially new customers. The construction of this community theatre, estimated to cost about \$5 million, will contribute toward lasting and sustainable community growth and development.

For several years now, to build and operate a community-owned not-for-profit theatre has been the vision of the Nicola Valley Community Theatre Society whose directors are all volunteers. These individuals have a systematic approach to the realization of the vision for a community theatre facility. They researched other community-owned and operated movie theatres, they have established goals and objectives for this enterprise, they have analysed the market potential, looked at strengths, weaknesses, opportunities and threats and developed a preliminary marketing and financial plan. The project is an ambitious one but also an exciting one which will help the downtown business community, create jobs and support a climate for new business investment in the City and beyond.

Project Description

The Nicola Valley Community Theatre Society has purchased property in the downtown area of Merritt, BC. The Society have plans to build a new 14,000 sq. ft. multi-purpose building which will have four theatres all with stadium seating and equipped with the latest digital technology. There will be a box office and concession area, a lobby and storage space, a backstage area, a meeting room and washrooms. The largest theatre will be designed for exhibitions, arts and culture performances, local productions, lectures, and the variety of events, for which a stage is always needed.

The goals of this new not-for profit enterprise are as follows:

- a) To support heritage, arts and culture in the community.
- b) To advance public education.
- c) To support community growth and development.
- d) To support downtown businesses.
- e) To provide the community with a theatre facility beneficial to all and available for exhibition, presentation, and performance of artistic works of merit.

The **Nicola Valley Community Theatre** is the proposed name of the theatre complex. The **Nicola Valley Community Theatre** will provide a venue for live performances and community arts and culture events. In recognition of the relatively small market size, the community theatre will offer an array of products and services to appeal to as broad a range of the population as possible. A secondary focus will be the showing of movies on a daily basis. This will by far be the main income generator for the not-for-profit enterprise.

An Overview of the Theatre Industry

The BC Chamber of Commerce wrote in 2013 that it “firmly believed the arts and cultural sector of B.C. benefits business and contributes to building strong, economically-sound communities”. Although it is difficult to calculate the exact impact on the economy through spending on the arts, we know anecdotally that there is a strong, positive economic correlation between arts and cultural events and money spent in hotels, restaurants, travel services and retail businesses”.

Participation in arts, culture and heritage performances between 1992 and 2010 grew sharply. A 2012 report prepared by Hill Strategies stated that the participation rate increased eleven percentage points between those two years and was estimated to be 27% in 2010. That year, the report went on to say, 71% of British Columbians attended performing arts events or cultural festivals.

The film industry includes motion picture theatres, broadcast and cable television and, in the past few years, DVD rentals and purchases, and online movie downloads through the Internet. The largest revenue generator of the film industry is the video market but motion picture theatres remain important. One blockbuster hit such as the recently released movie *Star Wars, The Force Awakens*, generated nearly \$530 million in ticket sales the first weekend it was shown in theatres. The industry has shown itself to be recession resistant as seen in the past and most recently since the 2008 downturn in the economy and its uneven recovery. The industry projects a stable future with continued increases in revenue due to technology advances and alternative programming opportunities.

Market Size

The market size for the proposed community theatre is 15,100 people within a geographic area that encompasses Spences Bridge, Logan Lake, Merritt and Princeton and the areas in between. While not all residents of the outlying communities travel to Merritt on a regular basis, sufficient numbers do to include a portion of their population in the market size figure.

There is no recent market research data available on how often the residents of Merritt and the surrounding area attend arts and cultural events nor how many and how often they go see movies. The local film society shows six movies per year and anywhere from 80 to 120 people attend each showing. In addition, people will travel to Kamloops and other communities to see movies. A number of local arts and culture events are well attended. In addition, many residents travel to other communities to attend such events. There is a rather limited market for a wide variety of products ranging from live music performances, to visual art shows, to author readings, story tellers, live amateur theatre, community concerts and dance recitals.

It is estimated that the per capita figure for Merritt and area will be in the neighbourhood of 3.2 movie-going visits in the first year. This number is in line with movie attendance in other communities of similar size and characteristics. Per capita attendance at movie theatres in British Columbia was 3.3 visits in 2012, 3.7 for Alberta, 3.6 for Ontario and 2.8 for Quebec.

In addition to these two categories of entertainment opportunities that will be offered at the community theatre, the venue will also be attractive to the School District for all manner of learning opportunities for staff and students. Initially the rental revenue may not be very large but over time, will likely become a significant income generator.

A third category of user will be other community groups and individuals who for one reason or another will find this venue suited for a special event they will be organizing.

Merritt has four venues for community produced or community sponsored music, dance and dramatic performances. These four venues also host public, educational and commercial gatherings. All four venues do not always have the necessary requirements that are needed for a performance or production. A community theatre will fill the gaps that have been identified by others in order to provide a quality experience for the audience and offer new opportunities to support and enhance the arts and culture sector of the community.

Market Survey

A survey was conducted in 2010 to determine if there was support for a movie theatre and to try to quantify that support.

Five hundred and seventy one (571) surveys were completed and returned. From the tabulation of the responses, the following picture emerged:

- Eighty-one percent (81%) of the respondents said they strongly supported having a community-owned movie theatre in Merritt.
- Sixty-two percent (62%) felt it was very important to have first-run movies shown as soon as possible.
- Nearly forty percent (39%) of respondents said they would go to the movie theatre 2-3 times per month. The next largest category was once a month (24%).

Although the survey was not a random survey of respondents and the results cannot be extrapolated to the entire population, the information can be used with a degree of confidence as to the interest and support for a movie theatre in Merritt.

Financial Summary

The total project cost is estimated to be \$5.1 million dollars with \$4.1 million raised through corporate sponsors, grants, private donors and community donations, and \$1 million in debt financing should that be required.

The capital costs for this project consist of

- the cost of the land;
- the cost of the architect;
- the cost of the building to be built; and
- the cost of the equipment and furnishings for the community theatre building.

The Society purchased a piece of property for \$300,000 for the community theatre. Based on the costs of a recently built theatre and confirmed by the firm of architects hired by the Nicola Valley Community

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Theatre Society, the projected cost for the community theatre will be \$226/square foot. The size of the building in Merritt will be 14,000 sq. ft., which translates to a capital cost of approximately \$3,200,000.

The cost of architectural services is projected to be \$136,000 with equipment and furnishings projected to cost \$800,000. Other capital costs include development cost charges and permits, landscaping and a project manager to oversee the construction phase. This group of capital costs is projected to amount to \$300,000. The contingency amount is estimated to be 10% of estimated capital costs.

Total revenues are projected to be \$802,280 in Year 1 and increase to \$894,220 by the end of Year 3. Revenue from sources other than movie tickets and concession sales is projected to represent about 1% of total revenue in the first few years. The largest expense will be film rentals estimated to be about 38% of revenues with concession costs representing another 13% of revenues. Operating expenses (excluding the first year's start-up costs) are projected to amount to approximately 35% to 37% of gross revenues. With a bank loan (\$1,000,000), the community theatre is projected to show a small surplus in Year 3. Without a bank loan, the community theatre is projected to show a surplus at the end of Year 1.

THREE-YEAR PRO FORMA INCOME STATEMENT WITH A BANK LOAN

Line #		Year 1	Year 2	Year 3
		\$	\$	\$
	Revenue			
1	Tickets	459,040	475,800	492,900
2	Concession	338,240	366,000	394,320
3	Other	<u>5,000</u>	<u>6,000</u>	<u>7,000</u>
4	Total Revenue	802,280	847,800	894,220
	Cost of Goods Sold			
5	- Film Rentals	306,328	318,060	330,030
6	- Concession	101,472	109,800	118,296
7	- Other	15,000	15,000	15,000
8	Less: Total Cost of Goods Sold	422,800	442,860	463,326
9	Net Revenue	379,480	404,940	430,894
10	One time Start-up Costs	50,000	0	0
11	Total Operating Expenses	279,150	302,400	327,650
12	Bank Loan	102,000	102,000	102,000
13	NET INCOME	-51,650	540	1,244

Note 1: The annual debt repayment figure of \$102,000 has been calculated assuming an interest rate of 6% with a 15 year repayment term.

THREE-YEAR PRO FORMA INCOME STATEMENT				
<u>WITHOUT A BANK LOAN</u>				
Line #		Year 1	Year 2	Year 3
		\$	\$	\$
	Revenue			
1	Tickets	459,040	475,800	492,900
2	Concession	338,240	366,000	394,320
3	Other	<u>5,000</u>	<u>6,000</u>	<u>7,000</u>
4	Total Revenue	802,280	847,800	894,220
	Cost of Goods Sold			
5	- Film Rentals	306,328	318,060	330,030
6	- Concession	101,472	109,800	118,296
7	- Other	15,000	15,000	15,000
8	Less: Total Cost of Goods Sold	422,800	442,860	463,326
9	Net Revenue	379,480	404,940	430,894
10	One time Start-up Costs	50,000	0	0
11	Total Operating Expenses	279,150	302,400	327,650
12	Debt Repayment	0	0	0
13	NET INCOME	50,330	102,540	103,244

Marketing, including pricing and products, will be key to making the community theatre a financially viable enterprise that will translate into a number of community benefits including

- A revitalized and re-energized arts and culture sector contributing to overall community well-being and offering numerous opportunities to people of all ages to participate in this sector.
- A healthier downtown business area as a result of increased sales and new businesses opening.
- New job opportunities, job creation and on-the-job training.
- New construction – business and residential.

Business Risk and Assessment

As the 2010 survey showed, Merritt residents enjoy going to the movies. Over the past four years, there has been much interest in the idea of a community theatre as the Nicola Valley Community Theatre Society proceeded with its plans for such a building. With any new enterprise, non-profit or for-profit, there is a risk that actual revenues and costs could differ significantly from the projections no matter how detailed and extensive the research prior to the opening, how well the analysis was done, and how accurate and comprehensive the assumptions were thought to be. The research findings and assumptions on which this business plan has been built have been carefully examined, assessed and measured against two other community-owned and operated movie theatres. One of these is the Salmar Community Association of Salmon Arm which has operated a Cineplex for over twelve years. In that time the Association's directors have given over \$1million to the community for various projects and initiatives.

The Nicola Valley Community Theatre Society directors are confident that the assumptions and the financial data that have been developed are sound and have every confidence that a community theatre will be cost-effective and, over the long term, provide a number of economic, educational, cultural and social benefits to the community as a whole.

1.0 Project Name and Description

This document is the business plan for a community theatre to be built in downtown Merritt and which will be called the **Nicola Valley Community Theatre**, hereafter referred to by the acronym, NVCT. The NVCT will be a new 14,000 sq. ft. stand-alone building with four theatres and state of the art technology providing a high quality experience whether watching live musical performances and arts and culture events or watching first-run movies, 3D feature movies, special showings of feature attractions (live streaming of sports and cultural events, etc.), and specialty films.

In addition to the four theatres or screen rooms, the NVCT will have a concession area, lobby, office, a multi-purpose room, storage for the grand piano and other defined areas necessary for the smooth and efficient operation of the community theatre. One of the screen rooms will be designed for multi-purpose use, including arts and culture performances and productions, and other events for which a stage is needed.

The primary focus of the NVCT will be to provide a venue for live performances and community arts and culture events and to show first-run movies. In recognition of the relatively small market size, the community theatre will offer an array of products and services to appeal to as broad a range of the population as possible.

The NVCT will be community owned and operated as a not-for-profit enterprise by the Nicola Valley Community Theatre Society.

1.1 Goals and Objectives

The goals of this new not-for-profit enterprise are as follows:

- a) To support heritage, arts and culture in the community.
- b) To advance public education.
- c) To support community growth and development.
- d) To support downtown businesses.
- e) To provide the community with a theatre facility beneficial to all and available for exhibition, presentation, and performance of artistic works of merit.

With many services and goods unavailable in Merritt because of its small market size, a large number of residents do their shopping out-of-town. For many years now and despite a number of initiatives to reverse this trend, such as downtown revitalization and Country Christmas, Merritt's downtown business area has not flourished. The development of the highway commercial corridor at the north-east end of the City has enticed customers and customer traffic away from the downtown.

The downtown core of Merritt is in need of an 'attraction' that will bring people downtown. While Merritt and the Nicola Valley offer numerous outdoor recreational pursuits throughout the year, the choice for those who are looking for something different is limited. Merritt offers few opportunities for attending live performances. The City has not had a movie theatre for more than two decades. There are occasional film showings at the Civic Centre and since 2005 the Nicola Valley Film Society has shown six films a year. Periodic surveys of residents asking what they see lacking and what they would like to have in their community cite a proper theatre as one of the amenities that many would support.

The Nicola Valley Community Theatre Society has identified an entertainment opportunity that is currently lacking in the City. Theatre-going is still a popular pastime of people of all ages. By providing a product that customers want, the Society will bring people downtown, thereby giving downtown businesses more exposure and potential new customers. The construction of a new building, estimated to cost about \$5 million, will contribute towards community growth and development.

The downtown business community will welcome and benefit from the increased traffic as a result of a recreation pursuit that brings people into the downtown core in the evenings. Other than the Library and a few stores, most downtown businesses close before 6 pm and traffic, both pedestrian and automotive, falls off sharply after that time. Restaurants, especially, see very little reason to stay open later. A community theatre would directly address this situation as live performances and arts and culture events as well as movies extend well into the evening and early night time. This theatre has the potential of having significant positive impacts on downtown businesses leading to new job creation and new business investment.

The Nicola Valley Community Theatre Society, which will operate the NVCT, will support and contribute towards community arts and culture programs and community initiatives in the Nicola Valley. The community theatre model that includes showing first-run movies has been a vehicle for supporting arts and culture in a number of communities. The NVCT is based on the successful Salmar Community Association model. The Association's cineplex movie theatre has been operating for almost twenty years in Salmon Arm and in that time, the board of directors of the organization has donated over \$1 million to the District of Salmon Arm.

Measures of success in relation to the goals will include the following:

- A revitalized arts, culture and entertainment sector.
- A healthier downtown business area as a result of increased sales and new businesses opening.
- New job opportunities, job creation and on-the-job training.
- New construction – business and residential.

The objectives of this not-for-profit enterprise are as follows:

- a) To construct a building in downtown Merritt that would house four theatres, the largest of which will be a venue for live theatre, live performances, arts and culture events and educational and training initiatives/programs/seminars. The remaining three rooms would be used primarily for showing movies but will be constructed in such a way as to have a multi-purpose use, although somewhat limited.
- b) To be under construction by 2018.
- c) To be profitable three years after the community theatre has opened.

2.0 Legal Structure

The NVCT will be owned and operated by a non-profit society that has been incorporated under the Societies Act of British Columbia. The legal name of the society is **Nicola Valley Community Theatre (NVCT) Society**. Its business address is 1952 Eastwood Avenue, Merritt, BC V1K 1K3. Membership in the Society will be open to residents of the Nicola Valley thus making the NVCT Society a community-owned theatre. As of November 2015 the Society had sold approximately 400 individual and family memberships.

An application to the Canada Revenue Agency to become a registered charity/foundation is under development.

2.1 Purposes

The purposes of the Nicola Valley Community Theatre Society are:

- a. Provide land, building and equipment to establish a performing arts venue to encourage and promote arts, culture and recreational activities for the citizens of the Nicola Valley;
- b. Offset operating costs of the facility by implementing revenue generating programming consistent with the purpose outlined above that will support the cultural and social growth and development of the Nicola Valley.

2.2 Vision

To build a community theatre in order to provide a venue for displaying, presenting, celebrating and fostering arts and culture and making this possible through the surpluses generated from the movie theatre component of the community theatre building and through the rental of space to community organizations, the School District and private individuals and businesses.

2.3 Mission Statement

To provide a live entertainment venue and a location for cultural, artistic and other events that will contribute towards community building; and through the products and services the community theatre offers, provide funds to financially support community art and culture initiatives and community development.

2.4 Board of Directors

The Directors of the NVCT Society who are spearheading this project have between them a broad skill set and a range of experience that includes fundraising, management and operating a business. In addition, all are residents of Merritt and/or Nicola Valley and have numerous years of volunteer experience with community organizations.

The Directors of the Nicola Valley Community Theatre Society are:

David Brown

A long time resident of Merritt, David has been working as a Financial Consultant CFP with Investors Group since 1999. In this capacity, he specializes in creating holistic financial plans spanning estate planning, tax planning, investment analysis, risk management, education planning and retirement planning. Previous to this, he spent twenty years in the resource industry (forestry) in the engineering and electrical departments.

He is a past president of the Rotary Sunrise Club of Merritt and the past treasurer of the Club. He currently sits on the Board of Directors of the Community Futures Development Corporation. He is a member of the Nicola Nordic Ski Club and the Nicola Valley Explorers Club. Over the years he has volunteered for the Terry Fox Run, Big Bike Ride for Heart and Stroke, the cleanup of illegal dumping sites, Adopt a Road, Meals on Wheels, and Christmas Hamper donations.

Tod Dean

Tod moved to Merritt in 2007 after purchasing Merritt Printing & Office Supplies. Since moving to Merritt he has been a Director of the Merritt Centennials Hockey team, Community Futures Nicola Valley, Merritt & District Chamber of Commerce and a member of the City Centre Board. He is a major sponsor of the Merritt Country Run and he also supports Country Christmas, the Pro Rodeo, Merritt Minor Hockey and the local Rotary clubs.

- Margaret Carlson A long time resident of Merritt, Margaret practiced general medicine in the community for 26 years before retiring in 1992. She was on the inaugural board of directors for Coquihalla House and S-yem/yi'm (Transition) House. She is a Director of the Nicola Valley Health Care Endowment Foundation and was its President for a number of years. She sat on the board of the Nicola Valley Community Arts Council as a director for eight years, was president for four years and also chaired the Concert Committee. She chaired the Nicola Valley Aquatic Centre committee during the feasibility study and fund-raising period. The Committee raised \$250,000 for the Aquatic Centre. A few years later (2000), she helped to raise funds for the new Merritt Library. Her leadership and efforts resulted in successfully meeting the fundraising targets for the Aquatic Centre and the Merritt Library.
- Kurt Christopherson A long time resident of Merritt, Kurt served as an educator and school administrator for 31 years until his retirement in 2003. He has been involved with youth soccer, softball, and minor hockey and served as director of Cubs and Beavers for several years. Since retirement, he has done contract work for the University of Northern British Columbia as student teaching advisor and for the Nicola Valley Institute of Technology in the area of adult literacy. He has served as a member of the Moqwx Group which helps document stories of local First Nations Elders. He is a past director of the Nicola Valley Community Arts Council and served as chair of the Arts Council's Concert Committee. He currently serves on the Merritt Country Christmas Committee.
- Mike Perkins Michael is a recent resident of the Nicola Valley. A music educator and professional musician for over 35 years, he has recently retired from teaching but continues to be an active performer and clinician. He is a past coordinator of the Vancouver Kiwanis Jazz Festival, the B.C. Interior Jazz Festival and was actively involved with founding multiple community music ensembles, including the Night Owl Orchestra in Kelowna and the SeaTSky Big Band in Squamish. Michael performs with the Kamloops and Okanagan symphonies and locally, with the Nicola Valley Community Band and the Nicola Valley Brass Quintet. He enjoys skiing, mountain biking, golfing and riding his BMW motorcycle. Although a recent resident, Michael has taken an active interest in supporting and encouraging the local live performance scene and the community as a whole..

- Richard Hodson Rich is a long time resident of the Nicola Valley. Before retiring in April 2013, he worked as a Professional Forester for over forty years with the Ministry of Forests and Weyerhaeuser Canada Ltd and as a consulting Forester for JS Thrower of Kamloops. He has been a member of the Sunrise Rotary Club of Merritt for many years and since retiring continues to be actively involved with the Club. He has sat on the volunteer fundraising committee of the Rotary Club organizing the indoor golf tournaments, Taste of India projects to raise funds for polio eradication around the world, road side clean up, and construction of the walking trail through Merritt's Central Park. Rich is a Past President of the Sunrise Rotary Club. Rich enjoys cross country skiing and curling in the winter season and golf and walking in the summer season.
- Clara Norgaard Since moving to Merritt in 1958, Clara has worked as an accountant for the family-run business, Norgaard-Ready Mix. Active in provincial and federal politics for many years, she decided to run for mayor of Merritt and was successful. Her term as mayor was from 1990 to 1999. In the 1960s and 1970s she was president of the Chamber of Commerce for 10 years. Since leaving politics, she has been a director of Merritt Emergency Support Service for the City of Merritt and of the BC Ready-Mix Association. Although officially retired, she continues to provide consulting services to Norgaard Ready-Mix. She also helped start up a community garden, has been a strong supporter of the arts and the community in general and continues to take an active interest in the community and its well-being.
- Al Norgaard Al was born and raised in Merritt, and as well raised 2 daughters in Merritt which have both started their own families. He became involved with his family's construction company in 1985, starting as a labourer and rapidly rose through the company becoming general manager of the Merritt operation and President of the corporation. In 2008 Norgaard Ready Mix won supplier of the year from CHBA Kamloops/Merritt. He currently sits on the board of directors for the BC Ready Mix Association as treasurer and has been a director with the Canadian Home Builders Kamloops as well as the Merritt Centennials Hockey Club. Mr. Norgaard and the family corporation have been very active members of the city of Merritt and continue by donating time, labour, equipment and materials to countless projects, from coaching several minor hockey teams, building the mountain bike park, retro-fit of the Merritt arena, several school play grounds and has sponsored countless events, groups and projects within the valley. He has also volunteered at an international level doing humanitarian trips to Guatemala, Cambodia and Philippines building schools, safe house and home with the non-profit international development organization

Developing World Connection, which gathers volunteers and resources to support sustainable projects in communities all over the world.

Evelyn Armstrong

Evelyn is a practicing artist. She makes her home base in the Nicola Valley dividing her time between the studio art practice and teaching, gardening and beekeeping. She has had numerous solo art exhibitions and work in many national and international group art shows. From 1977-1994 she was a faculty member of the unique touring “Outreach” studio art program of the Emily Carr College of Art and Design, Vancouver, B.C. (now Emily Carr University of Art and Design). From 1987 to retirement in 2000 Evelyn taught and directed the Fine Arts and Visiting Artists’ Program at the Nicola Valley Institute of Technology in Merritt, B. C. Other public education activities include part-time teaching in the art program at the College of the Cariboo (now Thompson Rivers University) both in Williams Lake and in Kamloops, and artist in residence at Nelson, at Wells, and in the printmaking department at Emily Carr University of Art & Design in Vancouver.

In 2013 Evelyn completed the requirements for the doctoral degree in Visual Arts: Philosophy, Aesthetics, and Art Theory. She has been a presenter at regional and international conferences, representing Canada at the 7th International Planta Europa Conference 2014 held on the Greek Island of Crete. Evelyn is a founding member of the Malaspina Printmakers’ Society in Vancouver, and the Nicola Valley Community Arts Council in Merritt. She is a member of the Nicola Valley Watershed Community Roundtable, a member of the ad hoc Home Sweet Home Environmental Group; and she is a volunteer Director of the Nicola Valley Community Theatre Society, Merritt, B. C.

Lorna Shuter

Mrs. Lorna Shuter is married to Mr. Keith Shuter and has two sons and three grandchildren. Before moving to Merritt, Lorna lived in Calgary where she owned her own horticultural business for ten years. After selling the business Lorna traveled to Indonesia for a while and then bought a small orchard in the Okanagan Valley where she grew fruit and sold it to the local markets for several years.

After selling her orchard, Lorna moved to Merritt and settled down with her husband to raise a family on his family farm. Even though family is her first passion, Lorna still managed to get her hands dirty growing large vegetable gardens. Lorna has been both employed and a volunteer, doing several different jobs throughout Merritt. In 2004 Lorna graduated from NVIT/SFU with a Bachelor’s Degree in General Studies; specializing in Aboriginal Community Economic Development. Since then Lorna has worked within the Nicola Valley and the Lower Nicola Indian Band on several community development projects.

Now Lorna has successfully completed the Office Administration Certificate program at the NVIT campus in Merritt. She also works part

time at the NVIT academic library and is seeking full time employment with in the office administration industry.

3.0 Operations

3.1 Personnel

The overall responsibility of operating the NVCT will rest with the Board of Directors who will set policy, hire the General Manager, develop and update, as necessary, the marketing, pricing, advertising and other strategies, set the overall objectives and approve the annual budget. The day-to-day operations of the NVCT will be the responsibility of the General Manager. The General Manager in turn will be responsible for hiring the full-time and part-time staff and the contractors for jobs that will be contracted out.

In addition to the General Manager, staff will include a number of full and part-time hourly-paid employees. It is estimated that approximately seventeen (17) staff (part-time and full-time) will be required to operate the theatre 364 days a year.

See **Appendix A** for job titles, job descriptions, wage scale, etc. for all positions.

3.2 Finances

3.2.1 Capital Costs

The capital costs for this project consist of

- the cost of the land;
- the cost of an architect;
- the cost of the building to be built; and
- the cost of the equipment and furnishings for the theatre building.

The projected capital cost budget is as follows:

Line #	Item	Amount	Amount	Comment
		\$	\$	
1	Land acquisition		300,000	Purchase price plus fees
2	Building (14,000 sq. ft.)			
3	- Construction	3,200,000		\$226/sq.ft. approx.
4	- Development Cost Charges and Permits	100,000		Per information from City of Merritt
5	- Landform Architecture Limited	136,000		Actual Cost
6	- Equipment	700,000		2K Projection, sound, screens, acoustics and related equipment for all four theatres (See Appendix B for details)
7	- Seats	99,000		550 seats @\$180/seat – estimate includes installation
8	Sub-total - Building		4,235,000	Lines 3+4+5+ 6+ 7
9	Landscaping and Paving of Parking Lot		50,000	Preliminary Estimate
10	Project Manager		50,000	
11	Sub-total		4,635,000	
12	Contingency		463,500	10% of project's projected capital cost
13	TOTAL PROJECTED COST		5,098,500	

Land

The Board looked at a number of properties in the downtown core and selected one that best met the criteria for the project. The property has now been secured. The community theatre will be located on the south east corner of Garcia St. and Coutlee Ave.

The Board also considered the option of leasing a piece of property but decided that this would not be in the best interest of the project for the following reasons:

- a) the possibility that the property owner would be unwilling to renew the lease, resulting in the community theatre having to close down;
- b) increase lease costs upon renewal – a possibility that could impact the viability of the theatre;
- c) the NVCT Society would not be able to use the land as collateral for a loan.

Building

The community of Dauphin, Manitoba built a movie theatre in 2010 similar in size and function to that which is being proposed for Merritt. The building costs came to \$226/sq. ft. The size of the building in Merritt will be approximately 14,000 sq. ft., which translates to a capital cost of approximately \$3,200,000.

In the summer of 2015, Landform Architecture Ltd. of Penticton, BC confirmed that they are able to build a 14,000 sq. ft. building with four theatres meeting the desired criteria at a cost (construction) not to exceed \$3,200,000.

Equipment and Furnishings

The equipment for the four theatre rooms is estimated to cost approximately \$700,000. The costs of the seats, 550 in number, will be \$99,000. This price includes installation of the seats.

Appendix B contains a breakdown of these costs as provided by Cinematronix via an email sent on November 9, 2015.

3.2.2 Revenue Streams for Capital Costs and Financial Support for the Community Theatre

The vision of the Nicola Valley Community Theatre Society is to build a community theatre for the benefit of the community as a whole. Capital funding for the construction phase will be solicited from arts funding agencies such as the Federal Cultural Spaces mandate, the BC Lottery Corporation, the British Columbia Rural Communities funds, and philanthropic foundations dedicated to the arts. In addition to this, the Society will continue to solicit donations and in-kind services provided by the community.

The Society has set a goal of \$600,000 in community support, \$3,200,000 in Capital funding, and an additional plea of \$1,300,000 from corporate and business sponsorships.



Once this ambitious project is up and running, the Society anticipates revenues from rental agreements with user groups, and income from the cinema part of the project to support the community facility and to cover the overall maintenance costs of this multi-plex complex.



3.2.3 Pro Forma Income Statement

A number of assumptions were made in order to develop an operating budget for the first three years of operation.

ASSUMPTIONS:

- 1) Population in the Merritt-Nicola Valley trading area is estimated to be 15,100 people.
- 2) The local movie market size in Year 1 is calculated based on 3.2 visits per person per year. This number is comparable to the average number of visits per person per year of two community-owned and operated theatres, one in Salmon Arm and the other in Dauphin, Manitoba.

	Dauphin, Manitoba (Note 1)	Salmon Arm, BC (Note 2)	Merritt-Nicola Valley
Population of Municipality	10,200	16,100	7,200
Trading Area Population	25,000	32,200	15,100
Total Tickets Sold	70,000	118,289	48,320
Average Visits/Year (total tickets sold divided by trading area population)	2.8	3.7	3.2
Average Daily Attendance (total tickets sold divided by 364)	192	325	132

*Note 1 - The total tickets sold figure is the **actual number** of tickets sold in 2012. The Dauphin movie theatre opened in February 2011. The population of the City of Dauphin is 10,200 people with the nearest movie theatre in Brandon, an hour and a half by car.*

*Note 2 - The total tickets sold figure is the **actual figure** for the fiscal year ending September 30, 2015. The figure represents total tickets sold by the Salmar Grand and the Salmar Classic theatres.*

- 3) In Years 2 and 3, total tickets sold (number) are projected to increase by 1%.
- 4) For movies, ticket prices will vary depending on what kind of movie or special feature is being shown, special promotions, the time of day, the day of the week, and the age of customer. Box office (ticket) sales are estimated based on an average ticket price of \$9.50 in Year 1, \$9.75 in Year 2 and \$10.00 in Year 3.
- 5) Start-up costs are included in Year 1. Start-up costs include the purchase of office equipment, office furniture, one-time advertising, supplies, signage, grand opening, special permits, etc.
- 6) One or more theatres will be made available to community groups, the school district, businesses, etc. to rent for their events. The rental fee will be competitive. Currently (2015) various venues in the City of Merritt can be rented on average for \$50/hour. Revenues from arts and culture events, live performances, and use by School District and others will represent a small portion of total revenue. The first year's revenues from this source are estimated to be \$5,000.
- 7) As a new business, the NVCT may not have to pay property taxes in the first year the building is completed if the City grants the NVCT Society an 'exemption under revitalization'. In year 2, the exemption rate would be 75%, in year 3, 50%, and in year 4, 25%. In year 5 the property taxes will be in the neighbourhood of \$81,000 unless the NVCT Society qualifies for some other tax exemption. It is assumed that the business will be exempted from paying the full amount in years 1 through 4, as outlined under 'exemption under revitalization'.
- 8) Average concession sale will be \$7.00 in Year 1, \$7.50 in Year 2 and \$8.00 in Year 3. Cost of goods sold is estimated to be 30% of concession sales.
- 9) Operating costs and cost of goods sold have been based on the actual costs provided by the Salmar Association of Salmon Arm for their 2014/15 fiscal year.
- 10) A \$1,000,000 loan at 6% to be repaid over 15 years with an annual payment of \$102,000 (principal and interest).

**Table 1 - THREE-YEAR PRO FORMA INCOME STATEMENT
 WITH A BANK LOAN**
 (average ticket price in year 1 - \$9.50, in year 2 - \$9.75 and in year 3 - \$10.00; and
 average concession sale estimated to be \$7.00 in year 1,
 \$7.50 in year 2 and \$8.00 in year 3)

Line #		Year 1	Year 2	Year 3
		\$	\$	\$
	Revenue			
1	Tickets	459,040	475,800	492,900
2	Concession	338,240	366,000	394,320
3	Other	<u>5,000</u>	<u>6,000</u>	<u>7,000</u>
4	Total Revenue	802,280	847,800	894,220
5	Less: Cost of Goods Sold	422,800	442,860	463,326
6	Net Revenue	379,480	404,940	430,894
7	One time Start-up Costs	50,000	0	0
8	Total Operating Expenses	279,150	302,400	327,650
9	Bank Loan	102,000	102,000	102,000
10	NET SURPLUS (LOSS)	(-51,650)	540	1,244

Because of the debt repayment amount, the first year of operation will result in a loss of \$51,650 assuming the actual revenues and costs come in as projected. In year 2, the not-for-profit enterprise will break even and in Year 3, a small surplus is projected.

Without a mortgage, the NVCT will show a surplus after the first year of operation. See Table 1A below.

**Table 1A - THREE-YEAR PRO FORMA INCOME STATEMENT
 WITHOUT A BANK LOAN**
 (average ticket price in year 1 - \$9.50, in year 2 - \$9.75 and in year 3 - \$10.00 and
 average concession sale estimated to be
 \$7.00 in year 1, \$7.50 in year 2 and \$8.00 in year 3)

Line #		Year 1	Year 2	Year 3
		\$	\$	\$
	Revenue			
1	Tickets	459,040	475,800	492,900
2	Concession	338,240	366,000	394,320
3	Other	<u>5,000</u>	<u>6,000</u>	<u>7,000</u>
4	Total Revenue	802,280	847,800	894,220
5	Less: Cost of Goods Sold	422,800	442,860	463,326
6	Net Revenue	379,480	404,940	430,894
7	One time Start-up Costs	50,000	0	0
8	Total Operating Expenses	279,150	302,400	327,650
9	Debt Repayment	0	0	0
10	NET SURPLUS	50,330	102,540	103,244

These figures are based on realistic and attainable estimates that will ensure a long-term viable and successful community theatre in Merritt that provides a first-class experience for customers and contributes back to the community.

Appendix C and **Appendix C-1** provide a detailed breakdown of revenues and costs for Years 1, 2, and 3.

4.0 An Overview of the Theatre Industry

4.1 Arts and Culture

The BC Chamber of Commerce on their web site <http://www.bcchamber.org/policies/strategy-arts-and-business>, wrote in 2013 that it “firmly believed the arts and cultural sector of B.C. benefits business and contributes to building strong, economically sound communities”. The Chamber went on to say that “the vitality of a robust arts community helps draw talented professionals, brings entrepreneurs to our region, supports existing business and encourages newcomers to choose our cities as a place to live and work. Although it is difficult to calculate the exact impact on the economy through spending on the arts, we know anecdotally that there is a strong, positive economic correlation between arts and cultural events and money spent in hotels, restaurants, travel services and retail businesses.”

Although recent statistics on this sector are not readily available, a 2012 report¹ prepared by Hill Strategies Research Inc. reported that British Columbians spent on average \$869/person in 2010 on cultural ‘products’. This represented about 3% of all consumer spending. In 2008, \$200 million was spent on live performing arts which was equal to the amount spent on live sports events. Another interesting statistic was the percentage (42%) of households who reported some spending on performances as compared to the percentage (19%) of households who reported spending on live sports events.

There has been a marked increase in participation in arts, culture and heritage performances between 1992 and 2010. The Hill Strategies report states that the participation rate had increased from 16% to 27% between those two years. In 2010, 71% of British Columbians attended performing arts events or cultural festivals.

4.2 Movies

Motion picture theatres are part of the complex film industry which also includes broadcast and cable television and, in the past few years, DVD rentals and purchases, and online movie downloads through the Internet. The theatre industry has been characterized by large initial capital investments and long revenue streams. Although videos are the biggest contributor to film industry revenue, motion picture theatres remain a significant part of the sector. The industry has shown itself to be recession resistant as seen in the past and most recently since the 2008 downturn in the economy and its uneven recovery. The industry projects a stable future with

¹ Source: British Columbia’s Cultural Climate: Understanding the Arts in BC’s Economy and Society, June 21, 2012

<http://www.hillstrategies.com/content/british-columbia%E2%80%99s-cultural-climate-understanding-arts-bc%E2%80%99s-economy-and-society>

continued increases in revenue due to technology advances and alternative programming opportunities. (Source: *Motion Picture Theatre Association of Canada, Cinescape and Countryfest Community Cinema Inc. Business Plan, page 4*)

The movie theatre industry has continued to thrive with industry advancements such as stadium seating, digital cinema, premium digital sound, 3D technology and the film product windows that exist in between theatrical release and video release. Going out to the movies still represents one of the most affordable and most popular forms of entertainment for people of all ages.

According to Statistics Canada², Canadian motion picture theatres (cinemas, including indoor theatres, drive-ins and film festivals) sold 115.3 million tickets in 2012 (the latest year for which numbers are available), up 4.1% from 2010. Total operating revenues increased by 8.4% between 2010 and 2012. The industry posted an operating profit margin of 14% in 2012, compared to 11.4% in 2010.

The top-chain-operated theatres dominated the industry in terms of admission receipts, concession sales and attendance. Compared to 2009, operating revenues for the large theatre chains increased 3.6% in 2010 while operating expenses increased by 4.1% in 2010.

The largest expense reported by the surveyed theatres was film rental and royalty payments which represented 36% of total operating expenses in 2012, a figure unchanged since 2010. (Source: *Statistics Canada*)

According to a June 2015 report prepared by ERm Research for Telefilm Canada and Show Canada³, moviegoers saw on average 5.1 movies between June 2014 and May 2015. Moviegoers represent about 2/3 of the population of Canada over the age of 13 and fall into three categories. Twenty-one percent (21%) of Canadians were light moviegoers who attended one or two movies in this period. Twenty-nine percent (29%) of Canadians were moderate moviegoers who attended three to nine movies. Sixteen percent (16%) of Canadians were heavy moviegoers who attended ten or more movies.

Per capita attendance at movie theatres in British Columbia was 3.3 visits in 2012, 3.7 for Alberta, 3.6 for Ontario and 2.8 for Quebec. (Source: *Statistics Canada*)

The movie theatre industry will continue to evolve and adapt to new market trends and customer preferences. Today, the product line consists of more than just first-run movies. The digital age has required investment in new technology. While the price of a ticket has increased, going to the

² Source: Statistics Canada web site – www.statcan.gc.ca/pub/87f009x/2013001/part-partie1-eng.htm

³ Source: http://www.telefilm.ca/document/en/01/17/CanadaMoviegoing_2015_Summary.pdf

movies is still one of the most affordable recreational options, a shared experience where one can immerse oneself in another world.

5.0 Market Size

5.1 Arts and Culture Events, Live Performances

Although the available statistics (see Section 4.1) point to an increase in participation by Canadians in all kinds of arts, culture and heritage opportunities, no statistics are available for participation rates for people living in Merritt and the surrounding area. From anecdotal evidence it can be concluded that there is a rather limited market for a wide variety of products from live music performances, to visual art shows, to author readings, story tellers, live amateur theatre, community concerts and dance recitals. The NVCT will offer an excellent venue for many types of arts and culture events and, by virtue of its presence and operations, enlarge the market size for cultural events.

The venues for arts, culture and heritage events, performances, etc. play a role in determining market size. Size, features and availability of venues can limit opportunities for this market to grow over time. Currently there are four main venues in the Nicola Valley which are used for concerts, dance recitals, solo musical recitals, drama, film showings and open mike performances. Visual art shows use one or more of these venues but also display the art work of local and out-of-area artists in other locations.

Two of the main venues are located in educational facilities, one is city-owned and one is privately owned. The two in educational facilities are available to community groups when they are not in use or otherwise committed. These are heavily used during the academic year, not generally available during holidays (summer months, for example), and have restrictions on the kind of events which can be held in them. The City-owned community centre accommodates a wider range of commercial and public community events. It is heavily booked and users may be bumped at the discretion of the City. The privately owned club is a small night club which hosts open mike and entertainment about ten times a year.

The maximum size of the audience in each of these four venues ranges from 100 seats to 400 in the community centre. Other than the theatre at the Nicola Valley Institute of Technology which has 150 cushioned fixed seats, the seating in the other venues is on metal or plastic stacking chairs.

The only venue designed for visibility and unamplified sound is the Nicola Valley Institute of Technology's lecture/performance theatre. The other venues will not carry unamplified voices

more than ten rows. These venues restrict the view of anything and anyone mid-stage or farther back from audiences. All venues have a PA system with sound clarity of varying degrees.

None of the venues have concealed backstage rooms or scene shops. Only the high school's multi-purpose room has a proscenium arch and curtains. Lighting systems are a combination of fixed and portable components. Lighting and sound control are done from locations in the audience.

Each of the four main venues provides certain of the requirements of a high quality venue but all of them contain disadvantages for access of performers, the comfort of audiences and the quality of the experience.

The introduction of a venue directed more specifically to the performing arts will take the strain off the existing venues and contribute to a higher quality of entertainment. The creation of a dedicated theatre would open the doors to a wide variety of productions of high quality and broad scale. Full scale drama productions could be rehearsed and staged. Drama and music festivals could be accommodated. Overall the experience of audiences at the events taking place at the community theatre would leave a very positive impression and result in repeat visits and new audiences.

5.2 School District #58 User Group

The School District is a supporter of this project and is looking forward to the opportunities such a venue would provide to further its educational strategy.

There are 185 teachers working in this school district. A 250 seat theatre could be used for Pro-D days where instructors are brought in to keep skills current. The live streaming capability of the theatre would allow for both synchronous and asynchronous lectures, performances and webinars for both staff and students (e.g. Chris Hadfield of the Canadian Space Agency, Ted Talks, etc.). Currently this is not possible. The use of a large comfortable seating theatre for lectures with video and sound would create a unique and engaging learning experience.

Only one small stage and multi-purpose room exist in the high school and in one elementary school. The community theatre with its stage and green room would be used by schools for student concerts and plays.

A *Criteria in Picture License* presently exists for students with over 1000 films in English and 900 in the French language. A *Public Performance Copyright* license exists for the unlimited screening of commercially available films from Audio Cline Films Inc. This includes viewing movies during and after school hours, including fundraisers, family theatre nights and community events.

The community theatre could also be used for video production and drama classes, to show videos produced by students, for music lessons, history classes and professional development.

Artists on Tour are available for students populations across BC and the community theatre would be the perfect venue for this program (2 performances per school per year).

5.3 Movies

The market size for the movie portion of the NVCT was calculated using population estimates for Merritt, regions M and N of the Thomson-Nicola Regional District, the District of Logan Lake and the City of Princeton. The reason for including the last two communities is that a significant number of their residents visit Merritt on a regular basis and it was reasonable to assume that some of them plus their friends and acquaintances would be potential customers of the NVCT.

The 2011 Census estimated the population of Merritt and Regions M and N to be 9,800. The population of Logan Lake was 2,220 people and of Princeton, 3,075. Adding these figures brings the total to 15,095 people.

Assuming an average per capita figure of 3.2 visits to a Merritt movie theatre per year, at least initially, this translates to approximately 48,320 tickets sold per year.

Attendance will fluctuate not only on a daily basis but also on a seasonal basis as special events such as hockey tournaments, swim meets, and festivals, etc. will bring in more customers. These events bring visitors from out of town. There is very little to do in Merritt in the evenings for visitors so a movie theatre should see attendance figures rise.

5.3.1 Market Survey

For some years now, whenever a survey was conducted and residents asked what amenities were lacking in Merritt, one of the answers was a movie theatre. In planning how to go about determining whether a movie theatre would be a viable business, the group spearheading this project conducted a survey in 2010 to determine if there was support for a movie theatre and to try to quantify that support.

The survey was not a randomized survey of respondents. Its results, therefore, cannot be extrapolated to the entire population. However, the number of surveys that were completed – 571 surveys – can be used with some degree of confidence as to the interest and support for a movie theatre in Merritt.

Appendix D provides the tabulated results for each of the survey questions. The highlights from the compilation of responses to the survey questions are provided below.

- Thirty-eight percent (38%) of respondents were male and sixty-one percent (61%) were female.
- The largest number of respondents was under 16 years of age (33%), followed by respondents over the age of 55 (22%). The third highest category were respondents between the ages of 41 and 54 (20%) followed by respondents between the ages of 25 and 40 (18%). Only 7% of respondents were between the ages of 17 and 24.
- Eighty-one percent (81%) said they strongly supported having a community-owned movie theatre in Merritt.
- Sixty-two percent (62%) felt it was very important to have first-run movies shown as soon as possible.
- Nearly forty percent (39%) of respondents said they would go to the movie theatre 2-3 times per month. The next largest category was once a month (24%).
- Almost half (49%) of respondents said they spent between \$5 and \$14 on popcorn, drinks, etc, at the movie theatre.
- Saturday evening, Friday evening, followed by Saturday matinee were the most popular times for going to the movies with Sunday evening in fourth place.

In addition to the survey, some twenty downtown and area businesses were interviewed informally and asked what they thought of having a movie theatre downtown. The idea had appeal for a number of reasons including the possible economic spinoffs. A theatre would support downtown businesses and revitalization efforts and reduce leakage.

To succeed, the project will need strong community support. The results of the survey and conversations with downtown businesses are evidence that there is community support for a movie theatre.

5.4 Competition

The main competition to the NVCT will be

- Events in the community that have a loyal following – e.g. Merritt Centennials hockey games, curling, softball, etc.
- Community fundraisers
- Outdoor recreation and activities
- Internet, video games, Netflix and similar movie streaming services
- Shopping, services and amenities in Kamloops and other large urban centres (Kelowna, Lower Mainland)
- New technology in home entertainment
- Pubs and bars

All the above compete for the discretionary spending and limited time of individuals and families. The challenge for the NVCT will be to secure some of that discretionary spending and ensure that the experience brings customers back time and again. The marketing strategy of the NVCT, and how it markets its products and services, will therefore be continually evaluated and updated as necessary.

5.5 Marketing Strategy

5.5.1 Goals

The NVCT's initial marketing strategy has two main goals:

- a) To create awareness in the trading area of the community theatre's products and services; and
- b) To translate that awareness into strong community support through attendance and use of the community theatre to make it a financially viable operation.

5.5.2 Objectives

The objectives of the marketing strategy are:

- a) To have net revenues of \$379,000 in year 1 of operations.
- b) To have net revenues of \$405,000 in year 2 of operations.
- c) To have net revenues of \$431,000 in year 3 of operations.

5.5.3 Tactics

To meet the above objectives, the marketing plan will include the following tactics:

- Developing strong relationships with potential user groups and individuals.
- Competitively-priced movie tickets – the underlying message being, “good value for the price”.
- Show first-run movies. Respondents to the survey overwhelmingly felt that showing first-run movies was either important or very important to attracting customers.
- Targeting products to customers' wants. The key to attracting customers is to meet their needs, in terms of price, value and product features. The NVCT will offer a variety of movies, some first-run, some classic movies, special features, video streaming of sport events (Olympics, FIFA World Soccer), video streaming of live opera, symphony performances and other art and culture offerings, etc. Recent experience by other movie theatres has shown

that expanding the traditional product line attracts new customers and increases sales. The digital age has created opportunities for different types of videos to be shown in theatres and these have been well received by the public.

- Web site and blog – The NVCT will develop a web site to market its products and services. In addition, it will use social media (Facebook) to build a following; and introduce the buying of tickets on-line.
- Offer advertising opportunities to local and area businesses. At the same time, carefully monitor the amount of advertising shown before a movie or special feature begins. Periodic surveys of movie goers will be conducted to obtain feedback on the amount of advertising.
- Feature locally-made movies and advertise to target audience for those movies.
- Promotions such as door knockers, coupons and contests.
- Newspaper advertising.
- Advertise current film showings on hotel/motel televisions.
- Partner with the Nicola Valley Community Arts Council and other art/culture groups interested in bringing in artists to perform in Merritt.
- Seek opportunities to partner with local community groups organizing and sponsoring conventions.
- Partner with the Nicola Valley Film Society to have their film showings at the movie theatre
- Grand opening – the grand opening will offer the best opportunity to create awareness about the NVCT and its products and services. This will be a community 'event' of the first order.
- A pricing strategy that will continually evolve to stimulate return visits and attract new customers.
- Partner with other businesses for special promotions, e.g. a local business buys a certain number of movie passes as give-aways.

In addition, customer service will be central to the way the NVCT is operated. The success of the NVCT will depend on residents making return visits. This will only occur if they feel welcome, the facility is clean and service is efficient and friendly.

6.0 Facility

6.1 Location

In selecting a possible location for a community and movie theatre, a number of factors were considered. The location had to have sufficient parking so that patrons need not walk too

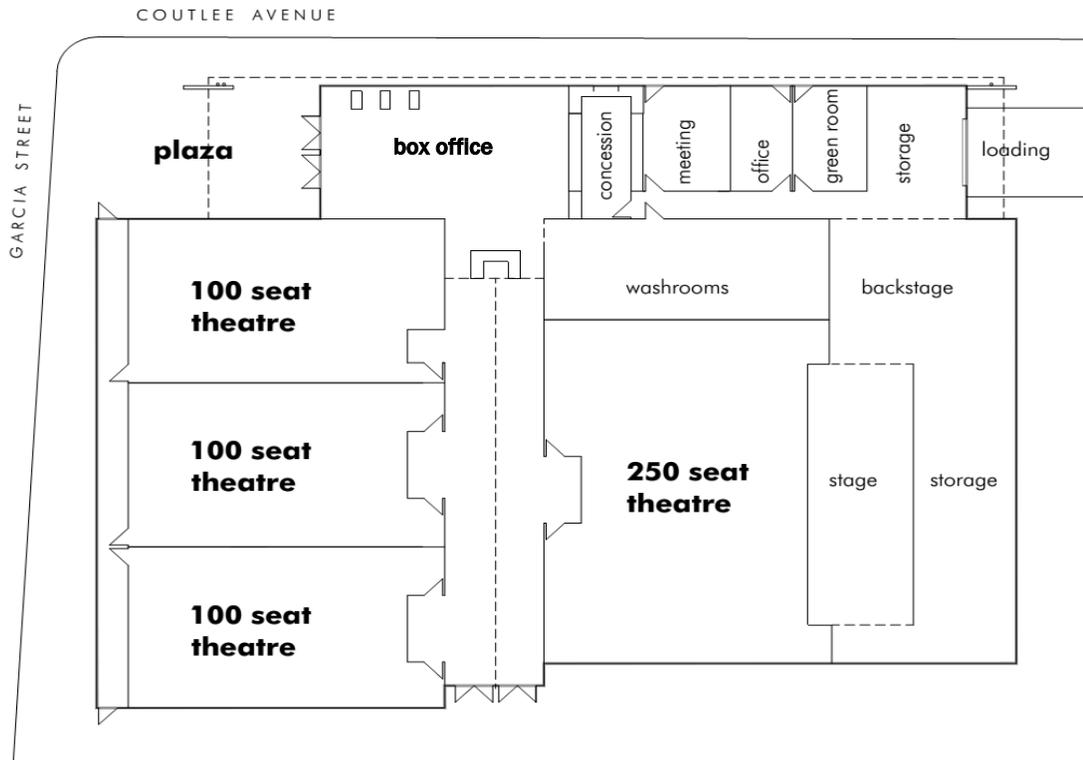
far. The location had to be in an area that would not be too close to residential housing because of possible traffic and noise issues. The location needed to be close to the downtown if nearby businesses, such as restaurants and coffee shops, were to benefit and if the project was to meet one of the goals: to support downtown businesses. The property had to be large enough to allow a 14,000 sq. ft. building to be built. The last criterion was the cost of the land.

A property has been secured which meets all the criteria. It is adjacent to the Railyard Mall and located at the intersection of Garcia Street and Coutlee Avenue.

6.1.1 Pre-Construction and Construction Phases

The construction phase will follow once the detailed plans for the building have been developed and approved. Once construction starts, the building phase will take about a year.

At this time, the proposed layout of the 14,000 sq. ft. building will be three theatres each with a 100-seat capacity across from a 250-seat theatre. (See diagram on next page.) This last multi-purpose space will be larger than the other three in order to accommodate a stage complete with wings, storage space and a green room with its own washroom.



The drawing above represents an artist's rendition of a four-screen theatre that will fit on the property with a footprint of 14,000 sq. ft.

This is a preliminary concept drawing.

Once the project's funding is in place, a proper architect's drawing will be prepared.

The following wish list (preliminary) has been presented to the architects to guide them in developing the final layout:

- ◆ One multi-purpose room with 250 seats, a stage, wings and green room
- ◆ Three screening rooms with 100 seats
- ◆ Office for manager and for the NVCT Society's records, etc.
- ◆ Meeting Room with sink, counter and cupboards
- ◆ Loading dock
- ◆ Storage space - general
- ◆ Storage space for grand piano
- ◆ Concession area
- ◆ Coat check area for large theatre
- ◆ Marshalling area for intermission during live performances, lectures, etc.
- ◆ Provision for a fly tower
- ◆ Box office area

- ◆ Lobby (space to accommodate up to 250 people during an intermission break at an event taking place in the 250-seat theatre)
- ◆ Washrooms – wheelchair accessible and sufficient in number to process the numbers of people wanting to use the facilities during intermission when large theatre is being used. Washroom stalls to be wide enough to accommodate large people easily.
- ◆ Washroom in green room
- ◆ Provision for a fly tower.

The NVCT Society has identified the following stages for the pre-construction costs for this community theatre project:

- STAGE 1 – Purchase of land and preliminary design drawings
- STAGE 2 – Final architectural drawings and fees
- STAGE 3A – Building permits and City approval costs
- STAGE 3B – Development cost charges and property servicing costs for the business

When the project moves to STAGE 2, complete construction and theatre fixtures and furnishing costs and the construction schedule will be provided.

The building will be owned and operated by the Nicola Valley Community Theatre Society.

6.1.2 Maintenance

Maintenance costs have been estimated at \$15,000 for the first year of operations. This includes janitorial and landscaping services which will be contracted out. Some minor janitorial work will be one of the responsibilities of the hourly-paid staff.

As this will be a brand new building, maintenance costs should be lower than for an older building. Any problems in the first few years should be able to be resolved through warranties on the building, equipment and furnishings.

6.1.3 Other Capital Expenditures

Equipping three of 100-seat theatres (stadium seating theatres with screens) will cost approximately \$180,000/theatre. The fourth theatre, because of its multi-purpose design to accommodate live theatre, will cost an estimated \$265,000. This estimate includes the seats, digital and 3D equipment, projectors, screens, acoustics and fixtures. Additional features, including a stage and fly tower, for the largest theatre will be an additional cost which will require further fundraising to complete.

Other capital costs include furniture and fixtures for the office, meeting room and, washrooms, concession equipment, box office area, signage and security system.

An itemized list of these costs will be developed once a certain level of funds has been raised and the project has moved to STAGE 2.

7.0 SWOT Analysis

The strengths, weaknesses, opportunities and threats to this business proposal are as follows:

The following strengths have been identified:

- A community theatre would provide a positive activity for all children, in particular adolescents (ages 11-15) who are often searching for things to do. Many children do not have the opportunity to travel to Kamloops to see a movie or live performance. Therefore the community theatre will give youth in the community one more tool to help with education and gain a sense of community.
- A source of scholarships.
- Provide entry level jobs and training for the student population.
- A community theatre supports business initiatives currently underway or proposed.
- A community theatre would enhance community growth.
- A community theatre is an affordable entertainment option.
- A community theatre addresses the safety issue when road conditions are unsafe (winter) and people want to go see a movie.
- The trading area is compact – distance to a community theatre would be less than 1 hour of travel time. There is also public transportation from parts of the trading area.
- A community theatre would be one more City amenity.
- Interest expressed in a community theatre and strong support for a community cinema from the general public.

From these strengths, the following opportunities have been identified:

- Poor highway conditions keep population in Merritt.
- Better (lower) priced lecture hall – ‘adding to’ existing conference facilities.
- Visitors to events (sport tournaments/festivals/conferences, etc.) looking for something to do after an event.
- Social outing for families.
- Partnership opportunities with (local) film industry and the School District
- Enhance the variety of sport and cultural products available to the target population.

The project is not without challenges and the following have been identified:

- Cost of project
- Securing necessary funds
- Trading area (15,100 pop) small
- Small core population (City of Merritt - 7,500 in 2014)
- Too many groups all going to the same sources for funding – competition for funding
- Ability to attract qualified management staff

The main threats to a successful community theatre operation are the yet unidentified trends in the entertainment industry and how new technology will impact this market. The following threats have been identified:

- Competition – people switching to downloading movies and more homeowners installing home theatres.
- Population decline and/or employment income falling.
- Is this a twilight industry? Where will it be in 10 years' time?
- Technology changing quickly and to keep up, major capital investment required over short timelines.

All the threats listed above are future ones and cannot be quantified at this time. The NVCT Society will keep abreast of developments, both positive and negative, and develop strategies as necessary.

8.0 Business Assessment and Risk Analysis

There are a number of good reasons why residents will support a community theatre beginning with the strong and ongoing interest in this project from the community. As a community-owned and operated enterprise, Merritonians will take pride in their new state-of-the art community theatre and support it.

The 2010 survey showed that many of the respondents often go to the movies. The nearest cinema is in Kamloops, about 50 minutes travel time from Merritt. The cost of fuel to travel to Kamloops is a factor that may give residents concern. With a theatre in Merritt, that concern and related expenditure will be eliminated, especially as the theatre showing movies is a brand new one that offers all the amenities that they would get in a big city theatre. Price will also be a factor. Ticket prices will be competitive and, with special promotions, the ticket price could be even lower at times and hence, choosing this entertainment option would be even more attractive.

If residents support the project from its initial stages, they will want to see their 'investment' (donations) prosper and will therefore go to the NVCT and encourage others to do the same.

The numbers used to calculate annual ticket sales are based on a conservative estimate of the market size and are in line with average attendance figures for other theatres and the province as a whole. There is no indication that the residents of Merritt and area would be less likely to frequent movies than in other cities.

A movie theatre will be popular with visitors as Merritt is currently short of entertainment options in the evening. Other than the bars and pubs and the occasional outdoor performance, visitors only see a quiet evening ahead of them. A movie theatre is an affordable entertainment option for people on vacation or visiting the area. For this reason, it is not unrealistic to expect the community theatre to be a very busy place at certain times of the year, thus helping to boost attendance figures.

A new community/movie theatre will be a signal to businesses in the vicinity to consider making changes in their operations, be it the hours that they are open, the products they carry, or the services they offer, in order to take advantage of the increased traffic in the downtown core.

A number of projects (new investment) are being planned for this region. With their implementation, new employment will be created, and these new and/or out-of town workers will be looking for something to do during their off-work hours. A community/movie theatre is in an ideal position to capture some of that new discretionary spending.

As noted in the previous section, the threats are few at present, but may be more numerous and more serious in the future. The NVCT Society will be vigilant in order to be prepared for a change in direction to take advantage of a new opportunity and/or to minimize threats. A community theatre is no different from any other business. Success over the long term requires knowing your market and your customers and their wants and needs. Sound fiscal management, taking care of problems and issues as they arise, reviewing and updating the marketing plan and other strategies as well as keeping abreast of trends and technological advances will characterize the operations of the NVCT. The Board of the Nicola Valley Community Theatre Society will be proactive, involved and accountable to its membership and by extension, to the community.

In summary, as with starting any business or revenue generating social enterprise, there is a risk that actual revenues and costs could differ significantly from the projections no matter how detailed and extensive the research prior to the business opening, how well the analysis was done and how accurate and comprehensive the assumptions were thought to be. The Society has had extensive communication with two other community-owned theatre operations, carefully examined all the figures they provided, was able to get up-to-date cost figures for the building of a

theatre that will show movies, and has worked diligently in preparing the financial data presented in this business plan. Their conclusion is that this project will be successful, provide many benefits to the community and deserves to be supported and encouraged.

9.0 Three-year Monthly Cash Flow Projections

With an opening balance of \$100,000 in working capital, at the end of Year ONE, the NVCT will not require any additional working capital as there will be a surplus of \$48,330. If the amount of working capital is less than \$50,000 at the start of operations, additional working capital will be required at the start of Year TWO or Year THREE.

The 3-year cash flow projections on the following pages were developed based on the assumptions found on pages 11 and 12 in the business plan. The cash flow projections take into account the principal and interest payment on a \$1,000,000 bank loan.

APPENDIX A – STAFF POSITIONS, JOB DESCRIPTIONS AND WAGE RATES

GENERAL MANAGER

This position reports to the Board of Directors or a Committee of the Board.

Main Responsibilities:

- Hire, train and supervise staff and carry out periodic job performance evaluations.
- Develop the weekly work schedule.
- Hire contractors for jobs such as maintenance and janitorial services. Where necessary, develop a contract document for signature stipulating the work to be done, the timelines and the remuneration.
- Liaise with and develop strong relationships with community organizations and individuals interested in holding arts and culture events at the theatre and live performances of music, dance and theatre.
- Liaise with movie/feature distributors, community organizations and others to ensure a timely supply of movies, live-streamed events, etc.
- Plan and execute special events.
- Prepare an annual operating budget for review and adoption by the Board.
- Develop and implement the marketing and advertising plans and budget.
- Inventory ordering and control for concession.
- Upload information to web site as necessary.
- Ensure all policies and procedures are followed.
- Any other duties as assigned by the Board.

QUALIFICATIONS:

- A minimum of 5 years experience operating a movie theatre.
- Experience working for and volunteering for a community organization.
- Experience in hiring, training and supervising staff.
- Strong inter-personal and communication skills.
- Experience developing budgets, advertising plans and writing reports.
- Strong computer (WORD, EXCEL, Publisher, PowerPoint) and Internet skills.

SALARY: \$60,000, includes benefits (WCB, EI, CPP, MSP, vacation pay paid by the employer)

CONCESSION SALES / TICKET SALES / TICKET TAKERS / CLEAN-UP

All these positions report to the GENERAL MANAGER.

MAIN DUTIES:

- To operate a cash register.
- To sell concession products and movie theatre tickets to customers.
- If working at the concession, maintain its inventory and appearance (cleanliness, tidiness).
- To pick up garbage and sweep the floor from each screening room after each showing.
- To undertake such duties as may be delegated to them by the General Manager.

QUALIFICATIONS:

- No previous work experience necessary.
- Experience volunteering for a community project or organization would be an asset.
- Good customer service attitude and a good communicator.
- Strong computer (WORD, EXCEL, Publisher, PowerPoint) and Internet skills.

HOURLY WAGE: \$11 TO \$15 plus benefits (WCB, EI, CPP, MSP, vacation pay paid by the employer)

Other positions, such as SUPERVISOR, may be added depending on the final operating schedule of the community theatre. Supervisors may be necessary if staff is inexperienced or for reasons of security, etc.

APPENDIX B – ESTIMATE OF THE COSTS OF EQUIPMENT FOR EACH OF THE FOUR THEATRE ROOMS

Source – November 9, 2015 email from Kevin DeRijck, Cinematronix

Merritt 4 - Plex

Auditoriums 1 - 3 (price listed is per auditorium)

- 2K Projection (if screens are greater than 24' wide but not more than 35') = \$60,000
- 7.1 Sound = \$30,000
- Screen, Screen Frame, skirting & masking motors = \$18,000
- Acoustics (75% Wall Coverage) = \$30,000
- Miscellaneous (Speaker wire, Cables, Technician Travel & Accommodation, etc) = \$18,000

Total per auditorium = \$156,000

One auditorium should have 3D. Cost for 3D is approximately \$13,000 with required silver screen.

Total for Auditoriums 1 - 3 = \$481,000

Auditorium #4 (Multi-Use Theatre)

- 2K Projection (assuming screen is approximately 40') = \$70,000
- 7.1 Sound = \$30,000
- Motorized Drop-down Screen to accommodate multi-use = \$20,000
- Acoustics (75% Wall Coverage) = \$40,000
- Miscellaneous (Speaker wire, Cables, Technician Travel & Accommodation, etc) = \$18,000
- Additional equipment for multi-use functionality (mixer, cabling, etc) = \$10,000

Total for auditorium = \$188,000

If 4K projection is desired please add another \$25,000 for this requirement.

Total Estimated Budget for all auditoriums = \$669,000 - \$694,000

This total does not include seats or seat installation. I would budget approximately \$180 per seat including installation. We also supply theatre seats.

**APPENDIX C - PROJECTED INCOME STATEMENT - YEARS 1, 2 AND 3
WITH A BANK LOAN OF \$1,000,000 REPAYABLE AT 6%**
(average ticket price in year 1 - \$9.50, in year 2 - \$9.75 and in year 3 - \$10.00; and average concession sale estimated to be \$7.00 in year 1, \$7.50 in year 2 and \$8.00 in year 3)

Line #		YEAR 1	YEAR 2	YEAR 3	
1	Average Ticket Price	\$9.50	\$9.75	\$10.00	
2	Average Concession Sale	\$7.00	\$7.50	\$8.00	
3	Total # of Tickets Sold	48,320	48,800	49,290	annual increase of !%
		<hr/> \$	<hr/> \$	<hr/> \$	
	REVENUES				
4	Box Office	459,040	475,800	492,900	Line 1 X Line 3
5	Concession	338,240	366,000	394,320	Line 2 X Line 3
6	Arts and Culture Events	5,000	6,000	7,000	Estimate
7	TOTAL REVENUES	802,280	847,800	894,220	
	<i>Cost of Sales</i>				
8	Film Rentals	306,328	318,060	330,030	Line 8 + Line 9 + Line 10 = 70% of ticket sales
9	Booking Fees	10,000	10,000	10,000	
10	Freight	5,000	5,000	5,000	
11	Concession	101,472	109,800	118,296	30% of Concession sales
12	Sub-total - Cost of Sales	422,800	442,860	463,326	
13	NET REVENUES	379,480	404,940	430,894	Line 7 minus Line 12
	EXPENSES				
14	<i>Operating Expenses</i>				
15	Start-up Costs	50,000	0	0	
16	Advertising	28,000	26,000	26,000	
17	Auditor/Bookkeeper	10,000	10,000	10,000	
18	Business License	150	150	150	
19	Insurance (Directors & Officers/ General Liability/Building & Property	9,000	9,000	9,000	
20	Office Supplies	2,500	2,500	2,500	
21	Operating Supplies	15,000	15,000	15,000	
22	Property Taxes	-	20,250	40,500	
23	Maintenance & Repairs	5,000	15,000	15,000	
24	Telephone & Internet	9,000	9,000	9,000	
25	Utilities (heat/air conditioning/light)	20,000	20,000	20,000	

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Line #		YEAR 1	YEAR 2	YEAR 3
<i>Operating Expenses (Cont'd)</i>				
26	Wages, Salaries & Benefits			Note 1
27	- General Manager	60,000	62,000	65,000
28	- Hourly Staff	105,000	108,000	110,000
29	Waste Removal	4,000	4,000	4,000
30	Water & Sewer	1,500	1,500	1,500
31	Sub-total	329,150	302,400	327,650
32	Loan Payment	102,000	102,000	102,000
33	TOTAL EXPENSES	431,150	404,400	429, 650
34	Yearly Surplus (Loss)	(51,670)	540	1,244

Note 1: Benefits include employer's share of employment insurance, CPP, vacation pay, WCB and MSP.

ASSUMPTIONS:

- 1) Population in the Merritt-Nicola Valley trading area is estimated to be 15,100 people.
- 2) The local movie market size in Year 1 is calculated based on 3.2 visits per person per year. This number is comparable to the average number of visits per person per year of two community-owned and operated theatres, one in Salmon Arm and the other in Dauphin, Manitoba.

	Dauphin, Manitoba (1)	Salmon Arm, BC (2)	Merritt-Nicola Valley
Population of Municipality	10,200	16,100	7,200
Trading Area Population	25,000	32,200	15,100
Total Tickets Sold	70,000	118,289	48,320
Average Visits/Year (total tickets sold divided by trading area population)	2.8	3.7	3.2
Average Daily Attendance (total tickets sold divided by 364)	192	325	132

*Note 1 - The total tickets sold figure is the **actual number** of tickets sold in 2012. The Dauphin movie theatre opened in February 2011. The population of the City of Dauphin is 10,200 people with the nearest movie theatre in Brandon, an hour and a half by car.*

*Note 2 - The total tickets sold figure is the **actual figure** for the fiscal year ending September 30, 2015. The figure represents total tickets sold by the Salmar Grand and the Salmar Classic theatres.*

- 3) In Years 2 and 3, total tickets sold (number) are projected to increase by 1%.
- 4) For movies, ticket prices will vary depending on what kind of movie or special feature is being shown, special promotions, the time of day, the day of the week, and the age of customer. Box office (ticket) sales are estimated based on an average ticket price of \$9.50 in Year 1, \$9.75 in Year 2 and \$10.00 in Year 3.
- 5) Start-up costs are included in Year 1. Start-up costs include the purchase of office equipment, office furniture, one-time advertising, supplies, signage, grand opening, special permits, etc.
- 6) One or more theatres will be made available to community groups, the school district, businesses, etc. to rent for their events. The rental fee will be competitive. Currently (2015) various venues in the City of Merritt can be rented on average for \$50/hour. Revenues from arts and culture events, live performances, and use by School District and others will represent a small portion of total revenue. The first year's revenues from this source are estimated to be \$5,000.
- 7) As a new business, the NVCT may not have to pay property taxes in the first year the building is completed if the City grants the NVCT Society an 'exemption under revitalization'. In year 2, the exemption rate would be 75%, in year 3, 50%, and in year 4, 25%. In year 5 the property taxes will be in the neighbourhood of \$81,000 unless the NVCT Society qualifies for some other tax exemption. It is assumed that the business will be exempted from paying the full amount in years 1 through 4, as outlined under 'exemption under revitalization'.
- 8) Average concession sale will be \$7.00 in Year 1, \$7.50 in Year 2 and \$8.00 in Year 3. Cost of goods sold is estimated to be 30% of concession sales.
- 9) Operating costs and cost of goods sold have been based on the actual costs provided by the Salmar Community Association of Salmon Arm for their 2014/15 fiscal year.
- 10) A \$1,000,000 loan at 6% to be repaid over 15 years with an annual payment of \$102,000 (principal and interest).

**APPENDIX C-1 - THREE-YEAR PRO FORMA INCOME STATEMENT
WITHOUT A BANK LOAN**

(average ticket price in year 1 - \$9.50, in year 2 - \$9.75 and in year 3 - \$10.00 and average concession sale estimated to be \$7.00 in year 1, \$7.50 in year 2 and \$8.00 in year 3)

Line #		YEAR 1	YEAR 2	YEAR 3	
1	Average Ticket Price	\$9.50	\$9.75	\$10.00	
2	Average Concession Sale	\$7.00	\$7.50	\$8.00	
3	Total # of Tickets Sold	48,320	48,800	49,290	annual increase of !%
		\$	\$	\$	
REVENUES					
4	Box Office	459,040	475,800	492,900	Line 1 X Line 3
5	Concession	338,240	366,000	394,320	Line 2 X Line 3
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EXPENSES					
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20	Office Supplies	2,500	2,500	2,500	
21	Operating Supplies	15,000	15,000	15,000	
22	Property Taxes	-	20,250	40,500	
23	Maintenance & Repairs	5,000	15,000	15,000	
24	Telephone & Internet	9,000	9,000	9,000	

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25 Line #	Utilities (heat/air conditioning/light)	20,000	20,000	20,000
		YEAR 1	YEAR 2	YEAR 3
	<i>Operating Expenses (Cont'd)</i>			
26	Wages, Salaries & Benefits			Note 1
27	- General Manager	60,000	62,000	65,000
28	- Hourly Staff	105,000	108,000	110,000
29	Waste Removal	4,000	4,000	4,000
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33	TOTAL EXPENSES	329,150	302,400	327,650
34	Year Surplus (Loss)	50,330	102,540	103,244

Note 1: Benefits include employer's share of employment insurance, CPP, vacation pay, WCB and MSP.

ASSUMPTIONS:

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- 2) The local movie market size in Year 1 is calculated based on 3.2 visits per person per year. This number is comparable to the average number of visits per person per year of two community-owned and operated theatres, one in Salmon Arm and the other in Dauphin, Manitoba.

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- 7) As a new business, the NVCT may not have to pay property taxes in the first year the building is completed if the City grants the NVCT Society an 'exemption under revitalization'. In year 2, the exemption rate would be 75%, in year 3, 50%, and in year 4, 25%. In year 5 the property taxes will be in the neighbourhood of \$81,000 unless the Society qualifies for some other tax exemption. It is assumed that the business will be exempted from paying the full amount in years 1 through 4, as outlined under 'exemption under revitalization'.
- 8) Average concession sale will be \$7.00 in Year 1, \$7.50 in Year 2 and \$8.00 in Year 3. Cost of goods sold is estimated to be 30% of concession sales.
- 9) Operating costs and cost of goods sold have been based on the actual costs provided by the Salmar Community Association of Salmon Arm for their 2014/15 fiscal year.

APPENDIX D – 2010 SURVEY QUESTIONS AND TABULATION OF RESPONSES

Question	ALL RESPONDENTS	% of TOTAL within each question
1. What is your gender?		
Male	220	38.5%
Female	360	61.3%
No response	1	0.2%
Total # of respondents	571	100.0%
2. Please indicate your age category		
16 & under	190	33.3%
17-24	41	7.2%
25-40	1-2	17.9%
41-54	112	19.6%
55 and over	125	21.9%
No answer	1	0.2%
Total # of respondents	571	100.0%
3. Number of people living in your household		
1	39	6.8%
2-3	244	42.7%
4-5	188	32.9%
6 & over	100	17.5%
Total # of respondents	571	100.0%
4. I support a community owned movie theatre in Merritt.		
Strongly Agree	465	81.4%
Agree	77	13.5%
Undecided	16	2.8%
Disagree	7	1.2%
Strongly Disagree	4	0.7%
No response	2	0.4%
Total # of respondents	571	100.0%
5. How important is it to have first-run movies as soon as available?		
Very Important	353	61.8%
Important	147	25.7%
Undecided	38	6.7%
Not Important	29	5.1%
No response	4	0.7%
Total # of respondents	571	100.0%

Question	ALL RESPONDENTS	% of TOTAL within each question
6. How often would you attend a movie theatre if Merritt had one?		
Never	3	0.5%
Once a year	6	1.0%
Twice a year	17	3.0%
Less than once a month	45	7.9%
Once a month	134	23.5%
2-3 times a month	222	38.9%
Once a week	74	13.0%
More than once a week	66	11.5%
No response	4	0.7%
Total # of responses	571	100.0%
7. Excluding the cost of the ticket, how much do you usually spend on popcorn, drinks, etc.?		
Less than \$5	90	15.8%
\$5-\$14	275	48.2%
\$15-\$19	107	18.7%
\$20 or more	92	16.1%
No response	7	1.2%
Total # of respondents	571	100.0%
8. What days of the week are you most likely to attend a movie in Merritt (check all that apply)?		
Sunday	289	12.9%
Monday	147	6.6%
Tuesday	174	7.8%
Wednesday	164	7.3%
Thursday	198	8.8%
Friday	472	21.0%
Saturday	488	21.8%
Saturday Matinee	311	13.9%
Total # of responses	2243	100.0%
9. What category of movie entertainment most interests you?		
Horror	213	7.9%
Comedy	448	16.6%
Action	400	14.8%
Adventure	392	14.5%
Western	168	6.2%
Drama	304	11.3%
Children's	215	8.0%
Suspense	296	11.0%
Thriller	266	9.8%
Total # of responses	2702	100.0%