

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

	Actual 2002-03	Budget 2003-04	Amended Budget 2003-04	Estimated 2003-04	Budget 2004-05
Available Fund Balance	\$ 385,839	\$ 460,140	\$ 522,759	\$ 522,759	\$ 527,714
<b>Revenues</b>					
Ticket sales net of refunds	6,575,818	6,200,000	6,200,000	6,485,000	6,591,000
Building rental	285,592	275,000	275,000	278,000	290,000
Technical service fees	12,983	20,000	20,000	20,000	21,500
Bar/food revenue	48,389	35,000	35,000	49,200	55,000
Grants, contributions & sponsorships	585,015	479,000	479,000	507,575	545,000
Postage & handling charges	149,571	152,500	152,500	152,000	156,000
Concessions	32,979	25,000	25,000	33,300	37,000
Miscellaneous	251,613	184,000	184,000	196,800	214,000
Investment income	57,724	60,000	60,000	70,000	75,000
Ticket surcharge - operations	235,285	225,000	225,000	230,000	235,000
General Fund sponsorship	-	488,300	488,300	488,300	487,185
<b>Total Revenue</b>	<b>8,234,969</b>	<b>8,143,800</b>	<b>8,143,800</b>	<b>8,510,175</b>	<b>8,706,685</b>
<b>Estimated Funds Available</b>	<b>8,620,808</b>	<b>8,603,940</b>	<b>8,603,940</b>	<b>9,032,934</b>	<b>9,234,399</b>
<b>Expenditures</b>					
Personnel	1,338,424	1,520,833	1,520,833	1,473,162	1,637,809
Operating expenses	2,738,289	2,758,408	2,786,151	3,102,058	3,192,855
Merchandise for resale	8,561	5,500	5,500	9,000	6,700
Performance fees	3,982,257	3,811,000	3,811,000	3,830,000	3,824,000
Capital	30,663	75,500	91,322	91,000	71,500
<b>Total Expenditures</b>	<b>8,098,194</b>	<b>8,171,241</b>	<b>8,214,806</b>	<b>8,505,220</b>	<b>8,732,864</b>
Projected Ending Balance	522,614	<u>\$ 432,699</u>	<u>\$ 389,134</u>	<u>\$ 527,714</u>	<u>\$ 501,535</u>
Fund Balance Adjustment	<u>145</u>				
	<u>\$ 522,759</u>				

Note: The 2004-05 debt service for the Van Wezel Performing Arts Hall is \$1,601,912.  
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, Ringling Town Hall Series, Sarasota Concert Association, Argosy University, NARSAD Symposium, and the Jazz Club of Sarasota.

The Van Wezel, in its thirty-four year history, has operated with 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 10%.

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 23rd through 28th years of operation, the Hall experienced a period where its income was derived from 97% to 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 initiated by the groups listed above, but it takes risks on the majority of the programming presented in the hall in any given year. This will underscore the importance of the role of the Van Wezel and the City of Sarasota's commitment to providing multi-cultural and diverse programming for the people of the region.

During the fourth 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 second 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 82 in the last 17 years. The Tampa Bay Performing Arts Center, in contract has presented no orchestras in the last 11 years. Because of the high cost of presenting orchestras in the current market today, the Hall takes a risk on each presentation. The highly successful Orchestra Series will be presented again this season at the Van Wezel with 7 world-class orchestras performing throughout the year. Ticket packages will be sold again with discounts for multiple-show buyers plus a bonus performance for the first 500 full orchestra series subscribers. 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 the sculpture, Sprite, was received from a donor and is placed near the lobby entrance. The latest addition to the garden is the work by Dennis Kowal, PHOTON II, which sits overlooking the water. 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 fourth season for the Van Wezel Gift Shop, with ever increasing sales, selling items mostly in purple, with the Van Wezel logo.

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 must be mentioned. The 1,200-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 extent of the hall's influence.

## VAN WEZEL PERFORMING ARTS HALL

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 15% of the ticket sales for 2003-2004 were through the internet at [www.vanwezel.org](http://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. More than 500 donors again this year bore out this statement by contributing in excess of \$36,000 to the Van Wezel Foundation through contributions made at the time of ticket purchases on various brochures this season.

In the last four 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 34 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 receives \$750,000 for the City of Tampa; Ruth Eckerd Hall gets \$416,000 from the City of Clearwater; the Mahaffey/Bayfront receives \$1.2M from the City of St. Petersburg; performing arts halls in Denver, Los Angeles, Tacoma and Dallas all receive similar city subsidies. 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 including janitorial and maintenance staff. Their work is supplemented by 50 dedicated part-time employees and an equally dedicated back stage crew that varies in size from 4 to 40 depending on the show. In some venues around the country, the facilities only rent space and take 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 34 years with as little subsidy as has been required. 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 nine 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 2003-2004, the Education Department of the Van Wezel Performing Arts Hall will host over 32,000 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 with 1 free ticket for every 10 purchased so those students who cannot pay for their tickets can still attend with their classmates. The Van Wezel has also been able, through the efforts of the Van Wezel Foundation and other funding partners, to have the busing for these events underwritten. These costs continue 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 to present the results of last year's Kennedy Center-sponsored educational assessment project to the national conference in Washington, D. C.

The business of operating the Van Wezel Performing Arts Hall relative to programming, 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 are constant challenges. The Van Wezel must always look for ways 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. Last year's goal was to significantly increase the percentage of the tickets sold per show, which meant more marketing efforts were needed to be directed toward that goal. They were - and it worked. Ticket revenue last fiscal year ran \$1,000,000 ahead of the previous year and this year's ticket sales are comparable. In terms of earned income, program selection was the key to increasing income levels. Presenting more popular entertainment with mass appeal led the VWPAAH 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 this fiscal year and 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. The full time position of Grant Writer has been filled which will help tremendously with that goal.

## VAN WEZEL PERFORMING ARTS HALL

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 (2003/2004), the Florida West Coast Symphony and the Sarasota Ballet rented the Hall a total of 45 days between November and March. The Sarasota Ballet rented the Hall 21 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 24 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 subsidizes local renters because the fixed expenses of operating the Hall are far more than the rental income.

Rental rates for all users of the Hall will be increased approximately 5% in the next fiscal year to help cover part of the increasing costs. The net effect of the increase will be approximately \$10,000. The service charge for phone-in tickets was raised to \$2 per ticket last year with a maximum of \$12 per order. This increase generated more than \$10,000 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. They have just about completed their second season and 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. Valet Parking has been provided by an outside firm. Revenue is shared with the Van Wezel. Vehicles with handicapped tags pay a reduced fee.

### **Strategic Concern - Arts, Culture and Entertainment**

#### **Strategy**

Develop Fiscal Investment in Arts, Culture and Entertainment

<b>Task</b>	<b>Current Funding</b>	<b>Fiscal Year Completed</b>	<b>Funds Required</b>
Review and evaluate existing programs and facilities. Status - Planning stage. Requires consultants to evaluate both what exists in the City of Sarasota plus what exists and what is planned in adjoining areas, i.e. Manatee County, Sarasota County.	No	2006	\$25,000
Identify internal operating and capital priorities. Status - List completed of most pressing capital needs. Preparing to present list to Commissioners.	Yes	2006	\$0
Forecast economic impact and the investment needed to drive it. Status - Planning stage. Determine what other halls will exist in the future and what will be needed to compete with them.	No	2010	\$50,000

<b>Description</b>	<b>Unit</b>	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
<b>Output Measure</b> Performances	Number	230	250	270	300

<b>Indicator</b>	<b>Status</b>
Increasing program level of participation in arts, entertainment and education programs.	Always ongoing.
Develop implementation plan for Cultural District Master Plan.	Ongoing process with many stages and many decisions to be made.

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Description	Unit	FY2002	FY2003	FY2004	FY2005
<b>Output Measure</b>					
Cultural district plots assigned	Number	n/a	n/a	n/a	5

<u>Indicator</u>	<u>Status</u>
Positive response to survey question "Are current arts, culture and entertainment programs meeting public needs?"	Developing instrument to measure these indicators.

Description	Unit	FY2002	FY2003	FY2004	FY2005
<b>Effectiveness Measure</b>					
Positive responses to survey questions	Number	n/a	n/a	> 50%	> 50%

### Strategic Concern - Arts, Culture and Entertainment

#### Strategy

Assess Larger Performing Arts Venue

Task	Current Funding	Fiscal Year Completed	Funds Required
Evaluate potential economic and cultural impacts. Status - Planning stage. Survey and research required to gather all necessary information.	No	2006	\$10,000
Determine public and private investment needed to drive such a facility. Status - Planning stage. All possible sources of funding need to be explored.	No	2006	\$25,000
Determine funding sources. Status - Developmental stage. Investigate private, public, government, charitable sources of funds.	No	2006	\$25,000

<u>Indicator</u>	<u>Status</u>
City decision on willingness to pursue larger venue.	To be determined.

Description	Unit	FY2002	FY2003	FY2004	FY2005
<b>Effectiveness Measure</b>					
Commitment to task	Dollars	\$0	\$0	\$15,000	\$35,000

### Strategic Concern - Operational Focus

#### Strategy

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

#### Task

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, media, and patron sponsorships as revenue sources.  
 Work in tandem with the Van Wezel Foundation to apply for new grants and find new friends and donors. Continue and increase special event income.  
 Continue to skillfully reduce performance fees, other performance related expenses, as well as other operating costs using creativity, ingenuity, and more economies in every area - without sacrificing artistic integrity.  
 Continue staffing levels and work schedules in the box office to minimize wait times and maximize ticket sales.

## VAN WEZEL PERFORMING ARTS HALL

Description	Unit	FY2002	FY2003	FY2004	FY2005
<b>Input Measure</b>					
Rate increase	Percent	3.0	3.0	4.0	5.0
<b>Output Measure</b>					
Shows	Number	15	20	25	28
Grants applied for through foundation	Number	10	8	18	22
<b>Effectiveness Measure</b>					
Sponsors	Number	5	12	25	30
Special event income	Dollars	\$50,000	\$65,000	\$80,000	\$100,000

### **Strategic Concern - Operational Focus**

#### **Strategy**

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

#### **Task**

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.

To continue FridayFest on the Bay - the summer series of free outdoor concerts on the Van Wezel lawn once a month May - October - attracting local residents, visitors, tourists and first time attendees at the Van Wezel.

Description	Unit	FY2002	FY2003	FY2004	FY2005
<b>Output Measure</b>					
Tickets sold	Number	146,968	181,314	175,000	177,500
Hall use by renters	Number	72	67	70	70
Surcharge (operating) on tickets	Dollars	\$225,207	\$235,284	\$230,000	\$233,000
Educational program tickets sold	Number	22,036	29,127	34,000	35,000
<b>Effectiveness Measure</b>					
Grant revenue as a % of budget	Percent	5	5	6	8
Annual donors	Number	0	300	350	400
Corporate sponsorships	Number	9	10	12	13
Schools involved in programs	Number	72	104	115	125
Patron complaints	Number	196	214	300	150
<b>Efficiency Measure</b>					
General fund sponsorship	Dollars	\$.2 M	\$0 M	\$.5 M	\$.5 M

### **Department Expenditures by Cost Center**

	FY 2003 Actual	FY 2004 Budget	FY 2005 Continuation	FY 2005 Issues	FY 2005 Total
121000 VAN WEZEL PERFORMING ARTS HAI	7,535,430	7,571,666	8,082,464	0	8,082,464
121076 VAN WEZEL MARKETING DIVISION	555,890	595,575	645,700	0	645,700
Totals	\$8,091,320	\$8,167,241	\$8,728,164	\$0	\$8,728,164

## VAN WEZEL PERFORMING ARTS HALL

### Department Expenditures By Category

	FY 2003 Actual	FY 2004 Budget	FY 2005 Continuation	FY 2005 Issues	FY 2005 Totals
Personal Expenditures	1,338,249	1,520,833	1,637,809	0	1,637,809
Non Personal Expenditures	6,512,977	6,356,390	6,798,974	0	6,798,974
Capital Expenditures	30,663	75,500	71,500	0	71,500
Transfer Expenditures	209,431	214,518	219,881	0	219,881
Totals	\$8,091,320	\$8,167,241	\$8,728,164	\$0	\$8,728,164

### Personnel Summary

Actual Positions	21.50	21.50	0.00	21.50
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### Revenue Summary

	FY 2003 Actual	FY 2004 Budget	FY 2005 Continuation	FY 2005 Issues	FY 2005 Totals
INTERGOVERNMENTAL	410,408	375,000	400,000	0	400,000
CHARGES FOR SERVICES	7,293,217	6,901,500	7,334,500	0	7,334,500
INTEREST	57,724	60,000	75,000	0	75,000
OTHER MISCELLANEOUS REVENUES	425,230	284,000	355,000	0	355,000
TRANSFERS	0	488,300	487,185	0	487,185
	\$8,186,579	\$8,108,800	\$8,651,685	\$0	\$8,651,685

# 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 current contractor is about to complete the second year as the Van Wezel's resident caterer. Buffet dinners are served nightly before each performance, box lunches before weekday matinees, special theme dinner parties, catered events, coffee and dessert service before every show and during intermission. Since the arrival of the current contractor, 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. Tables and chairs, colorful linens, plants, stanchions, room dividers, and other items are used to create a restaurant type atmosphere in the grand foyer. All operating expenses and responsibilities have been assumed by the contractor. 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 (City). 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. In addition to service levels for patrons being greatly enhanced, net revenues are higher than when the Van Wezel had it's own operation. The contractor has also been handling the backstage catering this season for the visiting shows, their crews and the house crew. Some small parties and internal events are still handled by the Van Wezel administrative staff.

## Strategic Concern - Operational Focus

### Strategy

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

### Task

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

Description	Unit	FY2002	FY2003	FY2004	FY2005
<b>Output Measure</b>					
Private parties booked	Number	13	18	10	12
<b>Effectiveness Measure</b>					
Complaints from customers	Number	8	12	25	25
Profit (loss) of operation	Dollars	\$52,787	\$29,030	\$45,000	\$50,000

## Cost Center Expenditures By Category

	FY 2003 Actual	FY 2004 Budget	FY 2005 Continuation	FY 2005 Issues	FY 2005 Totals
Personal Expenditures	174	0	0	0	0
Non Personal Expenditures	6,701	4,000	4,700	0	4,700
Totals	\$6,875	\$4,000	\$4,700	\$0	\$4,700

## Personnel Summary

Actual Positions	0.00	0.00	0.00	0.00
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## Revenue Summary

	FY 2003 Actual	FY 2004 Budget	FY 2005 Continuation	FY 2005 Issues	FY 2005 Totals
CHARGES FOR SERVICES	48,391	35,000	55,000	0	55,000
	\$48,391	\$35,000	\$55,000	\$0	\$55,000