



City of Sunnyvale

Agenda Item

17-1031

Agenda Date: 12/4/2017

REPORT TO PARKS AND RECREATION COMMISSION

SUBJECT

Approve Agreement between the City of Sunnyvale and Bay Area Children's Theatre for Use of Theater Facilities at the Community Center for the period January 5, 2018 through March 25, 2018.

BACKGROUND

The Sunnyvale Theater, located on the grounds of the Sunnyvale Community Center, is the only public theater venue in Sunnyvale. Established policies and practices at the Theater allow for shared use of space to maximize the number of groups that can use the facility, and by extension, the number of audience members that can be served. This shared-use philosophy has been in existence since the mid-1970s and was reaffirmed in September 2009 with the adoption of the "Theater Use Policies and Practices Study Issue Report" (RTC 09-245).

The California Theatre Center (CTC), a Sunnyvale-based non-profit theater group best known for its School and Family series, is one of two resident theater groups that operated at the Theatre for many years. Given the off-peak hours of operation and the target audience of youth, the City allowed CTC to use the theater facilities at less than the established rental fee in the City's Master Facility Fee Schedule pursuant to the Other Support (special agreement) provisions in Council Policy 7.2.4 (Relationships with Outside Groups - Attachment 2). Earlier this year, however, CTC notified the City that CTC did not wish to extend its current agreement.

The Department of Library and Community Services had projected approximately \$74,130 in revenue from CTC for FY2017/18. As a result, it is important that the Department identify an alternate source of revenue to mitigate this unforeseen revenue impact and fill the void left in children's theater programming.

The Department has identified a potential new partner, the Bay Area Children's Theater (BACT) who is interested in piloting a program in the first quarter of 2018 to determine the viability of a longer-term relationship. Like the existing resident Theater groups, BACT lacks the ability to pay the City's established facility rental fees and has requested to pay a \$600 per show rental fee for a maximum of 40 performances for the period of January through March 2018, which if all performances are held would total \$24,000.

Pursuant to Council Policy 7.2.4 (Relationships with Outside Groups) the Commission must make a recommendation to Council on whether Council should approve this special agreement to charge a reduced rental fee. The purpose of this report is to seek the Commission's recommendation to Council regarding the reduced fee for BACT's pilot series of 40 performances for youth and families at a reduced rate of \$600 per performance.

The City Council is scheduled to consider this item on December 19, 2017.

EXISTING POLICY

Council Policy 7.2.4 Relationships with Outside Groups

General Plan - Community Character (CC)

- Policy CC-10.6 Leverage available resources by pursuing co-funded and/or cooperative agreements for provision and maintenance of programs, facilities, and services in order to maximize benefits to the community. Partners may include, but are not limited to, school districts, non-profit groups, governmental agencies and businesses.
- Policy CC -10.7 Encourage the use of recreational and open space facilities and services for educational activities of schools that serve Sunnyvale students first, and secondarily the schools that serve students of surrounding communities.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

CTC was a long-time City theater user and offered a wide array of community theater programs including a School and Family Series. Approximately 33,000 students participated in these programs annually. Unfortunately, the organization ceased operations in Summer 2017 leaving a void in the community for school and family theater productions.

BACT, a non-profit organization, was founded in 2004 and has grown to reach over 114,000 children and adults each year in Berkeley, San Francisco and Oakland through live theatre productions.

BACT has requested the use of 141.5 hours at the Sunnyvale Theatre to offer 40 school and family shows to Sunnyvale residents and the surrounding communities from January 5, 2018 through March 25, 2018. Utilizing established facility rental fees (an hourly rate based on the time of use (i.e., Peak or Off Peak Hours)), the fee for BACT's proposed use would normally be \$33,158 (32 hours at \$191 per hour for non-peak use and 109.5 hours at a peak use rate of \$247 per hour). BACT representatives have indicated that the established facility use fee would be cost prohibitive and could not be supported by the organization. City Council policy allows discounted fees with City Council approval after a review and recommendation by the Commission.

BACT provides a vital public benefit with its community performances and educational programs. A pilot partnership with BACT would continue the City's commitment to theater programming for youth and families while also mitigating the loss in projected revenue resulting from the cessation of CTC services. Should BACT wish to enter an agreement with the City for additional use of the theater, the terms of the pilot agreement would be reviewed and a new agreement established.

While the differential between established rental fee and the discounted rental fee represents a 28% discount, BACT would be using the Theatre during non-peak or weekend morning/afternoon hours, which are typically challenging to book and require significant effort on the part of the City to replace. The loss of a long-term partner at the Theater offers an opportunity for a re-evaluation of current

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policies and practices. Over the years, concerns regarding scheduling and use of the theater have continued to be expressed. As such, the Department would like the opportunity to meet with stakeholder groups to discuss areas for continuous improvement. The proposed pilot with BACT will not only fill the programming and revenue void left by the departure of CTC but also provide the opportunity for this type of community discussion.

For the reasons noted above, it is recommended that an Agreement with BACT for 141.5 hours of use (40 performances) of the Sunnyvale Theater be approved at less than the established rental fee in the City's Master Facility Fee Schedule for the period January 5, 2018 through March 25, 2018, which if all performances are held would total \$24,000.

FISCAL IMPACT

The proposed agreement could result in payment of \$24,000 for the theater and this amount represents a 28% discount over the established facility rental fee of \$33,158. However, the \$24,000 rate also represents 32% of the \$74,130 in otherwise unrealized revenues resulting from the departure of CTC and mitigates a significant loss in programming. Staff will continue to explore additional revenue opportunities to offset the lost CTC revenue through rentals from businesses, community groups and residents.

PUBLIC CONTACT

Public contact was made through posting of the Parks and Recreation Commission agenda on the City's official-notice bulletin board, on the City's website, and the availability of the agenda and report in the Office of the City Clerk.

RECOMMENDATION

Authorize the City Manager to execute an Agreement between the City of Sunnyvale and Bay Area Children's Theatre for Use of City Facilities from January 5, 2018 through March 25, 2018, substantially in the same form as Attachment 3 of the report, at a discounted rental fee of \$600 per performance, for a maximum rental fee of \$24,000, when all necessary conditions have been met.

Prepared by: Trenton Hill, Community Services Manager

Reviewed by: Daniel Wax, Superintendent of Community Services

Reviewed by: Cynthia E. Bojorquez, Director, Library and Community Services

Reviewed by: Teri Silva, Interim Assistant City Manager

Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. Council Policy 7.2.4 (Relationships with Outside Groups)
3. Agreement between the City of Sunnyvale and Bay Area Children's Theatre for Use of City Facilities at the Sunnyvale Theatre from January 5, 2018 through March 25, 2018.