

*MONTGOMERY COUNTY,
WHEATON, MD*

*ARTS & CULTURAL
FACILITIES FEASIBILITY
STUDY*

*PRELIMINARY PROGRAM &
BUSINESS PLAN*

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Agenda

- **Study Questions Answered**
- **Preliminary Program Plan**
 - Structural Concept
 - Space Types
 - Opportunities & Challenges
 - Activation Goals
 - Long & Short Term Goals
 - Usage Models
 - Program Evaluation
- **Facility Business Plan & Operational Analysis**
 - Financial Pro-Forma
 - Expenses
 - Staffing
 - Revenues
 - Rental Rates & Totals
- **Conclusions**

Study Questions Answered

- What are the component parts of a new cultural facility in Wheaton?
 - What is the organizational operating plan for the new arts facility?
 - What are the financial operating estimates for the anticipated facility?
 - Who (what entity) will operate the new cultural facility in Wheaton?
 - What programs, services and opportunities exist for a cultural facility in Wheaton?
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PRELIMINARY PROGRAM PLAN

Structural Concept

- Montgomery County owns and maintains the base building
 - Department of Recreation is operating contract manager
 - Facility Operator operates the building and provides program content
 - Goal is to increase the capacity of artists and arts organizations
 - Operator provides:
 - Arts Incubator Program (professional development)
 - Central services
 - Administrative support
 - Robust facility rental program
 - Event programming
 - Operations and financial results
 - Operator must also excel at customer and stakeholder engagement, box office & ticketing, marketing & branding, entrepreneurship, philanthropy, and program evaluation
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Space Types

Space Type

Performance Space

Studio Space

Classroom Space 1

Classroom Space 2

Gallery Spaces

Administrative Space (Resident Orgs)

Administrative Space (Operator)

Seats

150-300

100

25

25

75

6-10

6-10

Format

Flexible, convertible theater

Teaching/Rehearsal/Performance

Teaching/Rehearsal

Teaching/Rehearsal

Art Gallery (in lobby or separate space)

Workstations

Workstations

Space Types (cont.)

Performance Space: Flexible for all kinds of performances including theater productions, dance performances, concerts, recitals, amplified music, lectures, film screenings, and special events or other functional space for private parties.

Studio Space: Rehearsal room or a performance space for smaller productions such as staged readings, guest speakers, meetings, or teaching space for dance or theatre.

Classroom Spaces: Teaching space for artists or resident organizations and should have capability to support visual art-making, as well as have technology for conferences and meetings using media.


Gallery Spaces: A space for visual artists to exhibit their work and could be configured in different forms, such as a separated room or dedicated walls and surfaces around the lobby and other areas of the facility.

Administrative Space (Resident Orgs and Operator): 6-10 workstations for resident organizations and 6-10 workstations for the operator's administrative staff, which can be configured to combine all organizations into one office space with varying kinds of dividers or creating separate rooms for the resident organizations.

Opportunities

- Increased arts and cultural activities in Wheaton
 - Professional development opportunities for local artists and arts organizations
 - New opportunities for Wheaton's diverse ethnic community to share their cultural offerings with the public
 - New spaces for children and families to participate in the arts
 - New spaces for youth to participate in the arts after school
 - Support for the growing visual arts community
 - Ability to provide affordable performance and rehearsal space in Wheaton to arts groups from the region
 - Ability to provide professional support and guidance by experienced arts administrators
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Challenges

- Identifying a qualified facility operator with programming experience to activate the goals of the arts incubator
 - Establishing a philanthropic program for the facility to cover the operating expenses and to fulfill the annual budget requirement
 - Maintaining an active calendar of events
 - Creating an equitable and inclusive use-policy that will allow access for a diversity of users
 - Establishing and implementing methods for measuring the impact of the facility on Wheaton artists and the community overall
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Activation Goals


“To cultivate the diversity of the arts in Wheaton by enhancing the cultural and educational opportunities for community participation in the arts.”



Short Term Goals

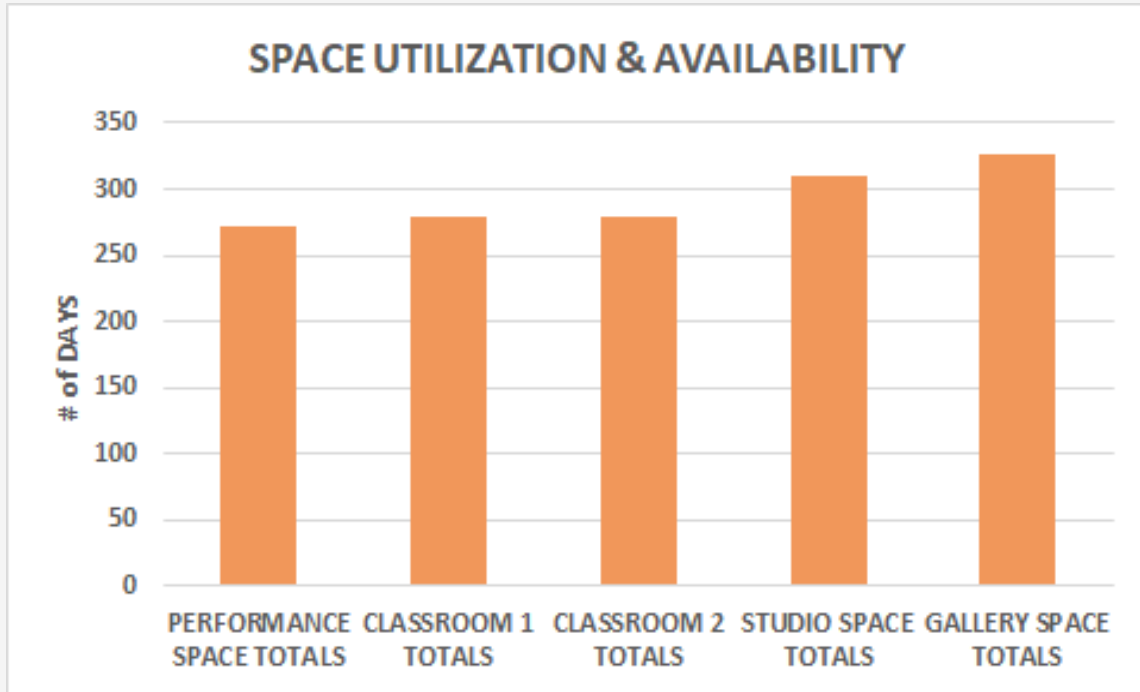
- Begin process to identify facility operator
 - Solidify implementation plan with facility operator
 - Create an equitable and inclusive process for outside users to access and rent space
 - Begin the marketing process by announcing the availability of spaces for rent, targeting nonprofits, community groups, private individuals, and other entities in need of cultural space
 - Build a network of teaching artists
 - Utilize network of arts educators to help create after school programming for young people
 - Brand and market the new facility to the Wheaton community and beyond
 - Maintain a direct connection with the creative community, keeping them involved and engaged in the process.
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Long Term Goals

- Create an arts incubator program for emerging artists and arts organizations
 - Build and maintain healthy relationships with neighboring arts organizations to ensure effective programming choices while not overlapping
 - Communicate directly with the public using various marketing platforms
 - Identify potential partners such as Arts & Humanities Council of Montgomery County, Volunteer Lawyers for the Arts, Business Volunteers for the Arts, Americans for the Arts, etc. to provide professional resources to artists and organizations
 - Identify possible opportunities for the County to host events or present performances from guest artists in the new facility
 - Consider retail opportunities such as a gift shop and gallery where a portion of the artwork sales could serve as sources for additional revenue
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Usage Models

- **Internal Programming (The Arts Incubator):**
 - Professional development workshops
 - Artist networking opportunities and events
 - Possible presenting program of guest artists
 - **Rentals from Resident Organizations:**
 - Identify the facility as their performance and administrative home
 - Selection should be an inclusive and equitable process
 - Rehearsal and performance needs would be prioritized before others
 - **Rentals from Other Users:**
 - Rentals include artistic productions, meetings, classes, rehearsals, special events, and private parties
 - A plurality of users will bring the space to life and drive revenues to support the building operation
 - **Strategic Partnerships:**
 - Advocates, sponsors, and resources for improved programs
 - Chuck Levin's Washington Music Center, Montgomery College, Wheaton Neighborhood Recreation Center, Albert Einstein HS,
 - Glen Echo Park.
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- Usage days by space type (performance space, classroom spaces 1 and 2, studio space and gallery space) for various kinds of uses
- Uses include performances, rehearsals, internal programming events and workshops, and special events or other private parties
- The projected events per year are hypothetical
- Assume a usage rate of 75-89%

Program Evaluation

- Categories of evaluation:*
 - Space availability and infrastructure
 - Artists' careers and professional development
 - Artists' relationships to the broader community
- Begin collecting data at the beginning of each program
- Disseminate surveys to participants to collect demographic data as well as feedback regarding programs
- Evolve programming over time based on impact and needs

*As published in Leveraging Investment in Creativity's (LINC) report *Arts Space Development: Making the Case*, Urban Institute, 2007.





*FACILITY BUSINESS
PLAN
&
OPERATIONAL
ANALYSIS*

Financial Pro-forma

The financial pro forma is constructed using the following considerations:

- The development of arts education programming, gallery exhibit curation, and a possible guest artists' series program
 - The development of a Wheaton professional development program for artists and arts organizations (the Arts Incubator)
 - Offering creative space and office space to Wheaton artists, arts organizations, and select resident organizations at special rates
 - Offering Wheaton Arts Incubator spaces for rent to outside community users, including performing arts groups, visual artists, private and public users
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Expenses

- **Programming costs** anticipated at **\$166,500** for the first year and growth of 3% each year in years two and three
 - Includes costs for events and presentations, as well as for scholarships to art classes, concessions, and merchandise
 - **Fixed operating costs** anticipated at approximately **\$858,266** for the first year and growth of 3% each year in years two and three
 - **Total costs** (programming and fixed operating) are approximately **\$1 million**
 - Fixed expenses include building operating costs, office supplies and expenses, equipment, insurance, professional fees, and other related expenses
 - Also included are payroll and employee benefits and insurance (staffing model is described on the next slide)
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Staffing

Executive Director: The chief executive of the Arts Incubator, responsible for its health and success

Administrative Assistant: Focuses on office organization

Finance & HR Manager: Responsible for budget development, financial management and record-keeping, payroll & benefits, policies and procedures, and retention

Program & Education Manager: Chief curator of the Arts Incubation program as well as any special events and arts education classes; books the guest artists' series

Development Manager: Responsible for all fundraising activities associated with the programming and events (can also be absorbed by the Executive Director as a means to reduce payroll costs)

Marketing & Communications Manager: Responsible for reaching into the community to share stories about the residents, the users, and events and artistic opportunities in the new arts facility

Rentals & Facility Manager: Responsible for all functional aspects of the performance and classroom spaces; oversees the production and execution of events; maintains the production calendar and coordinates with the community of resident organizations and outside renters


Revenues

Earned Revenue includes:

- Ticket income
- Resident organization office and performance space rentals
- Non-profit rentals
- Commercial rentals
- Concessions sales
- Merchandise sales

Contributed Revenue includes:

- Individual gifts
 - Institutional gifts (foundations)
 - Governmental support (federal, state, county)
 - Corporate support
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- **This program model requires a continuous contributed income subsidy – in years 1, 2 & 3 the requirement is 59%**
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Rental Rates & Totals

- Rentals by resident and outside organizations
- Commensurate with rates for other comparable venues in the area, but priced to accommodate a range of users including those with smaller budgets
- All rental rates are calculated at a minimum of **four hours per day**
- Ticket buyer projections are based on **75% of total capacity** for the performance and studio spaces and on the number of performances projected annually at the new arts facility
- Rates are based on Prince George's County Brentwood Arts Exchange rentals

RATES & TOTALS					
RENTAL RATES*					
Space	Non-Profit Rental Rates				Commercial Rental Rates
	Resident Performance	Resident Rehearsal	NonResident Performance	NonResident Rehearsal	For Profit Event
Performance Space	\$300	\$200	\$360	\$260	\$2,000
Studio Space	\$200	\$200	\$260	\$260	\$800
Classroom 1	NA	NA	\$180	\$180	\$600
Classroom 2	NA	NA	\$180	\$180	\$600
Gallery Space	NA	NA	\$260	NA	\$800
*All uses are approximately 4 hours minimum per day					
INTERNAL PROGRAMMING TICKET REVENUE					
Space	# of Events	Total Seats	% of Seats	Sales Projection	Tkt Price
Performance Space	16	225	169	\$6,750	Avg. \$20
Studio Space	24	100	75	\$2,625	Avg. \$15
TOTAL	40	325	244	\$9,375	



*CONCLUSION
&
NEXT STEPS*

Conclusions

The new arts facility goals and opportunities for success are:

- A **performance space** seating **150-300 people**, a **smaller studio** for events and small performances, **two classrooms**, an **art gallery space** that can also be located in a lobby or other common space, and **12-20 workstations** for residents and administrative staff.
 - A model for **public-private partnership** in which Montgomery County owns and maintains the facility and a facility operator is selected to operate the building and provide program content.
 - An expense budget of approximately **\$1.024 million**, and where **59% of the budget** will require contributed income to subsidize it.
 - The operator for the facility focuses on the vision for the **Arts Incubator program** and provides **equal access to the spaces** in an inclusive environment to diverse populations.
 - Programming encompasses:
 - The **Arts Incubator program: Professional development initiatives** for artists and their businesses and opportunities for **artists to produce and teach** in the new arts facility
 - A **robust rental program**
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