



May 30, 2024

Dear Mayor Stewart
and Honorable Councilmembers Francis, Marx, Pease and Shoresman:

A decade ago, when the City invited SLO REP to participate in a joint venture to build a new venue for live theater adjacent to the Cultural Arts District Parking Structure, we eagerly accepted the challenge.

As delays and inflation took their toll, we came to you in February 2022 seeking help to complete the project.

Your generosity was deeply gratifying. You awarded SLO REP a \$3.94 million challenge grant. That grant catalyzed our fundraising, helping us to raise more than \$10 million in private donations thus far.

In November 2023, we believed we had raised almost 90% of the funds needed, with a little more than \$2 million to go. But a December pricing study revealed that inflation had increased our costs by 40%. That means we now face a fundraising gap of nearly \$8 million.

Though stunned by the new reality, we remain committed to the project.

Although we believe we can close most of the gap through private donations, your help is needed. To invigorate our fundraising – to ensure completion of the project and realize the City’s long-held vision of creating a thriving Cultural Arts District – we respectfully request an additional City investment of \$2.76 million.

INVESTMENT RATIONALE

Beyond its primary purpose as a showcase for live theatre, the new venue will pay both economic and cultural dividends as soon as it is completed in 2027.

- **Direct economic impact:** Once fully operational, SLO REP will offer 324 shows a year on 176 dates, generating an economic impact of more than \$4 million annually, which is about 4% of downtown SLO’s yearly economic activity.
- **Attract 50,000 people annually:** We conservatively project that the new venue will draw 50,000 patrons downtown each year, with nearly 40,000 patrons expected to drink and/or dine before or after shows. (Appendix A – SLO REP Economic Impact Report)
- **Major City asset at 60% discount:** The new venue will be controlled by the City, and will be a City asset for the life of the building, with more than 60% of the construction cost borne by private donors rather than taxpayers.¹
- **A small investment will realize a big dream:** For a relatively small investment, the City will be able to complete a large, central piece of its Downtown Concept Plan. An additional investment of \$2.76 million would be equal to 1.5% of the City’s \$183 million expenditures on Capital Improvement Projects for FY 22-24.

¹The City’s original \$3.94 million challenge grant was 41% of the construction costs estimated at that time. An additional \$2.76 million combined with the original grant would be 40% of currently expected construction costs.

Mailing:

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- **Consistent with precedent:** During a difficult budget era in the early 1990s, the Council contributed \$5.06 million to help build the Performing Arts Center. The City also has contributed additional millions in annual payments to help subsidize the PAC's operating costs. Since 2001, the City's subsidies to the PAC have increased steadily from \$100,000 annually to more than \$300,000 annually. Adjusted for inflation, the City has contributed more than \$15 million.
- **In line with Major City Goals:** The Council's Major City Goals state that City initiatives "will be viewed through the lens of the City's sustainability and DEI efforts." SLO REP's facilities – stages, rehearsal space and classrooms – will provide much-needed space for the City and other nonprofits to present multicultural programming and other relevant DEI activities at very low cost.
- **Promises kept:** Our past efforts are evidence that SLO REP can be counted on to fulfill its promises:
 - **Diverse casting:** This past season, more than 30% of roles were cast with non-white actors, exceeding our goal of 25%. Over the past two years, we have more than tripled the number of students of color participating in our Academy of Creative Theatre, from 5% three years ago to more than 20% this year. No student has ever been turned away for lack of tuition.
 - **Supporting other nonprofits:** We have regularly offered preview nights for nonprofits to use as fundraisers. Most recently this year, R.A.C.E. Matters SLO and the League of Women Voters raised several thousand dollars each their organizations. We will be able to expand fundraisers like this in the new venue.
- **Additional public benefits:** Once the new venue is meeting initial operating budget goals, we plan Theatre in the Park events at low or no cost to reach new audiences through events staged in outdoor venues, such as Mission Plaza and Mitchell Park.

Ever since the City first approached SLO REP asking us to participate in this joint venture, both parties have understood that this project would be not only a state-of-the-art venue for live theater, but also a vital counterweight to the fundamental changes that downtown SLO has been facing for more than a decade.

Completion of the new SLO REP Theatre will cement downtown SLO as the center of the Central Coast's cultural and social life. A thriving Cultural Arts District will burnish San Luis Obispo's reputation as a great city to live, work and play.

Thank you for your continuing support and consideration. We look forward to celebrating our shared success with you on Opening Night in 2027.

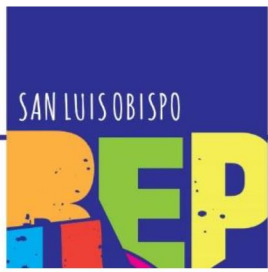
Respectfully,



Kevin Harris
Managing Artistic Director



Pam Nichter
President, Board of Directors



San Luis Obispo Repertory Theatre

Economic Impact Report • June 2024

DOWNTOWN CORE ACTIVATION

SLO REP's audience drawing power is often underestimated, its full impact often lost amid the fanfare accorded other performing arts events. Other arts organizations have several big events during the year that, rightfully so, command attention in the local media. SLO REP, on the other hand, provides a steady, year-round calendar of programming. We are like the great TV show that people tune into weekly, in relatively large numbers, versus the summer blockbuster that people rush to see before it's gone.

For perspective:

- In SLO REP's current 100-seat venue, nearly 20,000 patrons buy tickets to attend SLO REP's annual 200 performances. These totals are greater than the total audiences for San Luis Obispo Symphony, Opera SLO, Festival Mozaic, and the Civic Ballet combined.
- The most popular national touring shows at the PAC rarely sell out two performances, totaling a maximum of 2,572 patrons. SLO REP's annual gala and season musical productions regularly bring in 3,000 patrons over the course of the run.
- In the new venue, SLO REP plans to produce **324 performances** each season, Wednesday- Sunday, on **176 days** of the year. These performance and audience projections do not include foot traffic from our year-round Academy of Creative Theatre education program or special, non-season events throughout the year.

AN EFFICIENT CATALYST

By bringing hundreds of patrons downtown on nearly half the days of the year, SLO REP provides an efficient and significant catalyst activating the downtown core. SLO REP will prove to be a bright shining beacon, attracting new visitors and residents alike to San Luis Obispo who want to experience distinctive live performances available nowhere else in the frequency and quality than can be seen on SLO REP's new stage.

ECONOMIC IMPACT

In projecting SLO REP's economic impact, we drew from the most recent research on San Luis Obispo County arts patrons' spending conducted by Americans for the Arts (January, 2024).

In our planned new venue, SLO REP will produce 324 individual performances during our first full season (FY 29), potentially bringing 53,600 patrons to the downtown core in our 210-seat mainstage theatre, and our 100-seat black box theatre.



In addition to our 324 regular performances, SLO REP is planning 24 "Cabaret" performances throughout the year to activate the downtown core during late-night hours.

EMPLOYMENT

Based on our current calendars, SLO REP projects the following payroll breakdowns for our year-round Exempt and Non-Exempt employees in FY 29:

Employee Position	F/T (Exempt)	P/T (Non- Exempt) >20 hrs/wk	P/Y (Non- Exempt) <20 hrs/wk	Total FTE	Total Emp. Payroll
Artistic Director	\$95,000			1	
Managing Director	\$70,000			1	
Development Director	\$70,000			1	
Development Assistant		\$25,000		0.5	
Marketing Director	\$60,000			1	
Education Director	\$60,000			1	
Education Assistant/Outreach		\$25,000		0.5	
Production Manager	\$60,000			1	
Technical Director	\$60,000			1	
Assistant Technical Director			\$12,500	0.25	
Volunteer Director/House Mgr		\$27,500		0.75	
Box Office Manager		\$20,000		0.5	
Facilities Director			\$12,500	0.25	
Costume Shop Coordinator			\$7,500	0.25	
Assistant House Manager 1			\$5,500	0.25	
Assistant House Manager 2			\$5,500	0.25	
Assistant House Manager 3			\$5,500	0.25	
Assistant House Manager 4			\$5,500	0.25	
Box Office Staff 1			\$4,000	0.25	
Box Office Staff 2			\$4,000	0.25	
Scene Shop Crew 1			\$10,000	0.25	
Scene Shop Crew 2			\$10,000	0.25	
TOTALS	\$475,000	\$97,500	\$82,500	12	\$655,000

Based on our current calendars, SLO REP projects the following payroll breakdowns for our show-specific artist contracts in FY 29:

Artist Position	Average Contract Total	# of Contracts Each Season	Total Payroll	Total Hours	FTE
Director (Mainstage)	\$3,500	8	\$28,000	1,200	0.58
Director (Black Box)	\$2,750	5	\$13,750	750	0.36
Director (ACT Show)	\$2,800	2	\$5,600	400	0.19
Director (Staged Reading)	\$300	5	\$1,500	175	0.08
Actor (Mainstage)	\$2,500	50	\$125,000	11,250	5.41
Actor (Black Box)	\$2,000	30	\$60,000	6750	3.25
Musical Director	\$2,500	8	\$20,000	400	0.19
Choreographer (Mainstage)	\$2,500	4	\$10,000	200	0.10
Choreographer (Black Box)	\$2,250	2	\$4,500	100	0.05
Choreographer (ACT)	\$1,750	1	\$1,750	75	0.04
Tech Crew (Mainstage)	\$750	40	\$30,000	5000	2.40
Tech Crew (Black Box)	\$500	26	\$13,000	3250	1.56
Lighting Designer (Mainstage)	\$2,250	8	\$18,000	320	0.15
Lighting Designer (Black Box)	\$1,500	5	\$7,500	200	0.10
Lighting Designer (ACT)	\$750	2	\$1,500	80	0.04
Costume Designer (Mainstage)	\$1,750	8	\$14,000	1200	0.58
Costume Designer (Black Box)	\$1,250	5	\$6,250	500	0.24
Costume Designer (ACT)	\$500	2	\$1,000	150	0.07
Sound Designer (Mainstage)	\$800	8	\$6,400	400	0.19
Sound Designer (Black Box)	\$600	5	\$3,000	250	0.12
Sound Designer (ACT)	\$500	2	\$1,000	100	0.05
Musicians (Mainstage)	\$1,750	5	\$8,750	875	0.42
Musicians (Black Box)	\$1,500	3	\$4,500	525	0.25
Props Design (all)	\$300	16	\$4,800	640	0.31
TOTALS	\$37,550	250	\$389,800	34,790	16.73

The total estimated employment impact for our 2028-29 inaugural season:

Total number of positions hired: 277
Total payroll: \$1,044,800
Total FTE per year: 28.7

AMERICANS FOR THE ARTS
ARTS AND ECONOMIC PROSPERITY 6 SURVEY RESULTS
 (January, 2024)



Category of Event-Related Expenditure	Resident Attendees	Non-Resident Attendees
Meals and Refreshments (off-site only)	\$12.86	\$19.07
Retail Shopping	\$5.48	\$9.08
Overnight Lodging (one night only)	\$1.07	\$14.83
Local Transportation	\$2.97	\$6.93
Clothing and Accessories	\$2.98	\$3.66
Supplies and Groceries	\$2.57	\$4.12
Childcare	\$0.61	\$0.72
Other/Miscellaneous	\$1.23	\$2.16
TOTAL (PER PERSON PER EVENT)	\$29.77	\$60.57

SLO REP – ECONOMIC IMPACT FY 2019 AND FY 2029 (no parking revenue)

	Average Spending	Fiscal Year 2019	Fiscal Year 2029
% SLO County Residents		89%	50%
% Non-SLO County Residents		11%	50%
Total Tickets Sold		18397	50382
# SLO County Residents		16373	25191
# Non-SLO County Residents		2024	25191
Resident Direct Spending (excluding admission)	\$29.77	\$487,434	\$749,936
Non- Resident Direct Spending (excluding admission)	\$60.57	\$122,574	\$1,525,819
BASE TOTAL PER YEAR		\$610,008	\$2,275,755
Current E.I.M. (Economic Impact Multiplier)*		1.7	1.7
ACTUAL ANNUAL ECONOMIC IMPACT (no parking revenue)		\$1,037,013	\$3,868,783

**E.I.M. within range as advised by Cyrus Ramezani, Chair of the Cal Poly Orfalea College of Business Finance Area.

Annual Economic Impact	\$3,868,783
<u>Parking Revenue (next page)</u>	<u>\$ 316,651</u>
TOTAL	\$4,185,434

SLO REP PARKING REVENUE – FY 2029

MAINSTAGE PARKING REVENUE		# Paid Hours	Total Revenue/perf	Total Revenue/yr
Total Attendees	34992			
Attendees having dinner/drink before/after show	23445	5	\$1,085	\$175,835
Attendees only attending show	9798	3	\$272	\$44,090
Attendees uses alternate transportation/free parking	1750	0	\$0.00	\$0.00
MAINSTAGE TOTALS			\$1,358	\$219,925

BLACK BOX PARKING REVENUE		# Paid Hours	Total Revenue/perf	Total Revenue/yr
Total Attendees	15390			
Attendees having dinner/drink before/after show	10311	5	\$477	\$77,335
Attendees only attending show	4309	3	\$120	\$19,391
Attendees uses alternate transportation/free parking	770	0	\$0.00	\$0.00
BLACK BOX TOTALS			\$597	\$96,726

FULL VENUE TOTALS			\$1,955	\$316,651
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Based on:

- 2024 parking structure fees (\$3/hr.)
- Average time spent at performance/lobby pre-show: 2.75 hrs.
- Average time spent at pre-show meal/drinks/downtown: 2.25 hrs.
- 95% capacity in venue
- 2 patrons per car

According to a 2014 survey of SLO REP patrons:

- 67% of SLO REP audiences go to dinner/drinks before or after a show (5 hrs. in structure)
- 28% of SLO REP audiences only attend the performance (2 hrs. in structure)
- 5% of SLO REP audiences use alternate transportation/free parking

