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# Compilation Report

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## Survey of Comparable Cultural Centers

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*Prepared by:*

**NORTH GROUP**

Halsey M. North and Alice H. North  
**The North Group Inc.**  
2250 Broadway #20B  
New York, New York 10024  
Email: Northgroup@aol.com  
Fax: 212.875.8425  
Phone: 212.875.8423

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**Exhibits**

- 1• New Brunswick Cultural Center, Inc. — Relationships Chart (1 page).
- 2• New Brunswick Cultural Center, Inc. — The Ten Cultural Commandments Revisited/Revised Commandments — August 1990 (6 pages).
- 3• Woodruff Arts Center — Organizational Philosophy (1 page).
- 4• Thousand Oaks Performing Arts Center — Flow Chart (1 page).



## **Survey of Comparable Cultural Centers**

Prepared for the New Brunswick Cultural Center, Inc.  
April 1997

*Note: This was not a random sampling of comparable cultural centers. The cultural centers interviewed were selected because they have dealt with similar issues confronting the New Brunswick Cultural Center or have resident companies that had similarities to those of the New Brunswick Cultural Center. Lincoln Center, for example, was included specifically at the request of the New Brunswick Cultural Center Planning Task Force.*

What follows are the responses given by:

1. David Fleming, President, and Janet Kaltenbach, Vice President of Planning & Institutional Advancement, **New Brunswick Cultural Center, Inc.**, New Brunswick, New Jersey
2. Carol R. Brown, President, **Pittsburgh Cultural Trust**, Pittsburgh, Pennsylvania
3. Harriet Sherburn, Director, **Portland Center for the Performing Arts**, Portland, Oregon
4. Judith E. Daykin, President and Executive Director, **City Center 55th Street Theater Foundation, Inc.**, New York, New York
5. Robert J. Kegerreis, Executive Director, **Arts Center Foundation**, Dayton, Ohio
6. Robert Cappiello, Vice President Finance, **Lincoln Center for the Performing Arts, Inc.**, New York, New York
7. Shelton g. Stanfill, President & COO, **Woodruff Arts Center Inc.**, Atlanta, Georgia
8. Thomas C. Mitze, Director, **Thousand Oaks Civic Arts Plaza**, Thousand Oaks, California

during interviews conducted in April 1997 by Halsey North and Alice North, principals of The North Group Inc.

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### **a. Organization**

**Question:** *Please provide a brief history of the organization that explains how it was formed and for what purpose.*

#### **► New Brunswick Cultural Center, Inc.**

In the late 1970s during his work with Johnson & Johnson, architect I.M. Pei provided a "broad brush" view of how the city of New Brunswick could provide an appropriate setting for the world headquarters of that company. He sketched a city with general areas, a government center, a health

*a place*

care center, a retail district, and a cultural center. He suggested that the State Theatre on Livingston Avenue held the most promise as an anchor for the cultural center. The corporate and civic leadership in New Brunswick studied the idea and agreed that it was necessary to have a cultural center as a component of a plan to revitalize the city and that the State Theatre would be the cornerstone of such efforts. The New Brunswick Cultural Center (NBCC) grew incrementally from these concepts.

The Certificate of Incorporation dated December 3, 1982, states that the NBCC was "formed to promote the artistic and cultural welfare of the citizens of New Jersey by establishing and operating a cultural center in downtown New Brunswick to promote and stimulate exhibition and performance of the arts, and to encourage the location of artistic companies within the boundaries of New Brunswick." Based on this mandate, NBCC Inc. and its Board of Trustees have accomplished the following:

- DEVELOP*
- 1984▶ Acquired the site of the YMCA facility adjoining the State Theatre, completed the renovations, and helped to relocate the **George Street Playhouse**.
  - 1988▶ Completed the renovation and re-opened the **State Theatre** as a presenting/rental facility.
  - 1987-91▶ Raised \$16,575,000 from public and private sources to: a) acquire and renovate the **State Theatre**, b) acquire property and construct a new home for the **Crossroads Theatre Company** at 7 Livingston Avenue, c) make additional capital improvements at the **George Street Playhouse**, and d) provide \$3,500,000 in endowment funds primarily to support programs and operations at the **State Theatre**.
  - 1991▶ Facilitated the move of **New Jersey Designer Craftsmen** to 65 Church Street, an expanded and improved site by using its influence to secure a well-below-market-value lease, on a month-to-month basis.
  - 1991▶ Completed the construction of the **Crossroads Theatre Company** building.
  - 1992▶ In September, leased a second floor space at 80 Albany Street for the **American Repertory Ballet Company**, funded approximately \$100,000 in renovations, and agreed to shoulder the bulk of the rent for the 5 years of the lease. And, in November, provided a no-interest loan of \$7,500 for operating purposes to **New Jersey Designer Craftsmen**, and hired David Fleming as President.
  - 1994-95▶ Completed the construction of **new backstage loading docks at the State Theatre and George Street Playhouse and the State Theatre stagehouse expansion.**

▶ **Pittsburgh Cultural Trust**

*manages*

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"Pittsburgh Cultural Trust was founded in 1984 to create a Cultural District in downtown Pittsburgh. Its guiding principle is that *as the arts and related activities of the District draw increasing numbers of people, commercial and residential development will follow.* The Trust has developed and manages four facilities:

- Benedum Center for the Performing Arts
- Byham Theater
- Harris Theater
- Wood Street Galleries (two floors of exhibition space and two floors of shared office space for 11 very small arts organizations; a 1992 project in partnership with the Port Authority of Allegheny County)"

"And, we are about to break ground for a fifth theater to open in 1999— a new home for the Pittsburgh Public Theater, our League of Regional Theatre (LORT) company to move into the District."

► **Portland Center for the Performing Arts**

GOUT HEAD

"Portland Center for the Performing Arts is a three-building/four-theater complex constructed by the City of Portland using bond funds and private gifts. The buildings and theaters include:

- a. Portland Civic Auditorium, a 1917 building remodeled in 1967-68 to its current 3000-seat configuration.
- b. Arlene Schnitzer Concert Hall which opened in its renovated state in 1984 with 2776 seats.
- c. New Theatre Building constructed in 1987, which contains the Dolores Winningstad Theatre with 292 seats and the Intermediate Theatre with 916 seats."

"Portland Civic Auditorium, constructed in 1917 as the Municipal Auditorium, Portland's first publicly-owned assembly facility, was gutted and rebuilt in 1967-68. As Portland grew, the auditorium strained to make room for the hundreds of events, both local and touring, that the public wanted to attend."

"In 1978, the City appointed a task force to investigate the need for more performing arts facilities in Portland. The task force presented its findings to the City in 1979, recommending that Portland needed at least 3 new theaters. A major public campaign in 1981 resulted in the citizens of Portland approving a \$19 million bond issue for the design/renovation of the Paramount Theatre and the design/construction of 2 new facilities. This was a special property tax assessment with a term of 15 years, to conclude in 1997. Major private gifts, raised largely through the efforts of the Performing Arts Center Committee and the Portland Center for the Performing Arts staff, together with other public funding, provided the \$44 million required for implementation of the project to construct first-quality performance space for local companies and additional space for touring shows."

"The City acquired the historic Paramount Theatre property in 1983 and began the \$10 million renovation of what would open in 1984 as the Arlene Schnitzer Concert Hall, with the Oregon Symphony as the officially-designated resident company."

"After extended negotiations to acquire the site, the City entered into a long-term lease with the First Congregational Church on the land which would become the site of the New Theatre Building (the annual lease payment is made from the operating budget of the PCPA complex). The New Theatre Building opened in 1987 and contained the Intermediate and Dolores Winningstad Theatres."

"Since its opening, the theater complex has won numerous design awards. Now the 5th largest performing arts center in the nation, Portland Center for the Performing Arts has served over 1,000,000 visitors a year."

"Volunteers for Portland Center of Performing Arts, a community-based support organization was founded in 1984, initially to conduct public tours of the Civic Auditorium and, when it opened, the Arlene Schnitzer Concert Hall. With the opening of the New Theatre Building, the role of the Volunteers expanded to include operation of the Gift Shop and ushering services in the Intermediate and Winningstad Theatres — utilizing the donated services of approximately 500 citizens from throughout the region."

"Responsibility for the operation and management of the facilities of the Portland Center for the Performing Arts was transferred from the City of Portland to Metro in January 1990. Metro created the 'Metropolitan Exposition-Recreation Commission' (MERC) to manage these facilities

together with the Oregon Convention Center, Civic Stadium, and the Portland Metropolitan Exposition Center.”

► **City Center 55th Street Theater Foundation, Inc.**

City Center was founded in 1943 by Mayor Fiorello LaGuardia as New York’s “People’s Theater” and the first performing arts center in Manhattan. The Mayor’s purpose in creating City Center was to make a wide variety of high-quality, popular entertainment accessible, at reasonable prices, to all New Yorkers. The building was constructed by the Shriners in 1923 as a meeting hall and called “Mecca Temple.”

The City Center complex includes the Mainstage theater (seating up to 2,754), two smaller theaters which house the Manhattan Theatre Club (seating 299 and 150, respectively), and a tower which includes offices for City Center staff and a variety of tenants. The tower also has 4 studios that are used by the companies performing at the Center, as well as by a variety of renters including dance companies, individual choreographers, and Broadway producers for auditions and rehearsals.

In its first decades City Center was a home for dance, drama, opera, musical theater and Shakespeare, and among the highlights of its history were performances by such stars as Orson Welles, Helen Hayes, Tallulah Bankhead, Paul Robeson, Jose Ferrer (for some seasons director of the drama company), and Gertrude Lawrence. Both New York City Ballet and New York City Opera were born at City Center, and Leonard Bernstein led the New York City Symphony here.

In the mid-1970s, with constituents moving to Lincoln Center and the building underused, the City contemplated demolition, but instead designated the facade a landmark and re-dedicated City Center as New York’s premiere home for dance, specifically for four resident dance companies at the time: *American Ballet Theatre, Joffrey, Feld Ballet, and Alvin Ailey American Dance Theater.*

Today, City Center’s mission is:

- To present unique programs focusing on indigenous American art forms which do not compete with our constituent dance companies or Manhattan Theatre Club (resident in City Center’s Stages I and II).
- To serve our dance companies by providing an affordable, attractive venue for their regular performances, as well as special services which help make their season possible.
- To serve as an education resource, through student outreach efforts and also through programs for the general public.
- To attract new users in many disciplines to rent our facilities.

► **Arts Center Foundation, Dayton, Ohio**

**Phase 1 Victoria Theatre building:**

“There were two motivations a dozen years ago:

1. There was a motivating factor to save the Victoria Theater — the Victoria Theater was in a state of sad neglect and there was talk about tearing it down and building a parking garage.
2. A creative architect working with friends in Dayton sketched out a square block of theaters and an office building development — in the heart of downtown Dayton bordered by 1st Street on North, Main Street on West, Second Street on the South, and Jefferson on the East.

“So, the Arts Center Foundation was formed — a self-appointed group to save the Victoria Theater and launch acceptance of a grand plan for the enhancement of facilities for the performing arts. The group appointed me as Executive Director. We raised \$18 million in private funds for the Victoria Theater and completely rebuilt the Theater. After a time, we “gave” the building to the Victoria Theater Association by leasing it to them for \$1 a year rent. Dayton Ballet is in the same building.”

“50% of that original dream was achieved. The other was not, due to: a) the cost of \$200 million, and b) the acrimony which quickly developed — the group bungled the public relations aspect of their venture and were pictured as elitists who wanted to impose their ideas on the community with no participation from the arts community. That reaction was warranted but short-sighted.”

**Phase 2 Metropolitan Arts Center building (126 North Main Street):**

“In a second phase, we realized there were a lot of groups with inadequate facilities. So, the Arts Center Foundation created the concept of a building for performing arts organizations. The building immediately adjacent to the Victoria Theatre was available, and we raised public money to pay for it — \$7.5 million in appropriations from the City, County, and State. There is a connecting door between the two buildings.”

“The plan was that the building would be educationally focused with a commercial enterprise on the ground floor to subsidize the rents on the other floors. It was hoped that the local colleges and universities would form a consortium to operate a variety of arts education courses, including a graduate-level degree program out of that building. That never happened. Plan B was that it was to be an incubator for small-and-emerging arts organizations. Several groups were encouraged to come into the building, and it was hoped they would all share with central operations. There has been only some of that. The project has been operating several years now without the component of a commercial tenant.”

**Phase 3 Site of the Lazarus Department Store (across the street) :**

“Thirdly, we are staggering along on a course to be a part of the complete redevelopment of the Lazarus site (a 1,000,000 square foot department store). The hope is to tear it down and build a \$50,000,000 arts center, new office building, and new hotel — all intimately integrated — each to be financed differently. It would require a broad-scale fundraising (about \$100,000,000). All three have been designed, but the group that owns that corner has imposed a situation that calls for securing a AAA tenant for most of the office building before they will proceed. So, it is not clear what the outcome will be or whether we will be able to proceed on our own to create the arts center.”

“We have accomplished two of the three phases. We and the community have not yet determined whether the new arts center would be owned by the Arts Center Foundation, Cultural District, Montgomery County, City of Dayton, State of Ohio, or some new group. It will probably be owned by a new group and the Arts Center Foundation may assist in the fundraising for that new venture.”

**► Lincoln Center for the Performing Arts, Inc.**

- Metropolitan Opera and New York Philharmonic were looking for new homes. New York City Ballet, New York City Opera, and The Juilliard School were added as “constituent” companies.
- Conceptualized in 1955 as a cultural center and formalized in 1956 as a committee under the chairmanship of John D. Rockefeller III.
- In 1957, the City of New York bought the necessary land in a poor and rundown neighborhood (between West 62nd and 66th Streets, Columbus Avenue, Broadway, and Amsterdam Avenue).
- 188 buildings were demolished and 1,600 persons relocated in this urban redevelopment effort facilitated by Robert Moses.



- In 1958, the committee chose the architects headed by Wallace K. Harrison, who had also participated in the design of Rockefeller Center, the United Nations, and the John F. Kennedy International Airport. Harrison began by creating an expert commission which was to visit 60 concert halls and theaters in 20 different countries to analyze their strong points and weaknesses.
  - To tailor the seats in the halls to their occupants, the architects studied the dimensions of the average American to find that the size of the hips had increased in the last 50 years. Harrison, commented it was too bad the volume of the singers' voices had not progressed proportionately.
  - The \$185,000,000 budget was met 3/4 by private contributions and 1/4 by the public sector. Gifts ranged from \$5 (for 118 bricks) to \$5,000,000 (an entrance lobby). For \$1,000 a donor could have his name inscribed on a seat in Avery Fisher Hall. For \$100,000 his name would appear on a plaque in the lobby.
- many words from Michelin guide to New York City, 1985*

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"WAC Inc. is an umbrella organization established through a grant by the late Robert Woodruff, Chairman of Coca Cola Inc. At the time of its inception, 3 significant needs were converging in Atlanta:

1. There was a tremendous need for stabilization of the premier arts organizations of Atlanta.
2. Mr. Woodruff, himself not a patron of the arts, was convinced that if Atlanta was to fulfill its destiny as one of America's truly great cities, its core arts organizations had to thrive. For that to be accomplished, he believed that they must amalgamate themselves into a business structure that was conducive to centralized control of vital operational functions so that their artistic success would be (to some degree) free of dependence upon their individual business acumen.
3. The leaders of Atlanta had committed themselves to the building of a suitable memorial to commemorate the lives of 112 of Atlanta's leading arts patrons and philanthropists who died together in a plane crash at Orly Airport, France, in 1962 at the end of a highly successful arts tour of Europe."

"The success of this particular approach to arts center management is built upon several key ingredients that are also unique to Atlanta.

- Mr. Woodruff, regarded in Atlanta as one of its visionary leaders, challenged his colleagues to make Atlanta one of the nations top ten cities. He probably laid the seeds that grew to the hosting of the Olympics and he made it clear that to achieve this stature would require a large and continuing commitment to the city's principal arts organizations.
- Mr. Woodruff personally gave (and later perpetuated through his foundation) sizable gifts for both the construction and the ongoing operation of the center.
- Generous personal and corporate philanthropy as well as volunteerism are proud and honored traditions in Atlanta. One's social standing is clearly identified with one's generosity of time and resources.
- The community identity for the metro area is central rather than divided between a plethora of small communities.
- There are a large and growing number of corporate home offices located in Atlanta whose executives interact socially on a regular basis.
- There is a strong and highly structured social order among the elite in Atlanta that lends itself to fulfillment through a high profile arts center."

The new President, Shelton Stanfill, came to Atlanta via the Los Angeles Music Center and Wolf Trap. He loves the attitude of leadership in Atlanta. "Atlanta is a very optimistic place," he said. "LA is a city where the future is in deep doubts. Leadership is hesitant. Here, in Atlanta, things get done. If I have an idea, the board's response is, first, 'Is it a good idea?' and, if yes then, 'OK, Let's go get the money!'"

► **Thousand Oaks Civic Arts Plaza**

"Thousand Oaks Civic Arts Plaza is owned by the City of Thousand Oaks, consists of 4 elements, was built at a cost of \$62 million, and paid for out of a variety of City funds and the sale of the old City Hall. The 4 elements include:

1. **Probst Center for the Performing Arts**, 1800 seats — paid for Redevelopment Agency funds which is tax increment financing
2. **Forum Theatre**, 400 seats — unique and innovative — is both a community theater and The City Council chamber. On Monday and Tuesday nights, it is a City Council chamber seating 260 people with TV studios. Afterwards, the Council dias and staff dias drop down a level on a large hydraulic lift and slide under the stage on air casters. Additional seating rolls into place and the room converts to 400-seat proscenium theater complete with fly loft. Because additional seats are on wagons, they can pivot and convert the room into a 350-seat thrust theater. Everything in this theater moves. Extremely heavily booked 12 months a year with plays, chamber music, jazz, dance recitals. A lot is professional — a small equity theater — even a community group here has lots of people carrying union cards.
3. A 760-stall **parking structure**, and
4. A government center housing **City Government offices.**"

"The theaters are supported by three private, non-profit groups: **The Alliance for the Arts**, which raises money to support the two theaters, **Thousand Oaks Civic Arts Plaza Foundation**, which raises funds to present performances, and **Friends of the Civic Arts Plaza**, which provides volunteers (ushers, gift shop)."

**Question:** *Please describe the relationships within the overall organization. Is there a document that outlines the mutual responsibilities in this relationship, especially in areas other than real estate?*

► **New Brunswick Cultural Center, Inc.**

"The relationship between NBCC Inc. and the resident companies is landlord/tenant. Technically, the resident companies do not report to NBCC, Inc. Their responsibilities are to their own boards (see chart, *Exhibit 1*).

*Written in 1988:* "Resident Company" benefits include: "full voting membership on the board of the NBCC, representation on board committees, and recognition in all NBCC media; first priority for use of NBCC facilities other than those used for the residency; first priority for facility needs; and first priority for funding assistance from NBCC from its Endowment Fund, operating funds, loan guarantees, or other measures approved by the NBCC board."

*Written in 1990:* "Ten Cultural Commandments — Revised" outlines mutual responsibilities of NBCC Inc. and the resident companies (see simplified version of 1990 revised commandments prepared May 1, 1997, *Exhibit 2*).

► **Pittsburgh Cultural Trust**

“The Trust is the umbrella with:

- a. **4 resident companies at the Benedum Center:**
- Pittsburgh Ballet
  - Pittsburgh Dance Council
  - Pittsburgh Opera
  - Civic Light Opera

“The Trust gives priority to these resident companies in scheduling of traditional season dates, contract/deposit requirements, protection periods, and settlement terms.”

b. **30 or so other arts organizations renting and using multiple other spaces.**

c. **Tenant relationship with the Public Theater:** “We will own the theater, and they will manage it on a day-to-day basis. They are responsible for the labor contracts and paying rent on a per-seats-used basis (I did that deliberately to help them grow and have a lot of performances). We are responsible for: 1) long-term maintenance, and, for that, we will put the rent they pay into a deferred maintenance account, and 2) the taxes on the land since the theater is not tax-exempt (previously, the parking-lot revenues paid the tax on the land). We are net negative, and we will raise the funds for the taxes.”

“We will book the theater when they are not using it — they get first claim on the dates — and we will co-present with them. We have signed a framework agreement. We are subsidizing them heavily. And they tell us we are not doing enough. They want a whole lot more office space in the theater, and the project is already over budget. We have not finished the design development. They want more of this and more of that. They have a hard time thinking outside of what they have had before to the benefits from being part of a critical mass. They want to operate a big box office like have at the old site — but they can use ours! It is hard to get these organizations to understand the mutual benefits from aggregating the functions. It was a waste of space! You have to keep putting pressure on them. It is extremely difficult.”

“Every time I get into one of these situation I have to remember words Larry Wilker said in 1987 and try to laugh. In September that year, I opened the Benedum with 4 resident companies. Larry, who is currently Managing Director and Chief Operating Officer of the Kennedy Center, was at Cleveland Playhouse. One month later, I attended my first meeting of a consortium of performing arts centers. Larry was chairman, and, as he opened a discussion of about resident companies and constituent relations, he began by saying we could not use four-letter words! It was such an eye opener to hear everyone’s experiences.”

d. **Heinz Hall which is owned and managed by the Pittsburgh Symphony.** “We have a collaborative relationship and work closely together. We co-present the Broadway Series with the Symphony. We alternate between Heinz Hall (3), the Byham (1), and the Benedum (3). We split our profits down the middle. A way to get cooperation. Also an agreement with them to share some of our longer runs at the Benedum with the Symphony — a non-compete incentive — so we are not in New York competing for product. The Benedum is better for big shows; they generate more rental income so we share it so they do not want to compete. A good working relationship among top managers. The problem with Heinz Hall is cat fights and competition further down in management — the marketing departments do not get along. Constantly working on that.”

**Further thoughts about relations with resident companies:**

“The biggest points of contention with the groups is that they see the Pittsburgh Cultural Trust as the 2000-pound gorilla because we are so successful with our fundraising. But, the funds are restricted.

The newspaper says we raised \$70 million so the groups think we should pay for more and more. The arts groups do not like the fact that we are involved in real estate. We wear two different hats and that makes it hard for the other arts groups. Hard to clarify for them in a satisfactory way. When we get money they think it is money they could have."

"In fact, the Trust is set up to encourage performing arts facilities which attract people because that attracts commercial development. We are set up to participate in the upswing in commercial development because we have land rent payments from the land adjacent to the theaters. Much of this was a red-light district. We get developers to work with us by assuring them that their property will be protected, and we set out to buy more land with foundation money. The foundations are intrigued with this concept. It is brilliant. The real estate market is not good in Pittsburgh but some day the Trust will be self-supporting. We have reduced our operating request by 100% from \$2,500,000 to \$1,200,000. We have increased earned income from real estate. Substantial money in the capital campaign was restricted to that. It is smart money the businessmen like. With Mellon money, we are about to do more land assembly."

"We buy porn uses out. We had 4 major porn uses, purchased all of them, and tore one down to make a site-specific sculpture park, turned one into a coffee shop, turned the porn theater into the 200-seat Harris Theater, and did facade restoration on the fourth one and are trying to attract a developer. In addition, we do streetscaping. One block on Liberty, for example, was terrible 8 years ago. It is so attractive now. It is exciting."

"If the Rockefellers had bought three more blocks around Lincoln Center, Lincoln Center could have been more self-sufficient. Look at how many other people have capitalized on the real estate turnaround. The arts need to get some of that capital back that they are creating. But, somebody has to seed the effort — the initial capital to buy the property."

"NBCC will succeed only if it has a vision that captures people's imagination."

#### ► **Portland Center for the Performing Arts**

The Metropolitan Exposition-Recreation Commission (7 members) runs four facilities:

1. Portland Performing Arts Center,
2. Oregon Convention Center,
3. Portland Metropolitan Exposition Center, and
4. Civic Stadium.

For the Portland Performing Arts Center:

- a. Harriet Sherburn is the facility director who reports to a General Manager who reports to the Commission. All are "Metro" employees (the regional government; used to be an acronym — it is a government jurisdiction for planning and transportation activities that encompasses 3 counties).
- b. Under her are 4 departments with 33 full-time staff, 112 full-time-equivalency employees who are on-call part-time people doing shift work related to the events going on in the 4 halls, and 600 volunteers.
- c. The 9 principal tenants are all independent 501(c)(3) with their own boards and staffs.

"We are the landlords they are the tenants."

#### ► **City Center 55th Street Theater Foundation, Inc.**

"Any strain in relationships are eased because City Center is operating in the black and has every year since 1992, the year of Judith's arrival. Judith Daykin worked hard to pay off all of City Center's debt (\$600,000-700,000) that year. Since then, a positive financial position has allowed City Center to

create board-designated reserves to, among other things, 1) take greater artistic risks and get the Mainstage's 'lit weeks' up, and 2) provide assistance to the dance companies and other regular users."

**Relationships with dance companies:** "Today, City Center provides many special services and benefits to the many dance companies that perform here, including *Alvin Ailey American Dance Theater*, *Paul Taylor Dance Company*, and *Martha Graham Dance Company*. The companies receives a variety of special services, considerations and rates during their engagement at City Center: rent subsidy, priority booking, subscription campaign/receipts, database post-engagement, ticket services, technical assistance, marketing assistance, MIS assistance, Playbill, rehearsal space, participation in and payment for Young People's Dance Series activities, participation in and payment for Saturday Matinee Workshops, and promotion in City Center materials. In addition, City Center provides to those companies with "resident" status advice and support in between their season, as requested. This can include placement of company literature at City Center and consultations in various areas."

"Because the question was raised, City Center put together a document which outlined the commitment City Center "required" for a company to maintain "resident" status. These included both legal and "best intention" actions:

**Legal:**

- Signed agreements to appear at City Center for annual seasons; *resident companies who fail to appear at least twice in three consecutive seasons forfeit resident status.*
- Agreement not to self-present at other New York City venues.
- Contracts and deposits signed and delivered twelve months prior to next season.

**Best intentions:**

- Open, honest communication as pertains to negotiations for dates, and/or considerations such as appearances at other New York City venues, or any other issues which impact the company's appearance at City Center, or the company's relationship with City Center.
- Timely information on repertory and marketing and technical plans.
- Support of City Center in all reasonable opportunities — printed materials, advertising, with Company boards, and in the funding community.

"The dance companies situation is in evolution," Judith said. "Presently, I am in the middle of an effort for the NYC Department of Cultural Affairs to evaluate what City Center has been doing and are doing for the dance companies, and how we can generate new audiences. The dance companies think we are doing nothing and are anti-dance." Judith, who spent 1969-1974 as Executive Director of *Paul Taylor Dance Company*, says "Artists feel they are owed something. The deeper their financial hole, the more desperate they are."

Judith provided a recent list (included in the Operations section of this report under IN-KIND SUPPORT which shows the kinds of services City Center provides to the dance companies. She has attached dollar figures even when City Center does not get anything back.

Pertaining to the current relationships in 1997, Judith summarizes: "The dance relationship has to make sense for both of us. It cannot be one-sided. My staff is fried with the relationships with the dance companies, especially time on the phone babysitting these new managers (there is no where else in the City that would give them that hand holding)."

"We are committed to dance and try to operate as a caring business. We are frustrated because the dance companies lack a sense of partnership. All we want them to do is behave as professionals — especially not to undercut us with funders."

"The dance companies never thank us. The staff feels they are being attacked, especially when we started losing grant moneys. We got \$50,000 toward support of the dance program, and the dance companies killed the grant. The donor said, "We can't fund you any more because we are hearing such negative things from the dance companies, and I can't convince my board."

"How could the dance companies be so short sighted? We could need to raise the rent! The dance community has been that way forever. This is the same tunnel vision as when, several years ago, dance companies encouraged the Dance Program at the National Endowment for the Arts to abandon the dance touring program because the dance companies wanted all the money. In the short run, they got dollars but, in the long run, they lost out with the marginal regional presenters who utilized the federal money to secure funds from their local governments. They are not going to do dance any more. They will book André Watts rather than dance which takes two-days worth of load-in time. Seeing what would happen takes not a visionary but someone with common sense!"

"We find dance companies very much living in the past. It is an art form that should be nourished, they think. There is a naivete that everything should be done for them rather than a sense that everyone needs to carry their own weight."

"I think the New Brunswick Cultural Center is facing a similar attitude: 'We are owed. You should be doing more for me not less.' How do we do that? Do we turn it over to them and see how long it will last?"

"It is a matter of developing a set of parameters so that ground rules are very clear — 'in exchange for your residency these are your obligations to the host and your hosts obligation to you.' Get everything written down. So they realize they have to raise money for the following items. It needs to be businesslike and not free form. That is where misunderstandings arise."

**Relationship with Manhattan Theatre Club:** Manhattan Theatre Club (MTC), a quality organization, has been at City Center for 12 years. Prior to 1992 when Judith came, the relationship between City Center and MTC was not close. City Center considered limiting their weeks and, during the open time, taking over the space and programming it. Judith has not continued in that direction.

MTC is charged only the direct costs of operating their square footage. City Center makes no money on the relationship. City Center providing all the host facility services is built in to what MTC pays — cleaning, security, and box office.

The box office does charge for those times when MTC is the only activity in the building. (The box office is the same room, with windows on either side. The size of box office staff is reduced when MTC is the only thing here. Early on, it was costing a lot. The more "lit" City Center is, the better it is for MTC.

City Center makes an effort to enhance communications and relationships. They had 10th anniversary party, for example, for the City Center board and the MTC board in the Mezzanine Lobby — and then attended an MTC performance together. The executive directors of the two groups meet for lunch about 6 times a year to discuss general issues. Recently, they are meeting even more regularly because we are helping MTC work on a contract with the Local #1 union; MTC about to acquire another venue in the Broadway area to which it will move its successful shows. If so, Local #1 will be very interested in having a formal relationship.

"It is about survival for both City Center and MTC, and we need to be talking more."

**Relationships with dance companies and Manhattan Theatre Club:** For all user groups, City Center instituted a major change this past fall. It now opens the box office Labor Day through Memorial Day, Monday through Saturday, for everyone contracted to play here for entire season. *Paul Taylor Dance Company*, for example, used to get as part of their rent only 2 weeks advanced sale "live" at

the box office (only mail and charge-card options were available at other times). Suddenly, the users have months of opportunity for advanced sale now. We are covering all dark time. This has been enormously helpful to MTC — giving them \$35,000 to \$40,000 in savings.

In addition, City Center started a campaign of “institutional marketing” or “seasonal marketing” — umbrella advertising that included users + City Center’s own attractions + included MTC in that.

“No user expresses much gratitude for this kind of thing.” Their reaction is, “Oh, that will be nice.” They seem to have no appreciation of what this costs City Center.

Judith pointed out that: “We do not consider ourselves an “umbrella” organization. We are City Center. I am the artistic director of City Center. I have to make decisions about what is critical to the future of City Center.”

#### ► Arts Center Foundation, Dayton, Ohio

“We have a contract with the Victoria Theatre Association to manage the Metropolitan Arts Center — primarily maintenance and custodial work. In addition, Dione Kennedy, Vice President for Operations who handles the bookings, stage preparations, and overall management of the Victoria Theatre, acts as our ‘building manager.’ Many of the tenant relations are directly with her. The Arts Center Foundation has a staff of one so we contract to get 40% of her time. The Victoria Theatre has staff of 35-40 and has the largest group of season ticket holders of any of the theaters in Ohio.”

“We have a landlord/tenant relationship. We have tenant meetings every 6 weeks. Dione, who has the primary staff relationship with the tenants, staffs the tenant meetings. They are complaint meetings and we-are-all-in-this-together meetings. Executive Directors all go. Selfish interests always predominate, and, because of the unhealthy financial conditions of most of the performing arts organizations, that is understandable. The Victoria Theatre is healthy — with excess capital funds in the high 6 figures. That is why they are so attractive as a partner.”

“There is a comprehensive lease with each tenant, different for each one. Each has standard clauses related to damage and not bringing the Feds down on us. It includes their mission: The Victoria Theatre must perform its mission adequately. In the case of the Victoria Theatre, we require audited statements and an annual report on how they are meeting their obligations programmatically and artistically. Not with other tenants.”

#### ► Lincoln Center for the Performing Arts, Inc.

“We are a creature of our constituent companies — to build this place and run this place.”

##### **Basic principles:**

- Independence of constituent companies with regard to their responsibilities and opportunities with their buildings.
- No institution subsidizes another.
- A great degree of inclusion of the constituent companies in decisions affecting Lincoln Center.

##### **Lincoln Center's responsibilities:**

- Assures that all public/shared spaces are properly repaired and maintained and are operated safely.
- Controls operation of Avery Fisher Hall (home of the New York Philharmonic) and Alice Tully Hall (home of Chamber Music Society of Lincoln Center, Jazz at Lincoln Center, and Film Society of Lincoln Center) and, for those buildings:
  - accomplishes upgrades of in common with constituent companies who are major users, and

- ▶ tries to offset operating expenses by booking the facilities as fully as possible with events by constituent companies, outside companies, and groups presented by Lincoln Center itself.
- Fosters interaction between and among constituent companies on operational and strategic issues
- Operates a united fund drive, calling on major corporations for unrestricted general support that is then shared with all companies on the campus (constituent companies can still approach those corporations for funds for specific activities).
- Represents Lincoln Center as a coordinated entity in appropriate settings.

**Responsibilities of each constituent company:**

- Fulfilling own mission to the best of their abilities.
- Handles all repairs, maintenance, improvements, insurance, and operating expenses — short and long term — of the buildings each constituent company occupies, respectively. “Lincoln Center Theater, for example, has spent a lot of money renovating the Vivian Beaumont and Mitzi E. Newhouse Theaters — those are virtually new theaters.”
- Operates own box office:

<i>Theater</i>	<i>Ticketing Software</i>	<i>System for phone sales</i>
Avery Fisher+Alice Tully Halls	Select “1½”	own CenterCharge system
Metropolitan Opera House	Select II (by coincidence)	MetCharge
NYC State Theater	Pac 3000	Ticketmaster
Vivian Beaumont Theater	Schubert System	Schubert TeleCharge system
Film Society Theater	another system	

- Conducts its own operating, capital, and endowment campaigns.
- Operates independently with no company providing “subsidy” to another.
- Pays a reasonable annual rent payment toward the general overhead of Lincoln Center.
- Adheres to agree-upon guidelines for operations and fundraising.

**Communications vehicles:**

- Lincoln Center Council is the communications vehicle to deal with overall management, physical plants, fundraising, marketing and promotions, etc. The Council consists of the President of Lincoln Center and the key staff of the constituent companies.
- General Services Committee is a staff-level vehicle which meets 2x a year. Approves the budget for operating the facilities (in the Spring). An open forum where people react to the ideas of the General Services Department.
- The CFOs of each constituent company talk frequently with Robert Cappiello, VP Finance, to update Lincoln Center on progress and problems. “We rarely meet as a group. We understand each other very well but obviously our institutions may not be in agreement.”
- Accurate reporting by Lincoln Center to the constituent companies is crucial, especially “when I am reporting the operating results of Avery Fisher Hall with the New York Philharmonic, which shares about 30% of the results positive or negative. Also, when I report the results of Alice Tully Hall with Chamber Music Society of Lincoln Center and new Jazz Society of Lincoln Center — each share about 6% of the operating results. I have to be able to support every line to show them how the rental rates are determined. I try to get fixed costs down and to show that, to be competitive with the rates for Carnegie Hall, the two Halls should be utilized as much as possible.”
- Other financial communication:



“The General Services bill is based on what the constituent companies actually use — water, steam, electricity. There is little we can do other than manage energy costs efficiently.”

“In public spaces, we try to do revenue enhancing things and get City money so that is break even. We have not been successful in having a break-even situation the last three years, and are projecting break-even in the coming fiscal year. When it is break-even, we do not have to pass that charge along to the constituent companies.”

“A little bit of me is charged to the Halls for General Services. We do a survey twice a year — one is official and one is prospective testing — how do we as department heads feel we spend our time? If the Marketing Department spends ½ time on Jane Moss’ programming, then ½ is allocated to Jane Moss’ programming. If I say 10% of my time is devoted to Avery Fisher Hall, 10% gets included in the general overhead of Avery Fisher hall. Altogether, Lincoln Center Inc. ends up covering about ½ of its overhead expenses through allocations. Suppose counsel is doing a contract for me on a new investment in our endowment. Her time does not get allocated to our overhead — is not billed to me. That is why we need unrestricted funds. That discussion is not easily grasped or remembered, we have to make it clear that every line is justified to our constituent groups.

“There is a compelling reason for this trust and openness on Lincoln Center’ part — the distribution of money requires a sharing of information on our part.”

“The only reason I have to see their annual reports is for purposes of the consolidated corporate fund drive (the bifurcated formula on the first \$2 million is based on square frontage and usage/audience levels, the rest is based on annual report numbers after putting fundraising costs on a common base). Otherwise, I have no need to know about their numbers.”

“I also need to see their numbers for the purpose of a creating the schedule on the back of the publication about the consolidated corporate fund drive — a schedule as if we were all consolidated. We just add the numbers together, without any elimination of duplicate entries.”

“No documents outline the mutual responsibilities in this relationship. Each constituent company has its own Lincoln Center agreement. They resemble each other. Not a form document. They are done at different times. Philharmonic was first, and Jazz at Lincoln Center is last.”

#### ► **Woodruff Arts Center Inc., Atlanta, Georgia**

The Woodruff Arts Center is the corporate umbrella and legal entity. It is organized as a single 501(c)(3) with one fiduciary and legally-responsible board (as in a corporation). It has 4 distinct arts organizations and a 5th division — the Administrative Division — that are referred to as “Operating Divisions,” each of which has its own operating boards. New Divisions may be added if it becomes clear that additional art disciplines should be under the Center's auspices.

The document that outlines the mutual responsibilities in this relationship is attached (see *Exhibit 3* “Woodruff Arts Center — Organizational Philosophy”).

The advantages of being a Division of WAC include having: a permanent home, a source for operating capital during low cash flow periods, a centralized personnel function, some administrative support, and the ability to raise unified funds in Atlanta because the WAC “seal of approval” insures acceptance across the community. By implication, to be out from under the WAC umbrella means walking alone down a tough fundraising road in that community.

The board of WAC Inc. could easily remove one of the Operating Divisions because they are “divisions” and not separate corporations — in the event of serious mis-management or default (yet community political realities and the interlocking nature of the social and professional relationships among trustees make it difficult to think that a situation could get to that point) or in the event of obsolescence and not making it any more (no audience).

"In the case of the New Brunswick Cultural Center," Shelton said, "removing an organization would have to be a group decision — everybody is represented on the board — and the umbrella organization is the convener and if something just were not making it and bad use of the facility — they could remove one of the organization if everyone else agreed. Like contracting with an artist — a 3-year, 5-year contract. As long as we are somehow voting members on the convening board, then you have an opportunity of saying this really was a community decision."

WAC Inc. would probably not expand to include institutions like the local opera and ballet companies as Operating Divisions. WAC is protective of its current funding formulas and resources and it seems unlikely that the addition of those companies will add significant enough value to the Center to offset the increased annual burden of providing them with facilities and on-going support. A strategic plan document, entitled "A Vision for the Twenty-First Century," completed in June 1990, outlined the challenge of providing continued funding for the current facilities as well as the impact of a plan to add facilities in order to expand the Center. Its recommendations were to first seek \$30,000,000 in funding for endowment expansion and the acquisition of neighboring properties and air rights that would allow facility expansion in the future before any consideration is given to the feasibility of adding additional organizations to the WAC.

"But, we may very well take on someone else or something else under a modified arrangement. They may not come into the funding arena — but in the areas of access to facilities (which would help us) and the ballet, for example, could come here to get better health insurance rates, ease on cash flow issues (we act as banker), centralized payroll at a better rates, and centralized ticket operation. There could be lots of advantages. We would not feel obliged to build them a new building — they could come in and not do there performances here. Or, the Ballet would do Nutcracker at the Fox Theater."

The dynamic tension in the structure of this organization is the desire by WAC to have each of the Divisions become as strong and as self-sufficient as possible without losing any of the control by WAC that is so necessary to keep the relationship functioning.

Each Division sets its own artistic agenda and budget in consultation with their board. The WAC board is more the dispassionate manager assigned to getting the job done while the boards of the Operating Divisions provide a greater level of excitement and involvement for their trustees.

Final approval of the budget is, of course, reserved for the WAC board. The Chairman of each Division is a Vice Chair of the WAC board and the Treasurer of each Division has a seat on the WAC Finance Committee. All are well known to one another and all are business colleagues. They invariably share a keen sense of corporate/community responsibility to make their Division the most operationally sound of the 4. Deficit budgets are unacceptable, but in the event of organizational debt (a situation in which all 4 of the Divisions found themselves until this last summer) the WAC acts as the financing entity and maintains cash flow.

Shelton elaborated: "The books are open to the Finance Committee. Each groups knows as much as they want to about each of the other Divisions. There is no tension about that because the people looking at this are volunteers — they do not have the time to look at it in terms of competition, personality, and grudges. Where this is an issue is when they want to look at in detail at the WAC Inc. Administrative Division books. Whatever those expenses are eventually come out of their hide. They do not see it that way in terms of the Artistic Divisions. They see it in the allocation of the unified funds."

"They want to see no change in the Administrative Divisions' expenses because they feel it means no increase for them. The administrative expenses are pretty well frozen, and I am trying to unlock that. For me, the challenge is to find new and independent streams of fundraising for the

Center itself. Until now, everything the Center has done goes back to the Operating Divisions. The Center itself has no funding of its own. While rents are charged that all just becomes operating expenses they would normally have — and they get what is subtracted from revenue earned. I have to find an independent means of funds for the Center itself.”

► **Thousand Oaks Civic Arts Plaza**

“The relationships among the various entities are outlined in the “Thousand Oaks Performing Arts Center Flow Chart (see *Exhibit 4*).

“The theaters are operated by the City as an Enterprise Fund. We have to pay everything ourselves. There is no City support. I am a City employee, but the City does not pay my salary. We pay the City for maintenance, utilities, and staff salaries. We have our own asset depreciation line item. This was done for political reasons.”

**Question:** *Realistically, where is the power centered?*

► **New Brunswick Cultural Center, Inc.**

Executive Committee of NBCC Inc.

► **Pittsburgh Cultural Trust**

“The Trust manages its facilities. The Pittsburgh Symphony manages Heinz Hall. There is a generally collaborative working relationship.”

► **Portland Center for the Performing Arts**

“All legal authority is centered in the Metropolitan Exposition-Recreation Commission.”

► **City Center 55th Street Theater Foundation, Inc.**

“A combination of the City Center Board of Directors, the Board Chairman [Howard M. Squadron has been chairman for 23 years], and the Board President [Judith Daykin, Executive Director].”

► **Arts Center Foundation, Dayton, Ohio**

“It is situational. Arts Center Foundation just has a staff of one — the “power” centers on me but I distribute it liberally — to the Victoria Theater, the tenant groups, and the Arts Center Foundation.”

► **Lincoln Center for the Performing Arts, Inc.**

“It is checks and balances. Lincoln Center Inc. was formed to build the place, provide the common services, run a couple of concert halls for constituent companies, and become a presenter to keep the costs down (the fun part and what the constituent companies do not always like because they think it is fundraising and ticket dollars they could have had).”

“Power is disbursed. Each company is free to do what they wish as long as they pay their bills on time. If their ambition is not matched with attraction at the box office, that is there problem. They have to ask Lincoln Center, who is here to protect the whole, if they can program off campus. So when the Lincoln Center Theater wanted to put something on on Broadway — relationship with the

Schuberts, let them use it at discounted rates — we said OK, it worked. I cannot imagine denying their requests.”

► **Woodruff Arts Center Inc., Atlanta, Georgia**

“The officers of the WAC Inc. board. The officers include the President (the CEO of the Administrative Division, in this case, Shelton Stanfill) and the Vice Chairs (the Chairmen of each Operating Division.” Shelton elaborated: “Historically, this has been an organization where the 8 officers made the decisions and ran the board and the organization. That has been the power. I am going to change it to the Executive Committee, so there is no confusion.”

► **Thousand Oaks Civic Arts Plaza**

“Depends on who you ask. Ultimately, any decision affecting the physical plant (putting name on building) has to be approved by City Council, because they own the building. Any decision about programming is approved by the Board of Governors because the programming money is all privately raised by the Foundation.”

“This is a public/private partnership of the City with the Alliance and the Board of Governors — with policy setting with both sides.”

“The City Council has no say over programming. But, the City Council determines rental rates and physical and staffing needs. Two different power centers — one owns building and other which raises private dollars for programming.”

“Most cities fund what they build. This city made the decision that all funding has to come from the private sector.”

**b. Board of the “umbrella” organization**

- Questions:**
1. *Please describe the governance structure (words or chart).*
  2. *What is the number of elected members to the overall board? Number of appointed members?*
  3. *Who are the appointed board members? Are the “resident companies” represented on this board as full voting members? Any representatives of local government?*
  4. *How do the roles and responsibilities of elected board members differ from those of appointed board members?*

► **New Brunswick Cultural Center, Inc.**

“NBCC, Inc. Board of Trustees meets quarterly and consists of 32-36 trustees. 21 of the trustees are “elected” (bylaws permit up to 27) and 9 are “appointed.” The appointed trustees are: the board presidents of the 4 resident companies (George Street Playhouse, Crossroads Theatre Company, American Repertory Ballet Company, and New Jersey Designer Craftsmen) + the mayor of New Brunswick + the president of Rutgers University + 2 Middlesex County freeholders + the dean of the Mason Gross School of the Arts at Rutgers. Appointed trustees do not have the giving, fundraising, and subscription responsibilities that the elected board members have.”

“**Executive Committee** meets monthly and is selected by the Chairman in accordance with the bylaws. Not less than 7 nor more than 9, 4 are the officers with up to 5 additional, one of whom is immediate past Chair of the board. The President (staff) meets with the Executive Committee every time they meet. No resident companies are represented on the Executive Committee.”

“**State Theatre Operating Committee** meets 6 times a year. The State Theatre does not have a separate board with a separate Chair. So, the elected trustees of the board have separate meetings to talk only about the State Theatre (elected trustees with full trustee responsibilities, not the representatives of the resident companies).”

► **Pittsburgh Cultural Trust**

“The Trust has a 39-member board with broad community representation. 30 members of the board are elected and 9 members of the board are ex officio, including the Chairmen of the Pittsburgh Ballet, Pittsburgh Dance Council, Pittsburgh Opera, Civic Light Opera, Pittsburgh Symphony, Pittsburgh Public Theater, the Mayor, Chairman of the County Commission, and the President of the City Council. The resident companies’ representatives are full voting members.”

“The roles of appointed members are not different, in fact, some of our ex officio members are so active that, when they rotate off, they are made elected members. We just elected the former Chair of the Dance Council, for example, as a full-time member of the board.”

“Ex officio members have all the privileges and none of the responsibilities. It is really good for us. I got the Lincoln Center by-laws and presented the idea to the board to get the resident companies and symphony more involved. Communications have been extremely good. So far, so good. We have created a culture of cooperation.”

► **Portland Center for the Performing Arts**

“The Metropolitan Exposition-Recreation Commission’s 7 members are all appointed through different government entities — City of Portland = 2 members, Metro government = 2 members, and each of the 3 counties = 1 member each. The City and Metro have a majority on the commission because they own and/or operate the four facilities; the counties are there for political purposes. “Resident companies” are not represented on the board. Board members are leading citizens of the community, representing local governments.”

► **City Center 55th Street Theater Foundation, Inc.**

“The Board of Directors consists of 20 members, 19 elected and 1 ex officio (the Commissioner of Cultural Affairs of New York City). Several of the board members are interested in dance but there is no one on the board “representing” the user groups. This is a change from 23 years ago when the boards of the four dance companies were the City Center board. Gradually, that began to change and the representatives were rotated off because the representatives did not care about City Center — just their own companies.”

The President & Executive Director of City Center is a member of and reports directly to the board.

► **Arts Center Foundation, Dayton, Ohio**

“Arts Center Foundation consists of and is governed by a 12-person, self-perpetuating Board of Trustees. Community Leaders — private and corporate citizens. They elect members to fill vacancies and they hire and fire me, the one staff member.”

"None of the performance organizations are represented per se. Most of our board members are on boards of performing arts organizations, however. Occasionally, they may or may not be chairman of the board. They are not on the board to represent these organizations. There are no government representatives."

► **Lincoln Center for the Performing Arts, Inc.**

"Each constituent company has its own board."

"We have a board of Directors of 47 + the Mayor's designate + Head of Parks Department + Speaker's designate + New York City Department of Cultural Affairs. Officers are: the Chair, 3 Vice Chairs, Treasurer. Executive Committee of 16. No Finance Committee; the Executive Committee serves that role Board meets 4x a year; Executive Committee meets 6x a year. No meeting in July and August. Investment Committee meets 4x a year to focus on endowment and pension fund. Audit Committee meets 2x a year."

"About 1/3 of the Lincoln Center board are representing the constituent companies. It can be 40% because some people are on more than one board although not representing that organization. The Metropolitan Opera has 3 representatives, State Theatre has 1, City Opera has 1, City Ballet has 1, and each of the other institutions, essentially 1.

"Elected = people we think can bring something — work, wisdom, wealth. We do not ask the representatives of the constituent companies to help with that sort of heavy lifting. We do not ask them to serve on board committees, etc. unless bring special expertise. Depends on what they are bringing to the equation whether giving is expected. They may represent an important part of the community. By and large, the newest members have brought money with them."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"Woodruff Arts Center Inc., the corporate umbrella, is organized as a single 501(c)(3) with one fiduciary and legally-responsible board (as in a corporation). Each of its 4 Operating Divisions has its own operating board (most boards in Atlanta are on the large size with 80+ members) who provide the "passion" for that individual organization."

"WAC Inc. has a 65-member board — all are elected. There are 5 ex-officio members — The staff President of the Center and the Chairmen of the four Operating Divisions. As under Roberts Rules of Order, they are there by title of office and have the full privileges of the position without any of the responsibilities (attendance and giving). There are no government representatives."

"The Executive Committee is 23 people — includes ex-officio members. Technically, we use the 23-member Executive Committee on items of legal consequence or the full board."

► **Thousand Oaks Civic Arts Plaza**

"There is a 15-member Board of Governors, ½ appointed by the City Council and ½ appointed by the Alliance for the Arts." The Executive Director of the theaters staffs the Board of Governors.

"When we started this 3 years ago, the board was just City appointees. Soon, it became apparent that major donors wanted a voice in the Alliance, in programming, and in running the Center. So we expanded the board from 7 to 15 members. Some of the appointees are Alliance donors, and some are volunteers/board members of the groups that use the theaters. All are 'legally' appointed. 1 represents youth in the community, and 1 represents education in the community. Each City Council member has an appointment. The Alliance nominates the other half which the Council blesses."

"There are also the boards of the Alliance for the Arts and of the Thousand Oaks Civic Arts

Plaza Foundation. We are all separate nonprofits.”

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**c. "Resident Companies"**

**Questions:** *What defines a "resident company"? Who are the "resident companies" under the auspices of the "umbrella" organization?*

► **New Brunswick Cultural Center, Inc.**

“Resident Companies are those arts organizations who occupy facilities owned or rented by NBCC and/or who attract a significant number of patrons to the City.”

*Written in 1988:*

- Must have physically been a part of the NBCC for a 3-year period, and continuously maintained its principal operation within the Center.
- Legally constituted as a non-profit 501(c)(3) corporation+governed by a separate board.
- Full-time paid staff.
- Broad-based financial support including gifts from the NJ State Council on the Arts, foundations and corporations, and its own board.
- Mission consistent with the mission of the NBCC.
- Must recognize in all print and broadcast media that it is a resident company of the NBCC.

Resident Companies: State Theatre  
George Street Playhouse  
Crossroads Theatre Company  
American Repertory Ballet Company  
New Jersey Designer Craftsmen

► **Pittsburgh Cultural Trust**

“The four major organizations at the Benedum Center for the Performing Arts are our only ‘resident’ companies — they produce or present a regular season at that theater.”

Pittsburgh Ballet  
Pittsburgh Dance Council  
Pittsburgh Opera  
Civic Light Opera

“And, we will be adding the Pittsburgh Public Theater in 1999 when the theater we are building for them is complete and they move into the District.”

► **Portland Center for the Performing Arts**

“A regular season in one of our theaters defines a “principal tenant”/resident company. They must also have non-profit tax-exempt status, educational activities, and a track record.” There are 9 principal tenants:

Oregon Symphony  
Portland Opera  
Oregon Children’s Theatre Company

Tygers Hart Shakespeare Company  
Musical Theatre Company  
Portland Youth Philharmonic  
Oregon Ballet Theatre  
Portland Center Stage  
Tears of Joy (puppet theater)

► **City Center 55th Street Theater Foundation, Inc.**

“Manhattan Theatre Club is resident in City Center’s Stages I and II.”

“Until 1994, several dance companies were considered resident companies. The definition was: a company with whom City Center has a (sometimes long-standing) ongoing, regular relationship. A resident company performs at City Center no less frequently than every other year. But, in 1994, City Center and the “resident companies” mutually agreed that the companies who played there regularly should be called “constituent dance companies” rather than ‘resident companies’ — because they were no longer in residence at City Center. Currently, the constituent dance companies are:

Alvin Ailey American Dance Theater — annually 4 weeks.

Paul Taylor Dance Company — used to be annually, now every 18 months.

Martha Graham Dance Company — canceled at the last minute this year!

American Ballet Theatre is coming back — to be at both Lincoln Center & City Center!”

► **Arts Center Foundation, Dayton, Ohio**

“Resident companies’ are tenants. Arts Center Foundation owns two buildings. The tenants in the Victoria Theatre building are:

- Victoria Theatre Association — a financially-healthy presenter with a staff of 35-40 and more season ticket holders than of any of the theaters in Ohio
- Dayton Ballet — a sublease from the Victoria Theatre Association

And the tenants in the Metropolitan Arts Center, next door, are:

- Culture Works — the united arts fund currently occupying the first-floor ‘store front’ space.
- Puerto Rican Cultural Society.
- W.D.P.R. Public Radio.
- Cityfolk, a presenting organization.
- Dayton Contemporary Dance Company — a first-rate, nationally-recognized, African-American dance company.
- The Muse Machine — a teacher-student oriented arts education organization.
- The Human Race Theatre — primary tenants for the loft theater on the top floor.
- Rhythm and Shoes — a sublease from The Muse Museum.
- Montgomery County Regional Arts & Cultural District — gives out \$1,000,000 in County funds annually.”

► **Lincoln Center for the Performing Arts, Inc.**

“They are housed on campus.”

Constituent companies:

The Juilliard School

Metropolitan Opera



New York City Ballet  
New York Philharmonic  
New York City Opera  
The Lincoln Center Theater  
The School of American Ballet (closely affiliated with City Ballet)  
Chamber Music Society of Lincoln Center  
Film Society of Lincoln Center  
Jazz at Lincoln Center  
New York Public Library for the Performing Arts

**Theaters:** Alice Tully Hall  
Avery Fisher Hall  
Metropolitan Opera House  
Mitzi E. Newhouse Theater  
New York State Theater  
Vivian Beaumont Theater  
Walter Reade Theater

**Others:** Lincoln Center Institute (autonomous; generously endowed; own board, a committee of the Lincoln Center Inc. board).  
Metropolitan Opera Guild (housed in this building; sole purpose to raise ancillary income for the Metropolitan Opera, runs the shops, catalogue, tours, education and outreach. Own board separate from Metropolitan Opera).

► **Woodruff Arts Center Inc., Atlanta, Georgia**

The Operating Divisions of the corporation are the "resident companies." The Operating Divisions

are:

1. The Atlanta College of Art
2. High Museum of Art
3. The Atlanta Symphony Orchestra
4. The Alliance Theatre Company
5. Administration of the Woodruff Arts Center

► **Thousand Oaks Civic Arts Plaza**

"A 'resident company,' if we called them that, would be defined as having 'an exclusivity for what they are doing.' These groups have ongoing seasonal contracts with us:

New West Symphony — composed of studio musicians from LA, wonderful,  
Theatre League — based in Kansas City — exclusive arrangement for Broadway musicals,  
Cabrillo Musical Theatre — a resident civic light opera with equity guest artists,  
Santa Susana Repertory Company — an equity company in the Forum Theatre,  
Camarata Pacifica based in Santa Barbara, 9 chamber music concerts in the Forum Theater.

Also, we have an exclusive arrangement with Avalon, pop presenters, to bring in the Tony Bennets and those kinds of shows. A sweetheart deal because I am trying to program two theaters on other people's nickel."

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**Questions:** *Does the "umbrella" organization also program?  
If so, to what degree are financial, staffing, and operating functions separated between the "umbrella" and "resident company" functions?*

► **New Brunswick Cultural Center, Inc.**

"We program as the State Theatre. This is particularly important. The other organizations feel the NBCC is competing with them."

"Separation between the 'umbrella' and 'resident company' functions? Some detailed financial separation exists."

► **Pittsburgh Cultural Trust**

"The Trust is a presenter — all functions are separate — but we do sometimes 'co-present.'"

► **Portland Center for the Performing Arts**

"The theaters are just pieces of real estate. The management organization runs all of them. We do not present."

► **City Center 55th Street Theater Foundation, Inc.**

"City Center presents, co-presents, and commercially rents its Mainstage to prominent performing arts groups and other attractions. Its award-winning, self-produced series of concert versions of rarely-heard musicals in their original orchestrations, *Encores! Great American Musicals in Concert*<sup>SM</sup>, was introduced in 1994 and has successfully brought a new audience into City Center (and its version of *Chicago* was remounted and is currently a hit on Broadway)."

"Since 1989, City Center has produced the *Young People's Dance Series*, a program utilizing its dance companies and reaching students throughout the city. This effort has been expanded into Saturday Matinee Workshops, musical theater components and teacher education programs, and today reaches out to educate and enlighten both young and general audiences, developing cultural awareness across the city while offering opportunities to the companies who perform there to reach new audiences and gain additional income."

"In 1992, dance was only thing happening at City Center. Focusing completely on dance did not make sense to City Center because dance attendance was declining. Instead, it was better to revert back to the original mission envisioned by Fiorello LaGuardia — a wide and diverse program, particularly indigenous American Art to dovetail with modern dance. Previously, City Center had brought in Twyla Tharp and other dance groups. The resident dance companies resented it. "City Center is raising money against our season; it is unfair," they complained. As a result, City Center's mission changed in 1992 — it would no longer present dance!"

"Subsequently, the dance companies have changed their relationship with City Center to be 'constituent' rather than 'resident' companies. As a result, City Center may again begin to 'present' dance starting next year."

► **Arts Center Foundation, Dayton, Ohio**

"Arts Center Foundation does not program, but the Victoria Theatre — the building manager for the two buildings — does."

► **Lincoln Center for the Performing Arts, Inc.**

"Yes. Separate."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

WAC Inc. has not been either a presenter or producer of arts events in the past. Shelton, the new President, is the first person with an arts background to hold that post. He intends to begin presenting major performing arts events in order to increase usage of the facilities (primarily Symphony Hall) and to drive additional revenue to the bottom line for the WAC. He is also anxious to coordinate artistic activities of the various Divisions and to program "festival" type activity whenever possible to achieve greater public relations exposure for the Center.

► **Thousand Oaks Civic Arts Plaza**

"We program, but I am last in line to get dates in these theaters — I fill in empty dates and bring in programming no one else is doing."

**d. Facilities**

**Question:** *Who owns the facilities, a not-for-profit corporation, private owner, or government body?*

► **New Brunswick Cultural Center, Inc.**

• Middlesex County, a government body, purchased the State Theatre in 1988, leasing it back to NBCC to operate under a 50-year operating lease.

• NBCC, Inc., a not-for-profit 501(c)(3) corporation, owns the two other theater buildings and retains full control over how the buildings are used and developed.

► **Pittsburgh Cultural Trust**

"The Trust, a non-profit corporation."

► **Portland Center for the Performing Arts**

"The Portland Center for the Performing Arts is owned by the City of Portland."

► **City Center 55th Street Theater Foundation, Inc.**

"City of New York. City Center leases the building for \$1 a year — to go up to \$10 a year this year."

► **Arts Center Foundation, Dayton, Ohio**

"Arts Center Foundation, a 501(c)(3) not-for-profit corporation."

"We are in the midst of contemplating whether to be the landlords indefinitely and whether that is our proper function and what we want to do with the Metropolitan Arts Center. If we are landlords long-term, we should do some fundraising."

"We are thinking about whether we should give the building, say, to the County or to the City or in a long-term lease to the Victoria Theater or whether we should create a condominium that the tenants could manage. Have not acted on any yet. We are leaning toward the Victoria Theater because they have a competent manager and have acquainted themselves intimately with the building."

► **Lincoln Center for the Performing Arts, Inc.**

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“Technically, we control all the real estate.”

Lincoln Center Inc. owns and controls:

Alice Tully Hall (shares control with The Juilliard School)  
Avery Fisher Hall

On Lincoln Center books but constituent companies are responsible as if they owned them:

Metropolitan Opera House “Lincoln Center leases it to them for \$1 a year.”  
The Juilliard School  
Vivian Beaumont Theater/Mitzi E. Newhouse Theater building

Owned by the City:

Two buildings (the City contributes to the maintenance):

Public Library half of the Vivian Beaumont

New York State Theater “The City wanted a theater for ballet. When City Ballet and City Opera said they could come here, they were in City Center (City-owned). The City said they could not have one built in time for the 1964 World’s Fair. Nelson Rockefeller said the State would build it in time and then ceded it to the City. We control the lease.”

In addition, the City owns the public spaces, including:

The Plaza and fountain

Damrosch Park and Guggenheim Bandshell

North Plaza with the Henry Moore sculpture and reflecting pool

Park & Lock garage

Subterranean concourse and subway entrances

The City contracts with Lincoln Center to maintain these spaces and run the garage.

A condominium, including Lincoln Center Inc., The Juilliard School, and School of American Ballet:

Rose Building “Individual spaces are the responsibility of individual companies. A committee meets several times a year so it is operated in concert.”

► **Woodruff Arts Center Inc., Atlanta, Georgia**

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“One not-for-profit corporation (= the Administrative Division) owns all the buildings and all properties and has full legal responsibility for all leasehold improvements and long-term needs.”

► **Thousand Oaks Civic Arts Plaza**

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“The City of Thousand Oaks.”

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**Question:** *Who is responsible for paying the staff salaries and getting the facilities fixed — routine maintenance? capital improvements?*

► **New Brunswick Cultural Center, Inc.**

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Under the current leases, NBCC, Inc. is responsible for:

- All major system and exterior repairs/improvements for the two theater buildings.
- Keeping the buildings in good working order and in good condition, specifically all structural and mechanical systems repair and maintenance, including the roof, HVAC, plumbing and electrical systems, and all exterior building maintenance.
- Insuring the buildings and their improvements against fire and casualty.

Under the current leases, the Resident Companies are responsible for:

- Keeping the premises in good repair, clean, and in proper sanitary condition, performing all routine cleaning/interior painting, minor (non-structural) maintenance and repairs.
- Maintaining public liability insurance for premises, personal injury, contractual liability, and broad form property damage coverage.
- Making all alterations, additions, and improvements at own cost after securing specific permission to proceed from NBCC.
- Reimbursing NBCC (as additional rent) for any plumbing or electrical improvements which are necessitated by the "business or profession" of the Resident Companies.
- Seeking approval from NBCC for any exterior signage or interior signage visible from outside the building.
- Maintaining all stage equipment and operating it in a safe condition.

► **Pittsburgh Cultural Trust**

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"The Trust is responsible for everything in the Benedum Center for the Performing Arts and in the support building on the back of the Benedum — rehearsal halls, conference rooms, and one floor of office space, Byham Theater, Harris Theater, and Wood Street Galleries."

"The Trust will be responsible for the long-term maintenance at the Pittsburgh Public Theater. They will clean the theater, pay the heat and light bills, etc."

► **Portland Center for the Performing Arts**

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The Performing Arts Center is responsible for personnel, maintenance, and major repairs."

► **City Center 55th Street Theater Foundation, Inc.**

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"Except for major capital projects (when it can apply to the City), City Center is responsible for maintaining the facility. Yet, City Center has a budget of \$6-7 million. The City pays: 1) less than \$1,000,000 in line-designated salaries and benefits (for those whose titles qualify for City salaries, and 2) electricity (not an item that passes through City Center's budget). The City is paying less than 30% of operating costs, programs not included. Other City-owned institutions are receiving 50%."

► **Arts Center Foundation, Dayton, Ohio**

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"Arts Center Foundation pays the contract workers who do these things in the Metropolitan Arts Center. In the Victoria Theatre building, the Victoria Theatre takes care of all that itself if routine, custodial, cleaning, minor repairs. Major maintenance (roof, etc) is the Arts Center Foundation responsibility. We have a \$2 million maintenance endowment fund for the Victoria Theatre building."

► **Lincoln Center for the Performing Arts, Inc.**

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"The Metropolitan Opera for the Metropolitan Opera House."

“The Lincoln Center Theater for the Vivian Beaumont Theater/Mitzi E. Newhouse Theater building.”

“Each building, each resident company.”

“We handle Avery Fisher Hall. We share some elements of Alice Tully Hall — we run the Hall in cooperation with Juilliard. For the common areas, we will seek capital money from the City to redo. We have \$1-2 million a year from the City to take care of these public areas.”

▶ **Woodruff Arts Center Inc., Atlanta, Georgia**

Administrative Division/the corporation. Shelton explained: “I have two titles. They reflect different responsibilities.

1. I am President of the Board and a Trustee. I am second only to the Chair of the Board that has the responsibility overall.
2. I am also the COO of the Administrative Division. As such, I am equivalent to being the General Manager of the Symphony Orchestra or Executive Director of the High Museum of Art. I pay the salaries, fix the facilities, and maintain the buildings in my role as the COO.”

“Each Division is responsible for its own utilities, operating equipment, and any expenditures in their spaces that they particularly need.”

▶ **Thousand Oaks Civic Arts Plaza**

“The Enterprise Fund within the City. We are like a city-owned golf course that pays for itself — has to generate its own revenue: rent, fundraising, all parking fees associated with performances (the only time we charge for parking is during a performance), interest (have ticket sales that do very well here — run a central box office), and charges for staff time/ushers/stage hands. All of the staff are City employees for legal reasons.”

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**Question:** *How and by whom is the issue of acquiring a depreciation reserve addressed?*

▶ **New Brunswick Cultural Center, Inc.**

“It is done by the NBCC, Inc. Trustees but it has not been done.”

▶ **Pittsburgh Cultural Trust**

“The Trust has a depreciation reserve for the Benedum as well as a \$5,000,000 plant fund (endowment for plant) — not enough but a good beginning. We would like to have \$20,000,000 in the plant fund. We did a massive study about the long-term needs and are replacing carpeting in the Benedum now. That is what the plant fund is for.”

▶ **Portland Center for the Performing Arts**

“The City does not care because it is not a tax-paying entity. The Performing Arts Center is trying to have a “safety” reserve of 25% of the annual budget (see discussion later on).”

▶ **City Center 55th Street Theater Foundation, Inc.**

“The City owns the facility and the depreciation.”

► **Arts Center Foundation, Dayton, Ohio**

"We do not have a depreciation reserve — the concept is embodied by the maintenance endowment fund for the Victoria Theatre building, but, in the case, of the Metropolitan Arts Center that is still a very basic question. We would love to be able to have a maintenance endowment fund for the Metropolitan Arts Center but do not have the revenues right now. Unfortunately, at the last minute of our fundraising for the Metropolitan Arts Center, the State reduced its commitment to us by \$1.5 million — that is what I had set aside for that building. Only have a \$200,000 reserve for that building."

"We operate the Metropolitan Arts Center almost as if it were a cooperative profit-and-cost-sharing group. The rents should pay for the ongoing maintenance and custodial services, not depreciation or major repairs. At the moment, we are running a \$30,000-\$50,000 per year deficit. We hope that will be cured by a new restaurant tenant. In the meantime, we eat into the small reserve fund."

► **Lincoln Center for the Performing Arts, Inc.**

"We have 3 reserves:

1. Central, Mechanical Plant Renewal and Replacement Reserve — 3 stories down under the complex. All companies contribute to it on formulas based on their use. We work backwards. Have a 5 year capital plan. We say, 'we see these projects. Can these projects be funded from these reserves and still have a reserve?' A year or two ago, we funding at \$600,000 a year. Decided it should be raising that contribution each year by an incremental \$25,000."
2. Lincoln Center Renewal and Replace Reserve for the 2 concert halls and office facilities. Lincoln Center puts money in, then, if is a \$100,000 project to replace carpeting in Avery Fisher Hall, we will go to the Philharmonic and say, 'we have a \$100,000 project and your share is 35%.'"
3. Newest: Rose Building Renewal and Replacement Reserve — "All participants in this building contribute. We put in \$125,000 based on our share of common space."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"WAC Inc. takes the depreciation. The rent for the areas under each Division's exclusive control is calculated to provide a portion of the depreciation cost for the facilities. The reserve needs work."

► **Thousand Oaks Civic Arts Plaza**

"The Enterprise Fund does not have depreciation because it does not own the building but it has an asset replacement sinking fund — we put money into it, and, in 10-15 years, we will use it replace assets. I have built it into the budget."

**Questions:** *Does the "umbrella" organization support its "resident companies" with facilities in which to operate — office? studio? performance space?*

*Is the space provided free or is rent charged? How is the rate determined — flat rate or variable formula based upon usage/ sales/attendance? Is space made available to all "resident companies" on the same basis or are there different arrangements with each "resident company"?*

► **New Brunswick Cultural Center, Inc.**

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- State Theatre — offices, studios, performance space:

NBCC leases the State Theatre from Middlesex County and pays \$1 a year rent under a 50-year lease. State Theatre reserves automatically go to NBCC, Inc.

- George Street Playhouse — offices, studios, performance space:

NBCC owns the building and GSP pays NBCC an annual flat rental rate. The rate has gradually increased to \$50,000. The lease will be subject to negotiation by August 31, 2004.

- Crossroads Theatre: — offices, studios, performance space:

NBCC owns the building and the Resident Company pays NBCC an annual flat rental rate. The rate has gradually increased to \$65,000. As of November 1996, the lease calls for annual increases over that base level to be negotiated between the organizations. The lease will be subject to renewal by October 31, 2001.

- American Repertory Ballet Company — studios, local dance school, and offices:

Over the past 5 years, NBCC has leased a second floor space at 80 Albany Street, funded/completed approximately \$100,000 in renovations to ARBCo's specifications, and facilitated a move to that space by agreeing to shoulder the bulk of the rent for the 5 years of the lease. ARBCo has never signed a sublease for the space.

1997: ARBCo asked NBCC to negotiate an 16-month lease extension at the current rate of \$7.50/sq. ft. (about 1/3 of current market rate) on the space effective September 1, 1997. The lease extension was not signed by ARBCo because it does not include a continuation of the NBCC annual rent subsidy. ARBCo's view is that to be a resident company, they must have a permanent home provided by NBCC just as GSP, Crossroads, and State Theatre have. NBCC has subsequently agreed to extend the rent subsidy at \$1,500/month for the 16 months of this extension.

- New Jersey Designer Craftsmen:

NJDC pays rent to its own landlord.

In September 1991, NBCC facilitated the move to 65 Church Street (in Kilmer Square), an expanded and improved site by using its influence to secure a well-below-market-value lease, on a month-to-month basis.

In November 1992, NBCC provided NJDC with a no-interest loan of \$7,500 for operating purposes.

In September 1996, the landlord leased the NJDC space to another tenant who agreed to pay the market rate. NJDC is anxious to relocate into a desirable and high-traffic retail location at approximately the same rent (\$6-\$7/square foot) they have been paying.

► **Pittsburgh Cultural Trust**

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"The Trust provides all of these spaces in varying degrees, depending on the needs of the resident companies."

"Rent is charged but may be waived under certain circumstances, depending on need and particular usage. Really complicated. We had a Urban Development Action grant of \$8 million for the Benedum, Heinz Hall, and the Byham which we are paying down through free services. We say we are "Udaging the Theater." So, from time to time, we waive the rental rates for the resident companies and a whole variety of community-based organizations. They pay their labor bills and other



direct costs. But we waive the indirect costs frequently. We wave or discount rental rates for most educational programs, such as open dress rehearsals, school programs, etc. in the theaters — programs that serve the community — not that entertain major donors.”

“Rent at the Benedum Center is flat. Rent at the Byham, which accommodates mid-sized and smaller arts organizations, is variable.”

“The rent the Public Theater will be paying will be put into a deferred maintenance account to handle the building’s long-term maintenance.”

► **Portland Center for the Performing Arts**

“Portland Center Stage is the only one of the 9 with office space + rehearsal space + costume shop for \$30,000 a year. The rest have their own administrative offices, rehearsal space, and costume shop; they just rent the theaters for performances.”

“The theaters’ rents are based on how the principal tenants are using the halls — there is a load-in rate, performance rate, etc. Rent depends on the volume of activity. The rent is subsidized for the 9 principal tenants — there is a 4-tier rent schedule and principal tenants get a major discount. Recently, effective July, we changed the user fee to a 50¢ per ticket charge. Those are two financial benefits that flow to the principal tenants.”

► **City Center 55th Street Theater Foundation, Inc.**

“Manhattan Theatre Club — no offices, no studios. Offices are downtown and about to move from 16th street; they were paying \$9 a square foot downtown; we were charging \$20-22. Manhattan Theatre Company leases Stages I and II for a per-square-foot charge based on the actual cost of the space they are in. That is, each year, MTC is charged only the DIRECT COSTS of operating their square footage. City Center makes no money on their rent. All host facility services are built in to what they pay, including cleaning, security, and box office.”

“The organizations using City Center for office/studio space currently are David Parsons Dance Company, New York Chamber Symphony, City Lights Youth Theatre, and Sheldon Soffer agency.”

“Other dance companies just come in to perform (and rehearse in preparation for the performances). To perform in the Mainstage, the constituent dance companies are charged a rental fee of \$25,000 per week, a figure unchanged for at least 5 years. The \$25,000 covers just 42% of the actual cost of operating the Mainstage. City Center underwrites the other 58% — approximately \$ 35,000 per week. (Note: the allocated costs are for the Mainstage only. The office tower, Stages I and II, and other operating and administrative costs are not included.)”

► **Arts Center Foundation, Dayton, Ohio**

“Offices, studios, and performances spaces at below-market rents on a square foot basis. We built two state-of-the-art dance studios for Dayton Contemporary Dance Company. We built the Loft Theater for the Human Race Theatre but charge them for only about 9 months a year, leaving the other 3 months available for use by outside groups. The Victoria pays \$1 plus all its spaces but maintains them itself.”

“Without a commercial tenant, we had to raise initial rents from \$2 square foot to an average of \$5 a square foot. We had hoped to keep the rent lower so the rent would not be a significant burden on the development of these organizations. Some acknowledge we are doing the best we can. Other chafe. Hope for a commercial tenant to be able to stabilize the rent.”

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► **Lincoln Center for the Performing Arts, Inc.**

“For Avery Fisher Hall, there is a formula for office space + a rate card for use of the concert hall for performances (everybody pays from the same rate card). Basic rental for the Hall + ushers + stagehands. Only exception, if the Philharmonic has contributed to a new capital riser, for example, we do not bill them to rent the riser, just the labor.”

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► **Woodruff Arts Center Inc., Atlanta, Georgia**

“WAC Inc. provides facilities for each of the five Divisions — each Division is charged for its space plus overhead for heat, cleaning, etc.”

“WAC Inc. charges a market-rate-per-square-foot rent for areas under each Division's exclusive control plus a pro-rata share of all common areas at a cubic foot rate. Rent is calculated to provide a portion of the depreciation cost for the facilities with the balance accounted for in endowment earnings and from additional capital fundraising done by the Center. In addition, each Division must pay a pro-rata share (based upon their income percentage from the total WAC allocation) of all WAC administrative overhead and fundraising expenses.”

“In the case of the Alliance Theatre Company, for example, this combined rent and share of the administrative cost totals approximately \$1.44 MM in the current fiscal year. The anticipated income allocation from the WAC fundraising campaign this year is \$1,500,000 which means that their share of the Center's fundraising is only \$60,000 net.”

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► **Thousand Oaks Civic Arts Plaza**

“The Alliance for the Arts is housed here. I charge them \$1 a year for a suite of offices — they raise \$250,000 a year for us to help run the theaters. Other than the Alliance, we just rent performance space — \$1,800 for the 1800-seat theater and \$400 for the 400-seat theater. Labor and box office are extra. We put an administrative overhead in to cover benefits, payroll, and administrative charges. We are about to rent a single office to a new non-profit, the Ventura County Discover Center for \$1-a-year rent.”

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**Question:** *What is the understanding of what will happen if a 'resident company' consistently fails to make rent payments?*

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► **New Brunswick Cultural Center, Inc.**

“During times of extreme financial stress for Crossroads Theatre Company, NBCC has agreed to defer collection of approximately one year of rent and has waived one year of rent payment completely.”

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► **Pittsburgh Cultural Trust**

“We have not had the experience. Some have fallen 120 days or more behind, and then we work with them and their board or funders to work out a payment system. In the shared office space program, we have some very small arts organizations that simply cannot pay at times. We are working with a couple of the foundations (we are conduit for Pittsburgh Foundation). Sometimes the Foundation will say pay the rents first and some we just write off. The write-offs have been very small.”

► **Portland Center for the Performing Arts**

"They will not go on stage. They have to be current in their payments or we do not let them go on stage again. The Commission had been soft in this area until last year. It finally said 'stop, you must enter into time-payment plans to pay everything in arrears and, henceforth, you have to be current in your payments or you cannot go on stage.' We got hard assed."

► **City Center 55th Street Theater Foundation, Inc.**

"It is incomprehensible to me that these companies believe that the landlord can generate unattractive contributed income to keep the lights on and the building operating. The City just wants to know that the building is open to the public. City Center's City revenue has diminished, but the City still wants to see us up and busy."

"At one point, the *Joffrey* (which occupied the 8th floor, part of the 6th floor, and two studios) owed \$145,000 in unpaid rent. It was crippling City Center. With great pain and agony, City Center took them to court. The Court ruled that the *Joffrey* had to pay. It was like getting blood from a stone. Finally, there was a settlement when the *Joffrey* left and moved to Chicago. City Center had to forfeit \$45,000."

"It might be different if we had nothing to do but be landlords but our mission is way beyond that."

"The *Martha Graham Dance Company* cancellation — which just happened — is another example. Dance companies keep saying, "City Center should be doing more and more," but dance companies say they will perform and don't! City Center held the time for *Graham*, did not book anything else, and they cancel. This happens a lot. The *Graham Company* signed a contract. Deposits were due on their rent, which they did not pay. "We have a grant coming in," they said but they paid nothing. We carried the receivable because we were kind, and they cancel 6 weeks before their dates! City Center has budgeted its rents and is down the \$50,000 for the two weeks as well as the cost of refunding subscriptions, materials, time, labor, all of the things that are associated with somebody pulling out. So, we have sent a settlement saying they owe amounts totaling \$70,000. We will not have the *Martha Graham Dance Company* back without full payment in advance."

"We have operated in an unbusinesslike manner for decades. In final analysis, we need to keep the ship afloat!"

► **Arts Center Foundation, Dayton, Ohio**

"We have two cases of that and are handling them in two different ways."

"The Human Race was falling way behind on its rent and going into a second year of substantial deficits. To solve this problem, we have been working for months on a 'merger' of the Human Race Theatre and the Victoria Theatre. It has taken time to assuage the natural nervousness of being associated with a highly-successful promoter like the Victoria Theater — to let the Victoria Theatre manage the functional operations and, at the same time, achieve an understanding of artistic freedom (Human Race presented *Angels in America* this week). They mutually agreed to create a new series which the Victoria hopes will be financially beneficial — middle ground between commercial and purely artistic — 5 performances — some in the loft in the Metropolitan Arts Center and some in the Victoria. The Arts Center Foundation contributed \$50,000 of the Human Race's back rent (2+ years' rent) to the merger's financial campaign. The Victoria Theatre plans to pay the Foundation regularly from here on and to pay some of the back rent over time."

"Dayton Contemporary Dance Company has not paid rent in 1½ years. We engaged in a flurry of fundraising for them a year ago to try to get them caught up — it worked and then nothing

happened. As a result, we are providing them with a different space in the back, moving them from a second-floor windowed space to reduce the cost of the space they are occupying so they have a greater chance of balancing their budget and easing the carry on us.”

► **Lincoln Center for the Performing Arts, Inc.**

“Where we have had an outside renter (non constituent): they may have a bad season and while obligated to give us the basic hall rental up front + pay for ticket takers, ushers, etc out of proceeds. May owe us money. We have managed everyone of those situations so that the little nonprofit can come back and we get our money by managing them.”

“With constituent companies, everybody pays on time. If someone is having a problem paying a hall rental or General Services bill (say, the subscription money is late), I will be on the phone with my counterpart: ‘I have box office proceeds — let’s write each other our checks.’ May subtract it from the box office proceeds. May have to carry someone for a period of time. I might suggest we exchange checks by getting their united fund check if they are behind in their payments.”

“Our commitment is to not put them out of business. When City Opera had problems and Lincoln Center Theatre first started, we formalized a borrowing agreement which they paid meticulously on time. We are not here to put them out of business. Nor are we to be a patsy and let poor management mess us and them up. But we have not had that experience.”

“If a company truly messed up, we could not sit here and continue to send bills out and never be paid. That problem would be taken to the right levels. On my watch, no such incident.”

► **Woodruff Arts Center Inc., Atlanta, Georgia**

A Division cannot fail to make rent payments because “We is they. It is like saying what happens if Dartmouth Business School does not pay rent to Dartmouth, it is Dartmouth. And the corporation controls all those books. It is an internal shifting of funds, not a payment. We could take it straight out of their box office — it is all in the same pot.”

► **Thousand Oaks Civic Arts Plaza**

“We run their box offices and have their money. We deduct the rent and the labor from the box office receipts.”

**e. Operations**

**Questions:** *Does the “umbrella” organization provide the “resident companies” with: a) Cash support for their operations and/or artistic growth? b) loans? c) loan guarantees, lease co-signing for outside facilities, bonding, and/or other assumptions of financial liability?*

► **New Brunswick Cultural Center, Inc.**

“No cash support other than rent subsidy, loan, and distribution of Johnson & Johnson \$500,000 gift + \$6,000 from Mobil Chemical. NBCC co-signs bank notes and all of the above.”

► **Pittsburgh Cultural Trust**

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"We do not provide cash support. We do, at times, 'co-present' a program, but assume all risk and cost. We are about to guarantee a loan for a visual arts organization with a gallery in the District."

► **Portland Center for the Performing Arts**

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"No cash support. A couple of tenants who developed arrears were allowed to make time payments which are, in essence, a loan. Also, the City has given bail-out loans to the Opera and Symphony. All are repaid."

"It is up to their own board of directors to do all this other stuff. We are specialized. You can't be all things to all people. It is hard enough running the facilities!"

► **City Center 55th Street Theater Foundation, Inc.**

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"No."

► **Arts Center Foundation, Dayton, Ohio**

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"No loans or cash, except forgiveness of debt in the rare instance like the merger. We engaged in a flurry of fundraising for Dayton Contemporary Dance Company a year ago to try to get them caught up in their rent but that was unusual. No, in the course of normal operations."

► **Lincoln Center for the Performing Arts, Inc.**

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"Yes, cash through the united fund."

"We did have a borrowing. Loaned money to the Lincoln Center Theatre. All paid now. As part of our agreement, I had the right to their financials any time I wanted - I asked for it quarterly. I did not have to drown in their operating difficulties or successes."

"Again, when Lincoln Center Theater was making capital improvements to our theater, we loaned them money and they paid it back on time. Nobody subsidizes the other. That was an arms-length agreement. They have done 10 years of wonderful work on campus and off campus. They are good at what they do. So, we had a sense when they were in the start-up mode that they would be successful and we had to be supportive. They paid on time."

"Other assumptions of financial liability? No. When we spun off Jazz at Lincoln Center, we thought that, without a cash reserve, they might have to come back to us for a short bridge loan and we received board approval. That was our own creature. Their subscription sales were fabulous and they had a good corporate sponsor. They have not had to borrow a dime."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

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"We raise funds for them — we operate a united fund that gives them cash."

"Loan guarantees, lease co-signing for outside facilities, bonding, and/or other assumption of financial liability? We have to. They can't do that without us."

► **Thousand Oaks Civic Arts Plaza**

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"We do not give cash support but we will. The Alliance is moving into a new fundraising mode. Its initial goal was a \$3,000,000 endowment. Reached that. Then, \$10,000,000. Reached that. Now, \$15,000,000 is the next goal. Will raise money next for programming and educational programs. Down the road, will do subsidized artistic programming (that you know you will lose money on)."

"Capital or operating loans? We have done that in the beginning to get the Cabrillo running

from anticipated box office, and that loan has been paid back. Since then, no one has asked for a loan."

"Loan guarantees, lease co-signing for outside facilities, bonding, and/or other assumption of financial liability? No. They all have their own boards."

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**Question:** *Does the "umbrella" organization provide the "resident companies" with: d) Its influence in the community to negotiate below market rate contracts?*

▶ **New Brunswick Cultural Center, Inc.**

"Yes, i.e., the Ballet and New Jersey Designer Craftsmen."

▶ **Pittsburgh Cultural Trust**

"We have done this to some extent."

▶ **Portland Center for the Performing Arts**

"No."

▶ **City Center 55th Street Theater Foundation, Inc.**

"No."

▶ **Arts Center Foundation, Dayton, Ohio**

"No."

▶ **Lincoln Center for the Performing Arts, Inc.**

"When the Rose building was built and we needed bridge financing with Chase in between contributions, it was essentially one borrowing agreement with the bank so each participating company in this building could take advantage of the lowest possible rates."

▶ **Woodruff Arts Center Inc., Atlanta, Georgia**

"Sure. The Atlanta College for Art does it for us — it belongs to a consortium of 13 institutions of higher learning in the state — that Association gets market rate operating supplies we could not. That helps everybody. We order a great deal through the consortium."

▶ **Thousand Oaks Civic Arts Plaza**

"No, but some of my board members are very active with groups and one provides rehearsal space. Another family provides funds to some on a regular basis."

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**Question:** *To what degree does the "umbrella" organization support its "resident companies" with: a) in-kind support — technical services? administrative services? operational services? provided free? at cost? on a cost-plus basis?*

► **New Brunswick Cultural Center, Inc.**

"We provide free of charge to Crossroads Theatre Company and George Street Playhouse some support on the technical end. We are union. They are not. Our union stagehands frequently have assisted them with their backstage needs. We have a vested interest in the quality of the use of our facilities."

"We have provided technical assistance to New Jersey Designer Craftsmen and the American Repertory Ballet Company— reviewing grant proposals, designing direct mail appeals, editing fundraising letters, and assisting with box office services."

"We have a box office system for the 3 theaters and the Ballet Company. Each has its own box office, shared in that we are spokes off of the same hub. Each data base is distinct and is part of ARTSWEB New Jersey Network based at the McCarter Theater. NBCC has paid for much of the technology for the benefit of the companies."

"There have been NBCC marketing activities 'on behalf of . . .' (not joint marketing because it is done by NBCC staff member)."

► **Pittsburgh Cultural Trust**

"We supply in-kind support to a number of the mid-sized and smaller organizations through professional staff assistance — at no cost."

"We offer space to many. Also, we have a Prologue ticketing system and telephone room and have put two mid-sized arts organizations not in our District on the ticketing system. That is a service we are trying provide outside the District. The Ticketing Department is ready to kill me and says 'no more!' The organizations pay us \$5,000 a year (our cost is \$20,000 a year)."

"We do technical assistance workshops but not as much in the way of arts council services as in the past. When we restaffed, we replaced the Director of Arts Services with a Director of Community Services."

► **Portland Center for the Performing Arts**

"We run the facilities for them, and it costs more than we take in. I will send an analysis that shows where the money comes from and where it goes — \$500,000 in support to the principal tenants."

► **City Center 55th Street Theater Foundation, Inc.**

• **Load ins/load outs:** City Center frequently offers the theater rent-free for load-ins and outs when space is available before and after contracted rental dates. These are often scheduled on union non-penalty days, thereby saving additional costs. In recent years, examples include:

<i>Paul Taylor</i>	Rental fee waived = \$7,143 savings.
	Local #1 non-Sunday incremental savings = \$9,200.
<i>Alvin Ailey</i>	Rental fee waived = \$10,714 savings.
	Local #1 non-Sunday incremental savings = \$9,200.
<i>Merce Cunningham</i>	Rental fee waived = \$10,714 savings.
	Local #1 non-Sunday incremental savings = \$7,077.

• **Crew heads:** City Center's stage labor department heads act as company production heads for a modest fee, saving costs of hiring heads under a pink contract. (IATSE-qualified heads are a mandatory requirement in an IATSE-collective bargaining agreement house). One week's salary for 4 journeyman stagehands less the fee for City Center's heads = \$2,165 savings.

• **Rehearsal space:** 25 hours of free rehearsal studio time per week are given to the performing companies = \$1,125 savings.

- **Video archive:** Archival videotaping is made available to the companies for a nominal fee (to City Center's knowledge, the collective bargaining agreements at other New York venues require significant costs and restrictions) = \$7,450 savings.
- **Facilities, equipment, and services:** In addition to the savings and support noted above, the following are included with every basic rental. These are purchased and maintained (with help, in part, from New York City's Department of Cultural Affairs) by City Center:

Facilities

- Press room
- Green room, reception spaces
- Dressing room space for 88 performers
- Wardrobe and laundry room
- Carpenters shop
- Scene dock
- Storage lockers/robing room for orchestra

Equipment

- Lighting equipment and complete sound system
- Full-stage set of black velour masking, scrims and backdrops
- Prop tables and chairs
- Risers, rehearsal pianos

- Essential stage and housekeeping supplies

Services

- 3 different seating capacity options
- Heat and air-conditioning
- Full-time maintenance service
- Display space for advertising and promotion
- 24-hour backstage security
- All utilities

Sound Inventory

- 27 Intercom headset stations
- 2 Mixing consoles
- 20 House speakers
- 10 Monitor speakers
- 30 Microphones, 25 microphone stands

- 2 Tape decks; 1 CD player
- 1 Cassette player; 1 DAT tape player
- Equalizers, reverb and effects processors
- Backstage paging system
- Hearing assist system (house wide)
- Video record/playback system (house wide)

Lighting Inventory

- 3 Follow spots
- 400 Channel computerized dimmer board
- 2 1200 Amp company road switches
- 280 Focusing units, 18 Striplights
- 10 Cyc lighting units
- Footlights
- Booms, hardware, cable

► **Arts Center Foundation, Dayton, Ohio**

"No."

► **Lincoln Center for the Performing Arts, Inc.**

"One new thing: an accident of the personnel. There are projects at the New York State Theater and Juilliard School where they have used the head of our General Services Department as their construction manager. Very valuable service. He knows their facilities and has construction skills. Will "bill" him out, and, as a result, the General Services expense has been reduced."

"Four of the smaller institutions are in our Benefits Plan and Pension Plan; 3 in our Payroll. They benefit because we charge them a percentage based on the number of their people participating compared to the number of people in the "pot" — just direct costs."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

Yes, see ARE THERE ANY JOINT ADMINISTRATIVE ACTIVITIES? below.

► **Thousand Oaks Civic Arts Plaza**

"For a fee, we provide the technical support when they rent the theaters as well as box office, house management, and usher support."



**Question:** *To what degree does the "umbrella" organization support its "resident companies" with: b) representation with local government/civic organizations on matters that affect all of the "resident companies"?*

▶ **New Brunswick Cultural Center, Inc.**

"NBCC plays a key role in the community as evidenced by the President's active participation on the boards of two key New Brunswick community organizations — New Brunswick City Market, which manages the special improvement district, and New Brunswick Tomorrow, which provides a range of services to the city of New Brunswick. The relationships established through the activities of these organizations allows the President to advocate for the Cultural Center effectively with other civic and government leaders."

"NBCC does not get city money, nor does it get County money but pays only \$1 rent."

▶ **Pittsburgh Cultural Trust**

"All of the larger arts organizations work together to advocate for the arts in general with the government and civic agencies — not a Trust function alone."

▶ **Portland Center for the Performing Arts**

"We advocate on their behalf."

▶ **City Center 55th Street Theater Foundation, Inc.**

"Yes, with the City of New York especially."

▶ **Arts Center Foundation, Dayton, Ohio**

"We would if a request came up. We have moved a bus stop and gotten permission for a canopy."

▶ **Lincoln Center for the Performing Arts, Inc.**

"To the extent appropriate."

▶ **Woodruff Arts Center Inc., Atlanta, Georgia**

"Sometimes yes, sometimes no. The Museum, for example, has a downtown gallery space which is a deal they worked out with a major corporation and the county. They did that all without anyone here being represented in those proceedings. That was appropriate. The Symphony works with the City on the outdoor concert space, and then we sign the contract."

▶ **Thousand Oaks Civic Arts Plaza**

"Yes."

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**Question:** *To what degree does the "umbrella" organization support its "resident companies" with: c) arts advocacy coordinated through the "umbrella" organization?*

▶ **New Brunswick Cultural Center, Inc.**

"There have been sporadic attempts — legislative nights. Nothing regular, permanent. We are all dues-paying members of ArtPride, the statewide arts advocacy organization. Dave serves on the Executive Committee of the ArtPride board."

▶ **Pittsburgh Cultural Trust**

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"We have done a major economic impact study on all the arts behalf (1989) and are beginning a second effort. Should be finished at the end of this year."

▶ **Portland Center for the Performing Arts**

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"As facility director, I do some. The Commission does some; the Commission tries to represent itself as a business organization trying to balance the citizens of the region with the arts and other regional organizations. One of the most powerful advocacy organizations is the local Northwest Business Committee for the Arts; they are doing a good job of making corporations aware they should support the arts."

"Part of the reason we have been successful is that **all the facility directors** (Portland Performing Arts Center, Portland Convention Center, Portland Expo Center, and Portland Civic Stadium) **work together**. We trade business between facilities. We are part of a critical mass — the arts are not sitting alone. The Convention Center people advocate for the arts — because people are staying in hotels longer because of the cultural attractions. The hospitality industry working with us. There is formative work being done about **the importance of cultural tourism**. There was a report done by outside consultants for Portland Visitors Bureau and the Regional Arts & Culture Council."

▶ **City Center 55th Street Theater Foundation, Inc.**

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"Yes."

▶ **Arts Center Foundation, Dayton, Ohio**

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"No. We advocate as individuals."

▶ **Lincoln Center for the Performing Arts, Inc.**

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"To the extent appropriate. We would rather have 10 people in a room representing Lincoln Center."

▶ **Woodruff Arts Center Inc., Atlanta, Georgia**

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"We do both coordinated and independent — whichever serves us best."

▶ **Thousand Oaks Civic Arts Plaza**

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"No, there is not any arts advocacy work. This is a conservative area. People would object to our asking for government money. Another problem — we would be disqualified from getting any grants because we are not poor, multi-ethnic, and doing nothing avant garde."

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**Question:** *Are there any joint administrative activities? a) finance administration? accounting? b) box office? other computer services? c) custodial and maintenance? d) insurance? e) employee benefits? f) marketing efforts? audience development efforts?*

▶ **New Brunswick Cultural Center, Inc.**

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• Box office.

• "We have contracted with outside computer person to do assessments of software + licenses so we could assist: 'here are upgrades, here are ways to solve computer needs.'"

- Insurance.
- “Custodial and maintenance to some degree — the 2 companies and Ballet provide interior — we do building repairs and maintenance — we contract with an outside firm for building repairs and maintenance.”
- “For HVAC and elevator, we contract with an outside firm, too.”
- Common/joint marketing efforts? Are the marketing directors getting together and talking about how to pitch to the public? “Minimally and rarely.”
- “State Theatre engaged in some detailed audience development research which we agreed to share with resident companies and that developed into the development of the computer network and data analysis available through that connection.”

► **Pittsburgh Cultural Trust**

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“Certain presenting and marketing functions may, from time to time, be done together. We run a strip ad in the newspaper every Friday. We funnel information to the Convention and Tourist Bureau. We do marketing with the Symphony on the Broadway series when we co-present. We have not done joint health insurance.”

► **Portland Center for the Performing Arts**

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“No.”

► **City Center 55th Street Theater Foundation, Inc.**

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**Priority booking/dates held:** Constituent dance company dates receive a priority booking status, and are held against challenges by potential renters even when no deposit has been paid.

**Outreach education — Young People's Dance Series:** City Center hires the dance companies to conduct in-school workshops around the city prior to student attendance at special 1 hour company performances on stage at City Center (for which the companies are also paid). All costs for this program — labor, administration, supplies, outreach, and performance costs, are borne by City Center. The *Young People's Dance Series* performance fee is typically \$7,500. The In-school workshop fee is typically \$8,500.

**Saturday workshops:** To help increase the company's Saturday matinee audiences, for 3 seasons City Center has conducted a pre-performance workshop for subscribers and city school students, for which the companies are also paid. (Note: Saturday matinee has become the second highest attended subscription performance.) Fees are typically \$600 per workshop.

**Dance audience development:**

- **Project DANCE:** To nurture and educate future audiences, City Center developed and administers this project (funded by an NEA Arts Plus Initiative grant), whereby artists-in-residence work with elementary school students and teachers to integrate dance into the curriculum.
- **Teacher Workshops:** To raise public awareness of the value of dance, City Center has created 3 types of workshops for various teacher segments conducted throughout the school year — the *Master Dance Class Series* for dance teachers; the *Movement, Me? Why Not!* for math and science teachers; and *Staff Development Workshops* for academic and aesthetic teachers participating in the *Young People's Dance Series*.

**Computer services:** City Center provides a wide array of box office and financial documentation, including customized reports (as often as daily) and forecasting.

### **Audience research project.**

**Institutional marketing/seasonal marketing:** At no cost to the users, City Center is now doing umbrella advertising that included users and City Center's own attractions (MTC is + included in the advertising):

- **Subscription campaign:** City Center develops, produces, and mails this at a cost to City Center of about \$46,800 a year. 100% of box office revenues goes to the users.
- **Rack cards:** Fall and spring cards which include the companies' dates, prices, and description are produced by City Center and disseminated at the theater, at local establishments, and at the New York Convention & Visitors Bureau. The cost to City Center is about \$6,900 a year.
- **Displays:** City Center produces multiple outdoor and in-theater 3-sheet size displays (with offerings and dates at a cost to City Center of about \$2,300 a year. Posted every July.
- **Newsletter:** City Center's Fall and Spring newsletters provide space for news and a photo on every company. Dance company section comprises approximately ¼ of newsletter. Cost to City Center about \$9,200 a year. Also include company news and a photo in engagement calendar.
- **Playbill:** Coming events marketed in Playbill in a special column listing on one of City Center's pages. No cost to City Center, but of great benefit to the users.

#### **► Arts Center Foundation, Dayton, Ohio**

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"Custodial and maintenance services. The Victoria Theatre Association provides a ticket operation which a few organizations utilize. We had hoped that Culture Works would set up some cooperative 'back office' services but this has not happened."

#### **► Lincoln Center for the Performing Arts, Inc.**

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"We are free to make our own choices, but we buy our insurance together so most of us have the same property carrier, liability carrier, same umbrella liability coverage — that will be a few phone calls."

"In last few years, we have set up a joint marketing group chaired by our Marketing Executive to talk about joint marketing and audience development efforts. It took a year to get everyone to agree to have a single phone number that the out-of-towner could call. The Metropolitan Opera said they would not participate. Typical of the Met and its relationships. It is the bare beginnings of some common audience development. Nothing yet."

#### **► Woodruff Arts Center Inc., Atlanta, Georgia**

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"Under a single WAC banner, WAC Inc. provides the Operating Divisions with centralized box office services, all personnel services and benefits, information services (all computing and so forth), centralized accounting (with all organizational funds co-mingled to keep cash flow where it needs to be), all security, maintenance, and leasehold improvements. WAC has just begun to move toward the coordination (we are the convener to get coordination) of the educational programs of each of the five Divisions to coordinate — increase their impact on the community and with donors. Joint marketing efforts are just beginning. No education programs yet but they will soon. The operation is similar to Harvard Corporation with each school responsible for its own operation."

#### **► Thousand Oaks Civic Arts Plaza**

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"We run the central box office (Ticketmaster). We do subscriptions, and we charge a service fee of \$700 per performance plus \$5 per subscriber order."

"They have to provide us with \$1 million public liability insurance. We will sell it to them as a last resort if necessity — we charge about \$200 for a single event, depending on which hall and the nature of the event. We actually have them come in and pay us ahead of time for that to be certain the premium is taken care of. The funds are segregated and kept separate from the performance revenue — so it is clear that they bought insurance."

"We contract custodial with a private contract — and charge flat \$250 fee of per performance. It comes out of box office, like stagehand labor and ushers."

"In terms of joint marketing: we publish a brochure at the beginning of the year that lists everyone's performances and phone numbers, and we do an ad every other week in two newspapers listing the performances coming up for the next month. We get donations from the newspapers for that."

**Question:** Does the "umbrella" participate directly in the programming of the "resident companies" by co-producing or co-promoting any of their events?

► **New Brunswick Cultural Center, Inc.**

"Generally, no. State Theatre brought in a production of *Love Letters*, close to George Street Playhouse programming so the State Theatre booked 2 nights as a co-production and split the net. The Ballet Company is asking the State Theatre to co-produce *Nutcracker*."

► **Pittsburgh Cultural Trust**

"We co-present with the resident companies."

► **Portland Center for the Performing Arts**

"No — what we do is juggle calendars. To an extent, that is participating in the programming, by implication, because our theaters are very full so you can help people or kill them if you can't get the time for them."

► **City Center 55th Street Theater Foundation, Inc.**

City Center has nothing to do with Manhattan Theatre Club's programs. Developing exchanges does not work because of the different sizes of theaters. The two have talked about marrying MTC's New Work/Musical Theater Series (supported by Cameron Macintosh) with the *City Center Encores!* program. "I think MTC is thrilled with our program. The more we do the better they are. We have designed our programs not to compete with them."

► **Arts Center Foundation, Dayton, Ohio**

"No."

► **Lincoln Center for the Performing Arts, Inc.**

"There was a little bit with Jazz at Lincoln Center, when it was a department here. Wynton Marsalis composed a piece that Peter Martins choreographed and there was a dance at City Ballet. Other project with Film Society at Walter Reade Theater. Some collaboration."

"In our Festival, we have presented our own constituents companies."

"The Mozart Bicentennial a couple of years ago was collaborative. There is nothing on the

horizon. We have had conversations about New Years' Eve 1999 — so far not much is emerging.”

► **Woodruff Arts Center Inc., Atlanta, Georgia**

“Not currently but we will present, co-present, and co-produce. I am exploring a partnership with Emory University on several programs. We are already co-producing programs with the Atlanta Convention and Visitors Bureau, including a program for them next week — CNN brings in all its correspondents and staff and we co-produce something on all the arts and cultural attractions in Atlanta (not just ourselves). We using that program for a lot of groups that come in here.”

“The closest thing to producing and working with other people (co-producing), perhaps, is *Atlanta Celebrates Picasso*. Building on the Museum's upcoming major Picasso exhibit — the entire MOMA collection, the Center is coordinating with the 4 entities and other arts organizations in the city, related activities by the restaurants, hotels, Convention Center, and American Express.”

“The Center has been an effective holding company until this time. I am trying to expand that role.”

► **Thousand Oaks Civic Arts Plaza**

“I advise them. We do not co-produce or co-promote. Formally, it is a landlord/tenant relationship but I help them get directors, etc.— a lot of informal work.”

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**Questions:** *Are there overlapping program areas that have resulted in disagreements about one organization “stealing” the market from another organization? How were these conflicts aired and resolved?*

► **New Brunswick Cultural Center, Inc.**

“Crossroads Theatre Company and George Street Playhouse. A terrible sense of competitiveness there. Not aired. Not resolved.”

► **Pittsburgh Cultural Trust**

“In general, we only present in a resident company's discipline after ‘clearing’ the proposed program with them and asking them if they wish to co-present — except for Broadway tours. The Civic Light Opera, a summer musical company making good money would like us not to do the Broadway series. We keep them informed and keep doing it because the Symphony and the Trust are subsidizing the buildings. Civic Light Opera can only present/produce Broadway in the summer. It is a constant source of pain. They have moved in strongly to presenting. They want our product, and we will not give it to them. We need the money. I have been a real dog with a bone. They have strong community support, but we have said ‘do not push us too far.’ They want us to amend the booking policy so they can book more; I have said only under certain circumstances. This issue is worse with them and best with the Dance Council.”

► **Portland Center for the Performing Arts**

“They just have to resolve them. One of the concerns in recent years is that we have rented more dates to Broadway touring. Yet, it has expanded the audience. Opera is a partner in the Broadway series. Clicking of tongues when it puts a squeeze on dates, but we have a mandate to increase commercial rents to pay more bills from earned income.”

► **Arts Center Foundation, Dayton, Ohio**

"No. Cityfolk is an active presenting organization that uses Victoria Theater and Memorial Hall and, in an extreme view, could be viewed as a competitor with the Victoria Theater and Human Race."

► **Lincoln Center for the Performing Arts, Inc.**

"Always a creative tension because of the nature of performances presented by Lincoln Center itself. Some recognize that you want to bring the average cost of bringing that concert hall down, you want the hall to be fully utilized. But when programming gets ambitious, some worry about that. That ticket sale could have been there. Extra fundraising effort could have been theirs."

"So the concept of the Lincoln Center Festival took some selling and discussion before constituent companies could be happy with its size. We pointed out that this place is mostly dark in the summer. These facilities are available and these things should come to NYC and there is no other place that could present them. Eventually, the constituent companies coalesced around the size of the Festival that we and they feel is acceptable. There is lively discussion on that side."

"The New York Philharmonic long ago accepted that other symphony orchestras will play in Avery Fisher Hall."

"In constituent agreements, they have a sense of primacy — it is not exclusive. The Philharmonic has primacy on symphonic music. City Ballet is primacy on dance."

"That sense of primacy is important. Lincoln Center Inc. does a little of everybody's performing art, and we have to be gentle about that. If a particular company is going through some financial challenges, then they are sure that ticket could have been their ticket and that fundraising dollar theirs!"

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"No, I think, by making sure there is not overlapping. There will be intense discussion about what is an overlap. The Museum does musical, classical music programming. The Symphony has not seen that as competing. It is because the people have common sense. The chamber symphony concert is no competition for the symphony orchestra. The Museum has done dramatic readings and the Theater has not felt competition. I am sure there were discussions in the past. But, right now, that is all accepted. So the important ground rule is to find markets/forums not being served and, therefore, the chances of seeing it as competition are much less."

► **Thousand Oaks Civic Arts Plaza**

"Yes, the biggest disagreement has been between Theatre League and Cabrillo Music Theatre which is community-based. The problem is that the "community" out here is professional actors. May not be equity. Very blurry line between. Really do a wonderful job. Some friction there. Resolving it is an ongoing process. Everybody is doing pretty well. A love/hate relationship. Sometimes they cooperate. Sometimes they are at each other's throat. There is still a lot of adolescence:

- New Symphony, only 2 years old, is focused on its own survival and growth, as it should be.
- Theatre League is out to make as big a profit as they can.
- Cabrillo wants to thrive.

Everybody is looking out for themselves. Not in an avaricious way. Everybody is still so new that they are focused on what they are doing — not to damage anyone else."

**f. Fundraising\***

\* Note: "fundraising" as one word, not two, is the new standard usage.

**Questions:** Does the "umbrella" organization support its "resident companies" through direct fundraising? for operations? How is the allocation of funds determined?

► **New Brunswick Cultural Center, Inc.**

"We do not fundraise on their behalf for operations."

► **Pittsburgh Cultural Trust**

"We act as a conduit for very small organizations without a 501(c)(3). Pittsburgh Public Theater is about to launch a capital campaign for endowment and we have given them 30% of our Director of Development' time to help them conduct this capital campaign). We are talking with the Symphony and the Dance Council to do some major collective fundraising for programming for the New Millennium."

► **Portland Center for the Performing Arts**

"No, only through in-kind, rent subsidies. We got the dedicated, annual, tax-based income in order to operate the facilities better and cover the shortfall costs."

"The principal tenants and other groups pay subsidized rent to use the facilities. There has been a patchwork of other funds for this City-owned facility until, finally, this year we have stable funding — \$1.2 million a year for operating support on a continuing basis — out of the Multnomah County hotel/motel bed tax. We were able to get the flow of funds because the tax was throwing off too much money (because the Convention Center and the economy are so successful — more funds than the Convention Center needed."

"Initially, the sports facilities helped offset the arts facilities. Then, there was a change in that due to new arena and the cash flow went away. Was crisis management! Now able to undertake necessary repairs."

"We had looked at trying to get a 3-county tax passed, but the other 2 counties are more rural and less interested in being taxed, so people tried to figure out the smallest tax. The Multnomah County hotel/motel bed tax does not bring in the \$12 million totally needed for all the arts, but it will keep the arts facilities operating."

"It was not easy to get this dedicated flow of funds for the Performing Arts Center. It took a colossal effort over 3-4 years to build the alliance to get this approved. We had to convince the hotel/motel industry who had not intended for it to support cultural tourism. There had been a measure in 1986 to do it which was resoundingly defeated because of lack of homework and the recession. It took 10 years to bring back confidence in the idea. The hoteliers taxed themselves for the Convention Center and could see tie with what Portland had to offer in the performing arts. The tax began producing more money than the Convention Center needed because: rates going up, the number of hotels started to grow, and occupancy rates went from 60% to 80% — so it was the right tax source to tap."

► **City Center 55th Street Theater Foundation, Inc.**

"Yes, General-Operating-Support fundraising to subsidize rents, provide significant marketing



support, database and production assistance, and months of subsidized box office and phone ticket sales. That funding is also to:

- undertake educational programs, including the *Young People's Dance Series* which incorporates extensive teacher training, in-school workshops and lessons, two performances at City Center for each participating student, and student-written evaluation and criticism. Other programs include a musical theater education program (*Encores! Great American Musicals in the Schools*) — the first time to experience live theater for many children, *Special Teacher Workshops* which show how movement can be integrated into school curricula (including science and math study), and *Encores! Plus* which offers hundreds of college and university students the chance to attend special lectures and see the invited dress rehearsals for *Encores!*, and offers the entire audience at the Saturday matinee performances the opportunity to participate in post-performance discussions with cast, creative personnel, and musical theater experts.
- present and produce City Center's own programs, including *City Center Encores!* and a new Series with ICM — *Tango x2*. All kinds of programming — looking for events that will be self-sustaining in some way."

"Also, City Center is trying to attract new users to City Center of a commercial nature who can pay full rents — Microsoft introduced Windows 95, Time Warner hosted its annual stockholders meeting, Patty LaBelle performed, ITT Sheraton hosted a Global Summit with a special performance by pop superstar Celine Dion, and the Michael Bolton Foundation produced the *Night of 200 Stars* gala benefit honoring Whitney Houston.

"City Center is moving slowly and conservatively — not taking a lot of chances. It owes no one money. It is trying to maintain the same kind of support to those users we have in the past, but it is hard to do. It raises money for what it does for the companies. It tries not to be raising money against the companies. It hurts when the companies say bad things about City Center and cause it to lose a major funder."

#### ► Arts Center Foundation, Dayton, Ohio

"No. We organized a quiet campaign for Dayton Contemporary Dance Company to clear its debts from fiscal year 1995 on the promise they would reform — it was through the Arts Center Foundation because I arranged it — not a board-adopted project — it was me being helpful. We were the landlord. Somewhat obscure."

"Human Race exhibited chagrin that they can't meet the obligations. Not asked for help that way."

"With the hoped-for addition of a commercial tenant — a restaurant — we will add a non-related-income-producing subsidiary."

#### ► Lincoln Center for the Performing Arts, Inc.

"Funds are apportioned by a linear footage/square foot formula. Beyond this basic portion, the rest is divided based upon how much each constituent company raises. If, for example, the Met raises 1/3 of all the dollars raised during a year for their own work, its share would be 1/3 of the consolidated corporate fund above the base level. The theory is that, left to their own, the constituent companies could do this for themselves."

"No public area deficit last few years because we are getting money from the City. The Park & Lock garage kicks off a surplus of about \$3 million a year. But cost of security, porters, and

maintenance of public space is about \$4 million a year. So, there was deficit of \$1 million. But City has come in with funding to the tune of \$1 million a year. We have not had a deficit for 3 years.”

“The formula for how those deficits were shared — how you use the public space in terms of ‘frontage’ and ‘use,’ the first \$2 million of the corporate fund drive was on that same formula so, in those days, you could get your money back.”

► **Woodruff Arts Center Inc., Atlanta, Georgia**

“We raise funds for them — we operate a united fund that gives them cash.”

“The Operating Divisions are prohibited from soliciting local corporations for philanthropic dollars, but they can for sponsorships and underwriting. Private giving from individuals is the least developed area here. We lead the county in corporate dollars to an arts center. Corporations play a major role here.”

“In our annual united fund campaign, we essentially outsource it to Cox-Curry Associates. (The development staff here is 3 people. One of those people, the Vice President, has the relationships — a great fundraiser!) An impressive machine. Cox-Curry does the research and assigning names to volunteers. How do we insure confidentiality with their other clients? 1) a long term relationship — 15 years, and 2) we are their major client. There is no doubt our data base gets a lot of use by them in their developing programs for other clients. We accept that. They cannot share any of the personal notes or personal giving to this place.”

“The allocation is historically-based — on the percentage each was given in the past. We take the total operating budgets of all Divisions and it is a percentage of those based on a 5-year rolling average.”

“The Symphony was the big cat — it gets to put Chastain Park, the Wolf Trap of Atlanta, in the computation. The musicians, as part of their negotiations in the past were quoting principle and said ‘give us more money because this is real art — they are going to get more money for pop shows’ But, Chastain does Judy Collins and other pop shows.”

“Someone some years ago came up with the formula (leaving no record). The original percentages changes only if operational base of a division changes. If a Division were to move its total operating budget up by 20%, that would change their allocation. If it grows, it will get more money. If shrinks, will get less money.”

“Right now, the Museum is growing by leaps and bounds and has made others nervous. They want to take a look at it. Everyone goes in with ‘which principle will get me more money or make certain I do not lose what I have now?’ A political power struggle.”

“The only way to do a formula that is fair is to go into a room and agree that no one can come out until a formula is agreed upon — and no one is allowed paper, pencil, or calculator so they talk about principles instead of the benefit for them.”

“I am going to push planned giving — the institution minded gift (rather than passion-minded gift), national foundations (not competing with operating divisions), and I may set some sort of a floor in terms of what the Divisions would get in terms of the fundraising — anything above that, take a significant percentage thereof — if we exceed goal — you get it the next year when we raise the goal. Some kind of incentive there so they still win on that one. They just do not get an unplanned bonus — we get the bonus. Then they get the increase over time.”

► **Thousand Oaks Civic Arts Plaza**

“That is the new goal of the Alliance for the Arts. At the moment it is a goal. The few times we have done fundraising from individuals, it has been quirky — not in an organized manner. Actually, the

only concerned expressed so far is that we have not given any money to the Cabrillo Musical Theatre, but we will.”

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**Questions:** *Have any private or public funders insisted upon making a single annual support grant to the “umbrella” organization with the stipulation that the funds be distributed to “resident companies” as the overall organization sees fit? In that scenario, how would the appropriate allocation be determined?*

▶ **New Brunswick Cultural Center, Inc.**

“Yes, we became such a fiscal conduit — passive (not active) fundraising! Johnson & Johnson has given us \$500,000, restricting \$100,000 to NBCC. The rest is distributed on the percentage basis consistent with what the companies had received from Johnson & Johnson independently. Also, there is a \$6,000 grant from Mobil Chemical which is allocated along historic lines when individual gifts were made.”

▶ **Pittsburgh Cultural Trust**

“We have consistently resisted this suggestion and try to respect the autonomy of the other arts organizations. It is often suggested by corporations as something they would like.”

“It is a disaster to accept such funds for distribution. We have had pressure. We have a lot of corporate CEOs on our board and I work with them on a daily basis. When I get to know them, they say, ‘I don’t know why the Trust doesn’t just take it over so we don’t have to deal with all these arts organizations.’ That does not work. We would never do that.”

▶ **Portland Center for the Performing Arts**

“It would go to the Regional Arts & Culture Council. We only run real estate.”

▶ **City Center 55th Street Theater Foundation, Inc.**

“No.”

▶ **Arts Center Foundation, Dayton, Ohio**

“No — such funds would be funneled through Culture Works, the united arts fund, or the Montgomery County Arts & Cultural District.”

▶ **Lincoln Center for the Performing Arts, Inc.**

N/A

▶ **Woodruff Arts Center Inc., Atlanta, Georgia**

N/A

▶ **Thousand Oaks Civic Arts Plaza**

“A guy gave us \$75,000 — we gave \$30,000 to the Symphony, \$40,000 to the Santa Susana Repertory Company, and the Alliance retained \$5,000 for fundraising expenses.”

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**Question:** *Is there a formal "united fund"? Are the "umbrella" organization and all "resident companies" participants in the fund?*

▶ **New Brunswick Cultural Center, Inc.**

"There is not a united fundraising effort."

▶ **Pittsburgh Cultural Trust**

"No."

▶ **Portland Center for the Performing Arts**

"Yes, but not us. There is a Regional Arts & Culture Council."

▶ **City Center 55th Street Theater Foundation, Inc.**

"No."

▶ **Arts Center Foundation, Dayton, Ohio**

"Yes — Culture Works."

▶ **Lincoln Center for the Performing Arts, Inc.**

"Each constituent company pursues its own corporate sponsorships of individual performances."

"All decided that there should be a consolidated corporate campaign to support Lincoln Center with unrestricted gifts — the most difficult money to get and the most vital to raise. We have a special unit in the Development Department — separated by a "Chinese Wall" and they pursue this consolidated corporate fund drive — only one check for unrestricted general support gift to Lincoln Center. Raise about \$5 million a year."

▶ **Woodruff Arts Center Inc., Atlanta, Georgia**

"There is a united fund, and we are #8-#9 in workplace giving among performing arts centers. We focus on corporate and foundation giving. No gifts from individuals other than through the workplace. No individual is recognized as an individual, the corporation is recognized."

▶ **Thousand Oaks Civic Arts Plaza**

"No, we are not there yet."

**Questions:** *Does the "umbrella" organization support its "resident companies" through direct fundraising? benefits/special event fundraising? How?*

▶ **New Brunswick Cultural Center, Inc.**

"None for NBCC. The State Theatre Benefit Gala nets in excess of \$200,000 a year, part of the \$600,000+ annual operating support needed for the State Theatre (not including the \$108,000 State Arts Council grant)."

► **Pittsburgh Cultural Trust**

"We collaborate each year on one benefit with the Pittsburgh Symphony Society — splitting the net proceeds. We do it around a blockbuster Broadway series — *Ms. Saigon* this summer."

► **Portland Center for the Performing Arts**

"Not directly. Three years ago, we created a Friends of the Performing Arts Center — to advocate on behalf of the facilities and tenants. They have been active in securing this funding solution and in producing galas for specific projects, such as a new curtain for the Civic Auditorium."

► **City Center 55th Street Theater Foundation, Inc.**

One big gala a year toward general operating. Brochure says "The 1997 Gala benefits CITY CENTER's varied programs — including support of dance, education efforts which reach over 7,000 city school children annually, and the acclaimed, award-winning series rediscovering the great scores of rarely-heard musicals — *CITY CENTER ENCORES! Great American Musicals in Concert.*"

► **Arts Center Foundation, Dayton, Ohio**

"No."

► **Lincoln Center for the Performing Arts, Inc.**

"The corporate drive will have a real estate dinner. Looks like they will break records this year. Our own gala 2 weeks ago raises \$1 million for us. A dinner and concert — telecast. We honored people. We need our share of the corporate fund drive for our programming ventures."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"We do not do any of it at the Center. Each Operating Division does its own."

► **Thousand Oaks Civic Arts Plaza**

"Nothing that is a united deal. The Gold Coast Performing Arts Organization is an umbrella organization that does Twilight Awards for three groups — Cabrillo Musical Theatre, Santa Susana Repertory Company, and Gold Coast Conservatory."

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**Question:** *Does the "umbrella" organization support its "resident companies" through direct fundraising for capital — facility improvements? equipment purchases?*

► **New Brunswick Cultural Center, Inc.**

"Resident Companies are prohibited from establishing their own capital or building endowment funds and NBCC has not yet found a way to establish those funds as part of its ongoing operations."

"Why would donors give to the NBCC? Last time, there was construction on all 3 sites, a compelling case to create this wondrous complex. This next round involves different kinds of capital improvements — may be more successful if State, George Street, Crossroads each participate in a drive. That is why the rule is the NBCC is the entity doing the capital fundraising."

► **Pittsburgh Cultural Trust**

"We assume the responsibility for facility long-term and short-term maintenance, equipment, etc."

► **Portland Center for the Performing Arts**

"The \$1.2 million a year is to cover major maintenance as well as operations — ½ operations support + ½ property (and, if any remaining, can add to reserve funds). We will spend a lot on major maintenance, including funds out of reserves, in next 5 years. But, then, we should be able to have a \$2 million reserve for business downturns or emergencies."

► **City Center 55th Street Theater Foundation, Inc.**

"City Center goes to New York City for funding for large projects such as replacing 19 of City Center's roofs and renovating its three large, architecturally significant rehearsal studios."

"Using private gifts from board members, City Center is building a much-needed reception lounge in what was a fire-escape space located between it and its neighbor City Spire."

"Using a combination of funding sources, City Center is installing an orchestra pit lift which will significantly increase the revenue potential for City Center and the organizations who rent the Mainstage (as well as reduce the cost of stagehand labor to automate the pit):"

- \$585,000 from the Manhattan Borough President and New York City Council (not the Department of Cultural Affairs) and
- selling \$200,000 worth of tickets to seats on the pits for *City Center Encores!* (clearly stating that the \$75 for pit seats goes to a restricted fund for a pit lift)."

► **Arts Center Foundation, Dayton, Ohio**

"We are ready if there is a new performing arts center."

► **Lincoln Center for the Performing Arts, Inc.**

"They do for their own facility even if we own it. We do the common spaces, including, right now, the \$2 million 'chiller' 3 stories down. The reserve and we will all contribute to that."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"Yes, we do endowment fundraising on special occasions — if it is minimum of \$10-\$30,000,000 campaign. Getting ready to do one for the Symphony which will probably be \$15-\$20,000,000. No Division could enter a campaign without clearance here. The major responsibility will be on the staff of the Symphony with outside counsel. Both counsel and Symphony staff need to coordinate all asks with WAC's development program."

"Cox-Curry would not do any assigning names to volunteers on the capital side — we will use them in the common date base — for the coordination. They will be aware of who is solicited in terms of corporations. Cox-Curry will be a resource and a clearinghouse."

► **Thousand Oaks Civic Arts Plaza**

"No, we are so new. We are fully equipped as a theater. We are missing our name on the side of the building and have gone to the City for that. We have no capital needs in the foreseeable future — and we have an asset replacement fund."

**Questions:** *Does the "umbrella" organization support its "resident companies" through direct fundraising for endowments? Is the corpus held in the name of the "umbrella" organization? Have funds been pooled for management purposes with clear delineation of ownership? Are there guidelines for distribution of income from these funds, i.e. emergencies only, special projects, or deficit reduction?*

► **New Brunswick Cultural Center, Inc.**

"Not yet. The majority of endowment funds are donor-restricted to State Theatre operation and programming. We did endowment fundraising as part of the last capital campaign."

"We do not raise and hold endowment funds for resident companies. George Street has one. Trying to help Crossroads conceive of it."

► **Pittsburgh Cultural Trust**

"The Trust has three endowment funds:

1. an Operations Fund to offset the cost of ongoing Trust operations,
2. a Plant Fund to underwrite capital improvements at the Benedum Center, and
3. a Performance Fund to: a) provide risk capital, which will enable the Trust to present productions of artistic note which may have limited audiences, but which have important value to various segments of the region's diverse population, and b) to allow the Trust to present performances for underserved populations — particularly school children (and has formed an Education Advisory Committee to develop a series called *Live on Stage*, a 5-show series geared to pre-teens, teens, and their families which features Sunday afternoon and school performances).

"The funds are not large, but the goal is for the Operations Fund to total \$7,500,000, the Plant Fund \$8,500,000, and the Performance Fund \$2,500,000."

"The Trust has established guidelines for these endowed funds. No more than 5% is allocated to the stated purposes in any year. Income above this level is reinvested. The endowed funds are overseen by the Pittsburgh Cultural Trust's Finance Committee, which is chaired by the Treasurer of the Board of Trustees."

"Many of the resident companies also have endowments."

► **Portland Center for the Performing Arts**

"Governments don't think about endowments — instead, cash in a reserve account. We have a reserve account totaling \$1.5-1.8 million now. That is what we were living off of, and we were afraid we were going to get to \$0. The reserve came from a transfer when this sports facility deal was made. A \$3-4 million reserve was allocated. We had \$3 million to live on, and we were spending \$1 million a year. With the \$1.2 million a year hotel/motel bed tax solution in place, we have not fallen below \$1.5 million."

► **City Center 55th Street Theater Foundation, Inc.**

"Not until the board is beefed up. A committee of the board is trying to raise endowment for score restoration — a side bar."

► **Arts Center Foundation, Dayton, Ohio**

"We have a \$2 million endowment for major maintenance of the Victoria Theatre building."

► **Lincoln Center for the Performing Arts, Inc.**

"There are no endowments for the campus as a whole. Each constituent company has its own endowment. Avery Fisher left one for Avery Fisher Hall — the proceeds go to the Hall so the Philharmonic is getting a share of about 1/3 of it. That is it in terms of sharing."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"Each of the Divisions maintains and solicits endowment funds for its activities while the WAC raises its own endowment for operations and capital needs. With my coming here, we have our first sizeable endowment for the Center that has nothing to do with annual operating expenses — a President's initiative fund — one gift, a \$5,000,000 check delivered to me on my third day here."

► **Thousand Oaks Civic Arts Plaza**

"Endowment funds are raised by the Alliance for the Arts. The Alliance puts the money into the Ventura County Community Foundation. There is a complicated legal contract because the Alliance is concerned the City might try to get their hands on the funds. The Alliance wants to promise donors the funds will only be used for operating the theater on an annual basis. A mutual fund for non-profits to protect them."

"At the moment, there are 3 funds: a) an operations endowment — which now totals \$10 million in cash and pledges (add to earlier \$250,000 a year from the operations endowment to the Alliance for the operations of the theater. The Alliance is just raising endowment), and 2 new baby funds: b) a programming endowment and c) an education endowment. We do not know how they will be allocated."

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**Questions:** *Of the joint fundraising efforts, which have been the most successful? Why?*

► **New Brunswick Cultural Center, Inc.**

"Apart from Johnson & Johnson grant, nothing."

► **Pittsburgh Cultural Trust**

"We do not fundraise jointly. However, the Trust has just completed a very successful \$70 million capital campaign (*Campaign for a Dynamic Downtown*) — raising \$3 million more than goal because of an additional naming gift for the theater and rehearsal hall. Wednesday is the official groundbreaking with shovels in ground. Heavy equipment starts in June. The real groundbreaking for the Theater will happen in November — the Public Theater has been very slow."

► **Portland Center for the Performing Arts**

"It was when people finally understood that you could not run these theaters on a break-even basis. The mythology finally was broken. People were persuaded we were running the place in a lean, businesslike fashion. We had to prove there was no fat. We needed the money and were getting just what we needed. We were on a bread-and-water diet and now a moderate soup!"

"Our Commission and the staff did a business plan and laid out what we are going to do to solve this problem. We put it down in black and white. No one could hide. 'We are going to close if there is no solution,' we said. We found ways to earn more money and reduce costs — all with the assistance of our users."



"Oregon is famous for public discussion so there were nearly two years of discussions. Everybody was united in what they were going after."

"We really worked hard to have credibility with the hospitality community to show the hospitality community that the arts matter in making Portland a destination for tourists. The quality of all of our arts organizations is very high. Finally, people were recognizing that **the arts have contributed to the conventions business and the economic development of Portland.**"

"Our business plan was a ticket with the business community — gives us a measuring stick and we accomplished our targets and they had a measure and we measured up. The business plan made a huge difference in the credibility of the effort."

"Sometimes it takes a crisis — changing the people in different jobs. My predecessor, Robert Freeman, was an art person. I am real estate person recruited to come in for 6 months. Then, the Commission extended the contract for another 2 years. I am now in the 2nd 2-year contract extension. We could not do national search. Robert was frustrated and wanted to do more producing. Nobody wanted risk doing any producing or presenting here. I think, to some extent, I helped — with my creditability with elected officials and the business community plus the business plan — we had **what was perceived as a more orderly, tough-minded approach.**"

"The Commission took that point of view with all of its facilities — even the sports facilities: 'let's face up to it and determine what is the minimal workable solution?' We started to proceed in an orderly fashion. We developed the numbers and the analysis to help people perceive what is going on here. A lot of times, government facilities don't do that.

- What does it cost to open the doors? If you are not running?
- What makes money? What does not? We did cost accounting and allocation."

"We now understand the implicit subsidy to each resident company. Four-year tracking shows a hall that has 3,000 seats comes close to breaking even. The smaller ones can't. The flexible space is a bear — it costs so much to change it. The users can't afford to do a lot with it. From a business perspective, we cannot afford "design opportunities."

► **City Center 55th Street Theater Foundation, Inc.**

"Actually, City Center is working on an initiative with its dance companies right now. If the dance companies buy into it, they would agree to play their dates, buy into joint marketing efforts, and have members of their boards join members of the City Center board on joint solicitation calls."

► **Arts Center Foundation, Dayton, Ohio**

Not applicable.

► **Lincoln Center for the Performing Arts, Inc.**

"Patron perks to donors above a certain level — good seats at any performance across the Center. In Corporate Drive brochure, last page. We have a desk for certain patrons to help them get tickets."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"First, the annual united fund is one of the most successful in the country — something like #3 in the country. The Operating Divisions are not very involved in the united fund; they may be asked to help with 1 or 2. It is purely run out of WAC Inc. Own volunteers who are tied to it. Incredible volunteer campaign. Impressive level of people who lead, show up, and make the calls. The new CEO of BellSouth chairs this year's campaign and every 7:30 a.m. cabinet meeting. The #2 person at UPS."

"Secondly, the endowment campaign . . ."

► **Thousand Oaks Civic Arts Plaza**

"I am the chief dancing bear at the fundraising receptions for the programming and education endowments. It has gone very well. We put people's names all over the place."

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**Question:** *If one of the "resident companies" wants to raise operational funds by "selling" seats or through other naming opportunities in the facility they occupy (but do not own), is that permitted?*

► **New Brunswick Cultural Center, Inc.**

"George Street Playhouse announced a seat campaign for working capital. Crossroads also did a seat campaign for operations purposes. As part of the approval, they were supposed to give a % of proceeds for long-term maintenance — George Street did; Crossroads shut down the campaign after they were granted a one-time exception to meet an NEA Challenge grant."

► **Pittsburgh Cultural Trust**

"Yes. It has been done. We did it at the Benedum with the resident companies — phonathons and tiered seat prices — shared 50/50 so they had fresh operating funds when they moved from Heinz Hall to the Benedum. We worked together and had a good time. Long telephone selling the seats — kept track of who sold which ones from their subscriber lists."

"It will be done again shortly with the theater which will be owned and built by the Trust for Pittsburgh Public Theater. They will be able to sell the seats and put plaques on them for their endowment money. We sold the naming of the theater, front lobbies, and rehearsal hall and they get everything else. They do not think it is enough."

► **Portland Center for the Performing Arts**

Not applicable.

► **City Center 55th Street Theater Foundation, Inc.**

"Manhattan Theatre Company never has."

► **Arts Center Foundation, Dayton, Ohio**

"No."

► **Lincoln Center for the Performing Arts, Inc.**

"Seat campaigns are the responsibility of each individual theater. Has not been much of that. A problem with the Lincoln Center theater because the seats had been named before. When they came to us, we said, 'What about first buyer?' So, they have a plaque for those. They used the seat campaign for capital not operating fundraising. Not that much activity on either side."

"If we were to do renovations in the hall, we would use named gift opportunities. The Met would do naming in its own building."

► **Woodruff Arts Center Inc., Atlanta, Georgia**

"In this case, no. The only place it is conceivable it could happen — would have to be refurbishing

the Theater and they wanted to put something on top of the cost of the seat — that might be arranged. Not that it is impossible. Just has not happened.”

► **Thousand Oaks Civic Arts Plaza**

“The Alliance does that:           \$1000 a seat for a little name tag.  
  \$50 for a brick.  
  \$750,000 for a fountain.”

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**Questions:**    *Would a “resident company” be permitted to conduct its own capital campaign if it needs capital fund beyond that provided by the “umbrella” organization?*

*If yes, are they required to secure permission and coordinate timetables and plans with the “umbrella” organization? What is the mechanism for coordinating plans with the “umbrella” organization?*

► **New Brunswick Cultural Center, Inc.**

“No, but the Ballet Company did capital campaign anyway to build new facility in Princeton. Must come to full NBCC board and get approval.”

► **Pittsburgh Cultural Trust**

“They all do.”

“No, they do not need permission. We encourage discussion but, in fact, sometimes do not know far in advance.”

“The mechanism for coordinating plans? We have a monthly meeting with the resident companies in the Benedum. I do not go frequently because I am so busy on other projects. Every year we raise rents slightly. If we are doing cost of living increase, I will go and walk them through it. That is where we are supposed to air our thing. Information about capital campaigns do not come out.”

“Also, there is a monthly breakfast meeting of the Pittsburgh Arts Leaders (I call it the “Punitive Arts Leaders”) — the 14 arts organizations with \$1 million+ budgets. We share information and talk about advocacy issues. Next month, we are meeting with the Mayor.

► **Portland Center for the Performing Arts**

“They are welcome to. Do not need permission.”

► **City Center 55th Street Theater Foundation, Inc.**

“It would be perfectly fine. Manhattan Theatre Club is conducting a \$1,000,000 campaign for its new Broadway space.”

► **Arts Center Foundation, Dayton, Ohio**

“Absolutely. If it were a capital campaign to improve the space in one of the two buildings, yes — they would need permission. The approval would come through the architectural alterations process. They would not have to tell us if it were endowment fundraising.”

“The tenant meetings are the mechanism for coordinating plans.”

► **Lincoln Center for the Performing Arts, Inc.**

“Yes, The Lincoln Center Theater did — they had a \$16 million fund drive, some for endowment and greater part to go into the facility. They came to us with their plans and their choice of architect. We applauded.”

“Anyone doing renovations has to come and tell us.”

► **Woodruff Arts Center Inc., Atlanta, Georgia**

“Yes, they would need to work with WAC Inc. Yes, they would need to secure permission. The mechanism for coordinating plans? They are us and us is them. They can't do it without authorization and, therefore, you need knowledge that something is happening. If they tried to go out and do that, all the corporation has to do is fire somebody.”

“The closest parallel would be the Kennedy Center, which is the legal entity for the National Symphony Orchestra.”

“We are the #4 largest performing arts center in America in terms of budget because all the money from the groups flow back through WAC Inc., the controlling agency.”

► **Thousand Oaks Civic Arts Plaza**

“They could do any fundraising they want. We try and not cross paths. The Alliance has been the granddaddy of the fundraisers. Informally, we try to keep open lines of communication so no groups ask donors for smaller amounts. We ask them hold off on that. We keep the lines of communication open because it is very incestuous. Our board members are on other boards. Regularly, one or more board members have to excuse themselves because they are on the board of a group affected by a decision being made.”

“The interesting thing is that it is a private/public partnership — public built and private raises the funds to operate it.”

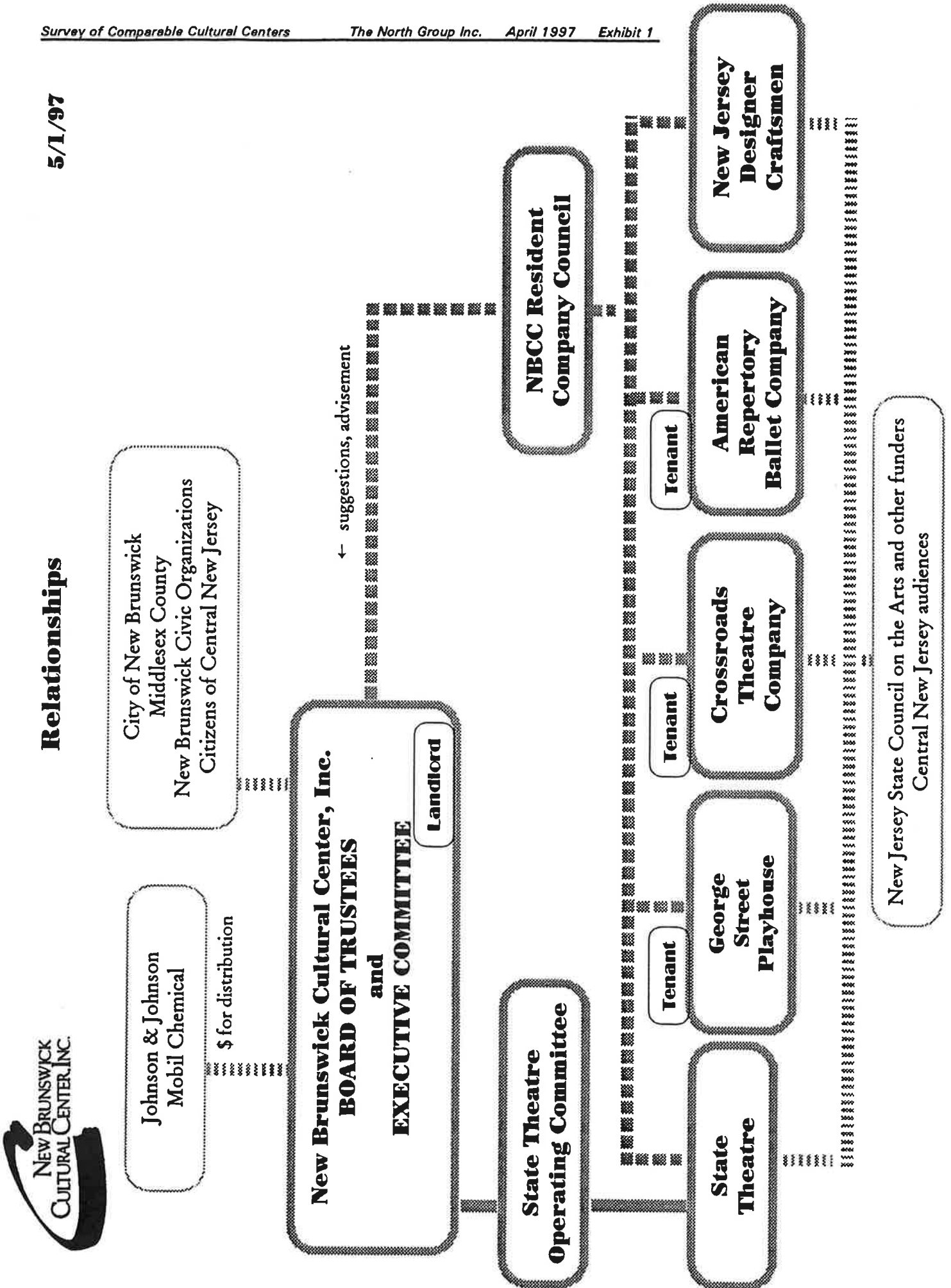
“I think we will not have to go to any government entity for funding. That is a commitment made long before I got here — a promise they would not ask the government for money. You can get away with that in an affluent community.”

“It is a complicated structure.”

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5/1/97

# Relationships



## Exhibit 2

**The Ten Cultural Commandments Revisited**  
**Revised commandments — August 1990**

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In May 1987, the Board of Trustees of NBCC, Inc. embraced the principles set out in the "Ten Cultural Commandments." The commandments were not intended to be absolute rules, but were formulated as goals and guidelines that would serve the further development of the Center. The commandments were a way to summarize the aspirations of the Board and to provide a framework for refinement and implementation of the wide range of issues covered by the commandments.

In revisiting the cultural commandments in 1990, it is important to remember the frame of reference that 1987 provided. At that time, planning had not yet begun for the renovation of the State Theatre, the construction of Crossroads Theatre, or any of the other physical improvements at the Center. The idea of a Cultural Center Bond Issue was in the most embryonic stage. The capital campaign goals and objectives had not been defined and, in fact, NBCC, Inc. had no guaranteed source of operating funds. Although the Board enthusiastically accepted the plans proposed in May 1987, there were enormous questions concerning the ability of NBCC, Inc. to accomplish those goals and the viability of the Center as a whole. The next 38 months produced a significant list of accomplishments, began to clarify issues, and, at the same time, raised a whole new set of questions concerning the future development of the Center. Clearly the accomplishments outweigh the unresolved issues.

While it is appropriate to revisit the cultural commandments three years later, it will be important to remember in looking toward the future some of what has happened in the evolution of the Center since 1987 and the rapidity with which the New Brunswick Cultural Center has moved to the forefront of Centers within the State. Still the period of growth and adjustment will continue for the next five to ten years, during which time it will be necessary to retain a high level of flexibility to adapt to those forces which effect change. While the Center today is a quite different place than it was three years ago, the next three years will offer opportunities to bring changes that will make it more dynamic, more interactive, and may finally begin to reach the point where the aspirations envisioned in the original ten commandments may begin to be realized.

Following is a review of the ten cultural commandments. The format presents the commandments in bold type followed by analysis in regular type.

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1. To share is to survive

***In a Cultural Center that will have many companies using the facilities, it is not possible to provide space for each individual company to have all of its own support spaces, i.e. shops, rehearsal space, storage. Sharing must become a key ingredient in the future development of the Center. Sharing must encompass space as well as people. The individual companies must look upon the "shared" as an extended family working toward the common good of the whole. Sharing will mean giving up territory. It will also mean giving up direct and absolute control of people. But it will also mean better utilization of space, the ability to hire better people on a full-time basis, and the mechanism to generate savings in the technical support of the performing arts.***

While the limited space within the Center has limited the opportunity to share, this concept will take on added importance as the Center expands, and will become even more important as each company

seeks to enhance its artistic mission as well as find ways to stretch dollars. At the present time, the space in the Center is limited to the two performing houses and a minimum of supporting spaces within the two buildings in the Center. The construction of the building to house the Crossroads Theatre Company and then the Atrium Gallery will have a significant impact on the options available. It is paramount that, in the future, the constituent companies clearly differentiate between what they are and what they do, and the spaces in which they conduct their primary business. The companies do not own the spaces but simply use those spaces in conjunction with other companies resident and affiliate in the Center. It is becoming clear that the State Theatre may be too big, when matching audience to space, for a company like the Princeton Ballet to perform its repertory program. The space that appears to work well for this activity is the George Street Playhouse. The same may be true for some classical music performances. It is then imperative in scheduling that all spaces be considered for a wider variety of events than they are currently serving.

In terms of support space, the building that will house the Crossroads Theatre Company will have types of spaces, specifically the rehearsal spaces and the community room, that must be made available to the other resident companies for their rehearsal and outreach needs. There is a natural tendency to become proprietary about space; however, a condition of maintaining resident company status will have to be the sharing of space in a spirit of mutual assistance, cooperation and trust.

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2. My house is your house

***There are companies that produce events and there are spaces in which events take place. The proprietor of the space is New Brunswick Cultural Center, Inc. Although each company should have a "home base" and a place that establishes image, the company should operate within the broader context of the Center. The complex of theatres should be thought of as "The Theatre Center" within the Cultural Center. In time, "The Theatre Center" or the individual components within the Center will bear the name of a major donor. It is within this framework that the individual companies operate. As such, the following premises are operative:***

***All companies have access to all events spaces.  
Scheduling is a collective activity.***

This concept is closely related to the concept of sharing and was originally intended to reinforce the need to consider the use of the various facilities for uses other than their primary purpose. In the case of the acting companies, house sharing would see the small theatres used for dance, chamber music, lecture series, and other activities that would play well in a small house. In the case of the State Theatre, it was to signal its availability to the resident and affiliate companies and encourage their use of the space. The Princeton Ballet has, in fact, used the State Theatre since it opened and has also used the George Street Playhouse for its spring repertory program. George Street Playhouse recently used its Stage II to assist the homeless Princeton Rep Company. These kinds of utilizations are healthful for the development and reputation of the Center. It can be expected that there will be more cross utilization as the program within the Center expands and is given more definition by the resident and affiliate companies. Too, as the individual companies interact on a regular basis the opportunity for collaboration and experimentation with the various spaces within the Center will naturally come into play.

One element of the formula which must be given careful consideration is the high cost of operating the State Theatre. It is important that those costs that must necessarily be passed on to the user be

within budget capabilities of the resident and affiliate companies. While the Cultural Center is not able to totally subsidize the use cost of the State Theatre, it can, through good planning, limit the exposure to the companies when they use the space.

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### 3. A \$ for facilities, a \$ for endowment

***Without any direct government support, there are two ways to fund continuing operation of the Center if one accepts the premise that the arts will never make money. There is continuous fund raising and grantsmanship, or there is endowment. Endowment is the only insurance against recession in grantsmanship and private giving. There will always be fund raising, however the expectations and anxieties connected with the operation of cultural facilities can be cushioned by the guarantee provided by an endowment fund.***

***The Cultural Center should quickly complete the initial goal of \$5,000,000 for the Endowment Fund and immediately thereon develop a plan for the growth of the Endowment Fund to the \$10,000,000 level. Priorities for utilization of earnings from the Endowment Fund will be:***

***Operations subsidy for NBCC, Inc. and the State Theatre  
Facility maintenance and equipment replacement  
Grants for specific projects of the resident companies***

***At the present time, the earnings used from the Endowment have helped to offset the debt service on loans for the development of the Center, including space occupied by the resident companies as well as property operating costs such as insurance and building maintenance. This represents a direct subsidy of the resident companies by NBCC, Inc. It is not anticipated that there will be any funds for distribution until such time that NBCC, Inc. finds itself debt free of its construction obligations and there are unrestricted funds in the Endowment Fund.***

The New Brunswick Cultural Center Endowment Fund was established to sustain the operation of NBCC, Inc., subsidize property operating costs of NBCC, Inc., support the State Theatre, and to provide grants to the resident companies for special projects. Donors may restrict their endowment gift to any program or activity within the Center. All endowment funds are held in accounts managed by NBCC, Inc., and the earnings from those funds are allocated annually by the Board or Trustees of NBCC, Inc. In cases where the donor has designated the endowment for a special purpose, the earnings are so used.

To date, the NBCC Endowment Fund has pledges totally \$3,250,000, all of which has been restricted to the operation of the State Theatre. While the fund raising activities of NBCC, Inc. are not geared to restricted endowments, to date, at the request of the donors, the funds have been restricted. It is anticipated that, as the endowment grows, there will be unrestricted gifts as well. It was never anticipated, nor has it ever been proposed, that endowment funds be used for a resident companies usual operating expenses. Rather, it has been documented that the purpose of the Endowment was to sustain the operation of the State Theatre, defray property operating costs of NBCC, Inc., including property maintenance costs, and provide grants to the resident companies for special projects.

Nothing is more clear than the need to reach the initial goal of \$5,000,000 and to continue to build the Endowment Fund. The diminishing dollars available from government, the unpredictability of the corporate sectors' support of the arts, and the ever-increasing cost of operations makes the endowment the only safety net available for the long-term stability of the Center.



While there have not been funds available for distribution and while the Center did not and has not established a time frame for funds being available for distribution, over the long term a wider distribution of funds should continue to be a goal of NBCC, Inc. Endowment support of the resident companies will, however, be limited to special projects that would be outside the normal operating budget of the company. The Center encourages the establishment of operating endowments for all of the resident and affiliate companies.

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#### 4. Management together saves

***This another facet of TO SHARE IS TO SURVIVE, but is directed to those functions common to all organizations that generally fall in the category of business management. This includes accounting, marketing-public relations, purchasing, concessions, box office operations, and fund raising. These functions are largely service in nature. They can be provided aside from and with virtually no impact on the creative juices of the arts. The same principles as those stated in "Sharing" apply here but with more emphasis on better product and savings.***

Experience has shown that this is largely a staff-to-staff function and it will be through the cooperative efforts of the various departments in the companies that ways and means of effecting the sharing of business resources will be accomplished. It is through the success of individual ventures, such as the central box office, that additional ventures will be conceived and tested. All departments are currently meeting on a regular basis to exchange ideas and explore cooperative ventures.

Joint marketing efforts have been discussed and it is expected that some joint marketing will be undertaken during the 1990-91 season. Upon completion of the NBCC Capital Campaign, a study will be undertaken relative to collective fund raising.

At this time, purchasing and concessions do not provide the critical mass necessary to effect significant cost savings; however, as the Cultural Center grows, these and other goods and services purchased by the companies may well be areas where collectivization can result in savings.

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#### 5. Rents should be reasonable and based on Center needs

***We do not expect to recoup capital costs from rent paid by the resident companies; however, rent will be charged the occupants of space within the Center to assist with the general operation of the Center, including, but not limited to, debt service on construction of facilities, continuing maintenance of facilities, and the operation of common areas. Rent will be set at levels significantly below market value and will be subject to change as the needs of the Center change.***

Based on a return on investment, the fair rent of Crossroads Theatre in a \$3,000,000 facility would be nearly \$300,000 annually. There would be no Crossroads Theatre under those conditions. The present rent paid by the resident companies is almost insignificant if cast in terms of fair return on investment or market rental rates. It is not reasonable to charge the companies market rents, nor has this ever been contemplated. Likewise, in the foreseeable future, it will not be feasible to make the facilities available on a rent free basis. Until there are other resources to cover the cost of debt service, continuing building maintenance, and the operation of common use areas, rent will be a responsibility of the resident companies and, indeed, may always be a factor in the operation of the Center. It should continue to be a goal to hold rents to the most reasonable levels possible and to adjust rents based on Center needs.

6. The artist directs the art

***The individual Boards of the various companies will determine program, creative direction, and policy relative to the presentation of the art form. At no time, and under no circumstances, will NBCC, Inc. or any of its subsidiaries, support organizations, friends, or its staff, involve itself in any way in the direction, policy making, or programming of the artistic development of the company.***

The artistic direction of a company is the sole prerogative of that company. It is determined by the companies Boards of Trustees through the personnel they employ to establish the artistic direction of the company. NBCC, Inc. can neither censor nor dictate artistic policy of one of its companies. That role must remain with the company. NBCC, Inc. can expect that all of the companies will act in accordance with accepted standards of decency and public morality and will be cognizant of the mission and reputation of the Center in the development of its art.

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7. COUNTRY WESTERN = POP = BACH

***To the extent possible, the Cultural Center will provide opportunities for the exhibit of all forms of entertainment. A balanced program representing the broad spectrum of performing arts experience will be a programming goal of the Center. The Center will seek to serve broad community interests as well as constituent groups such as ethnic heritage, business and social organizations, the religious communities, children and seniors.***

This statement has two components — the need to recognize the presence of a broad and varied constituency and the need for programs to serve each segment. While most of the commandments concern the Center as a whole, this one was originally created primarily for the State Theatre. If taken collectively, the resident companies do provide opportunities for the exhibit of most forms of entertainment and the arts, and serve a broad base of community interests and groups. The State Theatre, after its second season, continues to be experimental relative to program — seeking its place in the arts market within budget limitations.

In the matter of cross-programming, or collaboration between the various companies, it can best be accomplished by staff interactions between those companies wishing to collaborate. The Center should encourage this kind of activity.

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8. Kids can dance, too!

***Education in the arts is a basic requirement of membership in the New Brunswick Cultural Center. Furthermore, although the young are of paramount importance, arts education programs should be extended to include all segments of the population. A task force made up of the education staffs of the resident and affiliate companies of the Center should develop a comprehensive plan for the Center as a whole.***

This is an important part of the overall philosophy of the Cultural Center. The resident companies have all striven to increase their educational activity and have programs which take their art to the schools and bring the schools to their art. The State Theatre has a developing program in education, which, because of budget limitations, is limited to the presentation of programs for youth in the State Theatre. As the Center refines its fund raising program and is able to concentrate on cultivating sources for educational programming, this activity should grow and is an area where there could be

substantial cooperation between the companies. NBCC, Inc. has established an educational task force made up of representatives from the school districts in the region. This task force currently helps coordinate and distribute information about the program, provides feedback on its value, and provides recommendations relative to educational program elements at the State Theatre. Expanding this task force to involvement in the Center as a whole is desirable.

While the focus of this commandment was youth, the premise has been expanded to include all age groups. An entire generation has reached adulthood without the exposure to the arts that was a part of the primary school learning experience prior to the 1960s. The declining audiences in many of the major arts categories is indicative of the lack of knowledge or interest by this important segment of the population. Ways must be found to educate and involve all segments of the population in arts programs.

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9. No free lunch (or halls)

***There is a cost associated with opening the door of a space in which an event can take place. NBCC, Inc. must be reimbursed for these costs; must treat every person, organization, group, or company exactly the same relative to use fees; and must have policies governing the use of facilities that can be administered with an even hand. While there can be categories of use fees reflecting the for-profit or not-for-profit nature of the sponsor of an event, there will always be a fee connected with the use of the facilities owned by NBCC, Inc.***

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10. Facilities now, glitz later

***While an arts complex must have sparkle and must project a visual excitement in its environment, our immediate task is to provide the basic facilities that sustain the operation of the Center. Throughout the planning and construction of the Center, we must always keep an eye open to future expansion opportunities, provide potential enhancements that will attract donor contributions for the physical development of the Center, and seek a balance between wants and needs. We are planting a tree which can be adorned with ornaments for as long as the Cultural Center exists, but we must first plant the tree.***

The tree is indeed planted, and we have begun to adorn it. This premise is as valid today as it was in May 1987. Because of financial constraints, we must continue to take a conservative approach in the building program but still building a solid foundation on which we can continue to add amenities and adornments. Our needs can and will be fulfilled. Our wants will, no doubt, outlive us and keep us always looking forward.

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May 9, 1987

August 1, 1990

simplified version of 1990 revised commandments prepared May 1, 1997

*Exhibit 3*  
**WOODRUFF ARTS CENTER**  
**ORGANIZATIONAL PHILOSOPHY**

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The Woodruff Arts Center is central to the development of the arts in Atlanta. Its purpose is to achieve excellence in each of its Divisions — College, Museum, Symphony, and Theatre — and new Divisions if it becomes clear that additional art disciplines should be under the Center's auspice.

The vision and leadership that joined separate artistic institutions by forming the Atlanta Arts Alliance in 1965 continues to drive the unique growth and success of the Woodruff Arts Center. The Center provides a community focus on the institution as a whole by serving as a stewards of resources. This includes assuring the quality of art, the quality of facilities, and financial stability, thereby ensuring the whole is greater than the sum of its parts. Consequently, the Woodruff Arts Center plays a significant role in the success of the individual Divisions and provides the mechanism for the community to commit important resources to the Center and its Divisions with confidence.

The focus of leadership for artistic development, operating management, funds development related to a particular discipline, and ultimately the growth and vitality of an individual arts discipline must come from within a particular Division and its board. Accordingly, the Center is committed to building strong board and staff leadership for each of its Divisions and will provide the necessary support and occasionally intercede to ensure a Division's continuing strength and excellence.

As the corporate umbrella and legal entity, the Woodruff Arts Center is ultimately responsible for the success of the individual Divisions. Accordingly, it must provide policy and leadership for fund-raising, financial management, facilities, and personnel services. An atmosphere of partnership prevails for this leadership with forums and processes established in which constructive discussions can be held. Therefore, while ultimate authority exists at the Center, it need rarely be exercised.

Building leadership and resources is key to building excellence. This philosophy is intended to capture the best the individual Divisions can offer and the best the Arts Center can offer, so that the sum of our resources and leadership is clearly larger and stronger than that which could be obtained individually.

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# THOUSAND OAKS PERFORMING ARTS CENTER FLOW CHART

