



Management of Performing Arts Venues

City Council Study Session
August 31, 2021

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OVERVIEW



- Tacoma Venues & Events awarding contract for **Management of Performing Arts Venues** to respondent evaluated as best qualified to meet City's goals and requirements

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BACKGROUND



- City-owned **Pantages/Jones, Rialto, Theater on the Square**
- Request for Proposals (RFP) for **Management of Performing Arts Venues** issued April 2021
 - Broad range of business, financial, organizational structures
 - Experience operating, maintaining, managing theaters; financial stability; community focus
- Developed from 2005 RFP for Management & Operation of Performing Arts Facilities

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REQUIREMENTS



- Effectively **manage day to day operation**, establishing consistent financial stability, sustainability, accountability and reporting for theater operations, while minimizing level of annual management fee provided by the City
- Exercise **highest standards of maintenance** and preserve venues for future generations
- Work strategically with **Resident Arts Organizations** to provide accessible and affordable venues for use by RAOs and community; actively pursue **community outreach** for diversity and to build future audiences

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REQUIREMENTS



- Ensure **theater usage is active and diverse**, attracting top quality entertainment clients, events and performances to serve as an economic catalyst for Theater District and downtown Tacoma
- Engage with **Tacoma's downtown partners and merchants** and promote Theater District, creating vibrant entertainment and cultural hub in heart of Tacoma
- Support and encourage **private sector fundraising and sponsorship** to meet capital improvement needs

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PROCESS



- RFP issued April 4, 2021; closed May 25, 2021*
- Received 3 submittals
- 2 submittals deemed responsive
- **Selection Advisory Committee:**
 - 3 Resident Art Organizations
 - Finance Director, OEHR Director, TVE Director/Deputy
- **Criteria:** qualifications, experience, references, program approach, financial terms, equity

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AGREEMENT



- **Management Agreement**
 - Owner sets policies, manager establishes procedures
 - Operating budget submitted for City approval
- **Monthly Management Fee**
- **Incentive-based Compensation**
 - Qualitative and quantitative
- **Ten-year Term**

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AGREEMENT



GENERAL CONTRACT TERMS	ASM Global	Previous Contract
Operating Revenue/Expense Responsibility	ASM/City	TAL
Event Development/Marketing - Manager Contribution	\$100,000	N/A
Ticket Fee Revenue	Operating Revenue	TAL retained
F&B Revenues	Operating Revenue	TAL retained
Capital Repair Fund - Manager One Time Contribution	\$150,000	N/A
Capital Repair Fund - Facility Fee	Capital Fund	TAL retained
Sponsorship Commission to Manager	20% Net	100% of Net
Annual Management Fee	\$126,000	\$764,909
Qualitative Performance Based Incentives	Up to \$40k	N/A
Quantitative Budget Based Incentives	15% Net Improvement	\$30k

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CITY CONTRIBUTION



ESTIMATED ANNUAL CITY CONTRIBUTION	ASM Global	Previous Contract
<i>Management Fee/ Incentives/Expenses</i>	\$263,451	\$975,235
<i>Capital Maintenance</i>	\$500,000	\$500,000
Management + Capital Maintenance	\$763,451	\$1,475,235
<i>ADDITIONAL AVAILABLE FOR REINVESTMENT INCLUDING CAPITAL</i>	<i>\$711,784</i>	<i>\$0</i>
ANNUAL CONTRIBUTION TO THEATERS	\$1,475,235	\$1,475,235

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CONTRACT AWARD



- Tacoma Venues & Events awarding contract for Management of Performing Arts Venues to **ASM Global Theater Management**



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