DATE: April 30, 2013

TO: Honorable Mayor and City Council

FROM: W. Scott Whisler, Performing Arts Manager
J.P. de la Montaigne, Community Services Director

VIA: Daniel H. Rich, City Manager

TITLE: **Center for the Performing Arts—Operating Models Comparison and Analysis**

STUDY SESSION MEMO

CITY OF MOUNTAIN VIEW

PURPOSE

The purpose of this memorandum is to analyze alternative operating models and cost recovery, provide comparisons of performing arts centers, and provide options for use of the Plaza space as requested by Council at the October 9, 2012 Study Session.

BACKGROUND

On October 9, 2012, Council reviewed the proposed scope of work for the study on the Mountain View Center for the Performing Arts (MVCPA), including a list of topics for Council to consider for inclusion in the study. After providing input on the scope of work, Council requested that staff provide a three-step/phased response back to Council (Attachment 1—Study Session Memorandum, October 9, 2012 Center for the Performing Arts Study Scope of Work).

- Phase 1 (November 29, 2012): Provide a memo with existing data on the history and financial status of the MVCPA (Attachment 2—Memorandum to Council, November 29, 2012, Center for Performing Arts—History and Financial Background);

- Phase 2 (Current Phase): Conduct a Study Session to analyze alternative operating models, review comparison of other theatres, and provide options for the use of the Plaza space; and

- Phase 3: Provide additional information as directed by Council during the Phase 2 Study Session. Solicit community input and have Council provide direction on a desired operating model and cost-recovery goal.

DISCUSSION

In the current phase, staff has continued research into information that was not readily available for Phase 1. This information has been gathered from numerous sources, including published budget summaries and interviews with staff from other municipally owned Performing Arts Centers (PACs). It also includes survey data from the International Association of Venue Managers' VenueDataSource project, which is an ongoing project to provide benchmarks comparison data from PACs on an international scale. For purposes of this study, data was only used from U.S. PACs.

For several years, the International Association of Venue Managers has worked to gather usable data so that member organizations (including MVCPA) could compare operations. Performing Arts Manager Scott Whisler served on the committee to create benchmarks for PACs that would be useful internationally. The resulting VenueDataSource Survey began publishing PAC data in 2012.

MVCPA Usage Comparison with National Data

The following table compares MainStage theatre usage with average usage of the primary auditorium of all responding PACs and with smaller PACs with up to 1,500 seats in Fiscal Year 2010-11.

Primary Auditorium Usage Fiscal Year 2010-11	MVCPA (MainStage)	All PACs (# Reporting)	Small PACs (# Reporting)
Use Days	295	184 (63)	198 (20)
Performance Days	182	120 (62)	124 (21)
Performances	241	127 (57)	132 (19)
Dark/Maintenance Days	70	166 (66)	153 (22)
Cost Recovery Levels	81%	71%	65%

The MVCPA MainStage compares favorably with the national data in higher use days than both the larger and smaller PACs. The MVCPA also has a higher level of cost recovery than either the national average or the average of smaller PACs.

Steven Wolff of AMS Planning and Research stated at the Performing Arts Managers Conference in February 2013 that the standard for "100 percent capacity" in a PAC has, for many years, been defined as 239 use days. By this standard, the MainStage has been operating at well over 130 percent of capacity for many years.

Description of Alternative Operating Models

Council requested a comparison of municipally owned PACs operating under different management models, with correlating financial data. Staff was able to provide information on five PACs in the San Francisco Bay Area. MVCPA is operated solely by the City with a Council-appointed advisory body. The City of San Francisco War Memorial and Performing Arts Center and the City of Walnut Creek are operated by the city with operational oversight provided by a board of directors or a supporting governing body. The cities of Campbell and San Jose are operated by a management company, with the City of Campbell having a portion of one city employee within the operational structure.

The PACs interviewed provide all or some of the following services: rentals, produce, or present. In a rental, the operator rents out the facility for a fee. If the PAC presents, it pays a company to perform a show and ticket sales are generally split between the PAC and the company (Producer). If the PAC produces, it is creating its own shows and revenues are received through ticket sales. All the PACs interviewed provide rentals. Yerba Buena Center for the Arts and the cities of Walnut Creek and Campbell also produce and/or present shows.

The table below provides a comparison of the operating models reviewed in this study.

City	Mountain View	San Francisco	Walnut Creek	San Francisco	Campbell	San Jose
Theatres	MVCPA	San Francisco War Memorial and Performing Arts Center	Lesher Center for the Arts	Yerba Buena Center for the Arts	Heritage Theatre	San Jose Theaters
	(1) MainStage	(1) War Memorial Opera House	(1) Hofmann	(1) LAM Research Theatre	(1) Main Auditorium	(1) Civic Auditorium
	(2) SecondStage	(2) Davies Symphony Hall	(2) Lesher	(2) The Forum		(2) San Jose Center for the Performing Arts
		(3) Herbst	(3) Knight	(3) Screening Room		(3) Montgomery Theatre
		(4) Green Room	(4) Del Valle			(4) California Theatre
# of Theatres	2	4	4	3	1	4
Seats	(1) 600	(1) 3,146	(1) 785	(1) 800	800	(1) 3,326
	(2) 156	(2) 2,739	(2) 300	(2) 1,000		(2) 2,677
		(3) 916	(3) 173	(3) 94		(3) 475
		(4) 500	(4) 385			(4) 1,122
Number of Events	(1) 374		900[1]	N/A	N/A	(1) 91
	(2) 83					(2) 193
						(3) 204
		(4) 178				(4) 253
Performances	(1) 237	(1) 179		N/A	120	(1) 40
	(2) 56	(2) 243				(2) 129
		(3) 286				(3) 137
						(4) 128
Number of Staff	8 FTE and 3 PTE	96 FTE	16 FTE	65 FTE and 35 PTE	0.15 FTE	N/A
Rentals	Yes	Yes	Yes	Yes	Yes	Yes
Presents	No	No	Yes	Yes	Yes	No
Produces	No	No	Yes	Yes	No	No
Home Companies	2	3	1	0	0	6
Operated by	City	City	City	Nonprofit	Management Company	Nonprofit Management Company
Total Budget	$1,419,740	$11,827,310	$5,476,641	$13,889,689	$744,973	$25,242,783
Revenues from Operations	$1,155,295	$2,159,648	$4,630,100	$9,664,415	$547,325	$19,435,432
% Cost Recovery From Fees	81%	18%	85%	70%	73%	77%
City Support	General Fund	TOT	General Fund	Management Fee	Management Fee	TOT
	$264,445	$8.67 million	$845,941	$3.3 million	$112,648	$4.96 million
NP Contribution	$0	$0	$0	$2,377,800	$85,000	$0

[1] Includes both events and performances.

As illustrated by this table, all of the cities in the study group provide financial support to their PAC operations, either through dedicated Transit Occupancy Taxes (TOT) or from General Operating Funds. MVCPA received City support funding at 19 percent in Fiscal Year 2011-12. City support at other PACs ranged from a low 15 percent for the Lesher Center to a high 73 percent for the San Francisco War Memorial and Performing Arts Center. Lesher Center for the Arts and Yerba Buena Center for the Arts and Campbell Heritage Theatre also benefit from nonprofit support organizations.

Facility and Utility Expenditures

The cost of facility maintenance and utilities for most departments' General Fund operations is allocated to the Facilities Division within the Public Works Department. One notable exception is the golf course, an enterprise fund, which pays for janitorial and PG&E costs directly. Since the MVCPA does not currently fund the cost of facility maintenance or utilities from its operations, an estimate of $143,300 based on proportionate square footage has been added to the comparison chart above to provide accurate comparisons. Without that cost added in, the MVCPA's cost recovery would be 91 percent for Fiscal Year 2011-12.

Operating Models of Comparison Centers

Additional details for each PAC follow, along with a summary of MVCPA operations for comparison.

Mountain View Center for the Performing Arts

The MVCPA theatres are owned and operated by the City with City employees, including eight permanent full-time, three permanent part-time, and 30 hourly employees, and 300 volunteers. MVCPA operates only as a rental house, but it provides all ticketing and front-of-house services and additional production services as needed.

The MVCPA has two Home Companies that have priority use of spaces. All clients except TheatreWorks are required to use the MVCPA box office and its ticketing system. TheatreWorks, who operates their own ticketing system in coordination with MVCPA staff, sell tickets through the MVCPA ticket office and online.

Operational revenue sources include rental fees and/or percentage of gross ticket sales, service charges, and per-ticket facility use fees. Sources of ancillary revenue include rental income from the on-site café operation and advertising revenue from *Preview Magazine*.

The MVCPA operation is budgeted within the City's General Operating Fund. City support for the MVCPA comes in the form of the difference between operating revenues and operating expenditures.

San Francisco War Memorial and Performing Arts Center (SFWMPAC)

SFWMPAC is one of the largest PACs in the United States and one of the busiest in the world. The PAC includes 791,000 square feet of space in four buildings situated on three city blocks. Each year, SFWMPAC hosts over 900 performances/events and attracts an estimated 1.1 million patrons.

Like MVCPA, the SFWMPAC operates as a rental facility. The War Memorial Opera House has limited dates available for rentals. Rental fees are kept low to encourage more rentals. Some support services are available through the War Memorial Trust.

All ticket services are contracted out to the City Box Office by the individual clients. The city receives no ticket revenue, facility use fees, or service charges.

These venues are owned and operated by the City and County of San Francisco as the War Memorial Trust. This charitable trust, its facilities, and public assets are entrusted to the city's care through the 11-member War Memorial Board of Trustees, who are appointed by the mayor.

City personnel include 65 full-time employees (FTE) and 31 full-time custodians. Additional event staff are supplied on a cost-recovery basis through the War Memorial Trust. In Fiscal Year 2011-12, personnel accounted for 86 percent of total expenditures. Many volunteers contribute time to the client organizations but not to the city, so their time is not tracked by the city or the War Memorial Trust.

There are three resident companies (similar to Home Companies)—the San Francisco Ballet, San Francisco Opera, and San Francisco Symphony. Only the Symphony has a formal agreement for dates; however, the Opera and the Ballet have fairly static date requests that are laid out several years in advance.

Revenue sources include a dedicated portion of the TOT, facility rental fees, and a percentage of clients' merchandise and catering sales; no donations or sponsorships are solicited. While revenues must cover all expenditures, any excess funds not expended in a given year can be retained by the War Memorial Trust for future use. In 2011-12, TOT income accounted for 73 percent of total revenues.

Lesher Center for the Arts, City of Walnut Creek

The Lesher Center for the Arts (LCA) is owned and operated by the City of Walnut Creek. Staff are city employees. The LCA staff manages and schedules four theatres and an art gallery on the main campus, as well as the Del Valle Theatre. The LCA provides technical development, marketing, and ticket office services to its rental clients.

LCA employs 13.5 FTE to operate the LCA and its programs. Bedford Gallery employs another 3 FTE and Center REPertory Company (Center Rep) employs an additional 2.5 FTE as production staff. All of these staff are city employees.

One major difference from MVCPA is that the LCA's main resident company, Center Rep, the City of Walnut Creek's resident professional theatre company, is actually a division of the City of Walnut Creek.

The LCA executive director serves as managing director of Center Rep, which is housed in the LCA. Center Rep produces six to eight events with approximately 136 performances annually, with all revenues from ticket sales going to the city. This division also operates Young REP, a summer theatre education program for teens and young adults.

Besides the Center Rep season, LCA produces three major events annually. All other events are rentals, with audience services, production, and ticket services provided. LCA staff operates two satellite ticket offices within the city limits as well as the main ticket office at LCA.

Another difference from MVCPA is that there is a single fee structure for all renters regardless of nonprofit or commercial status. Nonprofit clients apply for support funding through the Diablo Regional Arts Association (DRAA), an independent nonprofit corporation, which raises money specifically to help fund these rentals. These contributed funds are another source of revenue for LCA.

The City of Walnut Creek's support for the Center is in the form of the difference between operating revenues (including DRAA contributions) and operating expenditures for LCA, Center Rep, and Bedford Gallery. This number can vary significantly depending on Center Rep's ticket sales. City support was approximately 15 percent in Fiscal Year 2011-12 and has ranged from $846,000 to $1.26 million over the past 5 years.

Yerba Buena Center for the Arts, City of San Francisco

This city-owned facility is operated by a 501(c)(3) nonprofit group, Yerba Buena Center for the Arts (YBCA.) All staff, including management, programming, security, and operations, are employed by the nonprofit. YBCA is governed by a 25-member board of directors. Staff include 70 FTE and approximately 600 part-time employees (PTE).

YBCA produces some of its own shows. It also presents some dance and music events, as well as renting its theatres. Most performances are supported with funds raised by the nonprofit organization in order to be affordable for the nonprofit clients. About 25 percent of the rentals are commercial; higher prices for these clients help to support the nonprofit shows. YBCA commercial renters include Apple and similarly high-visibility clients.

YBCA offers production services, including design consultation, referrals, and specialized technical services (rigging, lighting, scenic construction, wardrobe, hair, and makeup, etc.) for all types of events. Stagehands are contracted by agreement with the stagehands' union. YBCA requires all ticketed events to use its own ticketing system and box office. It controls all concessions and merchandise sales, and provides audience services, including paid and volunteer ushers and Gallery Guides.

YBCA curates and presents the exhibitions in the galleries. City support is in the form of a management fee to the YBCA, which was $3.33 million in Fiscal Year 2011-12.

Campbell Heritage Theatre, City of Campbell

This historic theatre was built in 1938 as the Campbell High School Auditorium. The entire high school campus, including the theatre, is now operated by the City of Campbell as the Campbell Community Center. When the city took ownership in 1995, community members formed the Friends of the Heritage Theatre and raised over $3 million towards the $8.5 million renovation. The renovated theatre opened in 2004.

The Campbell Heritage Theatre is owned by the city and operated by VenueTech Management Group. One city employee allocates a portion of their position to the theatre; the rest of the staff are employed by VenueTech. VenueTech provides production, ticketing, and audience services. Friends of the Heritage Theatre provide volunteer ushers.

There are no resident companies. There are approximately 100 rental uses each year. The city presents between 5 to 10 events, generally music concerts, in the theatre, paying artist fees and event costs, and retaining the revenues from ticket sales. These expenditures and revenues are included in the totals listed below.

The City of Campbell support is in the form of a management fee paid to VenueTech from the general fund budget. There is also a dedicated "preservation and enhancement fee" on tickets that contributes about $15,000 annually towards facility maintenance. In Fiscal Year 2011-12, the management fee was $112,648.

City of San Jose

These city-owned venues are operated by San Jose Theaters, which is part of the nonprofit corporation Team San Jose. Team San Jose manages the San Jose Convention and Visitor's Bureau as well as operating a number of city-owned facilities.

In all venues, staff are employees of Team San Jose, which is governed by an independent board of directors. The City of San Jose support for the theatres is derived from TOT revenue and is estimated at $4.96 million for Fiscal Year 2011-12.

Cost-Recovery Philosophies

In the October Study Session, Council asked specifically about different cities' philosophies for cost recovery for their PACs. None of the cities surveyed have a policy on cost-recovery levels for their performing arts centers. Rather, they operate within an approved expenditure budget, as does MVCPA.

Economic Impact

Council requested information regarding the impact of MVCPA performances on the economy of downtown Mountain View. A good deal of information is available from the report from Americans for the Arts entitled "Arts and Economic Prosperity IV in Santa Clara County, California," published in 2012.

It is important to note that this study uses no multipliers, but is derived from an "Input-Output Analysis" using survey data from 119 nonprofit arts and culture organizations in Santa Clara County, including several MVCPA client organizations. Although the study is conducted nationally, the data used is specific to these local organizations in Fiscal Year 2010-11.

In Santa Clara County, spending by arts and culture organizations and their audiences supported 4,224 FTE jobs in the study period. The study also states that nonprofit arts and culture event attendees in Santa Clara County spend an average of $22.87 above the price of admission on downtown businesses (meals, souvenirs, gas, lodging). Based on a conservative estimate of 90,000 MVCPA patrons a year, this translates to a little over $2 million in spending in downtown Mountain View.

Local Competitors Study

In the October 9, 2012 Study Session, Council requested information on local market conditions and competing venues. The venues reviewed are in Mountain View, Sunnyvale, Los Altos, Los Altos Hills, Cupertino, and Palo Alto.

The following is a comparison that calculates the cost of a specific event, including similar equipment and labor, in each venue. To provide an "apples-to-apples" comparison using base rate rentals, staff also included a "cost-per-seat" comparison.

Venues that are roughly comparable to MainStage (600 seats) include:

Palo Alto Jewish Community Center, Cultural Arts Hall. This flexible space seats up to 400 people in theatre-style rows. It does not provide fly space or an orchestra pit. It is available with different rates for nonprofit and commercial users. Labor and equipment are available at additional cost. Audience services staff are not provided.

Mountain View High School/Los Altos High School Theatres. These are traditional theatres with fixed seating for 375 people. They are equipped with traditional stage lighting, audio, and projection systems. It is used primarily for school plays and concerts, but it is available for rental with different rates for nonprofit and commercial organizations. All labor and equipment are included in the base rental fee. Audience services staff are not provided.

Foothill College, Smithwick Theatre. This traditional theatre seats 941 people. It includes traditional stage lighting, audio, and projection systems, all of which are available at extra cost. It is used for some college plays and concerts and is available with different rates for nonprofit and commercial users. Labor and equipment are available at additional cost. Audience services staff are not provided.

De Anza College, Visual and Performing Arts Center. This traditional theatre has fixed seating for 400 people. It does not have fly space or an orchestra pit. It is available for rental with different rates for nonprofit and commercial organizations. All

labor, including audience services staff, and equipment are included in the base rental fee.

Venues that are roughly comparable to SecondStage (150 seats) include:

Palo Alto Jewish Community Center Freidenrich Combo. This is a 2,000 square foot meeting room which seats 150 people, with an adjacent 2,000 square foot terrace. It is available with different rates for nonprofit and commercial users. Labor and equipment are available at additional cost. Audience services staff are not provided.

City of Sunnyvale, Performing Arts Center. This is a traditional theatre with fixed seating for 200 people, with a small orchestra pit and limited fly space. It is available with different rates for nonprofit and commercial users. Some labor and equipment are included in the base rental. Additional fees apply for projection equipment and labor costs are added for some required positions.

Microsoft, Galileo Conference Room. This is a meeting room with seating for 270 people. Since it is part of Microsoft's Mountain View Campus, it is only available for use Monday through Friday, from 8:00 a.m. to 5:00 p.m. Audio and projection equipment are included in the base rental.

Information was also sought from St. Francis High School, which does not rent out its PAC; from the City of Palo Alto, which did not provide information for Lucie Stern Theatre since it has no available dates; from the Computer History Museum, which does not publish their rates; and Mountain View Masonic Lodge No. 194, which did not provide information.

Comparison of the Cost of a Performance

In order to provide a meaningful comparison, each venue's complete rate structure, including equipment and labor fees, was applied to a sample event. The calculated event is a ticketed performance at 8:00 p.m. on a Friday evening, which uses basic lighting, audio, video projection, two stagehands, and audience services staff if available.

The tables below present the cost of this theoretical event as a simple total and then in "dollars per seat" at each venue, with comparable costs for MVCPA's MainStage and SecondStage.

MainStage Cost of a Performance:

Theatre	No. of Seats	Commercial Rates		Nonprofit Rates	
		Total Cost	Cost per seat	Total Cost	Cost per seat
MVCPA MainStage	600	$2,917 plus % of gross	$4.86	$2,692 or % of gross	$4.49
Palo Alto JCC Cultural Arts Hall	400	$2,775	$6.94	$2,195	$5.49
MVLA Theatre	375	$1,840	$4.91	$1,390	$3.71
Foothill College Smithwick Theatre	941	$2,125	$2.26	$2,010	$2.14
DeAnza College VPAC Performance and Lecture	400	$3,335	$8.34	$2,845	$7.11

SecondStage Cost of a Performance:

Theatre	# of Seats	Commercial Rates Total Cost	Commercial Rates Cost per seat	Nonprofit Rates Total Cost	Nonprofit Rates Cost per seat
MVCPA SecondStage	150	$1,742	$11.61	$1,217	$8.11
Palo Alto JCC Freidenrich Combo	150	$1,925	$12.83	$1,315	$8.77
City of Sunnyvale PAC	200	$2,510	$12.55	$2,405	$12.03
Microsoft Galileo Meeting Room	270	$820	$3.04	$820	$3.04

It is important to note that no qualitative comparison is provided. There is a great deal of difference in acoustic quality, appearance, lobby and support spaces, and general ambience between the traditional proscenium theatres compared above. Those differences are even more pronounced between the flexible spaces and meeting rooms. Arts organizations are very aware that these differences will result in different experiences for their patrons; some events simply will not work in some spaces. Therefore, these qualitative differences are equally as important, or possibly more important, than a financial comparison in choosing a venue.

Community Input

Patron Surveys

MVCPA regularly surveys patrons. Completed surveys are used in drawings for ticket vouchers which provide an incentive to encourage patron responses. In Fiscal Year 2011-12, surveys results indicated that 97.6 percent of responding patrons enjoyed their MVCPA experience and 98.8 percent enjoyed the show.

Patrons are also asked to compare their satisfaction at MVCPA with other area theatres, including four PACs from the comparison group. The table below shows the results in

Fiscal Year 2011-12. In each case, at least 50 percent of patrons rated MVCPA "Somewhat better" than or "Much better" than comparable venues.

Patron Satisfaction	Yerba Buena Center for the Arts	Lesher Center for the Arts	San Jose Performing Arts Center	Montgomery Theatre (San Jose)
MVCPA "Much better than . . ."	25.1%	24.3%	27.4%	38.2%
MVCPA "Somewhat better than . . ."	28.7%	27.0%	31.4%	31.1%
MVCPA "Same as . . ."	30.9%	36.0%	29.4%	19.0%
MVCPA "Not as good as . . ."	15.0%	13.2%	12.0%	11.8%

MVCPA Client Survey

All MVCPA clients are surveyed after each contract is completed, with questions regarding: their overall experience; working with MVCPA staff in specific pre-event and day-of-event areas; asking about the value of specific services; comparing MVCPA with any other venues the client has used; the qualities that led that client to book with MVCPA in the first place; and the value of specific marketing vehicles.

Among the responses in Fiscal Year 2011-12, 94 percent rated MVCPA as "Very Good" or better, with 44 percent of those rating their overall experience as "Outstanding." In all of the more specific questions regarding client experience, "Outstanding" received the majority, ranging between 50 percent and 71 percent, and "Very Good" came in second, ranging between 29 percent and 50 percent. There was one "Satisfactory" response in the categories of Ticketing and Technical staff. The only "Unsatisfactory" mark was for "Available Equipment."

Seventy-three (73) percent of responding clients said MVCPA was "Better" than other venues they have used. Twenty-seven (27) percent said it was the "Same" and nobody said it was "Worse."

A summary of the 2011-12 survey data is included as Attachment 3.

Additional Community Input

Other than the survey data noted above, no additional community input has been solicited for this report. Staff proposes gathering community input by conducting surveys and conducting focus groups. A sample group might be composed of residents who have signed up for various e-mail notifications with other City departments and divisions, the MVCPA's e-mail list (approximately 8,000 names), or *Preview Magazine* mailing list (approximately 18,000 names).

Sample questions might include:

- What type of performance would you be most likely to attend at MVCPA?
- What is most often the reason for not attending a performance? (Price, performance type, schedule?)
- Does MVCPA affect the quality of life in Mountain View? How?
- Have you ever attended a performance at MVCPA?
- If you have attended a performance at MCVPA, do you generally spend money on downtown businesses (i.e., meals and souvenirs)?

In their January 2013 meeting, Committee members stated willingness to assist with a community outreach if resources could be made available for professional assistance.

Potential Input from Local Businesses

MVCPA has excellent relationships with many local businesses, many of whom have purchased advertising space in *Preview Magazine* in the last three years (47 businesses bought a total of 194 ads in the three years ending June 2013). Some of these advertisers occasionally offer discounts to MVCPA patrons and visitors. Staff believes it could be useful to survey local businesses about MVCPA's effect on their businesses. With the help of the Committee, staff could solicit information from the members of the Chamber

of Commerce, the Mountain View Central Business Association, and local businesses downtown with business-specific questions, which might include:

- Are you aware of MVCPA's presence on Castro Street? Are your customers aware of it?
- Are you aware of any effect MVCPA performances have on your business?
- Do you see an increase in foot traffic or spending in conjunction with specific types or genres of MVCPA performance?
- Are you open to promotional partnerships with the MCVPA or its client organizations?

Next Steps—Community Input

Staff proposes working with the Committee to conduct surveys and focus group discussions to see how MVCPA can best serve the community and partner with local businesses. Staff proposes the services of a consultant to assist.

Home Company Selection Process and Criteria

The November 29, 2012 staff report on Phase I of the study states that "A review of the Home Company process and criteria will be part of the study brought back to Council in the spring of 2013." A brief overview of the Home Company program and selection criteria was included in the October 2012 Council report "Nova Vista Symphony Request for Home Company Status," which is included as Attachment 4.

Below is a description of the process used by the Performing Arts Committee (previously referred to as the Performing Arts Advisory Committee) to select Home Companies in 1997 and 2000.

1997 Home Company Selection Process

Applications for Home Company status were solicited in spring 1997 and a selection process, conducted by the Performing Arts Committee, was conducted in the summer and fall of that year. Applications included information about each company's nonprofit status, lists of paid and volunteer staff and board members, two years of financial statements, marketing plans, brochures and outreach plans, a history and description of the organization, references from other facilities, attendance information,

detailed performance and ticketing information for two years, and a proposed season at MVCPA.

The selection process included Committee evaluation of the application packets and interviews with leadership of the candidates' organizations.

Based on the application review, the Performing Arts Committee interviewed representatives of Western Ballet, Peninsula Youth Theatre, TheatreWorks, Schola Cantorum, and San Jose Wind Symphony. The Committee also offered interviews to El Camino Youth Symphony and Peninsula Center Stage, but the interviews did not take place. Applications were also received from Peninsula Pops Orchestra and the Society for Preservation and Enjoyment of Barber Shop Quartet Singing in America, but the Performing Arts Committee declined to offer interviews.

At their October 20, 1997 meeting, the Performing Arts Committee voted to offer Home Company contracts to TheatreWorks, Western Ballet, and Peninsula Youth Theatre, each for a three-year period. They also recommended annual reviews of each Home Company.

2000 Home Company Selection Process

In September 1999, the Performing Arts Committee (Committee) reviewed their criteria and process in preparation for a Home Company selection process. At the time, the Committee added specific requirements to the contract language: a Home Company must perform a season at the MVCPA; a Home Company must identify themselves as a Mountain View Center for the Performing Arts Home Company in promotional material; a Home Company must attend an annual review meeting with the Committee; and review performance videos from candidate organizations to the selection process.

For this process, staff solicited applications from 240 Bay Area performing arts organizations. Applications were received in April 2000 from Peninsula Youth Theatre, TheatreWorks, Western Ballet, Schola Cantorum, and Peninsula Ballet Theatre; the Committee considered all five companies and interviews were held in July 2000.

Based on those interviews, the Committee recommended Home Company status for only two companies—TheatreWorks and Peninsula Youth Theatre. In their memo to City Council, the Committee cited "presentation quality, community outreach, and involvement, proven stability, and vision" as the reasons for the recommendation. The City Council authorized those two companies Home Company status at their Regular Meeting on October 24, 2000.

No new Home Company selection process was conducted in 2003 due to the Committee voting to disband. In the interim, staff began a series of one-year extensions with the two Home Companies and, in 2005, Council appointed a new Committee.

In response to requests for Home Company status in 2007, the Committee reviewed the Home Company program, including criteria set forth in the 1997 and 2000 processes. According to those criteria, a Home Company must:

- Perform a season at the MVCPA, consisting of at least six performances of at least three titles;
- Perform more than 50 percent of its total performances at MVCPA; and
- Identify itself as a Mountain View Center for the Performing Arts Home Company in its promotional materials.

In that review, the Committee agreed that these criteria were still appropriate. None of the interested organizations would have been able to meet these criteria and their applications were withdrawn.

The Committee reviewed the program again in 2010 and again at Council's request in 2012. The Committee concluded in the first two reviews that the program was serving its purpose well with the two current companies. They did not recommend adding Home Companies, but did recommend extending the Home Company contract term to five years. The Committee's request to extend the Home Company contract term is included in staff recommendations for Council consideration.

Concurrently with the 2012 discussion of the Home Company program, Council considered interim criteria that would improve chances for some non-Home Company organizations to book MainStage dates for very short runs during the January 2013 Primary Booking process. At the December 4, 2012 Council Meeting, Council directed staff to give priority after Home Companies to clients with a booking history of more than 10 years, and then to improve the genre-based programmatic mix. Staff conducted the Primary Booking process according to those priorities.

The 10-year guideline was not applicable this season because date conflicts arose between clients with 20- and 22-year histories and between clients with no or minimal history with MVCPA. However, staff could use that criterion in future Primary Booking processes to resolve booking conflicts. Staff was able to use the genre-based

criterion in negotiating dates for a number of music events. This change resulted in some dance companies expressing concern that they were unable to book as many performance dates as in previous years. This new criterion did not significantly impact revenues or displace long-term clients (Attachment 5—City Manager Weekly Notes—Center for the Performing Arts Primary Booking Recap).

Next Steps—Home Company Selection Process

Direction is sought on whether or not Council desires changes in the Home Company program or to further review or refine the criteria for Home Company status or primary booking. Examples of refinements might include creating a formal application process for Home Company status or a formula establishing the number of dates Home Companies might reserve during Primary Booking. Council could request specific changes, could adopt the interim criteria permanently, could ask the Committee to review and make recommendations, could ask staff to further explore alternatives and report back, or could take no further action related to Home Companies.

Options to Increase Usage of Other Spaces

SecondStage

Although no comparison data for SecondStage is available, that theatre has been underutilized since the MVCPA opened in 1991. Staff analysis in 1999 concluded that this was due to lack of SecondStage dressing rooms and other support space, limited seating capacity, and high cost of technical operations due to poor overhead access.

A plan to provide dressing rooms, a green room, and a crossover for SecondStage (which would also improve ParkStage usability) was begun in Fiscal Year 2000, though it was unfunded for many years. The project was scheduled in 2010 and construction drawings were finished in 2012. It is currently on the Capital Improvement Plan (CIP) list of unscheduled projects with an estimated cost of $2.29 million. If funded, this project will address the problem of support space noted above and allow for simultaneous use of the MainStage and the SecondStage theatres. The same project would also create the potential to increase capacity by 20 percent to 25 percent by reconfiguring seating. Revenue estimates at maximum capacity of 180 additional performances, 50 of which might be discounted as "second performances," could generate up to $70,000 in rental fees annually. Additional facility use fees (assuming sold-out performances) might generate an additional $55,000.

The SecondStage Tension Grid project (CIP 13-33) will reduce the cost of technical operations and enhance safety by allowing direct access to overhead production spaces. The cost savings will not be directly realized by the MVCPA, but will serve to make SecondStage more affordable for potential clients. The Tension Grid project, combined with increased capacity from reconfiguration of the seating, could increase usage, in addition to revenue, over time.

In an effort to increase utilization, base rate facility fees were reduced in Fiscal Year 2011-12 for the SecondStage theatre by 50 percent and, in Fiscal Year 2012-13, Council approved the extension of the nonprofit rate to be applied to performance-related bookings by users without nonprofit status. Staff noted that these changes have resulted in a slight increase in utilization so far. Staff seeks direction from Council on whether or not to evaluate further reduction in fees.

Alternate Uses for SecondStage

In the October 2012 Study Session, Council asked what other uses could be identified for SecondStage. Ideas were solicited from staff, Performing Arts Committee members, and from MVCPA clients, both in dedicated "brainstorming" sessions and in informal conversations.

Ideas are presented without editing or analysis, except that they have been grouped according to whether the proposed use requires extensive renovation or not, and whether it is feasible with current uses.

FEASIBLE WITH CURRENT USE:	
• Conference room for board meetings • Self-improvement seminars (mind/body/spirit) • Comedy club (with food/beverage)	• "Present" music with smaller groups • Show movies

REQUIRE SOME BUILDING RENOVATION:	
• Redesign seating so that the main configuration has a bare floor • Lease space to KMVT as a studio	• Dance class • Yoga studio

REQUIRE MAJOR BUILDING RENOVATION:
• Lease space to a restaurant • Furnish it as an upscale pre-event/postevent reception space for clients

Staff noted that, while SecondStage is underutilized, it serves its current uses well. It is an especially effective venue for Peninsula Youth Theatre's "Stories On Stage" and TheatreWorks' "Young Playwrights Project," for similar children's shows, new play workshops, as well as company meetings and similar events that require an informal ambiance.

Next Steps—Use of the SecondStage Theatre

Staff recommends increasing the marketing of the SecondStage theatre to include items listed as "Feasible with Current Use" to increase utilization. Staff estimates a cost of $7,600 which would include updating the MVCPA brochure, which has not been updated in 21 years, new photographs to be used in print material and on the website, design services, and printing/mailing.

Another idea to increase usage of the SecondStage theatre is for MVCPA to present music events such as jazz as listed above. This would require authorization to contract artists and speculation on ticket prices. Such a program could be modeled on existing programs similar to Lesher Center for the Arts and Campbell Heritage Theatre. Having the City present shows could increase usage, but would require additional staff and probably some financial subsidization. Staff does not currently have an estimate on how much additional funding would be required to present events.

Lobby/Other Space

Councilmembers also asked how else the MVCPA lobby could be used. Input was gathered from Performing Arts Committee members, staff, and clients in the same process used for SecondStage and the Plaza. None of the ideas generated would preclude current uses.

- Host receptions for artists (concurrent with Visual Arts Committee displays).
- Host client galas.
- Host Lunch and Learns.

PAC members also noted that the lobby could easily be utilized by most of the proposed Plaza uses.

Next Steps—Use of the Lobby/Other Spaces

Updating the City's MVCPA brochure, as recommended above, would include information on use of the lobby and other spaces. Staff believes this could generate additional usage, but the impact to revenue would be limited.

Plaza

At the October 2012 Study Session, Council also asked staff to look at ways to increase the utilization of the City Hall Plaza. An interdepartmental committee was formed and, together with the Performing Arts Committee, came up with some suggestions to expand Plaza programming. Suggestions were categorized into levels of staffing and funding resources needed from a high to low with estimated costs ranging from $10,000 to $500 per event. The following is a summary of Committee recommendations:

HIGH LEVEL OF STAFFING RESOURCES AND COST (ESTIMATED BETWEEN $5,000 AND $10,000)	
• Ethnic heritage festivals (i.e., Diwali, Chinese New Year)	• Host Center for the Performing Arts client galas
• Bands	• Theatre productions/performances
• Mountain View Homecoming Parade	• Jazz Festival
• New Year's Eve Ball Drop	• Skating rink
• Oktoberfest	• NASA Science Fair

MEDIUM LEVEL OF STAFF RESOURCES AND COST (ESTIMATED BETWEEN $1,000 AND $5,000)	
• Food trucks	• Artists' reception
• Car dealership exposition *(load capacity of Plaza needs to be verified)*	• Video game competition (teens)—on large screen
• Astroturf—golf/badminton	

LOW LEVEL OF STAFF RESOURCES AND COST (ESTIMATED BETWEEN $500 AND $3,000)	
• Tables/chairs/umbrellas—create conversation nooks	• Beer/wine service provided by Bean Scene
• Tai chi	• Large chess board
• Business displays	• Acoustic music
• Zumba exposition	• Jazz music during lunchtime or on Fridays
• Jazzercise exposition	• City committee-/commission-sponsored events (i.e., Youth Advisory Committee or Visual Arts Committee)
• Square dance group	• City-sponsored contest on use of Plaza space

THINGS TO CONSIDER
• Parking issues
• Center for the Performing Arts conflicts—events may have to take place during lunchtime so as not to conflict with Center for the Performing Arts or City events
• Ingress/egress of pedestrians with events
• Council Policy H-4
• Commercial/for-profit use of the Plaza is not allowed by Council Policy
• Use permit fee of $135 per event/liability insurance requirement
• Recreational events are not covered by the City's insurance.

Next Steps—Plaza Use

Staff proposes purchasing chairs/tables and umbrellas that can be placed in the Plaza to create conversation nooks and encourage passive use. Staff also recommends providing noontime music the first Friday of each month and scheduling a "low-level" event each quarter. Staff also proposes holding a contest for residents to come up with the best ideas for the use of the Plaza and offer two to four winners small grants to support the event. Cost is estimated at $12,000.

Council Policy on Plaza Use

Council Policy H-4, updated in 1993, provides guidelines on the use of the Plaza (Attachment 6—Council Policy H-4—Use of Civic Center Plaza). The Policy states that, other than City use and free speech, the Plaza can only be used by nonprofits or civic

organizations. The Policy also requires a $135 application fee and full cost recovery for City-provided services, insurance, and the submission of a postevent financial statement. In Fiscal Year 2011-12, there were no paid applications for use of the Plaza and one application each year in the two years prior. The Plaza was used for City-sponsored events, free speech, and in conjunction with the Center for the Performing Arts events.

Should Council wish to increase use of the Plaza by the public, Council may wish to consider suspending or amending the current policy to allow for commercial use. Council may also want to consider lowering or waiving the application fee and providing a building attendant for Plaza events.

RECOMMENDATION

1. Direct the Performing Arts Committee to include a review of any additional information requested by Council to its work plan for Fiscal Year 2013-14.

2. Provide direction to staff on whether to seek additional community input. If facilitated focus groups are desired, direct staff to add $5,000 for consulting assistance.

3. Consider extending the current Home Company contracts to a five-year term.

4. Provide direction to staff on whether or not Council desires any changes to the Home Company selection process, including the interim criteria used for the MVCPA 2013-14 season's Primary Booking process.

5. Consider including a $7,600 appropriation to the Community Services Department for increased marketing for the SecondStage theatre. Also, provide direction to staff on whether the Council wishes to evaluate additional SecondStage fee decreases.

6. Endorse staff's suggestions for the use of the Plaza and direct staff to include a $12,000 appropriation to the Community Services Department for the programming of the Plaza for Fiscal Year 2013-14.

7. Request that staff update the Plaza Use Policy (H-4) to allow for commercial use.

NEXT STEPS

Staff will return to the Performing Arts Committee or to Council with follow-up information as requested during this Study Session.

PUBLIC NOTICING

In addition to agenda posting, staff notified the Performing Arts Committee, Home Companies, all clients who have booked MVCPA since July 2009, and community members who have expressed an interest.

WSW-JPDLM/RK/5/CAM
214-04-30-13SS-E

Attachments:

1. Study Session Memorandum, October 9, 2012 Center for the Performing Arts Study Scope of Work
2. Memorandum to Council, November 29, 2012, Center for Performing Arts—History and Financial Background
3. Client Survey Data for Fiscal Year 2011-12
4. Council Staff Report, October 9, 2012, Nova Vista Symphony Request for Home Company Status
5. City Manager Weekly Notes—Center for the Performing Arts Primary Booking Recap
6. Council Policy H-4—Use of Civic Center Plaza

Attachment 2

CITY OF MOUNTAIN VIEW

MEMORANDUM

Community Services Department

DATE: November 29, 2012

TO: City Council

FROM: Rochelle Kiner, Senior Administrative Analyst
W. Scott Whisler, Performing Arts Manager
J.P. de la Montaigne, Community Services Director

VIA: Daniel H. Rich, City Manager

SUBJECT: Center for the Performing Arts—History and Financial Background

PURPOSE

The purpose of this memorandum is to provide the historical and financial background on the Center for the Performing Arts as requested by Council at the October 9, 2012 Study Session.

BACKGROUND

On October 9, 2012, Council reviewed the proposed scope of work for the study on the Center for the Performing Arts (Center), including a list of topics for Council to consider for inclusion in the study. After providing input on the scope of work, Council requested that staff provide a three-step/phase response back to Council.

Phase 1: Provide a memo with existing data on the history and financial status of the Center;

Phase 2: Schedule a Study Session in early spring 2013 to analyze alternative operating models, review comparison of other theaters, and provide options for the use of the Plaza space; and

Phase 3: Solicit community input and have City Council articulate a desired model and goals for each stage and space and how each relates to cost recovery.

As a follow-up to the Nova Vista Symphony request for Home Company status, on December 4, Council will be considering proposed interim selection criteria that

outlines a process that would allow smaller companies to be given priority scheduling in time for the January 2013 booking cycle. The results of this change to the booking process will be discussed when staff returns in early spring.

Historical Background

The Center opened in 1991 and attracts between 118,000 and 170,000 visitors to the downtown each year. The Center offers diverse, high-quality performances, supports local arts groups who do not have the resources to produce on their own, and introduces youth to the performing arts through children's programs and performance opportunities.

Center facilities include MainStage, a 600-seat theater; SecondStage, a "black box" theater featuring flexible seating for 150 to 200 people; ParkStage, a small outdoor amphitheater that can seat up to 300 people; the Center Lobby which serves both indoor theaters; a Rehearsal Studio and production support spaces, including control rooms, a scenery repair shop, a costume shop, a green room, and dressing rooms; and offices for the Performing Arts Division staff. The Center also includes the Bean Scene Café, which is leased by the City to an independent operator, and the outside Plaza.

The Center operates on a rental basis. Client organizations contract with the Center for performance and rehearsal dates and for ticketing, audience, and technical services. The Center does not "produce" (defined as paying for and controlling all aspects of putting a performance together and retaining all ticket proceeds), and it does not "present" (defined as paying someone else to put together the performance and retaining ticket proceeds or splitting proceeds by formula with the producer). The Center also does not control production content or quality, except to the degree that it provides quality in-house technical and audience services.

Home Companies

The concept of Home Companies was approved by Council and was developed as a marketing strategy for the newly opened Center to boost bookings, guarantee a minimum usage, and capitalize on the audience base already built by established organizations. Home Companies at present (TheatreWorks and Peninsula Youth Theatre) contract with the City for a predetermined period of time and receive priority booking status. Of the 348 scheduled performances at the Center in 2011-12, 71 percent are contracted by the two Home Companies and account for $570,500 of revenues (61 percent of revenue received in the Center's 2011-12 season).

TheatreWorks is a professional theater company with a national reputation for high-quality production of new plays and provides a loyal audience base along with an important revenue stream for the Center. Peninsula Youth Theatre is a community-based educational theater group which generates less revenue, but provides learning and performance opportunities for hundreds of youth each year through stage performances, school drama programs, and summer camps.

A review of the Home Company process and criteria will be part of the study brought back to Council in spring 2013.

Rate Structure

The Center's rate structure is a two-tiered system with rates based on a percentage of gross ticket sales and/or a minimum base rental fee. (Home Companies and Nonprofits pay the minimum base fee or a percentage of gross ticket sales, whichever is greater. Commercial users pay the minimum base fee plus a percentage of gross ticket sales.) The ability to retain a percentage of gross sales provides the potential for increased Center revenue over and above the minimum base fee and is predicated on the success of the individual client's production. At no time does the City receive less than the minimum base fee. The minimum base fee is reviewed periodically and regularly adjusted for inflation as a means to help recoup the Center's operating costs.

The minimum base rates are different for each category of renter (Home Company, Nonprofit, and Commercial) at each of the three theaters. The range of Fiscal Year 2012-13 base fees are provided below:

	Home Company	Nonprofit	Commercial
• MainStage	$575/$875	$1,200/$1,500	$1,725
• SecondStage	$185	$375	$900
• ParkStage	$185	$375	$900
• MainStage Rehearsal/Technical	$75/hr.	$120/hr. to $150/hr.	$170/hr.
• SecondStage Rehearsal/Technical	$19/hr.	$40/hr.	$90/hr.

The percentage of gross ticket sales is negotiable for each contract within a range established by Council. That range is between 10 percent and 20 percent for nonprofit organizations and from 15 percent to 50 percent for commercial users. Schools receive the Nonprofit rate. Home Company percentages are negotiated and established for the entire contract period.

Booking Structure

Home Companies receive priority booking by contract. In recent years, staff has limited the "extensions" given to TheatreWorks in order to free up days for use by other companies. After Home Company dates are confirmed, requests from non-Home Company users are added to the calendar with priority given to requests for full-week runs, then for progressively shorter runs until finally, single-day requests are filled in. Remaining dates, if any, are available on a first-come, first-served basis throughout the year. This model prioritizes cost recovery as the longer shows have more days of rental and more total tickets sold, generally larger audiences, and, thus provide a higher level of cost recovery than smaller shows that generally have only one- or two-day performances.

In the Center's 2011-12 season, the Center has booked 419 use days (for all stages). A "use day" is defined as a day the theater is in use and can include any number of activities such as performances, rehearsals, technical work, or a combination.

Below is a breakdown of the revenues by fee category for the 2011-12 season. Please note that revenues are presented by booking season and may not correspond exactly to the City's fiscal year.

Fee Category	MainStage Revenue	SecondStage Revenue	ParkStage Revenue	TOTAL	%
TheatreWorks	$415,861	$ 4,241	$ -0-	$420,102	45
Peninsula Youth Theatre	128,333	19,127	2,895	150,354	16
Nonprofit	261,207	27,775	445	289,427	31
Commercial	61,799	2,260	-0-	74,059	8
TOTAL	$867,200	$63,403	$3,340	$933,942	
Total Use Days	340	69	10	419	

Bookings for the MainStage have increased steadily over the years, going from 326 use days in Fiscal Year 2002-03 to 340 in Fiscal Year 2011-12. Bookings for SecondStage have varied over the same time period, going from a low of 51 use days in Fiscal Year 2009-10 to 69 in Fiscal Year 2011-12. Factors limiting use and stability of bookings for SecondStage include the small seating capacity, which limits revenue potential for

users, and lack of independent support space, which makes it difficult to use SecondStage simultaneously with MainStage or ParkStage. There is currently an unscheduled Capital Improvement Program construction project to address these design constraints which is anticipated to increase SecondStage usage and, therefore, its revenue stream. The estimated cost of this project is $3 million.

Programmatic Mix

When the Center was established, the Center's Master Plan (1989) recommended a programmatic mix of:

- 50 percent Programming by Bay Area professional organizations and Home Companies
- 25 percent Programming by community organizations based in Mountain View
- 25 percent Programming by touring artists and attractions

The intent of the original mix sought to balance the Center between community-based organizations and local artists with Home Companies and commercial organizations. The Center for Performing Arts Council Ad-Hoc Committee encouraged flexibility in the mix, however, stressing utilization of the Center as a priority. The programmatic mix has evolved over time and more recently, the Center has focused its efforts on cost recovery and moved away from a mix goal.

Over the last several years, the Center no longer tracks programmatic mix but rather has established three rate structures: Home Companies, Commercial, and Nonprofit. Under the current classification system, touring artists and community organizations that are not a recognized 501(c)(3) are considered Commercial in the rate structure. This has limited the number of bookings for smaller performances because of the costs. In an effort to support local artists and to increase utilization of the SecondStage theater, staff recommended and Council approved applying a nonprofit rate to individual bookings (self-produced theater, dance, or comedy) in SecondStage.

The current schedule for the 2013 calendar year shows the following mixture of groups utilizing the Center:

Theater 82% (TheatreWorks, PYT, Lamplighter's Music Theatre)

Dance 15% (Smuin Ballet, San Jose Ballet, Western Ballet, Bayer Ballet Company, Flamenco Society of San Jose)

Music 2% (Lamplighter's Music Theatre; Nova Vista Symphony; Oakland Interfaith Gospel Choir, Inc.; Josh Friedman Guitar; Dharma Drum Mountain Buddhist Association)

Other 1% (Peninsula Open Space Trust; Alcatel-Lucent; Bloom Energy; First Church of Christ, Scientist)

Each January, groups submit their requests for the performance schedule for the year. There were a total of 34 requests for MainStage dates from 22 different clients representing 265 performances. Staff reviews these requests and, through negotiation with the clients of conflicting dates, tries to meet all the requests to maximize the theaters' usage. Last year, 74 percent of requests were filled.

The schedules below show the list of renters from the previous year Primary Bookings, which includes the number of renters, days used, performances held, and number of tickets sold, as well as the current year Primary Bookings with days used and performances.

OCTOBER 2011 THROUGH SEPTEMBER 2012			
Renters	**Days Used**	**Performances**	**Number of Tickets Sold**
TheatreWorks	195	155	48,058
PYT	99	90	22,787
Smuin Ballet	21	18	7,043
San Jose Ballet	10	10	4,691
Western Ballet	7	5	1,944
Peninsula Open Space Trust	4	4	1,658
Lamplighters Music Theatre	5	3	1,496
Bayer Ballet Company	6	2	1,038
Theatre Flamenco	2	2	337
Warren Miller Entertainment	1	1	464
Oakland Interfaith Gospel Choir	1	1	453
Schola Cantorum	1	1	442
Total	**352**	**293**	**90,411**

OCTOBER 2012 THROUGH SEPTEMBER 2013		
Renters	**Days Used**	**Performances**
TheatreWorks	221	173
PYT	98	87
Smuin Ballet	21	18
San Jose Ballet (Pacific Ballet Academy)	11	10
Lamplighters Music Theatre	11	5
Western Ballet	7	5
Peninsula Open Space Trust	4	4
Bayer Ballet	6	3
Nova Vista Symphony Association, Inc.	3	2
Flamenco Society of San Jose	1	1
Oakland Interfaith Gospel Choir, Inc.	1	1
Schola Cantorum	1	1
Theatre Flamenco	1	1
Total	**386**	**311**

Groups that were unable to secure some or all of their Primary Booking requests in these two years include The Harmonic Chorus, Mountain View High School Chorus, Nova Vista Symphony Association, Western Ballet, Peninsula Ballet Theatre, Bayer Ballet Company, Rainbow Phoenix Performing Arts Company, Azahar Dance Foundation, Warren Miller Entertainment, Menlowe Ballet, Theatre "You," Duquesne University Tamburitzans, and Carmel Records.

Stage Utilization

In order to provide a visual representation of the use of MainStage, staff has plotted the use of this theater by color in a priority format. Performances are given the highest priority in this representation, followed by meetings, rehearsal days, load in/load out, and dark days. This priority is based on the highest to lowest revenue potential (Attachment 1—CPA 2012 Calendar). Load in/load out days are the days in which a client is moving equipment and/or scenery and dark days are those days within a performance run that are "dark," or not in use, but still reserved and paid for by the client. Even though only one color has been assigned for each day, there may be multiple bookings represented. This is only a snapshot of the use of this theater in 2012 and does not correspond to the City's fiscal year or the Center's booking season.

The table below provides more detail on the use of each of the theaters in 2012. All of the categories listed below represent revenue coming in to the Center. While MainStage is relatively full, there is still capacity for additional bookings in SecondStage and ParkStage Theaters. Staff is currently looking at ways to increase the utilization of these two theaters, including applying the Nonprofit fee structure to individual performing arts bookings in the SecondStage Theater to encourage emerging artists. Even if a stage is being used, staff evaluates each potential booking to determine if the stage has the capacity to book multiple events simultaneously to maximize utilization and cost recovery.

	MainStage	**SecondStage**	**ParkStage**	**TOTAL**
No. of Performances	237	56	8	301
No. of Performance Days	179	36	8	223
Other Rentals/ Meetings	7	18	0	26
Rehearsals	96	9	0	105
Load In/Load Out	34	4	0	38
Dark Days	24	0	0	24

Staffing

Over the past 10 years, staffing levels have decreased at the Center, going from 10.50 full-time employees (FTEs) in Fiscal Year 2002-03 to 9.25 FTEs in Fiscal Year 2011-12. (Staffing reductions were in management and professional classifications.) During the same period, the number of events at the Center has increased from 517 to 744. Also, the amount of revenue has increased 78 percent during the same period, going from $648,400 to $1,155,300. Attachment 2 provides a current organizational chart for the Center and Attachment 3 provides a brief description of job responsibilities for each of the managers and supervisors at the Center.

Financial

Center revenue is derived from the following fee categories: Base Fees (including rehearsal hour fees); Percentage of Gross Ticket Sales; ticket-based fees or service charges, including Facility Use Fees (fees charged to cover a portion of facility overhead) and other per-transaction charges; labor charges; sale of advertising in Preview Magazine; and lease revenue from the Bean Scene Café. In addition, there are occasional grants and donations.

The following table shows the breakdown of Center revenue in Fiscal Year 2011-12:

Base Fees	$ 382,554	33%
Percentage of Gross	135,641	12%
FUF and Other Ticket-Based Fees	294,275	25%
Charge-Back Labor (Technical, Audience Services, Tickets)	268,075	23%
Ad Sales (Preview)	29,295	3%
Bean Scene Café Lease	40,508	4%
Other	4,904	<1%
Total	$1,155,295	100%

Percent of Cost Recovery

The following table illustrates Center revenues, expenditures, General Fund subsidies, and percentage of cost recovery over the City's last 10 fiscal years:

Fiscal Year	Total Revenue	Total Expenditures	General Fund Subsidy	% of Recovery
2002-03	$648,442	$1,088,834	$440,392	59.5%
2003-04	$636,311	$995,973	$359,662	63.8%
2004-05	$830,363	$880,197	$49,834	94.3%
2005-06	$878,515	$982,624	$104,109	89.4%
2006-07	$991,825	$1,084,668	$92,843	91.4%
2007-08	$926,130	$1,176,571	$250,441	78.7%
2008-09	$946,857	$1,209,311	$262,454	78.3%
2009-10	$954,122	$1,227,665	$273,543	77.7%
2010-11	$1,018,431	$1,232,625	$214,194	82.6%
2011-12	$1,155,295	$1,276,440	$121,145	90.5%

Cost recovery is based on direct operational costs only and does not include City-wide administrative overhead fees. Similar to other departments in the City (i.e., Community Development Department, Library, Police/Fire, etc.), facility maintenance and utility costs are also not included. Some building maintenance is performed by the Center as it relates to providing technical services and is included in costs of Center operations.

New Local Theaters

Since the Center opened in 1991, the market has become much more competitive as various theaters of comparable size have opened around the South Bay. These include

theaters with approximately 400 seats at Mountain View High School, Los Altos High School, Menlo-Atherton High School, Foothill College, De Anza College, Ohlone College, and the Oshman Family Jewish Community Center in Palo Alto. Other theaters that directly compete with the Center and have seating capacity near the Center's MainStage capacity of 600 include the Mexican Heritage Plaza in San Jose, San Jose Repertory Theatre, Campbell Heritage Theatre, Dean Lescher Regional Center for the Arts, and St. Francis High School. All of these theaters are available for rent.

NEXT STEPS

Return to City Council in a Study Session in early spring to review various operational models, including comparisons to other theaters, and consider options for use of the Plaza.

Based on direction from the City Council Study Session, staff will solicit community input and return with a recommended operating model and goals for each Center stage related to cost recovery and uses for the Plaza space.

RK-WSW-JPDLM/7/CSD
240-11-20-12M-E

Attachments:
1. Center for the Performing Arts Calendar—MainStage
2. Center for the Performing Arts Organizational Chart
3. Center for the Performing Arts Descriptions of Manager/ Supervisor Positions

Period = 2011-12												
Total Client Responses	18		% of responses that are not "Not Applicable"									
			Outstanding		Very Good		Satisfactory		Unsatisfactory		Not Applicable	
	#	%	#	%	#	%	#	%	#	%	#	%
New Clients	1	6%										
Overall Experience			7	44%	8	50%	1	6%	0	0%	0	0%
PRE-EVENT:												
Booking			10	59%	7	41%	0	0%	0	0%	1	6%
Marketing			6	55%	5	45%	0	0%	0	0%	7	39%
Ticketing			5	50%	4	40%	1	10%	0	0%	8	44%
Technical			11	61%	7	39%	0	0%	0	0%	0	0%
DAY OF EVENT:												0%
House Manager			12	71%	5	29%	0	0%	0	0%	1	6%
Ushers			12	71%	5	29%	0	0%	0	0%	1	6%
Ticket Manager			7	64%	4	36%	0	0%	0	0%	7	39%
Ticket Staff			7	58%	5	42%	0	0%	0	0%	6	33%
Fac Sup			11	65%	6	35%	0	0%	0	0%	1	6%
Tech Staff			11	65%	5	29%	1	6%	0	0%	1	6%
Performance Space			11	65%	6	35%	0	0%	0	0%	1	6%
Available Equipment			10	59%	6	35%	0	0%	1	6%	1	6%
Support Facilities			11	69%	5	31%	0	0%	0	0%	1	6%
Value of service provided			10	59%	7	41%	0	0%	0	0%	1	6%
Quality of facilities			11	65%	6	35%	0	0%	0	0%	1	6%

	Front of House		Marketing		Ticketing		Tech Services	
	#	%	#	%	#	%	#	%
Which was most valuable?	4	22%	5	28%	3	17%	6	33%
	Better		The Same		Worse		Not Applicable	
	#	%	#	%	#	%	#	%
Compared to other facilities?	11	73%	4	27%	0	0%	0	0%

	Price		Size of Hall		Appearance		Equipment		Location		Reputation		Services	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Qualities that were instrumental in your decision to book the center:	0	0	10	56%	1	6%	0	0	14	78%	4	22%	4	22%

	% of responses that are NOT "Not Applicable"									
	Extremely Valuable		Very Valuable		Valuable		Not Valuable		Not Applicable	
	#	%	#	%	#	%	#	%	#	%
Marketing Vehicles										
Preview Magazine	5	63%	1	13%	2	25%	0	0%	7	39%
Telephone Information Hotli	3	43%	3	43%	0	0%	1	14%	7	39%
Web Site Event Listing	4	44%	2	22%	3	33%	0	0%	6	33%
The View Calendar of Events	4	50%	3	38%	1	13%	0	0%	7	39%
Marquee Listing	4	50%	3	38%	1	13%	0	0%	5	28%

Attachment 5

CITY OF MOUNTAIN VIEW

MEMORANDUM

Community Services Department

DATE: March 29, 2013

TO: Daniel H. Rich, City Manager

FROM: W. Scott Whisler, Performing Arts Manager
J.P. de la Montaigne, Community Services Director

SUBJECT: **City Manager Weekly Notes—Center for the Performing Arts Primary Booking Recap**

The following excerpt was included in the City Manager's weekly notes to Council on March 29, 2013.

PRIMARY BOOKING FOR THE 2013-14 SEASON

Primary Booking is substantially complete for the 2013-14 season at Mountain View Center for the Performing Arts. All performance dates have been verbally confirmed, about half of the contracts and estimates have been generated, signed contracts have begun to trickle in, and (most important operationally) Secondary Booking requests are being processed as they come in.

Booking was more challenging than in previous years for a couple of reasons. There was an increase in requests for one- or two-day bookings that are difficult to include (as discussed in City Council meetings on October 9 and December 4, 2012). And the holiday calendar shifted, leaving one fewer weekend between Thanksgiving and the start of the schools' holiday breaks. Staff concentrated on negotiating shared weeks and other solutions to accommodate as many requests as possible while giving preference to clients who have worked with the Center for more than 10 years as instructed by City Council.

The 10-year guideline was not applicable this season because date conflicts arose between clients with 20- and 22-year histories at the Center and between clients with no history or a short history at the Center. It may still prove useful in the future and has been incorporated into staff booking guidelines. The genre-based guideline was useful in a couple of instances, leading to the negotiated shared weeks noted above.

A new strategy was employed to open dates for additional bookings by renegotiating Home Company dates that had already been confirmed in the previous booking cycle. This skewed the process and statistics slightly by altering the date parameters and creating a 379-day booking year, but it resulted in 10 additional performances, including a new client booking the MainStage at commercial rates to produce a PBS special. This new process will also be incorporated into the Primary Booking process in the future.

Home Company requests were reduced by two weeks and 10 performances because Peninsula Youth Theatre has decided to move a young children's summer production off the MainStage. This summertime production had moved from Palo Alto's Cubberly Center as an experiment in 2012. The two July weeks that this reduction made available were offered to every client who had requested dates that were not available, but none were interested. Staff will continue to try selling these dates in the coming year.

Here are the final numbers for the 2013-14 Primary Booking process:

	Requested	**Booked**
Use Days	388	362
Performances	334	307
Rehearsal Days	114	109
Arrangements	54	49

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