

DATE: October 3, 2024

TO: Performing Arts Committee

FROM: Theresa Yvonne, Performing Arts Manager
Kristine Crosby, Assistant Community Services Director

SUBJECT: **Revisions to the Home Company Program**

RECOMMENDATION

The Performing Arts Committee's Home Company Program Ad Hoc Committee recommends the following modifications to the existing Home Company program:

1. Update the title of the program from Home Company to Resident Company; and
2. Limit Home Companies to rent the MainStage to three productions a season; and
3. The maximum number of consecutive weeks to four; and
4. Adjust the number of consecutive weeks reserve based on 65% of capacity sold the previous season; and
5. Community Services Department staff will monitor all future modifications of the Home Company program with guidance from the Performing Arts Committee and incorporate any modifications during the renewal process of Home Company agreements.

BACKGROUND

The Mountain View Center for the Performing Arts (MVCPA) opened in 1991 and currently attracts up to 75,000 patrons to the downtown annually. The MVCPA offers performances by three Home Companies and numerous local arts organizations, ranging from community organizations to regional production companies.

The MVCPA venue includes MainStage, a 600-seat theater; SecondStage, a black box theater featuring flexible seating for 150 to 200 patrons; ParkStage, a small outdoor amphitheater that can seat up to 250 people; the Lobby that serves both indoor theaters; and a Rehearsal Studio and production support spaces, including a scene shop, a costume shop, green room and dressing

rooms, and offices for the Performing Arts Division staff. The MVCPA also includes the Bean Scene Café, leased to an independent operator.

Facility Rental Program

The MVCPA operates on a rental basis, and the facility's renters are considered clients. Clients contract with the MVCPA for rehearsal and performance dates, ticketing services to their patrons, and technical services for the production. The MVCPA does not "produce," which is defined as paying for and controlling all aspects of design and production elements for a performance and retaining all ticket proceeds. The MVCPA also does not "present," defined as paying someone else to produce the production and retaining ticket proceeds or splitting proceeds with the producer. The MVCPA does not control artistic content or quality, except that it provides quality in-house technical and ticketing services to support clients.

A Primary Reservation process occurs every fall for the following October-through-September season, and the facility is typically booked 18 months in advance. All stages, MainStage, SecondStage, and ParkStage, are considered in the Primary Reservation process. Home Companies receive priority access to dates, and following Home Companies, City staff follow a priority process outlined in the memo in response to the City Council Study Session, February 23, 2010. The MainStage is the most requested space at the MVCPA, with 52% of the dates reserved by Home Companies and the remainder reserved by nonprofit organizations. In 2022, recovering from the pandemic, the MVCPA turned away four requests for the MainStage during the Primary Reservation process, and in 2023, MVCPA turned away 12 requests, several from new clients eager to use the venue.

Home Company Program

A Home Company program has been in place since the facility's opening, with the first formal agreements with Home Companies approved by the City Council on [August 25, 1992](#). Home Companies are local arts organizations that provide over one-half of the performances held at the MVCPA annually (currently 52% of the MainStage use). The concept of Home Companies was initially developed as a mechanism to monitor the quantity, quality, and diversity of programs at the MVCPA without the City having to bear the financial or artistic responsibility. These partnerships provide an ongoing base of quality programs while bringing established audience and public recognition with them. In return, these companies receive priority access to dates to schedule performances in exchange for a rental fee. The fee is paid from a combination of a percentage of their gross ticket sales and direct reimbursement of extra staff, extended hours, and equipment rentals, which, in turn, is used by the City to offset a portion of the MVCPA's annual operating costs.

The City Council has reviewed the Home Company program every three to five years since 1991 to approve new agreements with companies and to approve modifications to the program

itself. TheatreWorks Silicon Valley (TWSV) and Peninsula Youth Theatre (PYT) have held Home Company status since 1992 and 1997, respectively. In 2018, the program expanded to include a Home Company for SecondStage, Upstage Theater (Upstage).

TWSV was founded in 1970 and is in its 54th season, producing a variety of contemporary plays and musicals. TWSV has been a Home Company with the City since 1991. TWSV produces six productions annually, four of which are performed at the MVCPA. Each production uses five weeks, equating to 50% of the available dates on the MainStage.

PYT, a youth theater company, was founded in 1992 and became a Home Company in 1997. PYT produces two to three productions on the MainStage annually, which is 2% of the available dates for the MainStage, and seven shows on the SecondStage each season. In addition, PYT uses the ParkStage, providing classes and camps through the Recreation Division under a separate professional services agreement.

Upstage Theater was founded in 2015 and is currently in its 14th season. It is an independent teen-run theater company that provides local Bay Area teens with opportunities to develop theatrical skills in acting and production work. Upstage Theater is the newest addition to the Home Companies and strictly uses SecondStage.

Home Companies receive priority reservations by contract. Their reservations are confirmed in January for the following October through September. After Home Company dates are confirmed, requests from non-Home Company clients are added to the calendar in a Primary Reservation process.

On December 4, 2012, Council also directed priority be given to companies that have been appearing at the MVCPA for more than 10 years over newer companies. This preference for longevity has proven helpful in resolving conflicts for dates in recent seasons.

Staff anticipated bringing an update on the Home Company program to the City Council in 2020, coinciding with the expiration of the Home Company agreements. However, due to the pandemic and staff transitions within the Community Services Department, this item was delayed. In addition, the Performing Arts Committee (PAC) identified on their Fiscal Years 2022-23 and 2023-24 Work Plans an ongoing work item to review the Home Company program by evaluating current operations and adoption of best practices from other regional venues and to review fair and equitable practices related to Home Company percentage of use, nonprofit use, and commercial use/diversity of touring artists.

ANALYSIS

As part of the PAC's annual work plan, the PAC reviewed and analyzed the current Home Company program. The PAC formed the Home Company Ad Hoc Committee (Ad Hoc Committee)

comprised of two members who met with staff regularly to discuss the current program's history and current structure and recommend changes to the existing program. Through this review process, the Ad Hoc Committee learned how much the Home Companies use the MainStage and how many potential clients are turned away each year during the Primary Reservation process. In addition to the Ad Hoc Committee, the full PAC participated in venue tours of nearby, similar venues to better understand industry standards and performance uses. Upon review of the types of uses of MainStage and how other theaters operate, the Ad Hoc Committee has a desire to increase the variety of the performances to bring diversity to the theater and attract new audiences to the MVCPA and downtown.

Benchmarking

To gain more knowledge of Home Company programs and to benchmark with similar venues, the PAC completed a benchmark comparison with four theaters that are similar in size and scope to the MVCPA—the Livermore Valley Arts in Livermore, the Leshner Center in Walnut Creek, the Grand Theater Center for the Arts in Tracy, and the Heritage Theater in Campbell. Most of the PAC visited the Bankhead Theater in Livermore on June 5, 2023, and the Leshner Center in Walnut Creek on July 13, 2023. During these Special Meetings, the PAC met with staff from each facility, received a tour, and learned more about each theater's operating model and resident company program. Attachment 1 compares each of these theaters with information on the size of the facility, number of theaters, number of events and performances, number of resident companies and their use, and additional details.

Two other theaters are physically closer to Mountain View but are not similar in their operations to the MVCPA—the Lucie Stern Community Theatre in Palo Alto with 300 seats and the Sunnyvale Theatre with 200 seats. The Lucie Stern Community Theatre was donated to the City of Palo Alto to allow the three resident companies, TheatreWorks Silicon Valley, Palo Alto Players, and West Bay Opera, to use the facility free of rental charges. Due to their expansive use, these are the only users/renters of the Lucie Stern Community Theatre. The other location is the Sunnyvale Theatre operated by the City of Sunnyvale. It is a single-theater venue with one resident company, the Sunnyvale Community Players. The use of this theater is a mix of city-run programs, Sunnyvale Community Players, and additional rentals. As both theaters are not similar in operating models or size to the MVCPA, they were not considered for comparison.

Through the review of surrounding theaters, the Ad Hoc Committee has observed several factors that shape the recommendations within this memorandum, related explicitly to the terminology of resident company and resident company use of the theater.

Terminology Update to Industry Standard

The MVCPA has historically called the relationship with TWSV, PYT, and Upstage as Home Companies. Through the review of industry standards and benchmarking of similar venues, it

was determined that the industry standard is to call these groups Resident Companies. A Resident Company is a group of performers, artists, or a production company that regularly performs at a particular venue, enjoying the benefits of a long-term association with that space. These companies have dedicated seasons, receive priority reservations, and provide support to the hosting venue through a partnership.

MainStage Rental Limits

As noted earlier in this memorandum, the MainStage is highly used, and several potential clients are turned away during the Primary Reservation process each year as there are no available dates to accommodate their request. The potential clients may be new or returning and often could offer additional diverse programming for the theater. Examples of potential clients the City has had to turn away in previous years are Osipova Ballet Academy, PAMPA Dance Academy, Melody Academy of Music, EnAct Arts, and Artists in Motion Bay Area; these groups varied from three days to two weeks in reservation requests. The Home Companies use the MainStage 52% of the year annually, leaving little time in the calendar for additional or new users. With other theaters, Home Companies are provided first choice of dates but typically have a limit of how many consecutive weeks they may book and/or a limit on number of general uses of specific stages.

To help open more dates for the MainStage during the Primary Reservation process, the Ad Hoc Committee recommends limiting Home Companies to a maximum of three productions per season with no more than four weeks per production. Companies may reserve fewer weeks or productions but cannot exceed these limits. Currently, TWSV reserves the MainStage for four productions per season, each lasting five weeks, while PYT reserves it for two to three productions per season at two weeks each. This recommendation may not impact PYT, but it would reduce TWSV's usage by one production and a total of eight weeks. This would result in eight weeks available to other potential clients during Primary Reservatopm, enhancing the diversity of performances on the MainStage. This change does not affect the use of SecondStage, nor would it impact PYT's scheduling there. TWSV does not currently use SecondStage but could do so if desired during the Primary Reservation process.

Additionally, the Ad Hoc Committee recommends evaluating each Home Company's theater occupancy rate and adjusting their access to MainStage reservations for the next Primary Reservation process accordingly. The suggested benchmark is a season average of 65% of theater seats sold. For example, if a Home Company averages 67% of seats sold over the season, they would maintain the ability to reserve up to four weeks per production in the following Primary Reservation process. However, if their average falls below 65%, their reservation limit would decrease to a maximum of three weeks per production the following season. If the Home Company improves their occupancy rate to exceed 65% for the following two seasons, they would be eligible to reserve up to four weeks per production in subsequent Primary Reservations.

Implementing limits of use on the MainStage for Home Companies could provide additional opportunities for different types of performances and new clients to reserve the MainStage. These recommended changes could result in five to eight number of weeks the MainStage may be available to other new or returning clients that could result in greater diversity of performances.

Operationally, MVCPA would continue to honor our 10-year-plus clients during the Primary Reservations as long as their average percentage for occupancy is above 65% for the previous two years.

Future Review of the Home Company Program

Since the MVCPA opened in 1991, the City Council has historically reviewed the Home Company program every three to five years. This regular review was necessary as the facility was new and the program was still evolving. Now in its 33rd year, the MVCPA has established itself as a prominent performing arts venue. While the recommendations outlined in this memorandum will still be presented to the City Council for consideration, the Ad Hoc Committee suggests that, going forward, staff from the Community Services Department (CSD) conducts a review of the Home Company program every five years. If adjustments are needed to address any unmet needs, staff will present recommendations to the PAC for evaluation. The City Council will continue to approve all Memorandums of Understanding (MOUs) with Home Companies, and any fee changes will be handled through the City's annual budget process.

Summary of Ad Hoc Committee Recommendations to the PAC

1. Update the title of the program from Home Company to Resident Company; and
2. Limit Home Companies to rent the MainStage to three productions a season; and
3. The maximum number of consecutive weeks to four; and
4. Adjust the number of consecutive weeks reserve based on the 65% of capacity sold the previous season; and
5. Community Services Department staff will monitor all future modifications of the Home Company program with guidance from the PAC and incorporate any modifications during the renewal process of Home Company agreements.

FISCAL IMPACT

By introducing limits to reserve the MainStage for Home Companies, the theater would be available to reserve by both nonprofit and commercial clients for an additional eight weeks annually. This may result in additional revenue of \$69,776 to \$108,976 annually.

The City is currently participating in a Citywide Master Fee Study. The consultant will review all fees, including the Home Company and the Center for the Performing Arts fees for the MVCPA, and may propose modifications to existing fees and/or the creation of new fees. At this time, staff does not recommend adjusting Home Company fees and instead recommends reviewing them through the Citywide Master Fee Study process.

NEXT STEPS

Following this meeting, staff will bring the PAC's recommendations to the City Council for consideration at a future meeting. If approved by the City Council, the recommended changes to the Home Company program may begin effective January 1, 2025. Staff will develop a Memorandum of Understanding for each Home Company for the City Council to approve by the spring of 2025.

PUBLIC NOTICING

Agenda posting. A copy of the report was sent to TheatreWorks Silicon Valley, Peninsula Youth Theatre, and Upstage Theater.

~~TY KC/AM/1/CSD~~
~~214-10-03-24M~~

Attachment: 1. Operating Models and Comparison—Performing Art Centers

cc: TheatreWorks Silicon Valley, Peninsula Youth Theatre, Upstage Theater