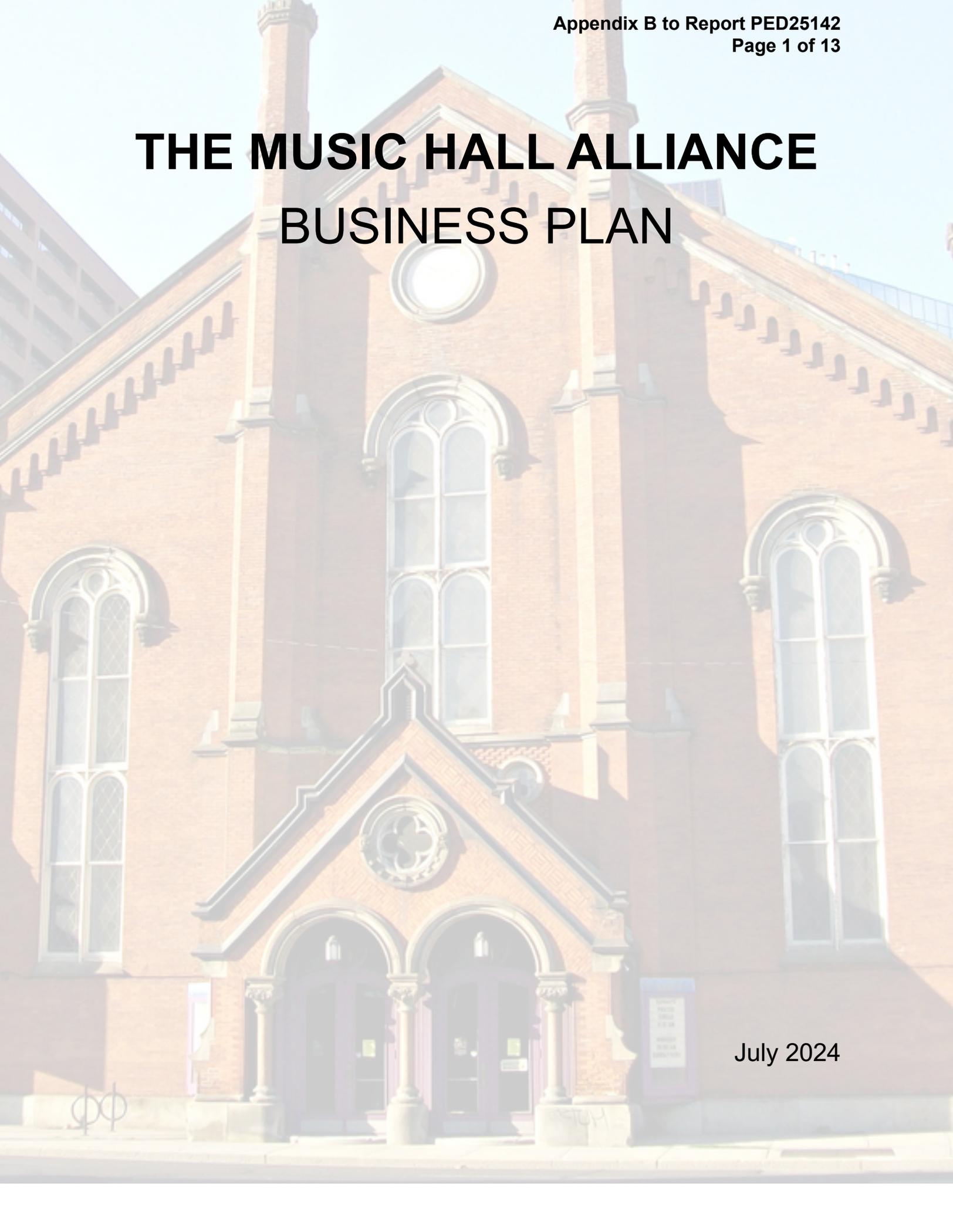
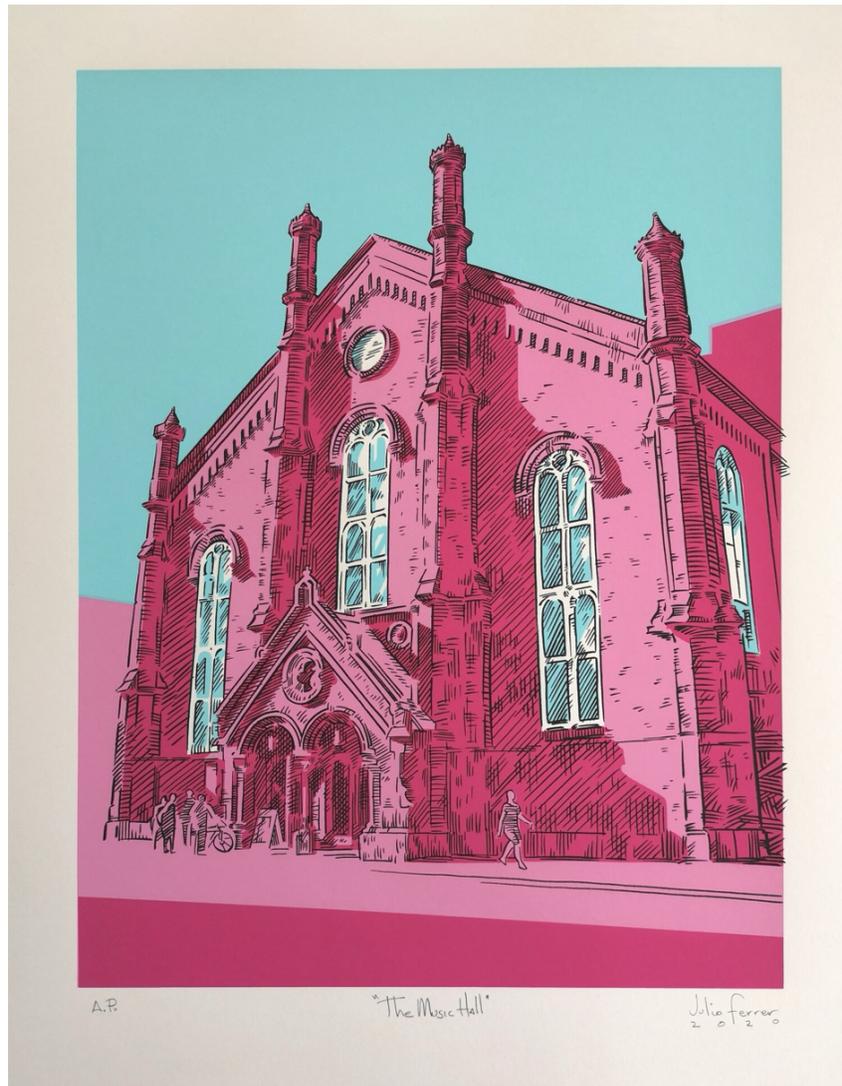


# THE MUSIC HALL ALLIANCE BUSINESS PLAN



July 2024



### Land Acknowledgement

The City of Hamilton is located on the traditional territory of the Mississaugas of the Credit (of the Between the Lakes Treaty of 1792) and the ancestral lands of the Attawandaron people.

We recognize the significance of the Two Row Wampum Covenant and the Dish with One Spoon Covenant to this land, and offer our respect to the First Nations, the Mississaugas of the Credit, Anishinaabeg, Haudenosaunee, and Métis communities, and acknowledge that this land is a gathering place and a home to many Indigenous peoples, including Indigenous peoples of the global diaspora.

## The Music Hall Alliance | Business Plan

### Executive summary

The Music Hall Alliance (the Alliance) is a not-for-profit live music presenter and venue operator that will call the New Vision Church in downtown Hamilton its home. The Alliance will manage this multifaceted historic space as a performance and music hall to serve the needs of the local and regional creative communities. With funding assistance from the City of Hamilton for required capital improvements, the Music Hall (TMH) will become an iconic location for live music presentation, creative performance and community gathering.

While the full multi-year build out budget for this project is \$4 million, to date approximately \$550,000 has been raised and spent. The next phase of construction will be essential elements (foundation and floor reinforcement, environmental abatement and safety issues) to bring the building to a state where it is a fully functional space capable of seating 994 people in a safe and by-law compliant manner. The estimated cost for this work is \$1.3 million, of which \$900,000 is being sought from the City of Hamilton.

The Alliance stands out due to its unique combination of commitments and capabilities. With a protected heritage building, educational programs, non-profit model, and focus on inclusivity and community outreach, TMH will fill a niche providing both social and economic value. Although it is by no means the answer for all performing arts' needs, the Music Hall will fill a performance venue void for a mid-sized music and performing arts venue in Hamilton. The Music Hall will offer space to all groups and creatives, bring the arts to a wider audience and contribute to tourism activity in Hamilton.

While the initial startup costs for a nonprofit performing arts center may seem daunting, the potential long-term benefits to the city's culture, tourism and creative economy deem this a worthwhile and important investment. With vision and careful planning, Hamilton will gain an important new resource to showcase local talent on a bigger stage and attract high-quality touring acts who have bypassed the city for years due to the lack of a mid-sized performance venue. Together with other local organizations and venues that comprise Hamilton's creative community, TMH will provide more opportunities to marginalized groups, help to diversify the arts in Hamilton, address important social issues and bring new voices to the fore.

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*We gratefully acknowledge the input and contributions of the following people and organizations: CreateFate Inc., Trustees of New Vision Church, the Music Hall Alliance board of directors and Jeffrey C. Martin.*

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## Opportunity

### Community problems being solved

The Hamilton Music Hall project addresses three current creative community issues:

1. Hamilton lacks a mid-sized music and performance venue with approximately 1,000 seat capacity. Because of this deficiency, many performing shows and artists bypass Hamilton, reducing opportunities for both locals and visitors to experience the arts. The city is missing out on the social and economic benefits of a vibrant arts scene. The cities of London, Toronto, Ottawa and others have mid-sized venues.
2. There are few locations where marginalized creative communities can meet, create, rehearse and present performances of all types at a low/affordable cost.
3. The Music Hall/New Vision United Church at 24 Main Street West is of major historical and architectural significance to Hamilton and Canada. The Music Hall was originally built as Centenary Methodist Church in 1868. The building is a stunning example of Victorian-Romanesque architecture. This 150-plus year old building needs repair and restoration but has a congregation too small to support this much-needed work. The alternative of selling the building to a developer for demolition is not desirable at this location because of the loss of the historically significant building and the lost opportunity for a mid-sized live music venue. Moreover, if New Vision loses their home, the community loses the good work carried out by this congregation in the city's downtown core.

## Solution

The Music Hall Alliance is a not-for-profit live music presenter and venue operator that is dedicated to supporting music and arts presentation in Hamilton, Ontario. Its primary focus is to provide performance and educational opportunities for all communities. To achieve this, the Alliance will enter into an agreement with the property owners (United Church of Canada) for a long-term lease of the property owner's surplus space. This building will undergo renovations to transform it into a fully functional performing and meeting space.

The venue will consist of a main performance hall with a seating capacity of 994, as well as two smaller multipurpose spaces that can be used for workshops, rehearsals and intimate performances. In addition to the performance spaces, TMH will have multi-functional space – meeting rooms and event space for local artists and arts/cultural organizations. The goal is to create an affordable and welcoming environment that fosters collaboration, education and community building within Hamilton's burgeoning arts sector.

One of the key aspects of the solution is a partnership with local performing artists and other presenters. The Alliance will work closely with these artists and presenters to curate a diverse range of live music and performing arts events. By collaborating directly with artists, TMH

provide them with performance opportunities that not only generate income but also allow them to gain valuable experience in arts promotion and event production. Programming will prioritize voices from local talent and marginalized groups, including racialized, Indigenous, and LGBTQ2+ artists.

By providing performance opportunities and mentorship for up-and-coming creatives, the Alliance will nurture talent and encourage more travelling/touring shows to stop in Hamilton. With the proper programming and community connections/partnerships, it can become an important incubator for emerging artists and build new audiences for live music and theatre.

Starting as a small, self-sustaining venue, the Music Hall has the advantage of flexibility and adaptability. It can grow over time in response to audience interest and form partnerships with like-minded arts organizations. Additionally, the Music Hall will actively collaborate with community groups to increase the diversity of its programming, ensuring that it remains inclusive and socially impactful.

In addition to performance offerings, TMH will also deliver educational programming. This will include workshops on topics such as arts management, grant writing and technical production, among others. These programs are designed to build essential skills within the local creative community. The revenue generated from venue rentals, ticket sales and sponsorships will be reinvested to support educational and community initiatives. This type of programming provides an opportunity to collaborate with City music industry staff on networking and educational programming.

The Music Hall will fill a crucial gap in Hamilton's cultural infrastructure. By providing an inclusive creative space and performance opportunities for underrepresented artists, it will foster a more vibrant, equitable, and sustainable arts ecosystem within this city. The solution leverages an existing community asset to drive social and economic benefits, strengthening the connections between artists and audiences in Hamilton.

### Current market to be served

The Music Hall is dedicated to serving a specific market segment that is passionate about supporting emerging and independent artists, while also fostering a vibrant arts community. The primary target audience consists of individuals who appreciate and seek out unique live performances and cultural experiences that are not typically offered by the larger mainstream venues.

In addition to hosting live performances, TMH will serve as a versatile venue for various community events and private functions. It also has the capability to operate as a location for filming and location support, creating additional revenue streams. By offering a multi-purpose space that caters to both creatives and the community, TMH helps to fulfill an unmet need in the region. The Alliance acknowledges that TMH cannot meet the space needs for all creative groups

in the community and that some groups may choose to not use this space due to its history as a place of worship. The Alliance supports the work of other venues and groups to provide safe space for these groups in the Hamilton community.

Strategically located in centre of downtown Hamilton, the Music Hall has the potential to boost cultural tourism and enhance the cultural vibrancy of the city. The Alliance's vision is to establish the Music Hall as a premier arts and culture hub, putting Hamilton on the map as a sought-after destination for both performance and visual arts. To achieve this, the Alliance will forge partnerships with local arts organizations, educational institutions, businesses and the media to raise brand awareness and drive attendance and participation from both members and the public.

## Environmental scan

### Local venues and the Hamilton music scene

Hamilton has a long and resilient music history. Although the music industry, particularly live music, took a big hit during the COVID pandemic, it has started to rebuild through the efforts of a few champions in the city.

Hamilton is fortunate to have numerous venues for musical performance, particularly small to medium size. The venues range in seating capacities and include bars and restaurants offering live music, as well as dedicated live music venues such as Mills Hardware (147 standing, 75 seated capacity), The Corktown Tavern (200+ capacity), The Casbah (350 standing capacity), Peller Hall at the Ancaster Memorial Arts Centre (470 seats) and Bridgeworks (500 standing, 270 seated). At the other end of the size continuum is First Ontario Centre (over 17,000 seating capacity) and First Ontario Concert Hall (2,200 seating capacity).

All these venues are very important to the health and wellbeing of the music industry in the Hamilton area. The Music Hall Alliance does not view them as competition but as members of an eco-system of live music venues that feed each other. While the Music Hall fills the void for a mid-sized venue, the Alliance also anticipates the Music Hall will work with other venues and presenters to ensure all opportunities for live music presentation are maximized.

The Music Hall foresees a particularly strong working relationship with SuperCrawl Productions/Sonic Unyon Recording Company and the venues they operate. SuperCrawl Productions along with other promoters and producers such as Lou Molinaro, Tim des Islets (Noisemaker Productions), Tom Dertinger and Brodie Schwendiman (The Casbah) have all presented shows at the Music Hall many times and have expressed a desire to continue to grow that relationship.

## Provincial/federal music scene

According to the Canadian Live Music Association, pre-pandemic, the Canadian live music industry generated 72,000 jobs in 2021. That figure is expected to have declined during the pandemic with live music presentation being the slowest to rebound. It is estimated that 64 per cent of the live music industry is at risk of permanent closure because of the pandemic, and that the average revenue loss for the sector is 92 per cent. (<https://www.canadianlivemusic.ca/ftlol>).

It is estimated that pre-pandemic, live music contributed approximately \$3 billion to Canada's GDP. According to PwC, live music revenues reached \$342 million USD in 2021, however, PwC highlights that the live music segment is unlikely to reach its pre-pandemic levels until after 2026. (Global Entertainment & Media Outlook 2022-2026: Canada, page 26)

## Local music scene

Music venues in Hamilton generated an estimated \$62.7 million in gross revenue in 2018, with an operating margin of 4%, or \$2.6 million. The industry's expenditures generate several economic impacts on Ontario's economy, which can be expressed in terms of GDP, labour income, employment and taxes. These impacts are a combination of direct, indirect and induced impacts.

In terms of employment, venues in Hamilton supported 1,100 FTEs in total, and employs 820 FTEs directly. For an industry such as live music, with so many contract/short term employees, FTEs are the clearest way to articulate the industry labour impact. FTEs provide a standard unit so that full-time, part-time, contract and freelance workers can all be combined to calculate a complete impact. (Venues: A case for Hamilton's live music industry (Nordicity May 2020; page 28-30, 34)

Consumer habits developed during COVID have been slow to change but are rebounding and the Music Hall will be ready for – and hopefully help to accelerate – that movement back to live music experiences.

## Who is the Alliance?

The Music Hall Alliance is a not-for-profit, independent and accessible creative hub in the heart of downtown Hamilton. The mission of the Alliance is to develop a centre for music and performance that encompasses widely held values including economic, governance, environmental and spiritual objectives. The home of the Music Hall Alliance is the New Vision Church located at 24 Main Street West, Hamilton. The Music Hall will provide a full suite of venue and centre services for events and performances within a mix of venues from small scale (30-40) to mid-size scale (1,000).

## Why us?

As a live music presenter, TMH holds a distinctive position in the local industry by being able to prioritize opportunities for marginalized and racialized artists. Unlike most other venues that prioritize commercial gain, the organization operates from a heritage building, providing a stable space for investment in the arts. The funds generated will be reinvested into expanding programs and empowering new generations of creatives.

One of the key initiatives will be an educational program that supports marginalized groups in developing the necessary skills to tour, build shows, and showcase their work. Simultaneously, the Alliance offers a platform for established touring companies to reach new audiences. As a non-profit organization, all profits are reinvested into the growth of TMH, with the aim of expanding its reach and impact.

The Music Hall will be a legendary mid-sized venue that not only attracts tourism to Hamilton but also provides opportunities for local artists to launch their careers. TMH will create job opportunities for individuals facing barriers to work in the arts. The Alliance is committed to hiring from marginalized and racialized communities. And the more it can program, the more employment opportunities can be provided.

## Responsibility/commitments to community

The Music Hall Alliance will operate on a “quadruple bottom line” basis: economic, social, environmental sustainability and spiritual.

### 1. Economic

The Music Hall Alliance is incorporated as a not-for-profit organization, but it will be managed to operate with a small surplus each year with a goal of being fully self-sustaining. All surpluses will be re-invested into the Alliance mission and/or improving the property to enhance the user experience. Grants and sponsorships, which are typical for a presenting venue, will form a key part of TMH’s overall revenue stream. The Music Hall contributes to the economic health of the city by bringing in tourism dollars for restaurants, hotels and public transit system/private transportation, as well as providing employment and training opportunities.

### 2. Social

Membership in the Music Hall Alliance will be free and open to anyone who wants to join. The Alliance operations will be overseen by a board of directors of six to 12 individuals elected by the Alliance members. The board will appoint advisors to provide advice on an “as required” basis, on issues where the board would benefit from the knowledge of an “industry expert.” Membership will be of particular interest to musicians, performers, presenters/promoters, suppliers and consultants, and local arts organizations, but it is anticipated there will be many individuals who join because they believe in the mission of the Music Hall Alliance and see the

need for this mid-sized venue. Currently, the Alliance has already recruited an impressive list of musicians, artists, music industry types and arts organizations to the membership and advisory board.

The Alliance has a well formulated and articulated EDI (equity, diversity and inclusion) lens through which all its decisions will be made. A local EDI specialist (Evelyn Myrie) was retained to develop an EDI framework and toolkit. She will be presenting this framework in a training session for all advisors and staff.

This EDI toolkit will help the Alliance achieve its equity, diversity, inclusion and anti-racism objectives; open channels of communication within the organization and engage with the whole Hamilton community. As a cultural organization in its infancy, it is important the Music Hall creates and implements EDI and anti-racism frameworks that recognize and respond appropriately to the demographics of the community.

The Music Hall Alliance is committed to being a safe space where principles of EDI and anti-racism are valued, practiced and adjusted to meet new and emerging challenges. (See Governance Plan, Appendix C for further details).

### 3. Environmental sustainability

The Music Hall Alliance supports the City of Hamilton's Climate Action Strategy. The Alliance will reduce its carbon footprint by using data and HVAC controls to optimize the energy requirements, particularly heating and cooling. The Alliance will investigate the feasibility to connect to the downtown district energy system or similar. It will select its cleaning products, paints and consumables by avoiding chemicals not friendly to the environment or the health of patrons and performers. It will establish guidelines regarding single use plastics. An active recycling program will be set up in the building to ensure maximum ease of recycling for all users.

### 4. Spiritual

The congregation of the New Vision United Church will continue to meet in the lower level hall, and continue to offer their community outreach and support programs. The Music Hall will be available for other community groups to meet, whether a faith-based community or other basis. The building will be a safe and welcoming gathering space for all in keeping with New Vision's values and status, and as an affirming congregation. (See Community Use Plan, Appendix E for further details).

## Financial plan

### Progress to date

The Music Hall project has been underway for over 6 years, with the former pastor of New Vision Church, the Reverend Dr. Ian Sloan, as the driving force. The Music Hall's momentum has been partially slowed as other funders want to know the city of Hamilton is committed to some level of funding for this culturally significant project. Similarly, private donors are waiting to see the project is "real" before committing their personal financial contributions.

Some positive progress has been made, despite the limited availability of funds. Consultants including architects, engineers and project managers have been contracted; working drawings and budgets have been prepared; permits have been issued, and some key renovations have been started and/or completed. Notable improvements include fire code compliance measures and an extension of the stage.

To date, approximately \$703,120 has been invested in the project. The source of funds for this work includes: \$553,120 from the United Church of Canada and New Vision; \$55,000 from public donations; \$25,000 from concerts and events, and \$70,000 from other granting agencies.

### Overall project budget, at full build out

The full capital project budget prepared by the project consultants is over \$4 million. The current phase, which is intended to bring the Music Hall up to a state where it is safe, welcoming and by-law compliant for a 994-person occupancy, will require approximately \$1.3 million in capital funding. Future phases, which includes new gender-neutral washrooms, a second elevator, new HVAC, exterior restoration and many improvements to the customer/patron experience, will follow when funds become available.

### Current capital requirement

The current capital funding need for \$1.3 million is allocated as follows:

- \$850,000 for structural reinforcement of the floor of the main sanctuary (performance hall), along with environmental abatement measures including demolition and restoring lower-level walls and ceiling to usable state. This is an essential first step.
- \$150,000 to raise the railing height on the balcony for safety while preserving the protected heritage features.
- \$180,000 for audio visual, lighting and stage equipment. A basic equipment package is essential to make the space operational and affordable for smaller scale presenters that do not travel with their own equipment. The Alliance is currently looking at a lease agreement as an alternative to purchasing.

- \$120,000 to build the smaller presentation spaces, as well as the multi-functional and training spaces, meeting rooms and communal areas.
- Funding identified to date for this phase includes \$128,000 from an approved City grant for historical preservation work, \$61,000 currently available from fundraising and rentals. The Alliance is seeking additional capital support from the City of Hamilton in the amount of \$900,000.

Any shortfall in the capital funding required will first be addressed by looking for community donations and possibly “selling” naming rights to specific areas of the building. As a fallback position, the renovations to the multi-functional space could be scaled back and the audio-visual equipment could be leased instead of purchased. Both options would, however, have repercussions for ongoing revenue and expense projections.

As building permits are already in place, this work can begin quickly. (See the Fundraising Plan as Appendix F for further details.)

### Budget projections

The operating forecast shows a small profit for the construction year, increasing slightly each year. The cumulative surplus is estimated as follows: \$17,000 in the construction year and then in the following years, \$75,000, 80,000 and \$123,000.

Future years’ revenue and expense projections will not be affected by future phases of construction. The nature of the future work can be done while the facility is in operation or with a minimum amount of down time.

### Operating and programming funds

During the initial three years, the Music Hall will concentrate on securing multiple grants to fund operations, programming and facility improvements.

In addition to grant funding, TMH expects to generate community membership (currently membership is free) and support through various channels, such as ticket sales, memberships, sponsorships and private donations.

It is important to note most of the operating funds will be utilized to employ and provide opportunities for marginalized groups within Hamilton's vibrant arts community. By giving them a platform to showcase their talents and amplify their voices, the Alliance aims to drive meaningful social, cultural and economic change in the city.

## Revenue and market opportunities

### Total addressable market (TAM)

In Canada, the live music industry is a multi-billion-dollar market. According to industry reports, Canadians spent over \$1.2 billion on live music events in 2019 (pre-covid stats). Considering the growth and popularity of live music, the TAM for the not-for-profit live music presenter in Hamilton, Ontario, would be a percentage of this total market.

### Serviceable addressable market (SAM)

The SAM for TMH would encompass the population of Hamilton, Ontario, and neighbouring areas within a reasonable travelling distance for live music events. It would include music fans/supporters, musicians, aspiring individuals interested in the live music industry, and organizations looking to rent venues and equipment.

### Serviceable obtainable market (SOM)

The SOM would depend on various factors such as the capacity of the venue, TMH's marketing efforts, the quality of their performance offerings, and the competitive landscape in the region. Assuming effective marketing strategies, collaborations with regional music agencies and arts groups and organizations and a unique value proposition, TMH could potentially capture a significant portion of the SAM.

## Business overview

### Financial forces

The live music industry has experienced significant financial changes in recent years, creating a favourable environment for TMH. With the rise of streaming services and declining revenue from recorded music sales (e.g., records, CDs), artists and music industry professionals are increasingly relying on live performances as a primary source of income. This shift in the industry's financial landscape presents a unique opportunity for TMH. By providing an affordable and accessible venue, it will cater to the growing demand for live music events while offering a sustainable platform for artists to showcase their talent and generate revenue.

### Behavioural habits

There has been a notable change in behavioural habits when it comes to supporting local and independent artists. In recent years, there has been a surge in interest and support for local grassroots music scenes with audiences seeking out unique and authentic live music experiences. This cultural shift presents an ideal context for TMH. By focusing on promoting local talent and fostering a sense of community within the music industry, the Alliance can tap into this growing demand for meaningful live music experiences and establish TMH as a hub for both artists and music fans/patrons.

## Technological changes

The advancements in technology have revolutionized the way the music industry operates, creating new opportunities for TMH. The rise of social media, online ticketing platforms, and streaming services has made it easier for artists to connect with their audiences and promote their music. TMH will leverage these technological changes by creating an online platform that allows independent creators to book facilities directly, eliminating the need for intermediaries and empowering artists to take control of their careers/livelihood. Additionally, TMH will utilize technology to streamline ticket sales, marketing efforts, and community engagement, ensuring a seamless and efficient experience for both artists and patrons.

By capitalizing on the financial shifts in the industry, aligning with changing behavioural habits of live performance supporters and leveraging technological advancements, TMH will be well-positioned to thrive in both the current and evolving environment.

The combination of these three market forces creates a compelling "why now" context for TMH, meeting the evolving needs of artists and music fans/supporters while contributing to the growth of the local music scene.

## Market research

Key factors that drive success within the live music presenter market sector include:

1. Strong relationships with artists and booking agencies: Building and maintaining relationships with artists and booking agencies is crucial for securing a diverse lineup of performers and attracting diverse audiences.
2. Affordable and accessible venue: Providing a mid-sized performance venue with affordable ticket prices and accessible facilities can help attract both artists and audience members, ensuring a steady stream of events and revenue.
3. Community engagement and support: Creating a music community hub with co-working space and a training program can foster a sense of community and support for local musicians, which can lead to increased loyalty and participation.

## Marketing strategies to reach early adopters

1. Social media advertising: Targeted ads on social media platforms (e.g., Facebook, Instagram) to reach music fans and artists in the Greater Hamilton area.
2. Local music and arts blogs and websites: Collaborate with local/regional music blogs and websites to feature/promote the venue and upcoming events.
3. Partnerships with local artists, bands, musical troupes: Collaborate with local/regional artists and bands to promote the venue and events to their fan base.