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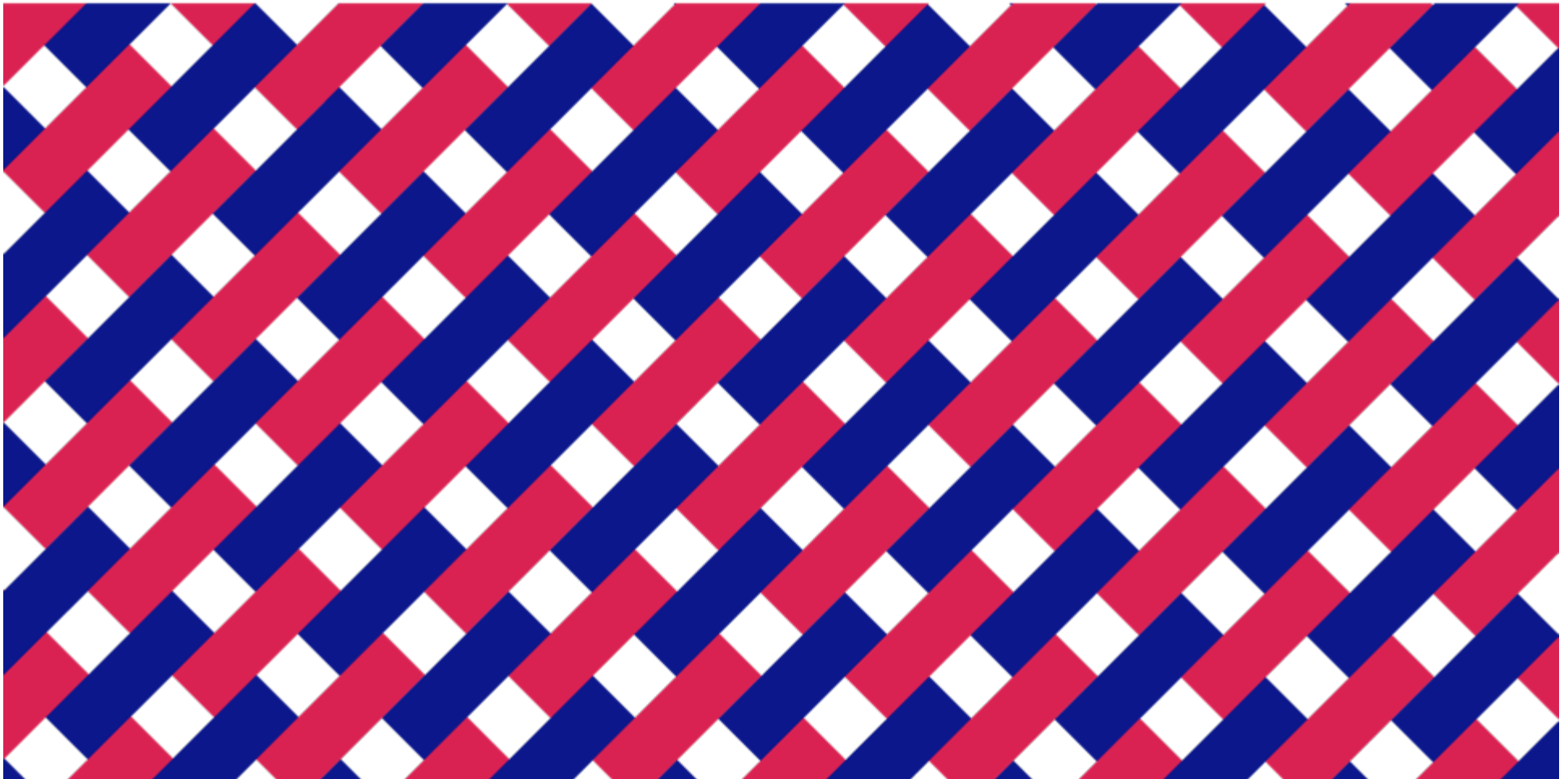
management  
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building creativity

February 19, 2018

# Oneonta Theatre Renovation Study: Final Presentation

Prepared for the Friends of the Oneonta Theatre



## Review: Needs Assessment

The first phase of the study was an assessment of the market opportunity for the historic Oneonta Theatre. We considered:

- \* Is there an audience for the restored theatre?
- \* Who would use the restored theatre and for what purposes?
- \* What facilities already serve the market and what gaps are there?
- \* What direction should we take to maximize the benefits of the project on the community and region?



## Assessment recommendations

- \* Renovate the Oneonta Theatre
- \* Partner with the Foothills PAC on the funding and operation of both facilities, potentially having one organization to do so.
- \* Engage higher education in the project, most importantly SUNY Oneonta
- \* Develop a district that encompasses key anchors, including the Oneonta and Foothills facilities.



## Business plan scope

We wrote a preliminary business plan, intended to address how the renovated theater should be programmed, operated and financially sustained, with the following elements:

- \* Operating goals
- \* Activity profile
- \* Governance + transition
- \* Staffing and leadership
- \* Comparable operations
- \* Pro-forma operating budgets
- \* Economic impacts
- \* Critical path plan



## Business plan scope

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- \* Operating goals
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- \* **Economic impacts**
- \* **Critical path plan**
- \* **Project funding**



Pro-forma Budget Summary	Pre-Opening	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Earned Income</b>						
Ticket Sales		172,500	232,111	304,478	382,946	455,719
Rental Income		201,388	236,217	276,443	310,801	338,611
Theatre User Fees		104,950	131,619	161,782	187,997	208,101
Food & Merchandise		53,000	63,740	75,346	88,441	97,538
Miscellaneous Income		119,625	152,628	188,718	227,141	256,220
		<b>651,463</b>	<b>816,314</b>	<b>1,006,766</b>	<b>1,197,326</b>	<b>1,356,188</b>
<b>Contributed Income</b>						
Individual Contributions	50,000	100,000	102,000	104,040	106,121	109,304
Corporate Contributions	0	25,000	25,500	26,010	26,530	27,326
Foundation Grants	50,000	51,000	52,020	53,060	54,122	55,745
Government	40,000	80,000	81,600	83,232	84,897	87,444
Endowment Revenue	50,000	100,000	102,000	104,040	106,121	108,243
	<b>190,000</b>	<b>356,000</b>	<b>363,120</b>	<b>370,382</b>	<b>377,790</b>	<b>388,063</b>
<b>Total Income</b>	<b>190,000</b>	<b>1,007,463</b>	<b>1,179,434</b>	<b>1,377,149</b>	<b>1,575,116</b>	<b>1,744,251</b>
<b>Operating Expenses</b>						
Total Personnel	169,000	339,420	383,524	475,347	566,792	644,733
Programming Costs	0	156,667	219,266	285,792	356,433	422,471
Fundraising	13,000	14,300	15,730	17,303	19,033	20,937
Box Office	0	53,625	69,212	84,982	103,049	116,733
Administration	23,500	28,350	31,185	34,304	37,734	41,507
Occupancy Costs	0	378,000	389,340	401,020	413,051	425,442
Total Operating Expenses	<b>205,500</b>	<b>970,362</b>	<b>1,108,257</b>	<b>1,298,748</b>	<b>1,496,092</b>	<b>1,671,824</b>
<b>Result of Operations</b>	<b>-15,500</b>	<b>37,101</b>	<b>71,177</b>	<b>78,400</b>	<b>79,025</b>	<b>72,427</b>
Allocation from Capital Budget	20,000	25,000	0	0	0	0
Allocation to Capital Reserve	0	0	0	0	0	0
<b>Final Result</b>	<b>4,500</b>	<b>62,101</b>	<b>71,177</b>	<b>78,400</b>	<b>79,025</b>	<b>72,427</b>
Op Expenses/Earned Income	0	67%	74%	78%	80%	81%

# Economic impacts

## Annual Operating Impacts on Ostego County, NY

Bill of Goods Approach for Year 3									
Category	Inputs		Inputs	Multipliers			Outputs		
	Base year non-personnel expenditures	% Spent in Ostego County		Base year non-personnel expenditures	Output (dollars)	Earnings (dollars)	Empl't (jobs)	New Sales (\$000's)	New Earnings (\$000's)
Power Generation and Supply	\$ 140,000	100%	\$ 140,000	1.1360	0.1222	1.4863	\$ 159,040	\$ 17,108	0.2
Water, Sewage and other System	\$ 25,000	100%	\$ 25,000	1.1724	0.1611	2.4528	\$ 29,310	\$ 4,028	0.1
Retail Trade	\$ 25,000	75%	\$ 18,750	1.2651	0.2868	8.9296	\$ 23,721	\$ 5,378	0.2
Transit & Passenger Transportation	\$ 15,000	100%	\$ 15,000	1.3534	0.4719	18.7412	\$ 20,301	\$ 7,079	0.3
Telecommunications	\$ 40,000	50%	\$ 20,000	1.0000	0.0000	0.0000	\$ 20,000	\$ -	0.0
Insurance Agencies/Brokerage	\$ 75,000	75%	\$ 56,250	1.4121	0.3385	5.4201	\$ 79,431	\$ 19,041	0.3
Equipment Rental	\$ 50,000	75%	\$ 37,500	1.1944	0.2482	3.4555	\$ 44,790	\$ 9,308	0.1
Legal Services	\$ 50,000	100%	\$ 50,000	1.3004	0.4339	5.2742	\$ 65,020	\$ 21,695	0.3
Accounting & Bookkeeping Services	\$ 25,000	100%	\$ 25,000	1.2844	0.4424	8.2140	\$ 32,110	\$ 11,060	0.2
Computer related services	\$ 25,000	50%	\$ 12,500	1.0000	0.0000	0.0000	\$ 12,500	\$ -	0.0
Advertising & related services	\$ 150,000	50%	\$ 75,000	1.2476	0.2558	4.4896	\$ 93,570	\$ 19,185	0.3
Professional & Technical Services	\$ 40,000	75%	\$ 30,000	1.2666	0.3585	5.7159	\$ 37,998	\$ 10,755	0.2
Office administrative services	\$ 40,000	75%	\$ 30,000	1.3780	0.6553	9.9268	\$ 41,340	\$ 19,659	0.3
Business support services	\$ 20,000	75%	\$ 15,000	1.3663	0.5024	12.4124	\$ 20,495	\$ 7,536	0.2
Services to building	\$ 50,000	100%	\$ 50,000	1.3001	0.3784	13.6819	\$ 65,005	\$ 18,920	0.7
Waste management	\$ 10,000	100%	\$ 10,000	1.3325	0.2974	5.9531	\$ 13,325	\$ 2,974	0.1
Other Educational Services	\$ 35,000	50%	\$ 17,500	1.3650	0.4419	15.8651	\$ 23,888	\$ 7,733	0.3
Performing arts companies	\$ 25,000	50%	\$ 12,500	1.3065	0.3736	17.9204	\$ 16,331	\$ 4,670	0.2
Artists, writers and performers	\$ 25,000	50%	\$ 12,500	1.0000	0.0000	0.0000	\$ 12,500	\$ -	0.0
Accommodation	\$ 15,000	50%	\$ 7,500	1.2776	0.2974	8.4000	\$ 9,582	\$ 2,231	0.1
Food services	\$ 25,000	100%	\$ 25,000	1.2881	0.2148	7.8522	\$ 32,203	\$ 5,370	0.2
Postal Service	\$ 15,000	50%	\$ 7,500	1.3511	0.6126	9.9652	\$ 10,133	\$ 4,595	0.1
<b>Averages and Totals</b>	<b>\$ 920,000</b>		<b>\$ 692,500</b>	<b>1.2544</b>	<b>0.3133</b>	<b>7.5526</b>	<b>\$ 862,591</b>	<b>\$ 198,322</b>	<b>4.2</b>

## Economic impacts

### Oneonta Theatre Attenders

Year 3 Attendance		41,000
Ostego County Attenders Not Counted	60%	24,600
County Attenders Recovered	10%	4,100
Non-County Attenders	30%	12,300
Total Incremental Audience	40%	16,400



# Economic impacts

## Ancillary Spending Impacts of Oneonta Theatre Attenders on Ostego County, NY

Year 3 Ancillary Spending Impacts	Per Capita Expenditure Estimates*	Total Direct (Induced) Expenditures	Output Multiplier	Total New Outputs (Sales)	Earnings Multiplier	Total New Earnings	Job Creation Multiplier	Total New Jobs
<b>1. Recovered Market Area Attenders</b>								
Food Services	\$ 9.17	\$ 37,597	1.2881	\$ 48,429	0.2148	\$ 8,076	7.8522	0.3
Retail Trade	\$ 2.69	\$ 11,029	1.2651	\$ 13,953	0.2868	\$ 3,163	8.9296	0.1
Transportation	\$ 1.20	\$ 4,920	1.3534	\$ 6,659	0.4719	\$ 2,322	18.7412	0.1
Accommodation	\$ 0.30	\$ 1,230	1.2776	\$ 1,571	0.2974	\$ 366	8.4000	0.0
Miscellaneous	\$ 0.86	\$ 3,526	1.2544	\$ 4,423	0.3133	\$ 1,105	7.5526	0.0
Sub-total		\$ 58,302		\$ 75,035		\$ 15,031		0.5
<b>2. Non Market Area Attenders</b>								
Food Services	\$ 14.93	\$ 183,639	1.2881	\$ 236,545	0.2148	\$ 39,446	7.8522	1.4
Retail Trade	\$ 4.67	\$ 57,441	1.2651	\$ 72,669	0.2868	\$ 16,474	8.9296	0.5
Transportation	\$ 4.72	\$ 58,056	1.3534	\$ 78,573	0.4719	\$ 27,397	18.7412	1.1
Accommodation	\$ 8.64	\$ 106,272	1.2776	\$ 135,773	0.2974	\$ 31,605	8.4000	0.9
Miscellaneous	\$ 1.76	\$ 21,648	1.2544	\$ 27,156	0.3133	\$ 6,783	7.5526	0.2
Sub-total		\$ 427,056		\$ 550,716		\$ 121,704		4.1
<b>Total Impact of Ancillary Spending</b>	<b>Total (1+2)</b>	<b>\$ 485,358</b>		<b>\$ 625,751</b>		<b>\$ 136,736</b>		<b>4.6</b>

\* Based on Americans for the Arts Prosperity Index V (2017) for cities with less than 50,000 people



## Economic impacts

### Summary of Economic Impacts on Ostego County

Ongoing Annual Impacts	Input (Year 3 Spending)	\$692,500
<i>Operations</i>	Output (Sales)	\$862,591
	Earnings	198,322
	Jobs Created (annual)	4.2
<i>Audience Spending</i>	Input (Year 3 Activity)	\$485,358
	Output (Sales)	\$625,751
	Earnings	\$136,736
	Jobs Created (annual)	4.6
<b>Total Annual Operating Impacts</b>	Output (Sales)	<b>\$1,488,342</b>
<i>(Operations + Audience Spending)</i>	Earnings	<b>\$335,058</b>
	Jobs Created (annual)	<b>8.8</b>



# ONEONTA THEATRE RENOVATION CRITICAL PATH PLAN

		2019				2020				2021				2022				
Responsibility		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Track One: Fundraising</b>																		
Financing plan approval	Board			■														
Capital campaign targets	Board			■	■													
Capital campaign	Campaign Committee				■	■	■	■	■									
Naming rights secured	Campaign Committee					■	■	■	■									
<b>Track Two: Planning, Design &amp; Construction</b>																		
Form Building Committee	Board			■														
Design team contracting	Building Committee			■														
Programming and costing study	Building Committee			■	■													
Schematic design	Building Committee				■	■												
Design development	Building Committee					■	■											
Contract documents	Building Committee						■	■	■									
Bid period	Building Committee									■								
Construction	Building Committee										■	■	■	■	■	■	■	
Commissioning	Building Committee													■	■			
<b>Track Three: Planning for Operations</b>																		
Form Operations Committee	Board					■												
Develop resident application guidelines	Operations Committee						■											
Accept resident applications	Operations Committee							■										
Negotiate resident organization agreements	Operations Committee								■									
Programming strategy approval	Operations Committee									■								
Annual programming approval	Operations Committee										■							
Define ticketing system needs	Operations Committee											■						
Develop ticketing system RFP	Operations Committee												■					
Ticketing system in place	Staff													■				
Develop food and beverage RFP	Operations Committee														■			
Develop preferred caterer guidelines	Operations Committee															■		
Select concessionaire (as required)	Staff																■	
Select preferred caterers	Staff																	■
Booking policy	Operations Committee																	■
Rental rate schedule	Operations Committee																	■
Rental agreement form	Staff																	■
Insurance plan	Staff																	■
Write technical specifications	Staff																	■
Maintenance plan	Staff																	■
Capital replacement plan	Staff																	■
Safety procedures	Staff																	■
Train staff	Staff																	■
Contractors in place	Staff																	■

Theatre Re-opens

## Project funding examples

### **capital funding: 1891 Fredonia Opera House** **| Fredonia, NY**

- \* In 1985, funding was successfully based to renovate the Opera House by a locally-conducted capital construction campaign.
- \* Sources of capital funding came from the Environmental Quality Bond Act grant through the New York State Office of Parks, Recreation and Historic Preservation.
- \* Additionally, several smaller state grants, help from the Gebbie Foundation and from the Village of Fredonia contributed to the Opera House redevelopment.
- \* Throughout the process, significant amounts of volunteer contributions of labor and material helped keep construction costs low.
- \* In total, \$900,000 was raised to redevelop the Opera House.



# Project funding examples

## capital funding: Ritz Theater | Newburgh, NY

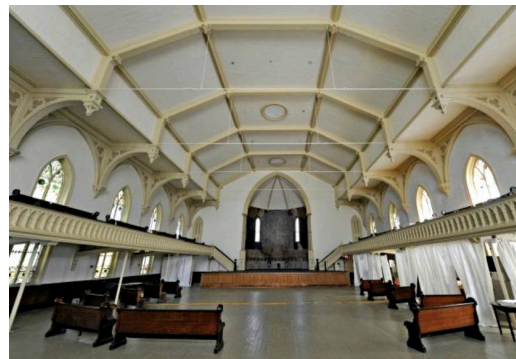
- \* The historic theater was purchased by Safe Harbors of the Hudson, a supportive housing and arts non-profit organization.
- \* The first stage of renovation focused on the Lobby, allowing for smaller performances, gatherings, and events to take place while the capital for the rest of the theater was raised.
- \* Congressman Maurice Hinchey secured \$400,000 in restoration funding for the Ritz, as a part of the 2010 Transportation, Housing, and Urban Development Appropriations Bill. Senator William Larkin was able to secure \$250,000 in restoration funding for the theater in 2010.
- \* In February 2010, the Ritz received \$200,000 in funding from the New York State Division of Housing and Community Renewal's Urban Initiatives Program. The funding helped build the Ritz box office.
- \* A new Ritz Theater marquee was unveiled in 2014.
- \* Fundraising efforts continued and in 2016 the state awarded Safe Harbors of the Hudson \$500,000 for roof replacement and repair at the theater



## Project funding examples

### *capital funding:* Universal Preservation Hall | Saratoga Springs, NY

- \* In 2004, a \$8.7M capital campaign was launched to restore the hall. The UPH successfully raised \$3M which allowed the building to be stabilized. However, additionally fundraising efforts dried up due to the recession.
- \* In 2012, UPH forged an alliance with Proctors Theatre in Schenectady. With a renewed energy and strategic partner the UPH launched a \$4.7M campaign.
- \* Funds were raised from the state's Empire State Development, which granted UPH an \$800,000 performance-based capital grant and \$750,000 through its Restore New York Communities Initiative.
- \* In total, \$1.6M in grants, \$4M in private donations and \$3M in historic tax credits.
- \* Once the restoration is complete, the UPH will include a 700-seat flexible performance space, administrative offices, a community gathering space, and an elevator.



## Project funding examples

### *operating funding:* 1932 Criterion Theatre | Bar Harbor, ME

- \* Operating Expense: \$560,111
  - \* Payroll Expenses: \$183,762
- \* Total Operating Income: \$853,493
  - \* Earned Income: \$314,321
  - \* Private Contributed Income: \$539,172
  - \* Public Contributed Income: \$0
- \* Operating Surplus (Deficit): \$293,382
- \* Earned Income % of Operating Expenses: 56%
- \* Fundraising efforts include:
  - \* Individual memberships start at \$35;
  - \* Business memberships start at \$250;
  - \* Accept vehicle donations; and,
  - \* Website lists the Large, Small, and Wish List projects or items that require fundraising, giving donors an opportunity to see the needs of the theatre.



## Project funding examples

### *operating funding:* 1891 Fredonia Opera House | Fredonia, NY

- \* Operating Expense: \$295,966
  - \* Payroll Expenses: \$152,284
- \* Total Operating Income: \$385,092
  - \* Earned Income: \$156,794
  - \* Private Contributed Income: \$118,349
  - \* Public Contributed Income: \$109,949
- \* Operating Surplus (Deficit): (\$20,823)
- \* Earned Income % of Operating Expenses: 53%
- \* Fundraising efforts include:
  - \* Annual 5K Run;
  - \* Three separate endowment funds (two as memorial funds);
  - \* Program Sponsorship – individual performances or a series; and,
  - \* Annual Membership – starting at \$35



## Project funding examples

### *operating funding:* Carlisle Regional Performing Arts Center | Carlisle, PA

- \* Operating Expense: \$381,225
  - \* Payroll Expenses: \$73,286
- \* Total Operating Income: \$389,277
  - \* Earned Income: \$278,551
  - \* Private Contributed Income: \$110,726
  - \* Public Contributed Income: \$0
- \* Operating Surplus (Deficit): \$8,052
- \* Earned Income % of Operating Expenses: 73%
- \* Fundraising efforts include:
  - \* Corporate and Season sponsorships starting at \$500 – offering marquee access, lobby advertising, social media acknowledgements, and complimentary tickets; and,
  - \* Other giving options include – Event sponsorship, Film Sponsorship, Movie Slide Show Advertiser, Program Advertiser, and Web Sponsor.



## Lou used to say...

- \* It takes a long time for something to happen suddenly
- \* We may work in the arts, but it's all about politics and economics

