

**CITY OF SARASOTA, FLORIDA
VAN WEZEL PERFORMING ARTS HALL**

	Actual 2001-02	Budget 2002-03	Amended Budget 2002-03	Estimated 2002-03	Budget 2003-04
Available Fund Balance	\$ 390,304	\$ 390,304	\$ 385,839	\$ 385,839	\$ 460,140
Revenues					
Ticket sales net of refunds	5,416,622	5,530,000	6,180,000	6,600,000	6,200,000
Building rental	264,862	264,000	264,000	270,000	275,000
Technical service fees	96,889	25,000	25,000	18,000	20,000
Bar/food revenue	146,673	163,500	63,347	33,500	35,000
Grants, contributions & sponsorships	537,084	442,000	442,000	481,229	475,000
Postage & handling charges	134,012	134,000	134,000	150,000	152,500
Concessions	27,645	18,000	18,000	20,000	25,000
Miscellaneous	209,400	139,000	139,000	175,500	188,000
Investment income	112,089	65,000	65,000	60,000	60,000
Ticket surcharge - operations	225,207	235,000	235,000	230,000	225,000
General Fund sponsorship	200,000	642,024	642,024	297,000	488,300
Total Revenue	7,370,483	7,657,524	8,207,371	8,335,229	8,143,800
Estimated Funds Available	7,760,787	8,047,828	8,593,210	8,721,068	8,603,940
Expenditures					
Personnel	1,260,631	1,476,571	1,418,948	1,400,163	1,520,833
Operating expenses	2,490,368	2,589,064	2,729,833	2,720,415	2,758,408
Merchandise for resale	56,250	43,500	6,500	5,200	5,500
Performance fees	3,382,768	3,587,000	4,135,140	4,065,700	3,811,000
Capital	184,931	48,000	49,526	69,450	75,500
Total Expenditures	7,374,948	7,744,135	8,339,947	8,260,928	8,171,241
Projected Ending Balance	\$ 385,839	\$ 303,693	\$ 253,263	\$ 460,140	\$ 432,699

Note: The 2003-04 debt service for the Van Wezel Performing Arts Hall is \$1,595,151.
These bonds are paid by the Penny Sales Tax.

VAN WEZEL PERFORMING ARTS HALL

Mission Statement

To present a broad spectrum of the world's finest performing artists in order to meet the diverse cultural needs of all of Southwest Florida's residents and visitors; to bring its visiting artists into the community for meaningful educational outreach programs that help develop new arts audiences; and to provide a quality home for other local cultural organizations that present their programs here.

Description of Operations

The Van Wezel Performing Arts Hall (VWPAH) presents a broad spectrum of local, regional, national, and international performing artists in order to meet the diverse cultural needs of all of Southwest Florida's residents and to further Sarasota's national and international reputation as the cultural capital of Florida. The Van Wezel also supplements its presentation schedule with outreach activities that take visiting artists into the community for meaningful educational programs. In addition, the Van Wezel is made available to other community organizations for their programs. A few of the community organizations that use the Van Wezel on a regular basis are the Florida West Coast Symphony, Sarasota Ballet of Florida, Sarasota Opera, Ringling Town Hall Series, Sarasota Concert Association and the Jazz Club of Sarasota.

The Van Wezel, in its thirty-three year history, has operated under minimal sponsorship compared to similar venues inside and outside the State of Florida. If one looks at the normal funding for an operation such as the Van Wezel in the State of Florida or around the nation, one finds that the comparative funding for a Performing Arts Hall would be between 40% and 60% unearned revenue to balance the budget. The current VWPAH budget reflects unearned revenue of less than 15%.

The City of Sarasota, as owner and operator of the Van Wezel, has been very fortunate over the years to incur minimal sponsorship expense. During the first 28 years, the last 5 of those years, it experienced a period where its income was derived from between 97% and 100% earned income from ticket sales and rental income. The City of Sarasota is very unique from the standpoint that it not only provides the physical plant and its facilities for community programming around the region initiated by the groups listed above, but it takes risks on the majority of the programming presented in the building in any given year. This will underscore the importance of the role the Van Wezel plays and the City of Sarasota's involvement in providing multi-cultural and very diverse programming for the people of the region.

During the third season after the renovation, the Van Wezel presented a full schedule of Broadway touring productions; ethnic, ballet and modern dance companies; orchestras and classical music virtuosos; jazz, country and pop music stars, affordable Family Fun and Saturday Morning for Kids Programs plus the first series of FridayFests - free jazz concerts on the bay held monthly from May through October. In total, more than 130 different productions were presented in the Van Wezel. Every night is "Opening Night" at the Van Wezel. The Van Wezel is the only Performing Arts Hall on this coast of Florida that presents world class orchestras and has presented 76 in the last 16 years. Because of the high cost of presenting orchestras in the current market today, the Hall takes a risk on each presentation. There will be a new Orchestra Series this next season at the Van Wezel with 6 world-class orchestras performing throughout the year. Package ticket sales will be tried for the first time with discounts for multiple-show buyers. The Tampa Bay Performing Arts Center, in contrast, has presented none in the last 10 years. These performances are not only a great enhancement to the quality of life for those who live in the area, but certainly have proven to be an enhancement to tourism. All the more reason for the claim that Sarasota is the cultural capital of the State of Florida and the cultural mecca of the Southeastern United States.

The Hall also has a Sculpture Garden, the initial focus of which is the Glenna Goodacre sculpture, Facts of Life. An additional gift of a sculpture, Sprite, was received from a donor and is placed near the lobby entrance. The Van Wezel continues to be the home of the Fine Arts Society with a collection of paintings by major Florida artists. Tours are given the first Tuesday morning of each month and the proceeds are split between the Van Wezel and the Fine Arts Society. This will be the third season for the Van Wezel Gift Shop which sells items with our logo and/or our colors.

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In addition to being the major presenter of programs in the area each year, the economic impact of the Van Wezel's operation on the area has to be highlighted. The 1200-plus annual visiting artists who come from all over the world to work at the Van Wezel stay in hotel rooms, eat at local restaurants and significantly enhance the retail economy within the City of Sarasota. Patrons who come to the Van Wezel often have a meal before or after the performance at one of the many City of Sarasota restaurants. Approximately 62% of the attendees at the Van Wezel are from outside the City of Sarasota, most of them from Sarasota and Manatee Counties, showing the breadth of the sphere of influence.

According to the June 2000 Artsmarket Survey, the economic impact of the Van Wezel on the two county area is estimated to be \$12.3 million in spending, 174 jobs and \$3.3 million in local worker earnings. Fully 25% of the ticket sales for 2002-2003 were through the internet at www.vanwezel.org. Patrons surveyed felt the Van Wezel significantly contributed to the quality of their life and said they would contribute above the price of tickets to help keep the current level of programming. Almost 500 donors bore out this statement by contributing in excess of \$35,000 to the Van Wezel Foundation through contributions made at the time of ticket purchases for this year's season.

In the last three budget years, the percentage of unearned income has been less than 10%. This statement should certainly underscore how successful the Van Wezel Performing Arts Hall is in this industry. Going back to the industry average of 40 - 60% of unearned income, it is obvious why the Van Wezel has been applauded nationally and internationally for the efforts that have resulted in the successes of the last 33 years. With a high of 100% and a low of 85% of earned income, the Van Wezel has been used nationally as a case study for success.

In other similar venues around the country that are either city-owned or affiliated with city governments, many are subsidized: Tampa Bay Performing Arts Hall, Ruth Eckerd Hall in Clearwater, performing arts halls in Denver, Los Angeles, Tacoma and Dallas. The Cerritos Center in California is the most similar operation to the Van Wezel. It has an \$8.6 million annual operating budget, with \$3.8 million coming from the City in the form of a line item general fund subsidy. These performing arts halls have budgets from \$1.7 to \$17 million annually and none of comparable size or smaller have as few employees as the Van Wezel. The Van Wezel operates with only 19.5 full-time employees inclusive of janitorial and maintenance staff. In some venues around the country, the facility simply rents space and takes no risks itself on programming. Many cities the size of Sarasota or larger would jump at the chance to have had such a venue and its activity over the last 33 years with as little subsidy as has been required.

Based on this, the Van Wezel's financial history as well as its program offerings should be celebrated. The celebration in its success can only be done in the context of factual information from other Performing Arts Centers in this state and this country relative to earned income. There is no question that the continuing challenges are to maximize both earned and unearned income opportunities, while minimizing the expense of the operation, and not compromising the artistic integrity or the educational programs.

For the past eight years, the Van Wezel has expanded its scope of operations to include a very active Education program, which includes Schooltime performances, Arts Odyssey Programs (teacher workshops), and a host of Outreach Programs which take artists into the community for many different projects. In FY 2002-2003, the Education Department of the Van Wezel Performing Arts Hall hosted over 30,000 students attending a variety of programs (more than 100 in all) inside the hall. In addition to offering these programs to students at a \$6.00 ticket price (some free admissions), the Van Wezel has been able, through the efforts of the Van Wezel Foundation and other funding partners, to have the busing for these events underwritten. This cost continues to rise with the number of attendees and the cost of operating the school buses. The Arts Odyssey workshops, which bring teachers into professional development workshops at the Van Wezel, allow those teachers who attend to go back to their respective schools and share their experiences with their students and teach them what they have learned through this program. The Education program was given an additional honor this year when chosen by the Kennedy Center as one of only 4 programs in the country to participate in an educational assessment project.

How do we deal with the business of operating the Van Wezel Performing Arts Hall relative to programming,

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income over expense, and the philosophy of the diversity of programs to be presented both by the Van Wezel and the renters of the Hall?

The Van Wezel must continue to expand its revenue next fiscal year and in the coming fiscal years in both number and type of sources. The most important source, of course, is ticket revenue. This year's goal was to significantly increase the percentage of the tickets sold per show, which meant more marketing effort needed to be directed toward that goal. It was - and it worked. Ticket revenue this fiscal year has been running \$1,000,000 ahead of last year at the same time and estimates are that the final figures will still show an increase of that magnitude.

In terms of earned income, program selection was the key to increasing income levels. Presenting more popular entertainment with mass appeal led the VWPAH to increased sales but there remains a need to present shows that are artistically challenging (planned to not reach capacity) and to further develop the Education and Outreach program.

Unearned income increased very modestly this fiscal year but plans are in motion to further increase unearned income in the coming years. Future goals will be accomplished by continuing an active campaign to increase individual and corporate sponsorships, multi-level public support from grants and subsidies, and a continued effective working relationship with the Van Wezel Foundation including special events and annual donors on several levels.

On a philosophical level, policy decisions need to be made relative to the time available for Van Wezel-initiated and renter-initiated programming. Over the years, rental use has greatly increased, allowing the Van Wezel (especially in season) fewer opportunities to present performances and therefore allowing far fewer earned income opportunities. For example, this season (2002/2003), the Florida West Coast Symphony and the Sarasota Ballet rented the Hall a total of 50 days between November and March. In contrast, the Sarasota Ballet rented the Hall 20 days during the above period when only 8 years ago they rented the Hall for only 4 days. The Florida West Coast Symphony has increased their use of the Hall to 30 days over the same period. These days combined have decreased the number of occasions that the Van Wezel can present programs to potentially earn more income than the basic rental income. The Van Wezel subsidized local renters because the fixed expenses of operating the Hall are far more than the rental income.

There are now three full-time people in the Marketing Department which has helped tremendously this year. The maintenance staff has been increased by the addition of a maintenance person shared with General Services. A Deputy Director was funded last fiscal year to allow the Executive Director to become more actively involved in program development and in the fundraising element which is, and will be, more demanding now and in the coming years.

Rental rates for all users of the Hall will be increased approximately 4% in the next fiscal year, helping to ease the loss of some renters who can no longer afford to use the Van Wezel. The net effect of the increase will be approximately \$5,000. The service charge for phone-in tickets was raised to \$2 per ticket, with a maximum of \$12 per order, up from the previous level of \$1.50 per ticket with a maximum of \$6 per order. This increase generated more than \$12,000 in additional revenue for handling. Mail-in order processing fees will remain at \$7.50 per order again this year. The Orchestra, Broadway and Mainstage brochures will all offer the opportunity to make a contribution to the Van Wezel Foundation for the benefit of the Van Wezel Performing Arts Hall. All tickets sold will continue to include a \$2 surcharge - \$1 for the Capital Improvement Fund (CIF) and \$1 for the operating surcharge fund.

The food and beverage operation has been contracted out to Celebrations by Cafe L'Europe of St. Armands. The food service at the Van Wezel has been greatly enhanced by this arrangement. Revenue is shared with the Van Wezel - a percentage of food and beverage sales is paid on a monthly basis. The liquor license is jointly owned.

VAN WEZEL PERFORMING ARTS HALL

Goal - Economically Vital Community

To increase operating revenues and decrease expenses to minimize the subsidy required from the City.

Objectives

Increase the number of schooltime and mainstage shows, tickets sold, and ticket prices.

Increase the rental rates for all outside users of the hall and increase charges for additional services.

Increase the number of corporate sponsorships as a revenue source.

Work in tandem with the Van Wezel Foundation to apply for new grants and find new contributors. Continue and increase special event income.

Continue to skillfully reduce performance fees, other performance related expenses, and other operating costs with creativity, new vendors, and more economies in every area, without sacrificing artistic integrity.

Maintain staffing levels and work schedules in the box office to minimize wait times and maximize ticket sales.

Goal - Economically Vital Community

To offer many different kinds of programs at the Van Wezel and to continually increase both the numbers and the diversity in the audience.

Objectives

To present a diverse, balanced season that appeals to the cultural and entertainment interests of all of Southwest Florida's residents and visitors.

To make ticket prices affordable to the widest possible range of patrons.

To offer a wide range of free or affordable educational outreach experiences to students, teachers and lifelong learners.

To expand the current marketing and public relations efforts that inform the public of the Van Wezel's many offerings.

Performance Measures

Description	Unit	FY2001	FY2002	FY2003	FY2004
Output Measure					
Tickets sold	Number	134,216	146,968	172,000	175,000
Hall use by renters	Number	63	72	90	100
Surcharge (operating) on tickets	Dollars	\$0	\$225,207	\$230,000	\$225,000
Educational program tickets sold	Number	21,892	22,036	30,000	30,000
Effectiveness Measure					
Grant revenue as a % of budget	Percent	5	5	5	5
Annual donors	Number	0	0	500	550
Corporate sponsorships	Number	5	9	12	15
Schools involved in programs	Number	46	72	126	130
Patron complaints	Number	229	196	175	150
Efficiency Measure					
Operating subsidy (millions)	Dollars	\$1.3m	\$.2m	\$.3m	\$.5m

VAN WEZEL PERFORMING ARTS HALL

Department Expenditures by Cost Center

		FY 2002 Actual	FY 2003 Budget	FY 2004 Continuation	FY 2004 Issues	FY 2004 Totals
121000	VAN WEZEL PERFORMING ARTS HALL	6,792,105	7,161,512	7,571,666	0	7,571,666
121076	VAN WEZEL MARKETING DIVISION	489,814	475,500	595,575	0	595,575
	Totals	\$7,281,919	\$7,637,012	\$8,167,241	\$0	\$8,167,241

Department Expenditures By Category

	FY 2002 Actual	FY 2003 Budget	FY 2004 Continuation	FY 2004 Issues	FY 2004 Totals
Personal Expenditures	1,219,254	1,418,948	1,520,833	0	1,520,833
Non Personal Expenditures	5,672,552	5,963,278	6,356,390	0	6,356,390
Capital Expenditures	184,931	45,500	75,500	0	75,500
Transfer Expenditures	205,182	209,286	214,518	0	214,518
Totals	\$7,281,919	\$7,637,012	\$8,167,241	\$0	\$8,167,241

Personnel Summary

Actual Positions	21.00	21.50	0.00	21.50
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Revenue Summary

	Total
INTERGOVERNMENTAL	375,000
CHARGES FOR SERVICES	6,901,500
INTEREST	60,000
OTHER MISCELLANEOUS REVENUES	284,000
TRANSFERS	488,300
	\$8,108,800

VAN WEZEL BAR OPERATIONS

Mission Statement

To provide first class food and beverage services for the patrons of the Van Wezel Performing Arts Hall.

Description of Operations

The entire food and beverage operation has changed in the last year. It is contracted out to Celebrations by Cafe L'Europe of St. Armand's. Buffet dinners are served nightly before each performance, box lunches before weekday matinees, brunches before Sunday Broadway matinees, cast parties on opening nights, special theme dinner parties, catered events, coffee and dessert service before every show and during intermission. With the arrival of Celebrations, the food and beverage operations at the Van Wezel has an entirely new look and a completely different way of operating. Revenue is shared with the Van Wezel - a percentage of both bar and food sales is paid monthly. New tables and chairs, stanchions, plants, room dividers, and other items were purchased this fiscal year to enhance the grand foyer and make it more like a restaurant. All operating expenses have been assumed by Cafe L'Europe. The liquor license is jointly owned by the City of Sarasota and their operating corporation. Liability insurance is still in place for the operation through Risk Management. The new kitchen that was installed in FY 2002 is now being used daily. Other caterers can and do use the facilities. The patrons are enjoying a much more extensive and higher caliber of service and product than in the past. Some small parties and internal events are still handled by the Van Wezel administrative staff.

Goal - Economically Vital Community

Maximize the revenue generated from the food and beverage operation by expanding the kinds of services provided and the number of patrons served.

Objectives

Increase the number of buffets, box lunches, brunches, and desserts sold by Celebrations.

Performance Measures

Description	Unit	FY2001	FY 2002	FY 2003	FY 2004
Output Measure					
Private parties booked	Number	13	18	12	15
Effectiveness Measure					
Complaints from customers	Number	n/a	8	12	10
Profit (loss) of operation	Dollars	(\$3,396)	\$52,787	\$29,030	\$31,000

Cost Center Expenditures By Category	FY 2002	FY 2003	FY 2004	FY 2004	FY 2004
	Actual	Budget	Continuation	Issues	Totals
Personal Expenditures	41,376	57,623	0	0	0
Non Personal Expenditures	51,652	47,000	4,000	0	4,000
Capital Expenditures	0	2,500	0	0	0
Totals	\$93,028	\$107,123	\$4,000	\$0	\$4,000

Personnel Summary

Actual Positions	1.00	0.00	0.00	0.00
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Revenue Summary

Total	
CHARGES FOR SERVICES	35,000
	\$35,000