



COUNCIL REPORT

DATE: February 11, 2025

CATEGORY: Consent

DEPT.: Community Services

TITLE: **Performing Arts Home Company Review**

RECOMMENDATION

Approve the following changes to the Home Company program at the Mountain View Center for the Performing Arts and its review and administration:

1. Update the title of the program from Home Company to Resident Company;
2. Set the maximum number of weeks of use of the MainStage to 13 weeks per season with no more than five consecutive weeks per production;
3. Set the maximum number of consecutive weeks on SecondStage to six weeks per season;
4. Adjust the maximum number of consecutive weeks reserved for Home Companies renting MainStage based on 65% of capacity sold the previous season; and, if less than 65%, require a midseason report to the Performing Arts Committee; and
5. Delegate approval authority to the Community Services Director or designee on all matters, other than fee adoption and Resident Company agreements, relating to the Resident Company program review and administration with the advisement of the Performing Arts Committee, and incorporate any modifications for Council approval during the renewal process of Resident Company agreements.

BACKGROUND

The Mountain View Center for the Performing Arts (MVCPA) opened in 1991 and currently attracts up to 75,000 patrons annually. The MVCPA offers performances by three Home Companies (see below for more information on 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. The MVCPA is managed by the City's Community Services Department.

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 productions. 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 its clients.

A primary reservation process occurs every November for the following October-through-September season, and the venue is typically booked 18 months in advance each year. During the primary reservation process, clients are requested to submit their first, second, and third choice of dates for the following primary season. Staff calendars the Home Companies, returning clients, and new clients in that order to accommodate as many users as possible in a season.

Based on the City's current Master Fee Schedule, Home Companies receive a 48% discount from the nonprofit rate and nonprofit organizations receive a 50% discount from the commercial rate. All nonprofit clients, including Home Companies, are charged a flat fee or a percentage of gross ticket sales, depending on which is greater. Commercial Clients pay a flat fee plus 7% of ticket sales. Fees are also charged for equipment and labor costs associated with rental uses.

All stages, MainStage, SecondStage, and ParkStage, are considered in the Primary Reservation process. The MainStage is the most requested space at the MVCPA, with 52% of the primary dates reserved by Home Companies and the remainder reserved by mainly nonprofit organizations that produce performances such as the following long-standing clients: Smuin Ballet, Western Ballet, Lamplighters Opera, Oakland Interfaith Gospel Choir, and Nova Vista Symphony. In the previous three years, there have been one to two commercial clients. Commercial clients are businesses, organizations, or individuals that are not a nonprofit organization.

In 2022, during recovery from the pandemic, the MVCPA declined four requests for the MainStage after calendaring requests received during the primary reservation process. In 2023, MVCPA declined 12 requests, several from new clients eager to use the venue.

Home Company Program

A Home Company program has been in place since MVCPA's opening, with the first formal agreements with selected local arts organizations as Home Companies approved by the City Council on [August 25, 1992](#). 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 of producing or presenting programs. These partnerships provide an ongoing base of quality programs while bringing established audiences and public recognition. In return, these companies receive priority access to dates to schedule performances. Home Companies also pay applicable fees pursuant to the City's Master Fee Schedule, which are 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 1992 to approve new agreements with companies and to approve modifications to the program itself. The City Council last reviewed the Home Company Program and a proposed Home Company search process on October 25, 2016 in a joint Study Session with the Performing Arts Committee (PAC). At the meeting, it was decided to proceed with a SecondStage Home Company program and to review the current Home Company program in 2021 for implementation in 2023 upon concurrent expiration of the Home Company agreements. However, due to the pandemic and staff transitions within the Community Services Department, this item was postponed.

The PAC identified in their Fiscal Years 2022-23 and 2023-24 Work Plans an ongoing work item to review the Home Company program, including evaluating current operations, reviewing best practices from other regional venues and determining fair and equitable percentage of use by Home Companies, nonprofit local arts organizations, commercial organizations, and touring artists. **The goals of this review were to enable a robust and diverse schedule of programs and increase attendance and ticket revenue, strengthening the MVCPA's role as a vital attraction to Mountain View's downtown.**

Current Home Companies

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 another Home Company with Upstage Theater (Upstage).

TWSV, founded in 1970 and is in its 54th season, produces a variety of contemporary plays and musicals. TWSV typically produces six productions annually, four of which are performed at the MVCPA. Each production uses five consecutive weeks, for a total of 20 weeks, which equates to 50% of the primary program dates on the MainStage (primary dates exclude June, July, and August as well as closure dates in December). In Fiscal Year 2023-24, TWSV added a fundraising performance and one short run for two additional productions. The attendance for TWSV

programs (measured as the percent of seats sold) ranged from a low of 52% to a high of 93%, with an average of 63% for the 2023-24 season.

PYT, a youth theater company, was founded in 1992. PYT produces three productions on the MainStage annually, which is 2% of the primary dates for the MainStage. PYT also produces eight 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. PYT's highest percentage attendance was 90% and their lowest was 50%, with an average attendance of 74% for the 11 productions in Fiscal Year 2023-24.

Upstage Theater was founded in 2015 and is currently in its 14th season. It is an independent teen-run theater company that provides 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 uses only SecondStage. In Fiscal Year 2023-24, Upstage produced three productions and one fundraiser. Their highest percentage attendance was 83% and their lowest was 50%, with an average attendance of 69% for the season.

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 the Primary Reservation process.

ANALYSIS

As part of the Fiscal Year 2022-23 PAC Work Plan, the PAC, in its advisory role, was charged with reviewing and making recommendations for revisions to the Home Company program. At the [March 13, 2023](#) meeting, the PAC created the Home Company Ad Hoc Committee (Committee) to review the Center's usage and Home Company program.

The Committee and City staff met for approximately one year to review the Home Company Program and form recommendations for the PAC to consider. The Committee had approximately 20 meetings with staff, and the full PAC visited the Livermore Valley Arts, Bankhead Theater in Livermore in June 2023, and the Leshner Center for the Arts in Walnut Creek in July 2023 to learn more about other operating models and their Home Company programs. In Committee meetings, staff presented the current model and history of the Home Company Program, provided attendance reports for all productions renting the facility, and discussed best practices related to Home Company programs. Attendance Reports for Home Companies are available in Attachment 1.

Benchmarking

To gain more knowledge of Home Company programs and to benchmark with similar venues, the PAC completed a comparison with four theaters that are similar in size and scope to the MVCPA:

- Leshner Center for the Arts, Walnut Creek.
- Livermore Valley Arts, Livermore.
- Heritage Theatre, Campbell.
- Grand Theatre Center for the Arts, Tracy.

The PAC met with staff from three of the facilities, received a tour, and learned more about each theater's operating model and Resident/Home Company program. Attachment 2 compares each of the theaters with information on the size of the facility, number of theaters, number of events and performances, number of Resident/Home Companies and their use of the facilities, and additional details.

The Leshner Center for the Arts is unique in that it has one in-house resident theatrical company (the Center REP) that has sole use of its mid-sized theatre (Margaret Leshner Theater). (As shown in Attachment 2, Walnut Creek has three indoor performance venues.) The resident company produces six productions a year, as well as a summer youth program. In addition to their resident company, the Leshner Center also hosts a presenting season consisting of a diversely curated season of 15 to 20 performances with headline acts. The Center is also available for rent.

Livermore Valley Arts hosts nine Resident Companies using, on average, 30% of their available dates in a season for rehearsals and performances. The nine resident companies vary in genre with five musical companies, two theatre companies, one dance company, and a fine arts company. Livermore Valley Arts also charges a service charge for any production whose attendance is less than 50%. The service charge is set to recoup the unrealized revenue from ticketing fees up to an expected 70% attendance. Livermore Valley Arts also hosts a curated presenting season annually.

Two additional theatres were compared during this benchmarking process. The Heritage Theatre in Campbell is operated by an outside venue management group and hosts a small presenting season with no resident companies. There are also dates available for clients to rent the venue. The Grand Theatre Center for the Arts in Tracy currently has no resident companies but in the past hosted two companies: one theatrical and one music. They also host a curated presenting season annually.

The Lucie Stern Community Theatre in Palo Alto, with 300 seats, and the Sunnyvale Theatre, with 200 seats, were not considered for comparison due to significant differences in operating models and size.

Summary of Themes from Other Venues Compared to MVCPA

Resident/Home Companies are often chosen early in the tenure of a new venue and are often the impetus for the building of the venue. Resident/Home Companies are seldom revised unless they fail to pay fees owed to the venue or they are no longer able to operate as an organization. Resident/Home Companies work with each other to ensure dates are mutually beneficial and sometimes work on productions together if it benefits both companies. All companies, including Resident/Home Companies and other clients, use the in-house ticketing system.

Other venues call the groups with preferential access Resident Companies. In Mountain View, they have historically been called Home Companies.

Typically, performing arts venues host multiple genres of Resident/Home companies from their respective communities to support their local artistic organizations and assist with ensuring the venue is in full use and well attended by the community. MVCPA's three Home Companies are all theatrical companies, with no other genre represented.

Resident/Home Companies are typically charged the nonprofit rate. MVCPA's Home Companies pay 48% of the nonprofit rate.

As previously noted, MVCPA's Home Companies use 52% of available primary dates with no limits on the total use of the facility. In Walnut Creek, 100% of the dates in the midsize Margaret Leshner Theater are used by an in-house resident company, with other theaters available for other uses. In Livermore, Resident/Home Companies use 30% of dates. There are no Resident/Home Companies in Campbell or Tracy.

Ad Hoc Committee Review

Following the benchmarking and review process, the Committee began to shape recommendations to present to the PAC. The Committee determined that with revisions, the Home Company program could better reflect Mountain View's diverse community by offering a broader range of programming, enhancing access to the MVCPA for future clients and patrons, and, in doing so, enhancing the economic vitality of the downtown. **Through the Committee's review, they discovered that one of the ongoing issues is the lack of available dates for potential new clients to reserve the Center, the extended consecutive weeks of use by Home Companies precluding others' use of the venue, and the regular low attendance for some Home Company productions.**

Engagement with Current Home Companies

Prior to bringing recommendations to the PAC, staff met with each of the Home Companies in April and May 2024 to get their feedback on initial recommendations, which included: change

the title of the program to Resident Company; limit Resident Company use of MainStage to three consecutive weeks in order to increase access to other organizations, and review the fees charged to Home Companies. All Home Companies were comfortable with the change in the terminology from Home Company to Resident Company. PYT and Upstage Theater did not express any concerns related to limiting use of MainStage as PYT currently only uses the MainStage for no more than two consecutive weeks and UpStage Theater only uses SecondStage. TWSV expressed concern that a maximum of three consecutive weeks would impact their productions. Each Home Company expressed concerns related to the potential of increased costs to use the venue. Staff compiled the feedback to share with the Committee for consideration.

The Committee made further refinements to the recommendations regarding the use of MainStage, which staff shared with PYT and TWSV in August 2024. (Since UpStage Theater only uses SecondStage, the suggested revisions were not shared with them). The revisions included looking at fees as part of the Citywide Fee Study rather than through an earlier review by the PAC. The Committee also increased the limit on the maximum number of consecutive weeks on MainStage from three to five. In addition, the Committee developed a provision to decrease the maximum consecutive weeks in the following season by one week if the average attendance percentage for the current season fell below a certain percentage. PYT and TWSV appreciated that fee modifications would be handled separately. PYT was amenable to the limits of use on MainStage. TWSV currently uses the MainStage for five consecutive weeks and was appreciative that this limit was restored. They expressed concern that reducing the number of weeks based on falling below a threshold average attendance could impact their following season use. This feedback was shared with the Committee.

The Committee reviewed the input from the Home Companies and forwarded their recommendations to the PAC on [October 3, 2024](#), at which point the recommendations were unanimously approved. Following this meeting, TWSV provided a letter to the PAC on November 7, 2024 requesting that the PAC consider additional modifications to the program. TWSV requested that instead of a maximum number of weeks per production on MainStage that Home Companies be provided a maximum of 15 weeks to use MainStage during a season and that the Home Company would be provided flexibility as to how many consecutive weeks of the 15 total weeks each production would receive. TWSV also requested to use SecondStage to offset the reduced use of MainStage for a maximum of five weeks per production in SecondStage. The Committee considered the request from TWSV and made a modified recommendation to the PAC, which was presented at a Special Meeting on December 4, 2024 and was again unanimously approved. The final recommendation from the PAC for the City Council to consider is noted in the following section.

PAC Recommendations

The PAC recommends the following changes to the Home Company Program:

1. *Update the title of the program from Home Company to Resident Company.*

The MVCPA has historically referred to 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 mutually beneficial partnership.

2. *Set the maximum number of weeks of use of the MainStage to 13 weeks per season with no more than five consecutive weeks per production.*

As noted earlier in this report, the MainStage is highly used, and several potential clients are declined access 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 at the MVCPA. Examples of potential clients the City has declined in previous years are Osipova Ballet Academy, PAMPA Dance Academy, Googirl Dance, EnActe Arts, and Artists in Motion Bay Area. Reservation requests from these groups have varied from three days to two weeks.

The PAC recommends limiting Home Companies in total to a maximum of 13 weeks per season with no more than five consecutive weeks per production. The Home Companies may reserve fewer weeks but cannot exceed these limits. Currently, TWSV reserves the MainStage for four productions per season, each lasting five weeks, for a total of 20 weeks. PYT reserves MainStage for three to four productions per season at two weeks each, for a total of six to eight weeks. While this recommendation may not impact PYT, it would reduce TWSV’s usage by seven weeks per season on the Mainstage. TWSV has agreed to move one production to the SecondStage. This would result in seven weeks available to other potential clients during the Primary reservation process, enhancing the diversity of performances on the MainStage. TWSV would still have access to the Center for up to 13 weeks on MainStage and additional use of up to six consecutive weeks on SecondStage (as recommended below) for a total of 19 weeks across the two theaters, compared to their current use of 20 weeks at MainStage.

3. *Set the maximum number of consecutive weeks on SecondStage to six weeks per season.*

The PAC recommends limiting Home Companies to a maximum number of six consecutive weeks on SecondStage per season. Previously, TWSV has not used SecondStage and, through this process, has expressed an interest to supplement the reduction in weeks on MainStage with the addition of use of SecondStage as noted above. SecondStage currently has capacity. However, the addition of TWSV using the SecondStage may have an impact on PYT's and Upstage Theater's specific requests for scheduling of that space. The intention of limiting the number of consecutive weeks would be that the Home Companies will be flexible and collaborate with one another's schedule to ensure all have access to the SecondStage in a season. If a conflict arises in dates requested, the Home Companies would work together to modify their facility use request to be mutually beneficial for both companies to ensure each Home Company has access to SecondStage.

4. *Adjust the maximum number of consecutive weeks reserved for Home Companies renting MainStage based on 65% of capacity sold the previous season; and if less than 65%, require a midseason report to the Performing Arts Committee.*

The PAC 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 13 weeks in the following Primary Reservation process. However, if their average falls below 65%, their reservation limit would decrease by one week in the following season. Home Companies that are less than 65% attendance in the previous season will be required to submit a midseason report to the PAC. This will assist in maintaining consistency in communication and meeting shared expectations.

If the Home Company improves their occupancy rate to exceed 65% for the following two seasons, they would be eligible to request an increase to their usage weeks as part of the Primary Reservation process.

5. *Delegate approval authority to the Community Services Director or designee on all matters, other than fee adoption and Home Company agreements, relating to the Home (Resident) Company program review and administration with the advisement of the Performing Arts Committee, and incorporate any modifications for Council approval during the renewal process of Home/Resident Company agreements.*

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 34th year, the MVCPA has established itself as a prominent performing arts venue in Silicon Valley. The City's

Community Services Department (CSD) staff has successfully managed the MVCPA since its opening and has consistently demonstrated expertise and dedication to ensuring the smooth operation of the facility. Accordingly, the PAC recommends that, going forward, staff from CSD conduct an internal review of the Home (Resident) Company program a minimum of every five years. If adjustments are needed to address any unmet needs, staff will present those recommendations to the PAC for their advisement. The Committee made this recommendation to facilitate efficient administration of the MVCPA and to support Council's focus on policy-related matters. Because the PAC is currently an advisory body to the City Council and its purview does not include a review of the Home Company program without subsequent Council approval, any such recommendation requires Council direction.

If the direction described above is given, the City Council will continue to approve all agreements with Home Companies, and any fee changes will be handled through the City's annual budget process.

FISCAL IMPACT

By introducing limits to reserving the MainStage for Home Companies, the theater would be available for reservations by both nonprofit and commercial clients for an additional seven weeks annually. This may result in additional revenue of up to approximately \$103,000 annually, based on current fees.

The City is currently participating in a Citywide Master Fee Study. The consultant will review all fees, including those for the MVCPA and the Home (Resident) Companies, 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

If approved by the City Council, the recommended changes to the Home Company program would be effective immediately and would be implemented with the 2025-26 Primary Reservation process. Staff will develop agreements for each Home Company for the City Council to approve in the spring of 2025. Staff will return with a Resolution to update the purview of the PAC to include providing advisement to the Community Services Director or designee on all future modifications of the Home Company program.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if

the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

☒ General policy and legislative actions

CONCLUSION

Staff will present the PAC's recommended modifications to the City's Home Company Program to the City Council with the goal of better reflecting Mountain View's diverse community by offering a broader range of programming, enhancing access to the MVCPA for future clients and renters, and enhancing the economic vitality of the downtown area. In addition, these changes may result in an additional seven weeks available for other clients to rent the MainStage, increased use of the SecondStage, and additional revenue to the City.

ALTERNATIVES

1. Do not approve the Performing Arts Committee's recommendations regarding the Home Company Program, and/or do not direct the Community Services Department and Performing Arts Committee to manage and/or guide most aspects of the Home Company Program moving forward.
2. Direct different limits for consecutive and total weeks for Home Company use of MainStage and SecondStage.
3. Provide other direction.

PUBLIC NOTICING

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

Prepared by:

Theresa Yvonne
Performing Arts Manager

Kristine Crosby
Assistant Community Services Director

Approved by:

John R. Marchant
Community Services Director

Audrey Seymour Ramberg
Assistant City Manager

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Attachments: 1. Home Company Attendance Report for Fiscal Year 2023-24
 2. Operating Models and Comparison—Performing Arts Centers