



## MEMORANDUM

**To:** Mayor and City Council

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

**Date:** August 25, 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 modest 1% increase from Fiscal Year 2023 (FY23).

A detailed breakdown of the FY25 revenue mix includes:

- 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. Staff requests City Council discussion and direction to define the Center's programming priorities, community impact, and long-term financial sustainability.

**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:**

N/A

**Fiscal Impact:**

N/A

**Recommendation:**

There is no recommended action associated with this Work Session item.

Staff requests that Council engage in a discussion to define a formal cost recovery goal for the Coppell Arts Center. This discussion should also evaluate how a higher revenue target might impact other core functions, including ongoing support for Local Resident Art Companies.