

# **A Case for the Crump**

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# A Case for the Crump

Columbus plans to be better. You have built: an internationally-ranked architectural mecca; the best indoor playground in a five state radius; public art collection which rivals a city five times its size.

The Crump renovation project is no different. Columbus has not been willing to invest in an average performing arts facility. You want one that will be *better*.

Creating a community living room, a professional and personal space for performance, a living legacy worthy of the “opera” house and “movie palace” which this building represents will not be easy...or cheap. But it can be worth it.

## Executive Summary

Numerous restored historic theaters are currently flourishing in Indiana, many in towns much smaller than Columbus.

- All of these structures have been saved, renovated, and reanimated with a combination of private and public support
- All of their management organizations utilize the building for a variety of film showings, live performance, civic use, and private rental
- Public events at the theaters bring thousands of people into their downtown areas, especially at night and on weekends
- This activity enhances the business of nearby restaurants and retail establishments
- With appropriate organizational infrastructure and support, these venues also lead to the development of new businesses; both non-profit and for profit, from pop-up innovators to long-term institutions

The example of the Artcraft, the Eagle, the Pixy, the Park, the Tivoli, the Brown County Playhouse, and the Buskirk-Chumley Theater prove that restoration of a historic theatre has economic and social benefits to the community which undertakes the endeavor. Furthermore, they prove that such an effort can be accomplished in Indiana.

A restored and active Crump Theatre will:

- Create a central “third space” for community gathering and cultural identification
- Restore and reanimate a key place of shared community memory
- Create a shared asset for artistic entrepreneurial development
- Create a professional venue for touring performance

In preparing a business plan for the Crump Theater, I am expanding the findings of the feasibility study conducted earlier this year by Jones & Phillips. The desire for this business plan is driven by the desire to determine how exactly business at a renovated

Crump theater would function and how that business might affect the surrounding community.

Nationally recognized consultants Jones & Phillips identified Columbus as a prime market for the establishment of a downtown performing arts venue.

- Columbus' population matches demographic characteristics of the most active arts audiences as indicated by national survey information
- Columbus' residents are currently traveling to Indianapolis, Nashville, Bloomington, or other nearby communities to spend entertainment and leisure dollars which could be kept at home

The study identified peer communities across the nation where facilities such as the Crump exist and support high levels of presenting activity.

- In all peer communities, at least one performance space of commensurate size is in operation
- The majority of these venues are owned and operated by city parks and recreation departments, city school districts, universities, or private non-profit entities

Further, Jones & Phillips noted that the Crump building is not restricted by specific historic covenants or protections and therefore might be renovated with usability and compliance with current building codes as primary considerations.

Finally, Jones & Phillips identified Columbus' two primary venue needs –

- 1) a 350-450 seat venue for use by local presenters
- 2) a venue large enough for touring acts

My charge has been to create a more detailed business plan in which the Crump Theater fulfills these needs and results in the desired social, economic and tourism growth.

### **Assumption and Biases**

My experience in developing and managing the Buskirk-Chumley Theater in Bloomington, as well as my research as an adjunct lecturer on Art & Social Change at Indiana University's School of Public and Environmental Policy, leads me to multiple conclusions with which I begin this plan.

- **Flexible use is key:** Public venues are the most successful both financially, and in engaging the community, when they are useable by the largest variety of entities

- **Responsive creativity:** By nature of shared use, both the facility managers and local community arts groups must be adaptive to and apply creativity to the use of the space
- **Management connection with community:** Management must be adept at assisting presenters, inspiring creative new approaches to the space and uses for it, encouraging both risk-taking and rational planning
- **Economic impact of the arts is more wide than deep:** Immediate new revenue brought to the community because of a public venue is less impactful than the structural shift in the community.

A public venue means there is a constant place and process through which entrepreneurship in performance and event development can take place. In addition to the generation of tourism dollars, a public venue has the potential to:

- Facilitate the creation of multiple small businesses – non-profit and for profit
  - Increase the capacity of existing non-profits to communicate their mission and raise funds
  - Improve existing businesses’ ability to identify themselves with Columbus
  - Create innovative connections between people in pursuit of a goal – the core to entrepreneurship
- **Social impact of the arts is both wide and deep:** Managed appropriately, a public venue can provide an anchor facility, develop and maintain a thriving “natural cultural district,” which
    - Preserves economic, ethnic and racial diversity in core neighborhoods
    - Lowers rates of social distress
    - Reduces rates of ethnic and racial harassment
    - Reduces poverty
    - Increases social well-being by expanding individual’s opportunities “to be and do”<sup>1</sup>

A public venue is a resource to be used by all aspects of the arts, business, and non-profit sectors of the community.

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<sup>1</sup> Stern, Mark, with Seifert, Susan. “Cultivating “Natural” Cultural Districts” (Social Impact of the Arts Project, 2012)

# A Business Plan for the Crump

## Executive Summary

More than a location for the purchase of an imported artistic product, an effectively managed public venue is an **economic and social generator**, spurring innovation across business and social sectors while decreasing economic inequality.

**Venue and building size:** In order to meet the goal of presenting both local performances and national acts, I recommend the renovated Crump Theater be configured in the following way:

- 600-650 seat capacity
- Large section of the main floor non-raked, to facilitate use of the space in non-theatrical layouts
- Two story expansion to the east, including
  - commercial storefront
  - ADA compliant elevators to the second floor
  - adequate backstage and dressing rooms for touring performance
  - necessary storage space for portable seating and tables

**Management and ownership structure:** To leverage the highest possible community support, public/private partnership should be utilized for ongoing maintenance of the building and management of its activity

- City ownership – as a park facility
  - National grant funds for facility development
  - TIF funding for renovation and capital maintenance of facility
  - Additional maintenance support through Parks & Recreation facility budget
- Private non-profit management in contract with the City
  - Professional, permanent staff necessary to contract touring acts, maintain sustainable business
  - Access to national, state, and local funding for programming
  - Donor development
  - Sponsorship development

**Programming:** Presenting live performance as well as film events is always an educated gamble. To reduce risk, increase diversity of programming and audiences, and develop stable customer and donor bases across a broad spectrum of the community, simultaneous focus on the development of “presenter partners” who will populate the venue and development of the facility’s brand identity as a national presenter is the best possible business plan. Diverse revenue streams are key.

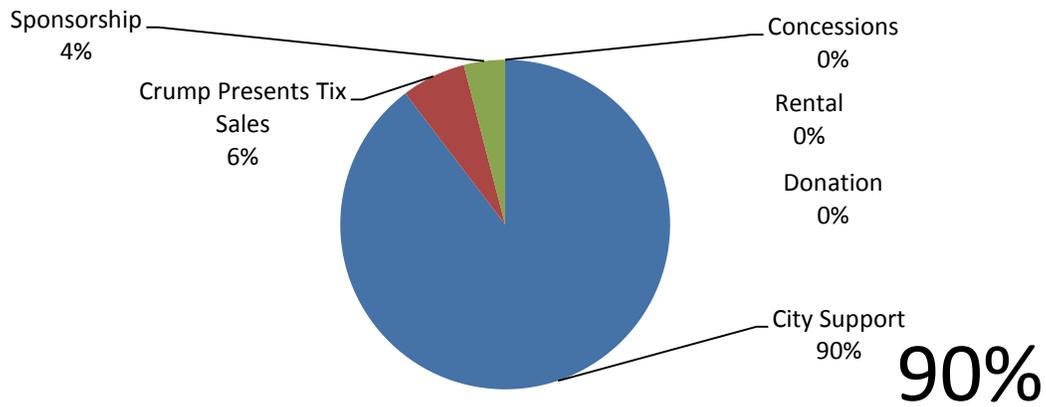
- National tours
  - Establish the identity and brand of the facility as part of a national network of venues

- Bring audiences from the larger region – including many who will plan extended stays around the concert, increasing tourism dollars
- Local presenter partners
  - Share programming risk by guaranteeing venue income
  - Diversify programming content
  - Diversify audiences
  - Encourage community participation and “ownership” of venue
- Business renters
  - Increase community identification with the venue by linking their activity with the facility
  - Augment their own brand with the history and grandeur of the building
- Private renters
  - Increase community identification with the venue by linking profound, personal milestones with the facility

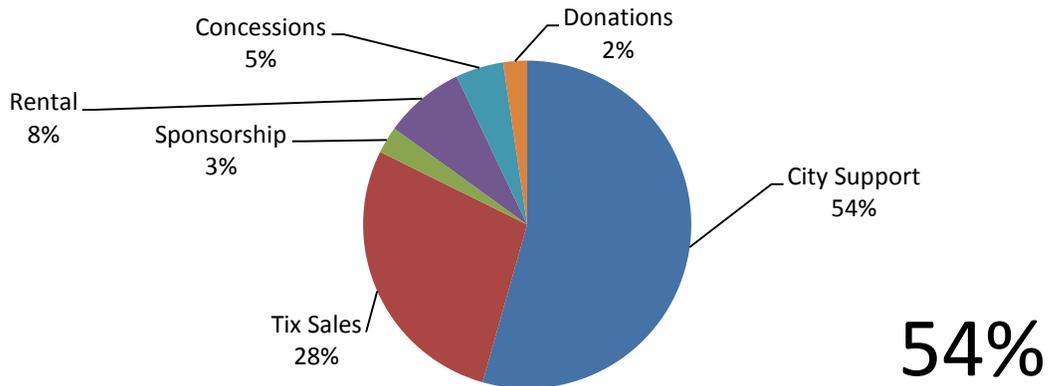
**Budget:** Based on the concept of a city-supported business incubator, the included budget launches the private non-profit organization, establishes programming and rental relationships, and rapidly reduces operational support from City funds, replacing this revenue with earned income and increased fundraising.

- Non-profit start-up – Branding and relationship development
  - Year 1 - Core staffing and fund-raising while renovation is completed
    - \$177,373 in City support needed (90% of total budget)
  - Year 2 - Grand opening year with profile-raising programming
    - \$347,090 in City support needed (55% of total budget)
- Standard operations – Business development
  - Year 3 – increased programming and rental activity
    - \$203,697 in City support needed (29% of total budget)
  - Year 4 – continued growth in programming acumen and rental activity
    - \$183,721 in City support needed (23% of total budget)
  - Year 5 – continued business development
    - \$156,215 in City support needed (18% of total budget)
  - Year 6 – continued business development
    - \$122,444 in City support needed (13% of total budget)
  - Year 7 – continued business development
    - \$79,804 in City support needed (7% of total budget)

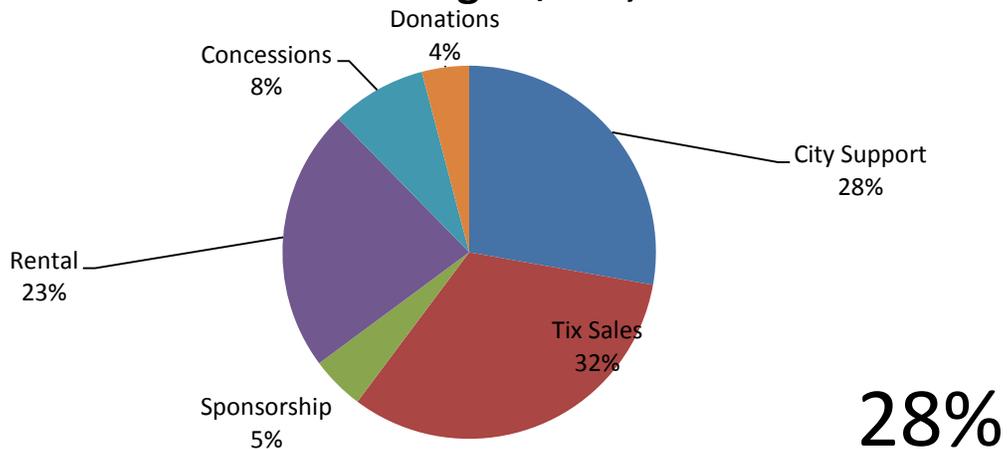
## Year 1 Total Budget \$197,873



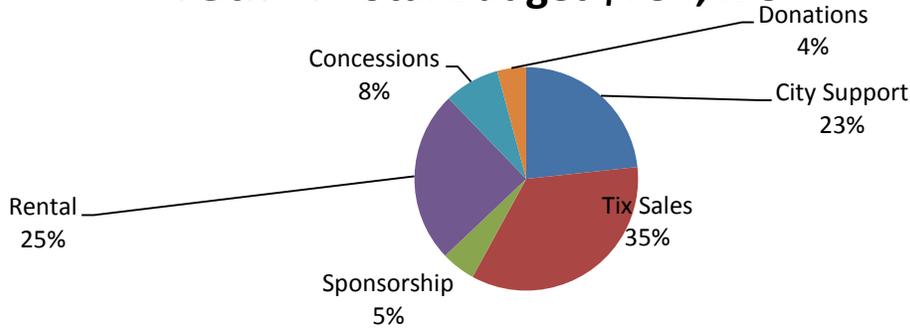
## Year 2 Total Budget \$608,564



## Year 3 Total Budget \$699,224

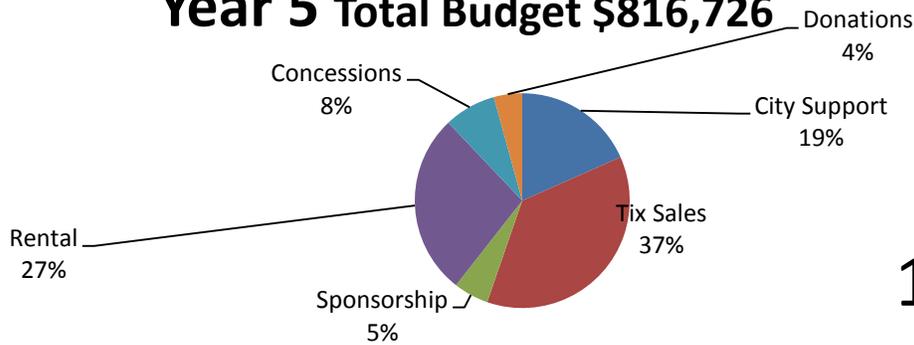


## Year 4 Total Budget \$754,478



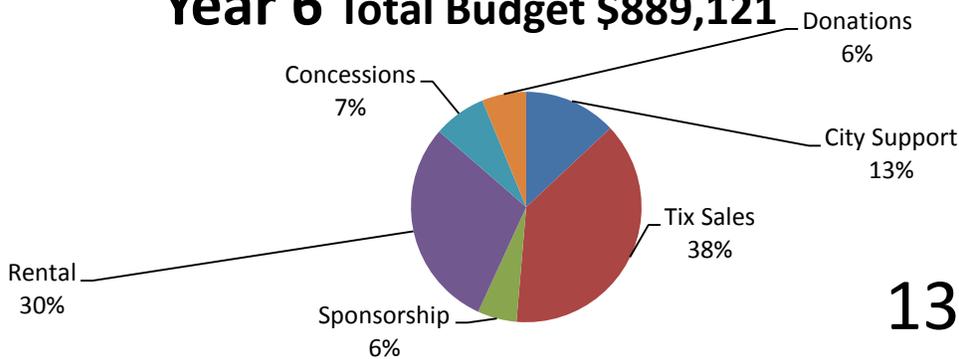
**23%**

## Year 5 Total Budget \$816,726



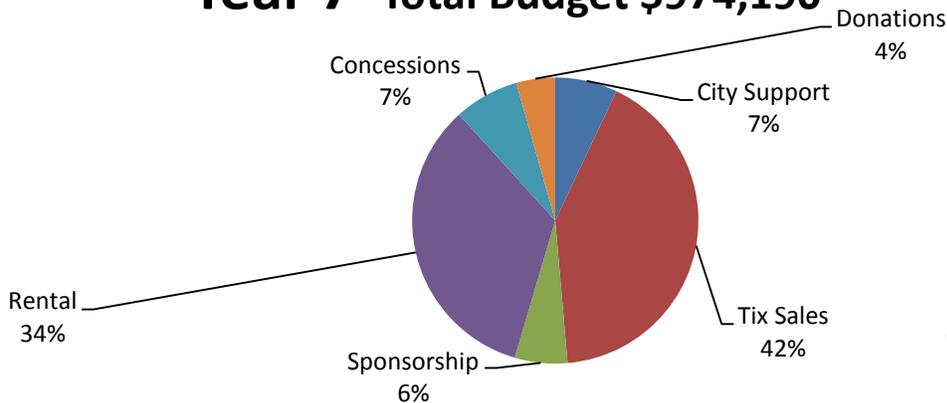
**19%**

## Year 6 Total Budget \$889,121



**13%**

## Year 7 Total Budget \$974,190



**7%**

## COMPETITIVE ANALYSIS

### REGIONAL VENUE COMPARISON

To best prepare for a successful public venue, it is important to understand both the immediate market and national examples of similar enterprises.

#### Similar facilities in the area:

Investigation of recently restored movie houses in the area finds multiple venues ranging in seating capacity from 300-600.

While the existence of so many similar venues in the area may indicate a lack of need for an additional such facility, closer examination of the “competitors” further strengthens the case for the Crump restoration.

	Artcraft Theatre	Brown Co Playhouse	Buskirk-Chumley Theater	Eagles Theatre	Park Theatre	Pixy Theatre	Tivoli Theatre
	Franklin	Nashville	Bloomington	Wabash	North Vernon	Edinburgh	Spencer
Capacity	400	420	629	440	332	632	300
Owner/Manager	Franklin Heritage, Inc.	Brown County Playhouse Management, Inc.	BCT Management, Inc.	Honeywell Foundation	Park Theatre Civic Centre, Inc.	Private Ownership	Owen Co. Preservations, Inc.
Movies	YES	YES	YES	YES	YES	NO	YES
Concerts	YES	YES	YES	YES	YES	YES	YES
Theatre	YES	YES	YES	NO	YES	YES	YES
Rental	YES	YES	YES	YES	YES	YES	YES
Avg Ticket	\$4	\$15	\$19.25	\$4	\$16	?	\$5
Days of Use Sept-Nov	18	53	56	27	29	15	36
Budget	N/A	\$268,745	\$671,374	N/A	\$135,152	N/A	N/A

#### Predominantly Non-Profit Management

The Pixy is the only commercially owned facility in the mix. All others are owned and operated by private non-profits and have been renovated through combined private/public efforts.

#### Presenting/Renting

All seven venues strive to present a mix of film and live performance, and both present events in their facility and rent the theater to others.

### **Film/Theatre/Concert Balance**

The majority of the venues are dominated by film presentation, with the Park Theatre, Brown County Playhouse and Buskirk-Chumley Theater leaning equally or more heavily on live performance.

The Buskirk-Chumley Theater presents touring national acts roughly 15 times a year, with the Park Theatre a far second, and the only other national tour-presenting theater.

### **Variety of use**

None of these facilities have resident companies (such as an orchestra or theatre company) which completely dominate the activity in the space. Rather, all share the facility with **a variety of users for a variety of activity**. The most dominant renter of the Buskirk-Chumley Theater, regionally-acclaimed Cardinal Stage Company, was founded in large part *because* the Buskirk-Chumley Theater was available for use.

### **Budget variance**

Where differences in budget size vary greatly to the proposed budget for the Crump, the primary differences lay in **level and type of activity, smaller size** and a **lack of paid staff**.

Those theaters whose primary activity is film have smaller budgets than those who present live performances, due primarily to the much lower ticket prices.

Brown County Playhouse, only recently transitioned from Indiana University ownership to ownership by a private non-profit, has an activity level in the range of the Buskirk-Chumley Theater, and yet a much smaller budget. They posted only \$3,095 in salaries. Brown County Playhouse Management, Inc. has the intention of growing their budget to include at least one full-time employee.

Similarly, the Park Theatre lists no staff and no salaries. Though the Park currently presents nationally touring children's theater, some smaller national bands and touring cover bands, their all-volunteer board of directors handles this activity.

All other theaters' budgets were not accessible given that their operation is handled by a larger organization with a mission beyond this one enterprise.

### **Planning for sustainability**

It is the assumption of this report that an all-volunteer staff is not a sustainable business model for any size facility, especially not one which intends to present national touring performances on a regular basis.

### **Community bottom line**

All seven of these restored historic theaters, including those in towns much smaller than Columbus, have been in operation for a number of years with a high rate of activity.

### ***It can be done!***

## NATIONAL COMPARISON

Similarly, the peer communities identified by Jones & Phillips boast multiple performance venues. The ones listed below most closely resembled the proposed Crump facility.

	Eastern Howard Performing Arts Center	Havens Auditorium	Ames City Auditorium	Cheyenne Civic Centre	Grand Opera House	Miller Performing Arts Center
	Kokomo, IN	Kokomo, IN	Ames City, IA	Cheyenne, WY	Dubuque, IA	Jefferson City, MO
Capacity	823	868	881	1,500	625	895
Owner/ Manager	Eastern Howard School District	Indiana University	City of Ames	City of Cheyenne	Grand Opera House Foundation	Jefferson City Public Schools
Movies	No website	No website	No website	NO	YES	YES
Concerts				YES	YES	YES
Theatre				YES	YES	YES
Rental	YES	YES	YES	YES	YES	YES
Days of Use Sept-Nov	<b>?</b>	<b>?</b>	<b>?</b>	<b>3</b>	<b>17</b>	<b>48</b>

### Predominantly Civic Management

In looking at the performance facilities in peer communities around the country, it's notable that the majority of these venues are owned and managed by civic entities – the State University, City, or School District. It is also notable that most of these entities fail to make the venue a destination venue because they lack any marketing identity.

Only the Dubuque Grand Opera House stands on its own as a non-profit organization. With \$410,230 in gross annual receipts and \$68,459 in salaries, it operates much as the Crump would, though with substantially less activity. The Grand was saved and restored through the efforts of an already existing theatre organization, and they remain the primary presenter in the facility.

### Presenter/Renter

As is obvious by Eastern Howard, Havens, and Ames' lack of an identifiable event listing, these organizations leave promotion solely to the renter. No nationally touring shows are presented here.

Miller Performing Arts has a full calendar of rental events, including fitness classes which vastly increase their activity level, do not present touring shows.

Conversely, the Cheyenne Civic Center promotes only touring shows, which are major national tours in all genres, but few and far between.

## **Professional Management and Diversity of Use – The Ideal Model**

Kokomo, Ames City, and even Jefferson City find themselves in much the same situation Columbus is currently experiencing. Civic facilities exist with adequate seating and rental access for a vibrant arts venue, but the lack of civic investment in spurring and supporting activity means the facility has no public face. These buildings, interred as they are in midst of a school campus, are usable, but not professional. Tech staff is limited or not available, no box office serves the facility, no marketing is executed to support rental events.

Cheyenne's facility, at 1500 seats is so large that it experiences very little rental activity, though the Cheyenne Symphony Orchestra has a home there.

The Grand Opera House in Dubuque, as another historic theater, is a solid comparison to Columbus' facility desires. However, the dominance of locally-produced theatre in the space requires more rehearsal time and thus a limited amount of public performance and rental to other organizations.

Though each community and venue is unique, it is easily identified that those facilities with both professional management and both a size and rental structure which encourages diverse use results in the most activity and highest level of visibility.

The business plan presented here is geared towards new business generation – increasing the capacity of existing organizations, encouraging new local activity, and bringing regional and national artists to Columbus.

## **Economic Impact**

The plan detailed here is projected to increase business activity in Columbus by providing the primary tools – a theater, staffing, and equipment – necessary for established performance-based businesses to grow and new ones to develop. If managed well, this public-private partnership will establish a stable presenting environment, needing relatively little government involvement in the long-term.

An applicable example in this type of investment exists in Bloomington, IN. The 2012 Americans for the Arts Economic Impact of the Arts Study describes the ripple effect of this business growth as it applies to Bloomington.

*“Nonprofit arts and culture organizations are active contributors to their business community. They are employers, producers, and consumers. They are members of the Chamber of Commerce as well as key partners in the marketing and promotion of their cities, regions, and states. Spending by nonprofit arts and culture organizations totaled \$52.3 million in the City of Bloomington during fiscal year 2010. This spending is far-reaching: organizations pay employees, purchase supplies, contract for services, and acquire assets within their community. These actions, in turn, support jobs, create household income, and generate revenue to the local and state governments.*”

*The City of Bloomington’s nonprofit arts and culture organizations provide rewarding employment for more than just administrators, artists, curators, choreographers, and musicians. They also employ financial staff, facility managers, and salespeople. In addition, the spending by these organizations directly supports a wide array of other occupations spanning many industries (e.g., printing, event planning, legal, construction, and accounting).”<sup>2</sup>*

**TOTAL Economic Impact of Spending by Nonprofit Arts and Culture ORGANIZATIONS in the City of Bloomington**

	<b>City of Bloomington</b>	<b>Median of Similar Study Regions</b> <i>Pop 50,000-99,000</i>	<b>National Median</b>
Direct Expenditures	<b>\$52,300,406</b>	\$6,245,874	\$23,141,643
Full-Time Equivalent Jobs	<b>2,779</b>	231	791
Resident Household Income	<b>\$49,313,000</b>	\$6,234,000	\$19,488,000
Local Government Revenue	<b>\$1,736,000</b>	\$234,000	\$867,000
State Government Revenue	<b>\$2,313,000</b>	\$239,000	\$1,010,000

Obviously, Bloomington’s arts business environment is substantially larger than its peers. However, even the median of similar sized regions within this study recognized significant economic impact.

The study goes on to explain the specific and additional economic impact of arts events.

*The nonprofit arts and culture industry, unlike most industries, leverages a significant amount of event-related spending by its audiences. For example, when patrons attend a cultural event, they may pay to park their car, purchase dinner at a restaurant, shop in nearby stores, eat dessert after the show, and pay a babysitter upon their return home. Attendees from out of town may spend the night in a hotel. This spending generates related commerce for local businesses such as restaurants, parking garages, retail stores, and hotels.*

According to this study, the average Bloomington audience member in 2010 spent an additional **\$20.82 beyond the price of their ticket** in nearby restaurants, bars, retail establishments and hotels.

Using this model, the projected audience expenditures for the Crump are the following. Year 1 is omitted as no programming will occur while construction is in progress.

	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Attendance	12,225	39,850	48,907	60,093	73,919	91,022
Spending	<b>\$254,524</b>	<b>\$829,677</b>	<b>\$1,018,254</b>	<b>\$1,251,149</b>	<b>\$1,538,997</b>	<b>\$1,895,078</b>

<sup>2</sup> *Arts and Economic Prosperity IV, Americans for the Arts Economic Impact of the Arts – Bloomington, IN. 2012*

## Ownership/Management Structure

Because city government and private non-profits are eligible for different kinds of funding support, a combination of involvement leverages all possibilities for maintaining the property and supporting programming.



### City ownership of the building

City government, through the expertise of the Parks & Recreation Department, maintains the Theater building, HVAC systems, plumbing systems, and electrical systems.

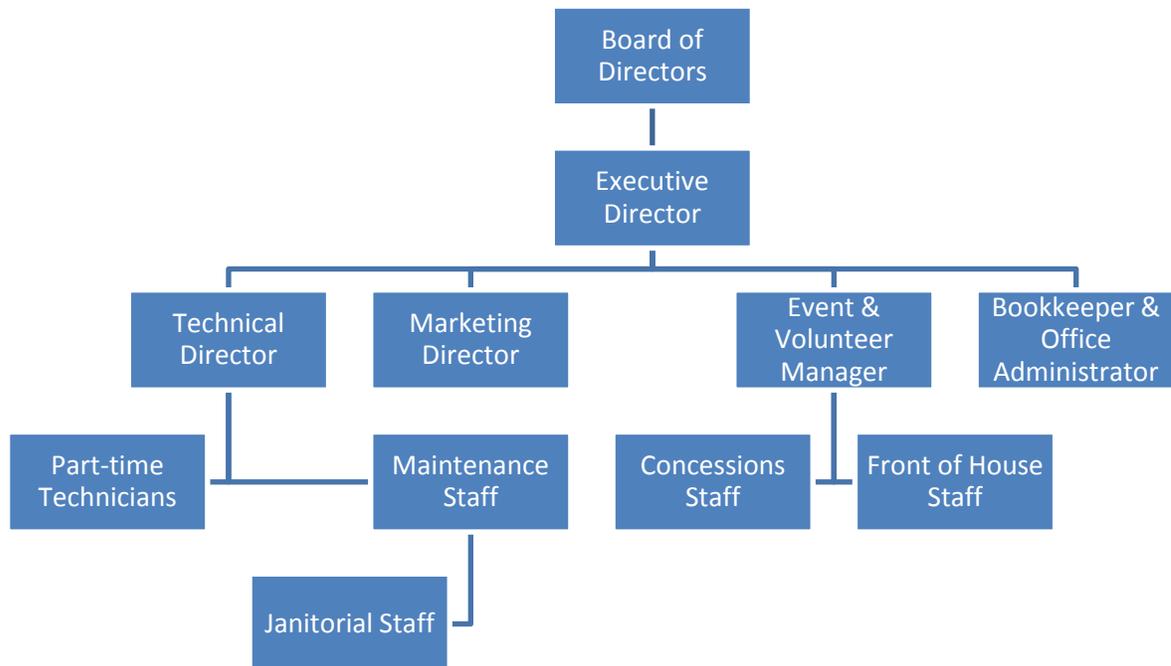
### Non-profit management of the activity and interior of the building

Whether a new arm of an existing Columbus non-profit or a newly established non-profit, the management organization has expertise in both nurturing the development of local presenters and booking national touring shows. The management organization is responsible for the repair, maintenance, and replacement of the interior of the building, and all equipment, seating, and floor coverings. Since these items should be new at the time of the grand opening, the organization has time to grow its budget to accommodate these needs.

### Contractual management agreement

Five year contracts between the non-profit management company and the City of Columbus would allow for responsible strategic planning by both parties. At core, the management organization is a service vendor, contracted by the City to manage the property according to the ends established by the City as owner of the building. Thus the City support to the organization is, in fact, a management fee. Annual meetings of both parties allow for the free exchange of ideas and information, both financial and programming.

## Non-Profit Structure



Executive Director – organizational and fund development leader; national booking

Technical Director – Union representative on site; able to make union calls for additional stage hands when needed; supervises hands and maintenance staff

Marketing Director – Works closely with presenter partners and national acts to market all events at the Theater; fund development support and planning

Event & Volunteer Manager – Manages all aspects of rental activity and event staffing; contracting; training; scheduling; supervising

Bookkeeper/Office Administrator – Deposits; invoicing; bill payment; supply orders; permits and registrations; office systems administrator in charge of technology

Part-Time Technicians – Union stage hands, called on an as needed basis

Maintenance Staff – all routine repair to the interior of the facility

Concessions/ Front of House Staff – Box Office staffing – ticket sales and information; Concessions staffing – refreshment sales during events

Janitorial Staff – all cleaning of the facility

## **Key Goals**

Columbus currently has a limited number of presenters with the organizational capacity and audience appeal to conceivably have interest in renting the space:

- Columbus Area Arts Council
- Columbus Philharmonic
- Columbus City Band
- Columbus Symphony
- Mill Race Players
- Dancers Studio
- Tim Grimm's Americana Series
- Blank Slate Productions

### **Overcome established presenters' skepticism**

Many of these organizations see no reason to move from their current performance locations, and/or are very uncertain as to the cost benefit of a more expensive, as-yet-intangible space with less convenient parking.

Others are willing to venture a tentative yes, but in general, your artistic community is, at best, hesitant about the possibility of utilizing a professional space.

This is not unusual. This was exactly the case in Bloomington as the Buskirk-Chumley Theater was in development. Your art community will have to grow into the Crump.

### **Develop new presenters**

In addition, Crump management will have to actively solicit organizations and individuals to encourage use of the space. Good news - multiple individuals have already contacted this study over the last six months with ideas for engaging the Crump.

### **Engage regional music promoters, arts organizations, and presenters**

Hesitancy is not present with other professional presenters. They easily recognize the rich market potential which exists in Columbus. Attached please find a letter of interest from MOKB Presents, an independent Indianapolis music promoter who currently books shows at Old National Centre, The Vogue, and the Hi-Fi. They are eager to commit to a 6-10 show season of concerts for the Crump's first year.

Other ideas for regional companies for whom Columbus would be an appealing market include Cardinal Stage Company and Dance Kaleidoscope. Both companies create work for similar-sized stages (in Bloomington and Indianapolis, respectively,) and may be interested in extending a given run of a show at the Crump on a regular basis.

The Buskirk-Chumley's primary renter is the First United Methodist Church, which rents the Theater in order to serve a growing spin-off congregation which wants a less formal setting for worship. Columbus may well have a similar religious organization in search of a home.

As mentioned above, the Ellis Performing Arts Center in Jefferson City, MO rents the facility to a fitness class which meets three times a week in the morning. With so many downtown workers, it seems highly likely that a morning yoga or aerobics class could easily locate on the stage.

Your management organization's job will be to identify and grow these potential presenters into Crump partners.

### **Year 1 - Start Up**

In the first six months, your management organization works on a skeleton crew. During this time the Executive Director:

- Works closely with the Board of Directors to develop strategic plan
- Works closely with capital fundraisers to insure carryover between capital renovation campaign and ongoing programming support campaigns
- Plans two initial fundraising events and develops relationships with new donors
- Works closely with existing local presenters to explain rental pricing structure and develop relationships
- Develops relationships with national booking agents and artists
- Seeks new presenting partners and develops relationships
- Finalize design and construction elements to the space
- Establishes employment policies
- Searches for and hires other key employees

In the second six months, the key team:

- Finalizes rental structure and policies
- Books rental events for the Grand Opening year
- Books Crump Theatre Presents Season for Grand Opening year
- Establishes sponsorship for Crump Theatre Presents Season
- Develops annual donation campaign
- Develops website and ticketing system
- Institutes point of sale system for concessions
- Searches for and hires secondary staff
- Recruits and trains volunteers.....**all in preparation for the Grand Opening**

The budgeted programming goal for the Grand Opening year is:

- 25 rental events
- 8 Crump Presents live performances
- 4 Crump Presents films
- 2 fundraising events

## Year 2 – Grand Opening

### Notes on Presenting

Professional touring acts accept booking based on:

- Amount of money “guaranteed” to them for playing
- Amount of possible “back end” offered to them once expenses are paid
- Positioning of the market where the venue is based

Thus, standard presenting contract includes a guarantee, plus a percentage of ticket sales after a specifically identified split point. The artist is aiming to receive no less than 50% of the gross ticket sales, and for an established artist, the percentage is closer to 75-80% of the gross ticket sales.

A standard deal:

Artist:	Great Band	
Ticket Price:	\$25	
Capacity:	600	
Gross Potential:	\$15,000	
Artist Fee:	\$5,500 (36% of gross) + 75/25 split after expenses (\$9,000)	
Expenses:	Facility Charge	\$1,000 (cost of facility or “rent”)
	Tech Labor	\$1,000
	Advertising	\$1,000
	Credit Card Fee	\$ 500 (85% of gross x 4%)
	<u>Artist Fee</u>	<u>\$5,500</u>
	Total	\$9,000
Sell Out:	\$15,000	
	<u>- \$ 9,000 Expenses</u>	
	\$ 6,000	
	\$ 4,500 75% to Artist	
	\$ 1,500 25% to Presenter	
Artist Receives:	\$9,900	66% of the gross
Presenter Receives:	\$4,100	34% of the gross

### Risk

In this scenario, the presenter covers all expenses once they have sold 360 tickets, or 60% of their total capacity.

## **How This Works**

By including a promoter profit in the deal, the presenter is able to pay itself for the effort of presenting the show. Similarly, the presenter includes a facility fee or “rent” in the expenses. These two items are essentially net profit built into the deal, with the potential for more if the show sells well.

The presenter and the artist share the risk of the show, but the artist, as the “content provider” takes the majority. If the show does well, the presenter has covered all hard costs, paid themselves, and made a small amount on top of that.

If the presenter is willing to take a higher risk, the artist will sometimes accept a flat guarantee, with no back end. Though the risk is higher, the presenter can often make more on these deals.

## **How This Works Well**

As a private non-profit, the Crump management company will be able to solicit sponsorships from businesses who want to associate their name with this high profile concert or theatrical performance. A successful sponsorship campaign could raise \$2,500-\$3,500 per show, giving you a potential net profit on each show of \$6,000.

## **Concessions**

Additionally, the venue will manage and benefit from all concession sales. With City ownership of the building, the facility will be eligible for a civic liquor license, awarded only to government entities. This three-way license costs only \$1,000/year and allows for alcohol sales within a multi-age environment. Concerts, especially, generate high beer and wine revenues. Family shows and films can generate high sales volume in popcorn, soda, cookies and candy.

## **Basic Business Model**

The non-profit management company develops presenters to utilize the venue. Ideally, the majority of activity at the Theater is no-risk rental. To encourage others to take the risk of presenting, and to utilize the facility for non-ticketed or low ticket cost events, the management company:

- Partners with the City whose goal is to generate high level civic engagement
- Makes money as a high profile presenter
- Develops sponsorships to match local businesses with this high profile activity
- Wins grants from local, state, and national sources
- Develops donors who support their mission

The funds raised through these activities subsidizes the cost of Theater rental, spurring the high level of use necessary to drive economic impact above and beyond the building itself.

## Year 2 – Grand Opening Programming

To establish the Crump as a major presenter, the Grand Opening Year should be a mixture of major names and accessible ticket prices.

The following are a list of major artists who would be accessible for a 600 seat theater for a **\$45-\$75 ticket price**:

<u>Country</u>	<u>Rock/Pop</u>	<u>Comedy</u>
Loretta Lynn	Alan Parsons Live Project	Bob Newhart
Lyle Lovett	Belinda Carlisle	Jim Belushi
Mandy Barnett	Blues Traveler	Lily Tomlin
Doc Walker	Boz Skaggs	Red Green
George Jones	Bruce Hornsby	Steven Wright
Glen Campbell	Chris Isaak	
Mary Chapin Carpenter	Damien Rice	
Trisha Yearwood	Jeff Bridges & The Abiders	
Steep Canyon Rangers	Yo La Tengo	

The following are a list of artists, by genre, who would be accessible for a 600 seat venue with a **\$15-\$35 ticket price**.

<u>Country</u>	<u>Rock/Pop</u>	<u>Comedy</u>
Glorianna	Better Than Ezra	Capitol Steps
Dallas Smith	Big Bad Voodoo Daddy	Second City Improv
Ralph Stanley	Boys Like Girls	
Punch Brothers	Buzzcocks	
Roseanne Cash	Cold War Kids	
	Joanna Newsome	
	Los Lonely Boys	
	Steve Earle	
	M Ward	
	Marshall Tucker Band	
	Neon Trees	
	Stars	
	Sufjan Stevens	
	They Might Be Giants	

Year 2 requires the highest level of contribution from the City as it is expected that rental activity will be limited, despite efforts by the staff to develop presenter partners.

## **Year 3 – Full Operation**

### **Lead By Example**

With two years of organization, profile, and audience development under their belt, the management group will now be ready to reach full operation and begin reducing their financial dependency on the City.

#### Projected Programming Activity

- 100 rental events
- 20 Crump Presents live performance – average ticket price \$25
- 6 Crump Presents films
- 2 fund raising events
- Total attendance 38,500

Fund raising results will also increase

- Sponsorships - \$34,000
- Donations - \$30,000

Fund raising projections are purposefully conservative, as the organization will face challenges in potential cannibalization of other arts groups' donation bases and competition for sponsor dollars. Since the Crump Presents programming will be of very different character than those events presented by the Columbus Philharmonic, Mill Race Players, or even the Columbus Area Arts Council, new donors and sponsors will be developed without harming the existing arts support in the community.

## **Year 4+ – Moderate, consistent growth towards independence**

### **Incremental rental rate increases**

From this point forward, the organization continues to increase both rental activity and the local presenters' capacity to pay a larger share of the costs of the space.

Incremental rental rate increases slowly move the price point to a less subsidized rate.

### **Crump Presents Programming Growth**

In accordance with rental activity, the management organization may respond with more or simply consistent programming. This budget projects moderate increase in attendance and ticket price for consistent programming as defined for Year 3.

## Goal Accomplished

As noted by Mark Stern and Susan Seifert in their ground-breaking white paper for the Social Impact for the Arts Project, funded by the Rockefeller Foundation, government and foundation support of the arts should strive to reinforce areas and activities that encourage a wide diversity of participation in areas where many different economic, social, and racial groups already interact.

“Cultivating natural cultural districts provides one avenue for using culture to revitalize cities without building higher walls between classes. These districts can stimulate the productivity of the creative sector by encouraging innovation and attracting investment.

Here, the experience of public authorities like Creative London is instructive. Creative London has pursued a mission of using culture to stimulate economic growth in the city while expanding social inclusion. As Ken Livingstone, London’s mayor, has noted:

*London’s creative industries are clearly doing well and the future looks very promising. Research suggests that growth rates of 4.5 per cent are sustainable in the medium term, particularly in sectors like digital content, music, design and fashion. So, by the time the Olympics come to London in 2012, we could be talking about a £30bn plus business – a business that’s bigger than the city’s financial sector.*

*But besides the sums, the creative industries also provide ideal opportunities to achieve social inclusion in the capital – challenging existing economic and social barriers, promoting diverse workforces, engaging with disadvantaged communities and allowing individuals to use talent and innovation alone to shine.*

The conflict between downtown and neighborhood development is a false choice. The link between business success and social inclusion is not simple philanthropy. Diversity breeds creativity. It is the success of the creative sector in crossing boundaries and overcoming historical patterns of social exclusion that provides its vitality. Inevitably, the search for economic success for the creative sector must pass through social engagement.”<sup>3</sup>

Columbus has done a great deal of work already to develop the downtown as just such a district. Long-term investment in maintaining the historic character of key buildings, strategic public art installments, ongoing support of public arts programming throughout downtown indoor and outdoor spaces, renovation of The Commons, establishment of Kids Commons, etc. – all these efforts have created spaces where families, young people, adult professionals, older adults, and people of all classes and cultural backgrounds share the same space. The designation of the Columbus Arts District and identification of creative placemaking and community engagement as major goals in the district’s strategic plan further identify your intent to make Columbus the cultural destination it deserves to be.

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<sup>3</sup> Stern, Mark, with Seifert, Susan. “Cultivating “Natural” Cultural Districts” (Social Impact of the Arts Project, 2012)

Columbus is on the brink. A wider diversity of both professional and locally-produced event activity is necessary to reach the critical mass of creative energy.

As evidenced in the above budget and attendance projections, through renovation of the Crump Theatre and adherence to this plan, Columbus will stimulate a vibrant, diverse, “natural cultural district” which generates substantial economic growth for its downtown while increasing community engagement and participation in civic life.

To accomplish these goals, Columbus must be willing to invest not only in the renovation of the building itself, but in the functionality of the Theatre as a truly inclusive gathering place within the community.