Space Needs Feasibility Analysis

for the

Literary Arts Sector

May 2013

Assessment of needs and options for co-location of multiple agencies within the literary sector

Prepared by:
Scott Hughes
Principal
CapacityBuild Consulting Inc.

Prepared for:
Margaret Reynolds, ABPBC
Michelle Hoar, The Tyee
Brian Lam, Arsenal Pulp Press

CapacityBuild Consulting

Contents

Executive Summary

Ensuring adequacy and affordability of space is a universal issue for running effective organizations. Three agencies working in the literary sector in BC have come together around the possibility of a shared work space and are exploring the potential for a broader literary sector co-location facility. Interviews and survey data gathering were conducted amongst a variety of organizations in the sector to determine core space needs. Respondents were positive about the possibility and willingly shared their requirements for dedicated space and desire to share space and services with other aligned organizations.

Using this information, two models of shared space emerged, one a smaller footprint of approximately 4,600 sq ft including the initial three organizations and the other a larger Centre encompassing a broad array of organizations and occupying approximately 12,000 sq ft. The partner organizations were stratified into several groups including the initial three Core Agencies, a level of Primary Partners who demonstrated the greatest propensity to participate, a group of Secondary Partners who would be occasional users and then a couple organizations identified as Out-of-Town who would have much less frequent use, but would strongly identify with a base for literary activities in Vancouver.

A review of the local real estate market was conducted to establish the availability and cost of suitable sites to validate the possibility and inform the financial modeling scenarios. Two sizes of sites were researched, one accommodating the smaller footprint and the other sufficiently large to accommodate the much bigger group of agencies. Taking into account the preferred geographical areas within reasonable proximity to the downtown area as well as appropriate City zoning requirements, a listing of available properties was compiled.

Aligning the reported needs of the organizations with available real estate options led to the development of three financial models to demonstrate the impact of coming together as a group of agencies. Appendices to the report map out specific agency feedback as well as the detail of the financial models discussed. The Core Agency model demonstrates the dedicated and shared space components of the three core agencies and associated rental rates. While total lease payments are not substantially less than what is currently being paid by these agencies, a breakeven level of cash flow results with access to better premises and the opportunity to work more closely together, develop mechanisms for space sharing arrangements and potentially have a stronger position relative to landlord negotiations.

The second model is a full co-location model including 15 organizations. A much larger footprint and allocation of dedicated and shared space components results in a balanced revenue model with allowance for shared service components as well. Reduced rents (compared to independent rental arrangements), access to a diverse range of space, shared costs on services and proximity to other aligned organizations compliments the ability to secure a longer term and more favourable lease that comes with a larger space.

A discussion on governance and management of a co-location Centre presents many of the challenges which can arise, together with a number of approaches to ensure appropriate decision making and sufficient input on day-to-day running of the Centre. Establishing documented protocols amongst the Centre participants leads to effective ongoing operation. Three models of cooperation are presented including a property manager model, a co-location model and a co-working model. The model chosen and the ability to maximize partner collaboration opportunities will depend on the organizations involved and their desire to seek the benefits of greater mutual integration.

A number of recommendations are included regarding next steps towards determination of a co-location Centre. Two avenues are outlined: one a staged approach with a smaller initial co-location of the core agencies, and the second a direct plan to coordinate multiple organizations into a larger co-location Centre from the start. Steps such as gathering commitment from partners, identifying an appropriate site and sourcing the funding required to outfit a new location are presented.

Background

As one of the many supports required to run an effective organization, the need for suitable office and activity space is a constant that all organizations face on an ongoing basis. Organizations in the literary sector, both non-profit and for-profit, are no different and the feasibility work contained in this report was triggered by the challenges of maintaining affordable space for literary organizations in Vancouver. The Association of Book Publishers of BC (ABPBC), the Tyee online publisher and Arsenal Pulp Press have entered into discussions which have surfaced this common issue and identified common space challenge issues.

The concept of co-locating the three organizations emerged through dialogue around a centre where the three organizations would all benefit from available space, create savings through shared space potential and develop a critical mass of space which could increase negotiation abilities with landlords. The concept was further developed into a "literary arts" centre which could encompass a much broader array of participants from within the literary sector and would include several additional organizations.

With support from the City of Vancouver to pursue this feasibility analysis, the study was designed to investigate both the possibilities of coming together in one space as well as to do a market check on possible sites for availability and cost. Interviews with the three core agencies as well as an online survey of literary sector participants provided the primary inputs on types of space, total demand for space and geographical preferences for location. This feedback was aggregated with research into available properties in the market to create a deeper understanding of what might be possible and what the benefits could be.

Core Agency Space Needs

Initial discussions were conducted with the three core participating agencies (ABPBC, the Tyee, Arsenal Pulp) to examine both physical space needs as well as their motivations for potentially entering into a co-location shared-space arrangement. Ideas were gathered as to other potential participants in the Centre in order to clarify the breadth of literary activities which are contemplated and to create a contact list from which to obtain further feedback.

Detailed information was gathered from each of the agencies including current rent levels and expectations going forward for rent increases. Needs were identified for dedicated space areas for each agency within the Centre as well as those areas and space use activities which could be shared amongst other organizations. Some diversity of space use needs emerged amongst the three organizations and current rental costs were also seen to be inconsistent. Key findings about space needs and usage from the core agencies are captured in the attached **Appendix I** to this report. It includes a suggested space allocation which could serve if there were simply the three agencies as a group co-located in one space.

The conclusion from the individual discussions is that the current trio could be characterized as a "loosely knit" partnership wherein a suitable space would definitely bring them together, but options will continue to be pursued independently. There is a familiarity and trust as participants in the same sector but not a critical interdependency amongst the organizations. Clarity on the level of commitment of each organization to the others would be a good starting point as this will affect the process of working through the elements of a successful co-location Centre.

Analysis of Literary Sector Space Needs

In order to get a better sense of which other organizations might be interested in participating in a co-location facility or literary arts Centre, an on-line survey of organizations working in and supporting the literary sector was done. The survey also included out-of-town organizations which might be interested in a Vancouver Literary Arts Centre as a Vancouver touch point for occasional office or meeting usage. Feedback was also sought regarding the need for book warehousing and distribution services as a possible social enterprise function which could be offered by the Centre.

Responses were received from 17 local organizations which, when combined with the 3 initial partners, makes 20 responding organizations representing the interests of Vancouver based literary sector organizations. From outside of the Lower Mainland, 3 agencies responded which provided a glimpse of the interest level by non-resident organizations and how the Centre might serve the needs of those further away. There was a wide range of types of organizations included in the responses from small non-profits to publishers to much larger municipal organizations.

There was a high level of interest indicated across most of the organizations which responded (we note that the response profile was not screened for statistical relevance) which provides a sense of whether there is appeal beyond the three core agencies and what the range of space needs might be. For a few, it was clear that their current circumstances are working well and they are not interested in participation in a co-location Centre at this time.

Responses to the survey where there was no interest in participating in a shared facility included 6 agencies from the Vancouver area and one agency from out-of-town as follows:

Thursdays Writing Collective	Writing	No	
Now Or Never Publishing	Book Publishing	No	
Self-Counsel Press	Book Publishing	No	
Writing and Communications Program - SFU	Book Publishing/ Writing	No response	
Downtown Eastside Studio Society	Service Organization	No	We already share space with Drug Users Resource Centre, a drop in for addicted and homeless populations and it fits our operations
Zoetic Inc.	Book Publishing	No	
Orca Book Publishers	Book publishing	No	

Dedicated Space Needs

A number of consistent requirements emerged from the feedback including the need for a cross-section of dedicated spaces. Common types of space which would need to be segregated for use by individual organizations included some office space, dedicated work stations, individual meeting rooms, storage and warehousing. Unique spaces which would serve only one organization could potentially include such areas as a library or an art gallery. In total, the dedicated space needs appear to comprise approximately 54% of the total area required.

Shared Spaces

In the feedback, there was also a high level of willingness for sharing of spaces amongst organizations who would consider participation in the Centre. Detailed feedback about the ways in which space use could be shared as well as indicated preferences for location are included in the attached **Appendix II**. In order of frequency of mention, the following types of space appear to lend themselves to sharing amongst more than one organization:

- meeting space
- book launch/larger gathering space
- board room
- office/desk space
- shared support spaces such as kitchen, washrooms, staff area
- as the number of responding organizations increased, the identification of unique space elements increased
    - retail for book sales
    - possibility of smaller kiosk library location from VPL
    - larger gathering area required by several organizations
    - art gallery

Location Preference

When asked about where in Vancouver would be the most suitable location for the proposed literary arts centre, most responders supported a central location, fairly close to downtown while acknowledging the cost of being right within the city centre is likely a significant deterrent. The primary preference for a central location close to downtown included the need for good transit access with specific mention of the following areas of Vancouver City:

- Commercial Drive to downtown area
- Chinatown/Main Street area
- Mount Pleasant area
- East Vancouver

Shared Services

A further point of interest, and an element which becomes possible once multiple agencies are located in close proximity, is the opportunity to coordinate access to a number of services which many organizations require as part of their ongoing operation. The request for responses about the interest level of sharing specific services was met with keen interest for some of the mentioned shared services. Details of key services listed by responder are contained in the attached **Appendix III**. In order of frequency of mention the following were most commonly supported:

- IT network and services
- bookkeeping services
- janitorial service
- printing/copy centre
- reception

- office administration
- bulk purchasing
- book store
- phone conferencing

General Comments

In an attempt to dig more deeply into the perspective of the wide variety of responders to the survey, more open-ended questions were also asked to obtain a broader sense of how they would imagine a shared space Centre to be. Responders were asked to describe how the space would be for themselves and then a category for open comments was also provided. Individual responses to these two questions are presented in **Appendix IV** and provide interesting insight and a reflection of the level of excitement which different organizations and individuals have for the ideas of a shared facility.

Responders indicated a strong positive outlook for the potential of a co-location facility within the sector with some agencies being very excited by the prospect. A common sentiment was to seek an appropriate balance of dedicated space and shared space. Most agencies were looking for the ability to stabilize rent and to create a greater proximity to aligned organizations in the sector. There were some mentions of potential synergies and the ability to better host creative processes such as brainstorming for innovation.

Comments also included a common desire to seek improvement to current space with improvements mentioned such as better lighting, better access (for staff, customers and for convenient access to storage), access to a variety of types of space, and in one case, to allow the staff person representing the branch office of a large company to move out of a home office situation.

Potential Models of Shared Space

From an analysis of the feedback, two primary models of co-location shared space emerged. One is a smaller footprint centre housing the three core organizations with the limited intention of providing affordable space for the three of them while making available certain shared space elements such as a boardroom or common meeting room area. This smaller space would be defined as being about 4,600 square feet in size with the following components included:

- office type space
- mostly open plan with several offices
- one shared board room
- limited storage area

The second model of co-location which we present incorporates a full range of additional organizations and incorporates the indicated space elements (both dedicated and shared spaces) from the survey responses. This second model incorporates a much larger space overall and opens the door to consider some alternative types of space not necessarily currently available to all organizations. The larger space would be 10,000 – 12,000 square feet in size and would have the additional following space components:

- library
- gallery
- retail book sales area
- greater staff support space

While two ends of the spectrum of co-location space have been described above, the likely result would be somewhere between the two options with less than the full complement of partner organizations whom have initially expressed interest.

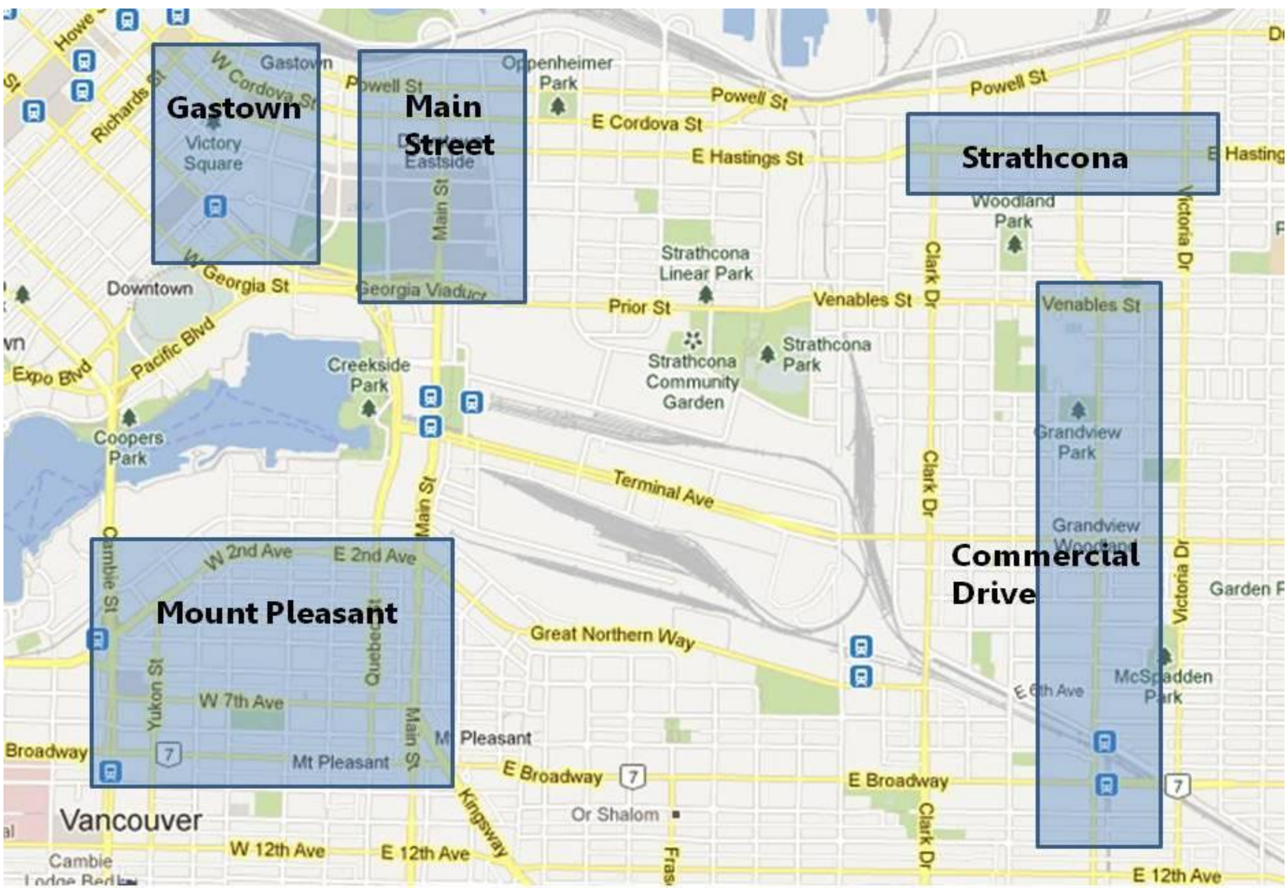
From the interviews and survey feedback, several categories of partners have emerged. For ease of reference, the following nomenclature regarding different levels of connectedness will be used in the ensuing shared space and financial models. The three initial organizations (ABPBC, Tyee and Arsenal Pulp) will be referred to as the **Core Agencies**. A group of survey responders who exhibited the greatest propensity to support and/or join a co-location will be referred to as **Primary Partners**. A wider group of occasional users of the space will be referred to as **Secondary Partners**. Finally, there is an additional group of interested parties which are from **Out-of-town** and have much less frequent need for space but have a strong interest in having a uniquely identified site in the Vancouver market and would use the space as a touch-point or meeting spot as needed.

In the subsequent sections of this report, the two models of potential co-location described above will be explored in more detail with specific financial modeling completed for each. These represent either the small footprint involving only the Core Agencies or a larger, full co-location which includes all 4 partner categories defined above.

Real Estate Market Evaluation

To provide a context for the feedback and identified needs for space use from the interview and survey process, an evaluation was conducted on the Vancouver real estate market within the identified geographic areas. The intention was to determine what opportunities might be available and to get a better feel for what costs would be involved to rent or renovate premises to accommodate the range of needs identified. This analysis provided confirmation to validate the assumptions underlying the financial modeling which is presented in the following sections.

The analysis was done on existing properties listed for lease in the Vancouver market to identify likely pricing levels and the potential availability of suitable space within the preferred geography. The primary areas examined are shown on the map below:



Zoning Analysis

Within the areas identified in the map above, an assessment of permitted zoning was done to determine whether zoning restrictions would limit the choice of neighbourhoods and to identify where the diverse space usage characteristics might best be situated. A review of zoning restrictions within the City of Vancouver zoning bylaws clarified which areas are suitable from an outright usage standpoint, and which zonings allow for the needed activities on a conditional use basis.

A summary of relevant zoning areas with outright and conditional permitted uses is included in **Appendix V** to demonstrate the range of options and to identify where a process of building use permitting would be required if the use doesn't fall within an Outright Approval Use. Zoning for the larger co-location centre becomes a more difficult element to accommodate as the number of partner organizations increases with a commensurate increase in the diversity of activities.

Overall, the most appropriate zoning area is Commercial zoning – C-1 or C-2. Other related zoning includes commercial uses as an outright use such as IC -1 or MC – 1. We observe that in some cases (particularly in the Cambie/Main neighbourhood) there are several identified properties which clearly have an office use and office improvements within the building despite the I-1 industrial zoning. This area of Vancouver appears to be undergoing a transition given its proximity to the city core and ease of access from transit routes. Where these neighbourhood shifts are occurring, it may require a more extensive permitting process to acquire appropriate building use permits.

Some of the neighbourhoods considered have unique zoning descriptions such as the heritage zoning in the Chinatown/Gastown area or the Oppenheimer zoning along East Hastings St. These unique areas often include a wider range of permitted uses and may prove to be a viable location for a literary Centre as proposed.

Vancouver Market Examples

The basis for further financial modeling for the literary Centre is based on the findings of available properties within the defined areas of Vancouver. A variety of potential spaces were identified in both of the size ranges. Contact was made with 8 Vancouver realtors to obtain pricing details and to determine specific characteristics of existing listed properties. They were also requested to identify whether they had any awareness of additional properties within the same geographic areas which may be suitable.

A chart of identified properties and rental rates is included in **Appendix VI**. We note the significantly higher density of available properties in the smaller footprint size range and within two particular neighbourhoods – Gastown and Mount Pleasant. Other examples are included as a reference point, and to provide additional information on relative pricing levels. Rental rates vary considerably and the findings indicate a wide range of property types – some very new and others older and less well maintained. Feedback from the real estate research provides an indication of where the greatest likelihood lies for finding a suitable location and also provides a guide to the lease rates used in the financial forecasting models which follow.

Financial Analysis of Shared Space Options

In developing the approach to financial modeling of the options, a process of aggregating responses from interviews and the survey was done to determine the needs of each organization for:

- dedicated space which would only be used by the one agency
- shared space where there is a demonstrated willingness to share the type of space with other agencies
- greater or lesser amounts of space allocated depending on the number of agencies interested in sharing a particular type of space

Out of this, three options have been created and are included in the scenarios which follow. These include a core agency model, which includes the three initial agencies together in a smaller space and two versions of a full co-location model. The full co-location model includes all the agencies which responded positively to the survey. We present a version of the model assuming the space requires minimal tenant improvements to move in, as well as a version which demonstrates the ability to support the cost of a more extensive tenant improvement program through debt if a low cost, but roughed in space can be found. The latter of these models includes loan funding to complete the interior renovations with accompanying annual repayment requirements built into the cash flow patterns.

Core Agency Model

This model includes only the three core partner agencies and demonstrates one methodology for how space allocation and rental costs would be apportioned amongst the participants. The initial step is to determine the needs for each agency for dedicated space. A chart of assigned dedicated space is presented in **Appendix VII**. The needs of each organization are aggregated with the others and a percentage of the total space is calculated for each. Dedicated space in this model totals 2,170 sq feet. We note that warehousing/storage space has been attributed at a 50% weighting. This is under the premise that this type of space would represent the poorest of the area available (dark interior room, basement) or an off sight and less expensive space could be found.

The second step was to identify shared uses and the potential demand. Based on indications of what types of space each agency would be willing to use on a shared basis, representing occasional use of that type of space, specific space allocations were done and brought together into a common pool of shared space. A chart of identified shared space for the Core Agency Model is included in **Appendix VIII**. The shared space component of this model totals 2,235 sq feet. Total area required in this model for core agency space totals 4,625 sq feet.

A methodology of apportioning rent costs is demonstrated in **Appendix IX**. Allocations to each of the three partner agencies are based on the portion of total dedicated space required by each agency. Three types of space are identified:

- dedicated area
- shared working area
- common area (circulation, washrooms, etc.)

Different rental rates are applied to each of these areas in consideration of the value of the space to the users. This process is subjective and would be open to revision based on the mutual agreement of the participating organizations. It follows the philosophy that the dedicated space is the most valuable space for an agency. It also can provide a mechanism to decrease the desire to have dedicated space and increase the shared space components which would have an overall positive economic impact to participants in the Centre.

Using the revenues generated as described above, a financial forecast of potential operational revenues and expenses for the core agency space is presented in **Appendix X**. An additional revenue component is included which we have called "Building Services Fees". This represents amounts collected for running the space which are not included in the Additional Rents payment and include such expenses as janitorial, contents insurance, telecommunication costs, etc.

On the cost side of the forecast, the cost of the head lease base rate is informed by the referenced Vancouver properties listing. Additional rent cost is calculated based on an average of actual buildings surveyed. Other utility and operating costs are based on standard costs per sq foot for similar sized premises. As a result of the forecast, we observe a breakeven level of operations which is sustained over the 10 year timeframe of the forecast with allowances for rent increases and inflationary increases to cost and revenue elements.

Benefits to the three organizations vest in a slight reduction of rent from current levels but more importantly, are seen in the availability of access to greater space overall with different room configuration. The benefits of working closely together add to the dynamic of the work environment and the overall larger footprint should assist in negotiations with the landlord and longer terms to lease contracts.

Full Co-Location Model

In this version of the financial model, the needs of all the participating organizations have once again been aggregated in the same format as we saw in the Core Agency model. Dedicated space requirements by partner organization are tabulated in **Appendix XI**. Offices and work stations are assigned based on the feedback received through the survey with reasonable assumptions for organizational needs. Total dedicated space in this model is 6,690 sq feet. This includes specific dedicated space for two substantive additions – a library element and an art gallery space. Warehouse/ storage space is again allocated at a 50% weighting – the larger demand for storage space increases the argument to find a suitable off site and less costly warehousing solution at a nearby location.

The shared space elements have similarly been aggregated across all organizations. Details of the shared space needs are presented in **Appendix XII**. Total space required in this model for all components is 12,424 sq feet.

A more robust rent allocation model which includes all of the survey agencies who responded positively about participating in a co-location facility is included in **Appendix XIII** to the report. The methodology is the same as for the Core Agency Model above and includes the three types of space (dedicated area, shared working area, common area) and differentiated pricing for each area. This model assumes the space has been previously demised appropriately for office use purposes and requires relatively little in the way of tenant improvements to move in.

The full financial forecast model follows in **Appendix XIV**. The rental rate for the head lease is lower than the smaller footprint space given the general principal (supported by the market research) that larger spaces generally rent for less per sq ft and tend to require a greater portion of the space for circulation. This model contains all the same revenue elements as the Core Agency model above. One additional revenue element is included which is an annual membership fee per agency. This fee (charged out at $500 per agency per year) is an acknowledgement that some agencies have access to the space but use it less frequently or have no dedicated space within to support core costs. The level of fee set (or, indeed, whether such a fee is instituted at all) is subject to the conditions under which the partners join together and the level of imbalance between organizations based on their use and requirements.

The cost categories in this model once again include the head lease, additional rents and the building costs referred to above. Additional services costs have been included for demonstration purposes which relate to some basic centre-wide services such as IT network, phone system, part time reception/book retail support, and some joint communication initiatives to develop the identity of the centre on behalf of the partner organizations. The cost of these additional services is offset by revenues included in the Building Services Fee amount.

In this model, we observe a modest and consistent level of surplus annually over the course of the forecast period. The total rent for any one organization will be less than it would if they were renting to serve their needs on an individual basis. Further, by participating in the shared services offerings, operating costs within each organization can be reduced with continued access to a range of services. Some of these services are likely sourced independently today, while others may not be available to the organizations at an affordable cost. One of the most significant benefits is the strength which comes with the total size of the Centre. The ability to negotiate strongly with a prospective landlord and to secure a much longer term lease is greatly increased.

Full Co-Location with Financing Component

An addition scenario has been modeled to represent a possible option for accessing more utilitarian, industrial or rough finished space which would come at a lower rental rate, but which would require a much more significant investment up front for interior improvements to meet the space needs as they have been defined. In this version of the model, a loan is included to source the capital to complete the tenant improvement work with repayment coming from the surplus of revenues over expenses given the lower head lease rental rate.

The financial forecast worksheet demonstrating this version of the financial model is included in **Appendix XV**. Revenue amounts are exactly the same as in the full co-location model above with the same rent allocation methodology applied. Costs of the head lease and additional rent factors are less than in the previous model due to the basic nature of the space and lack of finishing in place. All other building operating costs are the same as in the previous model as the only difference is the need to invest more heavily prior to occupancy.

We observe a strong positive cash flow in each year which is available to service a loan of the magnitude indicated ($250,000). The second page of Appendix XV includes the loan for $250,000 which would be used for leasehold improvements and possibly for the cost of rezoning, obtaining a permit for conditional use on the property, or a variance permit to allow the range of commercial activities which are foreseen. Annual debt payments of $37,980 (representing the $250k loan at an interest rate of 5% paid back over 8 years) are included in the cash flows. With this debt repayment, there remains a comfortable positive margin in all years of the forecast period with the loan fully paid out prior to the expiry of the anticipated 10 year lease period.

Comparison of Options

The first option shows that with some sharing of space elements, all three agencies can access a complete office environment with access to a greater variety of space elements at a rental cost at or slightly below their current monthly rental costs. Limited rent cost savings exist, however, access to boardroom, kitchen, reception area, etc. provides for an improvement over the current space availabilities of each agency individually.

The second option shows the integration of a larger group of agencies with a greater overall combined space area. Given the head lease and additional rent levels used in the model, the monthly rental rates for the three initial partners are at a similar level to the smaller scale option for an equivalent amount of dedicated space, but in this scenario there is access to a much greater shared common space area. There is also a much greater diversity of space including elements such as a library, retail book sale area and art gallery.

The larger size of rental area in the second model means a stronger position from which to negotiate a longer term lease to lock rates in and to attract concessions from the landlord. The potential synergies are significantly enhanced through the physical proximity of more organizations working within the same sector. There is also access to a variety of services such as IT and telecommunications. Administering these services on a Centre-wide basis increases the efficiency and would generally decrease the cost of these services when compared with purchasing them independently.

The final option demonstrates the value created by taking on a property which requires a higher level of tenant improvement work and may also require a more extensive permitting process to allow the range of activities which have been expressed. There are significant savings in base rent payments and in additional rent costs which may make it worthwhile to take on a property which requires more work up front, but which provides significant annual savings over the life of the lease.

Governance and Management

Within a co-location environment, there is the need for appropriate resources, expertise and structure to effectively make decisions about the building and the various tenant organizations and to manage risk for the organization, which includes:

- facilities management
- funding expertise
- leasing experience
- administration
- curatorial activities

There are different approaches for the optimum governance structure to best manage the overall operation. The final governance structure selected will likely closely align to the financial and legal obligations associated with the head lease on the premises. If one organization steps into a lead role regarding the primary landlord obligation, they will likely want a significant, if not exclusive, right to make decisions about the facility, the range of tenants and other significant premises decisions. A joint obligation for the primary lease amongst several organizations would better align with a mutual approach to decision making.

If there is the need for financial contributions to pay for tenant improvements, the level of each organization's contribution can be another factor in apportioning decision making authority. Despite the level of financial contribution or obligation, a more consensus driven model of decision making can also be instituted. This would have the impact of greater engagement from all partners in the Centre, however requires a higher level of mutual trust. The objectives of bringing partners together must be weighed against ensuring the long term stewardship of each organization's resources. Often, senior governance decision making is closely tied to ownership and financial contribution while consensus decision making with broader representation of member organizations is applied to ongoing operational decisions.

Day-to-day Management

An important piece in the management structure relates to day-to-day operations. The management mechanism used must have suitable expertise, balance workload demands and provide for the level of engagement desired amongst participating organizations. Our discussion here provides a reflection on structuring appropriate management mechanisms for multi-organization Centres.

In order to ensure effective day-to-day operations of a multi-organization Centre and to engage the intended parties in appropriate elements of decision-making, a well designed management structure needs to be put in place. Management activities could be tightly controlled by a lead organization or they could be run by a larger group, representing the interests of all participants in the Centre. It is also possible to outsource many of the more technical aspects of management to a third party operator once clear policy and practices have been identified, which may serve to increase the sense of equity amongst all Centre participants.

There is a tremendous opportunity to support a very positive and synergistic environment with a significant sense of unique identity when many like-minded organizations are together in one space. A cohesive and well planned approach to ongoing management is needed to support the development of such an environment and to maximize the opportunities for all participants. It needs to be sufficiently resourced, as this is not something that can easily be supported off-the-side-of-your-desk.

Irrespective of the specific management structure selected, arrangements amongst several organizations occupying the same physical space can benefit from well defined parameters as laid out in some form of collaboration agreement. Examples of situations where these types of agreements are in place would include:

1. The Thoreau Center for Sustainability in San Francisco has a **Community Charter** outlining commitments and responsibilities of organizations within the tenant community. Each tenant must agree and sign the Charter.

2. The Fairhill Center in Cleveland, Ohio has drafted a set of **Bylaws** outlining the roles and responsibilities of the Board, committees and officers.

3. The Central Interior Community Services Co-op in Williams Lake, BC has a set of **Inter-organizational Protocols** and **Consensus Decision Making Guidelines** to facilitate relationship building and decision-making within the centre.

4. The Centre for Social Innovation in Toronto has **Tenant Co-operation Policies** to encourage co-operation amongst tenants and ensure smooth operations of the centre.

Models of Cooperation

There are a number of approaches to thinking about an appropriate style and structure for managing a multi-organization Centre. The approach selected may be close to one of the scenarios described below, a blend of two approaches or it may be a combination of elements from several approaches. The approach used needs to be aligned with the strategic intention about how multiple organizations will collaborate and/or work together and what synergies are expected to emerge as a result of cooperating in the same physical space.

Property Manager Model (co-habitation)

This model most closely resembles a traditional landlord approach to arranging and allocating space within a larger building to different tenants. It emphasizes clear contractual and independent arrangements for each tenant and does not focus on the nature of the individual organizations or pay attention to the nature of their activities. It is characterized by the following aspects:

- building owner/manager typically acts as a conventional landlord
- documented lease for specific dedicated space for each participating organization
- attribute a percentage of common space costs to each organization
- allocation for utilities costs relative to space usage
- each organization is responsible for managing within their own space
- separate entrances may be accommodated or encouraged
- little or no attempt to foster coordination amongst tenant organizations
- any collaborative activities would be the responsibility of the individual organizations
- benefits of third party temporary space rentals would accrue to the landlord only

Co-location Model

This model acknowledges the potential synergies amongst organizations and the willingness of participants to work more closely together to gain benefits of sharing some resources related to the building and space usage. There is a more deliberate attempt to find ways of cost sharing and it would include the following characteristics:

- agreements in place for some designated space for each organization as well as usage of common areas

- potential for shared service arrangements to be offered to all participants on a fee-for-service basis (ie: reception, office support)
- common marketing platform to create identity
- building cost sharing arrangements in place (may provide differentiated support of costs depending on organizational resources) which would include:
  - taxes
  - insurance
  - security cost
  - maintenance
- collaboration is limited to physical elements of the building itself
- possibility of a management committee relative to building occupancy decision making

Co-Operation/Co-working Model

The highest level of collaboration and working together comes within an intentional co-working model. This approach is dependent on identified synergies amongst participant organizations and the sense that the whole is greater than the sum of the parts. It includes unique arrangements for using space, an abundance of shared space within the building and the possibility of differentiated rents or premises costs depending on organizational resources and capacity to pay. This approach is differentiated from other approaches because it acknowledges that being in proximity has benefits beyond simply saving money on rent. The opportunity to establish a clear and unique identity in the community as a gathering place for innovation and creativity is strongest with this approach, which would have the following characteristics:

- greater emphasis on the benefits of proximity
- active promotion of sharing of ideas amongst organizations
- ability to animate amongst workers and between organizations
- planned events and gatherings to foster parallel shared learning
- potential for differentiated rent levels depending on organizational capacity
- high level of flexibility in common space components as participants work closely together in planning space usage
- greater engagement of participating organizations in the overall management of the Centre
- most successful models have sufficient size and scale to carry the momentum of resources required to attend to the ongoing management activities

Partner Collaboration Opportunities

A closer examination of the possible areas where the specific organizations in the literary sector can collaborate reveals the fact that there are sub-groups within the sector which have aligned needs for specific types of space. Some organizations such as book publishers are interested in a retail book sales capacity in the Centre. Other organizations have storage and warehousing needs but this is not common to all. The need for boardroom access is varied, as is the requirement to access a larger gathering space. A deliberate approach is required to identifying these pockets of aligned needs and coordinating how they will be shared effectively and used efficiently.

A few of the organizations surveyed have very specific space needs. The idea of a small public library site was raised. A related organization which supports literary and visual arts needs to establish a permanent gallery space. These types of spaces have been considered as dedicated space in the financial model and the individual organization has responsibility to support the cost of that space. Further discussion may well identify that these spaces represent more of a common element in the building and deserve a shared approach to covering costs. In each case the specific circumstances will drive the way the balance of space is supported overall.

A final point about increasing the diversity of activities within a single space rests with accommodating the variety of uses within the confines of the City zoning requirements. Maintaining diverse activities has implications for building usage permit and zoning which may cause unforeseen difficulties and must be considered as the range of activities increases.

Benefits/Challenges of Collaboration

As the partner organizations consider ways and means of collaborating in a more fulsome way, it is important to record and understand where the benefits lie and what some of the challenges can be to effective collaboration. A key benefit is that the sharing of resources increases the frequency and depth of cross-organizational interaction amongst partners. Collaboration can lead to the possibility, for example, of having a better staff area that would otherwise be unaffordable for each organization on its own.

It is important, however, that in the delivery of shared services care is taken not to assume partner organizations are a "captive audience" and will all willingly subscribe. A sound business case for shared resources is essential (therefore does not add costs to the service which wouldn't be there if the service were sourced by each organization independently). This will gain a broader user group and improve the likelihood of reaching the critical mass needed to gain efficiencies.

Maintaining technological relevance is part of delivering a shared service which benefits all participants. In some situations it can be more straightforward for each organization to source certain services on their own such as internet access given changes to current technology and provider service bundles.

With any shared service or space there is the need for a critical mass of participants in order to achieve the positive impacts of collaborating. Often a service may be worthwhile for collaboration if all partners participate, but an open ended opt-out practice can undermine the collaborative value. Also, the practice of attributing specific overhead or management costs to each shared service can effectively offset any cost benefit that may be available. The management and arranging of broadly shared services and building areas is best supported by incorporating the costs into the calculation of base rent levels for the users sharing the service. Setting the tenant rent levels by factoring in the underlying costs of shared space is the typical approach.

Summary of Findings

The concept of a co-location Centre within the literary sector has merit and is strongly supported in principle. The review of agency needs and alignment with available real estate options indicates that the economic benefits available with only the three core agencies participating is limited. There is not sufficient critical mass and size to sway lease rates and the group would remain price takers in the rental market. The financial modeling indicates a similar lease rate to what is currently being paid, but access to better and more diversified premises is a key benefit. The ability to work together and cross-pollinate amongst organizations is another important advantage.

However, core agency co-location would provide an excellent working model on which to build the broader co-location vision. Experience gained in coordinating the allocation of space and costs amongst a small group of agencies would serve well to inform the management approach for a much more robust literary Centre in the future. Also the ability to arrange timing of a limited number of organizations to coordinate move readiness is much easier.

The feedback received from across the wider literary sector representation demonstrates the opportunity for a very diverse and vibrant literary hub. Many organizations are very supportive and responded positively to the potential. The opportunity exists to identify one or a few well established organizations to serve as an anchor the larger centre (VPL, Artspeak, Literary Press). This would facilitate identifying and committing to a specific site as smaller organizations fit themselves within the larger space users. The economics of a larger centre are appealing – more favourable lease rates, potential for longer lease terms and the ability to afford a major renovation if suitable bare premises can be found where base rates are low. Finally, it is important to bear in mind that establishing an effective approach to management and running of a larger co-location requires sufficient attention and resources in the development process.

Recommendations/Next Steps

1. Clarify terms of Core Agency partnership commitment

2. Discern between staged co-location approach or develop full co-location model from the start

3. Develop clear timeline for lease maturities, move requirements and agency needs

4. If a staged approach:
    a. Develop detailed space description for core agencies
    b. Engage real estate expertise to locate suitable space
    c. Decide on management model and rent sharing model
    d. Identify funds for tenant improvements, moving and transaction costs
    e. Orchestrate physical move to common space for core agencies

5. To further the development of a full co-location model:
    a. Solidify the vision and operating model amongst core agencies
    b. Create information document for circulation and explanation of concept
    c. Pursue interest of primary partner organizations and gain commitment for participation
    d. Engage real estate expertise to identify potential locations
    e. Identify funds for tenant improvements
    f. Continue to build momentum and commitment towards move-in date

6. Finalize commitment on selected space

7. Work through permitting and access requirements

8. Finalize funding arrangements for interior improvement work (landlord contributions, debt financing, partner organization contributions)

9. Tenant improvement construction

10. Take occupancy

Appendices

Appendix I – Core Agency Interview Outcomes

ABPBC - Space Requirements Analysis

Core Project Partners

	ABPBC		Tyee		Aresenal Pulp Press		Combined Requirements	
		Comments		Comments		Comments		Comments
Reception			150	staff person nearest the door provides response when needed	150	staff person nearest the door provides response when needed	150	one central reception for all tenants in the Centre
Office	205	primarily 2 staff mbrs - ED and Admin - 2 offices	320	4 offices currently	100	1 used as rough storeroom	500	5 offices required - uniform sized at 100 sf each
Workstations			400	4 - 8 workstations needed, depending on time of year	350	7 workstations needed - 5 staff, 2 interns	750	9 permanent work stations (slightly larger), 5 short term work stations
Boardroom	200	1 meeting room, sufficient for 10 person meeting	250	1 boardroom - currently rented out to a third party	250	1 boardroom for larger meetings	250	shared boardroom, sufficient for 10-12 people
Meeting Room(s)			80	closed office for private interviews	150	5 person daily, 8 person weekly	360	2 meeting rooms, one small, one larger
Reading/ book launch area			500	currently conduct classes up to 30 people at one time - large open			500	add-on space to short term work station area to accommodate 30 people
Kitchen	80	access to kitchen needed	150	available for staff with small eating area	150	available for staff with small eating area	250	more usable kitchen for all staff with small eating area included
Staff Area								included in kitchen design
Washrooms		access on the floor		access on the floor		access on the floor	160	incoporated in leased space
Storage	100	sf measure - only infrequent access required	250	bike storage area for staff who ride to work	400	small supply of book publications close at hand	600	lean storage requirements on site, specialized bike area for minimum space need
Warehousing					500	book storage, needs to be accessed regularly, convenient if on site	500	combined book warehousing requirement
Deliveries/ Loading	120	packing and working space required for small package dispatch				no vehicle access to loading in warehouse area - all manual currently	80	combined with Canpar packaging requirements
IT/Network Room					50	currently occupies a tiny office space + Canpar desk/computer	25	combined IT networking needs - specialized cabinets to provide cooling as required
Circulation Space		Not required - two adjoined offices with no hallway		not required - one large open area with offices adjoining		not required as large open space with all work stations	500	estimated at 15% of total space for hallways and space to delineate between organizations
Geographic Location	Commercial to Burrard, Cordova to Broadway	close to downtown, access for staff, members & transit		close to downtown, Chinatown preferred, convenience for staff, proximity to transit		close to downtown, central location, convenient for staff, transit, bike access, limited visitors		common interest in proximity to city center, transit, convenient for staff
Rental Rates	$1416 pm or $24.11/sf		$3500 pm or $20/sf		$3200/mo all in or avg cost of $16.90/sf		estimate $20/sf	
Space Totals	**705**		**2,100**		**2,100**		**4,625**	
Portion of total space	14%		43%		43%		100%	

Appendix II – Survey Responses – Shared Space Use and Location Preferences

ABPBC - Co-location Space Needs Survey

	Name	Interested in Sharing Space?	Ways of Sharing Space	Area of Vancouver
1	Assoc. of Book Publishers of BC	Yes	meeting space, reading space, book launches, lectures, joint warehousing	close to downtown, close to transit, bordered by Comercial, Broadway, Burrarda & Cordova
2	The Tyee	Yes	large gathering space, kitchen, board room/meeting rooms, storage	close to downtown, Chinatown, transit access, meet staff needs
3	Arsenal Pulp Press	Yes	kitchen, meeting roms, board room, book launch area (100 person?), retail book store, washrooms	close to downtown, central, staff access, transit close
4	Annick Press	Yes	Happy with any open office situation. Any shared spaces, such as kitchen, washroom etc. are fine	anywhere there is a direct bus line from the North Shore
5	Ricepaper magazine / Asian Canadian Writers' Workshop Society	Yes	photo copier, meeting room, kitchen area, mailing machine, desk space (for freelance writers)	main street, commercial drive, strathcona, downtown,
6	Anvil Press	Yes	Board Room, kitchen, washrooms, reception (?)	Central ... but anywhere within Vancouver proper is feasible.
7	Literary Press Group	Yes	Office space, internet service, copier, etc.	Downtown, Mt. Pleasant, Main street
8	Rebus Creative - Producers of Word Vancouver and the BC Book Prizes	Yes	Sharing a board room, lunch room, equipment room for photocopier, shredder, printers, work table.	Downtown Vancouver, East Van, Mount Pleasant,
9	The Writers' Exchange	Yes	Copy/mail room, washrooms, board rooms, a big open space for launches and events, kitchen	East Van
10	Sad Magazine	Yes	kitchen, meeting room, copy room, printing supplies, bathroom, lounge	East Vancouver
11	Editors'Association of Canada-BC Branch	Yes		Downtown
12	Vancouver Public Library	Yes	I could imagine citing a small library branch in such a location if there is interest. We'd have to consider where it is, etc.	
13	Poetry Is Dead Magazine	Yes	Desk space, meeting room, printer.	Main Street
14	Poppy Productions	Yes	space, secretarial,	downtown or east side
	Artspeak Gallery			
	Out-of-Town Agencies		**Frequency of Use of Vanc Space**	
2	Literary Press Group of Canada	Yes	Not sure, but it would likely swing between brief periods of activity and periods of nothing at all. An a la carte rental option of the kind offered by the Centre for Social Innovation in Toronto would be appealing. That being said, we do have publisher members in Vancouver from whom we sometimes borrow meeting space.	
3	Houghton Boston	Yes	A few times a year. Space and useage would depend on cost.	

Appendix III – Survey Responses – Shared Services Priorities

ABPBC - Co-location Space Needs Survey

	Name	Services
1	Assoc. of Book Publishers of BC	reception photocopying shared services
2	The Tyee	
3	Arsenal Pulp Press	IT network reception book store sales publishing needs
4	Annick Press	janitorial
5	Ricepaper magazine / Asian Canadian Writers' Workshop Society	accounting phone conferencing
6	Anvil Press	janitorial bulk purchasing
7	Literary Press Group	IT services
8	Rebus Creative - Producers of Word Vancouver and the BC Book Prizes	IT services bookkeeping
9	The Writers' Exchange	Full list of services
10	Sad Magazine	bookkeeping reception office administration printing/copying IT services group purchasing janitorial services
11	Editors'Association of Canada-BC Branch	bookkeeping office administration printing/copying
12	Vancouver Public Library	
13	Poetry Is Dead Magazine	
14	Poppy Productions	bookkeeping printing/copying IT services janitorial
	Artspeak Gallery	
	Out-of-Town Agencies	
2	Literary Press Group of Canada	
3	Houghton Boston	

Appendix IV – Survey Responses – General Comments

ABPBC - Co-location Space Needs Survey

	Name	Describe the Space for You	Other Comments
1	Assoc. of Book Publishers of BC	stabilizes rent costs, practical uses of space and a public face on the sector, critical mass to reduce costs	
2	The Tyee	proximity to aligned organizations, cross-over benefits between industry segments, efficient space with long term control, addressing common needs for space	history of location in the current Chinatown area
3	Arsenal Pulp Press	long term space security, practical, shared costs, retail space, open concept,	small storage on site for immediate access, warehousing can be accessed less frequently - book loading dock important
4	Annick Press	work individually and occasionally discuss matters related to our business	Happy with any office space that permits us to carry on with our work at an affordable price
5	Ricepaper magazine / Asian Canadian Writers' Workshop Society	Work quietly, mostly work is on computer so internet must be accessible. We hold meetings with volunteers/staff so a meeting room is important. We also need a room with locked door, as we store important financial/organizational documents. We also work long hours -- soo an office with a window is nice :)	It would be awesome if there was space to hold literary events/readings which includes projector and chairs/tables. Ideal size is to hold 30-50 guests. Also note, we currently pay $420 for approx 400 square feet on main and broadway, it's quite inexpensive, so anything in that range for office rentals would be fantastic. Good luck with the research! We are excited!!
6	Anvil Press	Have 4-5 computer work stations, mailing room, small meeting room, and some warehouse space. Ideally, we would like to have 24/7 access.	As commercial leasing rates in Vancouver continue to increase, we are desperate for access to affordable office/warehouse space within the city limits. Arts groups are increasingly feeling the real estate squeeze in Vancouver.
7	Literary Press Group	We'd be interested in checking out a shared office space in which the LPG could possibly do any of the following: 1) have access to shared meeting space (to host BC members meetings) 2) have access to shared event space (for readings, etc) 3) have access to possible retail space to sell our books	As the one employee of the LPG who works from Vancouver (from home), I'd be interested to see if there were space that might work well for our needs. I am imagining working from the shared space three or so days a week, and we are especially interested if the space possibly offered retail potential (for a small, intimate bookselling/space. It would highly depend on cost, but we're definitely open to the idea!
8	Rebus Creative - Producers of Word Vancouver and the BC Book Prizes	Have our own specific work space and share some spaces with other like minded arts organizations/businesses. A place where people are passionate about what they do and have fun doing it.	Would like to have natural light, windows or skylights. We would like about 1000 sq. ft of office space and 300 sq ft of storage space at least plus the shared kitchen area. We would like the rent (including utilities) to be under $1,800/mth
9	The Writers' Exchange	bring the writing and arts community together with inner-city kids and their families to work on publishing projects together	Being part of this space would have a huge impact on the inner-city kids we work with. It would be great for them to see the literary world in action, and we'd love if fellow building-mates could drop by to volunteer with the kids a couple hours a week. It'd be great for everyone!
10	Sad Magazine	Meet, brainstorm, print and copy	Currently we use member's homes to have our meetings, which is cost effective, but limits us in obvious ways.
11	Editors'Association of Canada-BC Branch		
12	Vancouver Public Library		
13	Poetry Is Dead Magazine	Drop in throughout a 9-5 day.	
14	Poppy Productions		
	Artspeak Gallery		
	Out-of-Town Agencies		
2	Literary Press Group of Canada	Bookselling opportunities in Vancouver are so scarce that any retail opportunity would be wonderful. Occasional meeting space would be useful. Storage space for a travelling collection of books and associated sales material would take a load off of my employee's home!	One work-at-home staff member in Vancouver. Head office in Toronto. If new infrastructure is a serious prospect I'd be happy to talk further. Maybe a Vancouver Shipping agent. Would depend on terms and services available. We can discuss further if you like.
3	Houghton Boston	Develop a presence in the BC marketplace	

Appendix V – Vancouver Zoning Summary

Zoning	Related Outright Approval Uses	Conditional Approval Uses
C-1	General Office Retail Store	Library School – Elementary or Secondary
C-2	Library General Office Retail Store Print Shop School - Business	Printing & Publishing School – Self Improvement
C-2B	Retail Store	Library Printing & Publishing Print Shop School - Business
C-2C	Retail Store	Library Office Uses Print Shop School - Business
C-2C1	Retail Store	Library Printing & Publishing Office Uses Print Shop School - Business
C-3A	Library General Office Retail Store Print Shop School - Business	Printing & Publishing School – Self Improvement Storage Warehouse
C-5, C-6	Library General Office Retail Store School - Business	Print Shop
C-7, C-8	Library General Office Print Shop School – Business Retail Store	Printing & Publishing School – Self Improvement Storage Warehouse
FC-1 (east False Creek)	Library General Office Retail Store Print Shop School – Business	Printing & Publishing Storage Warehouse

MC-1, MC-2	Library Printing or Publishing General Office Retail Store Print Shop School – Business	Storage Warehouse
M-1		General Office Retail Store Print Shop School – Self Improvement
M-2	Storage Warehouse	General Office Retail Store Print Shop
IC-1, IC-2	General Office Retail Store Print Shop School – Business Storage Warehouse	
I-1	Storage Warehouse	General Office Print Shop School - Business
HA-1, HA-1A (Chinatown)	Library General Office Retail Store Print Shop School Business	Storage Warehouse
HA-2 (Gastown)	Retail Store	Library Office Print Shop School - Business
DEOD (Oppenheimer)	Office Retail Other Commercial Uses to serve the cultural needs of the community	
DD	Office Other Commercial Retail Social Recreational & Cultural	

Appendix VI – Sample Vancouver Properties

Sample Vancouver Properties

Small Scale Co-location

Address	Size (sq ft)	Zoning	Base Rent	Optg Costs	Gross Rent
Gastown					
564 Beatty	4,903	C-2	$10.00	$12.44	$22.44
564 Beatty	5,305	C-2	$21.00	$12.20	$33.20
417 West Hastings	5,564	DD - C2	$10.00	$6.00	$16.00
23 West Pender	4,957		$18.00	$9.60	$27.60
140 West Hastings	6,000	DD	$25.00	$7.00	$32.00
322 Water St.	4,750		$17.00	$10.00	$27.00
Mount Pleasant					
326 West 5th	6,000	I-1	$17.00	$6.00	$23.00
188 West 6th	5,120	I-1	$10.00	$4.45	$14.45
554 East 15th (@ Kingsway)	4,608		$16.50	$9.00	$25.50
210 West Broadway	4,026		$24.00		
24 West 2nd			$16.00	$6.80	$22.80
225 8th Ave	2,000	I-1	$12.00	$12.00	$24.00
555 Great Northern Way	5,880		$10.50	$9.00	$19.50
2412 Columbia	3,200	I-1	$15.00		
Main Street					
333 Terminal Ave.	5,900	I-3	$22.00	$10.00	$32.00
211 East Georgia	4,000		$22.00	$9.30	$31.30
1150 Station St.	5,438		$15.00	$13.21	$28.21
475 Main St.	4,111	HA-1	$19.50	$7.74	$27.24
Strathcona					
877 East Hastings	5,192	M-1	$10.50	$5.50	$16.00
678 East Hastings	3,877		$12.00	$6.50	$18.50
Commercial Drive					
6325 Fraser St.	4,500		$12.00	$12.00	$24.00

Large Scale Co-location

Address	Size (sq ft)	Zoning	Base Rent	Optg Costs	Gross Rent
Gastown					
417 West Hastings	12,500	DD - C2	$20.00	$6.00	$26.00
Mount Pleasant					
555 Great Northern Way	13,200		$10.50	$9.00	$19.50
429 West 2nd (Maynard)	13,500	C-2	$25.00	$13.50	$38.50
1638 3rd Ave. W	13,800	IC-1	$20.00	$7.62	$27.62
887 Great Northern Way	11,500		$20.00	$16.86	$36.86
380 2nd Ave. W	15,338		$17.00	$7.88	$24.88
Main Street					
1618 Station St.	17,500	I-2	$25.95	$17.26	$43.21
268 Keefer	12,000		$5.00	$8.06	$13.06
1150 Station St.	12,581		$15.00	$13.21	$28.21
333 Terminal Ave.	8,930	I-3	$16.50	$10.00	$26.50
Strathcona					
1550 East Hastings (@ Clark)	15,000	MC-1	$12.00	$8.50	$20.50
678 East Hastings	7,775		$12.00	$6.50	$18.50
Commercial Drive					
5550 Fraser St.	15,000	C-2	$16.00	$7.00	$23.00

Appendix VII – Core Agency Dedicated Space Allocations

	ABPBC - Co-location Space Needs Survey	Individual Organization Space Requirements									
	Name	Total Staff	Offices	Work Stations	Individual Meeting Room	Storage	Ware housing	Library	Gallery	Individual Space Weighting	% of Total - Small Scale
1	Assoc. of Book Publishers of BC	2	2			100	0			250	11.5%
2	The Tyee	8.5	3	6	1	300	0			930	42.9%
3	Arsenal Pulp Press	7		7	1	400	500			990	45.6%
	Shared Space										
	Size Factor (sq ft)		100	60	120			400	800		
	Sub-Total - Space	**17.5**	**500**	**780**	**240**	**800**	**500**	**0**	**0**		**100.0%**

Appendix VIII – Core Agency Shared Space Allocations

ABPBC - Co-location Space Needs Survey		Shared Spaces within the Literary Arts Centre															
	Name	Shared Meeting Room	Board Room	Recep-tion Area	Large Gathering Space	Quiet Reading Space	Retail Book Sales	Kitchen/ Staff Area	Wash rooms	Work/ Prep/ Mail Room	IT Server Room	50% warehouse space component	Copy/ Print Centre	Shared Space Area	Total Building Area	Common Space Factor	Total Space Needs
1	Assoc. of Book Publishers of BC	1	1	x		x		x		x			x				
2	The Tyee	1	1		Yes			x									
3	Arsenal Pulp Press	1	1	x	Yes	x	Yes	x		x	x						
	Shared Space	1	1	1	1	1		1	2	1	1	1					
	Size Factor (sq ft)	120	250	100	500	100	200	250	80	80	25	650	100				
	Sub-Total - Space	**120**	**250**	**100**	**500**	**100**	**0**	**250**	**160**	**80**	**25**	**650**	**0**	**2235**	**4405**	**220**	**4625**

Appendix IX – Core Agency Space Pricing Allocations

ABPBC/Tyee/Arsenal Pulp - Co-location Feasibility
Co-location Worksheet

Assumed Base Lease Rate	**$25.00**
Assumed Shared Space Lease Rate	**$15.15**
Assumed Common Space Lease Rate	**$20.00**

		Assoc. of Book Publishers of BC	The Tyee	Arsenal Pulp Press		Aggregate Total
Base Rent Expense						
Total Area (sq ft)		250	930	990		2,170
Total Annual Lease Payment		**$6,250**	**$23,250**	**$24,750**		**$54,250**
Assumed Lease Rate	$25.00	$25.00	$25.00	$25.00		$25.00
Shared Agency Space Rent						
Total Shared Space (sq ft)	2,235	257	958	1,020		2,235
Assumed Per sq ft rate	$15.15	$15.15	$15.15	$15.15		
Total Annual Rent	$33,860	**$3,901**	**$14,512**	**$15,448**		**$33,860**
Common Space Rent Expense						
Total Common Space (sq ft)	220	25	94	100		220
Assumed Per sq ft rate	$20.00	$20.00	$20.00	$20.00		
Total Annual Rent	$4,405	**$507**	**$1,888**	**$2,010**		**$4,405**
Total Annual Rent Collected		**$10,151**	**$37,762**	**$40,198**		**$92,515**
Total Area under Lease						4,625
Head Lease Rate						**$20.00**
Annual Head Lease Cost						**$92,505.00**
Total Monthy Rent		**$846**	**$3,147**	**$3,350**		**$7,710**

Appendix X – Core Agency Financial Forecast

ABPBC/Tyee/Arsenal Pulp - Co-location Feasibility		Assume Head Lease Rate of:			**$14.00**		**Add'l Rents**	**$6.00**			
Operating Budget Forecast		Total Space under Lease			**4,625**	**Sq Ft**					
	Capital Costs	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
Sources of Cash											
Revenue											
ABPBC Base Rent		6,250	6,375	6,503	6,633	6,765	7,103	7,103	7,246	7,390	7,538
Tyee Base Rent		23,250	23,715	24,189	24,673	25,167	26,425	26,425	26,953	27,492	28,042
Arsenal Pulp Base Rent		24,750	25,245	25,750	26,265	26,790	28,130	28,130	28,692	29,266	29,851
Shared Agency Space Rent		33,860	34,537	35,228	35,933	36,651	38,484	38,484	39,254	40,039	40,840
Common Area Rent Charges		4,405	4,493	4,583	4,675	4,768	5,007	5,007	5,107	5,209	5,313
Building Services Fees		10,850	11,176	11,511	11,741	11,976	12,096	12,458	12,832	12,960	13,220
Other Revenues		0	0	0	0	0	0	0	0	0	0
Total Income		**103,365**	**105,541**	**107,764**	**109,919**	**112,117**	**117,244**	**117,607**	**120,084**	**122,357**	**124,804**
Expenses											
Head Lease		64,754	64,754	66,049	67,370	67,370	70,738	71,445	72,160	73,603	75,075
Additional Rents		27,752	28,584	29,442	30,030	30,631	30,937	31,865	32,821	33,150	33,813
Insurance		1,156	1,179	1,215	1,251	1,276	1,302	1,315	1,354	1,408	1,423
Utilities		3,700	3,774	3,887	4,004	4,084	4,166	4,207	4,334	4,507	4,552
Janitorial		5,550	5,661	5,831	6,006	6,126	6,249	6,311	6,501	6,761	6,828
Other Expenses		0	0	0	0	0	0	0	0	0	0
Total Expenses	**0**	**102,912**	**103,952**	**106,424**	**108,661**	**109,487**	**113,392**	**115,144**	**117,170**	**119,429**	**121,691**
Excess of Revenue over Expenses	**0**	**$453**	**$1,589**	**$1,340**	**$1,258**	**$2,630**	**$3,852**	**$2,463**	**$2,914**	**$2,928**	**$3,114**

Appendix XI – Full Co-location Dedicated Space Allocations

	ABPBC - Co-location Space Needs Survey	Individual Organization Space Requirements									
	Name	Total Staff	Offices	Work Stations	Individual Meeting Room	Storage	Ware housing	Library	Gallery	Individual Space Weighting (Warehouse @50%)	% of Total - Large Scale
1	Assoc. of Book Publishers of BC	2	2			100	0			250	3.7%
2	The Tyee	8.5	3	6	1	300	0			930	13.9%
3	Arsenal Pulp Press	7		7	1	400	500			990	14.8%
	Shared Space										
	Size Factor (sq ft)		100	60	120			400	800		
	Sub-Total - Space	**17.5**	**500**	**780**	**240**	**800**	**500**	**0**	**0**	**2170**	
4	Annick Press	1		1		0	0			60	0.9%
5	Ricepaper magazine / Asian Canadian Writers' Workshop Society	3	2	2		0	200			420	6.3%
6	Anvil Press	3		4	1	0	500			610	9.1%
7	Literary Press Group	1	1	0.5		0	0			130	1.9%
8	Rebus Creative - Producers of Word Vancouver and the BC Book Prizes	8	3	5		300	0			750	11.2%
9	The Writers' Exchange	3	2	2		100	0			370	5.5%
10	Sad Magazine	11	1	2		50	0			245	3.7%
11	Editors'Association of Canada-BC Branch	1		1		20	0			70	1.0%
12	Vancouver Public Library					0	0	1		400	6.0%
13	Poetry Is Dead Magazine	1		1		0	0			60	0.9%
14	Poppy Productions			1		0	200			160	2.4%
	Artspeak Gallery	2	1	1		0	0		1	1160	17.3%
	Out-of-Town Agencies										0.0%
2	Literary Press Group of Canada			1		50	0			85	1.3%
3	Houghton Boston					0	0			0	0.0%
	Shared Space										
	Size Factor (sq ft)		100	60	120			400	1000		
	Additional Tenants Space Requirements	**34**	**1000**	**1290**	**120**	**520**	**900**	**400**	**1000**	**4520**	**100.0%**
	TOTAL CENTRE SPACE REQUIREMENTS	51.5	1500	2070	360	1320	1400	400	1000	6690	53.8%

Appendix XII – Full Co-location Shared Space Allocations

ABPBC - Co-location Space Needs Survey		Shared Spaces within the Literary Arts Centre															
	Name	Shared Meeting Room	Board Room	Recep-tion Area	Large Gathering Space	Quiet Reading Space	Retail Book Sales	Kitchen/ Staff Area	Wash rooms	Work/ Prep/ Mail Room	IT Server Room	50% warehouse space component	Copy/ Print Centre	Shared Space Area	Total Building Area	Common Space Factor	Total Space Needs
1	Assoc. of Book Publishers of BC	1	1	x		x		x		x			x				
2	The Tyee	1	1		Yes			x									
3	Arsenal Pulp Press	1	1	x	Yes	x	Yes	x		x	x						
	Shared Space	1	1	1	1	1		1	2	1	1	1					
	Size Factor (sq ft)	120	250	100	500	100	200	250	80	80	25	650	100				
	Sub-Total - Space	**120**	**250**	**100**	**500**	**100**	**0**	**250**	**160**	**80**	**25**	**650**	**0**	**2235**	**4405**	**220**	**4625**
4	Annick Press							x					x				
5	Ricepaper magazine / Asian Canadian Writers' Workshop Society	1	1	x	Yes			x		x	x		x				
6	Anvil Press		1	x	Yes			x		x							
7	Literary Press Group		1		Yes		Yes				x		x				
8	Rebus Creative - Producers of Word Vancouver and the BC Book Prizes	1	1					Yes		x	x		x				
9	The Writers' Exchange	1	1		Yes			x		x			x				
10	Sad Magazine	1	1		Yes			x					x				
11	Editors'Association of Canada-BC Branch																
12	Vancouver Public Library																
13	Poetry Is Dead Magazine	1											x				
14	Poppy Productions																
	Artspeak Gallery	1			Yes		Yes										
	Out-of-Town Agencies																
2	Literary Press Group of Canada	1			Yes		Yes										
3	Houghton Boston	1															
	Shared Space	2	1	1	1		1	1	2	2	2	1	1				
	Size Factor (sq ft)	120	350	100	250	100	200	250	80	80	25	710	100				
	Additional Tenants Space Requirements	240	350	100	250	0	200	250	160	160	50	710	100	2570	7090	709	7799
	TOTAL CENTRE SPACE REQUIREMENTS	360	600	200	750	100	200	500	320	240	75	1360	100	4805	11495	929	12424

Appendix XIII – Full Co-location Space Pricing Allocations

ABPBC/Tyee/Arsenal Pulp - Co-location Feasibility
Co-location Worksheet

Assumed Base Lease Rate	**$25.00**
Assumed Shared Space Lease Rate	**$15.00**
Assumed Common Space Lease Rate	**$20.00**

		Assoc. of Book Publishers of BC	The Tyee	Arsenal Pulp Press	Annick Press	Ricepaper magazine / Asian Canadian Writers' Workshop Society	Anvil Press	Literary Press Group	Rebus Creative - Producers of Word Vancouver and the BC Book Prizes	The Writers' Exchange	Sad Magazine	Editors' Association of Canada-BC Branch	Vancouver Public Library	Poetry Is Dead Magazine	Poppy Productions	Artspeak Gallery	Literary Press Group of Canada	Houghton Boston	Aggregate Total
Base Rent Expense																			
Total Area (sq ft)		250	930	990	60	420	610	130	750	370	245	70	400	60	160	1,160	85	0	6,690
Total Annual Lease Payment		**$6,250**	**$23,250**	**$24,750**	**$1,500**	**$10,500**	**$15,250**	**$3,250**	**$18,750**	**$9,250**	**$6,125**	**$1,750**	**$10,000**	**$1,500**	**$4,000**	**$29,000**	**$2,125**	**$0**	**$167,250**
Assumed Lease Rate	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
Shared Agency Space Rent																			
Total Shared Space (sq ft)	4,805	180	668	711	43	302	438	93	539	266	176	50	287	43	115	833	61	0	4,805
Assumed Per sq ft rate	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00	
Total Annual Rent	$72,075	**$2,693**	**$10,019**	**$10,666**	**$646**	**$4,525**	**$6,572**	**$1,401**	**$8,080**	**$3,986**	**$2,640**	**$754**	**$4,309**	**$646**	**$1,724**	**$12,497**	**$916**	**$0**	**$72,075**
Common Space Rent Expense																			
Total Common Space (sq ft)	929	35	129	138	8	58	85	18	104	51	34	10	56	8	22	161	12	0	929
Assumed Per sq ft rate	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	$20.00	
Total Annual Rent	$18,585	**$695**	**$2,584**	**$2,750**	**$167**	**$1,167**	**$1,695**	**$361**	**$2,084**	**$1,028**	**$681**	**$194**	**$1,111**	**$167**	**$444**	**$3,223**	**$236**	**$0**	**$18,585**
Total Annual Rent Collected		**$9,638**	**$35,853**	**$38,166**	**$2,313**	**$16,192**	**$23,516**	**$5,012**	**$28,914**	**$14,264**	**$9,445**	**$2,699**	**$15,421**	**$2,313**	**$6,168**	**$44,720**	**$3,277**	**$0**	**$257,910**
Total Area under Lease																			12,424
Head Lease Rate																			**$16.06**
Annual Head Lease Cost																			**$199,533.46**
Total Monthy Rent		**$803**	**$2,988**	**$3,181**	**$193**	**$1,349**	**$1,960**	**$418**	**$2,409**	**$1,189**	**$787**	**$225**	**$1,285**	**$193**	**$514**	**$3,727**	**$273**	**$0**	**$21,493**

Appendix XIV – Full Co-location Financial Forecast

ABPBC/Tyee/Arsenal Pulp - Co-location Feasibility		Assume Head Lease Rate of:			$10.50			Add'l Rents	$9.00	
Operating Budget Forecast		Total Space under Lease			12,424	Sq Ft				
	Capital Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sources of Cash											
Revenue											
ABPBC Base Rent		6,250	6,375	6,503	6,633	6,765	7,103	7,103	7,246	7,390	7,538
Tyee Base Rent		23,250	23,715	24,189	24,673	25,167	26,425	26,425	26,953	27,492	28,042
Arsenal Pulp Base Rent		24,750	25,245	25,750	26,265	26,790	28,130	28,130	28,692	29,266	29,851
Shared Agency Space Rent		32,653	33,306	33,972	34,651	35,344	37,112	37,112	37,854	38,611	39,383
Common Area Rent Charges		6,028	6,149	6,272	6,397	6,525	6,852	6,852	6,989	7,128	7,271
Other Partner Base Rents		113,000	115,260	117,565	119,917	122,315	128,431	128,431	130,999	133,619	136,292
Other Partner Shared Agency Rent		48,696	49,670	50,664	51,677	52,711	55,346	55,346	56,453	57,582	58,734
Other Partner Common Space		12,557	12,808	13,064	13,325	13,592	14,271	14,271	14,557	14,848	15,145
Building Services Fees		66,900	68,238	70,285	72,394	73,842	75,318	76,072	78,354	81,488	82,303
Member fees		7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133
Other Revenues		0	0	0	0	0	0	0	0	0	0
Total Income		**341,084**	**347,976**	**355,690**	**363,581**	**370,929**	**387,102**	**388,099**	**396,705**	**406,293**	**413,692**
Expenses											
Head Lease		130,455	130,455	133,064	135,725	135,725	142,511	143,936	145,376	148,283	151,249
Additional Rents		111,818	115,173	118,628	121,001	123,421	124,655	128,394	132,246	133,569	136,240
Insurance		3,106	3,168	3,263	3,361	3,428	3,497	3,532	3,638	3,783	3,821
Utilities		9,939	10,138	10,442	10,756	10,971	11,190	11,302	11,641	12,107	12,228
Janitorial		14,909	15,207	15,664	16,133	16,456	16,785	16,953	17,462	18,160	18,342
IT Services		6,000	6,120	6,304	6,493	6,623	6,755	6,823	7,027	7,308	7,381
Phone system		8,000	8,160	8,405	8,657	8,830	9,007	9,097	9,370	9,744	9,842
Reception/Book Sales		32,000	32,640	33,619	34,628	35,320	36,027	36,387	37,479	38,978	39,368
Joint Communication Initiatives		15,000	15,300	15,759	16,232	16,556	16,888	17,056	17,568	18,271	18,454
Other Expenses		0	0	0	0	0	0	0	0	0	0
Total Expenses	0	**331,227**	**336,361**	**345,147**	**352,985**	**357,330**	**367,314**	**373,480**	**381,806**	**390,203**	**396,924**
Excess of Revenue over Expenses	0	**$9,857**	**$11,615**	**$10,542**	**$10,596**	**$13,599**	**$19,788**	**$14,619**	**$14,899**	**$16,089**	**$16,768**

Appendix XV – Full Co-location Financial Forecast (with debt financing)

ABPBC/Tyee/Arsenal Pulp - Co-location Feasibility		Assume Head Lease Rate of:			$8.00			Add'l Rents	$8.06	
Operating Budget Forecast		Total Space under Lease			12,424	Sq Ft				

	Capital Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sources of Cash											
Revenue											
ABPBC Base Rent		6,250	6,375	6,503	6,633	6,765	7,103	7,103	7,246	7,390	7,538
Tyee Base Rent		23,250	23,715	24,189	24,673	25,167	26,425	26,425	26,953	27,492	28,042
Arsenal Pulp Base Rent		24,750	25,245	25,750	26,265	26,790	28,130	28,130	28,692	29,266	29,851
Shared Agency Space Rent		32,653	33,306	33,972	34,651	35,344	37,112	37,112	37,854	38,611	39,383
Common Area Rent Charges		6,028	6,149	6,272	6,397	6,525	6,852	6,852	6,989	7,128	7,271
Other Partner Base Rents		113,000	115,260	117,565	119,917	122,315	128,431	128,431	130,999	133,619	136,292
Other Partner Shared Agency Rent		48,696	49,670	50,664	51,677	52,711	55,346	55,346	56,453	57,582	58,734
Other Partner Common Space		12,557	12,808	13,064	13,325	13,592	14,271	14,271	14,557	14,848	15,145
Building Services Fees		66,900	68,238	70,285	72,394	73,842	75,318	76,072	78,354	81,488	82,303
Member fees		7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133
Other Revenues		0	0	0	0	0	0	0	0	0	0
Total Income		**341,084**	**347,976**	**355,690**	**363,581**	**370,929**	**387,102**	**388,099**	**396,705**	**406,293**	**413,692**
Expenses											
Head Lease		99,394	99,394	101,382	103,410	103,410	108,580	109,666	110,762	112,978	115,237
Additional Rents		100,139	103,144	106,238	108,363	110,530	111,635	114,984	118,434	119,618	122,011
Insurance		3,106	3,168	3,263	3,361	3,428	3,497	3,532	3,638	3,783	3,821
Utilities		9,939	10,138	10,442	10,756	10,971	11,190	11,302	11,641	12,107	12,228
Janitorial		14,909	15,207	15,664	16,133	16,456	16,785	16,953	17,462	18,160	18,342
IT Services		6,000	6,120	6,304	6,493	6,623	6,755	6,823	7,027	7,308	7,381
Phone system		8,000	8,160	8,405	8,657	8,830	9,007	9,097	9,370	9,744	9,842
Reception/Book Sales		32,000	32,640	33,619	34,628	35,320	36,027	36,387	37,479	38,978	39,368
Joint Communication Initiatives		15,000	15,300	15,759	16,232	16,556	16,888	17,056	17,568	18,271	18,454
Other Expenses		0	0	0	0	0	0	0	0	0	0
Total Expenses	**0**	**288,488**	**293,271**	**301,075**	**308,032**	**312,124**	**320,363**	**325,800**	**333,380**	**340,947**	**346,683**
Excess of Revenue over Expenses	**0**	**$52,596**	**$54,704**	**$54,614**	**$55,549**	**$58,805**	**$66,739**	**$62,299**	**$63,325**	**$65,345**	**$67,009**

ABPBC/Tyee/Arsenal Pulp - Co-location Feasibility
Operating Budget Forecast

Assume Head Lease Rate of: **$8.00** **Add'l Rents** **$8.06**
Total Space under Lease **12,424** **Sq Ft**

	Capital Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Excess of Revenue over Expenses	0	$52,596	$54,704	$54,614	$55,549	$58,805	$66,739	$62,299	$63,325	$65,345	$67,009
Financing Proceeds											
Loans	250,000										
Equity											
Total Financing Proceeds	250,000	0	0	0	0	0	0	0	0	0	0
Total sources of cash	250,000	$52,596	$54,704	$54,614	$55,549	$58,805	$66,739	$62,299	$63,325	$65,345	$67,009
Uses of cash											
Capital Costs											
Tenant Improvement Costs	225,000										
Rezoning expenses	25,000										
Total Capital Cost	250,000	0	0	0	0	0	0	0	0	0	0
Financing costs											
LoanPayments (@ 4.0%)	5.00%	37,980	37,980	37,980	37,980	37,980	37,980	37,980	37,980	0	0
Total Financing costs	0	37,980	37,980	37,980	37,980	37,980	37,980	37,980	37,980	0	0
Total Uses of Cash	250,000	37,980	37,980	37,980	37,980	37,980	37,980	37,980	37,980	0	0
Increase (decrease) in net cash flow	($0)	$14,616	$16,725	$16,634	$17,569	$20,825	$28,759	$24,319	$25,345	$65,345	$67,009
Cash Position (beginning of period)	$0	($0)	$14,616	$31,341	$47,975	$65,544	$86,369	$115,128	$139,448	$164,793	$230,138
Cash Position (end of period)	($0)	$14,616	$31,341	$47,975	$65,544	$86,369	$115,128	$139,448	$164,793	$230,138	$297,147