

**FORMAL REQUEST FOR OPERATING FUNDS TO THE PERFORMING ARTS CENTER OF RAPID CITY
FROM THE CITY OF RAPID CITY**

The Performing Arts Center of Rapid City respectfully requests an operating fund subsidy of **\$26,350** from The City of Rapid City for the 2016 Budget Year to supplement an operational budget deficit created by additional facility expenses, specifically the PACRC's portion of custodial costs shared with Rapid City High School.*

[Please refer to the attached 2013-14 Year End P&L Statement & 2 Year Budget Pro Forma for 2014-15, & 2015-16]

*The Performing Arts Center fiscal year is July 1st – June 30th.

The Need for Continuing City Support

The Performing Arts Center's major collaborative partner, Rapid City Area Schools, continues to provide in-kind support of the PACRC's operations in the form of facility maintenance, grounds keeping, IT support and utilities costs. However, RCAS cannot continue to provide in-kind custodial services to the PACRC hence there will be a major and permanent increase in the PACRC's operational funds for custodial services, starting with \$36,100 in FY2015-16.

The Performing Arts Center had a balanced budget in 2013-14 and expects to have a balanced budget in the current fiscal year, 2014-2015, due to City funding in 2014 and a three year Vucurevich Foundation gift which concludes in 2016. The surplus of \$72,000 for 2013-14 provides the PACRC with an important emergency reserve and a necessary fund balance for operational cash flow.

Continued funding from the City of Rapid City will assure the future success of the Performing Arts Center as it continues to expand the performing arts opportunities for the community.

Current Operational Activities

The Performing Arts Center has seen tremendous growth in event activities over the past two years. Along with this increase in event has been a commensurate increase in visitors to the PACRC, including young people attending or involved in events:

Year:	Number of Annual Performances	Annual Attendance	Youth Participation
September 2012-June 2013:	77	14,793	1,500 youth
July 2013-June 2014:	96	22,600	3,400 youth
July 2014-June 2015:	107	28,214	4,500 youth

[Please see attached PACRC events lists for 2012-13, 2013-14 and 2014-15 Seasons for details]

The bulk of the events at the Performing Arts Center are the work of the Coalition Member Organizations, the four organizations that partnered to help build the PACRC and now call it their

permanent home: Black Hills Community Theatre, Black Hills Symphony Orchestra, Black Hills Showcase Chorus and The Rapid City Children's Chorus. Their events account for 57 of the performances in the current year. The PACRC has also expanded offerings to the public in partnership with independent promoters for events like Lorie Line, Home Free vocal band, rock, pop and folk artists, and also non-performance events such as a Senator John Thune town hall meeting, the graduation ceremony of the Rapid City Citizen's Police Academy and presentations by South Dakota Public Broadcasting.

The Coalition Member Organizations also account for the bulk of the youth activity at the PACRC, including the 50-60 members of the Rapid City Children's Chorus, Black Hills Community Theatre's children's education and performance troupe (Cherry Street Players) and summer theatre camps and the Young Artists Competition of the Black Hills Symphony Orchestra.

Of special note this year is the development of *The Oscar Howe Project*, initiated by the donation of two Oscar Howe original paintings. The unveiling of the two pieces takes place on May 14, one day after what would have been Howe's 100th birthday. Howe, a Yanktonai Dakota, is a celebrated South Dakota artist who widely influenced contemporary Native American art. *The Oscar Howe Project* consists of permanent display of the paintings at the PACRC/Rapid City High School Commons along with a regularly rotated piece by a Native American artist. The PACRC has partnered with Rapid City High School art teacher Gabrielle Seeley to develop an arts education curriculum based on the works of Oscar Howe that will benefit youth throughout South Dakota. The curriculum will be used in classrooms throughout the RCAS district and shared with the public on the website of the PACRC, Arts Rapid City and South Dakota Public Broadcasting. Ms. Seeley is also scheduled to present *The Oscar Howe Project* at the South Dakota Indian Education Summit in Pierre and Lakota Nations Education Conference in Rapid City.

Rapid City Area Schools take full advantage of the Performing Arts Center with many student concerts and special events, all supported by the professional technical staff of The PACRC.

The PACRC is developing new programs, especially educational activities for young people, that will generate modest income that will barely cover costs at first. On the other hand, this educational programming will be eligible for more grant funding and attractive to individual and business donors as well.

Within several years from now it is anticipated that the total number of performances per year will increase to approximately 120 with attendance in excess of 30,000.

Goals for the Future

- **Continue the successful partnership with Coalition Member Organizations.**
- **Increase contributed revenue sources.**
- **Reduce Public Support and become a self-sustaining entity.** PACRC is building the capacity to be self-supporting with earned income from event rents, leased space rents and concession sales. However, the true financial security of the PACRC will be from increased fundraising from private sources (foundations, businesses, individuals).

- **Collaborate with Rapid City High School** to develop a technical learning center for students to learn about stage craft and theatre.
- **Diversify the Audience Served:** By developing special projects like *The Oscar Howe Project* the PACRC plans to collaborate with Rapid City High School and other area schools to augment the arts education of underserved populations in the Rapid City area, with a focus on Native American students.
- **Develop a Destination** for visitors to our area. Our coalition groups now have a facility to host music competitions and camps in the area of women's a cappella chorus, children's chorus and children's theatre making Rapid City a potential venue for competitions that move their locations each year and to realize a dream by developing a summer theatre camp.

Current Fundraising Efforts:

- Our Coalition Member Organizations each run a series of annual fundraising campaigns that ultimately contribute to operational costs of the PACRC through their performance space, office space, storage and production space rental fees. These organizations are Black Hills Community Theatre, Black Hills Symphony Orchestra, Black Hills Showcase (formerly A Cappella Showcase) and The Rapid City Children's Chorus.
- The "Take a Seat" seat naming campaign has raised nearly \$30,000 in the past two years and continues to be a popular way for individual and business to provide annual support for the Performing Arts Center.
- A "Donor Society" had evolved as an annual giving campaign to supplement operational costs.
- Business/Corporate sponsorships opportunities will be developed as the PACRC forays into the presentation of performing arts events not currently being provided to the community through our Coalition Member Organizations or other entities such as the Civic Center or Dahl Arts Center.

Why should the City Council vote for continued investment in the Performing Arts Center of Rapid City?

Continued funding of the PACRC would be a continuation of the 3.2 million dollar Vision 2012 investment the City of Rapid City contributed to the building of the Performing Arts Center of Rapid City. The building of this beautiful, much needed center was only the start of a vision to improve the performing arts in Rapid City. Assisting in the operational costs of the fledgling, but maturing facility and organization is a continuation of this vision of this vision in several ways:

- **Quality of Life:** The PACRC improves the quality of life for nearly 28,000 citizens of Rapid City by providing professional performances and educational opportunities in the arts.
- **Economic Impact:** An economic impact study of nonprofit arts and culture organizations and their audiences in the State of South Dakota commissioned by Americans for the Arts in 2010 showed that event attendees in South Dakota spend an average of \$17.20 per person, *excluding* the cost of admission, when attending arts and cultural events. The study showed that arts and culture audiences generated \$3 million in revenue to local entities throughout the state. The 28,000 attendees at PACRC events do generate revenue for both private business and local government.

- **Participation in the Arts by Area Youth:** Nearly 4,500 youth attended events at the PACRC each year and over 700 actively participate in educational activities or performances. Students with an education rich in arts have higher GPAs and standardized test scores and lower drop-out rates.
- **Participation in the Arts by Area Adults:** Over 500 adult residents are given the opportunity to perform at the PACRC each year.
- **Affordable Performance Space:** The PACRC provides affordable performance space and professional support for over 20 local non-profit organizations providing services and opportunities to local residents.
- **Venue for Non-Performance Events:** The PACRC provides a venue for non-performance events such as lecture circuits, business functions and town hall meetings.
- **Local Support of the PACRC:** The Rapid City Area School District, the John T. Vucurevich Foundation, South Dakota Arts Council and private donors have all extended their support beyond the capital campaign by providing operational funding, capacity building grants, in-kind services and funding for strategic planning.

Performing Arts Center of Rapid City

	Actual EOY P&L FY13-14	Budget FY14-15	Budget FY15-16
Income			
Grants	\$30,000	\$35,000	\$42,000
Business Annual Campaign	\$9,101	\$10,200	\$11,400
Individuals Annual Campaign	\$12,300	\$15,500	\$16,000
Ticket Sales and Commissions	\$1,084	\$2,600	\$25,100
Contracted Services	14,336.42	\$15,900	\$25,035
Performance Rent	39,842.50	50,350.00	57,850.00
CMO Support Space Rent	\$10,160	\$11,400	\$11,590
Net Concessions Sales	\$3,241	\$6,810	\$7,520
Box Office Income	\$24,895	\$39,100	\$44,600
Subtotal Income	\$144,960	\$186,860	\$241,095
with City Grant	\$53,229		\$26,350
Total Income	\$198,189	\$186,860	\$267,445
Expenses	2.5 FTEs	3.5 FTEs	4 FTEs
Salaries	\$77,958	\$127,566	\$137,761
Artists Fees	\$0	\$0	\$26,000
Marketing and Advertising	\$1,625	\$10,335	\$14,500
Overhead			
Telephone/Internet	\$1,397	\$1,440	\$1,512
Box Office (CC fees, vendor fees, etc.)	\$9,499	\$15,660	\$16,443
Equipment & Supplies	\$3,535	\$5,380	\$5,649
Repairs and Maintenance	\$167	\$3,000	\$3,150
Postage, Mailing Service	\$17	\$580	\$609
Printing & Copying	\$800	\$1,728	\$1,814
Sales and Use Tax	-\$124	\$1,200	\$1,260
Dues and Subscriptions	\$1,275	\$875	\$919
Banking Charges	\$301	\$500	\$525
Insurance	\$3,238	\$4,300	\$4,515
Utilities	\$0	\$0	\$0
Janitorial	\$0	\$0	\$36,100
Other	\$889	\$196	\$213
Total Overhead	\$20,994	\$34,859	\$72,709
Fundraising Expenses	\$1,105	\$2,800	\$2,940
Professional Services (legal, accountant)	\$16,455	\$6,600	\$8,600
Strategic Planning	\$0	\$2,500	\$2,625
Training/Travel	\$930	\$2,200	\$2,310
Total Expenses	\$119,067	\$186,860	\$267,445
Net Income	\$79,122	\$0	\$0