



MEMORANDUM

Community Services Department

DATE: October 21, 2020

TO: Performing Arts Committee

FROM: Noelle Magner, Business Manager
Scott Whisler, Executive Director

SUBJECT: Fiscal Year 2019-20 Annual Review for Home Company Theatreworks

BACKGROUND

TheatreWorks Silicon Valley (TheatreWorks) and City of Mountain View (CITY) are under a Home Company Agreement. Terms of this agreement include an annual review meeting; designed to ensure the terms of the agreement are being met by both TheatreWorks and CITY; to discuss sales, fees, rates and use days; to discuss any concerns or issues that might be unresolved; and to discuss new ideas that could benefit both organizations. Performing Arts Center staff will provide an overview of ticket sales, total expenses, usage days and current rates. The meeting is also an opportunity to highlight the many and varied benefits that TheatreWorks brings to our community through various outreach programs, their participation in PAC-sponsored events and their patrons supporting our downtown businesses in return for the reduction in fees and booking priority afforded by their Home Company status. TheatreWorks will provide a summary of outreach efforts for the 2019-20 Season in addition to their IRS 990 for 2018.

Home Company status requires TheatreWorks to perform a minimum of six performances, offer at least three different titles, and perform at least 50 percent of their annual season ticketed performances at the Mountain View Center for the Performing Arts (MVCPA) and TheatreWorks far exceeds those requirements. The company must also identify itself as a Mountain View Home Company in appropriate publicity, meet minimum outreach requirements and allow MVCPA box office to sell all single tickets and handle subscription ticket exchanges, while TheatreWorks manages and sells initial

season subscriptions. Payments for balances owed CITY are due on all invoices within 30 days of the final reconciliation. TheatreWorks is given Home Company status, which provides priority booking during Primary Booking season, a streamlined contract process, and a unique fee structure. The agreement benefits each organization and meets the MVCPA program functions of providing entertainment, education, and community outreach opportunities. The contract also preserves and protects dates historically used by Home Companies as well as by other organizations during the primary booking process.

In 2009-2010, CITY agreed to allow TheatreWorks to own and operate their own ticketing system, Tessitura, apart from the CITY ticketing system, as long as TheatreWorks made CITY whole in revenue. That particular agreement is separate from the Home Company agreement and allows for TheatreWorks to sell their subscription tickets but still requires that CITY handles all single ticket sales. The annual fee associated with this agreement covers some of the revenues previously collected by CITY for TheatreWorks use of its ticket system plus the loss of some internet ticket sales fees.

ANALYSIS

During this fiscal year the Mountain View Center for the Performing Arts was greatly impacted due to the ongoing public health crisis of Covid- 19. To ensure the safety of our patrons, clients and staff the performing arts center shut down on March 15, 2020 and has not reopened. This included cancellation of two TheatreWorks productions as well as smaller events, for a total of seventy-six cancelled performances. The accompanying summary and analysis is based on the data from their reduced season.

Even with the cancellations TheatreWorks performed more performances and titles than are required by the Home Company Agreement. They also continued to contribute a large portion to the MVCPA annual revenue Their use of MainStages constitutes about 60% of the total MainStage use days at the Mountain View Center for the Performing Arts.

In past years TheatreWorks has provided community outreach at MVCPA through student matinees during appropriate events and by providing high school students an opportunity to participate in the Young Playwright's project. During the last fiscal year TheatreWorks performed three student matinees. It is significant to note that TheatreWorks did not provide any Young Playwright opportunities like in previous years. We are proud to work with TheatreWorks to grow our audiences, reach a broad



community with a variety of professional shows and also meet each of our mission goals.

Total ticket sold for fiscal year 2019-20 events were 42,639. Gross ticket sales amounted to \$3,282,967.30. This reduction is due to the cancellation of two of their productions.

Over this past fiscal year, TheatreWorks has made large payments to the CITY to ensure there is no outstanding balances owed to the CITY. As of June 30, 2020, the end of the fiscal year 2019-20, TheatreWorks once again ended the year with no outstanding balance. It is significant to note throughout the fiscal year TheaterWorks also made a great effort to continue to pay all of the bills in a timely fashion reducing their number of late fees to only one late fee. The CITY is pleased with the TheatreWorks and their continued efforts to ensure all accounts are kept current.

This past year TheatreWorks has taken steps to be more consistent in identifying themselves as a Mountain View Center Home Company on their marketing materials. Performing Arts Center staff is pleased to say the channels of communication has continued to improved during fiscal year 2019-20. Many of TheaterWorks marketing materials still continue to direct patrons solely to the TheatreWorks website and the phone numbers for purchasing single tickets as well as subscriptions. This has resulted in a significant decline to the CITY's service charge revenue over the past seven years. This decline prompted a fee increase on single tickets, from \$0.50 to \$1.50 per single ticket sold by TW when their total sales exceed 50% of total capacity.

As we head into fiscal year 2020-21, Staff is beginning to draft a new contract. The new agreement will potentially provide for a 5-year renewal option.