

2012 Council Study Issue

**LCS 09-01 Explore Opportunities to Develop a Community Theatre Based  
in Downtown Sunnyvale (formerly DCS 09-01)**

**Lead Department** Library and Community Services

**History** 1 year ago Deferred 2 years ago Deferred

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

The key elements of this study will explore the feasibility of developing a multi-purpose performing arts/cinematic theatre in downtown Sunnyvale. This study would conduct a needs assessment for a new theatre, including the projected financial impact (capital and operating), anticipated market, and basic nature and design of a new facility. The needs assessment would also identify potential sites for such a facility, including both publicly and privately owned properties, and discuss benefits and constraints of those sites. The study would also explore financing models and partnership opportunities for Council's consideration should it decide to further pursue any of the options.

Over 20 years ago, the Sunnyvale City Council advanced a proposal to construct a Performing Arts Center in downtown Sunnyvale. Extensive research and development of planning alternatives for a downtown theatre facility were investigated in the mid-1980's. In the early 1990's, plans and specifications were developed for a new Performing Arts Center to be constructed on City-owned property that is now occupied by Plaza del Sol and a portion of the Mozart development. In 1993, the City Council decided to cancel the theatre development in response to actions taken by the State Legislature that curtailed City revenues by approximately \$7.0 million annually. In addition to the capital costs of the proposed theater a significant on-going operating subsidy for the facility was projected. Due to the redevelopment of Sunnyvale's downtown that is currently underway, it is, perhaps, most timely to reconsider whether a theatre downtown would benefit the community.

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

**From the Community Vision Goals:**

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

IX: Dynamic Downtown: To create and support a strong and attractive traditional downtown which serves as the community's central market place, common gathering place, and symbolic center.

**From the Arts Sub-Element:**

Policy A.1. Maximize City, school, private industry, social service, and arts-related resources through collaborative development and implementation of arts programs, services and facilities with a strong focus on customer service.

A.1.e. Explore partnership opportunities with private business and industry to enrich the Arts in the business environment as well as in the broader community.

Policy A.2. Encourage active citizen involvement in development and provision of arts programs, facilities, and services.

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.

**3. Origin of issue**

Council Member(s) Anthony Spitaleri

**4. Staff effort required to conduct study Major**

Briefly explain the level of staff effort required

**5. Multiple Year Project? Yes Planned Completion Year 2013**

**6. 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, Planning Commission  
Is a Council Study Session anticipated? Yes

**7. Briefly explain if a budget modification will be required to study this issue**

Amount of budget modification required 170000

**Explanation**

Additional funding of \$170,000 (estimated costs based on past consultant studies for the Department) would be required for consulting services to conduct the needs assessment and market analysis for a new theatre, including the projected financial impact (capital and operating), anticipated market, and basic nature and design of a new facility; identify potential sites for such a facility including both publicly and privately owned properties and discuss benefits and constraints of those sites; and, explore financing models and partnership opportunities for Council's consideration should it decide to further pursue any of the options.

**8. Briefly explain potential costs of implementing study results, note estimated capital and operating costs, as well as estimated revenue/savings, include dollar amounts**

Are there costs of implementation? Yes

**Explanation**

Capital and operating costs could vary considerably depending on the site chosen, the amount of renovation or construction work required to create a viable performing arts theatre and the terms of an agreement with an operator for the proposed new facility should a decision be made not to have the City manage the facility. It is likely that options will be identified as a result of this study that will require additional, substantial funding for capital and special projects, as well as operating costs in future years.

**9. Staff Recommendation**

**Staff Recommendation Defer**

**If 'Support', 'Drop' or 'Defer', explain**

Staff recommends that this study be deferred. The project was deferred in 2009 and 2010 due to the significant expense associated with the study and potential fiscal impact of implementing resulting recommendations. Council approved this issue for study in 2011; however, the study was again postponed due to the City's fiscal situation and limited resources for this type of project. With budget constraints still in play and the Town Center not as yet complete deferral for another year is appropriate.

Reviewed by

*Lisa J. Rosenthal*      10/17/11  
Department Director      Date

Approved by

*[Signature]*      10-18-11  
City Manager      Date