



## MEMORANDUM

**To:** Mayor and City Council

**From:** Sheri Belmont, Assistant Director of Community Experiences  
Jessica Carpenter, Director of Community Experiences

**Date:** June 9, 2026

**Reference:** Follow Up Discussion and Direction for Coppel Arts Center Operations and Cost Recovery

**2040:** Sustainable Government

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### Introduction:

The purpose of this agenda item is to provide City Council with a follow-up discussion regarding the Coppel Arts Center's future operations and cost recovery goal, building upon the data and feedback from the February 24, 2026, City Council meeting.

### Background:

During the February 24<sup>th</sup> update, staff presented financial and operational data from Fiscal Year 2025 (FY25). The data indicated that the Arts Center's revenue stood at 32%, representing a 1% increase from Fiscal Year 2023 (FY23).

A detailed breakdown of the FY25 revenue mix included:

- 61% from Third-Party Rentals: The largest driver of earned revenue.
- 37% from Ticket Sales: Derived from all presented programming.
- 2% from Other Fees: Consisting of Playbill program advertising sales and above-basic services invoices issued to Local Resident Arts Companies.
- 0% from Facilities Fees: This fee was eliminated in 2024; however, it remains an industry-standard practice across similar municipal and private venues.

While staff-led initiatives have successfully optimized day-to-day operational efficiencies, the Arts Center has reached a structural ceiling. Further revenue growth cannot be achieved under the current policy frameworks.

### **Council Direction & Next Steps**

During the last update, City Council and the community expressed strong satisfaction with the high quality of the Arts Center's operations. While a specific cost recovery percentage goal was not established, Council provided clear direction on how to balance community value with fiscal responsibility moving forward:

- Continue presenting the high caliber shows and performances the community expects.
- Optimize private rental opportunities to increase earned income.
- Ensure private rental growth occurs within defined guardrails that prioritize and actively support our Local Resident Arts Companies (Rescos) toward a sustainable future.

To balance meaningful revenue growth with continued support for our Rescos, policy adjustments must be considered. At this time, City Council discussion and direction is necessary to define the Center's programming priorities, community impact, and long-term financial sustainability (specifically a cost recovery policy framework).

### **Benefit to the Community:**

Ensures business continuity and long-term sustainability of the Coppell Arts Center while maintaining access to arts programming for the community.

### **Legal Review:**

Legal review is not required for this agenda item.

### **Fiscal Impact:**

N/A

### **Recommendation:**

N/A