



CITY OF MARTINEZ

CITY COUNCIL
September 18, 2013

TO: Mayor and City Council

FROM: Michael Chandler, Senior Management Analyst
Anna Gwyn Simpson, Deputy Director of Strategic Planning and
Community Development

SUBJECT: Selection of Campbell Theater Manager

DATE: September 12, 2013

RECOMMENDATION:

Motion directing the City Manager to commence negotiations with The Onstage Repertory Theater for sublicense of the Campbell Theater for a term through December 31, 2014.

BACKGROUND

The Campbell Theater located at 636 Ward Street is an approximately 5,700 square foot, two-story building. The City of Martinez began leasing the property from the Bisio Trust in January 2005, with the current term expiring on December 31, 2014. The City sublet the property to the Willows Theater Group (“Willows”) on an exclusive-use basis and after undergoing extensive renovations, the property opened as the Campbell Theater in 2007. The Willows began holding a number of live theater productions until August 2012, when it abandoned the facility. The Willows subsequently filed for Chapter 7 bankruptcy protection on November 2, 2012.

The personal property located at the Campbell Theater, consisting of various sound, lighting, stage and concessionaire equipment, was listed as collateral on two loans the Bank of the West had made to the Willows. The City recently acquired title to this personal property at the Campbell Theater through a transaction with The Bank of the West, and is now in a position to sublicense the Theater to a third party manager.

The City initially released a Request for Qualifications (RFQ) for a manager of the Theater on July 22, 2013. The City received two responses to the first RFQ, neither of which was viable. The City subsequently released a second RFQ on August 28, 2013. The City received four responses to the second RFQ, and has determined the proposal of The Onstage Repertory Theater as the only viable response.

The Onstage Repertory Theater (“Onstage”) had expressed an interest in utilizing the Campbell Theater soon after the Willows filed bankruptcy. However, the City was not in a position to sublicense the Theater until the legal issues surrounding the Bank of the West’s claim to the Theater’s personal property – essential to the operation of the Theater – were resolved. Onstage

submitted an unsolicited proposal to the City on March 28, 2013, to describe their vision for using the Theater were it to become available. The City was not in a position to entertain proposals until July 2013, after the basic terms for the sale of the Theater’s personal property between the Bank of the West and the City were finalized. As was previously mentioned, the City released an RFQ for managing and promoting the Theater on July 22, 2013. Onstage elected not to respond to the first RFQ and the City received no viable responses.

The City submitted a second RFQ on August 28, 2013. Onstage responded with a copy of its original proposal of March 28, 2013, and an addendum dated September 9, 2013, discussing numerous changes to that original proposal. A copy of Onstage’s addendum and original proposal are attached to this report as Exhibit “A.”

Onstage is a non-profit theater company with over 35 years of experience and strong ties with a number of other local theater companies interested in using the Campbell Theater. Although the primary focus will be on theater productions, Onstage envisions directly booking music, stand-up comedy, business meetings and events, acting classes, and a variety of K-12 “Young Artist” performances. Onstage is also willing to rent the space to another event holder for special performances beyond Onstage’s scope or expertise, subject to various considerations as expressed in the Addendum.

A cost benefit analysis is provided below to highlight the anticipated benefits to the City if this recommendation is approved. While this model will require that the City continue to make monthly rental payments, if this recommendation is approved, the City would realize an estimated \$8,400 savings through the end of the lease term with the potential of additional income either from a fixed fee per performance or net profit sharing model that could be used to offset the rent. Additionally, Onstage has proposed to have performances begin as early as the holiday season for 2013.

Cost Benefit Analysis				
	Existing Conditions		Anticipated Conditions if Approved	
	Monthly*	Remaining Lease Term (11/13 – 12/14)	Monthly*	Remaining Lease Term (11/13 – 12/14)
Rent	\$4,502 / \$4,637	\$64,648	\$4,502 / \$4,637	\$64,648
Utilities (average)	<u>\$600**</u>	<u>\$8,400</u>	<u>\$0</u>	<u>\$0</u>
Total	\$5,102 / \$5,237	\$73,048	\$4,502 / \$4,637	\$64,648
Savings	\$0	\$0	\$600	\$8,400
Additional Benefits	Without an agreement in place, the theater may remain closed and the City will continue to be responsible for rent and utility payments.		<ul style="list-style-type: none"> • Potential for a fixed per performance per night fee, net profit sharing, or other fee model to be negotiated in addition to the savings represented above. • Performances expected to begin as early as the holiday season for 2013. 	

* The lease term includes an annual increase in the monthly rent that goes in to effect on January 1st. The first rent shown is the monthly amount through December 31, 2013 and the second rent amount will take effect January 1, 2014.

**Monthly utility averages are based primarily upon billing history for the Campbell Theater during periods within which the Theater was more regularly utilized. An expectation for increased utilization of the Theater, and therefore higher utility costs, is included in this estimate.

The specific terms of the sublicense will be negotiated between the City and Onstage, and brought back for ratification at the October 16, 2013 Council meeting. The proposed term will run concurrent with the City's lease for the Campbell Theater from the Bisio Trust, through December 31, 2014. As was mentioned in the RFQ, the long-term plans for the facility have not yet been determined. The City anticipates that after the first 6 months of the Sublicense Agreement with the selected Manager (ideally by May 1, 2014), all of the parties involved would begin discussion and negotiation for the future use of the Campbell Theater beyond the end of the City's lease. These parties include the City, Onstage, and the Bisio Trust.

FISCAL IMPACT:

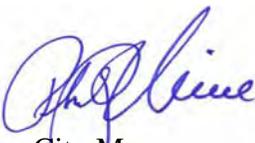
TBD. The City anticipates no additional expenses relative to the sublicense. Onstage will assume all utility and janitorial expenses, and specific terms in lieu of rent will be negotiated as part of the sublicense.

ACTION:

Motion directing the City Manager to commence negotiations with The Onstage Repertory Theater for sublicense of the Campbell Theater for a term through December 31, 2014.

Attachments:
Exhibit "A" Onstage Addendum and Original Proposal

APPROVED BY:


City Manager



Addendum to the Campbell Theater Onstage Management proposal of March 28,2013

A copy of our original proposal is attached. Essentially our original goals remain unchanged excepting of course that the timeline changes. The procedures of that timeline still apply although obviously the months are different.

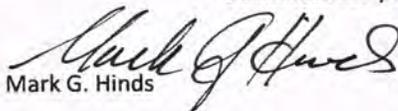
The delay in the opportunity to rent the theater space has compromised booking holiday shows. Although it still may be possible to get commitments for two, possibly three shows for December please keep in mind that the companies who have expressed interest are already making other plans. We have previously advised the City that most companies are required to obtain royalty rights and theatre commitments six to eighteen months in advance of performance schedules.

The Onstage Theatre is deeply concerned about the short term remaining in the lease. Six months is not enough time to show the theater's full potential. If it is the City's intention, or even your consideration to ultimately non-renew the lease, then please consider this entire proposal null and void. It is simply impossible to consider taking on a full obligation to a lease without substantial subsidizing by the City, or another backer. We cannot commit our time and money to something that may be gone in a year.

That said we remain passionate about local theater and believe that we have the experience to make it happen. In addition to the previous proposal please note.

- Music venues are also a desirable booking. We will consider, subject to previous scheduling, any group ,business or organization who might want to rent the space for a specific, even ongoing events. Insurance coverage naming both our management team and the city of Martinez as additionally insured shall provide at least \$1,000,000 per occurrence liability. For such events a fee shall be charged that recoups our management teams' expenses and an agreeable payment to the City. It is assumed that such events will not require extensive staging or rehearsal time. Negotiations for the space shall be between the potential event operators and our management team. We cannot compromise our sole possession of the space by sharing it with other entities outside of our specific agreements.
- We are aware that the City would prefer to see a per event payment to the city to offset your lease obligations. Until there is a significant awareness of the theater in the community this is difficult to do except as noted above for singular events. There is the potential that some events, recitals or charitable events for example, may be without charge to the participants in which case paying a rental fee to the city would not be possible. We are open to discussion but if the City wants a set amount per performance you will have to consider something in the \$50 a night range. Completely offsetting the rent through set performance charges is impossible.
- The City may use the space for their own meetings or events without charge beyond any specifically related expenses. However the City must agree not interfere with any previously scheduled use and if sets or staging is displayed or constructed they cannot be moved or otherwise compromised.
- The Onstage Theatre Company remains debt free at this time. We can provide a tax return if you are still interested in pursuing this. Preliminary expenses and ongoing obligations will be funded by a \$10,000 line of credit provided by Hindsight Insurance Services. (founder and company owner, Mark Hinds)

Submitted for your consideration, this date September 9, 2013


Mark G. Hinds

Campbell Theater Onstage Management

A preliminary proposal for the management of
636 Ward St. Martinez California

by

Mark Hinds, Babette Bilger & Helen Means

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Concord, Ca. 94520
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March 28, 2013

EXHIBIT "A"

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Confidentiality Agreement

Readers of this proposal acknowledge that the information provided by the Onstage Theatre in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Helen Means and/or Mark Hinds.

It is acknowledged by reader that information furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to the Onstage Repertory Theater, Mark Hinds or Babette Bilger.

Upon request, this document is to be immediately returned to Mark Hinds at 2349 Willow Pass Rd. Concord, CA 94520

Definitions

For purposes of clarity in this document the

- "City" or "landlord" shall mean the city of Martinez.
- Campbell Theater Onstage Management (CTOM), we, and our means the management team and tenant.

Current Status of the Campbell Theater:

We understand that the Campbell Theater is currently leased to the city of Martinez with approximately twenty months remaining on the lease. This proposal anticipates that the City will either continue with a lease or otherwise acquire the building. If it is the City's intention to let the lease run out then we would want to negotiate now for similar terms directly with the building owner or discuss other future arrangements. This proposal is not intended to be a short-term proposition but rather one that will carry forward as long as the general terms are met and the production values remain high.

The equipment at the theater, specifically the lights, soundboards, furniture and other property will be retained by the city. The building is unoccupied at this time. We are proposing a long-term arrangement between the city of Martinez as landlord and CTOM as the tenant. It is our intention to manage the theater space for the benefit of the local community and the city of Martinez utilizing local talent, community theater companies, and other resources in a nonprofit, non-union environment.

Current State of Community Theater in Contra Costa County

There are currently approximately 18 community theater companies in Contra Costa County. Several of the theater companies (CCMT, DTC and CCCT) mount a limited number of productions each theater season and do so with large, popular, big budget

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musicals. They are able to afford these large-scale productions with corporate donations, massive fundraising efforts and expensive prices.

There are, however, many other theater companies who present smaller, straight plays that appeal to a smaller, more select audience who appreciate good-quality theater. Most of these theater companies have specific, carefully chosen niche audiences they serve. For example: new works, not-often-produced works, topical works, classic works, or works designed to appeal to children, seniors or women.

A few of the companies have "home theaters" where they are the primary user of the performance/rehearsal space. The rest must rent space wherever they can find it. There are a few spaces available for performance. They include: Cue Productions Live, Diablo Actors Ensemble and the Dean Leshner Center for the Performing Arts (The Leshner). For smaller companies, none of these spaces is optimal. Cue Productions Live is small, cramped with relatively no space for actors' amenities. The space used by the Diablo Actors Ensemble has been sold by the building's owner and may no longer be available for use as a theater space. If the new owners choose to maintain it as a theater space, it is also small and cramped with little space for the actors. The Leshner has four performances spaces; three in downtown Walnut Creek on Locust Street and one at the old Del Valle High School. Smaller companies most often use the Knight's Stage Theater at The Leshner, which is a 130 seat black box facility. Among the issues with using these facilities is the lack of flexibility; lighting equipment must be used "as is," with no movement of elements to focus on a particular playing area.

The other and most daunting issue is the cost. Each of these facilities charges an hourly rate for use of the space for rehearsals or performances. While the rate varies by location, the most commonly available space is the Knight's Theater, because it has no resident company. The Leshner is owned by the City of Walnut Creek and must generate a profit; therefore, the following are charged: 1) rent for the space charged in two-hour increments, with a minimum of two hours and there is no grace-period; 2) an hourly fee for the required technician to run the light and sound equipment; 3) a fee for each ticket charged. Because of the fees charged, the six-to-eight weeks of rehearsals are conducted at other sites. Since the rehearsal space and the performance space are never the same dimensions, the "re-adjustment period" upon moving into the performance space is considerable. Additionally, use of the Knight's Stage entails building a removable set that must be broken down between performances and stored so that it is out of the way of other events in the same space during the week. The breakdown and storage of the set must be accomplished within the time frame allotted for the evening (or afternoon). Because of the high cost of using this space, theater companies are barely able to sustain existence. Adding additional performances to gain extra ticket sales is self-defeating because of the additional fees charged by the facility.

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Facilities aside, all companies big and small struggle to market their productions and produce sufficient revenue from ticket sales to sustain their operations. Large companies are highly dependent upon grants to mount shows that can easily top \$300,000 in production costs. Smaller, community companies typically spend upwards of \$4,000 to \$10,000 per production. They rely primarily on all volunteer staff and performers. These companies can benefit from a management team devoted to assisting with marketing through community resources and the sharing of expenses such as programs, multi company publicity and a common internet presence.

Onstage Repertory Theater

For more than 35 years, the Onstage Repertory Theater has operated in central Contra Costa County as a 501 (c)(3) nonprofit company. Helen Means, the artistic director of the company since its inception is the recipient of many awards and recognitions for her contributions to the arts including recognition by the Arts and Cultural Commission of Contra Costa County (2003). The combined experience within the company exceeds 200 years of local, dedicated, passion for theater. From this organization it is intended that a second nonprofit company (CTOM) be formed for the express purpose of managing the Campbell Theater for the benefit of Onstage as well as other local companies.

It is intended that a management company for the Campbell Theater will form its own nonprofit affiliation with the Onstage and initially appoint Mark Hinds and Babette Bilger as managers and liaisons with the city.

Aside from being the current secretary of the Onstage, Babette has been involved with every aspect of managing and running the theater company as actor, stage manager to name a few, and liaison with the Leshner theater for productions currently being produced in their Knights Theater.

Mark Hinds is a long time company member and a 2011 graduate of UC Berkeley with a degree in Theater Dance and Performance Studies. He has long term ties to central Contra Costa both as a performer and local business owner. He is also a Past President and current member of the Rotary Club of Pleasant Hill.

Other members of the Campbell Theater Onstage Management team include:

- John Allred, CEO of Onstage Repertory Theater. John will be our company construction and maintenance supervisor.
- Diane McRice: Set and house designer. Diane has received many awards and nominations for her superior work with props and scenery utilizing very tight budgets (typically less than \$500)
- Wayne McRice: Sound engineer and videographer

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- Diane Porter and Sandy Cornelius: Food and beverage management
- Mark Cornelius: Consultant and company attorney
- Claudia Gallup: Publicity and marketing management
- Anne Baker: House security

We would like a representative from the city of Martinez to sit on the Board of Directors or at least have full access to the accounting, activities and procedures conducted by CTOM. Full transparency is essential.

We also have access to consultation services from people like Kate Mattson, production manager for the Theater Dance and Performance Department at UC Berkeley and Mike Mansfield, currently the House Manager at the Aurora Theater and more than fifteen additional volunteers culled from current Onstage company members.

Campbell Theater Vision

Our mission is to provide the community with professional grade theatrical productions at affordable pricing by engaging local nonprofit companies using primarily volunteer talent and staff.

We believe that the success of the Campbell Theater is based on the promotion of the theater itself, and the city of Martinez. Previous attempts have focused on one theatrical company.

Our intent is to market the Theater for a series of year round events and to do it without incurring any loans or long term debt.

Managing the Campbell Theater in behalf of the local community will work only if the city of Martinez can offer the space to CTOM essentially at no rent. Previous contracts with the city of Walnut Creek for use of the Knight's Theater are barely manageable for some companies and not at all for others. We have to compete with a superior facility in Walnut Creek (and fully donated to the city by Dean Leshner) while offering a value for the companies that may use the Campbell Theater.

The intent of the nonprofit management company is to calculate the cost of utilities and other managed services (tickets, food and liquor services) and charge a sufficient rate to build a reasonable cash reserve. Initially the management intends to have an all-volunteer staff except for food and janitorial services. We understand that the current lease for the theater is approximately \$4,000 a month. It would not be possible to manage the theater and be obligated for rent as well. We are agreeable to paying excess income to the city after first paying all normal operational expenses. We would expect

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a reasonable allowance for retention on the part of the theater companies renting the space.

- We also understand that we would be taking over lights and other equipment that remain the property of the city of Martinez. We would expect to be responsible for care of this equipment in so far as it can be reasonably maintained.
- We would also be responsible for any of our own equipment properly identified as separate property.
- We would expect to discuss changes to the configuration of the stage and seating and undertake any changes at our expense with the city's approval.

Recognizing that the details of this arrangement are contractual and subject to some discussion we offer it now as a general proposal to be further negotiated if the basic idea has merit. Our goal is to operate without having to go back to the city for anything short of major repairs. Please understand that currently we carry no debt and are clear that we can never obligate the city to anything beyond a suitable rental agreement. (Although sending out announcements of coming attractions with the water bills would be nice). That said, our startup expenses reflect the fact that we have sufficient cash on hand for immediate use until such time as bookings can begin.

Initially the CTOM management team has cash on hand of \$5,000 and access to an additional \$15,000 as needed and guaranteed through Hindsight Insurance Services. Although it would be the intent of the management group to generate sufficient revenues for reimbursement (should any of these funds be used), it is not to be considered debt. There is no condition obligating Onstage Repertory Theater to repay it. The Onstage Repertory Theater is in possession of 118 theater style seats and additional lighting and sound equipment that can be added to the existing equipment.

Proposal

We propose that the city of Martinez enter into an agreement with Onstage Repertory Theater and their Campbell Theater Onstage Management team to occupy and utilize the Campbell theater under the following conditions.

- The City of Martinez (landlord) provides the theater to Onstage (tenant) for no rent but with potential payment from production profits as outlined below.
- That the City further be responsible for property taxes, building insurance, flood insurance (if any) and major maintenance and repairs as necessary to the roof, structural integrity (including any applicable seismic retrofit,

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required of the building, HVAC, plumbing and electrical systems. Likewise the city is responsible for any obligations for utility or other payments prior to occupancy on the part of Onstage.

- Onstage, as tenants shall be responsible for all usual tenant responsibilities including normal maintenance of utility systems, tenant improvement and betterment, and payment for all normal monthly utility services including gas, electric, telecommunications, water and alarm systems. Onstage shall provide insurance for their operations and management naming the city of Martinez as additionally insured. (\$1,000,000 per occurrence liability limits). Tenant will be responsible for obtaining any necessary permits, including event and liquor licensing permits as may be required.
- Tenant will operate the theater in a professional manner for the benefit of the community offering suitable entertainment scheduled and approved by the city of Martinez or it's board member representative. Approval is intended to address primarily the scope and content of any performance deemed suitable for community standards.
- Tenant shall make the theater available to the city of Martinez for meetings or events not in conflict with performance scheduling. To the extent that such meetings consist of use of the space and without special technical services, or damages to the premises, city meetings shall incur no cost for the use of the theater. Such meetings may need to be conducted without disturbing existing sets or lighting configurations that may involve current productions.
- Tenant will not take on any structural changes to the theater without the express permission of the city. However it should be understood that using our own seats to work with the existing cabaret set up is anticipated. We also intend to explore reconfiguring the stage itself while maintaining current safety and ADA compliance.
- Tenant agrees to inventory all personal property owned and retained by the City so that both parties clearly understand who owns what. Onstage agrees to maintain all equipment but cannot guarantee that equipment may become valueless over time due to antiquity or other reasons beyond the scope of normal maintenance (i.e., normal wear and tear).
- Tenant agrees and understands that they may not encumber or in any way whatsoever compile any debt or material obligation to or in behalf of the City of Martinez.
- Tenant shall retain ownership of their own lighting sound and other equipment as well as their own seats.

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- Tenant is to have full access to the theater as per any normal tenant agreement. Keys to the theater and access to the security system shall be retained by the City. Tenant agrees to make keys available only to their managers and security staff. Productions conducted by other than the Onstage Repertory Theater Company shall be supervised and controlled by the tenant under specific contracts approved by the City.
- All food and beverage service will be handled by the tenant. It is anticipated that the only paid staff for the theater will be for food service, janitorial, and the expenses associated with miscellaneous maintenance and repair.
- Tenant shall make the theater available for performances under contractual agreements with various production companies. Generally speaking, these agreements will be structured to cover all costs to maintaining the theater, utilities, janitorial, tech support etc. There will also be sufficient charges to establish a contingency fund for expenses. Tenant agrees to make all accounting available to the City at anytime.
- We would like to consider the current off-site rehearsal space as part of this agreement. It is not imperative that this space also be made available but we would like to discuss this further.

Income and Marketing

Whether a local theater company or a single performance event, revenue for a production ultimately is the result of ticket sales. The chart below indicates that the majority of ticket sales for local theater come from discounted tickets, (typically GoldStar).

Market Analysis

Market Analysis (Pie)

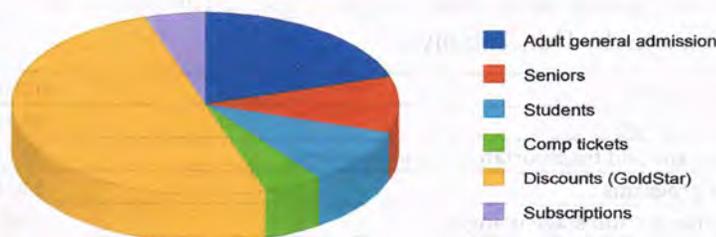


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Marketing Strategy

Attracting patrons to the Campbell Theater will require a dedicated team for marketing and promotion. This is the advantage of having a separate management for the theater. Most companies do not have anyone engaged in promotions. Promotion of the theater within the downtown commercial area should provide a boost to local businesses and a corresponding increase in tax revenue to the City. By promoting the City and the theater along with individual productions it is expected that we will be able to gain more corporate sponsorships, individual subscribers and grant money. We intend to develop a schedule that will see the theater active for 48 weeks year.

Strategy and Implementation Summary

It must be understood that any endeavor with the Campbell Theater (or any theater for that matter) will require time to build. Theater companies have to book their spaces six to eighteen months in advance. It takes time to build an audience and regardless of the advantage of a company utilizing this space, if their core subscribers are from out of town then it is to be expected that there will be some reduction in their revenue while a local audience is being acquired. We propose that by offering the building to our management team, essentially rent free we will be able to offer space to local companies under terms more favorable than can currently be had at the Leshner Theater in Walnut Creek. It is also important to consider reimbursement to the City from profits generated. As a general proposal we can structure our contracts so that each production may first recover its actual expenses for the theater rental and tech support as needed. (After first deducting any grant money raised for that particular production). After expenses have been met, additional income is split with the City and the management team as follows.

Budget Example

As a general example (and estimate only)

A production by the Onstage or another nonprofit group for a three week, ten show run of *The Most Fun Ever* by Don Tamblyn.

Royalty and scripts	\$1200
Costumes, sets, props	\$900
Cast refreshments and transportation reimbursement	\$300
Publicity and programs	\$400
Stipend for director and stage manger	\$500
Campbell Theater rental including any tech support provided	\$3600
Miscellaneous expenses as documented:	\$400
Total Expenses	\$7,300
Less grant money specific to this production(rare but it can happen)	\$500
Total Due	\$6800

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Let us assume that the production generates an average of \$12 per ticket sale including food and beverage.

- Required ticket sales to break even: 567,
- Ticket sales beyond the 567 could be split 40% to the performing company
- 10% to the Campbell Theater management team
- 50% to the City of Martinez.

In this example, 1200 tickets sold would generate \$3,166 profit for the City.

It is further proposed that the tenant be allowed to accumulate cash reserves of \$10,000, or six months operating expenses, whichever is lower, after which any remaining profits on an annual basis shall be shared equally with the City and a stipend for management team members under an agreeable schedule.

As previously stated, the City shall have access to the theater for their own meetings throughout the year subject to previous scheduling.

Timeline:

By using a common management team for a variety of companies and productions we intend to relieve local theater and production companies of the burden of trying to maintain their own individual space, lighting and sound equipment and the uncertainty of where their future productions may have to be staged. The local community will benefit from having a single location to see many different productions of high quality for an affordable price.

It is our intention to have exciting and popular productions in the Campbell Theater that will have it generating revenue and entertainment 48 weeks a year.

This will take time. All stage companies have contracted in advance for theater space at least into the fall of 2013. We have sufficient funds on hand to maintain the building without any revenue for a considerable time. An anticipated production schedule would be:

- **May 2013:** Agreement to proceed and a lease signed for occupancy. Our management team immediately commences promotion and solicitation for all interested parties. The City agrees to promote the theater with information provided with the city water bills, thus insuring some awareness on the part of the community. Onstage Repertory Theater announces the Campbell Theater as their new location. Although committed through September to the

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Leshner Theater, all future productions schedule to the Campbell. Additional productions may be able to be scheduled concurrently.

- **July/August 2013:** Renovations as needed including installations of theater seating are completed and the theater is ready for productions. Our website is up and running. Banking arrangements for taking credit cards on online orders are complete. Contracts for productions have been approved.
- **August 2013:** Promotions offered to all the local community theater companies to see who may use the Campbell for all or at least some of their upcoming productions. Companies previously expressing interest begin to schedule for 2014. Performances for the fall and holidays are scheduled.
- **December 2013:** A full booking of holiday shows including mid week performances suitable for young people out on holiday break. Arrangements have been made with the local restaurants for combined marketing and promotion. Local angels have been found to promote the theater. Group ticket promotions are offered for local company employee perks and benefits.
- **The year ends** with at least 50 performances including concerts and holiday shows. Comedy and drama productions from the Onstage and other companies establish a viable theater atmosphere. Additional classes and single night performances can increase revenue in 2013.
- **January 2014:** The year begins having already scheduled twelve performance weeks by Onstage Theatre under the direction of Helen Means. At least twelve more performance weeks scheduled with other directors for the Onstage Theatre or by other local companies.
- **May 2014:** Sufficient interest in the theater allows for the selection of one or two additional companies to call the Campbell their primary performance home generating scheduled performances a year or more in advance totaling 36 weeks of scheduled stage performances.
- **August 2014:** A full schedule of 48 weeks is scheduled for the coming year. (The other four weeks are anticipated for maintenance needs and the generally slow times during the summer.

Additional Sources

Theatrical performance aside, we hope to generate performances from many sources including but not limited to:

- A nationally recognized New Playwrights festival featuring new work from the top MFA playwriting programs. (NYU, Yale, New School of Drama, San Diego State, UC Berkeley, etc)

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- A Young Artist series of performances for local K-12 students. These could include music, poetry, film, storytelling.
- Midweek classes for acting and stand up performances.
- A 24 hour play festival. These are a big hit in NYC. In just 24 hours plays are written, rehearsed and performed.
- Access for business meetings and events. Guest lecturers and performances from UC Berkeley and other institutions.

The following pro forma budget anticipates the first twelve months of operation. It anticipates only thirty five weeks of performances over that time. A full schedule of forty eight weeks would increase expenses and income proportionally.

Pro Forma Business Budget			
Expense Category	Planned Expense	Est: Income	Variance
Building Rent / Lease	\$0.00	\$42,000.00	\$(42,000.00)
Equipment Rent / Lease	\$0.00	\$0.00	\$0.00
Supplies			
Food and Beverage	\$7,000.00	\$26,000.00	\$(19,000.00)
Cleaning Supplies	\$2,400.00	\$0.00	\$2,400.00
Marketing Expenses			
Brochure	\$2,500.00	\$2,500.00	\$0.00
Website	\$3,500.00	\$3,500.00	\$0.00
Business Cards	\$300.00	\$0.00	\$300.00
Advertising	\$4,000.00	\$0.00	\$4,000.00
Special Promotions	\$1,500.00	\$0.00	\$1,500.00
Administrative Expenses			
Fax/Copies	\$800.00	\$0.00	\$800.00
Postage	\$1,800.00	\$0.00	\$1,800.00
Office Supplies	\$1,200.00	\$0.00	\$1,200.00
Miscellaneous	\$500.00	\$0.00	\$500.00
Sales Expenses			
Tickets	\$1,000.00	\$0.00	\$1,000.00
Credit card fees	\$1,000.00	\$1,000.00	\$0.00
Miscellaneous	\$500.00	\$0.00	\$500.00
Operating Expenses			
Utilities	\$18,000.00	\$0.00	\$18,000.00
Janitorial Service	\$10,000.00	\$0.00	\$10,000.00
Food Service (beyond tips)	\$8,000.00	\$0.00	\$8,000.00

EXHIBIT "A"

Insurance	\$3,000.00	\$0.00	\$3,000.00
Legal Fees	\$3,000.00	\$0.00	\$3,000.00
Salaries	\$0.00	\$0.00	\$0.00
Miscellaneous	\$5,000.00	\$0.00	\$5,000.00
Total Expenses	\$75,000.00	\$75,000.00	\$0.00

* offsetting income from marketing expenses will be from paid advertising
credit card fees are charged off to the performing company
Utility expense anticipates additional electrical and heating fees for performance weeks.

Rental income and expenses anticipated for 35 weeks rental in the first year. Most advertising costs are at the performing company's expense as are all costs for the production itself including but not limited to sets, costumes, lighting and sound changes expenses (excepting utilities).

Other than janitorial and beverage service, there are no anticipated salaries. We anticipate sponsors for most beverages limiting the cost.

Next Steps

If the general concept and conditions of this preliminary proposal are worthy of continued discussion we stand ready to meet with all interested parties. This report is not intended to finalize any plans or answer every question.

It is our joy to have worked in the local communities promoting, educating, entertaining and delighting our fellow citizens for more than three decades. We sincerely believe we can build a better theater experience without the expense and broken budgets experienced in the past.

We have profitable experience, passion and no debt. We thank you for your consideration and look forward to working together to make the Campbell Theater a treasured gem and a major asset to downtown Martinez.

Please do not hesitate to call with any questions you may have.

- Mark Hinds 925-381-7358 Hinds2020@yahoo.com
- Babette Bilger 925-788-5855 Babettebilger@gmail.com
- Helen Means 925-837-3276 Xgertiex@aol.com

EXHIBIT "A"

Form 990-N E-filing Receipt - IRS Status: Accepted

From: epostcard@urban.org
Sent: Wed 2/15/12 1:14 PM
To: rkmcadams@msn.com

Organization: ONSTAGE REPERTORY THEATER
EIN: 94-2997124
Submission Type: Form 990-N
Year: 2010
Submission ID: 7800582012046dz89329
e-File Postmark: 2/15/2012 4:08:55 PM
Accepted Date: 2/15/2012

The IRS has accepted the e-Postcard described above. Please save this receipt for your records.

Thank you for filing.

e-Postcard technical support
Phone: 866-255-0654 (toll free)
[email:ePostcard@urban.org](mailto:ePostcard@urban.org)

ONSTAGE REPERTORY THEATER
950 ESCONDIDO CT
ALAMO, CA 94507

Form **990-EZ**

**Short Form
Return of Organization Exempt From Income Tax**

OMB No. 1545-1150

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
 ▶ Sponsoring organizations of donor advised funds, organizations that operate one or more hospital facilities, and certain controlling organizations as defined in section 512(b)(13) must file Form 990 (see instructions). All other organizations with gross receipts less than \$200,000 and total assets less than \$500,000 at the end of the year may use this form.
 ▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2010 calendar year, or tax year beginning **JULY 1**, 2010, and ending **JUNE 30**, 20 **11**

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization
OSTAGE REPERTORY THEATER

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite
950 ESCONDIDO CT

City or town, state or country, and ZIP + 4
ALAMO, CA 94507-2425

D Employer identification number
94-2997124

E Telephone number
925-837-3276

F Group Exemption Number ▶

G Accounting Method: Cash Accrual Other (specify) ▶

H Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

I Website: ▶ **ONSTAGETHEATRE.ORG**

J Tax-exempt status (check only one) - 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527

K Check if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$50,000. A Form 990-EZ or Form 990 return is not required though Form 990-N (e-postcard) may be required (see instructions). But if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, line 25, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ. ▶ \$ **19482**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I.)
 Check if the organization used Schedule O to respond to any question in this Part I

		1	2	3	4	5a	5b	5c	6a	6b	6c	6d	7a	7b	7c	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
Revenue	1	Contributions, gifts, grants, and similar amounts received		4509																											
	2	Program service revenue including government fees and contracts		14973																											
	3	Membership dues and assessments																													
	4	Investment income																													
	5a	Gross amount from sale of assets other than inventory	5a																												
	b	Less: cost or other basis and sales expenses	5b																												
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c																												
	6	Gaming and fundraising events																													
	a	Gross income from gaming (attach Schedule G if greater than \$15,000)	6a																												
	b	Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b																												
c	Less: direct expenses from gaming and fundraising events	6c																													
d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d																													
7a	Gross sales of inventory, less returns and allowances	7a																													
b	Less: cost of goods sold	7b																													
c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c																													
8	Other revenue (describe in Schedule O)	8																													
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9																													
Expenses	10	Grants and similar amounts paid (list in Schedule O)	10																												
	11	Benefits paid to or for members	11																												
	12	Salaries, other compensation, and employee benefits	12																												
	13	Professional fees and other payments to independent contractors	13																												
	14	Occupancy, rent, utilities, and maintenance	14																												
	15	Printing, publications, postage, and shipping	15																												
	16	Other expenses (describe in Schedule O)	16																												
17	Total expenses. Add lines 10 through 16	17																													
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18																												
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19																												
	20	Other changes in net assets or fund balances (explain in Schedule O)	20																												
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21																												