



55 Queen Street | P.O. Box 520 | Stratford ON | N5A 6V2 Canada
519.271.4040 | box office 1.800.567.1600
stratfordfestival.ca
Charitable registration #11920 0103 RR0002

January 7, 2025

Tatiana Dafoe
City Clerk
City of Stratford
Via email: clerks@stratford.ca

Re: Disposition of the Building at 270 Water Street, Stratford

Dear Tatiana,

Attached please find a written submission from the Stratford Festival in advance of the public meeting on this topic, set for January 16, 2025.

In addition, it is our intent to attend the public meeting and make a presentation to Council and the public at that meeting.

Thank you in advance,

A handwritten signature in black ink, appearing to read "Anita Gaffney".

Anita Gaffney
Executive Director

agaffney@stratfordfestival.ca
519-274-4526



55 Queen Street | P.O. Box 520 | Stratford ON | N5A 6V2 Canada
519.271.4040 | box office 1.800.567.1600
stratfordfestival.ca
Charitable registration #11920 0103 RR0002

FESTIVAL HISTORY AND ECONOMIC IMPACT

The Festival was created in 1953 as an economic driver to restart the failing economy following the decline of the rail industry. This endeavour was fully and passionately embraced by the City and its residents, as Tom Patterson's idea had both cultural cachet and prominence, while providing an immediate economic benefit to Stratford from tourism. Over time, the identity of Stratford transformed, becoming what it is today – a well-respected and internationally renowned cultural destination.

The Festival became the catalyst for many small businesses – restaurants, retail and accommodators – and encouraged population growth, enhancing the economic stability of Stratford. The pandemic and the shutdowns it provoked underscored the importance of the Festival to the region's economic health and prosperity.

An economic impact study conducted by Sport Tourism Canada in 2023 demonstrated that the Festival generates nearly \$277 million in economic activity. The Festival supports 1,466 full-time-equivalent jobs (both direct and indirect), with 1,038 of those in Stratford, and a total of local wages and salaries of approximately \$95.3 million. In addition, the Festival supports roughly \$46.2 million in federal, provincial and local taxes through direct and spin-off effects.

Visitor spending locally in 2023 was \$143.3 Million, with 45% of out-of-town attendees staying overnight for an average stay of three nights. The overall importance of the Festival in influencing a visit to Stratford was 9.7/10, with 83% of visitors indicating the Festival was their sole reason for visiting the city. The bulk of the visitor spending is related to spending on restaurants, accommodations, shopping, transportation and entertainment and does not include the next level of investment in the construction and services that support these small businesses.

While the Festival is a catalyst for economic and cultural activity, the Festival itself is a not-for-profit charity that is impacted by the vagaries of the marketplace in order to achieve a breakeven position each year. Since the pandemic, the Festival's economic condition has become even more precarious and the Festival will report a significant shortfall on its 2024 season. Our focus in the forthcoming years is to ensure economic stability so that the Festival can continue to play a role in catalyzing the regional economy.

Our proposal for the Normal School property would see the City recognize and support the Festival in a way that acknowledges its importance to the City, but also sees the Festival assuming the significant capital costs and liability that have to date been the responsibility of the City. The Festival has proven to be a good steward of the building over the years and conducts activities that are consistent with the heritage nature of the building and the surrounding residential neighbourhood.



55 Queen Street | P.O. Box 520 | Stratford ON | N5A 6V2 Canada
519.271.4040 | box office 1.800.567.1600
stratfordfestival.ca
Charitable registration #11920 0103 RR0002

The community benefited from the work of the Kiwanis Club and the champions of the Normal School who preserved the facility and made some repairs. At a time when these champions could no longer manage the building, the City took ownership of the building and entered into a long-term lease with the Festival. The Festival has maintained the naming commitments throughout the building and on the grounds and accommodated the use of the building by the Friends of the Normal School, veterans, and other members of the community.

Prior to 2008, the Festival rented portions of the Normal School as a tenant, but began leasing the full building in 2009. Since 2009, the Festival has paid \$990,000 to the City as part of this lease. These funds have gone to the City coffers with some portion being invested in the capital plan for the facility. At the same time, the Festival has been responsible for minor repairs and maintenance that has averaged \$42,000 per year in recent years.

Current: The Festival leases the Normal school for an annual rental fee of \$135,000 (2024-25). In addition, the Festival pays capital costs to a maximum of \$7,500 per occurrence and the cost of an HVAC maintenance contract (approximately \$14,000 annually), in addition to regular operating costs (utilities, etc). The City has a long-term capital plan for the building, which outlines nearly \$3M in capital repairs needed over the next decade. In recent years, very few capital upgrades have been completed, with the City stating that no major capital repairs will be undertaken. The Festival is currently undertaking an independent Building Condition Assessment (BCA), to update the City's 2020 BCA, in order to account for both additional potential capital needs, and adjustments for inflation. We expect to receive this updated BCA in the early spring of 2025.

The Festival utilizes the building for rehearsal space, youth educational programming, theatre-related activities (eg wardrobe and wigs construction), administrative offices and the Theatre Store. The Festival will have to find alternate locations for these important activities in the event that the City proceeds with disposing of the Normal School to another entity.

Proposal: That the City sells the property to the Festival, in an "as is" state for the nominal amount of \$1.00, with the Festival taking over the capital liabilities required for the building. This proposal is conditional upon the Festival's independent BCA not revealing significant additional capital requirements.



55 Queen Street | P.O. Box 520 | Stratford ON | N5A 6V2 Canada
519.271.4040 | box office 1.800.567.1600
stratfordfestival.ca
Charitable registration #11920 0103 RR0002

Rationale:

1. **One-time funding:** Unlike many other municipalities, the City does not commit annual financial grants to the theatre for operational costs. This would be an opportunity for the City to demonstrate its support for the charitable organization that drives Stratford's tourism, without a long-term or annual commitment.
2. **Past Investment:** This proposal recognizes the nearly \$1M investment in the building that the Festival has made since 2009.
3. **Precedent:** In 2009, the City donated the lands for the University of Waterloo campus in addition to a cash donation of \$10M, based on an estimated \$42.9M in economic activity (noting the latter was based on a full campus with student residences, which have yet to occur). The Stratford Festival drives more than six times this economic activity, yet is not financially supported by the City in any way.
4. **Zoning:** Current zoning, as we understand it, would be appropriate for continued use of the facilities for existing operations, including the retail store, which operates as a theatre-adjacent activity. The Festival has no current plans to call for alterations to the parkland usage surrounding the Normal School.
5. **Usage:** The current usage of the property falls within normal theatre operations and is clean and quiet, with minimal impact on the surrounding residential neighbourhood. Administrative offices and theatre-related activities (wardrobe and wigs construction) operate during regular business hours. Rehearsals, educational programming and the retail store operate up to 7 days a week, but no later than the operating hours of the theatre.
6. **Caretaker of the History:** The Festival is both aware of, and committed to maintaining the Heritage designation of the building. The Festival has demonstrated its commitment to the history of the building, by welcoming the 'Friends of the Normal School', opening the building for viewing of the historical stained glass for veterans and community members, and respecting the original donors to the Discovery Centre. Should the Festival assume ownership of the building, it would continue to welcome and community organizations and respect the building's history.
7. **Title:** Given the proximity to the Festival theatre, the title could be merged with the Festival Theatre lands.

Should the City wish to sell the property for alternative use, such as residential condos or commercial usage, the benefits noted above would not apply in most cases.

Additional Considerations: In addition to the above proposal, the Festival would like to request the extension of the current lease to December 31, 2025, while the City's public and internal processes occur. The Festival would require several months to both investigate alternatives and relocate existing activities should an agreement not be reached.