

***Peninsula Arts
Appreciation
Council
Proposed
Business Plan
8/10/17***

Executive Summary

Forward

We are a 511 seat venue in the downtown Negaunee business district and are listed in the National Historic Registry. We host many diverse performances including theatre, music, movies, and other cultural events.

We have come a long way over the last two years. From removing over 40 tons of trash and unnecessary items accumulated over a decade long period of mismanagement, to aesthetic improvements and essential major repairs. Our public image has seen great improvement with these changes; new marketing techniques, both traditional and online; improved media relations.

After celebrating our 90th anniversary in 2016 we are looking forward to a future where we can grow and expand the reach and accessibility of the Historic Vista Theater, to both the general public and event promoters. The thrust of this plan will be to build on the achievements so far, capitalize on its successes, and look to exciting and challenging developments.

Purpose

As stated in the Peninsula Arts Appreciation Council (PAAC)/Historic Vista Theater Articles of Incorporation:

- A. We are here to operate exclusively for charitable and educational purposes; to foster appreciation and education in all art forms, including musical, pictorial, theatrical, creative writing and related arts, and to sponsor and encourage cultural and educational activities, for all age groups in Marquette County and the surrounding areas.
- B. To sponsor cooperative planning, research, fundraising, and public education programs and to undertake other services and programs deemed necessary to encourage participation in, and appreciation of the arts, by all citizens in the area.
- C. To provide and maintain facilities as may be necessary for the purposes of this incorporation including facilities for the teaching, presentation, and appreciation of all the arts.

Goals for Recovery

While we don't wish to dwell on the past we think it is important that we acknowledge some of the key factors that have lead to our current position:

- high-risk theatrical productions
- high overhead costs
- low number of presentations
- equipment malfunctions
- low membership numbers

There are five key factors that we believe will underpin our longer term recovery:

- elimination of high overhead costs
- effective negotiation and financial control
- increasing the number of presentations (through outside rentals, movie screenings & low cost productions)
- increasing audiences
- maintaining and in some cases lowering ticket prices

Economic Environment

The start of our recovery has coincided with recent advances towards the rejuvenation of the west end of Marquette County. There is evidence that the entertainment industry can survive in difficult times as we provide a means of escape. We must not be complacent, but remain realistic about the challenges that we face. We must be constantly vigilant and aware of what is happening in the economy that may jeopardize our ambitions. Particularly as this may have an impact on our plans to work with local business or, when the economy shifts, that may be a point where we need to adjust our strategy. While this plan shows our dreams and plans for the future we firmly agree with the words of Theodore Roosevelt, "Keep your eyes on the stars, and your feet on the ground."

The Future

Up to this point our focus has been on repairing damage previously done. We believe we are now in a position where we can start dreaming and looking to the future. This business plan sets out the beginnings of those ambitions and the basis on which they can be explored and achieved.

We are a community venue and our primary purpose is to serve the local area. One of our ambitions is to return the Historic Vista Theater to the beacon of arts and entertainment which it was at its height. We have a responsibility to the wider community to present the highest quality professional entertainment that is both available, and affordable, in a venue that is welcoming and which will give them the opportunity to be entertained, escape, and perhaps dream. We believe we have a key role in developing audiences of the future particularly in working with young people. We plan to present and attract a wide range of cultural and entertainment activities including movies, comedy, music, theatre, and dance, as well as private rental opportunities.

Values

- We want to be a friendly welcoming venue that values diversity and balances professionalism and a volunteer culture.
- We aim to be perceived as a vibrant and healthy environment where individuals are respected and valued.
- We believe in being open and honest and transparent in all our interactions.

Partnerships

Maintaining and developing relationships with key strategic partners is a vital part in our recovery and an essential part of our growth and development.

The local business community has been a key source of support both in respect of sponsorship of either specific productions or seasons and in their general support as a business sponsor. Some local businesses have also provided sponsorship in kind. This, we see, as further evidence of our developing links with the community and points the way to our future where a primary source of income will come from our members and business partners.

While it is important for us to become as self-sufficient as possible, we do not believe that we can achieve all of our goals without some public funding. We have opened a dialogue with Michigan Council for the Arts and Cultural Affairs (MCACA) and it will be important in the coming year that we continue to work towards qualification for major grant awards.

Developing each of these links will be a key activity during the coming years so we can build upon the recent success we've experienced and we will be engaging in these relationships on the basis of equal partnership, brand development and synergy.

Vision

Our vision is to continue to be a thriving and successful artistic cultural and community venue which exists for the benefit of Western Marquette County and the surrounding area. Our aim for the future is to continue to present varied and high-quality artistic offerings (musical, films, theatrical, and related arts) and to revitalize the Historic Vista Theater by offering it as a venue for major concert/event promoters, unique weddings, etc.

Strategy

We intend to deliver this goal by:

- programming events and films with a strong audience appeal
- maximizing the use of the building and its resources
- taking a sound balanced financial view to all of our activities
- actively networking and engaging with all potential sources of financial support including public funding and private sponsorship
- be as self-sustainable as we can and demonstrate good “value for money” for the funding and sponsorship that we do receive

Strategic Objectives

We aim to deliver this strategy through the following on-going objectives:

1. To ensure the continued development and growth of PAAC/ Historic Vista Theater by exciting and intelligent programming combined with stringent financial management, energetic fundraising, strong expansive marketing together with the development of further additional income streams.
2. To continue to program with audience optimization as a priority, while further increasing audience reach and by increasing the utilization of the building to expand audience outreach and inclusivity.
3. To be a vital part of Downtown Negaunee and Western Marquette County and a major contributor to local and county priorities and objectives through its cultural offering; the maintenance of a historically listed building; and in developing stronger and safer communities through our volunteers and our artistic program.
4. To be more involved with the Greater Ishpeming/Negaunee Chamber of Commerce, Lake Superior Community Partnership, and Accelerate UP in order to develop better networking and business resources.
5. To encourage engagement and involvement in the arts by young people through touring children’s theater, theater programming, school programs, and other youth productions.
6. To nurture and develop our volunteer support to provide extra capacity across all aspects of PAAC/Historic Vista Theater operation.
7. To develop and nurture links with local professional artists to encourage the creation of locally produced creative events and activities.
8. To enhance the audience experience and enjoyment by creating a welcoming ambience, fine concessions, and a friendly and welcoming front of house experience.
9. To grow and develop self-generated income through theater rentals, concession sales, and additional income streams such as special events and corporate and private fundraising.
10. To reduce the theatre’s impact on the environment and reduce the cost of doing so.

11. To increase the use of the building by exploring opportunities for maximization, development and expansion balanced with financial prudence.

Artistic Program

Theatre

We would like to develop a sustainable audience for touring drama companies and local theater groups. This will be a key theme to maintain and develop in the coming year.

We would assist in the establishment a new non-profit theatrical performing group. This group would be a "resident" amateur company that could produce up to four shows a year – each for a 1 or 2 week run but would have its own board of directors and finances .

Their shows are sure to draw large audiences that will be loyal and supportive of their work. By establishing this second non-profit group, this will also allow them to rehearse and perform at other venues and free up the Historic Vista Theater for rentals, movies, and other paying events.

In the past, the Peninsula Arts Appreciation Council has produced a wide range of plays and musicals; which have involved large numbers of people both on and off stage and invariably receive positive audience reaction. We are certain that by forming this second non-profit, these types of productions will continue in the future.

We would plan to keep a close relationship with them and value what they will bring to our local community in the way of theater.

Music and Dance

We have been working to develop links with local musicians and producers who present very successful concerts in the area. This could be supplemented by performances by nationally and internationally renowned musicians that may be touring the area which would be booked through or by major concert/event promoters.

We would like to develop a genre for dance at the theater by offering our facilities for rental by local dance companies

Both dance and music have scope for development during the year and we are looking for opportunities to form new partnerships and attract new audiences.

Comedy

Giving audiences the opportunity to laugh and escape is important during these difficult economic times. We hope to develop an enviable reputation as a venue where top-class comedians will come to try out new material. There is not a lot of this in the local area and we feel that it might be an innovative approach to retain and develop new audiences.

Children's Theatre

Building relationships with local and national children's theatre companies would not only give them another venue in which to perform, but also give local children the opportunity to perform in one of the oldest theaters in the Upper Peninsula. This will also help us to develop and maintain a different kind of audience as well.

Film

We are “the only cinema in town” and have an important role to play in presenting film.

As a result of an award from the Cliffs/Eagle Fund in 2014, a significant investment was made in a digital projector and sound system (over \$100,000 value). In keeping with the industry move in this direction, it enabled us to be more flexible in our programming and the range of films that we can show, enabling us to grow and develop audiences in this area.

Unfortunately the projector broke at the start of a movie last summer. Due to our rural location, and the advanced nature of the equipment it has not yet been fixed. We plan to take care of this in the fall of 2017 so that the Historic Vista Theater can once again show films for audiences of all ages

Alternative Content

Another exciting opportunity that the digital cinema opens up is the live transmission of theatre and music events from around the world e.g. National Theatre Live and the New York Metropolitan Opera. There is much work to be done in negotiating with the various suppliers and obtaining the appropriate equipment.

This will be another key step in our development of our digital cinema and has the potential of attracting further audiences, promoters and supplementing and expanding our artistic program.

Community Venue

Community

At our core we are a community venue and want to provide both performance space and resources to support local artists, and groups of artists, both professional and amateur.

Some of those groups include, but are not limited to: **Negaunee Male Chorus, Upper Peninsula Shakespeare Festival, Lake Superior Theater, Ishpeming Blue Notes, Westerly Winds, Superior Arts Youth Theater, Western Marquette Youth Symphony, Negaunee City Band, Upper Peninsula Barbershop, The Westwood Shakespeare Company, Superior Dance Academy, Dawn Dott Studios, Marquette Area Blues Society, etc.**

Membership & Other Activities

Membership

Our membership drive will be a key means of both engaging with and receiving support from our audiences. It will be important for us to build on this success in the coming years ensuring that potential benefits are commensurate with the cost of membership as well as maximizing the potential revenue.

Corporate Sponsors

We will continue to engage with local businesses and continue to build on the success we've had so far with business networking events, and business meetings and presentations alongside our popular corporate membership and sponsorship opportunities. We will also look to further leverage the ability of the digital cinema equipment to support conferencing and similar activities.

Financial Sustainability

PAAC **Estimated/Assumed** Costs January 2016 - June 2017

Board approve annual budget

EXPENSES

"Fixed Costs"	<u>2016</u>	<u>Annually</u>	<u>Monthly</u>	"Fixed" Revenues	<u>2016</u>	<u>Annually</u>	<u>Monthly</u>	
Finance charges	\$35	\$130	\$11	Membership Dues	\$2,211	\$3,693	\$308	
Staff Compensation	\$12,832	\$12,368	\$1,031	Donations	\$1,055	\$803	\$67	
Insurance	\$5,329	\$4,827	\$402	Grants/Fundraising	\$0	\$2,097	\$175	
Office Supplies	\$1,650	\$1,278	\$107	Thrift Store	\$7,639	\$5,093	\$424	
Utilities	\$10,285	\$9,994	\$833	Sponsorships	\$650	\$2,267	\$189	
Commercial loan		\$5,367	\$447					
<i>Total fixed costs</i>		<i>\$33,964</i>	<i>\$2,830</i>					
"Variable Costs"				"Variable" Revenues				
Concession supplies	\$592	\$830	\$69	Concession sales	\$8,660	\$7,527	\$627	
Concession expenses	\$1,851	\$1,234	\$103	Ticket sales	\$5,781	\$8,282	\$690	
Advertising	\$886	\$751	\$63					
Building - major repairs	\$4,532	\$3,255	\$271					
Postage	\$247	\$274	\$23					
Printing	\$4,512	\$750	\$251					Net Revenues
Building- maintenance	\$1,199	\$1,033	\$86					~ \$6,500
Merchant Fees	\$541	\$521	\$43					
Travel	\$1,037	\$985	\$82					
Total variable costs - venue only		<i>\$9,631</i>	<i>\$991</i>					
Sound Design?	\$598	\$399	\$33					
Production supplies?	\$2,127	\$1,418	\$118					
Props & Set design?	\$1,654	\$1,643	\$137					
Show rights	\$1,050	\$1,823	\$152					
Contracted Staff?								
Food expense?								
Total variable costs		\$14,915	\$1,431					

Partners

Over the past three years we have established partnerships with many local business' including: **Yoopers Shirts, Negaunee Cable, Jackson's Pit, Midtown Bakery & Café, Thriftish, Steward & Sheridan, TV6/Fox UP, 1844/Kantola's, Tino's, Green City Market, Birdcage Antiques, Smarty's Saloon (Local Smartcar), Brogie's Tavern, Superior Dance Academy, Range Bank, Honor Federal Credit Union, Border Grill, Boomerang, Super One Foods, Shopko Hometown, UPPCO, Great Lakes Radio, Radio Results Network, Man Bear Co, UP Catholic Credit Union, Bell Financial, Sam Bennett -Wells Fargo Financial, Inkwell Tattoo, Impaled Tattoo, Native Nails, Globe Printing, Greg Zyburt for Sheriff, Northern Lights Glass, Dead River Coffee, Joe's Cakes, Gopher's Café, Catron's Lumber, ABC 10/CW 5, The UP's CBS 3**

The Future

Looking to the future, some of the areas that we wish to develop are listed below. Much of what will be planned for the next few years will depend on the outcomes of this business plan and what we discover along the way. We aim to undertake this by the following objectives:

2017/19

Activity	Objectives
Theater	<ul style="list-style-type: none">• Develop blend of theatre programming, attracting local & regional travelling theater groups/programs, developing and maintaining theatre audience• Develop relationships with comedy agents so that we can build a reputation as a try-out venue• Develop relationships with Upper Peninsula musicians to further develop this genre• Seek out producers of contemporary and folk dance to include in artistic program• Maintain and build relationships with local classical music producers• Develop relationships with local and regional music promoters to build a reputation as a venue for national and international musical entertainment• Develop and establish a new non-profit theater group
Film	<ul style="list-style-type: none">• Develop a blend of classic, children's, foreign, seasonal and regionally relevant films.• Continue to negotiate special regional premieres and other special screenings including potential cast/crew appearances and Q & A sessions.• Investigate technological advances and capabilities for national and international live streaming events.
Partnerships	<ul style="list-style-type: none">• Actively develop relationships with our current sponsors and others.• Maintain and extend existing dialogue with the MCACA.• Continue to develop links with business community resources : LSCP, GINCC, MCC, Travel Marquette• Actively seek new business partnerships & sponsorships.• Seek local artists, performers and producers, encouraging them to create work and practice their craft.
Audience Development	<ul style="list-style-type: none">• Continue to utilize and expand use of Eventbrite, or a similar online ticketing resource as needed, to more effectively manage our relationships with our audiences and obtain more reliable, effective management information.• Continue to identify and adopt creative ways to distribute printed materials.• Continue to grow and develop our online presence and marketing through platforms such as social media, e-mail and our website.
Community	<ul style="list-style-type: none">• To continue to promote the Historic Vista Theater as a community venue for local artists and producers.• To encourage and make welcome the "PAAC Players" and other local community theater groups so that they can continue the work they do.

Building Development	<ul style="list-style-type: none"> Continue our program of redecorating and building improvement to include the auditorium, bathrooms, and other areas. Develop and explore options for updating the foyer, carpeting, box office, and concession area. Explore options for better handicap accessibility
Environment	<ul style="list-style-type: none"> Conduct an energy-efficiency audit to determine how we can reduce our environmental footprint.
Explore Other Spaces	<ul style="list-style-type: none"> We will look to identify other appropriate spaces in the community that are capable of supporting performances, workshops or rehearsals.
Explore Outreach	<ul style="list-style-type: none"> We need to explore our position in the community, and determine whether we have a role to play, what it is and how we can deliver it.
Links with Theatre Companies	<ul style="list-style-type: none"> We will investigate the opportunity of working in association with other theater groups in Marquette County and across the region.
Involvement with Downtown Negaunee Businesses	<ul style="list-style-type: none"> We are eager to be involved in any discussions and developments with regard to the regeneration of downtown Negaunee, and to explore the opportunities and potential for us.

Estimated Figures for PAAC (Venue Organization) if facility & programs are separated:

Est. Annual Revenue, excluding Players ticket sales:	\$5,500
Membership dues	\$1,500
Sponsorships	\$2,000
Fundraising/Grants/Donations	\$2,000
Ticket sales	\$0
Total estimated annual expenses:	\$75,000

Total est. venue-only annual expenses:	\$43,595
(Assumes PAAC not pay for printing/advertising of plays)	

Revenue needed to cover expenses:	\$38,095	(annually)
Potential revenue sources:		
Rent from Players for productions		
Concessions	\$8,500	
Rent from other programs/vendors		

Things to think about if PAAC becomes venue-only:

What are the contract terms for venue rentals?

Will it be rented to anyone that can pay? Or are their certain events/activities, while legal, will not be allowed?

Who pays for printing? Advertising? (In the model above, Players pay for all those items and keeps 100% of the ticket sales)

How else could the facility generate revenue?

- Outside rentals, concerts, films

How will the two groups solicit current and previous sponsors?

Estimated Figures for Players (Production Org.) if facility & programs are separated:

Est. Annual Revenue:	\$12,500
Membership dues	\$1,000
Sponsorships	\$1,000
Fundraising/Grants/Donations	\$2,000
Ticket sales	\$8,500

Total estimated annual expenses: \$75,000

Total est. Players annual expenses:	\$10,827
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(Does not include cost of venue rental)

Revenue needed to cover expenses:	-\$1,673	(annually)
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Potential revenue sources:

DVD/misc. sales

Potential Board Breakdowns

Vista Theater (PAAC) Board

- Board should be made up of 9-11 individuals; several with business and finance experience, as well as general community members, who want to see the Historic Vista Theater brought back to full life.
- Main responsibility at start will be the restoration, maintenance, and running of the theater building.
- Will take care of current financial obligations
- Will set rental terms and prices and get these out to local organizations who may want to use the theater
- Maintain full theater calendar
- Fundraising at start will focus on building repairs and restoration.
- Work on keeping the contract already signed fulfilled - ie. *Blend* on August 24th
- Responsible for Ticket sales
- General Advertising on social media and website for all activities at the Vista
- Will have sound equipment, lights, keyboard, stands, stand lights, etc. available for use
- Active searches for sponsorships, grants for restoration, rental opportunities, etc.
- Movies, concerts, weddings, dance groups, comedy, Mr. UP, etc. should bring in funds for utilities and the like.
- Will have a membership list and business sponsors
- Will provide support needed for all productions - ushers, box office staff, concessions, house manager, custodian, etc.
- Will determine contract for future executive director, technical director, etc. once funds are available for those positions

Players Board

- The Theater board will help start the new 501(c)3 group by paying for the initial expense AND giving financial help to do the first performance. After that, all responsibility for the Players group will be on their board.
- Board should be a blend of artistic directors, carpenters, technical directors, and community members who have a vision for theater and what could be done in western Marquette County and the surrounding area.
- Will determine their own bylaws and articles of incorporation.
- Artistic control - will determine what shows should be done. Will have to work with theater board to determine available theater dates for rehearsals and performances.
- Be responsible for Annex - Use as a meeting/rehearsal space (cheaper to use than the theater plus all the costumes/props/supplies are already there).
- Responsible for own advertising, social media, Facebook page, etc.
- Will have their own membership list. Should not need as many sponsors as the theater. Should be able to sustain themselves if enough revenue is brought in through ticket sales.
- Will be responsible for working with theater licensing companies; for royalty contracts, ordering scripts, music, etc. and returning items.
- May do their own ticket sales, or through the theater
- After first season, will be responsible for paying rental at the Theater, but at a discounted rate.