

**Council Date: September 29, 2009****SUBJECT: Theatre Use Policies & Practices (Study Issue)****REPORT IN BRIEF**

Sunnyvale Theatre located in the Sunnyvale Community Center is one of the busiest small theaters in the region, offering over 400 performances a year and serving more than 65,000 audience members. It is home to two non-profit resident theater companies, California Theatre Center (CTC) and Sunnyvale Community Players (SCP), as well as a City-produced concert series and summer theater camps. It is also in demand as a rental facility for dance and music recitals and film screenings. Both CTC and SCP are 501(c)(3) non-profit organizations under the Internal Revenue Code.

Since 1976 when the California Young People's Theatre (now known as the California Theatre Center or CTC) joined Sunnyvale Community Players (SCP) in this facility, policies and practices, including rules requiring all users to strike their sets after their performance day ends and "reserve" electrics and rigging equipment through the City's Technical Director have evolved to facilitate the shared use of the space among resident companies.

However, questions have been raised about whether these policies and practices are the most effective way to serve the community and support the performing arts in Sunnyvale and whether they are fair to resident performing companies. Recently added to these questions is the serious concern of maximizing revenue in a difficult economy.

This report responds to the questions asked in the 2009 Study Issue on this subject (Please see Attachment A: 2009 Study Issue #DPR-02 Consider the Effectiveness and Efficiency of the Community Center Theatre Use Policies and Practices) and analyzes Sunnyvale Theatre's capacity, use patterns and policies, and compares them to several local municipally-run theaters. It presents a number of options, ranging from maintaining the current theater use policies to making significant changes and includes the fiscal impact of these alternatives. The essence of this study is to determine whether Council will make a policy decision to give priority to a non-profit community theater group that affords amateurs performance opportunities (SCP) or to a non-profit professional company that provides performances for youth, family and adult

audiences (CTC), or to allow the existing operating practices for a shared use facility to continue.

The Arts Commission held a public hearing on this topic on August 19, 2009. (Please see Attachment B: Excerpt from the Draft Minutes of the August 19, 2009, Arts Commission Meeting.) Staff and Arts Commission recommendations are included in the Recommendation section of this report.

BACKGROUND

Sunnyvale Theatre, located on the grounds of the Community Center, is the only public theatrical venue in Sunnyvale. It is also one of just three small (under 250 seat) professionally-equipped, proscenium theaters available for rent in Santa Clara County, according to the most recent survey by Theatre Bay Area. As such, it is in high-demand and remains one of the most heavily programmed venues in the area.

The other two physically comparable theaters are not referred to in the remainder of this report because they are not operationally comparable (The Gaslighter Theater in Campbell and the Historic Hoover Theater in San Jose). One is privately owned, with priority use given to a for-profit theater company. The other is operated by a school district, with priority given to school district uses. Instead, operationally comparable venues are identified in the balance of this report. While larger than Sunnyvale Theatre, all are publicly owned and operated as shared-use theater facilities.

Policies and practices at Sunnyvale Theatre have developed to allow for shared use of space to maximize the number of user groups that can use the facility, and by extension, the number of audience members that can be served. The foundation of the shared use philosophy has been in existence since the mid-1970s.

At the City Council Budget Restructure Workshop on February 4, 2006, a Study Issue was proposed to consider the effectiveness and efficiency of current use policies and practices of Sunnyvale Theatre, particularly those related to scheduling various user groups and sharing the space between the two non-profit resident theater companies, California Theatre Center (CTC) and Sunnyvale Community Players (SCP).

It was requested the Study Issue:

- Examine current use patterns for all user groups of Sunnyvale Theatre and compare those to use patterns of community theaters in nearby cities.

- Examine current use patterns in comparison to City policies, such as policies to provide balanced performing arts programs and services that address the needs and interests of the Sunnyvale community.
- Consider the fiscal impacts, as well as the impact on participation and ticket sales, should City Council give priority use of Sunnyvale Theatre to Sunnyvale Community Players or California Theatre Center.
- Consider the fiscal impact to the Community Recreation Fund should current practices be altered to reflect different use patterns or priorities.

EXISTING POLICY

Sunnyvale General Plan: Cultural Element – Arts Sub-Element

- Policy A.3. Encourage a supportive environment that is receptive to the Arts and welcomes the presence of Art, resident performing arts companies, art services, performances, artists and performers in the community.
- Policy A.4. Further a sense of community identity through the promotion of the Arts.
- Policy B.3. Promote awareness, understanding and communication among different cultures and identified groups within the community through use of the Arts.
- Policy D.1. Support the concept and objectives of the Community Recreation Fund as a means to increase self-sufficiency of arts programs and services while reducing reliance on the City’s general fund.
- Policy D.2. Identify additional non-General Fund revenue sources and, where possible, increase revenues from arts programs, services and facilities without jeopardizing the integrity and infrastructure of related facilities and with a commitment to providing excellent customer service.
- Policy D.3. Utilize available pricing and promotion tools in order to maximize participation and/or use related to arts programs, facilities, and services, without jeopardizing the integrity and infrastructure of related facilities.
- Policy F.1. Provide, maintain and operate arts facilities within financial constraints such as the Community Center Theatre, Creative Arts Center, artists’ studios, gallery and public art collection

in a safe, clean and usable condition with attention to customer satisfaction.

Community Vision Framework Goals

VIII. Outstanding Recreation, Arts and Culture: To provide outstanding recreation programs, library services, visual and performing arts to meet the interests and needs of the diverse population.

Fiscal Sub-Element

Policy I.2a.3 Any action by City Council to decrease revenues of the Community Recreation Fund not covered by a decrease in operating costs will result in a corresponding increase to the General Fund subsidy.

DISCUSSION

The comparison cities contributing data for this study were Campbell, Santa Clara, Mountain View, Palo Alto, Saratoga, Pleasanton and San Ramon. These venues were selected for the study because they are the most similar to Sunnyvale Theatre. The theaters operated by these cities are for public use. Although they are mostly mid-size theaters, larger than Sunnyvale's Theatre, programming and use practices at these venues are comparable.

Use Capacity and Use Patterns

There are several factors to consider when evaluating Sunnyvale Theatre's current use patterns. First is a straight-forward breakdown of use capacity, or how many hours are available. Most years, the building is closed for major maintenance the last two weeks of December and the last two weeks of August. The Technical Coordinator conducts annual rigging safety inspections, equipment inventories, time-consuming repairs of equipment and drapery, stage refurbishing and staff trainings during these periods. Any major equipment replacement, building repairs and upgrades are also scheduled for these breaks. For example, during the August 2008 maintenance period, new seating was installed. During the August 2010 maintenance period, a new lighting system is scheduled for installation.

However, the rest of the year, including City holidays, the building is potentially usable from 8 a.m. to 11 p.m., meaning Sunnyvale Theatre's use capacity is 5,040 hours, equating to 48 weeks per year x 7 days per week x 15 hours per day.

Compared to other municipal theaters, Sunnyvale Theatre's use capacity of 5,040 hours annually is about average. Most cities surveyed have some permanently scheduled dark days, either for City holidays or maintenance periods or both, ranging from a few days to 75 days annually. Only Mountain

View and Santa Clara are available for use 365 days a year. Mountain View schedules routine maintenance on the fly for periods when the theater has not been rented; it does calendar in a maintenance period if major work, such as seat installation, is required. Santa Clara's Mission City Center for the Performing Arts also does not calendar in maintenance periods, although it expects to begin doing so. Santa Clara's building is still quite new, opened in 2005, so it does not require as much maintenance as some others.

More telling than use capacity, however, is how many of the available hours are actually used. Historically, the bulk of the stage time in Sunnyvale Theater has been reserved for its two resident theater companies, California Theatre Center (CTC) and Sunnyvale Community Players (SCP). The City itself is the third largest user. In and around the use by the three largest users, rentals from Sunnyvale residents and non-residents are accommodated whenever possible.

In 2008-09, the theatre served an annual audience of 65,658, with 412 performances, including City-presented events, performances by resident non-profit performing groups and rentals.

Most days, the Theatre serves at least two different user groups. On its busiest days, it may serve as many as three different user groups and as many as four different audiences, or 800 people. For example, on a very busy Friday, there might be two morning matinees for school children, followed by an afternoon corporate training rental and an evening performance for a general audience.

The chart below describes the actual hours used at Sunnyvale Theatre during the season most recently completed. This use pattern is typical for Sunnyvale Theatre, has remained relatively unchanged for more than 20 years, and is expected to continue through at least the 2009-10 season, as both major tenants, CTC and SCP, have agreements in place through June 2010. Contract renewal negotiations with both groups, for the period 2010-11 and 2011-12 seasons, have been tabled until October 2009, pending Council's action in response to this Study Issue. It should be noted that any policy changes Council might make to provide priority, or exclusive, use scheduling to one of the two existing non-profit resident theater companies would significantly alter the terms of the Special Agreements/contracts.

Hours Used at Sunnyvale Theatre 2008-09 season, by User*

User	Public Performances	Rehearsals & Set-Up/Strike	Public Classes	Private/Closed Meetings, etc.	Total Hours	Percentage of Actual Used 3101 hours
CTC	891 hrs.	1,000 hrs.			1,891	61%
SCP	321 hrs.	600 hrs.			921	30%
S'vale Singers	5 hrs.	11 hrs.			16	<.05%
City-Provided	32 hrs.	16 hrs.	120 hrs.	18 hrs.	186	6%
Rentals	68 hrs.	15 hrs.		4 hrs.	87	3%
TOTAL	1,317 hrs.	1,642 hrs.	120 hrs.	22 hrs.	3,101	100%

* Based on contractual allotments and typical uses.

Resident Companies and Terms of Current Agreements

Sunnyvale Theatre has two resident theater companies: California Theatre Center and Sunnyvale Community Players.

California Theatre Center (CTC) is a Sunnyvale-based non-profit professional theater company, which has had a relationship with Sunnyvale Theatre since the company was founded in 1976. CTC had previously been a co-sponsored group and now operates under a Special Agreement with the City. As a non-profit professional theater company, CTC is distinguished from Sunnyvale Community Players and most other local theater companies in that it pays all of its actors and production staff a full-time salary.

CTC is best known for its School and Family series, theater for young audiences performed weekday mornings during the school year for school groups and on Saturday mornings and select weekend evenings for family audiences. The majority are geared to an elementary school-aged audience. Their productions are popular field trip destinations for schools from Sunnyvale and neighboring communities and a first theater experience for many local children. In addition to the shows here, CTC performs several School and Family productions at Santa Clara University's Mayer Theatre and occasionally at Fremont High School. It also regularly tours the School and Family shows throughout the Western United States and sometimes nationally and abroad. CTC productions are often a child's first exposure to the performing arts. For most children, the experience is an enjoyable one that may lead some students to take up theater as a profession, or to participate in community theater, or to become the audience members of the future.

During the months of June and July, CTC produces a summer repertory season at Sunnyvale Theatre. Traditionally, its Summer Rep has been weighted toward theater classics for adult audiences, both comedies and dramas with an occasional musical. In recent years, Summer Rep has also included some child-friendly titles from its touring roster and literature adaptations penned by its general director.

The current Special Agreement is structured so that in return for a fee of \$1.50 per ticket distributed (including complimentary tickets), CTC is entitled to use the Theatre for performances for both the School and Family Series and Summer Rep, and is given 1000 hours of rehearsal time for shows being performed at Sunnyvale Theatre (750 for School and Family series, 250 for Summer Rep). The total fee the City receives annually varies directly with the number of people attending the performances. The contract specifies a minimum payment, calculated based on the average number of tickets sold in the prior 3-year period. Except for Summer Rep, when use is exclusive, CTC shares the Theatre with other users and must strike its sets after each rehearsal or performance.

In addition, the Special Agreement allows CTC exclusive use of one storage room, limited onstage storage space, use the Theatre scene shop, 660 hours of park building space free-of-charge for rehearsals of any show (not limited to productions performing at Sunnyvale Theatre), listings through City marketing channels and the privilege of renting Theatre space to conduct its own Conservatory classes, though as of this year CTC has stopped renting space for its classes citing the expense. CTC pays a surcharge of \$10 per show when it uses the concession stand and nominal equipment charges if it opts to use the City's baby grand piano on-stage (cost covers tuning) or the City's projector (cost covers bulbs).

Sunnyvale Community Players (SCP) is a non-profit community theater group, which pre-dates Sunnyvale Theatre and was the initial tenant when the Theatre opened in 1973. Like CTC, SCP had been a co-sponsored group and now operates under a Special Agreement with the City. As a community theater, SCP is a volunteer-run organization that welcomes people of all ages and skill levels. Certain key production staff members are sometimes paid a modest stipend, to cover gasoline and other expenses, but all of the performers are community volunteers.

SCP produces Broadway- and off-Broadway-style musical theater productions. In recent years, the group has produced four shows a year, each running four weekends. The winter show is designated as a Junior production with a cast of youth and teen performers. SCP provides an important opportunity for both youth and adults in the community to participate in all aspects of a theatrical production.

Similar to CTC, SCP's Special Agreement with the City requires it to pay \$1.50 per ticket distributed (including complimentary tickets but excluding tickets sold via a subscription package) in return, entitles SCP to use of the Theater for its performances, along with 600 hours of rehearsal time for shows, on a shared basis with the Theatre's other users, requiring SCP to strike its sets after each rehearsal and performance. The contract specifies a minimum payment, based on the average number of tickets sold in the prior three-year period. SCP is given permanent storage and access to the scene shop. The City provides box office services and some minimal marketing assistance. SCP pays a surcharge of \$10 per show when it uses the concession stand and nominal equipment charges if it opts to use the City's baby grand piano on-stage (cost covers tuning) or the City's projector (cost covers bulbs).

The City also has a long-standing resident company arrangement with **Sunnyvale Singers**, a community choir which had previously been a co-sponsored group. Sunnyvale Singers is a much smaller group than the other two resident groups, producing two concerts annually. Under its agreement, the Singers also pay a per ticket fee to the City, and, in return, are granted use of the Theater for its performances and dress rehearsals.

City Use

As the third largest single user, the City's own uses include the Evenings of Cultural Arts multicultural concert series (eight Saturday evening performances annually), the Recreation division's popular summertime Musical Theatre Camps for elementary and middle school age students, and a handful of City meetings and trainings where large numbers of City employees are required to attend.

The **Evenings of Cultural Arts** series currently consists of eight Saturday evening performances showcasing mostly multi-cultural and historic music, with occasional dance, storytelling and solo theater performances. Staff takes care to design seasons that are reflective of Sunnyvale's ethnically diverse community and are top-caliber artists in their respective genres. The City absorbs all expenses associated with these performances, including artist fees, and sells tickets, recouping some of the cost. This is discussed in greater detail in the financial impact section of this report. This program's revenue is trending upward despite a nationwide and local trend of declining ticket sales. Community feedback for the Evenings of Cultural Arts series is overwhelmingly positive.

The **Musical Theatre Camp** program currently consists of two 2-week, half-day camps in late July-early August and one 1-week, all-day camp in mid August. Each camp can accommodate 45 students. A team of teachers guides the students through all aspects of preparing for a musical, from auditioning to learning songs, dialogue and dance routines, rehearsing on stage and finally performing for family and friends. It is an action-packed week of hard work, culminating in a 30-45 minute mini-musical, which is billed as a “work-in-progress.” Production values are minimal, with costumes and sets built by the campers, but the performance is always a hit. These camps frequently fill to capacity, with many campers returning year after year to participate until they are too old. Some even return as teen volunteers.

Rentals

The most common type of rental booking at Sunnyvale Theatre is dance and music student recitals. The venue is also regularly used for an art lecture series, film screenings and concerts and small theater productions by ethnic performance companies. There are occasional weekday corporate rentals for trainings. For a two month period in 2009, the Theatre was rented on Sunday mornings for church services.

Demand for rentals is fairly high, with staff receiving requests two or three times per week, but calendar time available for rentals is quite limited and frequently are less desirable dates or times or very small windows of open time. The actual number of rentals booked represents just a fraction of the inquiries.

Comparisons with Other Municipalities

This report reflects research into the theater management practices at several municipally-run theaters, with an emphasis on those located closest to Sunnyvale. Most other cities surveyed program their theater buildings similarly, accommodating some mix of resident companies, city-produced events, rentals, classes and camps and occasional city meetings.

Comparison of Types of Use Accommodated at Municipally-Operated Theaters

Types of Use	Sunnyvale	Santa Clara (2 venues)	MtnView (3 venues)	Palo Alto	Saratoga	Campbell
# Seats	200	308/355	600/150/ 250	428	300	802
Resident Companies	3 Co: • Prof. Theatre, • Comm. Theatre, • Comm. Chorus	2 Co: • Semi-pro Opera, • Semi-Pro Ballet	2 Co: • Prof. Theatre • Children’s Theatre	3 Co: • Prof. Theatre, • Semi-pro opera, • Semi-pro Theatre	2 Co: • Comm. Theatre • Comm. Theatre	None
City Produced Shows (# shows)	Yes (8) Multi-cultural concerts	Yes (6) Children’s theatre	None	None	None	Yes (12) Concerts, Comedy, Theatre
Accepts Rentals? (# shows/rentals)	Yes (24)	Yes (20)	Yes (96)	No	Yes (5)	Yes (110)
City Classes &/or Camps	Camps	Dance recitals, camps, kids drama classes	Dance recitals	None	Camps	Camps
Used for City Meetings	Yes - Dept mtgs, trainings	Yes - Library & Sr. Ctr events	Yes - Dept mtgs; Annual address; Police/Fire ceremonies	No	Yes	Yes

Numbers in parentheses indicate number of performances of that type in 2008-09.

House Size/Attendance Figures

Sunnyvale Theater’s seating capacity is a modest 200. Obviously it is ideal to serve a full house at each performance, but in the busy Bay Area market, an audience or house size of 75 percent (150 at Sunnyvale Theatre) of the Theater’s capacity is considered good. In the current depressed economy, even 65 percent capacity (130 at Sunnyvale Theatre) is still considered as respectable in professional circles.

Number of Shows, Attendance at Sunnyvale Theatre by User

Theatre User Type	2008-09 Season		2007-08 Season		2006-07 Season	
	Shows	Attendance	Shows	Attendance	Shows	Attendance
CTC School & Family	284	52,694	269	50,892	265	49,533
CTC Summer Rep	36	4,240	29	3,296	35	4,016
SCP	58	3,918	60	3,785	60	4,925
Sunnyvale Singers	2	300	2	198	2	237
SUB-TOTAL – Data From Resident Companies	380	61,152	360	58,171	362	58,711
Rentals	24	3,158	12	1,920	11	1,760
City-Presented	8	1,348	8	1,334	8	1,353
TOTAL ALL TYPES	412	65,658	380	61,425	381	61,824

Number of Shows, Attendance at Sunnyvale Theatre by User - 3-Year Average

Theatre User Type	3-year Average			
	Shows	Attendance	House Size	% Capacity
CTC School & Family (professional for young audiences)	274	51,039	186	93%
CTC Summer Rep (profession for general audiences)	33	3,960	115	58%
SCP (community group performances)	59	4,209	71	36%
Sunnyvale Singers (community group performances)	2	245	123	61%
Rentals	16	2,279	142	71%
City-Presented	8	1,357	170	85%
TOTAL ALL TYPES	392	63,089	161	80%

Sunnyvale is, as noted earlier, a very busy theater. The number of shows and number of audience members served exceeds totals from larger venues, including the combined totals from Mountain View’s three stages. The ratio of seats to attendance, which calculates how many times, on average, each seat is used annually, shows each seat in Sunnyvale is used on average 327 times each year. Palo Alto has the next busiest theater, by this measure, but with only a third of the use of Sunnyvale. Each of Palo Alto’s seats is used an average of 107 times.

Approximate Average Attendance, # Shows at Municipally-Operated Theaters*

Theater	# of Seats	2008/09 # of Shows	Annual Attendance	% of Capacity	Ratio of Seats to Attendance
Sunnyvale	200	409	65,378 (actual)	80%	1:327
Mountain View (3 Venues)	600/150/250	311	60,341	n/a	1:60
Palo Alto	428	166	45,676 (2007-08 actuals)	64%	1:107
Saratoga	300	75	20,250	90%	1:68
Campbell	802	122	46,838	48%	1:58
Pleasanton	591	152	40,698 (est. based on 2007/08 actuals)	45%	1:69

* 2008-09 season projections, unless noted.

Operational Policies and Practices

Over the years, Sunnyvale Theatre has developed a number of internal policies and practices to facilitate the shared use of the Theatre space. Some of these are fairly common policies and practices within the theatre industry, while others are particular to Sunnyvale Theatre. Some concerns have been raised about whether these policies and practices are the most effective way to serve the community and support the performing arts in Sunnyvale and whether they are fair to resident performing companies. Recently added to these is the serious concern of maximizing revenue in a difficult economy. These policies are looked at in the following section, along with comparison data for survey cities included, where available.

Priority Scheduling for Resident Companies

The Performing Arts Coordinator calendars all City-presented events, classes and routine meetings a year in advance and then, based on past use and known scheduling preferences, assigns dates to be used by the two resident companies. The draft calendar is reviewed by CTC and SCP, who can request changes. After the calendar is finalized, it is opened for rentals on a first come, first served basis. Long-time renters are familiar with when the calendar opens to rentals and are usually first to place their requests. The two resident companies may continue to request changes and additional rehearsal time throughout the season, but these late requests are subject to availability.

Once calendared both resident companies' performances and technical and dress rehearsals during the week leading up to a production are considered firm and cannot be bumped from the Theatre for any reason. Ordinary (non-technical) rehearsals can, and sometimes are, bumped from the Theatre for City uses and for paying rentals. If a rehearsal must be bumped, the group is notified in writing and is offered space for that day and time at another City facility, usually a park building, in lieu of the Theatre.

The practice of giving resident companies scheduling priority is typical amongst the comparison theaters.

Length of Production Runs/On-stage Rehearsals

For its School and Family Series, CTC is allowed a maximum of 12 productions per season, to run continuously during the period from September to May. No restrictions are placed on how many weeks a production may run, but in practice they typically run for 1 to 2 weeks. CTC is allowed to rehearse on stage during the daytime (generally afternoons, following morning performances) September through July.

SCP is allowed four productions per year, and each is permitted to run for four weeks. SCP is allowed onstage evening rehearsals for up to seven weeks prior to the show.

When compared with other municipal theaters it appears that other agencies have tighter restrictions as to how much time a single user may be in the theater annually. Many of the facilities cap show runs at two or three weekends (San Ramon, Pleasanton, and Saratoga). Santa Clara, San Ramon and Pleasanton cap on-stage rehearsals at one week. Mountain View allows “as much time as a group is willing to pay for.”

Exclusive Use

Perhaps most controversial of all of Sunnyvale’s policies is the one that allows Sunnyvale Theatre to operate as a “shared use” stage for the majority of the year. All users are expected to strike, or clear the stage and return it to pre-show conditions, after each and every use. This means that modifications to the stage, such as painting the stage floor specific to a production, are generally prohibited, and users are required to request and get approval from the City’s Technical Director for any special light hangs and drops or scenery to be hung from the rigging.

Currently the one formal exception to the “shared use” rules is for the Summer Repertory period, the months of June and July, when CTC has exclusive use of the Theatre. For Summer Rep, CTC generally installs a fairly elaborate set that can be used for all three or four of its productions. The company is allowed to load-in its set the first of June or during the last week of May, and leave it intact on stage until after the last performance of the summer season on the last Sunday in July. They are also permitted to paint the floor and use all available lights and rigging.

At one time, SCP also had a formal exception to the “shared use” rule, with its period of exclusive use occurring in the late summer. SCP typically used its exclusive use period to produce a second Junior show, featuring youth and

teen performers. SCP's season then consisted of five shows. In the early 1990s, the organization chose to discontinue producing a show during this August time period, and the City began programming the time with Musical Theatre camps.

Of the other cities surveyed, most permit exclusive use and allow users to keep sets up throughout their productions. Additionally, most do not allow any one user exclusive access for more than three weeks. Mountain View and Santa Clara allow users to leave sets up, but maintain the right to make "dark day bookings" in front of the main drape or by pushing the sets upstage.

Storage Space, Shop Access, Tech Assistance, Box Office Services

While dedicated storage space, access to the scene shop for building sets, technical assistance and marketing assistance are "nice to have" benefits for Sunnyvale's two resident companies, changes to these policies in and of themselves are unlikely to significantly change the mix of programming that Sunnyvale Theatre can support. Currently, resident companies each have permanent storage in the form of a prop room for their exclusive use to store their set pieces, costumes and props when not in use. They also each have small areas of wing space off stage left where they may store flats and larger set pieces when not in use. Renters do not have access to storage space of any kind.

California Theatre Center is permitted to use the City's Scene Shop and equipment to build and paint sets for its productions that will be performing at the Theater. SCP is allowed to use the shop after 5 p.m. on evenings when it has the Theatre for rehearsals, but rarely does except during the week of technical rehearsals (using theater lighting and audio systems) leading up to the opening of each show. Renters are not permitted to build in the Scene Shop. Both CTC and SCP are also able to get technical assistance and marketing assistance. The City provides box office services for SCP but not for CTC.

Some of the other surveyed cities allow access to a Scene Shop on a shared schedule basis, while others allow access for a fee. Half do not allow resident groups to permanently store sets or costumes.

Summary of Special Privileges for Resident Companies at Municipally-Operated Theaters

	S'vale	Santa Clara (2 venues)	Mtn View (3 venues)	Palo Alto	Saratoga	Pleasanton	San Ramon (2 venues)
# Seats	200	355/308	600/150/250 outdoor	428	300	591	600/90
Priority Scheduling	Yes	Yes	Yes	Yes	Yes	No	Yes
Length of Runs	4 wks	2 weeks	Unlimited, for fee	8 weeks	3 weeks	2 weeks	2 weeks
# of Onstage Rehearsal weeks	Up to 7 weeks	1 week	Unlimited, for fee	2 weeks	3 weeks, for fee	1 week	1 week
Exclusive Use – Set can remain onstage	No	Yes, but front of stage may be used	Yes, w/ dark day bookings in front of main drape	Yes	Yes	Yes	No
Storage	Yes	Yes	Yes, for fee	No	Yes	No	No
Scene Shop	Yes	Yes, with staff present	Yes, for fee	No	No	Yes, for fee	n/a
Tech Assistance	Yes	Yes	Yes, for fee	No	No	Yes, for fee	No
Marketing Assistance	Yes, minimal	Yes, minimal	Yes	No	No	No	Yes, minimal
Box Office Services	Yes – SCP; No-CTC	No	Yes	No	No	No	Yes

* Cambell is not shown because it does not have any resident companies.

Comparison of Rates

The fees charged to Sunnyvale’s resident companies are very generous when compared with the majority of the survey cities. Only Santa Clara offers more generous terms.

Rates Charged for Resident Companies at Municipally-Operated Theaters*

Rate	Sunnyvale	Santa Clara (2 venues)	MtnView (3 venues)	Palo Alto	Saratoga	Pleasanton	San Ramon (2 venues)
# Seats	200	308/355	600/150/250	428	300	591	90/600
Per Ticket Fee	\$1.50	None	None	\$1.00	\$2.00	None	\$1.00
Performance Fee	SCP average per performance = \$106.50; CTC average per school performance = \$280.50; CTC summer rep average fee per performance \$174	None	10-20% of gate OR \$375-875/min, depending on stage/day	Average \$275 per performance	\$350 per show day	\$425 for 6 hours, \$75 per additional hr	25% of gate
Rehearsal Fee	None	None	Yes, \$40-\$70/hr, depending on stage	None	\$150 per day	\$370 for 6 hours, \$75 per additional hour	None, but restricted to after 8 p.m.
Other Fees	Concessions - \$10 per show Optional equipment, \$50-\$150 per run	\$15 per show for ticket printing	\$45/hr Shop \$15/hr Dressing/Green Rooms \$25/hr Studio Rehearsal	None	\$75 per load-in or load-out	\$95 House Mgr \$20 Board Operator \$60 Concession Optional equipment, \$30-\$60	Various add-on fees

* 2008-09 rates. Pleasanton's are discount rates for co-sponsored groups. It does not have any companies it considers "Resident." Campbell is not shown because it has no resident or co-sponsored companies.

Revenue from Current Use Patterns/Practices

Sunnyvale Theater activities currently generate about \$170,000 in revenue, through tickets sales to City-produced events, fees from resident companies and renters and tuition collected for camps held in the Theatre.

Rentals and resident company fees are currently budgeted to generate about \$107,000 in revenue. In FY 2007/2008, this covered approximately 59% of the expenses associated with maintaining the Theater building. For FY 2008/2009, revenue in this category is expected to be up by almost \$10,000, due to the increased number of rentals, including the weekly church rental during January and February 2009.

City-produced performances generate about \$27,000, covering almost 80% of the expenses associated with producing these shows.

City-run theater camps account for approximately \$30,000 annually. In FY 2007/2008, musical theater realized a net gain of more than \$8,000, money that can be used to off-set less profitable programs.

Revenue Generated for the City by Type of Use at Sunnyvale Theatre

Theatre User Type	Revenue	# Shows/Events	# Hours in Theater	Avg Revenue per Show/Event	Revenue Generated per Hour Used
City-Produced Concerts	\$26,607	8	48	\$3,326	\$554
City Produced Camps	\$27,775	3 Camps	120	\$9,258	\$231
Rentals	\$17,639	24	87	\$734	\$203
CTC School & Family Series	\$79,500	278	1476	\$286	\$54
CTC Summer Rep	\$14,500	33	415	\$439	\$35
SCP	\$6,308	58	921	\$109	\$7

* Based on 2008-09 season. Payment from Resident Companies is projected, based on contractually agreed-upon fees.

Currently, the most profitable shows are City-produced performances. Because the City is hiring professional artists accustomed to performing in different spaces, they require relatively little time in the Theatre, usually no rehearsal time, just a load-in and sound check.

From a per event standpoint, camps are the most profitable use of the space. Each week-long camp generates a net revenue of more than \$6,000. However camps do require at least one week of consecutive days in the theater at a time when school is not in session, so the number the City can produce is limited. The City currently offers camps from the time CTC vacates for the summer until school resumes. CTC’s Summer Repertory makes it impossible to conduct theater camps during the first six-weeks of summer vacation. The City has never attempted a theater camp over the Christmas holiday period because of City holidays and the routine maintenance period.

From a purely financial standpoint, resident company uses are the least profitable. The fee collected by the City is nominal and contingent on ticket sales. If a resident company’s ticket sales are struggling, then the amount recouped by the City is very small. The hourly revenue from SCP’s use of the Theatre Building for 2008-09 season (#7) amounted to less than the cost to a nonprofit to use an empty park building. The City currently charges \$10/hr for park building rentals.

Options Regarding Theater Policies

There are several options available to the City in terms of Theatre policies. The main variables surround the policy of shared space versus priority and exclusive use; length of runs and amount of rehearsal time provided; and fees. These options are discussed below.

Option 1: Maintain Theatre scheduling practice currently in place with emphasis on operating and scheduling theatre to maximize attendance and revenues.

While both resident companies say Sunnyvale Theatre's somewhat unconventional "shared use" policies restrict their capabilities in terms of set design, and therefore production values as a whole, they have managed to share the space in this fashion for over thirty years. Both groups expressed willingness to continue under the current arrangement and said they preferred it to the possibility of the other group being granted exclusive use.

Option 2: Grant CTC "priority/exclusive use" for all its productions

CTC already has exclusive use during Summer Repertory months. If also given exclusive use during the School & Family series, which runs nearly nine months, CTC would occupy the building 11 months of the year, effectively shutting out all other uses.

CTC's General Director indicated that, if given such an opportunity, CTC would be interested in further expanding its offerings to include year-round professional theater shows for adult audiences and perhaps contracting with the City to provide youth classes and camps, which it currently offers at other sites. However, because CTC is already near capacity, both in terms of shows per school year and audience members per show, it is unreasonable to expect CTC could compensate for either the lost money or audience members with its School & Family shows. That would require 30 additional sold-out shows to make up the audience members if CTC replaced SCP's current time slots.

Granting CTC priority/exclusive use would put SCP out of business, according to the SCP Board President. SCP currently plans four 4-week production runs. If CTC had exclusive use from October through July, there would be time on the calendar for only one production per year, to run during the month of September, which would not be a viable option for the group. SCP's President also expressed doubts about whether the organization would be able to find a new home theater, given the lack of small venues in the South Bay.

Giving CTC priority during the school year would also severely limit the City's ability to offer City-produced shows and accept rentals. Because CTC produces Saturday morning shows, if it were allowed to leave its set up on Saturdays, it would restrict the City and its renters to shows that could be done in front of the main drape, essentially just lectures, film screenings and solo instrument concerts. If the production values of the shows were to be down-sized, the City would have trouble attracting top talent and consequently attracting audience members for the Evenings of Cultural Arts Series.

Rentals would be reduced below already low levels. Only 7 of this year's 24 rentals would have been possible if CTC were granted exclusive use all year.

Option 3: Grant SCP "priority/exclusive use" for all its productions.

If SCP were given exclusive use during its existing time slots for performances and allowed to leave its sets intact on stage during its show runs, CTC would be unable to offer School & Family shows during those periods. This would have a severely negative financial impact on CTC. CTC's General Director said the company would probably pursue a relationship with another theater instead of Sunnyvale and look to moving its remaining School & Family shows and Summer Repertory to a larger venue. If the company did continue to perform in Sunnyvale at all, it would do so as a rental, using the theater perhaps twice a year.

On the face of it, City-produced shows and rentals would be largely unaffected by SCP's having exclusivity, but if CTC remained a tenant, it would likely request some of the weekend time between SCP runs, desirable spots that have been used by City and renters. So a possible ripple effect could impact the City's concert series and rental availability.

Having exclusive use would allow SCP to raise its production values with more elaborate sets, which might translate to more participants and/or more audience. However, it is impossible to guess how much ticket sales might increase.

Option 4: Grant SCP "priority/exclusive use" for weekends.

One middle ground solution would be to allow SCP exclusive use Thursday or Friday through Sunday, requiring them to strike each Sunday night. Reducing the number of strikes, would allow SCP to make somewhat larger sets, though not as elaborate as those they could make if granted exclusive use for entire production runs.

A Thursday-Sunday option would preclude CTC from offering Friday School matinees and Saturday family matinees during the three SCP production runs that overlap CTC's School & Family series. Twelve Fridays and twelve Saturdays would be eliminated or potentially 4,800 audience members and \$7,200 in revenue to the City.

A Friday-Sunday option would allow CTC to offer its Friday School matinees, but would still eliminate the twelve Saturday Family matinees, potentially 2,400 audience members and \$3,600 in revenue to the City.

However, the loss to CTC would again be much greater. Lost Friday shows could amount to as much as \$13,000. Lost Saturday shows, which command a higher ticket value, could amount to more than \$24,000. CTC has said it would try to find an alternate venue for the shows displaced by SCP.

Because the weekends when SCP performs would run four consecutive nights, they would eliminate certain shows entirely from the Family series, although school groups would still have a chance to view them.

Option 5: Grant both organizations alternating periods of priority use.

Another possible middle ground would be to re-divide the calendar, allowing the groups rotating periods of exclusive use, perhaps limiting the length of the groups' runs as other cities, such as Saratoga, do.

For example, one could give SCP exclusivity for a three-week run and give CTC exclusivity for six-week stints, leaving a few weeks available for maintenance, City-produced programs and rentals.

SCP's Board President questioned whether SCP could earn enough in ticket sales with shorter runs, even if their season increased to five shows, to stay solvent under this type of schedule. She expressed concern about reduced rehearsal time in the theater. For the type of shows SCP does, especially the large Broadway-style shows, it requires rehearsal space as large as the stage to choreograph dance numbers and requires a piano. SCP is dependent on the City for rehearsal space and the City has no other available space similar to the Theatre.

CTC's General Director also said rotating periods of exclusivity would make it "incredibly difficult" to continue doing business at Sunnyvale Theatre. To keep its actors employed full-time, the company would have to rent alternate space during the weeks SCP had the theater. CTC was not optimistic that it would be able to find space.

Option 6: Disallow any “priority/exclusive use” for resident companies.

Remove the exclusive use period CTC currently enjoys during its Summer Rep, and require them to strike after every show, to maintain strict balance between the privileges the two organizations get. This would require CTC to scale back the size of its summer set(s) and would add a burden of labor to strike after each show. It is possible that reduced production values would result in lower ticket sales for CTC. Since the City is paid a flat fee for summer repertory, lower ticket sales would not have a direct financial effect on the City, but would reduce the number of participants served by this activity.

The benefit to SCP would be minimal, since they are not normally in production during that period. It could possibly allow them to hold July auditions and rehearsals at the Theatre. Currently those are held off site or rehearsal schedules are shortened by a few weeks so as not to start until CTC has concluded its summer shows.

However it would provide a clear stage during the daytimes and on CTC’s dark evenings, potentially allowing the City to program additional summer camps, classes or accept a wide variety of rentals. A conservative estimate is that the City might add two additional weeks of camp and perhaps a couple rentals, generating perhaps as much as \$4,000-\$6,000 in additional net revenue.

Option 7: Reduce the amount of rehearsal time groups are allotted.

By reducing the amount of rehearsal time the groups are allotted, the City could open up the building for more profitable uses, including City-programmed performances and classes and rentals. In comparison to other municipal theaters, Sunnyvale allows an extraordinary amount of “free” rehearsal time to its two resident companies.

If a portion of that time and some additional resources were given over to City programming, either City-produced performances on Saturday afternoons, Sundays or weekday evenings or Recreation classes weekday afternoons or evenings, the number of events and people served could increase dramatically. For example, Sunnyvale could add a children’s concert series similar to Pleasanton’s. No series of this type currently exists in the South Bay, and the success of CTC programming for family audience, suggests a strong demand for family entertainment.

Another potentially lucrative use would be expanding the performing arts classes and camps that use the Theatre. Sunnyvale children’s performing arts classes and camps consistently generate revenue above and beyond their operational costs and receive very high satisfaction ratings from participants. Demand for opportunities for kids to perform “on a real stage” is high. Because Recreation programs tend to be considerably more affordable than programs offered by non-profit companies, and also more welcoming of children of all

ability levels, classes and camps which culminate with stage performances, have potential to be very successful.

If typical use patterns were altered to make more potential and desirable rental dates/times available, it could make sense for the City to more aggressively market the space and could result in an increase in the number of shows and audience members.

Minor changes could encourage different use patterns and reflect different priorities, should City Council wish to do so. For example, the amount of free rehearsal time the groups get could be reduced by just one afternoon or evening per week. Alternate rehearsal space could be provided at a park site. The resident company's sales capacity would be unchanged, its rehearsal hours unaffected. Only the number of hours onstage would change, and this would allow the City to offer a new class or produce an early evening lecture or concert series featuring emerging local artists.

Option 8: Reduce number of show weeks for resident companies

Another relatively minor change, though it is likely to be unpopular with resident companies, would be to reduce the number of show weeks available to them. Sunnyvale could, like other cities, cap production runs at a certain length.

For example, eliminating one week from each of SCP's runs would reduce its productions to 11 or 12 performances from the current 15. Over the past three years, productions have averaged about 1,050 in attendance. Even if attendance held steady and all buyers were forced into three weekends rather than four, house sizes would average only 96 people, less than half capacity. Staff projects neither the City nor SCP would lose substantial ticket revenue by such an arrangement. The City, however, could benefit financially since the extra four weekends would provide very desirable rental dates.

Eliminating one weekend from CTC's Summer Rep, would reduce its production by four performances. As with SCP, even if attendance for the entire Summer Rep held steady and all buyers were forced into the other seven weekends, house sizes would average only 130, just 65% capacity. Again, neither the City nor CTC stands to lose substantial ticket revenue with such a move, but could allow the City to add another summer camp, and opens up two desirable weekend rental dates.

FISCAL IMPACT

While not of direct impact to the City, the low number of seats (200) in Sunnyvale Theatre makes it difficult for either resident company to generate much of a profit from their productions. The majority of CTC's earned income is from its touring productions, where it is able to sell a significantly greater

number of tickets per performance, and from its educational programs. In addition, an active fundraising campaign each year offsets a significant portion of CTC's annual costs. SCP's income is derived from ticket sales at Sunnyvale Theatre, participant fees and modest fundraising efforts.

The fiscal impact of each of the options is detailed below. These figures represent staff's best estimate of the potential impact from any of the following actions. The specific financial impact from any policy changes resulting from this Study Issue can only be determined once the resident companies determine their response to any scheduling changes. It should be noted that City policy (Fiscal Sub-Element) requires that any action by Council to decrease revenues that is not offset by a corresponding decrease in operating costs shall result in an increase to the General Fund subsidy to the Community Recreation Fund.

Option 1: Maintain Theatre scheduling practice currently in place with emphasis on operating and scheduling theatre to maximize attendance and revenues.

This option would have no fiscal impact on the City.

Option 2: Grant CTC "priority/exclusive use" for all its productions.

- Reduction in revenue of \$4,500 in fees from SCP's departure (3,000 audience members)
- Reduction in revenue of \$20,000 due to reduced number of Evenings of Cultural Arts performances (1,000 audience members)
- Reduction in revenue of \$10,000 from lost rentals (2,000 audience members)
- Potential reduction of up to \$25,000 in direct expenses, including staff salaries
- Some potential for increase in revenue (but amounting to less than \$34,500 anticipated loss) due to additional programming by CTC.

Net Impact: decrease of \$9,500 to \$34,500 in revenue to City

Option 3: Grant SCP "priority/exclusive use" for all its productions

- Reduction in revenue of \$38,000 due to reduction in CTC's School & Family shows, if CTC decided to continue at Sunnyvale for some of its season. If CTC moved completely to another facility, as it indicated it would do, using Sunnyvale only for occasional rentals, loss could be \$90,000.
- Some increase in revenue, up to maximum of \$18,000, from SCP if SCP were able to max out attendance.

Net impact: decrease of \$38,000 to \$90,000 in revenue to City

Option 4: Grant SCP “priority/exclusive use” for weekends

- Reduction in revenue of \$3,600 to \$7,200 due to loss of CTC’s Friday school matinees and/or Saturday family matinees (2,400 to 4,800 audience members)

Net Impact: decrease of \$3,600 to \$7,200 in revenue to City

Option 5: Grant both organizations alternate periods of priority/exclusive use*

- This option represents a combination of Options 3 and 4 above.

Net impact: decrease of \$41,600 to \$97,200

Option 6: Disallow any “priority/exclusive use” for resident companies*

- Increase in net revenue of up to \$4,000 due to ability of City to program additional summer camps and/or additional revenues

Net impact: increase of \$4,000 in revenue

Option 7: Reduce the amount of rehearsal time groups are allotted*

- Increase in net revenue of between \$4,320 to \$14,400 due to ability to program additional time

Net impact: increase of \$4,320 to \$14,400 in revenue

Option 8: Reduce number of show weeks for resident companies*

- Increase in net revenue of \$9,280 due to increased rentals if SCP runs are shortened by one week.
- Increase in net revenue of \$7,350 due to additional summer camp made possible if CTC Summer Rep shortened by one week.
- Increase in net revenue of \$2320 due to increased rentals if CTC Summer Rep shortened by one week.

Net impact: increase of \$18,950 in revenue to City

**With all three of these options (or any of the rest of them for that matter) there is the risk that one organization or the other will be unhappy about a change in policy or operational practices and decide to leave Sunnyvale Theatre. This is not something that can be predicted at this time. However, both primary resident organizations are considered assets to the Sunnyvale community and staff would work with their leadership to implement any policy changes adopted by Council as an outcome of this report and mitigate to the degree possible any negative or perceived negative impact to each organization.*

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk, Senior Center, Community Center, and on the City's Web site.

The Arts Commission held a public hearing on this issue at their August 19, 2009, meeting.

ALTERNATIVES

1. Maintain Sunnyvale Theatre's operating practices for scheduling as they currently exist with emphasis on operating and scheduling theatre to maximize attendance and revenue.
2. Grant CTC "priority/exclusive use" for all its productions and increase the General Fund subsidy to the Community Recreation Fund by up to \$34,500 to offset losses due to change in scheduling.
3. Grant SCP "priority/exclusive use" for all its productions and increase the General Fund subsidy to the Community Recreation Fund by up to \$90,000 to offset losses due to change in scheduling.
4. Grant SCP "priority/exclusive use" for weekends and increase the General Fund subsidy to the Community Recreation Fund by up to \$7,500 to offset losses due to change in scheduling.
5. Grant both organizations alternate periods of priority/exclusive use
6. Disallow any "priority/exclusive use" for resident companies.
7. Reduce the amount of rehearsal time groups are allotted to allow the City to expand current program offerings and provide additional time for rental use by other community groups.
8. Reduce the number of show weeks for resident companies to expand access for other community groups and generate additional rental revenue for the Community Recreation Fund.
9. Other action as determined by Council.

RECOMMENDATION

Staff recommends that Council adopt Alternative No. 1: Maintain Sunnyvale Theatre's operating practices for scheduling as they currently exist with emphasis on operating and scheduling theatre to maximize attendance and revenue; Alternative No. 7: Reduce the amount of rehearsal time groups are allotted to allow the City to expand current program offerings and provide additional time for rental use by other community groups; and Alternative No. 8: Reduce the number of show weeks for resident companies to expand access for other community groups and generate additional rental revenue for the Community Recreation Fund.

The motivation for this Study Issue was a concern with the Sunnyvale Theatre operational policy that requires groups using the facility to take down their scenery (sets) after each performance. It was stated that this operational policy has impacted the Sunnyvale Community Players (SCP), resulting in a less than optimum production quality that in turn reduces the quality level of actors auditioning for SCP productions. The scheduling and operational policies of the Community Center Theatre have been in place for over thirty years and the theatre staff does an extraordinary job of maximizing the use of the theatre to serve the greatest number of people. Even if Council were to give priority to SCP, this action does not guarantee that the quality of actors auditioning for their productions will improve or result in increased ticket sales. *Many factors go into whether or not a community theatre company can attract quality talent including the choice of shows, choice of director, and how the volunteer actors and staff are treated by the community theatre group.* For example, the complex sets, extravagant production quality, and even the quality of actors of many productions opening on Broadway do not guarantee success and high ticket sales.

Neither CTC nor SCP is financially viable enough to make up for the financial and participation losses that would be suffered by the City if either organization were to be granted exclusive use of Sunnyvale Theater, and neither organization is willing to remain at Sunnyvale Theatre if the other were granted exclusive use, so continued "shared use" appears to be the answer, if both organizations are to remain as resident companies. Option 5 appeared to be the least appealing to either company when staff met with their representatives to get their input for this report.

There is no question that scheduling in the Sunnyvale Theatre is a challenge both for the user groups and City staff; however, use of the Theatre is maximized by sharing the space between the professional company and the community group, as one group traditionally performs in the mornings and the other group performs evenings and weekend matinees. The Sunnyvale community has two valuable performing arts resources and it would be a shame to lose one to the other.

Staff believes that there is room to further expand the number and type of shows offered and certainly room to expand the number of audience members served. Neither resident company offers the most financially advantageous use of space for the City. City-presented shows and camps are the most lucrative use, followed by rentals. By reducing the amount of performance and/or rehearsal time the groups are allotted, the City could open up the building for more profitable uses, including City-programmed performances and classes and rentals. While staff recommends Alternatives 7 and 8, staff would also recommend working closely with the resident theater companies to accomplish these changes while minimizing the financial impact on these organizations. This will require careful negotiation when establishing the Sunnyvale Theatre calendar for FY 2010/2011.

As mentioned previously, the scheduling and operational policies of the Sunnyvale Theatre have been in place for over thirty years and Theatre staff does its best to maximize the use of the Theatre to serve the greatest number of people. Sunnyvale Theatre is probably the most heavily used theater in the South Bay. More than 400 performances are presented in the Theater each year. There are often two companies performing in the Theatre on a single day, and occasionally three. There is a fine balance between supporting the two resident theater companies and at the same time maximizing revenue from Sunnyvale Theatre to support the Community Recreation Fund. By making minor adjustments in the amount of time that both resident companies have in the Theatre for rehearsals and performances, staff believes the facility would be made available for greater community access and revenue generating programs such as rentals.

In comparison to other municipal theaters, Sunnyvale allows an extraordinary amount of “free” rehearsal time to its two resident companies and allows for longer than average show runs. If a portion of that time and some additional resources were given over to City programming, either City-produced performances on Saturday afternoons, Sundays or weekday evenings or Recreation classes weekday afternoons or evenings, the number of events and people served could increase dramatically. If typical use patterns were altered to make more potential and desirable rental dates/times available, it could make sense for the City to more aggressively market the space, and could result in an increase in the number of shows and audience members, while not significantly impacting SCP or CTC financial position or audience.

Given the City’s current need to maximize revenue in the Community Recreation Fund, and the potential that exists in Sunnyvale Theatre, these changes are recommended for their ability to add up to substantial income for the City, not to mention more diverse cultural offerings serving a larger audience.

The Arts Commission reviewed a draft of this report at its meeting on August 19, 2009, and voted 3-0 (Commissioner Hughes abstained. Commissioner Lanoie-Newman was absent.) to recommend that Council accept staff's recommendations: Alternative No. 1: Maintain Sunnyvale Theatre's operating practices for scheduling as they currently exist with emphasis on operating and scheduling theatre to maximize attendance and revenue; Alternative No. 7: Reduce the amount of rehearsal time groups are allotted to allow the City to expand current program offerings and provide additional time for rental use by other community groups; and Alternative No. 8: Reduce the number of show weeks for resident companies to expand access for other community groups and generate additional rental revenue for the Community Recreation Fund.

Commissioner Hughes abstained stating that she did not feel familiar enough with the background issues of this study.

Reviewed by:

David A. Lewis, Director, Department of Community Services
Prepared by: Tegan McLane, Performing Arts Coordinator and Nancy Bolgard
Steward, Superintendent of Recreation

Reviewed by:

Mary J. Bradley, Director, Department of Finance

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. Study Issue #DPR-02 – Consider the Effectiveness and Efficiency of the Community Center Theatre Use Policies and Practices
- B. Excerpt from the Draft Minutes of the August 19, 2009, Arts Commission Meeting

Proposed 2009 Council Study Issue
DPR-02 Consider the Effectiveness and Efficiency of Community
Center Theatre Use Policies and Practices

Lead Department Parks and Recreation
Element or Sub-element Arts SubElement
New or Previous Previous
Status Pending **History** **1 year ago** Below the line **2 years ago** Deferred

1. What are the key elements of the issue? What precipitated it?

At the February 4, 2006, City Council meeting to review the new budget program structures, Councilmembers Moylan and Chu proposed a study issue to consider the effectiveness of current use policies and practices of the Sunnyvale Community Center Theatre, particularly those related to scheduling for various user groups and sharing the space between the California Theatre Company (CTC), a professional company that provides shows for youth audiences, families and adults, and the Sunnyvale Community Players (SCP), a volunteer community theatre group. The key elements of this study will include the following:

- Examine the current use patterns of the Sunnyvale Community Center Theatre for all user groups and compare those to the use patterns of community theaters in nearby cities.
- Examine current use patterns in comparison to City policies, such as policies to provide balanced performing arts programs and services that address the needs and interests of the Sunnyvale community.
- Consider the fiscal impacts as well as the impact on participation and ticket sales should City Council give priority use of the Sunnyvale Community Center Theatre to the Sunnyvale Community Players, an organization that provides amateur performance opportunities to the community, or to the Community Theatre Center, a non-profit professional company that provides performances and educational opportunities for children, families and adults.
- Consider the fiscal impact to the Community Recreation Fund should current practices be altered to reflect different use patterns or priorities.

2. How does this relate to the General Plan or existing City Policy?

General Plan: Cultural Element – Arts Sub-Element

POLICY A.3. Encourage a supportive environment that is receptive to the Arts and welcomes the presence of Art, resident performing arts companies, art services, performances, artists and performers in the community.

POLICY B.1. Provide balanced performing and visual arts programs and services within given resources, meeting high customer service standards and addressing the needs and interests of a culturally diverse community.

POLICY B.3. Promote awareness, understanding and communication among different cultures and identified groups with the community through the use of the Arts.

POLICY D.1. Support the concept and objectives of the Community Recreation Fund as a means to increase self-sufficiency of arts programs and services while reducing reliance on the City's General Fund.

POLICY D.2. Identify additional non-General Fund revenue sources and, where possible, increase revenues from arts programs, services and facilities without jeopardizing the integrity and infrastructure of related facilities and with a commitment to providing excellent customer service.

POLICY D.3. Utilize available pricing and promotion tools in order to maximize participation and/or use related to arts programs, facilities, and services, without jeopardizing the integrity and infrastructure of related facilities.

POLICY F.1. Provide, maintain, and operate arts facilities within financial constraints such as the Community Center Theatre, Creative Arts Center, artists' studios, gallery and public art collection in a safe, clean and usable condition with attention to customer satisfaction.

3. Origin of issue

Council Member(s) Chris Moylan and Dean Chu

General Plan

City Staff

Public

Board or Commission none

4. **Multiple Year Project?** No **Planned Completion Year** 2009

5. **Expected participation involved in the study issue process?**

Does Council need to approve a work plan? No

Does this issue require review by a Board/Commission? Yes

If so, which?

Arts Commission

Is a Council Study Session anticipated? No

What is the public participation process?

Public Hearings at the Arts Commission and City Council meetings.

6. **Cost of Study**

Operating Budget Program covering costs

Program 646 Arts and Recreation Programs

Project Budget covering costs

Budget modification \$ amount needed for study

Explain below what the additional funding will be used for

7. **Potential fiscal impact to implement recommendations in the Study approved by Council**

Capital expenditure range None

Operating expenditure range \$500 - \$50K

New revenues/savings range None

Explain impact briefly

Potential fiscal impacts may include reduction of revenues in the Community Recreation Fund and/or increased costs to schedule and promote use of the Sunnyvale Community Center Theatre should City Council mandate a change in how the theatre is currently scheduled. A change in how the theatre is used may produce less revenue than is currently planned. The fiscal impacts of various alternatives will be explored as part of this study.

8. **Staff Recommendation**

Staff Recommendation None

If 'For Study' or 'Against Study', explain

9. **Estimated consultant hours for completion of the study issue**

0

Managers

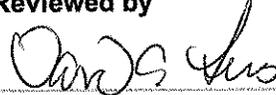
Role	Manager	Hours	
Lead	Steward, Nancy	Mgr CY1:	30
		Staff CY1:	0
Support	Moglen, Diane	Mgr CY1:	40
		Staff CY1:	0

Total Hours CY1: 70

Total Hours CY2: 0

Note: If staff's recommendation is 'For Study' or 'Against Study', the Director should note the relative importance of this Study to other major projects that the Department is currently working on or that are soon to begin, and the impact on existing services/priorities.

Reviewed by



Department Director

9-23-08

Date

Approved by

sw 

City Manager

10/1/08

Date



**EXCERPT FROM DRAFT MINUTES
SUNNYVALE ARTS COMMISSION
AUGUST 19, 2009**

The Sunnyvale Arts Commission met in regular session in City Hall Council Chambers, at 456 W. Olive Avenue, Sunnyvale, CA 94086 at 7 p.m. with Chair Obrey presiding.

The meeting was called to order at 7 p.m.

ROLL CALL

Commissioners Present: Chair Robert Obrey
Commissioner Noelle Hughes
Commissioner Tara Martin-Milius
Commissioner Dennis (Jay) Shinseki

Commissioners Absent: Commissioner Christine Lanoie-Newman (unexcused)

Staff Present: Director of Community Services David A. Lewis
Assistant to the Director Cathy E. Merrill
Diane Moglen, Recreation Supervisor
Tegan McLane, Recreation Coordinator

PUBLIC HEARINGS/GENERAL BUSINESS

3. Theatre Use Policies and Practices (Study Issue) (CA 9/29/09)

[Prior to the start of the meeting, revised page 26 of the report, which corrected typographical errors in the alternative numbers, was distributed to the Commissioners.]

Diane Moglen, Recreation Supervisor, introduced Tegan McLane, Recreation Coordinator. Supervisor Moglen presented the staff report.

Commissioners' questions included the impact on current groups using the theatre if rehearsal times are changed, available rehearsal space in park buildings or other off site locations, and rehearsal schedule changes which might open up more availability for rentals. Staff noted the City does not receive revenue for resident groups' rehearsal time, but many requests are received each week from groups interested in renting the theatre; rentals generate more revenue. Commissioners asked if staff consulted with California Theatre Center (CTC) and Sunnyvale Community Players (SPC) and if the City is more generous with the theatre as compared to theatres in other cities.

Chair Obrey opened the public hearing.

Rick Haffner, California Theatre Center (CTC), said he agrees with staff's recommendation. He recalled Councilmember Moylan's comments that CTC's present daytime schedule prohibits Sunnyvale Community Players (SCP) from keeping sets up between productions. Mr. Haffner believes it is more related to the configuration of the building itself. The trend now is to have community theatre more flexible to allow different groups to use stage front and stage back for different sets.

Commissioner Martin-Milius asked how "tiresome" is it to set up and remove the sets each day; she said her understanding is that this is the core reason for this study. Mr. Haffner responded that the

time to set up and take down varies by show but generally approximately ½ hour. However, he said if the user group plans a lavish musical production, it would take much longer. He said the difficulty is reduced if there are appropriate set designs, and it may be best to use the audience's imagination.

Commissioner Hughes asked for clarification on the issue. Mr. Haffner clarified stage set up and take down is not a problem with CTC, but to some other types of productions, it could be a bigger concern.

Chair Obrey asked Mr. Heffer to explain what CTC would have to gain or lose if staff's recommendation is accepted. Mr. Haffner noted losing rehearsal time on stage and moving to a park building is uncomfortable. He said using a park building for rehearsal would be an "embarrassment" as the buildings are not designed for this purpose. Park buildings are small, floors are cold and hard, and there is limited seating and waiting space. Mr. Haffner said the ideal rehearsal space would be a separate building or an additional theatre.

Mr. Haffner said CTC saw changes coming with the current downward state of the economy. He questioned the payment of a "per ticket fee" to the City.

Director Lewis clarified for the Commission the contract negotiations and the difference in revenue when more seats (tickets) are sold. Mr. Haffner noted that both resident groups need a marquee and a public presence in order to sell more tickets.

Chair Obrey closed the public hearing and opened the floor for a motion.

Director Lewis said that it was stated in a previous public meeting that CTC is a for-profit organization; however, he clarified that both CTC and SCP are non-profit organizations. He wanted to be clear in case Commissioners had heard the misinformation.

Staff answered Commissioner question regarding the amount of rehearsal time and staff's ability to negotiate more or less time.

MOTION: Vice Chair Martin-Milius moved and Commissioner Hughes seconded to recommend that Council accept staff's recommendations:

Alternative No. 1: Maintain Sunnyvale Theatre's operating practices for scheduling as they currently exist with emphasis on operating and scheduling theatre to maximize attendance and revenue.

Alternative No. 7: Reduce the amount of rehearsal time groups are allotted to allow the City to expand current program offerings and provide additional time for rental use by other community groups.

Alternative No. 8: Reduce the number of show weeks for resident companies to expand access for other community groups and generate additional rental revenue for the Community Recreation Fund.

VOTE: Motion passed unanimously 3-0. Commissioner Hughes abstained. Commissioner Lanoie-Newman was absent.

Commissioner Hughes abstained stating that she did not feel familiar enough with the background issues of this study.

Vice Chair Martin-Milius said she is glad to hear that the agreements are all negotiable.