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Town of Aurora

General Committee Report

No. CMS23-038

Subject: Aurora Town Square Business Plan

Prepared by: Phil Rose, Manager of Cultural Services

Department: Community Services

Date: September 25, 2023

Recommendation

1. That Report No. CMS23-038 be received; and
2. That the 2024-2026 Aurora Town Square Business Plan be approved, and that its financial implications be inserted into the draft operating budget for Council's review and approval.

Executive Summary

This report provides an overview of the 2024-2026 Aurora Town Square Business Plan, including detailed financial information.

- The Aurora Town Square Business Plan outlines how this dynamic community space will operate over its first three years of operation.
- Section 1 provides an overview of Aurora Town Square's Mission and Vision, Strategic Context, Program Overview, Background, Context and the need for Aurora Town Square.
- Section 2 examines Aurora's changing demographics, culture-related Census data, and identifies Aurora Town Square's target audience and competitors.
- Section 3 includes the Aurora Town Square organizational chart and summarizes Town staff roles and responsibilities.
- Section 4 provides more detailed information about programs and services the Town will offer at Aurora Town Square, including the Grand Opening.

- Section 5 includes information about the Aurora Town Square Marketing Plan, which guides the execution of marketing and communications activities that demonstrate Aurora Town Square's long-term value for arts and cultural experiences, as well as community connection in Aurora.
- The Operational Plan forms Section 6 and outlines the key strategies and activities necessary for the successful day-to-day functioning of Aurora Town Square.
- Section 7 provides revenue and expenditure projections for 2024, 2025 and 2026, and compares the original Municipal Services Board operating budget with the Hybrid Governance Model operating budget.
- Section 8 pinpoints several potential risks that may negatively impact Aurora Town Square and how they can be proactively mitigated.
- Section 9 highlights several evaluation and benchmarking metrics that will be used to sustain or improve Aurora Town Square's performance.

Background

On July 11, 2023, Council passed a resolution stating, "that the Aurora Town Square operating plan be brought before Council prior to budget 2024 deliberations, including the Aurora Cultural Centre's (ACC) programming and staffing plan." Since July, staff have worked to create the attached Aurora Town Square Business Plan for Council's review. The ACC's programming and staffing plan will be covered in a separate report.

Analysis

The Aurora Town Square Business Plan outlines how this dynamic community space will operate over its first three years of operation.

Not only does the Business Plan serve as a roadmap for Town Square during its start up period, it also:

- Reiterates the importance of Town Square to Aurora and how such a facility will meet the needs of the community.
- Identifies how the new spaces that comprise Town Square will be utilized, for what purpose, and by whom.

- Outlines how Town Square will be managed effectively, including financial considerations.
- Recognizes potential risks and establishes a mitigation strategy for each.
- Highlights how the success of Town Square will be measured, evaluated, and reported on over time.

Section 1 provides an overview of Aurora Town Square’s Mission and Vision, Strategic Context, Program Overview, Background, Context and the need for Aurora Town Square.

This section highlights the need, purpose and role of Town Square in general terms. It positions Town Square within the strategic planning framework of the municipality by identifying how Town Square supports various strategic documents, such as the Corporate Strategic Plan and Economic Development Strategic Plan.

Section 1 also provides a summary of the types of programs that will be offered at Town Square by the Town, Aurora Cultural Centre (ACC) and Aurora Public Library (APL). Finally, this section offers a brief history of various cultural gathering spaces and programming venues within Aurora and concludes with an outline of how the cultural needs of Aurora’s growing population will be served by Town Square.

Section 2 examines Aurora’s changing demographics, culture-related Census data, and identifies Town Square’s target audience and competitors.

Understanding that Aurora has a growing, aging and diversifying population is key to determining the types of experiences to offer at Town Square. Census data will also help shape how staff market and communicate to our audiences. Section 2 provides an overview of this data and argues that the ongoing monitoring and analysis of our audience will be important to ensuring the program and performance schedule continues to meet with the needs of our evolving community.

Section 3 includes the Aurora Town Square organizational chart and summarizes Town staff roles and responsibilities.

Town Square requires an adaptive operating structure that reflects its multi-functional capacity and diverse programming roster. Section 3 provides an organizational chart that shows Town Square staff, but also identifies the various other Town divisions that will support Town Square operations.

The organizational chart does not include ACC staff; however, the Town anticipates that both Front of House and Technical Production responsibilities will become part of the ACC's portfolio with Council approval.

Section 4 provides more detailed information about programs and services the Town will offer at Aurora Town Square, including the Grand Opening.

Town Square will be the headquarters for the Town's heritage services offered by the Aurora Museum & Archives (the Museum). Museum staff will assist the public with research and image requests, and donation inquiries. Staff will also manage for the collection of over 30,000 items out of the new collections space, continue to document Aurora's past and present using various media, launch new educational programs, and present exciting exhibition opportunities.

The various features of Town Square will also allow for several Town programs to find a home in the new spaces. Some will be brand new, and some will be relocated from other Town facilities. A variety of Town Special Events are also being considered to run out of Town Square, such as the Mayor's Levee, Performing Arts Festival, Aurora Christmas Market, and more.

The Town's goal for each program, event and performance at Town Square is to balance cost recovery through earned revenue generation with accessibility and affordability. The Town Square Fees and Charges Schedule is attached to the Business Plan.

Section 5 includes information about the Aurora Town Square Marketing Plan, which guides the execution of marketing and communications activities that demonstrate Aurora Town Square's long-term value for arts and cultural experiences, as well as community connection in Aurora.

The strategy outlines all marketing communications tactics and promotional activities, including: the 2023 Social Media Strategy; partnerships and collaborations; community engagement initiatives; the launch of the Town Square microsite; the Town Square monthly e-newsletter; media relations; and all print and digital marketing materials, videos, and ads that lead into The Square's first full year of programming.

The Town Square Marketing and Communications Strategy aims to create excitement about the opportunities for residents, community members, and local businesses.

The Operational Plan forms Section 6 and outlines the key strategies and activities necessary for the successful day-to-day functioning of Aurora Town Square.

This section describes each area of expertise that is required to operate Town Square successfully, including:

- Facility Maintenance
- IT Services
- Programming
- Collections and Exhibitions Management
- Customer and Visitor Services
- Marketing and Communications
- Technical Production Services
- Audience Management

It also outlines the Town's responsibility for delivering each area of expertise. Finally, it argues that the ACC is best suited to provide Technical Production and Front of House services at Town Square, and what the staffing model would look like.

Section 7 provides revenue and expenditure projections for 2024, 2025 and 2026, and compares the original Municipal Services Board operating budget with the Hybrid Governance Model operating budget.

The original 2019 Business Plan and financial strategy was based on a Municipal Services Board Governance Model and estimated that net annual operating costs for Town Square would be \$720,000. This amount was approved by Council and phased in over three years (2019, 2020 and 2021) to ensure Town Square would be funded prior to opening and to minimize the tax impact.

The Town's total annual incremental net operating requirements for the Municipal-Not-for-Profit Governance Model is now estimated to be \$1,070,000, an increase of \$350,000 over the 2019 estimate. To address the additional budget pressure, staff recommend that a similar multiyear funding strategy be used again (i.e., phased into the operating budget over a three-year period), so that the new pressure is fully funded by the tax levy by 2026. In the interim, any budget shortfalls should be funded from past unused Town Square operating funding that is being held within the tax rate stabilization reserve.

The new net operating requirement of \$1,070,000 will allow the Town to provide the following services at Town Square:

- Facility Maintenance
- IT Service Delivery
- Customer Service
- Bookings and Rentals
- Box Office Administration
- Program Registration
- Heritage Services and Museum Management
- Café and Concession Services
- Programming, including community events

Audience Services and Technical Production are currently outside the Town's scope. These services can be provided by the ACC at an additional cost beyond their base allocation. The ACC has identified additional staff and budget requirements to provide these services as outlined in Attachment 3 of the Business Plan.

If not provided by the ACC, the Town could supply these additional services beyond their current scope using contracted services, volunteers and existing staff. In both cases, the costs for providing these services can be partially recouped through earned revenue.

When creating the revised Town Square operating budget, several factors contributed to the increased annual incremental net operating requirements, including the following:

- The original net annual operating costs of \$720,000 were not subject to an inflationary increase since their inclusion in the operating budget in 2019. As a result, this amount has foregone approximately \$75,500 in inflationary increases from 2019 to 2023.
- The 2019 financial strategy and operating cost estimates did not account for the 10,000+ sq. ft. (or 12% more space) subsequently added to the project that contributed to higher annual facility maintenance costs of approximately \$160,000, not including the additional staff salaries required to operate the expanded facility.
- The adoption of the Municipal-Not-for-Profit Hybrid Governance Model meant that the Town's projected income would be lower as revenue will now be shared by the Town and ACC.

Like the 2019 financial projections, the revised 2024-2026 budget takes into consideration that it will take approximately three to five years to ramp up and

maximize the opportunities that exist for additional revenue generation and added cultural and community activities within the expanded facility.

Section 8 pinpoints several potential risks that that may negatively impact Aurora Town Square and how they can be proactively mitigated.

Some of the risks identified in Section 8 are related to:

- Marketing and Promotion
- Market and Demand
- Operational Considerations
- Technological Considerations
- Health and Safety
- Reputation and Public Relations
- Environmental and Sustainability
- Economic and Financial
- Parking Supply
- Partner Relations

This section also provides at least one Mitigation Strategy for each risk identified.

Section 9 highlights several evaluation and benchmarking metrics that will be used to sustain or improve Aurora Town Square's performance.

The final section of the business plan argues that robust measurement practices will provide valuable insights into the long-term growth and success of Town Square. This section offers the following measurements and tracking methods for Town Square:

- Customer satisfaction with the quality of Town Square programs
- Customer satisfaction with the diversity of program offerings
- Customer satisfaction with Box Office, Facility Maintenance, Customer Service, Programming, and Heritage Services
- Community satisfaction with donation inquiries and Museum research requests
- # of participants in Town programs at Town Square
- Community engagement (volunteering)
- Earned Revenue (programs and rentals)

These metrics may evolve over time and will eventually include measurements related to the implementation of the Cultural Action Plan and Public Art Plan. By consistently implementing improvement strategies based on thorough evaluation, Town Square will

be in a position to deliver quality and dynamic programs and events that cater to the community and provide a vibrant and creative experience to attendees and participants.

Advisory Committee Review

None.

Legal Considerations

None.

Financial Implications

Should Council approve the attached multi-year business plan, its financial implications will be inserted into future proposed operating budgets for Council's review and approval. Any resultant incremental funding requirements will be addressed through a similar multiyear funding strategy to what has been used in the past.

Communications Considerations

The 2023-2024 Town Square Marketing and Communications Strategy is the foundation upon which all current and future marketing efforts will be built. It leverages Town Square branding that was implemented in 2021, ensures alignment across Town of Aurora and Town Square communications, and creates long-lasting recognition amongst all target audiences. Through the Marketing and Communications Strategy – which includes a variety of communications tools, channels and tactics – the Town will inform the public about its own special events, rental opportunities, and the various the initiatives of our cultural partners.

Climate Change Considerations

The recommendations from this report do not impact greenhouse gas emissions or impact climate change adaptation.

Link to Strategic Plan

Aurora Town Square supports the following Strategic Plan goals and key objectives:

Supporting an exceptional quality of life for all in its accomplishment in satisfying requirements in the following key objectives within these goal statements:

- Invest in sustainable infrastructure
- Celebrating and promoting our culture
- Encourage an active and healthy lifestyle
- Strengthening the fabric of our community

Enabling a diverse, creative, and resilient economy in its accomplishment in satisfying requirements in the following key objectives within these goal statements:

- Promoting economic opportunities that facilitate the growth of Aurora as a desirable place to do business

Alternative(s) to the Recommendation

1. Council can provide further direction.

Conclusions

This report summarizes each section of the 2024-2026 Aurora Town Square Business Plan and recommends that any financial implications associated with the Business Plan be inserted into the draft operating budget for Council's review and approval.

Attachments

Attachment 1 - 2024-2026 Aurora Town Square Business Plan including related Attachment 1, 2, and 3

Attachment 2 - Aurora Town Square Business Plan Presentation

Previous Reports

CMS19-009, Library Square Proposed Operating Plan, March 21, 2019

FS19-012, Library Square – Financial Strategy, March 21, 2019

CMS20-008, Library Square Governance Review, March 3, 2020

CMS20-012, Library Square Governance Review, June 16, 2020

CMS20-026, Library Square Governance Review, November 3, 2020

CMS21-022, Library Square Governance Update, June 15, 2021

CMS21-029, Aurora Town Square Governance Update, September 21, 2021

CMS22-009, Aurora Town Square Update – Agreements and IT Services, March 1, 2022

CMS22-010, Aurora Town Square Governance – Town Staffing Update 1 – March 1, 2022

CMS22-019, Aurora Town Square Space Usage and Room Permitting Policy, April 5, 2022

CMS22-029, Aurora Town Square Governance – Town Staffing Update 2, June 21, 2022

Finance Advisory Committee Memo, Aurora Town Square Budget Update, June 13, 2023

CMS23-031, Aurora Town Square Update, July 4, 2023

Pre-submission Review

Agenda Management Team review on August 31, 2023

Approvals

Approved by Robin McDougall, Director, Community Services

Approved by Doug Nadorozny, Chief Administrative Officer