



KEEN
INDEPENDENT
RESEARCH



City of Frisco – Arts & Entertainment Venue Business Plan

City Council Update – June 29, 2023

Today's Agenda

- What we heard
- Multi-venue complex utilization
- Pro forma financial outlook
- Next steps
- Questions from Council

What we heard

- **Multi-venue performing arts complex:** fill the needs of Frisco's cultural community – local, regional, and national acts/shows
- **Phasing Opportunity:**
 - ❑ One: Performing Arts Complex
 - ❑ Two: Community mid-size venue
- **Quality:** Facilities that match Frisco specifications and quality standards
- **Club model opportunity:** to be further researched



Phase 1: Arts Complex

Large hall

2,000+ seat venue

- ✓ Fixed-seat proscenium theatre
- ✓ Primary utilization: Broadway and national touring content
- ✓ Available for community use
- ✓ Year one utilization ranges from 17% - 36%
- ✓ Year five utilization ranges from 32% - 42%



Phase 1: Arts Complex Community hall 650-seat venue

- ✓ Flexible stage and seating configurations
- ✓ Primary utilization: Frisco and regional arts organizations
- ✓ City-presented performing arts series
- ✓ Year one utilization ranges from 46% - 66%
- ✓ Year five utilization growth up to 20%



Source: NYU Abu Dhabi, Theatre Projects

Phase 1: Arts Complex

Flexible hall

Ranges 100 – 200-seats

- ✓ Flexible community event room
- ✓ Primary utilization: local arts organizations and community
- ✓ Ability to be used for meetings, rehearsals, and small performances
- ✓ High utilization beginning in year one, primarily for rehearsals



Phase 1: Arts Complex Connected Outdoor Spaces

OPPORTUNITY



Source: Gogue Performing Arts Center at Auburn University, Theatre Projects



Source: Dr. Phillips Center for the Performing Arts, Theatre Projects

Phase 2 (timing to be determined)



Mid-size community theatre

Location: *to be determined*

Timing: *as community develops further*

Would be under-utilized if built immediately with arts complex

- 1,250-seat fixed-seat proscenium theatre
- Primary utilization: Frisco and regional arts organizations
- City-presented performing arts series

Demand and Forecasting Utilization

Frisco demand projections

Frisco	2021	2030	2040	2050
Art exhibits	0 %	32 %	79 %	141 %
Art museums and galleries	0	28	77	138
Ballet	0	27	80	143
Classical music	0	37	91	163
Craft/visual art festivals	0	30	80	142
Dance (other than ballet)	0	27	74	141
Film	0	29	75	137
Jazz music	0	30	78	141
Latin, Spanish or salsa music	0	27	74	134
Live music performances	0	30	78	140
Musical plays	0	31	82	147
Non-musical plays	0	32	85	150
Opera	0	38	99	170
Outdoor festivals	0	30	80	142

Source: Texas Demographic Center, NEA 2017 Survey of Public Participation in the Arts, Keen Independent

Estimated audiences (unconstrained)

Frisco	2021	2050	Net change
Film*	782,763	1,858,285	1,075,522
Live music performances	392,460	943,003	550,543
Art exhibits	170,061	409,104	239,043
Art museums and galleries	104,718	248,771	144,053
Musical plays	49,210	121,414	72,204
Jazz music	34,544	83,247	48,704
Classical music	29,076	76,525	47,449
Non-musical plays	30,050	75,251	45,201
Craft/visual art festivals	27,418	66,378	38,961
Outdoor festivals	27,418	66,378	38,961
Dance (other than ballet)	19,407	46,768	27,361
Latin, Spanish or salsa music	16,206	37,860	21,654
Ballet	7,429	18,081	10,651
Opera	4,633	12,521	7,888

Utilization scenarios year one

Lean:

- The beginnings of a Broadway and popular entertainment series in the large hall, with community events beginning to grow in the community hall and flexible spaces.

Moderate:

- Heavier investment into the large hall programming model, including a one-week run of a Broadway show, plus increased community utilization for performances/events across all venues.

Maximum:

- This represents the fullest expression of a feasible year one of venue utilization, where the live arts and entertainment series figures remain the same but use by commercial and community users increases.

Utilization Year One

Lean:

- 300–325 event days across all venues, plus an additional 138 rehearsal days.

Moderate:

- 335 event days across all venues, plus an additional 149 rehearsal days.

Maximum:

- 419 event days across all venues, plus an additional 201 rehearsal days.

Frisco Arts Complex Utilization Year 1 Days by Activity Type		Lean	Moderate	Maximum
Large Hall (2000+ seats)				
	Broadway Shows - event	20	28	28
	Broadway Shows - tech	8	10	10
	Popular Entertainment - event	15	35	50
	Popular Entertainment - tech	3	5	5
	Nonprofit Rental - event	5	10	15
	Nonprofit Rental - rehearsal	5	7	7
	Commercial Rental - event	4	10	15
	Commercial Rental - prep/strike	1	2	3
	Total Days	61	107	133
	Percentage of year	17%	29%	36%
Community Hall (650 seats)				
	Presented Series - event	5	8	10
	Presented Series - tech	1	1	2
	Nonprofit Rental - event	135	155	185
	Nonprofit Rental - rehearsal	25	30	35
	Commercial Rental - event	2	4	8
	Commercial Rental - prep/strike	0	0	2
	Total Days	168	198	242
	Percentage of year	46%	54%	66%
Flexible Event and Rehearsal Hall				
	Nonprofit Rental - event	68	78	98
	Nonprofit Rental - rehearsal	95	109	137
	Commercial Rental - event	5	5	5
	City Events & Meetings	5	5	5
	Total Days	172	196	245
	Percentage of year	47%	54%	67%

Utilization Year One – Large Hall

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	Broadway Shows - event	20	28	28
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	Total Days	61	107	133
	Percentage of year	17%	29%	36%

Utilization Year One – Community Spaces

Frisco Arts Complex Utilization Year 1 Days by Activity Type		Lean	Moderate	Maximum
Community Hall (650 seats)				
	Presented Series - event	5	8	10
	Presented Series - tech	1	1	2
	Nonprofit Rental - event	135	155	185
	Nonprofit Rental - rehearsal	25	30	35
	Commercial Rental - event	2	4	8
	Commercial Rental - prep/strike	0	0	2
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Flexible Event and Rehearsal Hall (100 - 200 seats)				
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	Nonprofit Rental - rehearsal	95	109	137
	Commercial Rental - event	5	5	5
	City Events & Meetings	5	5	5
	Total Days	172	196	245
	Percentage of year	47%	54%	67%

Utilization Year Five

Lean:

- Large hall: Five-show Broadway season and slightly increasing popular entertainment programming.

Moderate:

- Large hall: Larger Broadway and popular entertainment programming risk.

Maximum:

- Large hall: Much more aggressive Broadway and popular entertainment model.

Frisco Arts Complex Utilization Year 5 Days by Activity Type		Lean	Moderate	Maximum
Large Hall (2000+ seats)				
Broadway Shows - event	28	39	64	
Broadway Shows - tech	10	14	16	
Popular Entertainment - event	25	60	75	
Popular Entertainment - tech	5	6	8	
Nonprofit Rental - event	7	16	27	
Nonprofit Rental - rehearsal	7	7	9	
Commercial Rental - event	5	16	28	
Commercial Rental - prep/strike	2	2	4	
Total Days	90	160	231	
Percentage of year	25%	44%	63%	
Growth over 5 years	32%	33%	42%	
Community Hall (650 seats)				
Presented Series - event	8	12	12	
Presented Series - tech	1	2	2	
Nonprofit Rental - event	155	194	241	
Nonprofit Rental - rehearsal	30	35	40	
Commercial Rental - event	4	6	6	
Commercial Rental - prep/strike	0	2	2	
Total Days	198	251	303	
Growth over 5 years	15%	21%	20%	
Flexible Event and Rehearsal Hall (100-200 seats)				
Nonprofit Rental - event	78	97	122	
Nonprofit Rental - rehearsal	109	136	171	
Commercial Rental - event	5	5	5	
City Events & Meetings	5	5	5	
Total Days	196	243	304	
Growth over 5 years	12%	19%	19%	

Utilization Year Five – Large Hall

Frisco Arts Complex Utilization Year 5 Days by Activity Type

Lean

Moderate

Maximum

Large Hall (2000+ seats)

Broadway Shows - event	28	39	64
Broadway Shows - tech	10	14	16
Popular Entertainment - event	25	60	75
Popular Entertainment - tech	5	6	8
Nonprofit Rental - event	7	16	27
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Total Days	90	160	231
Percentage of year	25%	44%	63%
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Utilization Year Five – Community spaces

Frisco Arts Complex Utilization Year 5 Days by Activity Type		Lean	Moderate	Maximum
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	Presented Series - tech	1	2	2
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Operational Pro Forma | Arts Complex

	Y1 Moderate		Y1 Maximum		Y5 Moderate		Y5 Maximum	
REVENUE PROJECTIONS								
Earned Income	\$	10,032,431	\$	12,262,617	\$	15,083,526	\$	19,034,663
City Subsidy / Investment	\$	1,650,000	\$	550,000	\$	-	\$	-
Contributed Income	\$	1,504,865	\$	1,839,392	\$	3,016,705	\$	3,806,933
GROSS INCOME	\$	13,187,295	\$	14,652,009	\$	18,100,232	\$	22,841,595
EXPENSE PROJECTIONS								
Artist Fees & Expenses	\$	5,207,000	\$	6,687,000	\$	7,077,468	\$	9,424,183
Building Maintenance & Repairs	\$	658,912	\$	658,912	\$	741,611	\$	741,611
Credit Card Fees	\$	455,726	\$	489,337	\$	593,072	\$	682,519
Insurance	\$	305,232	\$	305,232	\$	343,541	\$	343,541
Marketing & Publicity (general)	\$	150,000	\$	150,000	\$	182,326	\$	182,326
Professional Services	\$	75,000	\$	75,000	\$	91,163	\$	91,163
Salary, Wages, Benefits	\$	4,935,000	\$	4,935,000	\$	5,998,523	\$	5,998,523
Software Fees + Maintenance	\$	178,000	\$	178,000	\$	216,360	\$	216,360
Supplies & Equipment	\$	185,000	\$	185,000	\$	200,000	\$	200,000
Training & Travel	\$	150,000	\$	150,000	\$	175,000	\$	175,000
Utilities	\$	352,066	\$	352,066	\$	396,253	\$	396,253
Facility Management Contract (variable)	\$	250,000	\$	250,000	\$	303,877	\$	303,877
GROSS EXPENSE	\$	12,901,936	\$	14,415,546	\$	16,319,195	\$	18,755,357
OUTCOME	\$	285,360	\$	236,463	\$	1,781,037	\$	4,086,238
Less Capital Asset Contribution	\$	(200,000)	\$	(200,000)	\$	(750,000)	\$	(750,000)
NET OUTCOME	\$	85,360	\$	36,463	\$	1,031,037	\$	3,336,238

Y1 represented in 2023 dollars with inflationary adjustments for costs of goods and service (4.8%) applied annually.

Operational Pro Forma | Arts Complex

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REVENUE PROJECTIONS				
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Building Maintenance & Repairs	\$	658,912	\$	658,912
Credit Card Fees	\$	455,726	\$	489,337
Insurance	\$	305,232	\$	305,232
Marketing & Publicity (general)	\$	150,000	\$	150,000
Professional Services	\$	75,000	\$	75,000
Salary, Wages, Benefits	\$	4,935,000	\$	4,935,000
Software Fees + Maintenance	\$	178,000	\$	178,000
Supplies & Equipment	\$	185,000	\$	185,000
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Year 5 – Revenue Model

Operational Pro Forma | Arts Complex

		Y5 Moderate		Y5 Maximum	
REVENUE PROJECTIONS					
Earned Income					
Ticket Sales	\$	10,381,362	\$	13,142,958	
Ticket Fees & Commissions	\$	1,437,915	\$	1,785,007	
Facility Rental & Fees	\$	1,440,507	\$	1,967,906	
Concessions (net)	\$	1,284,732	\$	1,480,135	
Parking (net)	\$	539,009	\$	658,657	
City Subsidy / Investment	\$	-	\$	-	
Contributed Income	\$	3,016,705	\$	3,806,933	
GROSS INCOME	\$	18,100,232	\$	22,841,595	

Year 5 – Expense Model

Operational Pro Forma Arts Complex			
	Y5 Moderate		Y5 Maximum
EXPENSE PROJECTIONS			
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Building Maintenance & Repairs	\$	741,611	\$ 741,611
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Operational Pro Forma | Arts Complex

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Earned Income				
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Ticket Fees & Commissions	\$	1,437,915	\$	1,785,007
Facility Rental & Fees	\$	1,440,507	\$	1,967,906
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Less Capital Asset Contribution	\$	(750,000)	\$	(750,000)
NET OUTCOME	\$	1,031,037	\$	3,336,238

Suggested next steps

- ☐ Community-wide feedback and engagement process
- ☐ Club model research and planning study
- ☐ Concept planning (space program, site, costing)
- ☐ Economic impact analysis
- ☐ Booking partnership development
- ☐ Capital funding study
- ☐ Fundraising capacity study
- ☐ Design charette

Questions from Council

