

Carmichael

RECREATION AND
PARK DISTRICT

Memo

To: Advisory Board of Directors

From: Mike Blondino, District Administrator
Ingrid S. Penney, Administrative Services Manager

Date: May 16, 2024

Subject: La Sierra Community Center Leases – Chautauqua Playhouse

Background/Discussion:

As a result of the Coronavirus (COVID-19) pandemic and subsequent local, state, and federal executive orders and guidelines to mitigate the spread of the virus, Chautauqua was shutdown to theatre goers and returned subscription and ticket sales to those requesting refunds. Gathering restrictions were especially strict and they were part of the last sector to re-open to live audiences.

Four year later, the performing arts/theaters still navigate in uncertain waters. Gone are the federal/state relief fund grants. Inflation has also taken a toll. Hardest hit are the community theatres who rely on subscriptions, grants, and donors.

Since re-opening, Chautauqua has struggled to offset increased costs and regain their audiences. Although there is still a segment of loyal subscribers and they do apply for art grants whenever available, they're hard pressed to make ends meet. They have pivoted by offering more original plays rather than paying royalties for licensed productions and responded to audience interest in matinees and radio shows.

CRPD management team has met with Chautauqua representatives, Rodger Hoopman and Warren Harrison to listen and lend ideas and support. Their proposal is attached to this Report along with financial projections.

Information and Proposal:

Chautauqua Playhouse – Lease executed by the Advisory Board

- Non-profit, providing adult and children's community theatre
- Monthly Lease Rental may be subsidized because of their non-profit status
- Tenant since 1985, lent support for the purchase of the La Sierra Community Center by the County of Sacramento for the District.
- Monthly Lease rent: \$2,510.02; represents less than 2.2% of total monthly lease revenue for the District
- Revenue: Subscriptions, individual ticket sales, and annual, nominal SAG grant
- Expenses: Lease, salaries for three employees, utilities, royalties' and production costs for plays, and other business expenses

Request: Monthly rent reduction by 50% for four to six months or \$5,020.04 to \$7,530.06; re-evaluate after four months and either resume the reduction another two months or return to full monthly lease rental.

Budget and Cash Flow

The FY2023-24 Budget includes projections of total monthly lease revenue of \$112,072.23, effective January 1, 2024; with total fiscal year projection of \$1,305,653. The proposal, if approved, would have a slight reduction for the two months' revenues or \$2,510.02 for this fiscal year; two to four months or \$2,510.02 to \$5,020.04 for FY2024-25.

RECOMMENDATION:

Staff supports the request; recommends that the Advisory Board review and consider the proposal to either accept or modify the request; direct staff to prepare an Amendment to the Lease accordingly; delegate authority for the District Administrator or designee to execute an amendment.



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04/14/2024

To: The Carmichael Recreation and Parks Board of Directors

As we enter our 39th year of association with the Carmichael Recreation and Parks Department as tenants in the La Sierra Community Center, we would like to take this time to thank you and to give you an update on Chautauqua Playhouse. Over the years we have appreciated the ongoing support we have received from you in bringing quality theatre to Carmichael and the Greater Sacramento Valley.

Throughout and post-pandemic, theaters and the arts in general have suffered from a severe loss of attendance, participation, and income. At the same time, the costs of running a business have increased with the changes in the economy. Chautauqua has been diligent over the years in maintaining a reserve fund of \$48,000 for emergency funding and hasn't had to draw on those funds until this calendar year. It is now nearly depleted.

We appreciate that CRPD was extremely generous in reducing our rent during our pandemic closure. We resumed paying the full rent upon reopening in June 2021. Since that time, our audiences have decreased by over 50% and our income has dropped accordingly.

The next six months are an especially crucial time financially, as we have the expenses of brochures, mailings and other processing costs associated with promoting our new season as well costs of our final season production and our summer workshop for children. To help cover these costs, Chautauqua producers, Rodger Hoopman and Warren Harrison are forgoing salaries for a four-month period for a savings of \$9600.

We are asking that the CRPD board approve a rent reduction of 50% for four to six months (for a total reduction of \$5020 to \$7,530). We feel that this reduction will help us get over our financial difficulties and allow us to keep our doors open. The breakdown below outlines our cost reductions and the plans we have in place to increase income for our next season.

We suggest that after 4 months we discuss where we are financially and if there is a need to continue the reduced rent for the additional two months.

This April we celebrate 39 years in the La Sierra Community Center and with your assistance in helping us through this critical period we hope to be here for many years to come.

Sincerely,
Rodger Hoopman and Warren Harrison
Producers, Chautauqua Playhouse

FINANCIAL PROJECTIONS FOR 24-25

COST REDUCTION

Royalty Savings: These are original works, where the writers have agreed to forego royalties, which normally cost \$2000-2500 each.

• Scrooge, Sherlock, Strange Bedfellows		\$6,500
• Radio Shows (public domain)		\$2,250
Rent Reduction (if approved)	6 months at ½ rent	\$7,500
Producer salaries	4 months at \$2400	,\$9,600
TOTAL COST REDUCTIONS anticipated		\$25,850

ADDITIONAL INCOME

GRANTS IN THE WORKS (PROJECTED TOTAL \$40-50,000)

SACRAMENTO CITY RECOVERY GRANT \$14,000 APPROVED

SACRAMENTO COUNTY TOT GRANT – SUBMITTED

CALIFORNIA ARTS COUNCIL GRANT – TO BE SUBMITTED IN MAY

BIG DAY OF GIVING / UPCOMING

NEW PROGRAMMING (additional income)

RADIO SHOWS	\$9,000
SUNDAY CONCERT AND SPECIALS	\$7,000
INCREASE IN TICKET SALES	\$8,000
SPONSORSHIPS	\$4,000
AD SALES	\$2,500

ADDITIONAL INCOME W/ GRANTS \$70,500 *

*This is an estimate if all grants are funded at 100%

Comparisons:

• Pre-pandemic (season ticket -350 subscribers)	\$46,200	
Walk up tickets sales (700 per season)	16,500	62,700
• Post Pandemic (230 subscribers)	30,360	
Walk up ticket sales (290)	5,060	<u>35420</u>
Drop in ticket sales pre to post pandemic		-27,280