



## MEMORANDUM

**To:** Mayor and City Council

**From:** Mike Land, City Manager

**Date:** July 10, 2018

**Reference:** Work Session item - Discuss and consider additional seating options for the Coppell Arts Center.

**2030:** Community Wellness and Enrichment Strategy – Goal 1: Community Gathering Places and Goal 3: Expand Cultural Arts Amenities and Opportunities.

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### General Information:

- On June 12, 2018 the Coppell City Council approved the GMP (Guaranteed Maximum Price) contract to Core Construction.
- Based on a previous discussion with Michael Jenkins regarding the business plan for the Arts Center, Council requested that Kirk Johnson, the project's architect to provide Council with additional seating options for the center possibly increasing the number of seats from 313 to a potential of 440 seats.

### Analysis:

The initial analysis and eventual program for the Coppell Arts Center focused on the needs for Coppell's local performing arts community. As a result, the direction provided for the design of the Coppell Arts Center is premised on those needs, specifically as it relates to the design and seating of the main stage theater. The original financial analysis and business plan for the Center was based on a main stage theater seating configuration set at approximately 300 seats. The final design has 313 seats.

As part of the discussion with Mr. Jenkins, he stated that to attract national touring shows beyond the intended local and to some degree regional shows, the main stage theater would need to seat a minimum of 440 people.

Council requested that the architect provide additional seating options and probable cost estimates for Council's consideration.

The following information is from the architect:

- Current Design 313 seats
- 401 seats. Adds 2 rows in rear parterre with extra width and includes stage access.
- 441A seats. Adds 2 rows in rear parterre with extra width and includes stage access.
- 441B seats. Adds 3 rows in rear parterre with extra width and no stage access.

The architect also received preliminary budget numbers from Core. The conceptual anticipated costing budget for alternate seating arrangements are listed below including the necessary additional square feet needed in the building to accommodate the additional seating.

- 401 seats	\$775,000	(\$340 SF)	2280 SF Add to Current Layout
- 441A seats	\$1,075,000	(\$345 SF)	3125 SF Add to Current Layout
- 441B seats	\$950,000	(\$417 SF)	2300 SF Add to Current Layout

### **Fiscal Impact:**

Any additional costs associated with the additional seating will be paid from the CRDC's cash position.

The assumptions used in the business plan were not based on booking the theater with national shows or the increased seating. Besides local theater and local performance offerings, the business plan highlighted shows for small theaters (Appendix B, B2). Beyond these shows, if the additional seating was added, the plan highlighted potential special events and other popular show listings that could be programed (Appendix B, B3-B4).

If national shows are desired, and the additional seating is selected, for each show approximately 70% of the gate would be going to the show as part of its guarantee and half of the revenue from seat sales, and 30% to the Arts Center. Using a national show ticket price of \$65 for example (compared to a local show of \$10-\$20) and 80% of the seating sold (typically 85% is used for calculation purposes) the per performance revenue would be approximately \$6,400 for the Center. If the Center was programed for a minimum of six weekends of national shows, meaning there would be three performances per weekend at the \$65 per ticket/seat cost, (the fourth performance on Sunday night would be a discounted ticket and not calculated in the amount) the Center would receive approximately \$115,000 in additional revenue per year.

Secondarily, because the cost of the additional seating would come out of the CRDC's cash position, some projects planned for fiscal year 18/19 would need to be delayed. For example, planned improvements to Andy Brown Central could be delayed until fiscal year 19/20.

As this is a work session item, Council direction regarding the additional seat options is requested.