

Thank you for coming today, and welcome to our newly-renovated historic building. You are all here because Geva Theatre Center sent a 14-page memorandum a week ago to the Rochester City Council with questions and issues raised by many arts & cultural leaders in our conversations this past June. Today we will be publishing that document publicly, honoring the week-long confidentiality that we promised the Council. Of course, there are journalists here who were able to secure a copy at the end of last week, but it wasn't from us. In their reporting comments were made about our memo, and I will address those today before taking questions.

Let me begin by thanking Council President Loretta Scott and the other City Council members for announcing on Friday that they would start a process on the fate of Parcel 5 this Thursday from 5:30-8:30 by holding a public forum for any citizen to voice their comments. The Council will also be receiving written comments via [Council@cityofrochester.gov](mailto:Council@cityofrochester.gov) This is encouraging. I hope it will indeed be the start of an ongoing process.

Our July 31<sup>st</sup> memorandum contains a section on the practical use of that parcel to fit the proposed Theater and Tower, noting the Site and Facility Study performed by Westlake Reed Leskosky and published a year ago, and paid for by RBTL and the City (*hold it up*). Let me state clearly that our questions about the site have nothing to do with the abilities of the excellent Rochester engineering & architectural firm, LaBella and Associates, who created the concept drawings and are working on this project. They are wonderful supporters of the Rochester community. However, there are indeed challenges to overcome with a theater on Parcel 5, and along with

every item in our memo, we are hoping that the City Council asks the right questions for the project to be successful.

Finally, we have nothing but admiration for the professional management staff of the Rochester Broadway Theatre League. Our colleagues there include COO John Parkhurst, Executive VP Linda Glosser, and their two associate directors of education with Geva connections: Holly Valentine and Annette Ramos. We are working with Annette and her Rochester Latino Theatre Company right now on IN THE HEIGHTS. Our memo has less to do with the role RBTL plays in our community and much more to do with the Mayor choosing this project for Parcel 5 in an effort to brand Rochester as the City of the Arts. She is quoted as stating “Syracuse is a college sports town, Buffalo has pro teams: we are the City of the Arts and we have to have a venue that gives us that title.” We find that thinking to be naïve at best.

There were several public statements made on Friday, Saturday and Sunday about our memo and this theater project that should be addressed.

In the Democrat and Chronicle, the Chairman of the RBTL Board is quoted as stating “A lot of this is competitive marketplace stuff and politics, but in a business deal, if you really want to get answers you ask the questions rather than make judgment. And the questions have never been asked of us.” Let’s unpack this statement a bit.

Our entire memorandum is intended to have the City Council ask questions, but the right questions as regards the impact on the arts &

cultural community. We agree with Mr. Rothschild on this point 100%. We simply couldn't see these questions being asked, which is why we wrote what we did. After all, we do have some expertise in running and renovating theater facilities. Geva is the largest producing theater in the State outside of Manhattan.

Regarding "competitive marketplace stuff", we again agree with Mr. Rothschild. If this is a "transformational project" as City Communications Director James Smith stated, then by definition it will have a major affect on the existing arts & cultural non-profits and venues. Because this is a City decision, using City land and having the City's Mayor ask the State for \$20 million dollars of support, then the issue of Public Value vs Public Investment needs to be evaluated. One sure way is to have an independent Impact Study done to see real data as to what affect this project will have. Last November 4th, we wrote to the Mayor, Baye Muhammed and Carlos Carballada requesting this Impact Study to be done if the City was seriously considering putting a large theater on Parcel 5. We have yet to receive a response.

Finally, Mr. Rothschild states that "politics" are involved. Let me state clearly that not only does Geva believe that the current election season actually hinders and distracts the City from addressing these real Parcel 5 issues, but that we would much rather be discussing Parcel 5 without the elections looming ahead. However, the timing of the surprise April developer selection and the subsequent RBTL marketing campaign has caused us to gather these questions and publish them now. Remember,

most of us were pretty busy producing and creating art in April, May and June. This is the earliest we could submit this.

Geva has no position on any candidacy, nor can it legally do so. There are strict non-profit laws about political involvement and advocacy. So to infer that we are motivated by politics is simply untrue. In the spirit of transparency, I personally voted for the Mayor four years ago, twice – in September and November – and I currently personally support a new candidate for the City Council because I believe in her platform. We are allowed to do this as private citizens.

As a non-profit organization, the Rochester Broadway Theatre League also may not be politically involved. Still, its staff and board may do so personally. For example, should the Chairman and CEO of RBTL, who is also the CEO of Normal Communications, wants to continue to do professional work for, or support, any candidates – he is free to do so.

The City's Mr. Smith is quoted as saying one of our memo points is "disingenuous". We stated in our memo that "the City contributes very little in annual support to its non-profit arts and cultural institutions", and Mr Smith noted that there was past City support of Geva, the RPO and other arts organizations and events. We call on the City to publish its full list of contributions to arts organizations for the past three years alongside what the organization gave the City in return and/or what the City charged that organization for extra police and other services. Most of the City's contributions are fees for service, or for one-time projects such as Geva's SON HOUSE FESTIVAL, which is fine in their own right but not the "annual

support” for general operating expenses that we were addressing. I apologize for any confusion.

That takes us to our memorandum. We made it very thorough because our entire art form is built upon process. It’s all well and good to have sound bytes, tweets, and shiny pictures – but the long road of collaboration involved in making a Geva production from scratch takes patience, intelligence and creativity – as it does in all arts endeavors.

I salute all of the artists, technicians and administrators who toil in our non-profit arts industry. They work for less money than the private sector, they endure longer hours, but they are passionate about giving something back to their community. That’s the non-profit mission.

So while our public presentation of these Parcel 5 issues might seem merely self-serving by some, they are based in our understanding and belief in all those who have made the Rochester region a cradle of culture. Garth Fagan Dance, the Rochester Philharmonic Orchestra, George Eastman Museum, the Strong National Museum of Play, the Eastman School of Music, the Memorial Art Gallery, the Rochester City Ballet, the Rochester Museum & Science Center, Writers & Books, Rochester Contemporary Art Center, Hochstein School of Music & Dance, Rochester Oratorio Society, Pegasus Early Music, the Landmark Society, the Susan B. Anthony House, Genesee Country Village and Museum; the vibrant theater ecology of Blackfriars Theatre, JCC CenterStage and many others; the two arts festivals that are recognized nationally and globally – the Xerox Rochester International Jazz Festival and the Key Bank Rochester Fringe

Festival – and all of the other non-profit organizations that make up this rich quilt of arts & culture: these are what has allowed the Mayor to declare Rochester as the City of Arts. It is not a 3000 seat Broadway touring theater, which doesn't house symphony, opera, or ballet seasons. It might be a good thing to have in our city, but it has yet to prove it does anything for the existing arts & cultural community that has already put Rochester on the cultural map.

I urge you to contact directly the leaders of these organizations and ask them about the Parcel 5 theater proposal. Most will need to stay off-the-record because of fear of City reprisal, but I doubt you'll find a majority coming out in support.

Just a few highlights from our memorandum, which is available in hard copy from our communications director, Dawn Kellogg, and can be found now on our website: [gevatheatre.org](http://gevatheatre.org).

Our memorandum is written around four major questions:

- 1. Is a single Theater the best use of Parcel 5 for downtown vitality and support of Rochester's arts and cultural sector?**
- 2. What would be the Theater's impact on existing venues and non-profit organizations?**
- 3. Could the Theater actually fit on the site, or would it be compromised?**

#### **4. What can the City do to support Rochester's arts and cultural community?**

Geva and many other arts organizations were asked by the Mayor to spend time with consultants a year and a half ago around a "Lincoln Center" concept of multiple performing and visual arts venues downtown. We assume that this is what Mr. Smith refers to as the arts community having considerable input in a previous feasibility study. The consultants were looking at a constellation approach to our rich cultural life downtown – linking existing facilities with new ones. The result was the AMS Economic Impact Analysis and the Westlake Reed Leskosky Site & Facility Study. If anyone would like a copy of the 70+ page report, we are happy to email it to you. It was funded by the City and RBTL. It is clear in the report that this constellation idea was abandoned, and the primary focus was where to put a presenting theater for RBTL. Geva had its concerns at the time, but remember, the City had earlier in the spring toyed with the idea of a gaming casino to pair with a theater for Parcel 5. It was unclear what the City wanted to do. When the Mayor solicited proposals to developers for Parcel 5 in the fall, the RBTL submitted a proposal for their single presenting theater.

Now, why do I call it a "single presenting theater" and not a Performing Arts Center? 1) it is not being built for the "performing arts" companies in Rochester such as the symphony, dance or opera, so it can't be "performing arts", and 2) it doesn't have multiple venues for multiple arts uses, so it can't be a Center. It is a new theater to replace the Auditorium

Theatre for RBTL's presentations. That might be worthwhile on its own, we don't know, but to call it a Performing Arts Center implies otherwise - and while it might be a sexier name, it's terribly misleading. It will not be the center of the performing arts. It will be a venue for tours such as Blue Cross Arena or CMAC.

The Theater industry is the only discipline of the performing arts that has both for-profit and not-for-profit businesses. It certainly doesn't happen in symphony, dance and opera. The for-profit theater field is almost exclusively Broadway and Broadway tours. LLCs are formed to raise millions of dollars in capital for a single production on Broadway. 90% of them do not recoup for their investors. One avenue though for recoupment is putting a replica of the Broadway show on the road to tour across the country. Tour promoters such as Albert Noccolino work with local presenting houses such as RBTL to bring these shows to cities and towns nationally. This is a for-profit business model that takes the majority of ticket revenue out of our community to pay promoters for the tour – like a Bruce Springsteen concert at Blue Cross Arena. Can the RBTL tell us what percentage of their budget is paid to these promoters? The shows land in Rochester for one to two weeks generally, before going off to the next city. One of our questions for the City is: does this model have enough public value to support with public investment? By the way, if you look at recent Tony Award-winning musicals on Broadway, you'll find that the following were developed at a non-profit theater before being optioned for a for-profit run: DEAR EVAN HANSEN, HAMILTON, A GENTLEMEN'S GUIDE TO LOVE AND MURDER, FUN HOME, ONCE MEMPHIS, SPRING

AWAKENING, IN THE HEIGHTS...etc. The non-profit theater sector is critically important to the for-profit Broadway producers and tour promoters.

The City first stated in April that the project will create 766 jobs, and then the Mayor recently stated it was 800 jobs. Jobs are good – I hope I keep mine. However, in today's D&C, the City clarified with 610 full-time construction jobs in that total number. RBTL COO John Parkhurst honestly stated that there would be only 6 or 7 new FT jobs created by them. As the D&C wrote, where are the other FT jobs? Building anything on Parcel 5 – or anywhere else in the City - will create construction jobs. But they are not permanent. Is this investment worth 6 or 7 new jobs? What is the current number of RBTL F/T jobs?

On the other hand, we know that Rochester's arts & cultural community is a job-driver. Here are some numbers. The data on just *three* of our downtown arts companies - the Rochester Philharmonic Orchestra, Strong National Museum of Play, and Geva Theatre Center – show a total of 233 local full-time employees, 288 local part-time employees, and over a hundred guests artists that spend two weeks to two months in Rochester. There are hundreds and hundreds more working here in other arts & cultural institutions. We are an important job sector, and important to keeping businesses in our region. Will this project have a negative impact on the current job base of other venues? Arts & cultural jobs should be no less valued than a construction job.

In the memo we again call for the City to fund independent Impact Study based on this proposal. There is a finite "marketplace" as Mr. Rothschild

calls it, and perhaps this project *helps* the 35 other venues within 15 miles of downtown that the WRL Report noted, but we won't know until the Impact Study is done. What will the impact of adding more seats and more performances be for these 35 venues? Will this just move the Auditorium audience to midtown, or will it grow? What happens to the Auditorium and its neighborhood that the City and the private sector have been investing in? Let's see some data on all of these scenarios.

We know that Mr. Rothschild's previous selling points about the need for a 3,000-seat theater were claims that Rochester is being passed over by national tours, and we will never get shows such as HAMILTON. Well, we know that to be untrue. HAMILTON will be coming to the Auditorium in the same season as it plays Buffalo and many other cities across the country. We are happy for that, it's a terrific show, but an \$85 million dollar theater will not be the reason we see it in Rochester.

RBTL released their own pro-forma over the weekend, and there are many interesting items for the City Council to pursue.

Mr Parkhurst was quoted as saying that "the parking revenue was huge". Indeed, their own pro-forma shows a net surplus that is roughly equal to their parking revenue at \$2 per car. That's how they would be in the black. What would be the total parking fee per car be if they get \$2? The pro-forma shows twice the concessions revenue as now, and \$2 million in "ticket rebates and facilities fees". We would hope the CC would dig into these numbers.

Their pro-forma also shows about \$16 million in ticket sales for their first full season, up from less than \$9 million in 2015. Where in the marketplace will that \$7 million come from? What will happen to their operations if attendance falls short – that’s not only ticket sales but audience fees and parking?

They have stated this weekend that the Auditorium could do 20-30 events to break even. They also stated that the Aud currently does 135 events, so that is about a hundred they’d move to the new Theater – and they state that there will be 180 total events at the new Theater. However, the WRL Study puts their 2015 Broadway tour performances at 61. What are the other events to be presented or booked into the new Theater to make up 180?

We fully expect that RBTL will eventually present an \$85 million package of sponsorships like Mr. Golisano’s, tax credits, and other fundraising. To focus only on the financials is missing the crux of this City’s decision: what are the best ways in which the City can support and expand its City of the Arts brand and reputation? What funding mechanisms can be put in place to help both its citizens, and its arts & cultural organizations. Cities across the country use various tax revenue-sharing options, new construction percentages, and other imaginative tools to ensure that the non-profit arts industry survives and thrives. We call on the City to appoint a task force of City and non-profits to explore annual funding options, and to recruit the County to join in this effort. We can make our community even stronger.

This moment in Rochester's revitalization is an exciting opportunity for imagination and strategic foresight. Look at the terrific plans for the Strong Neighborhood of Play nearby. Let's not rush into the next exciting idea without a genuine process.

Thank you. I'll take questions now.