Memorandum

MIAMI-DADE COUNTY

RCA
Agenda Item No. 8(B)

Date: April 14, 2008

To: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Adrienne Arsht Center for the Performing Arts of Miami-Dade County Monthly Status Report - December 2007

Attached please find the monthly status report and financials provided from the Adrienne Arsht Center for the Performing Arts of Miami-Dade County.

Assistant County Manager

Attachments

MEMORANDUM

DATE: March 28, 2008

TO: George Burgess, County Manager

FROM: Lawrence J. Wilker, Interim President and CEO

SUBJECT: Adrienne Arsht Center for the Performing Arts of Miami-Dade County Status Report

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Center staff and Board members are committed to providing the stability and financial resources necessary for the Adrienne Arsht Center for the Performing Arts to achieve its mission. Embarking on the transformation of the Center, the Board of Directors and the management team have determined that financial viability is an absolute necessity to ensure success. The financial outlook for the Center continues to improve.

- Occupancy costs for the year is $2,840,000 which is currently $1.1 million below budget. These savings flow directly through to the County.
- The Arsht Center has hosted 189 performances in the 3 venues during the fiscal year; this is 10 events ahead of budget.
- February produced excess revenues over expenses of $721,000.
- For the first five months ending February 2008, the Trust had total revenues of $11.7 million, total expenses of $10.1 million, yielding an operating surplus of $1.56 million.
- Salaries and benefits, as well as stagehands, are below budget by approximately $300,000 and event expenses are almost $400,000 below budget.
- Arsht Center presented shows have delivered 71% tickets sold, which is well above the budget of 65%
- On March 26, the Trust remitted the second quarterly installment in the amount $375,000 to Miami-Dade County for repayment of the Sunshine State construction loan.
- The year-end audit has been completed and was accepted by the Trust Board at its March meeting. Copies of the audit have been provided to the County's Office of Strategic Business Management.

Some of the positive variances are merely timing differences that will even out over the remaining portion of the fiscal year. Staff continues to refine this year's reforecast and examine critical assumptions affecting the Center's viability. The most recent budget projections are attached. There have been some important adjustments made to the budget – particularly with respect to adding summer programming which is assumed to break even. Thus, for the year, the Center continues to work with a balanced budget.

The FY 2008-2009 proposed budget was completed and submitted to County staff. This year's request for occupancy costs is $7.5 million which is $1.3 million less than last year, reflects cost savings due to streamlining the Center's operations by renegotiating numerous contracts and transitioning several outsourced services to in-house staff.

Improving the quality of service offered to patrons and establishing patron loyalty remains a high priority. This season, major improvements have been made in parking availability, valet parking wait time, and food service during intermissions. Additionally, in order to provide a more patron-friendly box office experience the Center now offers a print-at-home ticketing option for Center-presented shows in the Carnival Studio Theater. Patrons can now visit the Center's website at www. arshtcenter.org, purchase tickets and print them at home. The system will take approximately six months to fully implement in all performance spaces and will be offered for all *Arsht Center Presented* performances beginning next season.

The Marketing department is investigating various opportunities to increase the Center's visibility throughout Miami-Dade County. The Center's staff has met with County representatives regarding placing signage in the Port of Miami and Miami International Airport. Miami International Airport has agreed to provide CNN 30-second videos throughout the terminal. The Airport will also place graphics in the backlit advertising displays. The Port of Miami staff is working closely with Center staff to explore the use of wall signage, portable signage and pole banners throughout the cruise terminals. The Center's new logo is still in the design phase and upon finalization, signage fabrication will begin.

Center management has initiated a course of action that has enhanced summer programming significantly which focuses on strengthening the Center's core business.

- Citing an upsurge in tickets sales and excellent reviews, the run for *Forbidden Broadway* has been extended for an additional three weeks.
- On April 1, the Arsht Center will announce a major new jazz concert series that brings to Miami more that 25 music legends, chart-topping stars and emerging artists, including **Sonny Rollins**, **Ramsey Lewis**, **Chick Corea, Albita, Ivan Lins,** and **Arturo Sandoval**, over a six-month period beginning in November 28. The series will be one of the largest of its kind in the nation and will also include a multi-faceted education program in partnership with Miami-Dade County Public Schools.

Upcoming performances in April include:

- Forbidden Broadway – March 25 through May 4
- Master Chorale of South Florida;s *Carmina Burana* – April 11
- New World Symphony – April 12
- Florida Grand Opera's *La bohème* – April 12 through May 4
- *The Very Hungry Caterpillar* – April 18 & 19 (already with two sold-out performances)
- Florida Grand Opera's *Julius Caesar* – April 26 - May 11
- Mayhem Poets – April 21

Free community performances scheduled are:

- Free Gospel Sundays – April 27
- Target Globalbeat – April 12

The Adrienne Arsht Center
for the Performing Arts of Miami-Dade County

Formerly: CARNIVAL CENTER FOR THE PERFORMING ARTS

Fiscal Year Ending September 30, 2008

	Actual					Revised Projection							Revised Projection	Original 08 Budget
REVENUE	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Total	Total
Ticket Sales	$331	$369	$841	$511	$533	$992	$420	$674	$120	$780	$1,560	$0	$7,131	$4,85
Rental Revenue	$267	$181	$238	$236	$303	$349	$311	$410	$117	$226	$215	$133	$2,986	$3,05
Facility Chargebacks	$102	$99	$106	$65	$184	$200	$200	$200	$100	$99	$75	$90	$1,520	$1,67
Box Office Fees	$156	$134	$266	$137	$259	$275	$100	$250	$84	$55	$50	$50	$1,816	$2,66
Parking Revenue	$44	$40	$106	$58	$111	$120	$116	$105	$50	$75	$75	$50	$950	$1,32
Concessions	$10	$21	$34	$8	$25	$35	$35	$35	$37	$40	$40	$30	$350	$50
Merchandise Sales	$3	$6	$2	$1	$2	$5	$5	$6	$4	$4	$4	$3	$45	$5
Foundation Subsidy	$0	$292	$500	$1,292	$177	$177	$177	$177	$177	$177	$177	$177	$3,500	$3,50
Additional Fundraising	$0	$0	$0	$0	$0	$117	$117	$117	$117	$117	$117	$114	$816	$
County Funding	$632	$536	$671	$535	$538	$750	$750	$750	$700	$675	$675	$638	$7,850	$8,85
Other Revenue	$3	$62	$20	$30	$623	$20	$17	$15	$15	$15	$15	$15	$850	$14
TOTAL REVENUE	$1,548	$1,740	$2,784	$2,873	$2,755	$3,040	$2,248	$2,739	$1,521	$2,263	$3,003	$1,300	$27,814	$26,62

EXPENSES	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Total	
Non-Stagehands Salaries & Benefits	$436	$393	$416	$336	$559	$425	$425	$425	$425	$425	$585	$431	$5,281	$5,49
Stagehands Salaries & Benefits	$158	$124	$53	$169	$108	$173	$215	$145	$85	$150	$210	$80	$1,670	$1,19
Marketing & Communication	$162	$128	$222	$161	$145	$200	$225	$120	$62	$200	$350	$75	$2,050	$1,34
Event Expenses	$406	$387	$696	$387	$382	$896	$566	$660	$196	$630	$1,160	$30	$6,396	$4,53
Professional Services	$24	$54	$20	$64	$50	$50	$66	$62	$59	$58	$54	$59	$620	$60
Fulfillment Costs & Comp Tickets	$11	$5	$5	$5	$13	$10	$11	$10	$10	$10	$10	$10	$110	$11
Show/Event Parking Services	$38	$22	$105	$36	$112	$105	$105	$95	$45	$70	$70	$45	$848	$1,18
Administration & Overhead	$106	$79	$139	$88	$122	$100	$100	$100	$100	$100	$100	$100	$1,234	$1,05
Occupancy Costs	$632	$531	$570	$535	$534	$750	$750	$750	$700	$675	$675	$748	$7,850	$8,85
Miami Dade County Commitment	$0	$0	$375	$0	$0	$375	$0	$0	$375	$0	$0	$375	$1,500	$1,50
Depreciation Expense	$8	$8	$8	$9	$9	$9	$9	$9	$9	$9	$9	$9	$105	$5
Capital Items	$0	$0	$0	$0	$0	$0	$0	$50	$0	$50	$50	$0	$150	$69
TOTAL EXPENSES	$1,981	$1,731	$2,608	$1,790	$2,034	$3,093	$2,472	$2,426	$2,066	$2,377	$3,273	$1,962	$27,813	$26,62
Operating Surplus (Deficit)	($433)	$9	$176	$1,083	$721	($53)	($224)	$313	($545)	($114)	($270)	($662)	$0	$0

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