

Memo to: Mayor Steve Dallas and Members of City Council

From: Christine Sandin, Executive Director
Sunset Cultural Center, Inc.

Date: August 1, 2018

Subject: Summary of Operations as of June 30, 2018:
Sunset Center & Forest Theater

Sunset Cultural Center, Inc. (SCC) was incorporated in 2004 as a California nonprofit public benefit corporation for the express purpose of managing and operating the Sunset Center complex. The formation of the public/private partnership was born from a desire that Sunset Center be operated and managed as a place for public entertainment, community meetings, cultural activities, and conference events in order to serve as an economic and cultural stimulant for the community and to relieve the City of the responsibility of fully operating the Sunset Center, and as of July 1, 2017, the Forest Theater also.

June 30, 2018 ends the first year of SCC's management of operations at Sunset Center and the Forest Theater under our renewed and updated Lease Agreements, which commenced on July 1, 2017 and continue for a period of 15 years. The City and SCC agreed that the sustainability and success of said cultural assets are dependent upon the long-term stability of SCC, including consistent leadership and annual and long-term fundraising efforts, including the negotiated annual city/community financial support. All of these terms and conditions are outlined in the Lease Agreements.

The following 2017-18 update highlights achievements under each defined goal/objective for SCC:

- **Ensure proper SCC leadership and staffing levels:**
 - The SCC Board of Trustees currently consists of 12 community members who provide strategic oversight, public relations and fundraising support to the organization. Working committees include an executive, governance, finance, audit, personnel and development committee, all of which are active and engaged.
 - SCC enjoyed consistent leadership over the past two years, with Stan Meresman and Steve Pearson serving as Chair and Vice Chair respectively. Additionally, we welcomed two new members last October: Wayne Moon and Stu Clark, both from the Carmel area.

- SCC's Executive Director has served as chief executive officer since February 2011.
 - SCC employs 16 FT and 3 PT staff members, with total expenses at 45% of our annual \$2.7 million budget. There was zero staff turnover in 2017-18.
 - SCC saved nearly \$100,000 in the 2017-18 staff budget.
 - A significant executive position - Director of Development & Community Engagement - was added to our budget last year and a search commenced in September. In June 2018, SCC welcomed seasoned professional Shannon Worthington from the Dallas/Fort Worth area into this role.
- **Deliver diverse arts programming of the highest quality:**
 - *Sunset Presents* featured 17 unique and world-renowned performances in our line-up on Sunset Center's main stage in the genres of dance, theater, music, and comedy. 30% of these performances SOLD OUT (Black Violin, Dwight Yoakum, k.d. lang, One Night of Queen, The TEN Tenors).
 - Approximately 120,000 people attended events at the Sunset Center in 2017-18. Surveys completed by over 500 patrons indicate overall high satisfaction with their experience:

Responses when asked to rate the following attributes of their experience attending events at the Sunset Center theater:

	Excellent	Very Good	Good	Needs Improvement	Unacceptable
Location	66.90%	27.30%	5.70%	0.20%	0.00%
Amenities near the Center (eg. restaurants)	55.60%	32.90%	11.30%	0.20%	0.00%
Parking	24.90%	28.00%	27.80%	18.10%	1.20%
Ticket prices	13.20%	34.50%	40.10%	11.20%	1.00%
Box Office services	40.70%	34.90%	20.60%	3.80%	0.00%
Ushers and other staff	60.00%	27.40%	11.00%	1.20%	0.40%
Theater lobby comfort	34.30%	38.90%	20.60%	6.00%	0.20%
Theater sound	54.30%	29.10%	12.30%	3.00%	1.20%

- Approximately 9,000 people attended productions at the Forest Theater (FT), including SCC's first presentation at the venue (Mystical Arts of Tibet on May 19).
 - Surveys sent to Carmel residents in April indicated the following:
 - 75% would like to see acoustical music performances at FT
 - 45% would like to see comedy shows at FT
 - 42% would like to see cultural events at FT
 - 33% would like to see lecture/speaking events at FT
- **Maintain a vibrant community center serving the needs of Carmel residents and community organizations:**
 - A total of 1,260 meetings were hosted in the North Wing rooms of the Sunset Center
 - 40% of these uses were provided at NO CHARGE to community-related groups

- **Expand arts engagement and education programs for all ages:**
 - SCC served nearly 5,000 Monterey County students last year (including CUSD schools) in a three-pronged arts education approach that impacts individual teachers via *Classroom Connections*, educators via *Kennedy Center's Partners in Education*, and whole schools through *Turnaround Arts*.
 - SCC served 1,380 adult community members through our FREE programs, including our *Healing Arts*, *Jazz at Lincoln Center*, and Marjorie Evans Gallery events.
- **Operate, maintain and, as appropriate, ensure that the Sunset Center is a state-of-the-art facility that is responsive to the needs of audiences and performers:**
 - City staff completed the renovation of the Upper Terrace stage at the Sunset Center.
 - A *Locals Lunch Concert series* will start on the new stage on Fridays throughout the fall (beginning Sept. 7). This series features Peninsula artists and is free to the public.
 - City staff upgraded the stage floor at the Forest Theater with improved coating in time for season opening in mid-May.
- **Ensure the long-term financial viability and stability of SCC and operate in a fiscally responsible manner (SCC to continue to maintain, promote and fund, on a best-efforts basis, an endowment fund to provide stable and permanent funding for the operation, capital preservation, programs, and improvement of the Facility):**
 - SCC achieved its 2017-18 budget by a \$60,000 margin.
 - SCC achieved 100% giving by its board, with individual board members donating 15% of SCC's \$650,000 contributed income in 2017-18.
 - SCC increased total contributed income (not including the City grant) by \$105,000, or 9%, during 2017-18 through memberships, donations and grants.
 - SCC contracted Arts Consulting Group to conduct a market capacity assessment for a future potential endowment campaign, results TBD.
 - SCC hired Director of Development to oversee fund development.
 - SCC is preparing for our annual audit, conducted by Hayashi and Wayland. Final statements and reports are generally completed in September each year.
- **Economic Impact:**
 - 15% of SCC ticket buyers indicate that they stay overnight in Carmel when attending performances at the Sunset Center.
 - 68% of SCC ticket buyers indicate that they dine at a Carmel restaurant when attending a performance at the Sunset Center!
 - The proprietary *Arts & Economic Prosperity IV Calculator* patented by the Americans for the Arts estimates the economic impact SCC's activities as:
 - \$2.8 million in annual SCC expenditures in turn prompts an additional \$2.2 million in audience expenditures, producing approximately 168 FTE jobs for the region and \$225,000 in local government revenue (TOT & sales tax).