

# PACMA

PERFORMING ARTS CENTER  
AND MUSIC ACADEMY

Santa Monica College

Business Plan Excerpts  
August 2006

**PACMA  
SANTA MONICA COLLEGE**

**Core and Distinctive Competencies**

- ∞ Programming vision
- ∞ A seamless experience for patrons
- ∞ Centralized box office
- ∞ Student participation

**OPERATIONAL STRATEGIES**

- ∞ Independent 501(c)(3) to operate, manage and finance the facility

Short-term:

- ∞ Qualified Management Agreement between the entity and SMC

Intermediate-term:

- ∞ Deepen relationship with external producing organizations
- ∞ SMC to decrease developmental support of PACMA
- ∞ Build endowment through naming gifts program

Long-term:

- ∞ Possible revenue streams through consortium agreements based on economic benefit
- ∞ Commercial theatrical development participation agreements
- ∞ Continue to build endowment

**FINANCIAL STRATEGIES**

Combination of projected ticket revenue, ticket surcharges, interest on endowment, grants, opening season angels/membership and concessions revenue.

Future success of the venue as a rental facility for non-profits and commercial users

**STAFFING STRATEGIES**

**Artistic / Facility operations / Marketing and press / Development**

- ∞ Artistic Director of Performing Arts Center
- ∞ Assistant Director (Producing Director)
- ∞ Managing Director (Box Office / House Manager)
- ∞ Theater Technical Director
- ∞ Administrative Assistant II
- ∞ Stage hands (part-time as needed)
- ∞ Marketing and press
- ∞ Development

Above positions include the three existing Madison Project staff positions.

## FLOW CHART FOR KEY POSITIONS

### PACMA TIME LINE

September 2006 through September 2008

### FUNDING SOURCES FOR OPENING SEASON

Potential grants and memberships

### GALA FIRST SEASON PROGRAMMING

- ∞ Main Stage
- ∞ Free Arts Education
- ∞ Ticketed Children's Programming

### PROJECTED USE DAYS OPENING SEASON 2006-07

37 days – Santa Monica Alive! Performance Series through PACMA

33 days – SMC Music Department

12 days – Other SMC Departments and Programs

54 days – Non-Profit Groups with current interest in opening season

### PROJECTED RENTAL DAYS

50 days – The rental potential for the site facilities is still being evaluated

## **INTRODUCTION TO THE BUSINESS**

On January 19, 2005, Santa Monica College broke ground on a new state-of-the-art performance and visual arts facility. Within the framework of the overall mission of SMC, the Performing Arts Center will strive to promote artistic excellence, creativity, collaboration and the free exchange of ideas in an open, caring community of learners.

The facility will be used by Santa Monica College ranging from student ensemble performances to a world-class presenting series of professional artists operated under a separate 501(c)(3) non-profit organization. Community groups will be able to showcase their talents and rental clients will utilize the space both for profit and non-profit organizations. Discussions are also underway to have a commercially developed theatrical component at the Center.

A 541-seat Theater will anchor the performing arts complex at the SMC Madison Campus on Santa Monica Boulevard and 11th Street. An art gallery will feature student and faculty exhibitions in addition to world-class Santa Monica artists such as Sam Francis and Tony Berlant. The smaller rehearsal hall will be used as a classroom for various SMC music groups in addition to presentations of spontaneous and experimental works. The facility also includes 29 music practice rooms for students of SMC's Music Academy.

PACMA will become an independent 501(c)(3) and serve as the operational arm of the center, providing free arts education, producing new works and creating a presenting season. The new 501(c)(3) will operate, manage and finance the facility and be responsible for securing additional rental revenue, preparing an annual work plan with Board of Trustees approval, and schedule SMC events as required.

PACMA's presenting program will host high-level professional productions in dance, theater, voice recitals, chamber orchestra, film and lectures and will include programs of arts education outreach for local and neighboring K-12 schools.

### **Mission Analysis**

The mission of PACMA is to contribute to our cultural community through excellence in education and the arts, helping to build a new generation of audience and artists. Within the framework of the overall mission of Santa Monica College, PACMA will strive to promote artistic excellence, creativity, collaboration and the free exchange of ideas in an open, caring community of learners.

## **Vision**

PACMA's mission is well defined and will serve as the guiding force towards realizing one of its core visions, which is to become a spontaneous, playground for College students, professional artists, community and audience members. PACMA will ideally become a center where celebrities in town for a few months between film projects may participate in a short theatrical run; a place where smaller experimental ensembles in town with a larger visiting symphony may perform a new avant-garde work; a Westside home for larger non-profit arts organizations; a venue for local artists and arts organizations; and a place where artists and non-artists can feel a part of a thriving artistic and educational community.

Additionally, the opportunity for SMC students to perform in a world-class venue will raise the bar for SMC music students and can be utilized as a recruitment tool for up-and-coming musicians and performing artists, both nationally and internationally.

## **Short-term**

The keystone to the success of the short-term operating strategy is the successful creation and implementation of a new 501(c)(3) and a "qualified management" agreement between the entity and SMC. Staff is currently working with legal counsel to create the 501(c)(3) and determine how it can best function within the structure of the College. Upon creating the 501(c)(3), selecting a Governing Board and creating the agreement with the College, staff will begin to secure artists for the opening season.

## **Intermediate-term**

Many of the short-term goals will continue into the intermediate term – the 2<sup>nd</sup> and 3<sup>rd</sup> years of operations. Staff will build on the success of the opening season increasing the number of performances, continue to build an active board, secure naming opportunity gifts to build endowment, and secure sponsorship and rental revenue. PACMA will also deepen its relationship with external producing organizations. SMC will begin to decrease its support of PACMA staff members throughout a four-year phase out. On-going efforts will continue to raise funds, build endowment and secure additional memberships for the facility. There will be an increase in volunteer opportunities and a multi-tiered level of memberships will be launched in the 2<sup>nd</sup> year of operation. PACMA staff will also continue to build relationships with the surrounding community and cultural arts entities of the City of Santa Monica. Presently, staff is represented on the Arts Commission and has a strong relationship with the

Convention and Visitors Bureau. Staff has been in discussion with City of Santa Monica Cultural Affairs staff on how local arts groups can have a presence at the site through some form of City consortium agreement. Local hotels have adopted the project and underwritten events on behalf of the project. The Santa Monica Chamber of Commerce has demonstrated enthusiasm for the Center as well.

### **Long-term**

Long-term strategies will be a continuation of intermediate ones as the scope of the project and its potential grows. The long-term strategies include various types of consortium building to tap into additional revenue streams. The new facility is of exceptional quality. Its theatrical capability and support spaces exceed those found in many, if not most, Broadway theaters in New York City, for example. Its acoustic characteristics are expected to rank it among houses with the highest standards available anywhere. It boasts a premium location, near Santa Monica's downtown and on the Westside of Los Angeles. This facility has both superior academic educational value and local economic benefit as a cultural arts facility. Future arrangements may be possible with the City of Santa Monica, for example, as it develops its own cultural master plan and proposes funding mechanisms for the identified projects.

Revenue streams created through consortium agreements support many similar facilities in other cities and these types of alliances are a mechanism that can share certain costs of marketing, data collection, and presentation programming. College staff is currently participating in the formulation of a local cultural plan and is exploring alliances with other performing institutions.

### **STAFFING STRATEGIES**

In order for the organization to succeed there will be a need for a variety of staff members to deal with the day-today functions of the facility. Comparing PACMA to other performance venues, identified positions can be categorized into four domains: staff for artistic programming, facility operations/management, marketing and press, and development. The financial plan accounts for all of these areas – some on a permanent basis and others as needed.

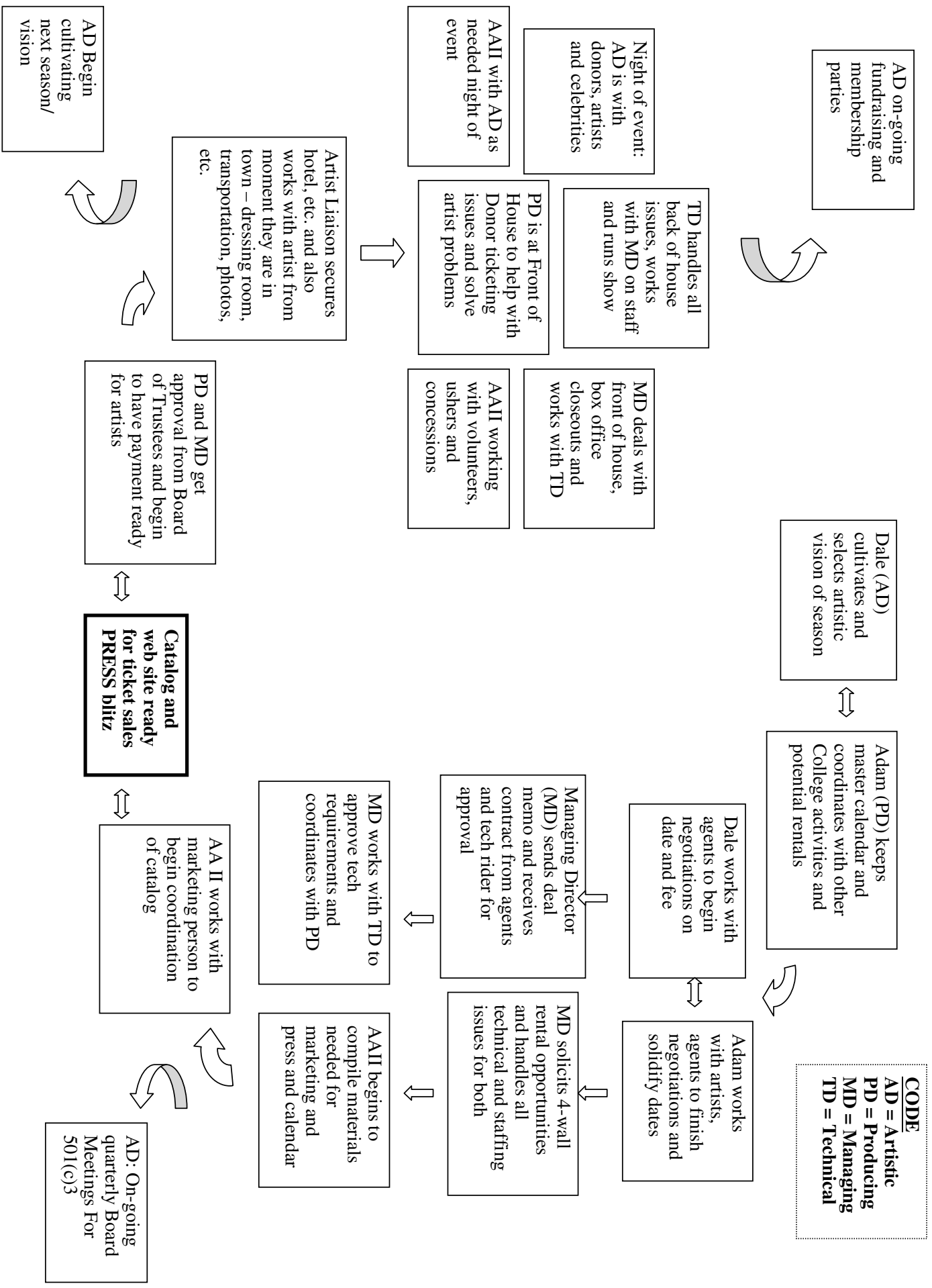
## PACMA TIME LINE JULY 2006 THRU JULY 2008

July - August 2006	<ul style="list-style-type: none"> <li>∞ Flesh out the programming details and operational framework for PACMA's main stage theater's Gala Inaugural Season.</li> <li>∞ Begin process to create separate 501(c)(3).</li> </ul>
September 2006	<ul style="list-style-type: none"> <li>∞ Secure funding to underwrite Season One start-up costs related to locking in performance artists, staffing, and the development of marketing and other promotional materials.</li> <li>∞ Continue to identify and recruit prospective artists to perform during Season One.</li> <li>∞ Hire part time Grant writer to pursue development opportunities for programming and endowment, and create a membership program for the theater.</li> <li>∞ Begin work on "Qualified Management" agreement with new 501(c)(3).</li> </ul>
October - December 2006	<ul style="list-style-type: none"> <li>∞ Series of private donor functions TBA.</li> <li>∞ Implementing process of 501(c)(3) Board</li> <li>∞ Finalize Management agreement with College</li> <li>∞ Establish job flow for current staff in transitioning from developmental to operational status</li> <li>∞ Attend booking conferences and festivals.</li> <li>∞ Finalize Season One programming.</li> <li>∞ Formulate marketing strategy and PR/Press strategy in anticipation of 2007 Season One announcement.</li> <li>∞ Public at-the-site KMOZART fund drive and launch press site tours.</li> <li>∞ Coordinate production of brochure for distribution at and following the Season One announcement.</li> <li>∞ Establish Box Office procedures for processing Season One subscription and single ticket sales.</li> <li>∞ Hire Managing Director position.</li> <li>∞ Hire Theater Technical Director as needed.</li> <li>∞ Begin weekly staff programming/production meeting.</li> <li>∞ Finalize details of fundraising opportunity for Programming Endowment tied to gala opening events.</li> <li>∞ Begin RFP process for concessions</li> </ul>

January - March 2007	<ul style="list-style-type: none"> <li>∞ 501(c)(3) status approved.</li> <li>∞ Launch membership program.</li> <li>∞ Continue donor events to sell memberships and tickets.</li> <li>∞ Stage press conference to publicly announce the programming line-up for the Gala Inaugural Season.</li> <li>∞ Finish rental brochure and technical specs.</li> <li>∞ Meet with potential rental clients.</li> <li>∞ Facilitate Season One brochure distribution.</li> <li>∞ Implement marketing plan that will escalate toward the October 2007 gala opening.</li> </ul>
March – August 2007	<ul style="list-style-type: none"> <li>∞ Box office implemented – tickets sold for events.</li> <li>∞ Sneak-sneak peek party and kick off gala party.</li> <li>∞ Execute physical move of PACMA staff onto theater site.</li> <li>∞ Test soft opening of theater; begin technical testing of hall.</li> <li>∞ Community and internal staged events</li> <li>∞ SMC performances with Music Department, etc.</li> </ul>
October 2007	<ul style="list-style-type: none"> <li>∞ Kick-off Gala Inaugural Season of PACMA's main stage.</li> <li>∞ Host first of three galas that will be interspersed throughout the Season One and tied to specific music or theatrical premieres. Gala will feature a voice recital by world-renowned tenor (<i>not yet publicly announced</i>).</li> </ul>
January 2008	<ul style="list-style-type: none"> <li>∞ Begin to book artistic roster for Season Two.</li> <li>∞ Formulate Season Two marketing plan and develop promotional materials.</li> <li>∞ Continue on-going fundraising.</li> <li>∞ Host second of three galas. Gala to feature a Chamber Ensemble performance under the direction of a renowned composer (<i>not yet publicly announced</i>).</li> </ul>
March 2008	<ul style="list-style-type: none"> <li>∞ Host last of three galas. Gala to feature distinguished actors to star in a six-week run of a Season One theatrical presentation (<i>not yet publicly announced</i>).</li> </ul>
May 2008	<ul style="list-style-type: none"> <li>∞ Conclude Season One.</li> <li>∞ Continue ongoing fundraising</li> </ul>
June – August 2008	<ul style="list-style-type: none"> <li>∞ Announce Season Two.</li> <li>∞ Rent theater.</li> <li>∞ Clean and maintain theater.</li> <li>∞ Staff vacation.</li> </ul>
September – October 2008	<ul style="list-style-type: none"> <li>∞ Begin Season Two.</li> </ul>



# Flow chart of PACMA system for booking events thru evening of performance



# PACMA OPERATING BUDGET

Based on 23 professional events and 37 performances

REVENUE	DESCRIPTION	NOTES	2007-2008
Santa Monica Alive	Ticket Revenue	at 75% occupancy	436,716
	Box office charges		25,630
Interest on Endowment		at current \$1.3 million	65,000
Grand Opening Gala Angels			150,000
Unrestricted grants	Supporting Foundations	opening year season dona	175,000
Front of House:	Concessions	\$200/performance	7,400
	Retail Gift Cart	\$50/performance	1,850
<b>TOTAL REVENUE</b>			<b>\$861,596</b>

EXPENSES	DESCRIPTION	NOTES	
Direct Presenting E	Artists Fees		177,500
	Staff and Crew	Direct performance cost	69,637
	Artist Hospitality		30,000
	Equipment rental		5,000
	Printing	Season brochure	25,000
	Postage	Season brochure	15,000
	Media Ads		65,700
	Bank Charges		5,000
	Contract Services		10,000
	Misc.		5,000
	Insurance		5,000
	<b>TOTAL PRESENTING EXPENSES</b>		
<i>Hired as needed</i>			
Part Time Salaries	Managing Director (House and Box office)		80,000
	Technical Director		80,000
	Press/Publicity		35,000
	Membership/ Donor relations		40,000
	Production Assistant		30,000
	<b>TOTAL PART TIME SALARIES</b>		
Other	General Office		16,000
	Professional Travel/Member	Festivals and booking cor	25,000
	Direct Fundraising Expenses	Includes grant writer	35,000
	Asset Replacement		31,000
	Computer Software		4,500
	Theatrical Supplies		7,500
	Credit Card Charges		9,611
	Legal		25,000
<b>TOTAL OTHER</b>			<b>\$153,611</b>
<b>TOTAL EXPENSES</b>			<b>\$831,448</b>

**APPENDIX B**  
**SANTA MONICA COLLEGE MUSIC AND PERFORMING ARTS COMPLEX, MADISON CAMPUS**  
**CONSTRUCTION BUDGET – COSTS AND SOURCES**

MUSIC AND PERFORMING ARTS COMPLEX		COSTS	MEASURE S	MEASURE U	DISTRICT CAPITAL FUNDS	SMC FOUNDATION
<b>THEATER</b>						
CONSTRUCTION		27,394,200	27,394,200			
CONTINGENCY*	10.0%	2,739,420	2,739,420			
<b>PLANS &amp; WORKING DRAWINGS</b>						
• Architectural Fees	10.2%	2,791,500	852,263		120,420	1,818,817
• Office of State Architect Plan Check Fee	0.6%	165,246	165,246			
• Architectural and Engineering Oversight	1.8%	501,680	59,367		61,833	380,480
• Direct Expenses	1.4%	387,804	158,357		3,138	226,309
• Processing Fee	0.5%	133,423	50,770		9,744	72,909
	14.5%	3,979,653				
<b>SOFT COSTS</b>						
• Tests and Inspections (Field Act)	5.8%	1,577,898	1,577,898			
• Project Management	1.7%	473,370	473,370			
• Contingency	0.0%	0				
	7.5%	2,051,268				
<b>FURNITURE &amp; EQUIPMENT</b>						
		912,000	912,000			
<i>Sub-Total, Sources</i>		37,076,541	34,382,891	0	195,135	2,498,515
<i>Total, Costs/Sources</i>		37,076,541				
<b>RENOVATIONS FOR MUSIC RELOCATION</b>						
CONSTRUCTION		3,385,800		3,385,800		
CONTINGENCY*	10.0%	338,580		338,580		
<b>PLANS &amp; WORKING DRAWINGS</b>						
• Architectural Fees	8.5%	286,500		286,500		
• Office of State Architect Plan Check Fee	0.5%	16,385		16,385		
• Architectural and Engineering Oversight	1.5%	50,424		50,424		
• Direct Expenses	1.1%	37,818		37,818		
• Processing Fee	0.4%	13,236		13,236		
	11.9%	404,363				
<b>SOFT COSTS</b>						
• Tests and Inspections (Field Act)	2.4%	82,740		82,740		
• Project Management	2.6%	89,362		89,362		
• Contingency	0.0%	0				
	5.1%	172,102				
<b>FURNITURE &amp; EQUIPMENT</b>						
		678,000		678,000		
<i>Sub-Total, Sources</i>		4,978,845	0	4,978,845	0	0
<i>Total, Costs/Sources</i>		4,978,845	0	4,978,845	0	0
<b>SOURCES</b>						
Measure S		34,382,891				
Measure U		4,978,845				
District Capital Funds		195,135				
Foundation		2,498,515				
<b>TOTAL SOURCES</b>		42,055,386				
<b>COSTS (BUDGETED)</b>						
Theater		37,076,541				
Renovations for Music Department Relocation		4,978,845				
<b>TOTAL COSTS (BUDGETED)</b>		42,055,386				
*For planning purposes only. Contingency costs through July 12, 2006, are 1.4%.						