



TO: T.C. Broadnax, City Manager
FROM: Kim Bedier, Director, Public Assembly Facilities
COPY: City Council and City Clerk
SUBJECT: Tacoma Theater District Centennial Campaign – February 3, 2015
DATE: January 26, 2015

SUMMARY:

Resolution in support of the Broadway Center for Performing Arts' Theater District Centennial Campaign and pledging up to \$10 million in funding through 2020 to supplement funds contingent on funds generated by the Broadway Center for Performing Arts and subject to future appropriation authority.

COUNCIL SPONSOR

Council Member Ryan Mello

STRATEGIC POLICY PRIORITY:

This request for support of the Theater District Centennial Campaign and pledge of City financial support aligns with the following strategic priority:

- Foster neighborhood, community, and economic development vitality and sustainability.

BACKGROUND:

The City of Tacoma owns the Pantages and Rialto Theaters, both of which are celebrating their centennial in 2018, and the Theatre on the Square. The Broadway Center for the Arts (Broadway Center) has managed and operated the venues on the City's behalf for over 30 years. In order to maintain these assets and complete essential capital improvements and required ADA renovations, the Broadway Center has determined that funding of \$35.3 million is required.

At the budget work session held on November 18, 2014, Council Member Mello requested City Council support and financial commitment for the Broadway Center for the Arts' Theater District Centennial Campaign. The City-owned and Broadway Center-managed Pantages and Rialto Theaters and Theatre on the Square form the nucleus of the Theater District. As the Theater District approaches its 100th anniversary, these aging structures require significant investment to ensure safety, restoration, and elevated function. The Broadway Center is committing to stewardship of these valuable assets and to raising over \$25 million towards renovation. The City Council has been asked to commit up to \$10 million in funds through 2020 to supplement funds generated by the Broadway Center. Council Member Mello requested that a resolution be submitted before City Council expressing support and financial commitment on behalf of the City.

Broadway Center is committed to fundraising \$15.3 million through a Centennial Capital Campaign, and anticipates the generation of an additional \$10 million through tax credits. David Fischer, Executive Director of Broadway Center, and Sara Kendall, Chair of the Capital Campaign, presented campaign details to the Economic Development Committee in October, 2014. In order to fully execute the renovation project, Broadway Center has requested funding from the City of Tacoma in the amount of \$10 million.



In the 2015-2016 Biennial Budget, the City is providing Broadway Center \$1.0 million in contractually obligated funding for theater maintenance as well as \$1.5 million for the Capital Campaign (for a total of \$2.5 million over the biennium). In order to reach the goal of \$10 million in City contributed funding by 2020, the City anticipates providing \$2 million (\$1 million in 2017-2018 biennium and \$1 million in 2019-2020 biennium) in additional funding for contractual maintenance, as well as \$5.5 Million (\$3 million in 2017-2018 biennium and \$2.5 million in 2019-2020 biennium) in Capital Campaign contributions, contingent upon funding availability and appropriation authority.

ISSUE:

Broadway Center hopes to take advantage of the upcoming 2018 centennial of the Pantages and Rialto Theaters and undertake an ambitious capital fundraising campaign. Support from the City (the buildings' owner) is critical to the success of the campaign and will allow the Broadway Center to generate other necessary support from foundations, corporations, various levels of government and individual donors.

ALTERNATIVES:

The City Council could choose not to contribute to the Broadway Center Capital Fundraising Campaign. However, not contributing would seriously impede the success of the campaign and hinder the Broadway Center's ability to generate other funding support. Without the City's contribution, the Broadway Center would be unable to fully execute the renovation projects needed at the Pantages and Rialto Theaters.

RECOMMENDATION:

It is recommended that the City Council express its support for the Broadway Center's Centennial Campaign, including a commitment to provide funding for capital projects over the next three biennia, for a total of \$10 million, subject to future appropriation authority and funding availability. Funding will be contingent on the successful completion of Broadway Center's Centennial Campaign (\$15.3 million) and securing of tax credits (\$10 million).

**FISCAL IMPACT:****EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4190 - PAF Performing Arts	829900 - PAF Theaters Maintenance	5600000 - Planned Expenditure for Capital Projects	\$1,000,000
4190 - PAF Performing Arts	828500 - PAF Pantages Investment	6545000 - External Contributions	\$1,500,000
TOTAL			\$2,500,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4190 - PAF Performing Arts	829900 - PAF Theaters Maintenance	6311064 - Transfer from REET	\$1,000,000
4190 - PAF Performing Arts	828500 - PAF Pantages Investment	4300000 - Beginning Cash Balance Budget	\$1,021,356
4190 - PAF Performing Arts	828500 - PAF Pantages Investment	6311010 - Transfer from General Fund	\$478,644
TOTAL			\$2,500,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$2.5 million**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes. \$2.5 million included in the 2015-2016 Adopted Budget.**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

N/A