

Summary of the Feasibility study

„The need to build a new concert hall in Prague as part of a modern cultural centre, meeting world-class standards of the twenty-first century while confirming Prague’s international reputation as a cultural metropolis and as a symbol of an internationally respected Czech music tradition, is made more acute by the fact that,..., a modern concert hall has not been built in Prague in the last hundred years.“

Association for the Construction of a New Concert Hall in Prague, 'Memorandum of Cooperation and Mutual Support in the Creation of a New Concert Hall' approved by Prague City Council Resolution no. 587, 27.04.2010.

Prague's music culture has grown in several symphonic orchestras over the last 100 years, attracting orchestras and artists from all over the world to perform in Smetana Hall, Municipal House, and in Dvorak Hall, Rudolfinum. Both are historical buildings of architectural significance, and both were recently refurbished with a focus on preservation. However, neither can support (in terms of size, acoustical quality, etc.) Prague's orchestras' growing ambitions. **These expectations call for a new concert hall — one that lives up to world-class standards. In so doing, it becomes the catalyst for an innovative, 21st-century music experience in Prague.** It is the concert hall's ambition to become a new cultural and identity generating feature of the city, to become a lively and open space that serves both the citizens of Prague and visitors from far and wide. While paying respect to and building upon the rich music tradition of the Czech people, the concert hall will become a marker for new trends in the area of culture and art.

The site put forward by Prague City Council to build a new concert hall, situated within the Prague 7 District on the Holešovice peninsula, is one of the most important brownfields in Prague. **The area is undergoing rapid change and regeneration, becoming an emerging location for creative and cultural activity in Prague. It is the focus of a cultural development strategy elaborated by IPR Praha.** With a prime location next to the Vltava river, a thoroughfare that has served Prague for centuries, the concert hall will be the anchor for the cultural life that is already blossoming in the Prague 7 district. Its geographic location presents a unique opportunity to become part of a cultural narrative along the river while providing a beautiful view of the old town, Prague Castle, and Prague's skyline. The new concert hall will become a destination in itself - both nationally and internationally - in terms of its repertoire, concert experience, unique design, and connection to its surroundings. **The location of the new concert hall on the riverbank will be more than just symbolic: it gives rise to the name of Vltava Philharmonic Hall.**

Key questions of the brief

This feasibility study investigates the following key questions:

- Programme: What are the essential uses and associated physical programmes for the Vltava Philharmonic Hall?
- Residency model: What are the potential residency models: stagione, one resident orchestra, or multiple resident orchestras?
- Ownership, operation, and financing: How will the Vltava Philharmonic Hall be operated and financed?
- Architecture: How can the Vltava Philharmonic Hall be a standout that is unique to Prague, the Czech Republic, and Europe?

Five project goals

Five project goals are prioritised in relation to the key questions:

- **To achieve world-class acoustics in the main concert hall providing a new and**

- different music experience compared to existing halls in the Czech Republic;
- To become the centre of musical life in Prague: a cultural hub and a catalyst for the urban transformation of Bubny;
- To make the site a 24/7 destination, bursting with energy at any day and time;
- To connect the Vltava Philharmonic Hall as closely as possible to the river;
- To establish long-term economic sustainability of the project.

Five design drivers

Five design drivers are developed to define how the concert hall can become unique to Prague, the Czech Republic, and Europe – a masterpiece of architecture to become a new city symbol.

- World-class music experience, the center of musical life in Prague
- Identity, a destination maker, locally & internationally
- Dynamic & vibrant, a 24/7 flexible space attracting various users
- Human scale, a place for meeting and pleasant lingering
- Connection to water & skyline, an area showcasing Prague's architecture and landscape

The design drivers set out a framework for future decisions related to the concert hall's planning and design in Prague's urban context.

Consultation with key stakeholders

We consulted 64 stakeholders from the public sector, City Council, IPR Praha, cultural, music, and education organizations to better understand the expectations and needs of potential users and key stakeholders in Prague. The consensus among the 31 stakeholders is that the new concert hall has to become a Prague landmark, a modern and high-quality facility while also being an open, vibrant, and accessible venue, creating a new civic and cultural hub in Prague 7, providing facilities as listed below:

- A concert hall for large-scale symphonic music concerts with high-quality acoustics and technical support infrastructure;
- A venue to accommodate touring international orchestras and musicians and local orchestras, choirs, and ensembles;
- A small hall to host chamber music concerts, recitals, talks, and lectures
- A place for music and creative education and practice;
- An architectural, cultural destination with links to the river and views of Prague skyline;
- An outdoor space for concerts and events;
- A social and civic hub for people to meet, socialize, and entertain;
- Multifunctional space for rehearsals, recordings, broadcasts, Cafe, restaurants, and thematic shops;
- Space for small-scale private events (receptions, functions);
- Co-working spaces.

Context-related site analysis and high-level spatial relations

The master plan for the transformation of the Bubny–Zátory brownfield area reveals a lively mix of residences & commerce, supplemented with activities of public character. The Vltava Philharmonic Hall should enable a range of cultural activities to take place, both indoor & outdoor, building upon Holesovice's flourishing art scene, kick-starting the cultural life of Bubny. **Lying at the intersection of the Vltava river promenade and the Cultural Mile along the Magistrála, the Vltava Philharmonic Hall will tie together the more traditional culture scene of Prague's old town with Holesovice's contemporary art scene.** The project site represents a one-off opportunity to exploit the site's unique position as a bottleneck between Prague & Holešovice, both in terms of its geographical location and its programme.

For the Vltava Philharmonic Hall to connect to the river, it is essential to create a direct link across the road and establish unobstructed pedestrian access along the Vltava river promenade. From a spatial perspective, a clear geometric solution for the positioning of the Kapitána Jaroše Embankment is required to establish clear site conditions for the brief of the architectural design competition.

Market assessment

A market assessment of current and historical trends in music and cultural provision and demand in Prague and the Czech Republic indicates the following key factors to be taken into consideration when developing and positioning a new concert hall:

- A strong tradition of the rich and vibrant music sector in Prague and the Czech Republic, with professional orchestras, chamber ensembles, choirs, jazz bands, folklore bands, festivals, and new blended music and performing arts genres growing across the country, with a particularly high concentration in Prague;
- A population highly engaged in cultural activities and music, with a younger population more drawn to contemporary music genres;
- At the same time, there are very few modern music facilities in Prague, and there are no concert halls that could accommodate large-scale symphonic music performances meeting the contemporary concert hall design standards in terms of acoustic quality, size, and capacity;
- Prague residents are keen to engage in a greater variety of cultural activities and have a more diverse choice of cultural destinations in the city;
- Prague is highly reliant on international tourism creating a potential market of international cultural tourists that the new concert hall will attract to fulfill its potential and ensure it brings in sizable audiences;
- Prague 7 is a growing artistic and residential district with a Vltavska transport hub – it is expected to increase the number of residents further, and the new concert hall could serve as a cultural and civic hub for the local area;
- Apart from music-related activities such as music performance, rehearsals, practice, recording, broadcasting, and education, a new cultural destination in Prague and an architectural landmark can meet the demand for public and private uses such as bespoke event spaces; cafes and restaurants; co-working space; a visitor destination; and a space for socializing and public gatherings.

International case studies analysis

An analysis of selected comparable international concert halls representing best practice in design, acoustics, and operations helps situate the future concert hall for Prague within a global context and informs some of the decisions around spatial solutions, governance and management, and critical financial drivers for the operation of the future Vltava Philharmonic Hall. While there is no universal 'best practice' model when approaching a development of a new concert hall, some of the main takeaways from benchmark analysis include:

- Findings on spatial and design configuration – with most venues comprising at least two concert halls and the average capacity of
- 1,893 seats for the main hall and 589 seats for the secondary hall;
- Other support functions for music production and presentation provided by the concert halls include recording and broadcasting studios; music learning and practice rooms; flexible rehearsal halls and rooms; exhibition spaces; and outdoor performance and transmission facilities;
- Most halls incorporate ancillary and income-generating areas and facilities such as special event spaces (or by offering main concert halls for conferencing and private events hire), cafes, bars, restaurants, specialized shops, and some have commercial facilities such as hotels usually operated by a separate private entity and contributing to the overall earned income of the concert hall operator;

- All analysed concert halls (with one exception) are in public (city or state) ownership;
- Operating models vary depending on the local context: some halls are operated by a single orchestra that also is the main resident of the hall; others are operated by not-for-profit entities with governing Board that comprise of multiple orchestras and ensembles resident in the hall; there are also examples of a 'stagione' model where the hall is operated by a public or not-for-profit entity with a rotating diary of orchestras and ensembles performing and residing in the hall;
- Main financial drivers for the halls' income are ticket sales, rental income, and public and philanthropic funding, while crucial cost drivers are programming (cost of producing and presenting concerts and events); HR; and building maintenance costs;
- Concert halls have a significant impact on their urban environment serving as a catalyst for regeneration, a visitor attraction, and as cultural hubs for their cities.

Schedule of accommodation

Based upon learnings from stakeholder consultation, market assessment of potential music, civic, public uses for a new concert hall in Prague, a comparative analysis of leading international concert hall, and analysis of spatial requirements of existing concert halls in relation to back-of-house and support facilities, an indicative schedule of accommodation for the Hall has been established, reflecting the key project components for three possible residency models (stagione, one resident orchestra, two residencies).

The Vltava Philharmonic Hall (building only) will be approximately 30,500 gross square meters in size. The key and primary public functions of the building cover app. 19,000 net square meters. An additional app. 13,500 gross square meters are reserved for underground parking (app. 300 parking spaces) and app. 4,500 gross square meters are allocated for outdoor spaces. The main hall is expected to seat 1,800 audience members, and the secondary (small) hall will have a capacity of 700 seats. According to recent international trends and the current provision of concert halls in the Czech Republic, the most suitable spatial configuration for the main concert halls is likely to be vineyard. Ancillary venues would include a 500-seat multipurpose hall, special event spaces, adjacent public foyers, café/bars and restaurants, music library, music school, and creative and music learning spaces, public co-working space, plus back-of-house facilities for music and art production, rehearsals, and recording.

The Vltava Philharmonic Hall will expand the overall supply of performance space in Prague and accommodate a broader diversity of classical music and other musical and performance genres. In addition to the main hall, the building will provide adaptable secondary spaces (small hall, multipurpose hall, and small event space) and a new recording, rehearsal, and training space intended to complement rather than compete with existing venues. The building's programming could include chamber and small classical ensembles as well as jazz, pop, world and folk music, and provide a venue for music festivals – helping enhance Prague's overall music and cultural offering.

Governance and management structure

It is essential to set out efficient and accountable governance and management structure for Hall's operational resilience. Benchmarking and stakeholder consultation indicate that **the preference for the new hall is to be in public ownership, with the operating model allowing for a diverse range of activities and 24/7 activation of the building with music, art, social events, and programmes.** Moreover, when evaluated against the project goals and design drivers, the most appropriate ownership and governance model for the future Hall also points towards that of public ownership and governance to deliver public benefit and provide vibrant modern music and cultural hub for Prague and the Czech Republic. Four potential operating models are identified:

- Arms-length' City operator;
- Operating orchestra(s);
- Private operator;
- Private investor's operating company.

Evaluation of the operating models

According to the analysis the public and the not-for-profit models are the most eligible to meet the public benefit goals, accommodate vibrant music programmes, and reach financial sustainability. The hall operator would be either a city-run organisation or a residential orchestra/ joint venture of multiple orchestras. In either case, the revenue opportunities for the operator will comprise ticket sales and income from commercial operations, e.g., venue rentals, catering, and retail.

Financial performance

A high-level Business Case for the hall prepared as part of this study assesses its financial performance (including the comparison of the four potential operational models) and the wider social and economic impacts the project could generate. **The Vltava Philharmonic Hall vision is to become an iconic public project generating wider socio-economic benefits to the City of Prague – including culture, tourism, economic growth, and regeneration.** The hall's construction will be publicly funded, while its operational costs are expected to be covered by the revenue streams generated without the need for additional public subsidy. The Business Case looks at the viability of the project against these key performance criteria.

The hall's financial performance of the hall has been modelled using capital expenditure (CAPEX), operational expenditure (OPEX) and revenue scenarios. Based on similar international concert halls benchmarks, it is estimated that the hall would cost a total of CZK 6bn to construct.

Four potential operational models have been compared in the financial modelling. Each operating model delivers a positive annual return for the public sector without the need for direct operating subsidies. However, as in the case with other European concert halls, it is expected that public subsidy would go to either not-for-profit entities operating the hall (e.g., an orchestra) or other users and operators of the venue (e.g., education organisations).

Scenario A – Arms-length city management organisation

Under this scenario, the public sector takes a lead role in the construction and operation of the hall, covering all CAPEX and managing all OPEX. The public sector receives a rental income from the promoters for the various spaces in the concert hall. We estimate that this scenario could generate a positive return to the public sector of CZK 25m per year (net of OPEX and revenues). This scenario would ensure that the public sector has long-term ownership and strategic oversight of the hall.

Scenario B – Operating orchestra(s)

In this scenario, the public sector provides the initial investment to build the hall and delegates the hall's operation to an orchestra company. The public sector receives an annual fee from the orchestra company. Based on the operator's annual financial performance and assuming a fixed and variable share of the returns, we estimate an annual fee of CZK 39m per year to the public sector. Including a yearly cost of CZK 31m for ownership management, the public sector could generate a positive return of CZK 8m per year. In this scenario, the public sector and orchestra company work in partnership. However, the public sector bears less risk and has less direct control of the concert hall.

Scenario C – Private operator

In this scenario, the public sector provides the initial investment to build the hall and

delegates the hall's operation to a private company. Similarly to scenario B, the public sector receives an annual fee from the private company. Based on the operator's annual financial performance and assuming a fixed and variable share of the returns, we estimate a yearly fee of CZK 39m per year to the public sector. This fee would be paid by the private operator with a contribution from the orchestra(s). Including an annual cost of CZK 31m for ownership management, the public sector could generate a positive return of CZK 8m per year.

Scenario D– Private investor's operating company

In this setup, the public sector provides a subsidy (assumed as 40% of CAPEX) for construction costs to a private company that develops and operates the hall. The public receives a fixed fee of around CZK 15m per year from the private company. After accounting for an annual ownership management cost of CZK 12m, the public sector would generate an annual return of CZK 3m. In this scenario, the hall's risks and control are further reduced compared to Scenario B and C. Hence the revenue received is also lower.

Economic and social benefits

We estimate that in the construction phase, the hall would generate around 4,000 direct and indirect jobs (full-time equivalent, person-years). In the operation phase, the hall would support about 380 direct and indirect jobs (full-time equivalent, permanent). Overall, the hall would generate a total of around 13,000 million korunas of gross value added (GVA) and CZK 1,405m of fiscal income (tax revenue) over 40 years. It represents an attractive benefit-to-cost ratio (BCR) of 1.77 (the ratio of total economic and fiscal value generated for each koruna invested).

In addition to the quantifiable benefits, the hall is expected to generate significantly more comprehensive and social benefits. It will create a new world-class performance space addressing identified needs for new performance space in Prague. **As an internationally recognizable landmark, the hall will help reposition Prague as an internationally competitive cultural and tourism destination.** It will support the strategy to enhance Prague 7 as a cultural district and diffuse cultural activity beyond the existing city centre.

The building will draw significant new footfall into the area – both from event attendees and incidental visitors. Events in the main hall, small hall, and multi-purpose hall would attract over 668,500 event attendees per year (considering the capacity, expected occupancy, and event frequency). When including incidental visits, it is estimated that the building could draw as many as 1-2 million total visitors to the area each year. Greater footfall can generate benefits including increased business activity, lower vacancies, higher rental rates, and a more vibrant community and working environment.

A new economic centre for 21st century Prague

The Vltava Philharmonic Hall will strongly help accelerate the aspiration for the Bubny-Zátory to create a major expansion of Prague's city centre to be delivered over an approximately 20-year period and accommodating up to 25,000 additional residents and 29,000 jobs. It is intended that the area should serve as a 'new economic centre for 21st century Prague' providing room for growing sectors, including the cultural and creative industries. **The hall can serve as a catalyst to leverage further private sector investment into the area. Without the concert hall's catalytic effect, it is likely to be difficult for development in the area to come forward.**

Architectural competition

It is essential to launch an international architectural design competition and to select the professional design team in the early phase of planning to ensure the project's best conditions to become a world-class music center.

The new Vltava Philharmonic Hall is a clear opportunity to kick-start the regeneration of Bubny-Zátory, crafting a dynamic and vibrant space that stages views of Prague's city and faces the Vltava river. **A modern concert hall will also support positioning**

Prague as one of the cultural centres of Europe and the world. This new center of musical life will become a world-class music center providing a new and different music experience, a destination for local, national, and international visitors. The hall will have strong identity as a masterpiece of architecture – a place to meet on a human scale staged on an internationally recognizable masterpiece of architecture.