

Overture Center for the Arts
Room Tax Commission Presentation
August 25, 2016



Overture Since January 1, 2012

- ◆ Management Responsibilities transferred from City to Overture Center Foundation (OCF)
- ◆ A New Nonprofit Start-up
- ◆ City Employees Retained
- ◆ Capital maintenance liability (from remaining Civic Center property)
- ◆ Stacked Deck Against OCF
 - ◆ No cash reserves
 - ◆ No endowment
 - ◆ No history of fund raising
- ◆ Revenue from a three-legged stool
 - ◆ Earned Revenue (ticket sales, rentals, F&B)
 - ◆ Contributed Revenue (Individuals, Corporations, Foundation)
 - ◆ City Grant (per Structural Agreement)

Structural Agreement

- ◊ Agreed upon December 31, 2010
- ◊ Initial 10-year with automatic 5-year renewal periods
- ◊ Intended to support operational needs and capital maintenance
 - ◊ Help support OCF liability of assuming cost to pay former City employees
 - ◊ City especially concerned about OCF's ability to maintain the building
 - ◊ What if the roof caved in? Who would pay for it?
 - ◊ Two commissioned studies (Mayor's Office and Common Council) of long-term capital needs
 - ◊ Same conclusion of the right amount to fund
- ◊ \$2 million Grant adjusted annually per change in CPI methodology in State's Expenditure Restraint Program (ERP)

Annual Grant Expectation with ERP

City Fiscal Year	Contract Expectation*
2012	\$2,000,000
2013	\$2,048,000
2014	\$2,080,768
2015	\$2,122,383
2016	\$2,128,751
2017	\$2,160,682

*Adjusted annually per change in CPI methodology in State's Expenditure Restraint Program (ERP)

Annual Grant Expectation with ERP

City Fiscal Year	Contract Expectation*	Mayoral Recommendation	Council Approved	Shortfall
2012	\$2,000,000	\$1,850,000	\$1,850,000	\$150,000
2013	\$2,048,000	\$850,000	\$1,750,000	\$298,000
2014	\$2,080,768	\$1,450,000	\$1,600,000	\$480,768
2015	\$2,122,383	\$1,750,000	\$1,750,000	\$372,383
2016	\$2,128,751	\$1,750,000	\$1,750,000	\$378,751
2017	\$2,160,682			
			Total	\$1,679,902

*Adjusted annually per change in CPI methodology in State's Expenditure Restraint Program (ERP)

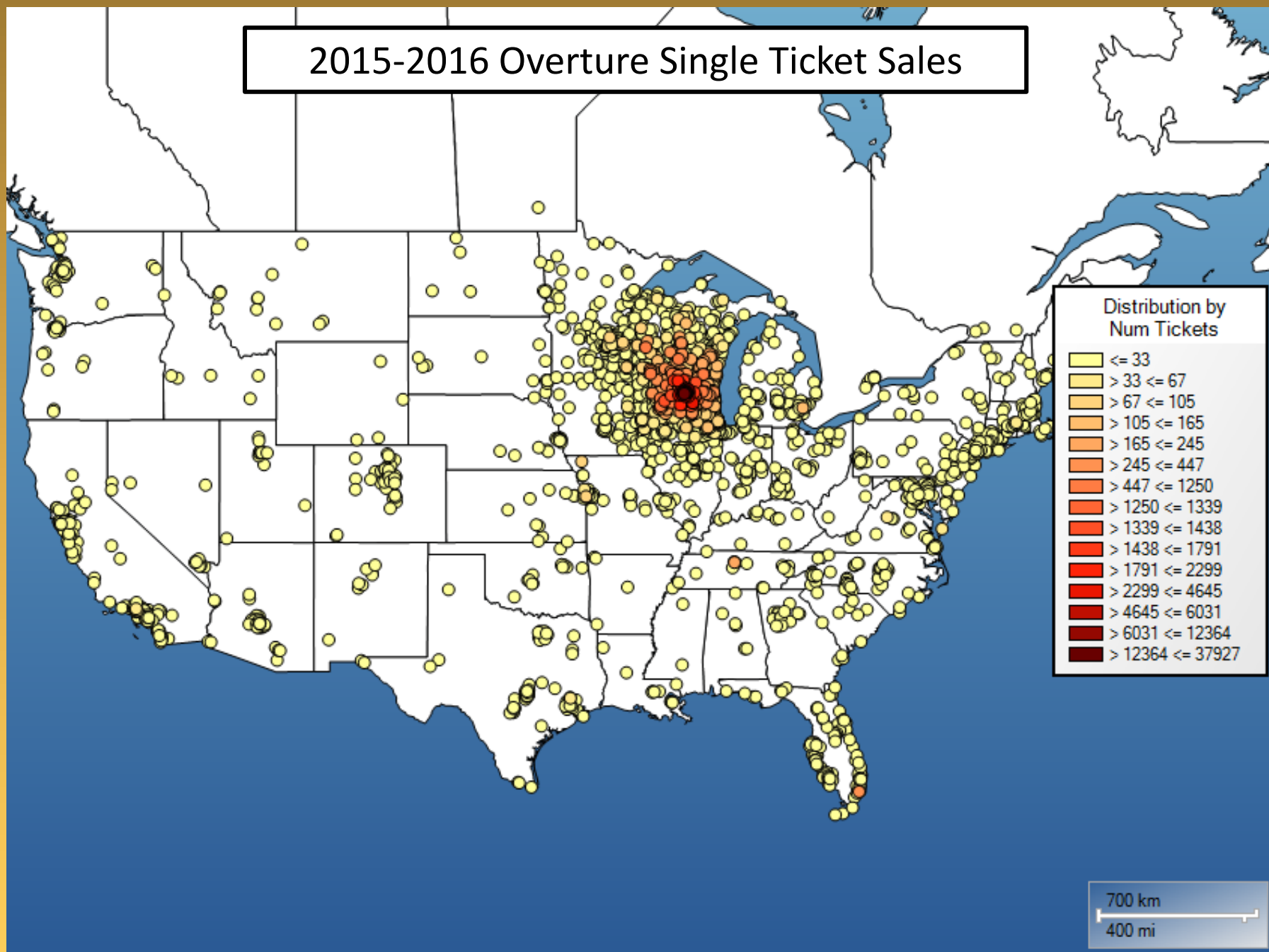
Overture Prompted a Renaissance of Downtown Madison... And It Still Does

- ◊ Stabilized & caused new retail on upper Main Street
- ◊ More investment in new restaurants - State Street, Capitol Square and side Streets
- ◊ More office development along Capitol Square
- ◊ Corporate recruitment & retention
- ◊ More condos & apartments within 5 block radius
- ◊ Increased Property Tax base
- ◊ Jobs, spending
- ◊ Linchpin to Downtown Madison as a Destination
- ◊ Center of Cultural Tourism in Madison

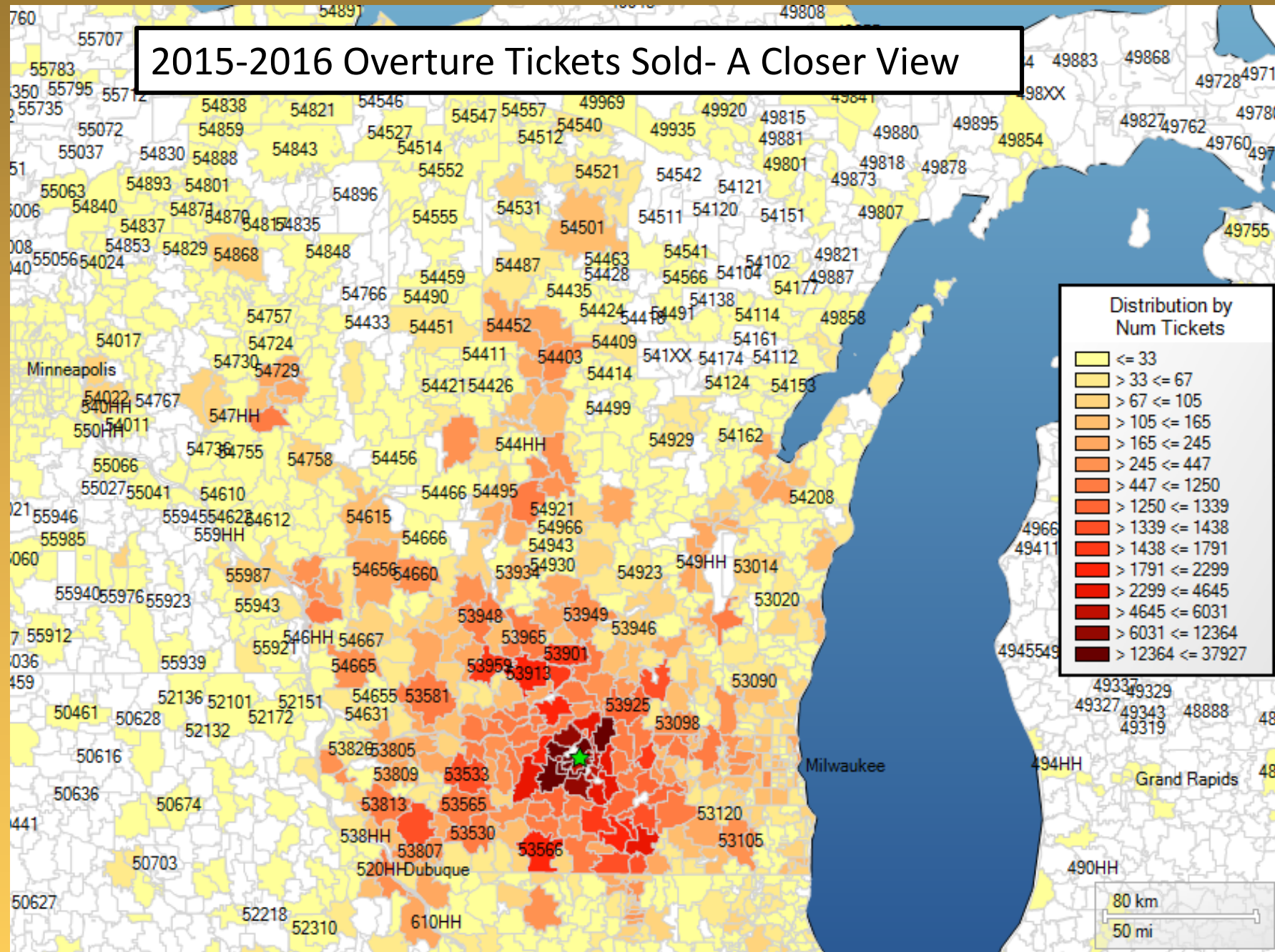
Overture – Wisconsin's Entertainment Destination

- ◇ Out-sells Milwaukee & Appleton for Broadway
 - ◇ Kinky Boots Gross Sales
 - ◇ Overture, Madison - \$1,048,577
 - ◇ Marcus Center, Milwaukee - \$956,040
 - ◇ Fox Cities PAC, Appleton - \$773,876
 - ◇ Also outsold: Portland, Detroit, Nashville, San Francisco, Kansas City, Oklahoma City, Cincinnati, New Haven, Tulsa, Norfolk, Austin, Ft. Worth, Omaha, Baltimore, Hartford, Memphis, Rochester (NY), Cleveland, St. Louis, Dallas
- ◇ Pollstar Survey MidYear 2016 (1/1/2016 – 6/30/2016) Ranked Overture Hall #26 of Top 100 Venues Worldwide
- ◇ Why not just do more Broadway shows to Fill in the Gap?
 - ◇ Would require change in Mission of balanced programming
 - ◇ Would take away already limited performance weeks & options for Madison Symphony, Madison Ballet, Madison Opera
 - ◇ Overture competes for available Broadway show weeks with 75+ national markets
 - ◇ Oversaturation of Madison market

2015-2016 Overture Single Ticket Sales



2015-2016 Overture Tickets Sold- A Closer View



Overture Support for Madison Area Hotels

Estimated Room Nights 2015-16

- ◇ Overture attendees staying overnight – 12,750
- ◇ Broadway casts & crews – 4,830
- ◇ Other Overture presenting – 1,050
- ◇ Other touring guest artists & support (Overture resident groups & promoters) – 2,039
- ◇ Dedicated conferences – 1,850
- ◇ Wedding parties – 31,720 (avg 7,930/yr since 2012)
- ◇ ESTIMATED TOTAL ROOM NIGHTS: 30,449

2015-2016 Overture Season by the Numbers

Ticketed Performance Attendance

Ticket buyers living within 50 miles of Overture	312,056
Ticket buyers living outside of Overture's 50 mile radius	64,018
Total Tickets Sold	376,074

Non-Performance Event Attendance

Wedding Receptions	4,883
Corporate/Business/Non-Profit/School Events	25,690
Total Room Rental Event Attendance	30,573

Free or Low Cost Performance Attendance

Kids in the Rotunda	32,808
Tommy Awards	8,700
Overture Galleries	172,381
Overture OnStage	27,979
Community Ticket Vouchers	4,041
Community Arts Access	2,281
Other Programs & Community Engagement Events	38,633
Total Free Or Low Cost Performance Attendance	286,823

Total Overture Attendance	693,470
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2015-2016 Overture Season

A Simple Economic Impact Calculation

10,000 to 20,000 Hotel Room Nights at \$150 per night	\$1,500,000	\$3,000,000
500,000 Patrons per year spending \$25 to \$50 per event at restaurants, shopping on State Street, parking, drinks, overnights, etc.	\$12,500,000	\$25,000,000

Estimated Economic Impact	\$14,000,000	\$28,000,000
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ROI on \$2.16M Overture Center Foundation Funding Request = 6.48 to 12.96

Questions?



Overture
CENTER FOR THE ARTS