

Draft Transition Plan 2005--2007

Uniting the Minneapolis and St. Paul Performing Arts Venues Under
One Programming and Management Entity--
Twin Cities Theatre Alliance

The three year transition plan for assumption of the programming and operations responsibilities for the Historic Orpheum Theatre, Historic State Theatre, and the Pantages Theatre has three stages: Planning/Early Work in 2005; Full Scale Transition in 2006; and Stabilization and Refinement in 2007.

Preliminary detail for Phase 1: 2005 -- Planning/Early Work follows this introduction. Upon contract award, the staff of Alliance will work with staff of the Minneapolis historic theatres and management and staff of the City of Minneapolis to create increased detail for activities in 2005, with directional detail for 2006 and 2007.

This Transition Plan will be presented to the Board's Minneapolis Theatres Initiative Committee for review, input, and final approval. Subsequently the Transition Plan will be presented to the Board of Directors for approval. Further, as required or requested by the City, this plan will be provided throughout its development, approval, and implementation phases to the City.

Performance against plan will be monitored by the Board's Minneapolis Theatre Initiative Committee on a monthly basis. Reports of this performance will be given at every board meeting and will be provided to the City on whatever frequency is desirable.

At all times during the transition process, it is our intention to make the transition as invisible as is possible to both audiences and artists, although, we do expect that notice will be taken of increased service levels and quality.

Planning/ Early Work	2005 Detail
One Season Programming and Expanded Programming	<p data-bbox="467 1241 1398 1367"><u>"Transition Plan" per RFP requirements and the Management Agreement</u> In accordance with the current Management Contract and MUA provider (Section 4.1(d) of the Management Agreement and the Second Amendment the Alliance will upon contract award:</p> <ul data-bbox="467 1402 1390 1900" style="list-style-type: none"><li data-bbox="467 1402 1390 1472">➤ Honor all specifics in the Management Contract for immediate transference of booking responsibility to Alliance.<li data-bbox="467 1503 1187 1535">➤ Obtain the bookings list and contracts entered into therein.<li data-bbox="467 1570 1300 1640">➤ Follow up on bookings that are being pursued and/or are in contract negotiations.<li data-bbox="467 1671 1130 1703">➤ Assess/evaluate potential liabilities and address them.<li data-bbox="467 1734 1333 1803">➤ If not existing, prepare a master calendar for the bookings and plan for operations and facilities support accordingly.<li data-bbox="467 1835 1390 1900">➤ Contact the principal for each booking and/or contract to define any further requirements to be met.

	<ul style="list-style-type: none"> ➤ Take charge of provision of advance needs for all bookings. ➤ Work with past manager to ensure a smooth transition and compensation for work rendered is provided as stipulated in the Management Contract. ➤ Begin immediately to plan additional shows/events/rentals to increase audience draw and use of the historic theatres. ➤ <u>Educational Programming</u>--Complete the educational programming plan content and logistics required to shift a significant amount of educational programming to the Minneapolis historic theatres, particularly the Pantages. <ul style="list-style-type: none"> • Enlarge Education Advisory Committee to better serve the Minneapolis operation. • Identify artists for Performing Arts Classroom (PAC) events at Minneapolis venues in '05-'06 season where there is booking time available and the venue appropriate. • Develop training for in-house staff of Minneapolis venues in preparation for large volume of student events and specific requirements of these performances • Develop unified PAC sales plan that capitalizes on all PAC offerings at all venues. Initiate a school sales plan that features the historic and cultural significance of venues on Hennepin Avenue. • Contact artists who are booked in preparation for education support and community connections.
<p>Move Headquarters to Minneapolis</p>	<p>In a time is of the essence priority, we will conduct a study of office space in Minneapolis that can accommodate a move to establish headquarters in Minneapolis.</p> <p>A relocation plan will be developed and implemented as soon as possible in 2005.</p>
<p>Staff Plan (refer to Section 7 for further detail)</p>	<p>Reflective of its 20 years of existence, Alliance has well-established human resources, policies and procedures to support attracting and retaining talented staff. Based on prior experience, recruitment of new hires will take between two months (entry level) to maximum of eight (senior positions), depending upon level of positions, availability of talent, advertising requirements, and number of people involved in the interview process.</p> <p>Current policy manuals and orientation and training programs will be updated to reflect the new name and will comply with City of Minneapolis requirements in addition to all state and federal laws, with which we are presently compliant.</p> <p>As many staff presently supporting the historic theatres as possible will be retained and will be smoothly integrated into Alliance's team of experienced employees able to successfully manage multi-use facilities and diverse programs.</p> <p>Implement staff plan as detailed in Section 7. Highlights include:</p> <ul style="list-style-type: none"> ➤ Increase <u>Box Office</u> management and Group Sales staff to include current

employees from the incumbent and Alliance's. The staff will consist of one FTE Box Office Manager, two FTE Assistant Box Office Managers, two FTE Phone Room Supervisors, three FTE Performance Managers, two FTE Phone Room Associates, and part-time counter and phone room associates to manage walk-up and phone volume based on activity. (see contracts section for Ticketmaster)

- Group Sales department of one full-time Group Sales Associate to market and sell group tickets to all events. This department will be increased to include the current group sales department of the incumbent. These hires will take place during the transition period from the incumbent to Alliance-- the fall of 2005 through the spring of 2006. In addition to staff integration, one additional position will be added. (See contracts section for Ticketmaster).
- Marketing--Additional marketing staff will be hired as needed to manage the marketing volume based on programming. The marketing department will include: Vice President of Sales and Marketing, Director of Marketing, two FTE Marketing Managers, Public Relations Manager, two FTE Marketing Associates, Public Relations Associate, Art Director, Graphic Designer and Graphic Assistant. The staff will be put together between the fall 2005 and spring 2006. Currently at the Minneapolis historic theatres, the responsibilities of the Vice President and Art Department are being outsourced to an out-of-town provider. The Alliance would provide these services locally and in-house.
- Facilities Operations --The division will be overseen by the Vice President of Facility Operations who will have two director level direct reports (Director of Production and Director of Client Services) as well as IUOE Local 70 employees, a manager for Security and a Production Operations Manager.

The Client Services Department will be lead by a new position, the Director of Client Services, and will consist of Housekeeping, Security, House Services and Bar and Concessions. Where appropriate, existing operations staff will be kept in place in Minneapolis to ensure consistency in operations and a seamless transition for audience and artists. A search will be mounted to fill the new director level position and current Minneapolis staff will be taken into consideration when filling the position.

Existing House Service Manager positions will be kept in place and Minneapolis House Services Staff (ushers, ticket takers etc.) will be enrolled in Ordway Centers customized Customer Service Training for a Diverse Audience sessions.

A new Security Manager will be hired to provide supervision to an expanded security function for the five venues. While these searches are proceeding, contract security services will be purchased and report directly to the Vice President of Facility Operations.

Existing Minneapolis housekeeping staff will be used.

Existing Minneapolis bar and concessions staff will be used.

	<p><u>Production and Engineering:</u> The Production Department will be lead by a new position, the Director of Production, who will supervise all production related activity in all five venues as well as give work direction to the Orpheum/State/Pantages Technical Director (existing position) as well as the IATSE Local 13 Stagehands in Minneapolis, and the Production Coordinator at Ordway Center. The Alliance intends to fill the new director level position from existing Ordway Center staff.</p> <p>A Production Operations Manager, reporting to the Vice President will be responsible for facility calendars, and ensuring compliance with the collective bargaining agreement with IATSE Local 13. This position will supervise a new Production Operations Associate position.</p> <p>Alliance’s existing relationship with IUOE Local 70 will be expanded to include the three Minneapolis Venues. All IUOE Local 70 employees will report directly to the Vice President. This reporting structure will ensure that appropriate attention is given to proper upkeep and maintenance of all venues.</p> <p>➤ <u>Information Technology</u>-- The IS/IT staff currently has four positions, IS/IT Director, IS Manager, System Administrator, and Web Developer. This department reports to the Vice President and CFO.</p> <ul style="list-style-type: none"> • The current staff has been with Alliance between 5 – 11 years and individual experience in the field between 5 – 20 years of professional experience. • Taking on the Minneapolis historic theatres is an extension of what we currently do and the staffing plan includes 1.5 new FTE’s <p>➤ <u>Finance</u>-- Current staff consists of four employees who have been with Alliance between 8 – 15 years and individual experience in the field between 8 – 30 years of professional experience. Taking on the historic theatres is an extension of what we currently do and will add one FTE accountant</p>
Preventative Maintenance and Capital Improvements	<p>➤ Alliance has benefited from twenty years of aggressive preventative maintenance. Operations Management will assess and evaluate preservation requirements for the Minneapolis historic theatres and develop new or revise existing short and long range preventative maintenance and capital improvement plans. Rolling these plans up into a master plan that includes the Ordway Center facilities will ensure continuity of experience for audiences and artists and will further ensure the facilities' ability to remain as cultural icons for future generations.</p> <p>➤ Tailor Alliance's preventative maintenance schedules and capital improvement schedules so they best meet the needs of historic as well as multi-use facilities. Minneapolis staff will be evaluated for ability to implement. Training will be provided as necessary.</p> <p>➤ Initial discussions with Trade Unions would begin with emphasis on creating</p>

	<p>a new model to support the facilities as well as union employees. It is expected that there will great opportunity for expansion of operations and education of less senior stagehands within this model.</p> <ul style="list-style-type: none"> ➤ Customer Service staff will be observed and all emergency policies and procedures will be looked at to ensure compliance with applicable regulations as well as ease of operation, etc. Where necessary, staff will receive training in emergency preparedness. ➤ New or expanded Security procedures will be put in place that will expand the reach and ability of the existing in-house Security Department at Alliance. The security manager will be hired immediately. ➤ An exhaustive inspection of all three Minneapolis venues will take place, ensuring that life safety, air quality, deferred maintenance, and any and all structural issues are identified so that planning can be expanded where necessary to address these issues. ➤ At all times, Alliance will work to retain and recruit the most skilled employees in their fields, ensuring that these all important historic theatres are protected. ➤ Capital planning will look to the future, making sure that cutting edge technology is in place and allowing for upgrades in production value for rental clients, producers, audiences and artists.
Marketing	<p>A branding/naming study will be conducted with civic and City participation to evaluate how to establish the best possible market and public position for the Alliance (acting title). The purpose of this study is to select a name that will convey excitement about and confidence in the decision the City has made to unite the Twin Cities Broadway seasons, other programming, and management of the five venues to bring maximum benefit to audiences, to economic development of the Hennepin Theatre District, and to the preservation of the Minneapolis historic theatres.</p> <p>Following the naming decision, a team of branding professionals will work with the staff to create a dynamic branding campaign.</p> <p>Some of the elements/components in the campaign will be:</p> <p><u>Branding/destination campaign</u></p> <ul style="list-style-type: none"> ➤ Campaign of new entity will consist of paid and promotional media ➤ Media mix will include; TV, radio, print, out-of-home and direct mail ➤ Press Conference hosted by City of Minneapolis and Alliance will announce new organization and relationship for City of Minneapolis ➤ Open House opportunities – visit the venues and meet Alliance– Hennepin Avenue “Where Arts Happen!” <p><u>Subscription Campaign</u></p>

	<p>➤ To be most successful, Alliance will request that the City of Minneapolis request subscription account (customer) information from the previous season from the incumbent to assure the transfer of information to provide the best customer service to the Hennepin Avenue arts patron</p> <p>➤ The campaign will include a combined effort of:</p> <ul style="list-style-type: none"> • Direct Mail • Paid media advertising – TV and Radio • Out-of-Home • Telemarketing • Print – newspaper and publication • Partnership Marketing • Open Houses at the venues • Press Conference <p>All associates will be trained to sell single and subscription sales through walk-up and phone. This cross-training will allow for the best customer service and the most cost effective ticket selling operation</p>
Finance	<p>This group has experience taking, managing and integrating new opportunities. (Buddy tour all management, payroll, tax reporting, and settlement of this 1.5 year tour. This was \$10,000,000 worth of activity with no additional staffing in this area added for this activity).</p> <p>Standards that will be applied to the Minneapolis historic theatres include:</p> <ul style="list-style-type: none"> ➤ In house reporting and budget systems that allow non-financial managers access to real time expense and revenue tracking ➤ High level of controls and checks and balance in organization ➤ Clean audits with no management letter comments ➤ Special reporting requirements such as grant financial reports ➤ Involved Finance Committee of the Board as oversight group that meets on a monthly basis <p><u>Transition plan</u> includes the following:</p> <ul style="list-style-type: none"> ➤ Adapt chart of accounts for new theatres ➤ Develop special reports needed on a monthly basis ➤ Train any new staff through out the organization on authorization and control procedures ➤ Contact and manage vendor relationships ➤ Manage the export and import of necessary payroll records

	<ul style="list-style-type: none"> ➤ Manage the export and import record of necessary employee benefit programs ➤ File any required Federal and State Tax filings, applications, reporting, etc. ➤ Identify and book initial account balances for assets and liabilities brought forward related to the new theatres ➤ Identify and review any new procedures specific to any or all of the new theatres 																																								
Fund Raising/ Development	<p>The Alliance's Development Department will work quickly and efficiently in 2005 with local, regional, and national corporations to secure sponsorships for the combined Broadway season and other programming for the historic theatres.</p> <p>In addition, the Development Department will work with the Board Governance Committee to recruit top volunteer fund raisers in the Cities to join the Board to help secure six-figure grants and corporate sponsorships for the Alliance.</p> <p>The 2004-2006 Development Plan (18 pages of detail with implementation measures and timelines) contained in our strategic plan will be updated with strategies and goals that take into account how fund raising can best be applied to meet the best interest of the Historic Theatres.</p>																																								
Information Technology	<p style="text-align: center;">Alliance's Computer Application Mapping</p> <table border="1" data-bbox="467 1033 1370 1545"> <thead> <tr> <th>Application (purpose/use)</th> <th>In House Pkged Software</th> <th>Compute on which it runs</th> <th>Implementation Date</th> <th>Most Recent Modification</th> </tr> </thead> <tbody> <tr> <td>General Ledger</td> <td>Solomon</td> <td>Windows 2000</td> <td>1990</td> <td>2003</td> </tr> <tr> <td>Acc'ts Payable</td> <td>Solomon</td> <td>Windows 2000</td> <td>1990</td> <td>2003</td> </tr> <tr> <td>Payroll; HR</td> <td>ADP</td> <td>Windows 2000</td> <td>1996</td> <td>2003</td> </tr> <tr> <td>Groupware, File Server</td> <td>Exchange 2000</td> <td>Windows 2000</td> <td>Mid 1996</td> <td>2003</td> </tr> <tr> <td>Ticketing/Campaign /Development</td> <td>Prologue</td> <td>Unix</td> <td>1989</td> <td>Mid 2002</td> </tr> <tr> <td>Website</td> <td>Apache, Coldfusion</td> <td>Linus</td> <td>2001</td> <td>Mid 2004</td> </tr> <tr> <td>Phone System</td> <td>PBX</td> <td>Siemens Hicom 30EP</td> <td>2000</td> <td>No major changes</td> </tr> </tbody> </table> <p>Alliance's Organization of the IS/ IT Function:</p> <p><u>Transition Planning IS/IT</u></p> <ul style="list-style-type: none"> ➤ The preceding systems will be the platform for integration with the Mpls theaters with the exception of ticketing/fundraising. ➤ By early 2005 Alliance will have completed its selection process for new ticketing/fundraising software and will begin implementation of the new 	Application (purpose/use)	In House Pkged Software	Compute on which it runs	Implementation Date	Most Recent Modification	General Ledger	Solomon	Windows 2000	1990	2003	Acc'ts Payable	Solomon	Windows 2000	1990	2003	Payroll; HR	ADP	Windows 2000	1996	2003	Groupware, File Server	Exchange 2000	Windows 2000	Mid 1996	2003	Ticketing/Campaign /Development	Prologue	Unix	1989	Mid 2002	Website	Apache, Coldfusion	Linus	2001	Mid 2004	Phone System	PBX	Siemens Hicom 30EP	2000	No major changes
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	<p>system. This system will be in place prior to the contract term beginning in 2006.</p> <ul style="list-style-type: none"> ➤ Conduct Infrastructure assessment: <ul style="list-style-type: none"> • phone systems (equipment, contracts, wiring) • local telco access • information networks (equipment, contracts, wiring) • ISP access • office equipment (copiers, faxes) • assessment of existing contracts, leases • mail handling assessment • office space, furniture and ergonomics • assessment of existing equipment space <ul style="list-style-type: none"> - environmental controls - access to power and power-backup systems - physical security • overall physical security of office and backstage spaces • integration with security systems • LAN/WAN questions about bandwidth needs between all the buildings, security, VPN, remote access, not only to the ticketing and other vertical systems but normal business systems like e-mail and file & print sharing • Update, define, document and then systematize our business practices
<p>Management</p>	<p>The management structure and organizational design of Alliance will remain basically the same. It is a proven, effective, efficient and accountable management system. Our staffing plan calls for six Vice Presidents reporting to President and CEO. The VP's are in charge of Education and Outreach, Programming, Facility Operations, Development, Sales and Marketing, and Finance and Administration, respectively.</p> <p>Process and procedures for these multiple activities are well established and working effectively. While respectful of practices used in the historic theatres, we expect to merge all activities in these venues into the existing structure and processes and procedures at Alliance. We expect that this transition will be straightforward and that some training will be required.</p> <p>Our first steps in 2005 will be:</p> <ul style="list-style-type: none"> ➤ Assess and evaluate the administrative, management, systems, and process requirements for a smooth consolidation. ➤ Plan how to effectively create a seamless transition to a one operating system in 2006
<p>Union and Supplier Contracts</p>	<ul style="list-style-type: none"> ➤ As mentioned earlier in the Preventive Maintenance section, initial discussions with Trade Unions would begin with emphasis on creating a new model to support the facilities as well as union employees. It is expected that there will great opportunity for expansion of operations and education of less senior stagehands within this model.

	<ul style="list-style-type: none"> ➤ Any short term outside contract for services (e.g., Security) would be negotiated being careful to include current contractors in the bidding process. These short term contracts will allow time to recruit and hire best possible candidates for new positions. ➤ Alliance will successfully address the following contracts and agreements. We have worked hard and realized an improved relationship with IATSE, and we will continue to work collaboratively with IATSE to look at new ways to bring value to our operations. ➤ We also intend to extend our current relationship with IUOE Local 70, which will create a better maintenance and preservation situation for the Minneapolis historic venues. ➤ Ticketmaster--We will work with the corporation for the remainder of the contract (until 12/31/06). Upon completion of the contract Alliance will transition operations to our integrated in-house system. ➤ The following, as identified in the RFP, will also be effectively addressed. The Alliance will continue its ongoing relationship with IATSE Local 13 and 49 and will honor existing service, maintenance, and energy agreements. <ul style="list-style-type: none"> • IATSE Local 13 (Stagehands); expires 12/31/04 • IATSE/Box Office Personnel; expires 12/31/05 • Hair and Make Up Local 49; expires 12/31/04 • NRG Energy Center (Steam & chilled water for Orpheum and Pantages) • Various service/maintenance contracts (e.g., elevator, HVAC)
Governance	<ul style="list-style-type: none"> ➤ Through the Board's Minneapolis Theatres Initiative Committee, participate in the development and refinement of the Transition Plan--2005--2007, taking care in particular, to ensure that capability and capacity are strongly in place and that accountability for success is clearly identified and its measurements are in place. ➤ Through the Board's Minneapolis Theatres Initiative Committee, monitor progress against plan on a monthly basis and report to the Board of Directors on this progress at each meeting. ➤ Through the Board's Minneapolis Theatres Initiative Committee and with the leadership of the CEO of the Alliance, work with the City to determine the substance, format, and frequency of reporting that the City requires. ➤ Identify and recruit civic, City, and corporate leaders for Board membership who will add value to the Board's desire and commitment to implement the strategies outlined in this proposal and to accomplish the goals as set forth by the City's Theatre Study Committee

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