



Town of Sidney
2440 Sidney Ave
Sidney, BC V8L 1Y7

March 5, 2018

Attn: Mayor & Council
Re: Cameo Project (9830, 9832, 9838, 9842, 9844 Third Street)

Please accept this letter providing additional information regarding the Theatre component of our project which, we believe, addresses any of the comments or concerns of Mayor and Council at Committee of the Whole, Town of Sidney Staff, and the Community. Sidney Ave Ventures (Casman Properties) has included the Star Cinema as the primary tenant of the main floor commercial space in the project from Due Diligence, Conceptual Design, Pro forma, Land acquisition, Preliminary Design and Marketing, and most recently Permitting, as it has always been our understanding, the importance that the Star Cinema Theatre holds to the people of Sidney and its surrounding communities in Greater Victoria. We understand that this is a unique opportunity for the Town of Sidney, Star Cinema, and Casman Properties to work together to ensure the longevity of such a beloved asset and amenity in the community, and therefore understand the interest the various stakeholders are taking in the project.

Star Cinema & Casman Properties

Prior to even purchasing the Land, Casman met with Sandy Oliver, Owner of Star Cinema to discuss the potential of creating a long term strategy for the Theatre by incorporating it into the design of the project. Since the first meeting, it was clear that, while not without its challenges, it was possible to secure the long term operation and viability of the Theatre within the new building through a unique tenant relationship & agreement with Casman Properties and the continued support of the Town of Sidney and the Star Cinema patrons.

The agreement between Star Cinema and Casman Properties includes Casman contributing the following:

- Rental rates to continue as per current rate schedule for the existing space. This will result in approximately a 36% discount from market rates for new commercial lease space in downtown Sidney. More specifically approximately \$8-\$10/sf that Casman Properties as Landlord will forego (Roughly \$650,000 over the first 10 years in loss of rent for Casman).
- Customized Design and Construction of the Base Building Main Floor (The Commercial floor) to Suit the theatre requirements which comes at a significant cost premium from standard commercial construction
 - at 16' instead of a standard commercial height of 10'
 - Sloping the main floor slab to achieve theatre customer accessibility requirements
 - Designing, engineering, and constructing the base building to suit the sound, HVAC, and unique building code requirements of a theatre that would not be needed for standard commercial space
- Design and Construction of the Tenant Improvement to make the bare commercial space into a 7250 sf turn-key theatre. Typically Landlords provide a \$20 TI allowance to commercial tenants on a long term lease (\$145,000 for a 7250 sf Space). Preliminary estimates put the Tenant Improvement and customized Commercial Level design requirements (noted above) at a cost of \$1,800,000 – 2,300,000.
- Casman Properties has committed financial assistance, in relocating, and operations so the Star Cinema maintains their presence and service to the community throughout the duration of the construction of the new building via a temporary location(s).

The Town of Sidney and Casman Properties

Casman Properties is committed to providing a project which meets the goals of Sidney that have been clearly laid out in the OCP and LAP, first of which is *“Facilitate the development of Sidney’s downtown / downtown waterfront areas as a vibrant and sustainable community where people can live, work and play”*. Cameo offers all three in one unique property.

Here are a list of just some of what the Cameo project offers to help Sidney achieve the goals and intentions of the Downtown Sidney Local Area Plan:

- promote a sustainable and lively downtown
- Strengthen and diversify the local economy through the support of local business
- Establish a range of residential uses to ensure diversity of choice and to bring people and activity to the area
- Encourage mixed use development that provides a range of services and facilities that promote an active day and night time environment
- Promote the downtown as a place for families. (5 Three bedroom units are located on the second floor)
- establishment of through block pathways

For the extensive costs of the Theatre to be absorbed by the project and still maintain the viability for Casman to be able to proceed with the Theatre in the project as designed, the following is necessary:

- The development is proposed to have a Floor Area Ratio (FAR) of 3.39 which is over the maximum permitted density of 3.0 FAR in the C1 zone however the additional density is to allow for the 7,250 sf movie theatre in the ground floor of the development. The exclusion of the theatre from the FAR calculation would bring the FAR for the proposed development to 2.98, which is within the range of bonus density for the C1 zone.
- Variances are requested to relax the height and number of storeys of the building, of which, are supported in the Official Community Plan
- Maintain the variance granted to the 5,000sf Theatre for the past 20 years in which there was no parking required/provided. This variance would result in the Town of Sidney not requiring the \$10,000/ pay-in-lieu per stall for the 29 stalls that have never been required of the Theatre. We are asking to maintain the status quo on the first 5,000 square feet of theatre space, and therefore this not being subject to the 10,000/stall pay in lieu. This variance is critical to the financial viability of the project and moreover, maintaining the theatre in the project.
 - Please note that Casman is not asking for any variance for the payment for the additional 7 + 4 spaces and will be paying the \$110,000.
 - We understand that there is much discussion surrounding the topic of Parking in Sidney, however we believe that the support for the Theatre’s longevity, and moreover the potential loss of the theatre in the community if a financially viable project cannot be agreed upon, will put into perspective the reasonableness of the request to not require the project to pay the \$290,000 and maintain the current variance of the 29 stalls. We therefore propose that Casman Properties & Star Cinema hold an Open House in the near future to formally gather input from the members of the community regarding this.
- Please note: The caveat on the land that will indicate that the space be used for a Theatre further ensures the longevity of the Theatre. This also reduces the commercial market value of the Theatre specific property (in comparison to standard commercial space such as the other CRUs in the building). The reduction in commercial base value due to this caveat is an estimated \$500,000+

Star Cinema and the Community

During the Committee of the Whole on January 15th, 2018, there was much discussion and comment regarding the increase in theatre size from current, addition of a third screen, and the long term financial viability of Star Cinema in the new space. Casman Properties has gone through Star Cinemas last 5 years of audited financials and is comfortable that with the unique Landlord/Tenant agreement and facility (detailed above) Casman is offering, Star Cinema will be a part of Sidney's Business Community for many years to come. Star Cinema has provided an excellent document which covers all aspects of their business and what this new theatre facility means for them in their business, and them in the Community. See Enclosed.

As illustrated, Casman Properties and Star Cinema have taken all aspects of the business case, building design, and Town of Sidney goals and requirements into consideration from the project's inception. We look forward to continuing on in the process with you.

Sincerely,



Margie Shenduk
Director of Operations
Casman Properties
mshenduk@casman.net



New Star Cinema at Cameo

Currently Star Cinema is 5000 sq/ft. The proposed space for Star Cinema in Cameo is 7250 sq/ft

Table of Contents:

1. **People are still going to the movies** (p.2)
 - a. General cinema statistics
 - b. Star Cinema statistics
2. **Ability to have three screens** (p.2)
 - a. Three-screen theatre is imperative for the long-term viability of Star Cinema
 - b. Cost-effective expansion
 - c. Expand and diversify demographics
 - d. Additional screen vs. additional theatre capacity
 - e. Bringing back the love seats
 - f. Private screening, film festivals, special events and fundraisers
 - g. Sidney Film Society
3. **Increased lobby space** (p.4)
4. **Community Investment** (p.4)
5. **A community amenity** (p.5)
6. **Parking** (p.6)
7. **Prevent Isolation for Seniors** (p.6)
8. **Community feedback** (p.7)

1. People are still going to the movies:

General Cinema Statistics:

- According to the MPAA's 2016 Theatrical Market Statistics
 - In 2016, 71% of the Canadian population went to watch a film at a movie theatre (a 2% increase from 2015)
 - Individuals who go to the cinema once a month or more – continue to drive the movie industry, accounting for 48 percent of all tickets sold in Canada
 - Demographics: 12 -17 and 18 – 24-year olds attend the most movies per year

Star Cinema Statistics:

- From 2013 to 2017, Star Cinema experienced an increase of 25% in sales (even without raising their prices).
- Star Cinema has incredibly loyal and consistent patrons who attend films on a weekly and monthly basis.
- Star Cinema steadily entertains tourists and visitors staying at the local marinas and hotels.
- Star Cinema offers an unique and personal experience for moviegoers unlike any other theatre in the Greater Victoria Area. A distinctive feature of Sidney, people travel from all over the region and Gulf Islands to watch films at Star Cinema.

2. Ability to have three screens:

- **A three-screen theatre is imperative for the long-term viability of Star Cinema.** The film industry has changed a lot throughout the years resulting in greater restrictions and demands that are challenging for smaller, independent theatres like Star Cinema. It is not uncommon for film companies like Disney or Fox to demand theatres play four weeks of one film without being allowed to share the screen with any other film. For theatres like Star Cinema who serve a smaller population, an increase in variety of the films they offer, while still being able to open larger films that require a longer stay, is the key to maintaining and increasing revenue and therefore their longevity.
- **Cost-effective expansion.** Regardless if Star Cinema added a third screen, the square-footage of the new theatre would need to increase. Washrooms requirements have changed from 20 years ago and Star Cinema's new theatre would require a washroom increase even if they maintained their current seat capacity. Additionally, Star Cinema's current lobby is inadequate and needs to be increased, as well as their concession area. These required increases to the theatre's square footage would result in an increase to their rent yet would not guarantee an increase to revenues. Therefore, the addition of the third screen provides a cost-effective solution to these required increases.
- **Expand and diversify demographics.** Currently seniors and families with young children make up the largest demographics of Star Cinema audiences. As a result, the films that Star Cinema plays primarily caters to these audiences. With the addition of a third screen, Star

Cinema will be able to increase the variety of the films they offer and reach out to audiences they are currently underserving (i.e. youth and young adults).

- 20 years ago, when the Town of Sidney first approached Sandy Oliver to open a theatre in Sidney it was because they wanted more activities for youth to have access to in Sidney. However, at that time, it was underestimated the number of seniors who craved entertainment and cultural experiences without having to drive to Victoria. The addition of the third screen will allow Star Cinema to continue provide entertainment options for seniors as well as better fulfill the original mission of opening a theatre in Sidney.
 - Movie theatres heavily rely on concession sales. Families, youth and young adults are statistically more likely to purchase concession items. Therefore, providing increased programming for these demographics will boost concession sales for Star Cinema.
- **Additional screen vs. additional theatre capacity.** Currently, Star Cinema’s two theatres have a combined capacity of 300 seats (fixed and non-fixed). The inclusion of the third screen will only increase the capacity of Star Cinema by an additional 20 – 50 seats. Furthermore, movie theatres rarely run at 100% capacity. In fact, it is rare for Star Cinema to play two concurrent sellout shows. Therefore, the addition of a third screen would not cause a significant increased strain on the current parking issue in Sidney. The primary purpose of the third screen is to improve the variety of programming Star Cinema can offer, which is key to their ongoing viability.
- **Bringing back the love seats!** Star Cinema had overwhelmingly positive feedback when they had couches in their theatres for their temporary seating and hear frequently from their patrons how they miss the couches. The additional third theatre be furnished with new loveseats and cozy chairs to recreate that unique and desired experience.
- **Private screening, film festivals, special events and fundraisers.**
- *Private screenings:* The third screen will provide Star Cinema with the flexibility to host more private film screening for schools, businesses, birthday parties and individual groups. These screenings provide an additional revenue stream for Star Cinema, which in turn allows them to keep their prices at an affordable rate for their regular patrons.
 - *Festivals and Special events:* Currently the Star Cinema has hosted screenings for the Victoria Film Festival, ArtSea Festival, Sidney Literary Festival, Seniors Day, Family Day, National Canadian Film Day, The Metropolitan Opera, etc... Not only does Star Cinema receive positive feedback from the Sidney community about being part of these festivals and special events, they also provide Star Cinema with the ability to reach out to new patrons and bring people from surrounding communities to Sidney. A third screen will give Star Cinema the ability to be part of more film and arts-based festivals and offer unique cultural experiences to the Sidney community.

- *Fundraisers:* Star Cinema regularly hosts film screening fundraisers for various non-profits and community groups in Sidney and across the Greater Victoria Area. Hosting these fundraisers at a discounted rate for non-profits is one way Star Cinema gives back to the community. Star Cinema will be able to work with more non-profits and community groups to host fundraisers with a third screen.
 - In 2017, Star Cinema hosted fundraisers and special screenings for various non-profits including Grandmothers for Africa, ME (Chronic Fatigue Syndrome) awareness, Island Kids Cancer Association, Cat's Cradle, Victoria Sexual Assault Centre, Air Cadets, Sidney Preschool, among others.
- **Sidney Film Society.** The long-term goal of Star Cinema is to become a more community-oriented/community-owned theatre and increase business practices/strategies that give back to community. As part of this goal, Star Cinema intends on creating the Sidney Film Society that will offer more community programming for the residents of Sidney. A third screen will give Star Cinema the flexibility needed to pursue these goals.

3. Increased lobby space

- Currently the lobby of Star Cinema is just 20ft x 14ft, which is much too small for the current needs of the cinema, resulting in various accessibility issues. On a busy night, Star Cinema can have over 100 people crammed into its small lobby. Additionally, many of the Star Cinema customers have mobility aids (i.e walkers, wheelchairs, scooters), which take up added space.
- With the proposal new cinema, Star Cinema will be able to increase their lobby size significantly, in turn increasing the accessibility and functionality of the theatre. A larger lobby will allow patrons, especially those with mobility aids, to move around with greater ease and space, add more lobby seating for patrons, especially those with mobility issues, to sit as they wait for their theatre to open, improve customer flow, and eliminate line-ups that make patrons wait outside (regardless of the weather).

4. Community Investment

- Five years ago, Star Cinema patrons raised \$185,000 to keep the theatre doors open. This \$185,000 investment paid for new digital projectors for Star Cinema. In 2013, theatres were mandated to switch over to digital projectors from film projectors. At \$80,000 per projector, Star Cinema could not afford to purchase these projectors without support. Multiple independent theatre closed during this time because they could not afford the cost of the projector switch over. The \$185,000 also allowed Star Cinema to purchase new theatre seats as their previous seats were over 30 years old and received many complaints about how uncomfortable their seats were.
- The incredible generosity that Star Cinema received at this time is a true testament to how much the residents of Sidney and beyond care about this theatre and wanted to see it stay in the community.

- Ensuring the ongoing viability of Star Cinema is ultimately how we can continue to honour and value the tremendous investment the community has already put in the theatre.

5. A community amenity:

There are numerous ways you can define what a community amenity is. However, common definitions include something that “create[s] a more complete community” and “brings cultural importance” to the community. Star Cinema easily falls into that description.

- Time and time again, Star Cinema hears from the community how important the theatre is to them and the difference it’s made for them to have a local cinema.
- Star Cinema also hears from the local business community how Star Cinema helps bring patrons to their stores, restaurants and coffee shops.
- Additionally, we cannot underestimate the cultural importance of bringing film to a community, “[films] have the power to express a culture's ideals and shape them. Art, especially film, is important because it gives us the ability to form lasting human connections through by letting us share our experiences with each other.” (*Nathan Rohe, 2017*)
- In a study about the impact of local cinemas, the researchers concluded that local cinemas (*Film Hub Scotland, Research Project: The Impact of Local Cinema* :
 - play a crucial part in fostering a “sense of place” for their communities as key venues with a community focus.
 - play an important social inclusion role, particularly for elderly people who would otherwise not have the opportunity to watch films “for them” in an easily accessible “traditional” environment.
 - Special events and activities target various community groups which would otherwise be excluded. Film festivals, special screenings and educational initiatives often reach underserved subgroups of the population
 - make an important social contribution to their local communities through the provision of volunteering opportunities.
 - offer affordable leisure options for families, with fewer concerns over travel and food costs than other activities. The cinemas are seen as safe, secure venues fostering independence among young people.
 - provide a strong social function as a meeting place and centre in which to socialise.
 - widen the range of cinema-going opportunities for local residents, enhancing local cultural life.
 - contribute to the vitality and vibrancy of town centres, encouraging the evening economy and increasing footfall. This often has a positive impact on safety and security.
 - contribute to the local economy through audience and visitor spend

6. Parking:

- The evenings are the peak business hours for Star Cinema. As evenings are outside the hours of operation for most businesses and offices in Sidney, parking is rarely a concern.
- Star Cinema's weekday matinees are on Tuesdays, Wednesdays, and Thursdays. Occasionally there will be matinees on Mondays and Fridays due the holidays or ProD days at the schools. Generally, weekdays matinees have 2pm and 2:30pm start times, so patrons are typically at the theatre between the hours of 1:30pm to 4pm.
 - The weekday matinees cater to the senior population of Sidney. Seniors make up 75%-90% of tickets sales for the weekday matinees.
 - Weekday matinees are a way Star Cinema has increased the accessibility of their theatre. Star Cinema heard form many of their patrons who are seniors that they do not feel comfortable going out at night and that matinees are the only option for them. Additionally, the Wednesday matinees play with closed captions for people who are deaf or hard of hearing.
 - In 2017, Star Cinema received the Jeanette Hughes Accessibility Award because of these types of business practices.
 - The weekday matinees also bring in an additional revenue for Star Cinema which is critical for their ongoing viability.

7. Prevent Isolation for Seniors:

Attending a film at Star Cinema provides a social outlet for many people. People feel at home at Star Cinema and it offers a friendly, familiar, personal experience for folks. This can be especially important for seniors as social isolation can become a common occurrence.

Government of Canada (Report on the Social Isolation of Seniors)

- The social isolation of seniors can cause communities to suffer a lack of social cohesion

The Council solicited the views of stakeholders and seniors to identify some of the most common risk factors. They were as follows:

- lack of awareness of or access to community services and programs;
- loss of sense of community;
- lack of accessible and affordable transportation options was mentioned in all regional roundtables as one of the most important issues;

Preventing and/or Reducing Social Isolation of Seniors

- There was general agreement on the need to recreate a sense of community to encourage interactions and connections among neighbours and the larger community.

8. Community Feedback:

An important part of Sidney:

“But most of all, I love that although we are your customers, the Star feels like it belongs to us and our town. You are a big part of our community; a real treasure and we appreciate you more than you could know.”

“My life would not be as rich without the Star.”

“I am going to make a point of coming here as often as I can.”

“I absolutely love our little village cinema...enough so that I can go almost once a week.”

“The Star is a treasure for those on the peninsula and Saanich.”

“The Star is an integral part of Sidney’s charm.”

“Sidney has many good attractions and amenities, from the Museum to the Mary Winspear, but in our opinion, right at or near the top is the Star Cinema.”

“I think the Sidney Star Cinema is a great asset to the town.”

“If I has to name the three best things about Sidney, the Star Cinema would be one of them. Maybe even right at the top. You are a big part of what makes the town so special, and why people agree that they love spending time in Sidney.”

“To lose our theatre would diminish the overall charm of our town.”

“I truly believe that Sidney benefits from having a theatre. It is one of the few places in our town that people of all ages gather for entertainment...It adds culture to our community. It delights people who are visiting. I am proud of our little theatre.”

A place for families:

“My son never wants to go to any other theatres and always loves watching movies here with me. Thanks for great memories with my best guy and for a movie theatre that feels homey!”

“I have a daughter who has lived in Sidney most of her 9 years on the planet and going to movies at the Star has been one of her greatest joys in childhood. She has special needs and the Sandy at the Star has provided a movie experience for her and countless of her friends, that makes going to the movies, a familiar, cozy, safe and less over-whelmed opportunity.”

“So many luxuries get taken away from us in our small town, especially for families, which is why families move away to other communities that are more family oriented.”

Brings business to Sidney:

“This is healthy for our local economy as it invites us out of our homes; something that we would do if it meant a trip to Victoria.”

“Love taking the time to travel from James Bay to Sidney to go to the Star Cinema! It is like stepping back in time to the theaters of our younger years. Happy to support a local theater. I am one of your #1 fans.”

“The Star is our source for movies and entertainment in the evenings...Although we live near Saanichton, Sidney is our place of choice for shopping and entertainment.”

“Many of us combine a matinee performance with going out to dinner afterwards to thus making a very pleasant social outing.”

“If it wasn’t for the Star we’d be heading to Victoria for dinner and a movie dates.”

“We frequent the Star Cinema every chance we get - we prefer it over going to the big theatres in Victoria as it's always felt more personal - more familiar.”

Need for an bigger lobby:

“The proposed redevelopment of your current site will, I hope, see an expansion of the lobby, which is often overcrowded and inefficient.”

“I’m hoping that in your new location you will have a suitable sized lobby so we do have a suitable sized lobby so we don’t have to line up outside or be so crowded in the lobby.”

An accessible theatre:

“We appreciate that you have matinee performances every day enabling those of us who do not wish to drive or go out at night, to still be able to enjoy a movie.”

“A great cinema with a lot of heart and a lifesaver for those who are physically overwhelmed by the in-your-face big screens & big sound of other venues who noneless love going to a movie.

“There are not many towns where you can walk a few blocks and catch all the most recent movie hits at very appealing prices.”

Supports the community:

“I also appreciate that the Star is generous in supporting local organizations by providing complimentary tickets for raffles, holding fundraisers, etc..”

“The Star Cinema is truly a little treasure of Sidney. We live in North Saanich and come regularly for a movie and the best popcorn on the peninsula! Also, we really appreciate the help that Star Cinema has provided to our Sidney Preschool with fundraisers in the past. Great people and a great little theater down the street.”

New Development:

“We wanted to express our support for the proposed new development at your location that will include an new and improved Star Cinema. Star Cinema is an important part of the community and a vital small business that truly serves its neighbors and citizens of the area.”

“The proposed development for the corner of Third Street and Sidney Avenue has us really concerned until we heard of the developer’s plans for finding a temporary placement of the theatre during the construction phase, and a 3-room theatre in the new building. We were relieved that Sidney was not going to lose one of its precious assets, even temporarily.”

“We are fully in support of the Star Cinema adding a third screen and maintaining its small-town character.”