



The Alliance

Twin Cities Theatre Alliance

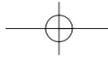
proposal to The City of Minneapolis
for Operation and Programming of the
Orpheum, State, and Pantages Theatres
Minneapolis, Minnesota

submitted by
Ordway Center for the Performing Arts
345 Washington Street
Saint Paul, MN 55102

Legal Status
Federal Identification Number
State Identification Number
Contact Person

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Signature of Authorized Corporate Officer
Jeffrey T. Bakken, Vice Chair of the Board



board of directors

Twin Cities Theatre Alliance

Regional Representation

CURRENT BOARD OF DIRECTORS OF ORDWAY CENTER FOR THE PERFORMING ARTS

greater minneapolis

- Jeff Bakken**
Honeywell (Ret.)
- Ellis F. Bullock**
Grotto Foundation
- Peter J. Capell**
General Mills
- Michael Ciresi**
Robins, Kaplan,
Miller & Ciresi
- Steve Fox**
Minnesota Monthly
- Hon. Isabel Gomez**
Hennepin District Court
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Waycrosse, Inc.
- David M. Lilly, Jr.**
Danbury Group
- Bill Mehus**
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- William D. Slattery**
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greater saint paul

- Margaret Aldredge**
3M
- Andy Bessette**
St. Paul Travelers
- Bruce Binger**
C-3 Company
- Carl B. Drake, Jr.**
St Paul Travelers (Ret.)
- Jeffrey M. Ettinger**
Hormel
- Patricia A. Harvey**
St. Paul Public Schools
- Mary C. Linder**
Northwest Airlines
- Colleen McGough-Wood**
Metro Dance Center
- Nancy Nicholson**
- John G. Ordway, Jr.**
- Edward C. Stringer**
Briggs and Morgan
- Paul Tobin**
Logic Bay
- Elsa Vega-Pérez**
Bremer Foundation
- F. T. Weyerhaeuser**
Clearwater Management Co.

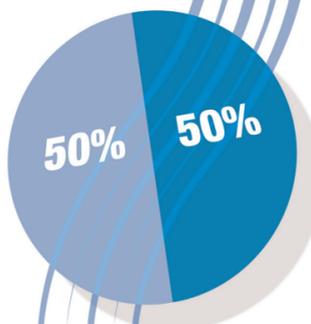


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executive summary

coordinated, one-season model

Ordway Center for the Performing Arts proposes to program and manage five of the Twin Cities major performance venues (the Historic Orpheum Theatre, Historic State Theatre, Pantages Theatre, Ordway Center's Main Hall, and the Ordway Center McKnight Theatre), using a **coordinated, one-season model**.

more sales, more feet on the street, more revenue

We are extremely excited to share the details and promise of this plan, one which brings economic, cultural, and civic advantages to the City that are not available through any other management solution—**more ticket sales at every venue, more feet on the street, more revenue on the Avenue than ever before**. These important benefits, and many more, will be realized by the City of Minneapolis through a unified and coordinated theatre season that only Ordway Center can provide.

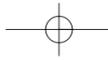
headquarters in downtown Minneapolis

To reflect our expanded programming and management, we will rename our organization **Twin Cities Theatre Alliance** (The Alliance; working title). With new **headquarters in downtown Minneapolis**, we will bring our **twenty years experience** as a charitably supported, mission driven, locally-established, world-class performing arts non-profit to increase and diversify programming on Hennepin Avenue and provide proven stewardship to these historic theaters and the legacy they represent to the City.

proven nationally

This operational model—**proven nationally** to be economically successful—combined with The Alliance's governance, accountability, and resources—is the **only comprehensive solution** that will maximize economic development of the Hennepin Theatre District.

only comprehensive solution



In this proposal we demonstrate that:

1. Only a coordinated, united market can ensure the kind of economic impact the City desires—as **proven nationally** in Denver, Cleveland, and Chicago.
2. Only The Alliance can bring the City unmatched financial assets, a long history of non-profit fiscal responsibility, decades of facilities stewardship, and the singular expertise of a **debt-free theater owner**.
3. Only The Alliance offers a **low-risk, comprehensive solution** that immediately brings the City twenty years closer to its goal of minimizing operational involvement and eventually exiting the business of theatre management.
4. Only The Alliance offers the City **strong ties to the philanthropic community**, with the proven ability to raise funds (\$104 million to date, \$4 million annually).
5. Only The Alliance offers the City the **opportunity to retain millions for our community**—millions currently wasted on unnecessary outsourcing to mega-commercial enterprises.
6. Only The Alliance offers the City an **established statewide profile**, strong relations with civic leaders, a metropolitan-wide patron base, and an influential Board that represents Minneapolis and St. Paul in equal measure.
7. Only The Alliance can offer the City the kind of **transparent, responsible, and rigorous fiduciary accountability** that comes from an established non-profit.
8. Only The Alliance **can ensure the preservation of tax-exempt bond financing** because it is a fully operational 501(c)(3) non-profit organization, fully compliant with the rules for both government and 501(c)(3) purpose bonds.
9. Only The Alliance is already the **#1 cultural field trip destination for Minneapolis public school children**, and can immediately bring **thousands of metropolitan public school children**, families, and educators to the new destination of choice—Hennepin Theatre District.
Source: Minneapolis Public Schools District Transportation Office, annual fieldtrip reports.
10. Only The Alliance brings twenty years experience **nurturing and supporting the diversity of the Twin Cities' cultural ecosystem** and can manifest that support successfully in programs like MINNEAPOLIS MOSAIC.

Finally, The Twin Cities Theatre Alliance brings the only plan that so completely meets goals recently established in the draft **City of Minneapolis Plan for Arts & Culture**: strategic collaboration, regional strength, arts education for Minneapolis youth, and attention to the metropolitan cultural ecosystem. Throughout the proposal, and in our EVALUATION CRITERIA we demonstrate our close alignment with those goals.

“Recommendation #6: Promote collaborations among arts and cultural organizations and artists, and with the City and other partners” —City of Minneapolis Plan for Arts & Culture, 9/6/2004





Two proposed sets of terms and conditions are presented:
1) a Rent/Management Option, and
2) a Rent/Management with Debt Assumption/Purchase Option.
The City may choose which option it prefers.

Twin Cities Theatre Alliance
Proposals for the Management and Programming of the
Historic Orpheum, State, and Pantages Theaters

term sheet

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/ PURCHASE OPTION
ORGANIZATION	<ul style="list-style-type: none">• Ordway Center for the Performing Arts a 501 (c) 3 organization with 20 years of experience, renamed as Twin Cities Theatre Alliance ("Alliance") with headquarters in Minneapolis	<ul style="list-style-type: none">• Ordway Center for the Performing Arts a 501 (c) 3 organization with 20 years of experience, renamed as Twin Cities Theatre Alliance ("Alliance") with headquarters in Minneapolis



The Power of Alliance



continued term sheet 2

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/ PURCHASE OPTION
ECONOMICS	<ul style="list-style-type: none"> • \$500,000 Good Faith Rent Deposit paid 7/1/06 and held by City for term of Lease. Investment proceeds on deposit 100% retained by City (estimated value to City of \$240,000 during first 10-year term of the agreement) • \$500,000 Annual Net Rent, adjusted by CPI index every five years during the term of the agreement • Full Operating Expenses, all costs of theater operations, responsibility of Alliance, including Operating Expenses currently paid by City (\$390,000 was the net operating loss to City in 2003 based on information City supplied during RFP process) • No Management Fee (vs. \$600,000 current annual fee) • Capital Expenses responsibility of City (assume City's sources to fund as follows: \$500,000 Annual Net Rent, elimination of City's \$390,000 Net Operating Expense obligation, which collectively equate to total of \$890,000 of annual capital resources newly available) • Full Operating Revenues belong to Alliance • City's net operating cash position improved \$4,553,400 over the first 5 years of this lease 	<ul style="list-style-type: none"> • Option Fee" of \$2,222,500 (equal to 10% of bonded indebtedness) payable July 1, 2006. In essence, a down payment. • \$500,000 Annual Net Rent, adjusted by CPI index every five years during the term of the agreement • Assumption by Alliance of all debt service payments on existing bonded indebtedness while theatres are under Alliance's operating control or when Alliance is fee owner • Full Operating Expenses, all costs of theater operations, responsibility of Alliance, including Operating Expenses currently paid by City (\$390,000 was the net operating loss to City in 2003 based on information City supplied during RFP process) • No Management Fee (vs. \$600,000 current annual fee) • Capital Expenses responsibility of City (assume City's sources to fund as follows: \$500,000 Annual Net Rent, elimination of City's \$390,000 Net Operating Expense obligation, which collectively equate to total of \$890,000 of annual capital resources newly available) • Full Operating Revenues belong to Alliance • City's net operating cash position improved \$6,675,500 over the first 5 years of this lease

The Power of Alliance

continued **term sheet 3**

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/PURCHASE OPTION
TAX CONSEQUENCES	<ul style="list-style-type: none"> Alliance will not jeopardize tax-exempt bond status under IRS "Private Activity Rules"; will not enter into any arrangement with a for-profit entity which gives that entity special rights and a share of profits from use of the theaters Alliance will not jeopardize tax exemption on sales of tickets to non-profit arts events under Minnesota State Law 	<ul style="list-style-type: none"> Alliance will not jeopardize tax-exempt bond status under IRS "Private Activity Rules"; will not enter into any arrangement with a for-profit entity which gives that entity special rights and a share of profits from use of the theaters Alliance will not jeopardize tax exemption on sales of tickets to non-profit arts events under Minnesota State Law
TERM	<ul style="list-style-type: none"> Lease commences July 1, 2006 Lease for initial 10-year term, with four, 5-year options at Alliance's option 	<ul style="list-style-type: none"> Lease commences July 1, 2006 Lease for initial 10-year term, with four, 5-year options at Alliance's option Ability to call bonds anytime after 2011 with transfer of title upon retirement of bonds
RESTORATION FEES	<ul style="list-style-type: none"> Collected by Alliance and paid to City Structured by City and Alliance to cover debt service on existing bonded indebtedness Alliance to guarantee annual number of tickets sold sufficient to cover debt service on existing bonded indebtedness Alliance to provide an annually renewable Letter of Credit in the amount of next 12 months of debt service on existing bonded indebtedness. See following Wells Fargo Letter of Commitment 	<ul style="list-style-type: none"> Established, collected and used by Alliance to pay debt service obligation under assumption of debt service of existing bonded indebtedness Structured by City and Alliance to cover debt service on existing bonded indebtedness "Option Fee" of \$2,222,500 is in lieu of Letter of Credit covering 12 months of debt service on existing bonded indebtedness as it is approximately \$1,000,000 greater than the annual Letter of Credit requirement

continued **term sheet 4**

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/ PURCHASE OPTION
PURCHASE TERMS	<ul style="list-style-type: none"> Alliance to have a right of first refusal to purchase the Theatres in any sale contemplated by the City during the lease term 	<ul style="list-style-type: none"> Alliance has the option to pay the Purchase Price to the City and to retire bonded indebtedness anytime between July 1, 2011 and July 1, 2031 and thus gain fee simple title to the Theatres The Purchase Price will be determined (at the time of contracting) by mutually agreed formula based on the City's Disposition Policy, including the public hearing and other process required to determine fair market value.
ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> Increase programming by a minimum of 15% in year one Increase quantity and breadth of visitor trips to downtown due to expanded types and quantity of programs Generate \$57.4 million in annual economic impact in Minneapolis 	<ul style="list-style-type: none"> Increase programming by a minimum of 15% in year one Increase quantity and breadth of visitor trips to downtown due to expanded types and quantity of programs Generate \$57.4 million in annual economic impact in Minneapolis
ALLIANCE PERFORMANCE GUARANTEES	<ul style="list-style-type: none"> 20 Week programming guarantee (160 performances) Alliance will not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of the City. 	<ul style="list-style-type: none"> 20 Week programming guarantee (160 performances) Alliance will not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of the City.
CITY'S NON-COMPETE	<ul style="list-style-type: none"> City shall not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of The Alliance (does not include Shubert) 	<ul style="list-style-type: none"> City shall not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of The Alliance (does not include Shubert)

continued term sheet 5

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/PURCHASE OPTION
HENNEPIN STAGES	<ul style="list-style-type: none"> If awarded this contract and the City so desires, The Alliance will make an offer to purchase, lease or manage Hennepin Stages 	<ul style="list-style-type: none"> If awarded this contract and the City so desires, The Alliance will make an offer to purchase, lease or manage Hennepin Stages
IDENTITY/ROLE	<ul style="list-style-type: none"> Ordway Center name to stay with Saint Paul facility only State, Orpheum and Pantages names to remain with Minneapolis Theaters Operating entity to be renamed Twin Cities Theatre Alliance to reflect regional mission. Role will cover: <ul style="list-style-type: none"> Programming Real Estate Management Economic Development Producing Marketing Community Involvement Educational Programming Fundraising 	<ul style="list-style-type: none"> Ordway Center name to stay with Saint Paul facility only State, Orpheum and Pantages names to remain with Minneapolis Theaters Operating entity to be renamed Twin Cities Theatre Alliance to reflect regional mission. Role will cover: <ul style="list-style-type: none"> Programming Real Estate Management Economic Development Producing Marketing Community Involvement Educational Programming Fundraising
GOVERNANCE	<ul style="list-style-type: none"> Although The Alliance Board already represents East/West metro area interests in equal measure, it will expand to include: <ul style="list-style-type: none"> Key Minneapolis elected officials Hennepin Avenue representatives Additional Greater Minneapolis business community leaders 	<ul style="list-style-type: none"> Although The Alliance Board already represents East/West metro area interests in equal measure, it will expand to include: <ul style="list-style-type: none"> Key Minneapolis elected officials Hennepin Avenue representatives Additional Greater Minneapolis business community leaders

2. A narrative summary of the nature and structure of the proposed ownership, management, and presenting arrangement (e.g., fee ownership, facility lease, management and/or presenting contract), and how the proposal addresses each of the goals contained in the report of the Theatre Study Committee. Proposals must include all three theatres.

Ordway Center for the Performing Arts offers this proposal to the City of Minneapolis for the coordination of the Twin Cities metropolitan performing arts market, and the unification of programming and management under one entity: Twin Cities Theatre Alliance (working name).

narrative summary

New Name, New Location, New Model

With contract award, the Ordway Center Board of Directors will rename our organization **Twin Cities Theatre Alliance (The Alliance)** to reflect its expanded metropolitan-wide operations and programming for the Twin Cities' five performance venues—the Historic Orpheum Theatre, Historic State Theatre, Pantages Theatre, Ordway Center's Main Hall, and the Ordway Center McKnight Theatre—and will establish our headquarters in downtown Minneapolis.

A branding/naming study will be conducted with City and civic leaders to evaluate how to establish the best possible market and public position for the Twin Cities Theatre Alliance (working 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.

In all respects, our new name should be understood as representing the whole of the legal and established entity currently known as Ordway Center for the Performing Arts. By assuming The Alliance name, we wish to convey that a new **metropolitan-wide** model is needed to ensure the success of the Minneapolis historic theatres and the economic development of the Hennepin Theatre District.

twincities**theatre**alliance



The Power of Alliance

The following narrative summary of the nature and structure of the proposed arrangement is ordered to respond to each of the goals contained in the report of the Theatre Study Committee.

goals

Committee Goal (a):

Support a diversity and frequency of programming in order to maximize the economic impact of the Theatres on the City of Minneapolis.

Only The Alliance is already the **#1 cultural field trip destination for Minneapolis public school children**, and can immediately bring **thousands of metropolitan public school children, families, and educators** to the new destination of choice—Hennepin Theatre District.

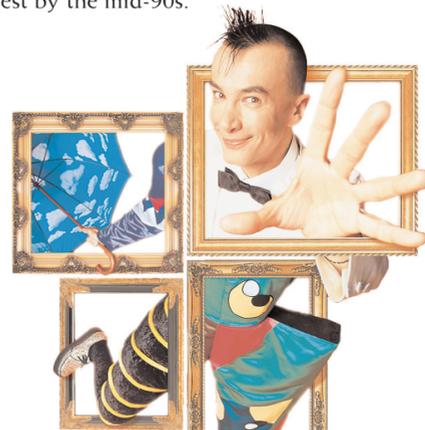
The Economic Power of Alliance

Minneapolis' direct financial interests—the secured repayment of its \$22 million debt, covered capital calls, and the economic impact of a more vibrant Theatre District—are **only** advanced by uniting the Twin Cities performing arts market, ceasing reliance upon costly outsourcing, and unifying programming and management under one entity. **Any entity that operates within a divided market realizes only half the economic potential for the City and for the Hennepin Theatre District.**

The existing management deserves credit for its role in the resurgence of Hennepin Avenue as an entertainment district. Ordway Center also played a critical role in that development from 1992 to 1996 when it programmed Broadway at the Orpheum and State (as well as Ordway Center) in collaboration with Jujamcyn Theaters, Inc. Today, however, there are 15,000 fewer Broadway subscribers patronizing the Minneapolis historic theaters than in that era. It's time for a new model.

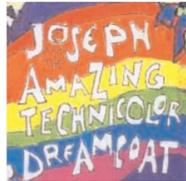
A Proven Model for the Twin Cities

Over the four seasons from 1992-1996 when Ordway Center held the Master Use Agreement with the City, the total **economic impact to the City was estimated at \$149 million—roughly \$185.5 million in today's market.** Nearly 700 performances in Minneapolis played to 1.3 million people. Ticket sales totaled \$59.2 million and restoration fees paid to the City totaled \$2.6 million. The Twin Cities grew from the 17th largest market for Broadway theatre to the 6th largest by the mid-90s.



*Only a coordinated, united market can ensure the kind of economic impact the City desires—as **proven nationally** in Denver, Cleveland, and Chicago.*

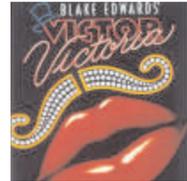
The Power of Alliance



- an estimated \$26 million in economic impact, 1995
- U.S. premiere, record-breaking advance and sell-out houses
- 1995 return engagement 98% sold at opening



- an estimated \$19.6 million in economic impact, 1995

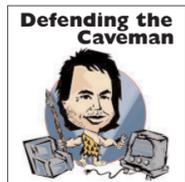


- an estimated economic impact over \$7.5 million, 1995
- world premiere, through our relationship with The Booking Group, NYC

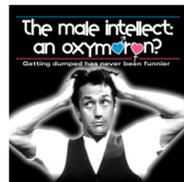


- an estimated economic impact over \$21.4 million, 1995
- U.S. touring premiere

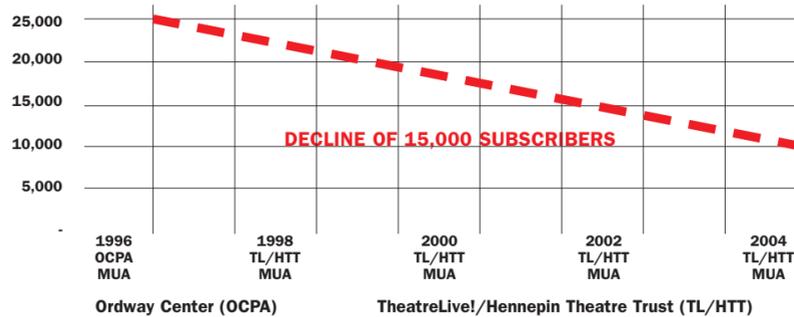
Minneapolis has not seen this amount of prestigious, popular—and profitable—theatre since. Neither, for that matter, has St. Paul. This is not the fault of the managers of the venues. The fault lies with a divided market. **Any entity that operates within a divided market realizes only half the economic potential for the City and for Hennepin Theatre District.**



- overlap of similar shows in the same month - OCTOBER 2004
- ticket sales and subscriptions split
- half the economic benefit realized



Number of THEATER SEASON SUBSCRIBERS of Entity Holding Master Use Agreement (MUA)



Only The Alliance offers a **low-risk, comprehensive solution** that immediately brings the City twenty years closer to its goal of minimizing operational involvement and eventually exiting the business of theatre management.

The Power of Alliance

A Proven National Model

To use a sports analogy: the Twin Cities are capable of fielding only one professional baseball team, not two. The same is true of the Cities' ability to support more than one Broadway programming season. Comparable U.S. cities have reached the similar conclusion and consolidated theatre seasons have since brought them thriving economic development.

IN CLEVELAND, for 20 years, the non-profit Playhouse Square Foundation has been critical



to the economic renaissance of downtown Cleveland, operating five theatres for the use of local resident performing arts companies,

education programs, and touring Broadway shows. Playhouse Square is the sole presenter of Broadway shows, having merged with and/or acquired two competing for-profit presenters.

In 2003, Playhouse Square reported 1,100 performances for an economic impact of \$43,000,000.

IN DENVER, in partnership with the City of Denver, the non-profit Denver Center for the Performing Arts operates seven theatres for the

use of local resident performing arts companies, education programs, and touring Broadway shows.



Denver Attractions is the sole presenter of Broadway shows. **In 2003, Denver Attractions reported 1,246 performances for an economic impact of \$43,640,000.**

IN CHICAGO, three formerly competitive (and unprofitable) Broadway theaters were combined into a single operating entity in 2002 by their for-profit owners Clear Channel and the



Nederlanders. **In 2003, the combined entity had direct profits between \$6-7 million.** The Chicago dilemma is analogous to the one facing this marketplace. The solution? Form a partnership between the two

theatre owners (in our case, the City of Minneapolis and The Alliance) and let the partner more capable of managing the theaters run the consolidated operations.

(Full case studies are included in the "Other Information" section on page 74).

*Only a coordinated, united market can ensure the kind of economic impact the City desires—as **proven nationally in Denver, Cleveland, and Chicago.***

The Power of Alliance

Back Up, Get it Right

From 1992 to 1996, the unified programming, marketing, and sales in the Twin Cities market provided great financial results and great attendance on Hennepin Avenue. However, the management teams—one in Minneapolis and one in St. Paul—gave way to organizational conflict and dysfunction, and finally succumbed to irreconcilable politics.

We regret the events that lead to the City's decision not to continue unified programming of the historic theatres; since then, the competitive, divided market has poorly served both parties—with high procurement costs, overlap of similar shows, and subscriptions divided between competitors.

We learned two important lessons in that time. We learned that you can't successfully manage these historic theatres unless you have real investment in and ownership of their financial responsibilities. We also learned you can't truly contribute to economic vitality without partnerships with local businesses and civic leaders, strong roots in the community. (A third lesson we all learned, perhaps, is that having too many entities involved in management is a mistake.)

While we are again advocating one-season management, the model we're proposing is vastly different, founded upon best practices from other cities and upon our own learning. The success of consolidations in Cleveland, Denver, and Chicago—along with the past success here—clearly speaks to the **economic power of a coordinated, one-season, unified market**. It's time to use this successful model in the Twin Cities.

Mission-Driven Success for the Cultural Ecosystem

Only a true non-profit, guided by a mission that calls for "the artistic vitality of our community" and programs that "engage artists and enrich diverse audiences," can truly deliver the diversity of programming that is both economically beneficial and culturally rich.

Twin Cities Theatre Alliance has twenty years experience working with area non-profit arts groups and over a decade of global/multicultural performing arts and education programs that round out our calendar. The only dark days in St. Paul are for rehearsal and preventive maintenance. The Alliance will similarly increase the utilization of the Hennepin Avenue theaters with a more diverse mix of commercial and non-profit performing arts activity, including the subsidized use of the theaters by local arts groups.

The benefits experienced in the Hennepin Theatre District also help the larger cultural ecosystem of the Twin Cities. For example: shifts in programming and education to Minneapolis will drive increased economic impact on Hennepin Avenue and at the same time work to the advantage of the Minnesota Orchestra and The Minnesota Opera, two Minneapolis-based organizations that long have requested more Ordway Center dates. Combined with The Alliance's history of nurturing and supporting smaller community arts organizations—also a part of the plan proposed here—the success of Hennepin Avenue and its historic theatres can benefit the wider metropolitan region's artistic community.



Ordway Center is the ideal Twin Cities venue to see and hear opera, but **the demand for use of this facility outstrips the supply of dates** by a long shot. The Opera would like to perform two of its five operas in the fall and three in the winter/spring. We also would like to add weeks to our Ordway Center calendar to improve production values and better control costs. These changes—which I understand will result from **a partnership** between Ordway Center and the City of Minneapolis—**will generate significant improvements in the artistic and patron experience of opera.**

Kevin Smith, President and CEO, The Minnesota Opera

In the past, the Minnesota Orchestra has played as many as 20 concerts per year at Ordway Center. **Because of Ordway Center's over-crowded schedule, we're currently able to play only three dates there.** The presence of the Minnesota Orchestra in St. Paul is very important to us in reaching the widest possible audience. We would be very grateful if we can market and play **a meaningful series** in St. Paul as a consequence of **a new partnership** between Ordway Center and the City of Minneapolis in the management of the Hennepin Avenue theaters.

Tony Woodcock, President and CEO, The Minnesota Orchestra

Historic Orpheum Theatre

Broadway Theatrical Season
—musicals
Concerts
Rentals
Spectacles

Historic State Theatre

Broadway Theatrical Season
—plays
Concerts
Local Arts Organization Presentations
Educational/Outreach Programming
Multi-Cultural Programming
International Children's Festival

Historic Pantages Theatre

Educational/Outreach Programming
Multi-Cultural Programming
Local Arts Organizations Presentations
Locally produced long-running musicals
New Works
Concerts

Ordway Center Main Hall

Broadway Theatrical Season
— musicals
Concerts
Opera
Symphonies
Recitals
Rentals
Spectacles
Multi-Cultural Programming
Educational/Outreach Programming
International Children's Festival

Ordway Center McKnight Theater

Local Arts Organization Presentations
Multi-Cultural Programming
Educational/Outreach Programming
Locally produced long-running musicals
New Works
Concerts
International Children's Festival

We'll increase programming by a minimum of 15% in year one, bring in more new works, multicultural programming, education, community outreach, and concerts—\$57.4 million in annual economic impact.

Committee Goal (a):

S T R A T E G I E S

to support a diversity and frequency of programming to maximize economic impact

Strategy 1, The Alliance will **guarantee 20 weeks of theatrical programming**—double the amount currently guaranteed under the Master Use Agreement. That's a minimum 15% increase in current programming—with a potential economic impact of \$57.4 million annually.

Strategy 2, The Alliance will offer locally produced long-running musicals and house our **New Works Program** in The Pantages Theatre, positioning Minneapolis (with San Francisco and Chicago) as a key national incubator of new works for the stage.

Strategy 3, The Alliance will increase **multi-cultural programming** by expanding our existing planet Ordway® Target® Season to the Pantages Theatre. Examples of series are:

- Blues Series: featuring solo artists and bands in blues, roots, soul, and R&B traditions
- Series focused on culturally-specific artists and audiences: African American, Asian/Pacific Islander, American Indian/Native American, Latino/Chicano, contemporary and traditional
- Family Music Series: Classical music mixed with contemporary artists from diverse backgrounds
- Lecture Series: diverse leaders from politics, humanities, arts, sciences, and business
- Women's Series: Singer-Songwriters, lectures, comedy, theatrical performances from all cultural traditions

Strategy 4, The Alliance will extend our **educational and outreach programming** for school groups to the State and Pantages Theatres, bringing more than 25,000 metropolitan public schoolchildren and educators to Hennepin Avenue each school year. *See Goal (f), page 39.*

Strategy 5, The Alliance will nurture, support, and present **more local community arts** organizations on Hennepin Avenue, with established programming partners such as Penumbra Theatre Company, Ballet of the Dolls, VocalEssence, Minnesota Dance Theater, Mixed Blood, and relationships with additional organizations.

Strategy 6, The Alliance will program **more concerts** and one-night events to include:

- Jazz • Modern Dance • Classic Comedy
- Big Band music of the 1930s-50s
- Christian Programming and Gospel
- Rock-n-Roll, and Pop-Culture



The Power of Alliance

Twin Cities Theatre Alliance

PROGRAMMING AND PRODUCING PARTNERS

While our list of program partners is important in understanding the ways in which we will work to increase programming in the Hennepin Avenue theaters, it represents only a fraction of the program partnership possibilities that will exist for The Alliance, and only The Alliance, **because it is programming a united theatrical season.** The economic incentives for content providers to work with The Alliance in further developing a united Twin Cities market are strong enough that even program partners suggested in the RFP responses of our competitors, as well as our competitors themselves, will want to work with The Alliance.

Twin Cities Theatre Alliance has producing and presenting relationships and partnerships with the following national producers, booking agencies, Twin Cities based performing arts organizations and related entities to program a dynamic theatrical season, concerts, multi-cultural and educational programs on Hennepin Avenue.

NATIONAL PRODUCERS

Independent Presenters Network
 Kevin McCollum-Independent Producer/
 The Booking Group
 Phoenix Productions - Phoenix, AZ
 Pittsburgh, CLO - Pittsburgh, PA
 Theater of the Stars - Atlanta, GA
 The 5th Avenue Theatre - Seattle, WA

NATIONAL BOOKING AGENCIES

Alan Wasser Associates
 Architects of Air
 Brad Simon Organization
 The Booking Group
 CAMI - Columbia Artist Theatricals
 Cameron Mackintosh, Ltd.
 D-Tours
 David Lieberman and Associates
 Disney Theatricals
 Gary Lyndsey Artist Services
 Green Thumb Theatre
 Horton Smith Agency
 ICM
 IMG
 Ixtlan Artists
 JAM Productions
 Joanne Rile Artists
 Kid's Entertainment
 Kristen Lee Agency
 Lisa Booth Agency
 Networks
 Pomegranate Artists
 Rena Shagan Agency
 SRO Artists
 KAPA Productions
 The Road Company
 Robin Klinger Agency
 Roots Agency
 Western and Southern Arts Associates
 William Morris Agency

NATIONAL THEATRE ORGANIZATIONS

Member - Independent Presenters Network
 Member - The League of American Theatres and Producers
 Member - The National Alliance of Musical Theatre

TWIN CITIES BASED NON-PROFIT ARTS/CULTURAL ORGANIZATION PARTNERS

Ballet of the Dolls
 COMPAS
 Circus Juventas
 Penumbra Theatre Company
 The Minnesota Opera
 The Minnesota Orchestra
 The Saint Paul Chamber Orchestra
 The Schubert Club
 VocalEssence
 Walker Art Center

EDUCATIONAL PARTNERSHIPS

COMPAS
 El Arco Iris
 Intermedia Arts
 mainstreetART
 Minneapolis Public School District
 Minnesota Alliance for Arts in Education
 Minnesota Children's Museum
 Minnesota Museum of American Art
 Minnesota Science Museum
 Minnesota Zoo
 Paul and Sheila Wellstone Elementary School
 Saint Paul Public Library
 St. Paul Public School District
 Teatro del Pueblo
 The Children's Theatre Company
 The Minnesota Opera
 The Saint Paul Chamber Orchestra
 The Schubert Club

The Power of Alliance

Committee Goal (a):

B O T T O M L I N E

- More programming overall, resulting in a minimum 15% growth in programming
- 60,500 more people attending shows annually, spending money in the Hennepin Theatre District
- 20 week programming guarantee (160 performances)
- More popular first-run, award-winning, long-running Broadway shows
- Balanced niche programming in all venues to avoid competition for audiences
- Increased performing arts activity in all three historic theatres creates vibrancy of District as a destination
- Increased subscription base provides repeat theatergoers more opportunities to become familiar with and patronize District businesses.
- Reduced cost of procuring Broadway shows due to coordinated, one-season market
- Cost savings from management efficiencies
- **Growth in season subscribers from the current 10,000 to 26,000 in five years, with 50% growth occurring in the first year—as we demonstrated was possible in 1995-96 with our subscription base of 25,000.**
- **Elimination of City's growing annual net operating subsidy of approximately \$400,000**

ACCORDING TO PLAN

"The most important sphere of collaboration that is the subject of this Plan is that between the City itself and the cultural community." One of the key objectives of the Plan is for the City to help "avoid . . . duplication in scheduling between arts and cultural groups." See Appendix, *City of Minneapolis Plan for Arts & Culture*, pages 32-33.

SEE ALSO:

**Box Office and Ticket Sales Plan, Page 65.
Facility Utilization and Marketing Plan, Page 66.
Operating Pro Forma, Page 53.**



The Power of Alliance

Committee Goal (b):

Demonstrate a focus on preservation of the theatres as a long-term legacy for future generations of Minneapolis citizens.

Only The Alliance can bring the City unmatched financial assets, a long history of non-profit fiscal responsibility, **decades of facilities stewardship**, and the singular expertise of a debt-free theater owner.

Dedicated, Skilled Stewardship

We believe strongly in the architectural, aesthetic, and historic value the City's theatres represent to its citizens and to audiences.

We also believe strongly that "preventive maintenance" is the critical path for preservation planning and implementation.

Entrusting the management of these five venues to one responsible entity assures the City that all of the Twin Cities historic theatres will be held to the same exacting standards of preservation that Ordway Center for the Performing Arts has long exhibited in its stewardship of the Ordway Center facility.

Preserving Legacies

For twenty years, Ordway Center has been financially responsible for every aspect of the ownership, management and programming of its two theaters, including the exacting care and upkeep required of such specialized real estate. Ordway Center is a world-class venue that has been proactively maintained and preserved with the mandate to keep its quality and function as close to the original as possible. **We invite the committee to tour the facility and see the level of care we have maintained.**

More than eight million adults and children have visited Twin Cities Theatre Alliance's two theaters in the past nineteen years. This amount of use takes its toll on this magnificent venue, especially from the over 45,000 Minnesota public school children who participate in Ordway Center's education programs every year.

As the owner and manager of this twenty year-old world-class facility, we understand what preservation is about. We fully expect that when the Ordway Center facility qualifies for the "historic" designation, it will require no additional investment or massive infusion of funds to restore it to its former glory. Its "former glory" is its present glory-maintained through years of timely preventive maintenance and capital improvements.

Twin Cities Theatre Alliance will apply the same rigorous management, best practices, oversight, and management of capital improvements to the Minneapolis historic theatres.

We will work with the City to see that its \$1.4 million allocation for capital repair and maintenance is well spent. Though The Alliance due diligence team from McGough Construction was able to collect some information about the condition of the theatres during the RFP process, The Alliance and McGough are eager to continue and refine that due diligence investigation as the City's partners. Many capital items noted thus far are unseen by audiences, while others are in plain view: unfastened catwalks, asbestos, unsanitary dressing rooms, insect and rodent infestation, unclean public restrooms, carpet in need of replacement, issues with mold that should be addressed.

The historic Minneapolis theatres require—and the City deserves—the type of experienced facility preventive maintenance that comes with The Alliance's twenty years of venue stewardship.

The Power of Alliance



Committee Goal (b):

S T R A T E G I E S

to preserve the theatres as a legacy for future generations of Minneapolis citizens

Strategy 1, The Alliance will **conduct an extensive audit of the three Historic theatres**, and with this information—

Strategy 2, The Alliance will **develop a tailored preventive maintenance schedule for each historic theatre** to manage the quality of the environment for artists and audiences.

See select Ordway Center preventive maintenance schedules in "Other Information," pg 78.

Strategy 3, The Alliance will **identify priorities for immediate work** needed to remedy problems that have not been adequately addressed over the years—with most immediate focus upon the Historic Orpheum Theatre.

Strategy 4, The Alliance will work with the City to **develop a new capital plan for each historic theatre**, tailored to ensure the same level of quality planning and action will occur for each historic theatre.

Strategy 5, The Alliance will work with the City to **create a master capital and preventive maintenance financial plan**, rolling all the respective plans for Minneapolis and St. Paul venues into one, managed by our Vice President of Operations and General Manager, who has over 20 years experience.



*Only The Alliance offers the City strong ties to the philanthropic community, with the **proven ability to raise funds** (\$104 million to date, \$4 million annually).*

The Power of Alliance



Committee Goal (b):

B O T T O M L I N E

- Stewardship equal to that which has been exercised at Ordway Center facility
- World-class standards and efficiencies
- Prioritization and scheduling of upkeep/upgrades
- 20 years experience applied to proactive and accountable planning/timing of financial plans
- Best practices for preventive maintenance and capital improvements applied to all three historic theatres to bring them equally in line with commonly held preservation standards and audience experience standards
- Accountability for proactive and timely action and measurements of success and quality.
- **Accuracy of preventative maintenance and capital improvements budgets**
- **Immediate affordable repair vs. future investment in renovation**



The Power of Alliance

Committee Goal (c):

Seek to minimize the operational involvement of the City in the Theatres, while remaining accountable to the City regarding booking activity, long-term maintenance, and governance.

Only The Alliance can offer the City the kind of **transparent, responsible, and rigorous fiduciary accountability** that comes from an established non-profit.

One Responsible, Capable, and Accountable Operator

The coordination of the Twin Cities performing arts market, and the unification of programming and management under one entity is a smart way to meet all of the City's goals. For this goal in particular—minimizing the City's engagement and providing accountability—it makes good sense to choose a proven organization with the capability to run things effectively. This choice will give the City a high degree of confidence that it can step back from day-to-day engagement because a veteran organization brings to the table:

- Proven best practices in preservation, with heavy emphasis on timely preventative maintenance and capital improvements.
- Proven experience and success in booking diverse programming for Minneapolis historic theatres and Ordway Center stages in 1992-1996.
- Proven capability to book more nights of activity for venues.
- An established effective Board of Directors whose governance model includes engaged oversight of the implementation of the current strategic plan and day-to-day operations.
- Established best practices for reporting on performance.

The greater number of entities involved in the management and oversight of these historic theatres, the greater risk the City assumes that operations will become overly complex and obfuscated, that something will fall through the cracks. By entrusting the financial responsibility and management to one veteran, experienced theatre owner, the City is ensured that operations will be open, straight forward, and accountable.

The Strength of Experienced Governance

Twin Cities Theatre Alliance is an established and successful non-profit cultural asset in the same category as the Minneapolis Institute of the Arts, the Minnesota Zoo, Science Museum, Minnesota History Center, Walker Art Center, Guthrie Theatre, and Children's Theatre Company. Assuming responsibility for the historic theatres is a natural extension of our capabilities and capacity, tied directly to our mission: "... a catalyst for the artistic vitality of our community by hosting, presenting, and creating performing arts and educational programs that engage artists and enrich diverse audiences." We offer the City the kind of **assurance** that only comes with an accountable organization with decades of expertise.

The Power of Alliance

continued Committee Goal (c):

It takes a long time to build a nonprofit to the level of competency required to manage this kind of responsibility—at least twenty years. It is commonly accepted among major cultural institutions such as the Minnesota Public Radio and the Guthrie Theatre that the twenty-year mark is a significant milestone in the maturity of an organization. Governance and infrastructure have been tested and strengthened; metropolitan-wide and national networks have been established; mission and vision have been refined, clarified, and broadcast; fundraising abilities have been proven, strengthened, and have weathered changing economic climates. **There is no need to develop a duplicate nonprofit entity, creating unwarranted and unjustified redundancies and costs—as well as financial and programing risks.**

Our twenty-eight-person Board of Directors—representing both sides of the river in equal measure—does not view the expansion of its responsibilities to include the Minneapolis historic theatres as daunting. Rather, they view it as an exciting opportunity to further our mission. Governance responsibilities for The Alliance's transition into programming and operations for the historic theatres will be managed primarily by the Board's Minneapolis Theatres Initiative Committee.

An overview of the Board of Directors is found in "Other Information," page 81.

Open, Accessible, Comprehensive Operations

As an established non-profit, responsible to our donors and the community, we are accustomed to the rigors of fiduciary accountability. **Our records always have been—and will continue to be—transparent and open for review and public scrutiny.** The City deserves a management entity that ensures this open accountability and professionalism.

For twenty years, Twin Cities Theatre Alliance has operated in the public trust with complete financial transparency, not only complying with IRS and other federal and state regulations about public access to information concerning its non-profit 501(c)(3) operations, but also far exceeding those requirements. No request for information about our activities from the public, funders, or the press would ever be met with anything other than full disclosure. This "open book" policy is the only way to build public and donor confidence in a charitable institution. Because we have been at the hub of a web of important community relationships—with hundreds of corporate, foundation and individual donors as well as our Resident Arts Organizations (The Minnesota Opera, The Saint Paul Chamber Orchestra, Saint Paul Series of The Minnesota Orchestra, and The Schubert Club), all of whom should have a thorough understanding of our finances—the culture of this organization is one of full disclosure. In response to this RFP, Twin Cities Theatre Alliance puts itself forward as a single 501(c)(3) entity—a known, established entity—long accustomed to operating in the public trust with full disclosure of its financial affairs.

Only The Alliance can bring the City unmatched financial assets, a long history of non-profit fiscal responsibility, decades of facilities stewardship, and the singular expertise of a debt-free theater owner.

The Power of Alliance

continued Committee Goal (c):

What is in place at Twin Cities Theatre Alliance can be seamlessly transferred and applied to the City's historic theatres. The Alliance has the decades of planning capability and—most importantly—the ability to implement that planning from Day One.

See Draft Transition Plan, 2005, in "Other Information" page 85.

Other than what the City requires of itself in the oversight of the historic theatres, no operational involvement by the city is required. Twin Cities Theatre Alliance has the expertise, resources, and commitment to do it all. We're ready, and we're passionate about what we can bring to the City of Minneapolis, its historic theatres, the Hennepin Theatre District, and the audiences in our region.



*Only The Alliance offers the City **an established statewide profile**, strong relations with civic leaders, a metropolitan-wide patron base, and an influential Board that represents Minneapolis and St. Paul in equal measure.*

The Power of Alliance

Committee Goal (c):

S T R A T E G I E S

to minimize operational involvement of the City, while remaining accountable regarding booking, long-term maintenance, and governance

Strategy 1, The Alliance will, in 2005, conduct **an assessment of the current level of City support** (financial, staffing, management, etc.) and prepare a plan for how this support can be reduced or eliminated, to the extent that it is desirable to the City.

Strategy 2, The Alliance will, via the Board's Minneapolis Theatres Initiative Committee, **draw up a full Minneapolis Historic Theatres Transition Plan 2005-2007.** This plan will have the discipline and rigor of a successful business plan with defined actions, priority, lead and participating responsibilities, timeline, measurements of success, and resources required.

Strategy 3, The Alliance will, via the Board's Minneapolis Theatres Initiative Committee, conduct **monthly reviews of performance against plan,** and report on progress against plan at the scheduled Board meetings, eight times a year. The frequency with which these reports are made available to the City is at the City's discretion.

Strategy 4, The Alliance will **provide reports to the City** as defined, desired, and required, regarding booking, long-term preventive maintenance, and governance. The Alliance currently has in place thorough and timely reports on all aspects of its business in accordance with the best business practices for management of complex not-for-profit organizations.



Committee Goal (c):

B O T T O M L I N E

- Proven best practices in preservation, with heavy emphasis on timely preventive maintenance and capital improvements.
- Proven experience and success in booking diverse programming for Minneapolis historic theatres and Ordway Center stages.
- Proven capability to book more nights of activity for venues.
- Established and effective Board of Directors whose governance model includes engaged oversight of the strategic plans and day-to-day operations.
- Established best practices for reporting on performance.
- Low-risk, comprehensive solution that is immediately transferable.
- **Open, straight forward, and accountable operations from one experienced entity.**

SEE ALSO:
Staffing Plan, Page 54



The Power of Alliance

Committee Goal (d):

Provide active leadership for the continued development of the Hennepin Theatre District.

Only The Alliance offers the City **an established statewide profile,** strong relations with civic leaders, a metropolitan-wide patron base, and an influential Board that represents Minneapolis and St. Paul in equal measure.

Proven Metropolitan-wide Leadership

The ability to lead the continuing development of the Hennepin Theatre District doesn't come by focusing only upon one avenue, or one City, or one side of the River. It comes from thinking inclusively, of recognizing the depth and breadth of the Twin Cities' cultural landscape, of maximizing and sharing audiences, of leveraging community connections—and allowing those alliances to truly contribute to economic growth.

In the early 1990s, it was Ordway Center for the Performing Arts that provided the impetus and leadership to establish the Hennepin Theatre District, and create the original one-market management model for Broadway theatre in the Twin Cities region. We have direct and proven experience promoting downtown Minneapolis and the historic theatres on Hennepin Avenue, creating a total economic impact on the City between 1992-1996 of \$149 million—roughly 185.5 million in today's market.

Our twenty-eight-person Board of Directors represents both sides of the river in equal measure. With contract award, we will seek additional City members to meet our mission on Hennepin Avenue. Our existing Board will be expanded to include key Minneapolis elected officials, Hennepin Avenue representatives, and members of the Greater Minneapolis business community. In November 2003, the Board changed its bylaws to permit the Mayor of Minneapolis to join the Board ex officio, as well as the Minneapolis Superintendent of Schools. We look forward to having them as Board members, guiding the transition from current management to The Alliance.

*Only The Alliance offers the City **strong ties to the philanthropic community,** with the proven ability to raise funds (\$104 million to date, \$4 million annually).*

The Power of Alliance

continued Committee Goal (d):

Connected to Community

We have twenty years of experience promoting the city in which we currently present and produce, through active involvement in tourism promotion and partnerships with downtown businesses. We recognize the importance of being tightly knitted into the fabric of our communities, as demonstrated by our community memberships and affiliations:

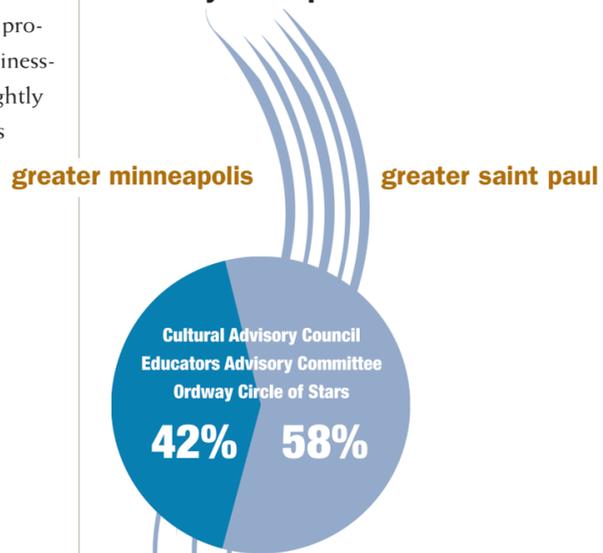
- **Minnesota Citizens for the Arts**
- **Arts and Cultural Partnership of St. Paul**
- **Cultural Star Board**
- **St. Paul Chamber of Commerce**
- **Greater Minneapolis Convention & Visitors Association (Over 10 years)**
- **Twin Cities Quorum**
- **National Concierge Association, Minnesota Chapter**
- **Capital City Partnership**
- **Ad Fed**
- **St. Paul Convention and Visitors Bureau**
- **Minnesota Employee Recreation & Services Council**
- **Twin Cities Attractions**

The Alliance will become similarly involved in the Minneapolis Downtown Council, the Minneapolis Regional Chamber of Commerce, and other civic and business organizations.

We consider our advisory groups to be one of our most cherished assets. The Cultural Advisory Council, Ordway Circle of Stars, and Educators Advisory Committee consist of 64 individuals who represent the true diversity of audiences and artists of the Twin Cities (in nearly equal measure from

Regional Representation

Advisory Groups



both Minneapolis and St. Paul) and who are eager to extend their work to include the Hennepin Theatre District.

The Cultural Advisory Council, formed in 1992, is comprised of 40 volunteer members working with in four culturally—specific subcommittees: African American, American Indian, Asian Pacific, and Chicano Latino. Council members are actively involved in advising staff regarding how best to welcome all segments of the community to our venue, and how programming choices and seasons can meet the needs of underserved communities, reflect the diversity of cultures in the Twin Cities, and create methods and modes of communication that will develop new audiences.

*Only The Alliance offers a **low-risk, comprehensive solution** that immediately brings the City twenty years closer to its goal of minimizing operational involvement and eventually exiting the business of theatre management.*

The Power of Alliance

continued Committee Goal (d):

Ten years ago, community members took the initiative to create a volunteer fundraising organization—the **Ordway Circle of Stars**. Since then, **the group has raised nearly \$2 million for Ordway Center and its education programs through one of Minnesota's premiere fundraising events, The Backstage Ball**, and through smaller events such as restaurant openings and fashion shows. Many of these events have been held at Saks in downtown Minneapolis, Dave's BBQ Shack in Calhoun Square, Babalu in the Minneapolis warehouse neighborhood, Louis XIII in Edina, and Fhima's in downtown St. Paul.

Over 30 teachers comprise the **Educators Advisory Committee**, actively involved in assisting The Alliance staff with its education programs for K-12 students. Members represent a broad cross-section of grade levels, administration, and school districts in support of program choices and educational strategies.

Continued Development Around Cultural Anchors

The City's historical theaters present visual and material anchors to the District; they are impressive and cherished architectural treasures. But cultural and community activity and investment

is needed to invigorate these structures, to ensure they are continuous living, dynamic, vibrant tributes to the cultural life of the City. Consequently, these structures should be identified with specific programs and events that mark them as important community cultural sites.

The Alliance's plan to house educational/outreach programming, local arts organizations presentations, multicultural programming, and new works in the Historic State and Pantages Theatres will significantly add to these theatres' identities as community and cultural anchors. Additionally, with important support of our advisory groups, and the personnel and experience we bring to the City, the new MINNEAPOLIS MOSAIC festival would find an institutional home in The Alliance, with dedicated staff working daily to advance the program's mission "to celebrate the richness and diversity of the arts and cultures of Minneapolis."



ACCORDING TO PLAN

City "[l]eaders should take the opportunity to open up dialogue with leaders in St. Paul, which has just completed its own cultural plan, and with Hennepin County and other regional jurisdictions." See Appendix, *City of Minneapolis Plan for Arts & Culture*, page 37.

*Only The Alliance offers the City **strong ties to the philanthropic community**, with the proven ability to raise funds (\$104 million to date, \$4 million annually).*

The Power of Alliance



Committee Goal (d):

S T R A T E G I E S

to provide active leadership for the continued development of the Hennepin Theatre District

Strategy 1, The Alliance will develop a **Business Development Plan** that will focus specifically on destination marketing—building the reality and reputation of the Hennepin Theatre District as a thriving cultural and social destination, a “must-do” choice for people wanting to be part of that excitement.

Strategy 2, The Alliance will continue to be **closely linked to the functioning of the Theatre District** as well as to the City's convention and tourism promotions and downtown business and civic organizations. An integral component of this will be working with City government officials and Council members, to ensure responsive and effective leadership.

Strategy 3, The Alliance will **provide an institutional home to MINNEAPOLIS MOSAIC**, realizing the potential of this incipient annual festival of multicultural programming to serve as an important anchor and focal point for the activities of our metropolitan advisory groups.



*Only The Alliance offers a **low-risk, comprehensive solution** that immediately brings the City twenty years closer to its goal of minimizing operational involvement and eventually exiting the business of theatre management.*

The Power of Alliance



Committee Goal (d):

B O T T O M L I N E

- Metropolitan-wide representation and investment by the organization and its governance
- Twenty years experience promoting tourism and partnering with local businesses.
- Numerous existing community memberships and affiliations.
- Valuable and established cultural, fundraising, and educational advisory bodies made up of Minneapolis and St. Paul citizens.
- Institutional and organizational support for the City's cultural programs and initiatives, such as MINNEAPOLIS MOSAIC.
- **Only The Alliance offers the City strong ties to the philanthropic community, with the proven ability to raise funds (\$104 million to date, \$4 million annually).**

SEE ALSO:
Facility Utilization and Marketing Plan, page 66



The Power of Alliance

Committee Goal (e):

Establish the capability to meet the Theatres' current and longer-term debt and capital improvement needs through operating and presenting profits, user fees, and other private funding;

Only a coordinated, united market can **ensure the kind of economic impact** the City desires—as proven nationally in Denver, Cleveland, and Chicago.

The Economic Power of Alliance

Minneapolis' direct financial interests—the secured repayment of its \$22 million debt, covered capital calls, and the economic impact of a more vibrant Theatre District—are only advanced by uniting the performing arts market, ceasing reliance upon costly outsourcing, and unifying programming and management under one entity.

Any entity that manages a divided market realizes only half the economic potential for the City and for Hennepin Theatre District.

Our economic plans to increase operating and presenting profits—detailed in the Term Sheet—are only possible with the unification of Twin Cities programming under one entity. It is necessary to coordinate markets in order for the Hennepin Theatre District venues—and all Twin Cities major theatrical properties—to succeed.

No Reliance Upon Outsourcing

Entrusting management of the venues to an established, major metropolitan-wide non-profit arts organization enables the City to retain millions of dollars lost in needless outsourcing, reclaim jobs that have been taken out of the metropolitan region, avoid the potential tax risk associated with for-profit/non-profit arrangements, as well as avoid the self-interest of mega-commercial enterprises.

The Alliance is a self-reliant non-profit enterprise creating local jobs.

Current management may be paying as much as \$1 million annually in fees to Clear Channel. This amount is, admittedly, estimated. This information was formally requested per the procedure specified in the Request for Proposals, but current management failed to disclose the amount of annual payments made to Clear Channel in the past five years. That substantial annual drain upon the City's economy represents critical funds that are better invested locally in the preventive maintenance and repair of the Hennepin Avenue theaters, in arts education programs, and in rent subsidies for non-profit use of the theaters.

continued Committee Goal (e):**Outsourcing at this level also costs our community jobs.**

The Alliance's staffing model for the Hennepin Ave theaters (*See Staffing Plan, page 54*) projects the **retention of an estimated 18 outsourced jobs** (in programming, marketing, subscription fulfillment, design, and ticketing). These are valuable "creative sector" jobs that should stay in Minneapolis. There is no need to forsake local talent and expertise in favor of costly outsourced personnel. And, as we state in the Term Sheet, "The Alliance will not jeopardize tax-exempt bond status under IRS "Private Activity Rules," and will not enter into any arrangement with a for-profit entity which gives that entity special rights and a share of profits from use of the theaters."

As demonstrated in the Cleveland, Denver, and Chicago markets, removal of a "middle-man" distributor and entrusting the community's health to single non-profit theater owner did not inhibit the ability to attract the big shows. On the contrary, the best shows still play these unified markets in the absence of costly contracts with mega-corporations. The Twin Cities market is large and geographically attractive; ultimately, a producers' financial incentive to do business in the Twin Cities far outweighs the risk of offending national conglomerates such as Clear Channel.

An Established Entity in the Funding Community

With Twin Cities Theater Alliance, the City gains immediately the economic strength and stature that take non-profits years to develop. We bring the guaranteed ability to raise substantial private funding to assist with debt retirement. **The Alliance has raised over \$104 million to date, raises \$4 million annually, has net assets of \$47 million, and no existing debt.** Those assets include a growing \$12 million endowment, and we look forward to mounting campaigns in the future that will create similar endowments as necessary to undergird the operations of the theaters in Minneapolis.

Contributed income should likewise play an important part in achieving financial stability for the historic theatres of Minneapolis. Ordway Center Board Members are experienced fundraisers who bring with them extensive donor networks. They are knowledgeable about how performance venues operate as well as how mature boards function. One hundred percent of the Ordway Center Board of Directors contributes to Ordway Center annually—a total of \$289,000 in 2004. For over twenty years, leading community members have lead Ordway Center through its inception, development, and fundraising campaigns (including the original capital campaign and two endowment campaigns).

See contributor listing in "Other Information" page 88.

Continued ...

*Only The Alliance can bring the City **unmatched financial assets**, a long history of non-profit fiscal responsibility, decades of facilities stewardship, and the singular expertise of a debt-free theater owner.*

The Power of Alliance

ORDWAY CENTER CORPORATE AND FOUNDATION CONTRIBUTORS

Ordway Center for the Performing Arts is dedicated to contributing to the artistic vitality of our community and to providing access to outstanding performing arts for all segments of our community. We gratefully acknowledge the essential support of the following businesses and foundations:

PACESETTERS (\$100,000+)



sponsor of planet Ordway

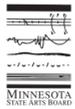


sponsor of the Flint Hills International Children's Festival



sponsor of Education at Ordway Center

These activities are made possible in part by a grant from the Minnesota State Arts Board, through an appropriation by the Minnesota State Legislature and a grant from the National Endowment for the Arts.



Ruth Easton Fund

F.R. Bigelow Foundation



E.M. Pearson Foundation Fund

Andersen Foundation



ST. PAUL TRAVELERS FOUNDATION

Mardag Foundation

THE MINNESOTA MUTUAL FOUNDATION

Supported by Minnesota Life



GUIDES FOR THE JOURNEY

PiperJaffray

ROBINS, KAPLAN, MILLER & CIRESI LLP

WELLS FARGO



The BAYPORT Foundation of Andersen Corporation

THE MCKNIGHT FOUNDATION



Official Airline of Ordway Center



THE KATHERINE B. ANDERSEN FUND OF THE SAINT PAUL FOUNDATION

PARTNERS

(\$10,000-\$24,999)

Arts & Custom Publishing Co., Inc.*
Comcast Cable Communications
Delta Dental
Deluxe Corporation Foundation
Freestyle Productions*
General Mills Foundation
Lawson Software
Mary Livingston Griggs and Mary Griggs Burke Foundation
Richard Coyle Lilly Foundation
McGough Construction Company
McNeely Foundation
The Pentair Foundation
Pioneer Press/TwinCities.com
The United Arts Fund of COMPAS
Mike Weiner/är-kiv productions*
Xcel Energy Foundation

BENEFACTORS

(\$5,000-\$9,999)

Hugh J. Andersen Foundation
Boss Foundation
Briggs and Morgan Fund,
Chancery Lane Foundation

Coldwell Banker Burnet
Computer Connection Corporation
Edwin W. and Catherine M. Davis Foundation
Dellwood Foundation
Griffin International Communic8 Marketing
The Hitchcock Industries
The Hubbard Foundation
Merrill Corporation*
Minnesota Wild*
Moss and Barnett
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The Pacific Foundation
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The Saint Paul Hotel
Star Tribune Foundation
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ASSOCIATES

(\$1,000-\$4,999)

Anonymous (2)
Andersen Corporation
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Aon Risk Services Inc. of Minnesota
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COMPAS Medtronic Community Art Program
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The Power of Alliance

continued Committee Goal (e):

Founded ten years ago by volunteer community members, the **Ordway Circle of Stars** has since raised nearly \$2 million for Ordway Center and its education programs. They raise these funds through one of Minnesota's premiere annual fundraising events, The Backstage Ball, and through smaller events such as restaurant openings and fashion shows. This dedicated and invaluable group is eager to begin raising funds for the development of the Hennepin Theatre District, and ready to expand the ready-made success of the Backstage Ball to include the historic backstages of the Orpheum, Pantages, and State Theatres.

Ordway Center also has long-standing relationships with the Minnesota State Arts Board (MSAB) and the Minnesota Citizens for the Arts. MSAB has granted over \$5 million over the last decade to Ordway Center; Ordway Center staff has served on MCA's Board of Directors as well as many MSAB panels.

Only The Alliance offers the City the kind of economic strength, proven fundraising ability, and stature within the community required to address the City's debt and undergird the operation of the Hennepin Avenue Theatres.

The Low-Risk Solution

Twin Cities Theatre Alliance offers the City a level of confidence and comprehensive accountability that can only come with experience and rigorous governance. In terms of this particular criteria, it's important to reiterate that only The Alliance can **ensure the preservation of tax exempt bond financing**. We are an established, fully operational 501(c)(3) non-profit organization, fully compliant with the rules for both government and 501(c)(3) purpose bonds. As part of any lease arrangement we will agree to operate the theaters in a manner that preserves the tax exempt status of the outstanding bonds.

Specifically, we will agree to not enter into an arrangement with any for-profit entity that gives that entity exclusive or other special rights relating to the use of the theaters and a share of profits.

*Only The Alliance offers the City the opportunity to **retain millions** for our community—millions currently wasted on unnecessary outsourcing to mega-commercial enterprises.*

The Power of Alliance

Committee Goal (e):

S T R A T E G I E S

to establish the capability to meet the Theatres' current and longer-term debt and capital improvement needs through operating and presenting profits, user fees, and other private funding

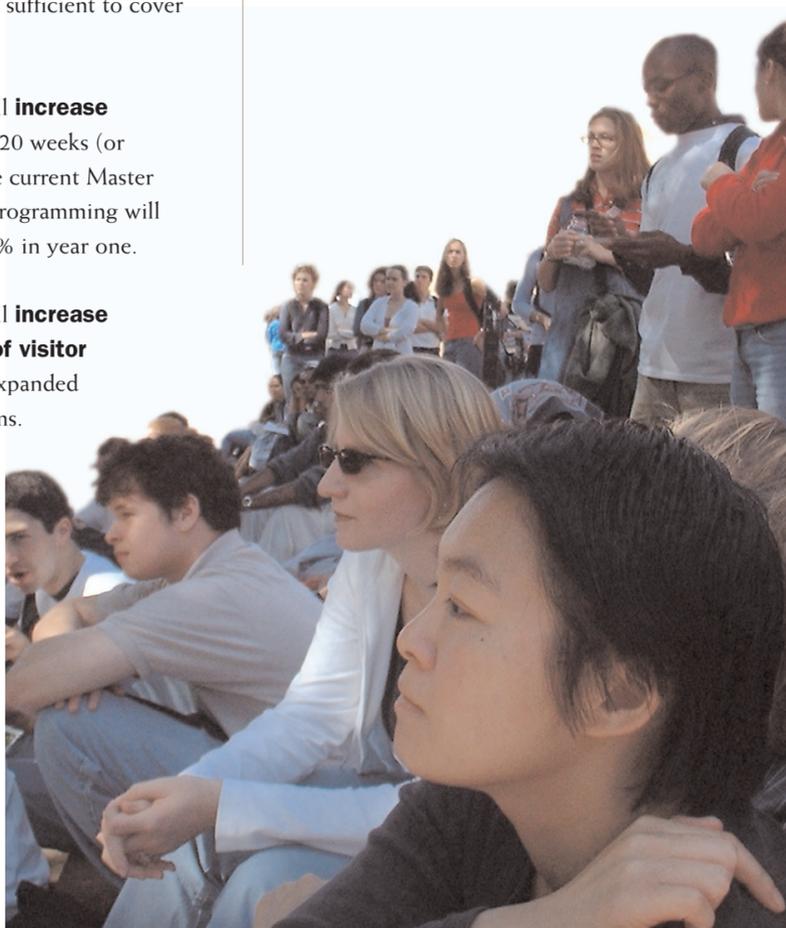
Strategy 1, The Alliance will **increase ticket sales and restoration fees**—made possible only in a coordinated market—and guarantee an annual number of tickets sold sufficient to cover debt service;

Strategy 2, The Alliance will **increase programming**, guaranteeing 20 weeks (or 160 performances, double the current Master Use Agreement guarantee). Programming will increase by a minimum of 15% in year one.

Strategy 3, The Alliance will **increase the quantity and breadth of visitor trips to downtown** due to expanded types and quantity of programs.

Strategy 4, The Alliance will **employ existing fundraising capabilities** to generate private funding support.

Strategy 5, The Alliance will **create a total of \$890,000 in annual capital resources newly available to the City.**



*Only The Alliance can offer the City the kind of transparent, responsible, and rigorous **fiduciary accountability** that comes from an established non-profit.*

Committee Goal (e):

B O T T O M L I N E

- Only a coordinated, united market can ensure the kind of economic impact the City desires—as proven nationally.
- Only The Alliance can bring the City unmatched financial assets, a long history of non-profit fiscal responsibility, and the experience of a debt-free theater owner.
- Only The Alliance can offer the City the kind of transparent, responsible, and rigorous fiduciary accountability that comes from an established non-profit.
- We will retain millions of wasted outsourcing dollars, as a self-reliant non-profit that creates local jobs.
- We guarantee preservation of tax exempt bond financing.
- Increased ticket sales and restoration fees; guaranteed annual number of tickets sold to cover debt service.
- Double the current Master Use Agreement guarantee of performances (20 weeks); increase programming by a minimum of 15% in year one.
- Increase the quantity and breadth of visitor trips to downtown.
- **Only The Alliance offers the City strong ties to the philanthropic community, with the proven ability to raise funds (\$104 million to date, \$4 million annually).**
- **Create a total of \$890,000 in annual capital resources newly available to the City.**
- **Elimination of City's growing annual net operating subsidy of approximately \$400,000**

SEE ALSO:
Operating Pro Forma, Page 53



The Power of Alliance

Committee Goal (f):

Propose a strategy for a community arts education and outreach program.

Only The Alliance is already the **#1 cultural field trip destination for Minneapolis public school children**, and can immediately bring **thousands of metropolitan public school children, families, and educators** to the new destination of choice—Hennepin Theatre District.

Creating Life-Long Memories of Hennepin

Over twenty years, Ordway Center has insured that over half a million children carry with them visceral memories of being welcomed into the grandeur of a world-class performing arts center. Twin Cities Theatre Alliance will do the same for future generations of students in downtown Minneapolis.

For the seventh consecutive year, more Minneapolis public school children visited Ordway Center than any other cultural field trip destination—more than from St. Paul Schools.

Source: Minneapolis Public Schools District Transportation Office, annual fieldtrip reports.

A Ready-made Curriculum

Partnering with The Alliance, the City immediately gains an established, world-class community arts education and outreach program that will serve as a key component in further developing the economic vitality of the Hennepin Theatre District.

Organized in 1991 in response to regional educators' needs and changing community demographics, *Education at Ordway Center* is an on-going collaboration with arts organizations and educators.

For thirteen years, Ordway Center has involved hundreds of performing artists and educators in bringing students of all ages the highest quality productions in a setting that is truly world class.

Education at Ordway Center plays a preeminent role in education for Minneapolis public school students and for the seventh consecutive year, more Minneapolis children visited Ordway Center than any other cultural field trip destination. With contract award, we will explore a new, more metropolitan-wide title for this rich slate of programs.



- Performing Arts Classrooms
- performances by world-class artists for students in grades K-12.
- currently serving **40,000 K-12 students annually**
- **42,000 students** served in 2003-2004
- **over 700 subsidized busses brought children to performances**
- **141 schools attending**

The Power of Alliance

continued Committee Goal (f):

Twin Cities Theatre Alliance brings a specialized Education staff, specifically trained and dedicated to understanding aesthetic and practical considerations when developing effective programs and partnerships within school and community settings. Over 30 teachers comprise our established **Educators Advisory Committee**, actively involved in assisting our staff with its K-12 programs. Members represent a broad cross-section of grade levels, administration and school districts to support program design. Additionally, 140 **Education Liaisons** provide an information conduit within each school building in Minneapolis and St. Paul for coordinated program facilitation. These and our other valuable advisory groups are eager to bring their expertise and energy to the Hennepin Theatre District.

The Cultural Advisory Council, formed in 1992, is comprised of 40 volunteer members working within four culturally-specific subcommittees: African American, American Indian, Asian Pacific, and Chicano Latino. Council members are actively involved in advising staff regarding how best to welcome all segments of the community to our venue, and how programming choices and seasons can meet the needs of underserved communities, reflect the diversity of cultures in the Twin Cities, and create methods and modes of communication that will develop new audiences.

Using our Community Advisory Council as a model, we will enable communities who are often underrepresented in the performing arts to have a voice in presentations at Minneapolis facilities. With three available historic theatres (easily extended to additional venues such as Hennepin Stages), we will explore the usage of the facilities for culturally-specific community celebrations, and encourage the active participation of community members in non-profit, multi-cultural programming which reflect the changing population and cultural dynamics of Twin Cities inner-city residents.

At the core of our education and outreach activities is our fundamental drive to improve access to performing arts for people of all ages, create a sense of ownership and familiarity with "elite" facilities, and deepen understanding of arts as both leisure activity and career possibility. We feel this commitment is central not only to the overall well-being of our citizens young and old, but also to the future of our regional theatres.



Flint Hills International Children's Festival
• six-day event with local and international artists
• raised over \$1.7 million in the past four years



Ordway® Target® Season
• nearly 300 performances serving 400,000 patrons annually since 1985



Honors Concert & Art Exhibit
• showcases the talent of public school students

The Power of Alliance

continued Committee Goal (f):

Ready Now

The Alliance's wealth of experience with community arts, education, and community engagement is immediately available and transferable to Hennepin Avenue. With the important support of our advisory groups, and the personnel and experience we bring to the City, the new MINNEAPOLIS MOSAIC program would find an institutional home, with dedicated staff working daily to advance the program's mission "to celebrate the richness and diversity of the arts and



cultures of Minneapolis." Twin Cities Theatre Alliance will seek to anchor MINNEAPOLIS MOSAIC so it can reside within one institution, giving it full time, year round attention. **We are eager also to develop new programs for the downtown. For example, we see the untapped potential of teen outreach programs to Block E—a gathering place for a youth community that is the future of Hennepin Theatre District.** And we would be eager to help revive Spotlight, the State regional showcase, competition, and conference for high school musicals.

ACCORDING TO PLAN

"[I]t is imperative that the city play a role as a strong advocate for Minneapolis children and the benefits of arts education and life long learning through the arts. . . . There are limited opportunities for low-income youth unless public institutions maintain their arts education programs." See Appendix, *City of Minneapolis Plan for Arts & Culture*, page 34. This "issue of morality and social justice" – making the arts accessible to everyone – is at the very core of The Alliance's pre-eminent K-12 education programs. This is the reason The Alliance is already the #1 arts educator of Minneapolis public school children.

Mission-Driven Success

Since the inception of Education at Ordway Center, the organization has translated philosophical commitment into actual dollars, removing dependence of such programs on the vagaries of the commercial market. The expertise of Twin Cities Theatre Alliance staff in raising contributions specifically to support arts education will bring the required revenue to the expanded program and the considerable savings realized from consolidation of markets will be used to directly benefit Minneapolis children and non-traditional audience groups within the Twin Cities.

It is this rich, established, and successful education and outreach curriculum we are eager to expand in Minneapolis and weave into activities in the Hennepin Theatre District.



The Power of Alliance



Committee Goal (f):

S T R A T E G I E S

to propose a strategy for a community arts education and outreach program

Strategy 1, The Alliance will convene a **Transition/Visioning Task Force for Education and Outreach** programming to assist in the development of short-term transition and support of long-term goals;

Strategy 2, The Alliance will **establish a unified approach to school ticket sales** that combines existing Twin Cities Theatre Alliance programs and any Hennepin Avenue educational programming that may currently exist.

Strategy 3, The Alliance will **increase performances and audiences** for Performing Arts Classroom programming by 20,500 students per year for total of 120,000 total by 2012. These numbers refer specifically to activities within Minneapolis venues.

Strategy 4, The Alliance will **expand fundraising strategies** devoted to transportation subsidies and significant ticket discounts for Minneapolis public schools.

Strategy 5, The Alliance will **expand existing programs into historic theatres and Minneapolis school districts:** planet Ordway® Target® Season; Honors Concerts & Art Exhibits; Flint Hills International Festival; Insight Program of lectures and adult educational events.

Strategy 6, The Alliance will **extend outreach to Twin Cities teens** through new programs, specialty programming, community usage, and our established internship program.

Strategy 7, The Alliance will **open the facilities for greater community use and investment** as part of our mission to de-mystify cultural institutions, making them available for community events, school graduations, etc.

Strategy 8, The Alliance will **support the entire community of Twin Cities arts organizations** by offering usage of facilities for extensions of runs for local non-profit performing arts groups. We bring to the City strong relationships with our current and past community partnerships in education and outreach, including Minneapolis and Saint Paul public schools.

Strategy 9, Make Hennepin Theatre District a Family-Friendly Destination

Targeted outreach and education activities will help create the image of Hennepin Theatre District as a family-friendly destination, where families can attend large scale theatricals including contemporary characters such as Dora the Explorer or Blues Clues, and time-tested classics including Peter Pan, or Doctor Doolittle; pre-show events for selected performances; Family Music Concert Series; Family Open House Days, with backstage tours.



Committee Goal (f):

B O T T O M L I N E

- A thirteen year-old education and community outreach program, involving hundreds of performing artists and educators.
- Three established advisory councils representing the diversity of Minneapolis.
- Stronger ties to the community through culturally-specific celebrations associated with the venues.
- Institutional and organizational support for MINNEAPOLIS MOSAIC
- Unified school ticket sales
- Increased educational performances and audiences.
- Expanded fundraising strategies.
- Expansion of existing programs.
- Outreach to Twin Cities teens.
- Support for Twin Cities arts organizations
- Creation of a family-friendly destination on Hennepin Avenue.
- **Only The Alliance can immediately bring thousands of metropolitan public school children, families, and educators to the new destination of choice—Hennepin Theatre District.**



The Power of Alliance

CHART A: OTHER EVALUATION CRITERIA ADDRESSED (per RFP page 15)

EVALUATION CRITERIA	SUMMARIZED
<p>(a) The experience and the financial and organizational capacity of the respondent in successfully managing and promoting similar theatres.</p>	<p>For twenty years, Ordway Center for the Performing Arts has been: owner and manager of world-class Ordway Center in St. Paul that includes two theaters, a 1,900-seat Main Hall and the 322-seat McKnight Theatre. Ordway Center provides a home to four major arts organizations; presenter and producer of a wide range of theater, music, dance, and multidisciplinary performing arts and education programs for many different audiences.</p>
<p>(b) The terms and conditions of the Term Sheet, including the proposed fee structure (if applicable).</p>	<p>See Term Sheet, pages 6 and 48</p>
<p>(c) The financial capacity to perform respondent's duties and obligations, including, to the extent applicable, collateralization of ticket proceeds, presentation guarantees, debt service reserves, and capital improvements reserves.</p>	<p>With an annual budget of \$15 million, a full-time staff of sixty-six, and 165 to 180 part-time employees, The Alliance is a major employer and an economic presence in the community. The Alliance has raised over \$104 million to date, raises \$4 million annually, has net assets of \$47 million, and no existing debt. Our plan will generate \$57.4 million in annual economic impact in Minneapolis.</p>

continued ...

continued **other evaluation criteria**

CITY OF MINNEAPOLIS PLAN FOR ARTS & CULTURE

Recommendation #1: Integrate and utilize arts and culture as a resource for economic development.

Only a coordinated, united market can ensure the kind of economic impact the City desires—as proven nationally in comparable cities such as Denver, Cleveland, and Chicago. Only The Alliance offers the City the opportunity to retain millions for our community—millions currently wasted on unnecessary outsourcing to mega-commercial enterprises. To further arts-related economic development, the Plan "calls upon the City to . . . form strategic partnerships." See Appendix, *City of Minneapolis Plan for Arts & Culture*, page 10.

Recommendation #2: Develop robust leadership on behalf of cultural development.

The Alliance offers the City an established statewide profile, strong relations with civic leaders, a metropolitan-wide patron base, and influential Board.

Recommendation #3: Increase resources for arts and culture in Minneapolis.

The Alliance offers the City strong ties to the philanthropic community, with the proven ability to raise funds (\$104 million to date, \$4 million annually). Our plan will generate \$57.4 million in annual economic impact in Minneapolis. In order to increase resources for arts and culture, the Plan calls upon the City to think regionally and "stimulat[e] partnerships and alliances," including the possibility of "a coalition of Minneapolis, St. Paul and the suburbs." See Appendix, *City of Minneapolis Plan for Arts & Culture*, pages 11, 26.

Recommendation #4: Strengthen the City's public art program by providing a definite funding commitment and confirming policy.

N/A

Recommendation #5: Promote the city's arts and culture, to residents and visitors, and to civic and community leadership as an integral aspect of Minneapolis' identity, quality of life, economic vitality and civic health.

The Alliance offers the City an established statewide profile, strong relations with civic leaders, a metropolitan-wide patron base, and influential Board. We have twenty years of experience promoting the city in which we currently present and produce, through active involvement in tourism promotion and partnerships with downtown businesses.

Recommendation #6: Promote collaborations among arts and cultural organizations and artists, and with the City and other partners.

A coordinated, united market can ensure the kind of economic impact the City desires—as proven nationally in comparable cities. The ability to lead the continuing development of the Hennepin Theatre District comes from thinking inclusively and collaboratively. As a high priority, the Plan asks that larger arts organizations support smaller arts groups, which has been a critical mission element for The Alliance for 20 years. The Plan also suggests that the City think regionally, working with other area governments in helping to create a healthy arts ecosystem. See Appendix, *City of Minneapolis Plan for Arts & Culture*, pages 15, 32.

Recommendation #7: Preserve and strengthen arts education opportunities for Minneapolis youth.

The Alliance will make the arts accessible to everyone, immediately bringing thousands of metropolitan public school children, families, and educators to the new destination of choice—Hennepin Theatre District. This "issue of morality and social justice" —see Appendix, *City of Minneapolis Plan for Arts & Culture*, page 34 —is at the very core of The Alliance's pre-eminent K-12 education programs. This is the reason The Alliance is already the #1 arts educator of Minneapolis public school children.

The Power of Alliance

description of entities

3. An identification of the entities that will be involved,

This proposal is submitted by the 501(c)(3) organization Ordway Center for the Performing Arts, operating under a new working name—Twin Cities Theatre Alliance (The Alliance).

3 A. a description of the roles they will play (e.g., theatre owner, property manager, theatre lessee, event programmer/presenter);

As detailed in the Term Sheet, we have proposed management under two models, with the City able to make the choice it prefers: Rent/Management, and Rent/Management with Debt Assumption/Purchase Option. Responsibilities in both cases will include programming, real estate management, economic development, producing, marketing, community involvement, educational programming, and fundraising.

3 B. the contractual relationships within the team;

Twin Cities Theatre Alliance functions as a singular entity.

3 C. the financial responsibilities and percentage of ownership of each team entity;

Twin Cities Theatre Alliance functions as a singular entity with 100% financial responsibility and 100% ownership residing with The Alliance. Please see Term Sheet, for full financial responsibility and ownership options for our proposal to the City for the three historic theatres.

3 D. a description and evidence of the nature of each entity's commitment to the project, and

Twin Cities Theatre Alliance is fully and steadfastly committed to this project. We have spent a year on the process of preparing this offer; for the last six months, the Minneapolis Theatres Initiatives Committee of the Board has met for hundreds of hours. In the "Other Information" section of this proposal is a list of the Board members who have actively contributed to this endeavor. This proposal is submitted with the unanimous support of the Board, which represents Minneapolis and Saint Paul in equal measure. The Board's support includes allocating the necessary funds and resources, to highlight its commitment.

3 E. a summary of the team's past experience in working together.

Twin Cities Theatre Alliance has 20 years experience working together as a singular entity.

3 F. A description of each of the entities' experience in similar projects and roles must be included, including location, type of facility, beginning and ending dates of involvement, and information about any continued financial or operating interest in each.

Since 1984, for twenty years, Ordway Center for the Performing Arts has been:

- **owner and manager** of world-class Ordway Center facilities in St. Paul that includes two theaters, a 1,900-seat Main Hall and the 306-seat McKnight Theatre. Ordway Center provides a home—at preferential lease rates—to four magnificent major arts organizations: The Saint Paul Chamber Orchestra, The Minnesota Opera, The Schubert Club, and the Saint Paul series of the Minnesota Orchestra;

- **presenter and producer** of a wide range of theater, music, dance, and multidisciplinary performing arts and education programs for many different audiences.

The Alliance serves as a catalyst, an innovator, a gathering place, and always as a tremendous advocate for the performing arts and their importance to the region's cultural milieu.

The business, property and affairs of Ordway Center are governed by a 28-member Board of Directors. With an annual budget of \$15 million, a full-time staff of sixty-six, and 165 to 180 part-time employees, Ordway Center is a major employer and an economic presence in the community.

The Alliance will continue to own and operate Ordway Center facilities as part of a five-venue programming approach to achieve a unified Twin Cities market.

The Power of Alliance

continued Description of the Entities

3 G. Include specific previous relevant experience with public entities, including reference contact information.

The City may ask for supporting documentation substantiating claims of previous experience.

Twin Cities Theatre Alliance possesses an established statewide profile and strong relations with metropolitan civic leaders. We also maintain strong ties to the philanthropic community, with the proven ability to raise funds (\$104 million to date, \$4 million annually). The Alliance is a long time recipient of Minnesota State Arts Board grant funding (\$5 million total) and St. Paul Cultural STAR funding (\$775,000 total). Ordway Center held the Maste Use Agreement with the City of Minneapolis from 1992-96, programming a united Broadway season at the State and Orpheum Theatres in association with Jujamcyn.

A representative listing of the numerous public entities with whom we have had relevant experience:

City of Minneapolis: Phil Handy, Community Planning & Economic Development, (612) 673-5113

City of Saint Paul: Dan Smith, Department of Planning & Economic Security, (651) 266-6581

Minnesota State Arts Board: Karen Mueller, Senior Program Officer, (651) 215-1611

National Endowment for the Arts, Jan Stunkard, Division Coordinator, (202) 682-5477

3 H. Identify the principal person who will speak for the responding entity and any other key participants who will be involved in negotiating the contract terms.

David Galligan, President & CEO

Board members: **Jeff Bakken**, Vice Chair of Board Chair of Minneapolis Theatre Initiatives Committee;
Sarah Harris, Chair of Government Relations Committee; **David Lilly**; **Gerry Stenson**, Treasurer

3 I. Specify whether the respondent entity is or intends to form a corporation, a general or limited partnership, a joint venture, a 501 (c)(3) corporation, or other type of business association to carry out the proposed activities.

Ordway Center for the Performing Arts is an established 501(c)(3) non-profit organization of twenty years standing. It is the intention of Ordway Center to rename its enterprise to reflect the expanded breadth of its Twin Cities programming and responsibilities. The working name of this expanded organization is Twin Cities Theatre Alliance. However named, we will remain a 501(c)(3) non-profit organization.

3 J The respondent must also provide a minimum of the most current two consecutive years of financial statements for the entity(ies) and/or principal(s) that comprise or will comprise respondent, which may be submitted confidentially to the CPED Director under separate cover clearly marked "Confidential Private Data."

These documents have been submitted under separate cover as provided for in the RFP.

4. A term sheet that outlines proposed contract terms and conditions.

Term Sheet

Two proposed sets of terms and conditions are presented:
1) a Rent/Management Option, and
2) a Rent/Management with Debt Assumption/Purchase Option.
The City may choose which option it prefers.

**Twin Cities Theatre Alliance
Proposals for the Management and Programming of the
Historic Orpheum, State, and Pantages Theaters**

term sheet

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/ PURCHASE OPTION
ORGANIZATION	<ul style="list-style-type: none"> • Ordway Center for the Performing Arts a 501 (c) 3 organization with 20 years of experience, renamed as Twin Cities Theatre Alliance ("Alliance") with headquarters in Minneapolis 	<ul style="list-style-type: none"> • Ordway Center for the Performing Arts a 501 (c) 3 organization with 20 years of experience, renamed as Twin Cities Theatre Alliance ("Alliance") with headquarters in Minneapolis

continues ...

continued **term sheet 2**

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/ PURCHASE OPTION
ECONOMICS	<ul style="list-style-type: none"> • \$500,000 Good Faith Rent Deposit paid 7/1/06 and held by City for term of Lease. Investment proceeds on deposit 100% retained by City (estimated value to City of \$240,000 during first 10-year term of the agreement) • \$500,000 Annual Net Rent, adjusted by CPI index every five years during the term of the agreement • Full Operating Expenses, all costs of theater operations, responsibility of Alliance, including Operating Expenses currently paid by City (\$390,000 was the net operating loss to City in 2003 based on information City supplied during RFP process) • No Management Fee (vs. \$600,000 current annual fee) • Capital Expenses responsibility of City (assume City's sources to fund as follows: \$500,000 Annual Net Rent, elimination of City's \$390,000 Net Operating Expense obligation, which collectively equate to total of \$890,000 of annual capital resources newly available) • Full Operating Revenues belong to Alliance • City's net operating cash position improved \$4,553,400 over the first 5 years of this lease 	<ul style="list-style-type: none"> • Option Fee" of \$2,222,500 (equal to 10% of bonded indebtedness) payable July 1, 2006. In essence, a down payment. • \$500,000 Annual Net Rent, adjusted by CPI index every five years during the term of the agreement • Assumption by Alliance of all debt service payments on existing bonded indebtedness while theatres are under Alliance's operating control or when Alliance is fee owner • Full Operating Expenses, all costs of theater operations, responsibility of Alliance, including Operating Expenses currently paid by City (\$390,000 was the net operating loss to City in 2003 based on information City supplied during RFP process) • No Management Fee (vs. \$600,000 current annual fee) • Capital Expenses responsibility of City (assume City's sources to fund as follows: \$500,000 Annual Net Rent, elimination of City's \$390,000 Net Operating Expense obligation, which collectively equate to total of \$890,000 of annual capital resources newly available) • Full Operating Revenues belong to Alliance • City's net operating cash position improved \$6,675,500 over the first 5 years of this lease

continued **term sheet 3**

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/PURCHASE OPTION
TAX CONSEQUENCES	<ul style="list-style-type: none"> Alliance will not jeopardize tax-exempt bond status under IRS "Private Activity Rules"; will not enter into any arrangement with a for-profit entity which gives that entity special rights and a share of profits from use of the theaters Alliance will not jeopardize tax exemption on sales of tickets to non-profit arts events under Minnesota State Law 	<ul style="list-style-type: none"> Alliance will not jeopardize tax-exempt bond status under IRS "Private Activity Rules"; will not enter into any arrangement with a for-profit entity which gives that entity special rights and a share of profits from use of the theaters Alliance will not jeopardize tax exemption on sales of tickets to non-profit arts events under Minnesota State Law
TERM	<ul style="list-style-type: none"> Lease commences July 1, 2006 Lease for initial 10-year term, with four, 5-year options at Alliance's option 	<ul style="list-style-type: none"> Lease commences July 1, 2006 Lease for initial 10-year term, with four, 5-year options at Alliance's option Ability to call bonds anytime after 2011 with transfer of title upon retirement of bonds
RESTORATION FEES	<ul style="list-style-type: none"> Collected by Alliance and paid to City Structured by City and Alliance to cover debt service on existing bonded indebtedness Alliance to guarantee annual number of tickets sold sufficient to cover debt service on existing bonded indebtedness Alliance to provide an annually renewable Letter of Credit in the amount of next 12 months of debt service on existing bonded indebtedness. See following Wells Fargo Letter of Commitment 	<ul style="list-style-type: none"> Established, collected and used by Alliance to pay debt service obligation under assumption of debt service of existing bonded indebtedness Structured by City and Alliance to cover debt service on existing bonded indebtedness "Option Fee" of \$2,222,500 is in lieu of Letter of Credit covering 12 months of debt service on existing bonded indebtedness as it is approximately \$1,000,000 greater than the annual Letter of Credit requirement

The Power of Alliance

continued **term sheet 4**

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/ PURCHASE OPTION
PURCHASE TERMS	<ul style="list-style-type: none"> Alliance to have a right of first refusal to purchase the Theatres in any sale contemplated by the City during the lease term 	<ul style="list-style-type: none"> Alliance has the option to pay the Purchase Price to the City and to retire bonded indebtedness anytime between July 1, 2011 and July 1, 2031 and thus gain fee simple title to the Theatres The Purchase Price will be determined (at the time of contracting) by mutually agreed formula based on the City's Disposition Policy, including the public hearing and other process required to determine fair market value.
ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> Increase programming by a minimum of 15% in year one Increase quantity and breadth of visitor trips to downtown due to expanded types and quantity of programs Generate \$57.4 million in annual economic impact in Minneapolis 	<ul style="list-style-type: none"> Increase programming by a minimum of 15% in year one Increase quantity and breadth of visitor trips to downtown due to expanded types and quantity of programs Generate \$57.4 million in annual economic impact in Minneapolis
ALLIANCE PERFORMANCE GUARANTEES	<ul style="list-style-type: none"> 20 Week programming guarantee (160 performances) Alliance will not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of the City. 	<ul style="list-style-type: none"> 20 Week programming guarantee (160 performances) Alliance will not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of the City.
CITY'S NON-COMPETE	<ul style="list-style-type: none"> City shall not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of The Alliance (does not include Shubert) 	<ul style="list-style-type: none"> City shall not build, buy or otherwise financially support additional theater assets within Hennepin Avenue District without prior written consent of The Alliance (does not include Shubert)

The Power of Alliance

continued term sheet 5

	RENT/MANAGEMENT	RENT/MANAGEMENT WITH DEBT ASSUMPTION/PURCHASE OPTION
HENNEPIN STAGES	<ul style="list-style-type: none"> If awarded this contract and the City so desires, The Alliance will make an offer to purchase, lease or manage Hennepin Stages 	<ul style="list-style-type: none"> If awarded this contract and the City so desires, The Alliance will make an offer to purchase, lease or manage Hennepin Stages
IDENTITY/ROLE	<ul style="list-style-type: none"> Ordway Center name to stay with Saint Paul facility only State, Orpheum and Pantages names to remain with Minneapolis Theaters Operating entity to be renamed Twin Cities Theatre Alliance to reflect regional mission. Role will cover: <ul style="list-style-type: none"> Programming Real Estate Management Economic Development Producing Marketing Community Involvement Educational Programming Fundraising 	<ul style="list-style-type: none"> Ordway Center name to stay with Saint Paul facility only State, Orpheum and Pantages names to remain with Minneapolis Theaters Operating entity to be renamed Twin Cities Theatre Alliance to reflect regional mission. Role will cover: <ul style="list-style-type: none"> Programming Real Estate Management Economic Development Producing Marketing Community Involvement Educational Programming Fundraising
GOVERNANCE	<ul style="list-style-type: none"> Although The Alliance Board already represents East/West metro area interests in equal measure, it will expand to include: <ul style="list-style-type: none"> Key Minneapolis elected officials Hennepin Avenue representatives Additional Greater Minneapolis business community leaders 	<ul style="list-style-type: none"> Although The Alliance Board already represents East/West metro area interests in equal measure, it will expand to include: <ul style="list-style-type: none"> Key Minneapolis elected officials Hennepin Avenue representatives Additional Greater Minneapolis business community leaders

Capital Pro Forma

5. If applicable, a preliminary capital pro forma showing the detailed sources and uses of funds (debt, equity and other) to acquire the theatres and/or undertake proposed capital equipment purchases and capital improvements during the initial five years of the agreement. Information as to the status of securing those funds should be included and inclusion of a conditional financing commitment is strongly encouraged. Clearly indicate any public assistance to be requested.

It is premature to discuss financing sources when there has been no public hearing or other process pursuant to the City's Disposition Policy to establish fair market value. After fair market value has been established and at the time The Alliance exercises its purchase option (no sooner than 2011), The Alliance will be in a position to suggest specific financing sources, including the issuance of new tax exempt bonds (depends on capital markets in 2011), private fundraising and cash flow from operations. The \$2,222,500 option fee is addressed by the Wells Fargo Letter of Commitment, provided under separate cover.

A Capital Pro Forma is not included in this proposal as it is not applicable. Under the Rent/Management with Debt Assumption/Purchase Option, the City of Minneapolis is responsible for capital purchases until such time Alliance becomes fee owner of Theatres. Under the Rent / Management Alternative, capital purchases are not the responsibility of Alliance. Resources under both alternatives to fund the City of Minneapolis' capital purchases are made available through improved cash flow, rent paid by The Alliance, and The Alliance's assumption of 100% of operating expenses.

Operating Pro Forma

6. A preliminary operating pro forma for either (i) ten years, or, if the proposal includes the lease or sale of the Theatres, (ii) through the term of the Bonds (2031) or any proposed refunding bonds. Include the assumptions underlying the income and expense projections. Clearly indicate the sources and amounts of revenues available for debt service on the Bonds and provisions for a capital improvement reserve. Also show the Cash-on-Cash Return and Internal Rate of Return and describe proposed distribution or utilization of net operating income.

Follows.

EXISTING AGREEMENTS

The 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 The Alliance will transition all or a substantial portion of ticketing 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.

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)

Staffing Plan

7. A staffing plan that includes an organizational chart showing key management personnel and identification of onsite management personnel.

The organizational following charts show the numbers of existing, transferred, or new positions in the various employment areas of the Twin Cities Theatre Alliance. Our intent is to retain employees currently working at the Minneapolis historic theatres as deemed appropriate. New staff positions have been added to departments that are taking over work currently being provided by outside sources to the Minneapolis historic theatres, such as Ticketmaster and Clear Channel. The few other new positions are in response to increased work in our operations generated by the Minneapolis historic theatres, e.g., adding one accountant to focus on these theatres.

The Alliance has well-established human resources policies and procedures to support attracting and retaining talented staff. Based on our prior experience, recruitment of new hires for The Alliance will take between two months (entry level) to a maximum of eight (senior positions), depending on the level of the position, availability of talent, advertising requirements, and number of people involved in the interview process. 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. All new staff will be smoothly integrated into Alliance's current world-class team of experienced employees.

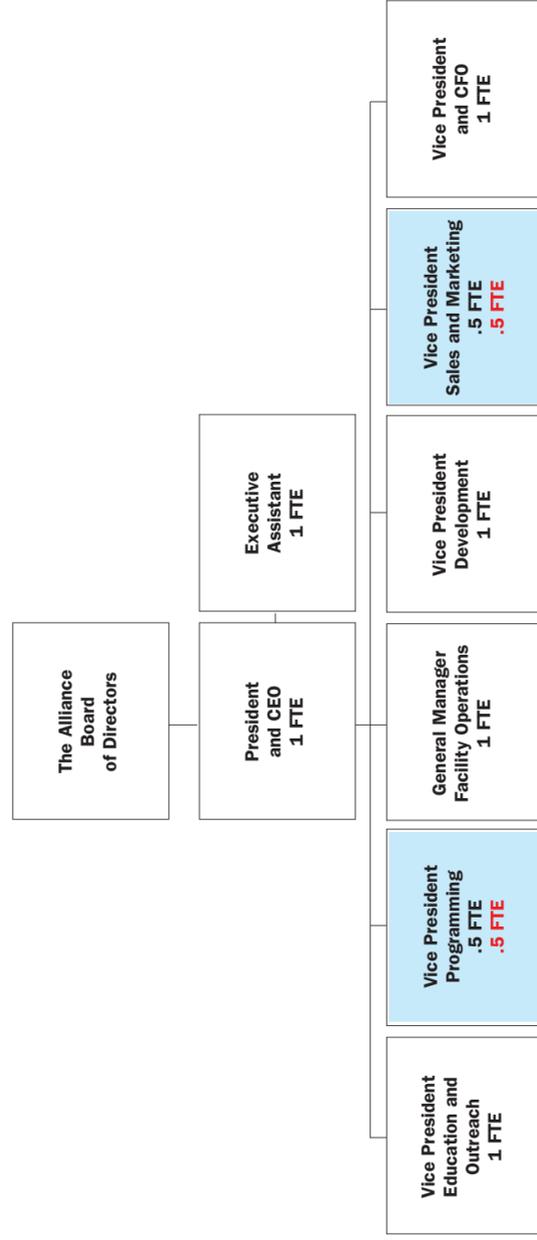
While incumbent management (including Clear Channel and TicketMaster) did not disclose full information about the existing staffing, The Alliance estimates it will be employing:

- 16 New FTEs in Minneapolis, plus part-time phone room staff
- 17 FTEs in carry over Hennepin Theatre Trust/Theatre Live!/Historic Theatre Group staff, plus part-time event driven staff (housekeeping, ushers, bar/concessionaires)
- Additional IUOE Local Engineers, FTEs to be based on calendar

We estimate that 18 of these FTEs are currently outsourced to Clear Channel and TicketMaster.

Ordway Center's current staff is 66 full-time plus part-time based on activity; staff for The Alliance staff is projected to be 99 full-time plus part-time based on activity.

**Twin Cities Theatre Alliance
MANAGEMENT ORGANIZATIONAL CHART**



**Twin Cities Theatre Alliance
Organizational Charts**

CHART DENOTES REPORTING STRUCTURE AND IS NOT HIERARCHICAL

<p>BLACK Positions/expertise currently at Ordway Center for the Performing Arts "OCPA"</p>	<p>RED Based on information provided by City, position doesn't appear to exist with current theater manager and will be added by The Alliance. NOTE: The Alliance will make every effort to transfer positions existing in current theater management structure to The Alliance.</p>	<p>SHADING Position and/or various responsibilities currently outsourced to out of town providers—CLEAR CHANNEL or TICKETMASTER. The Alliance to provide locally.</p>	<p>NOTE: Unless position denotes "Historic Orpheum/State/Pantages" or "OCPA", the position will be fulfilling responsibilities covering all theater's activities.</p>
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Twin Cities Theatre Alliance FACILITY OPERATIONS OVERVIEW

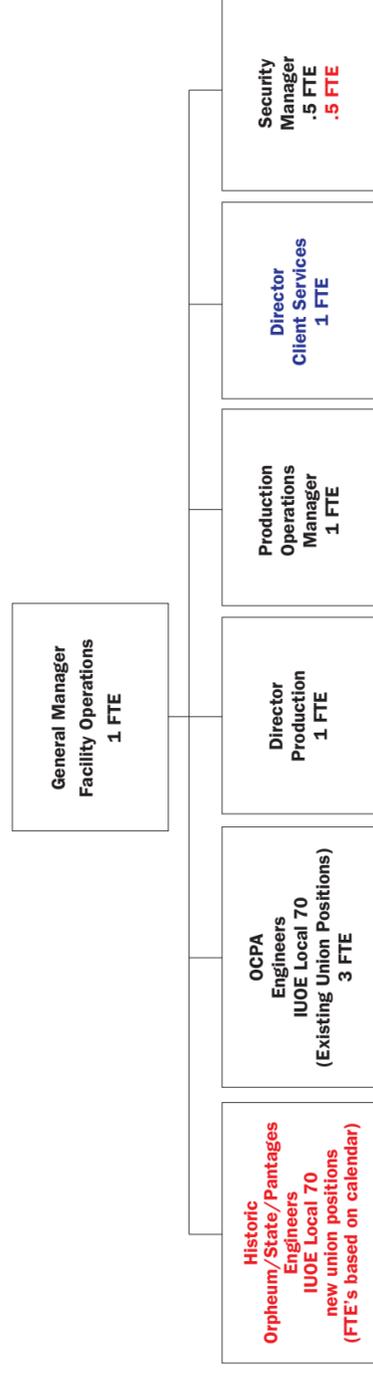


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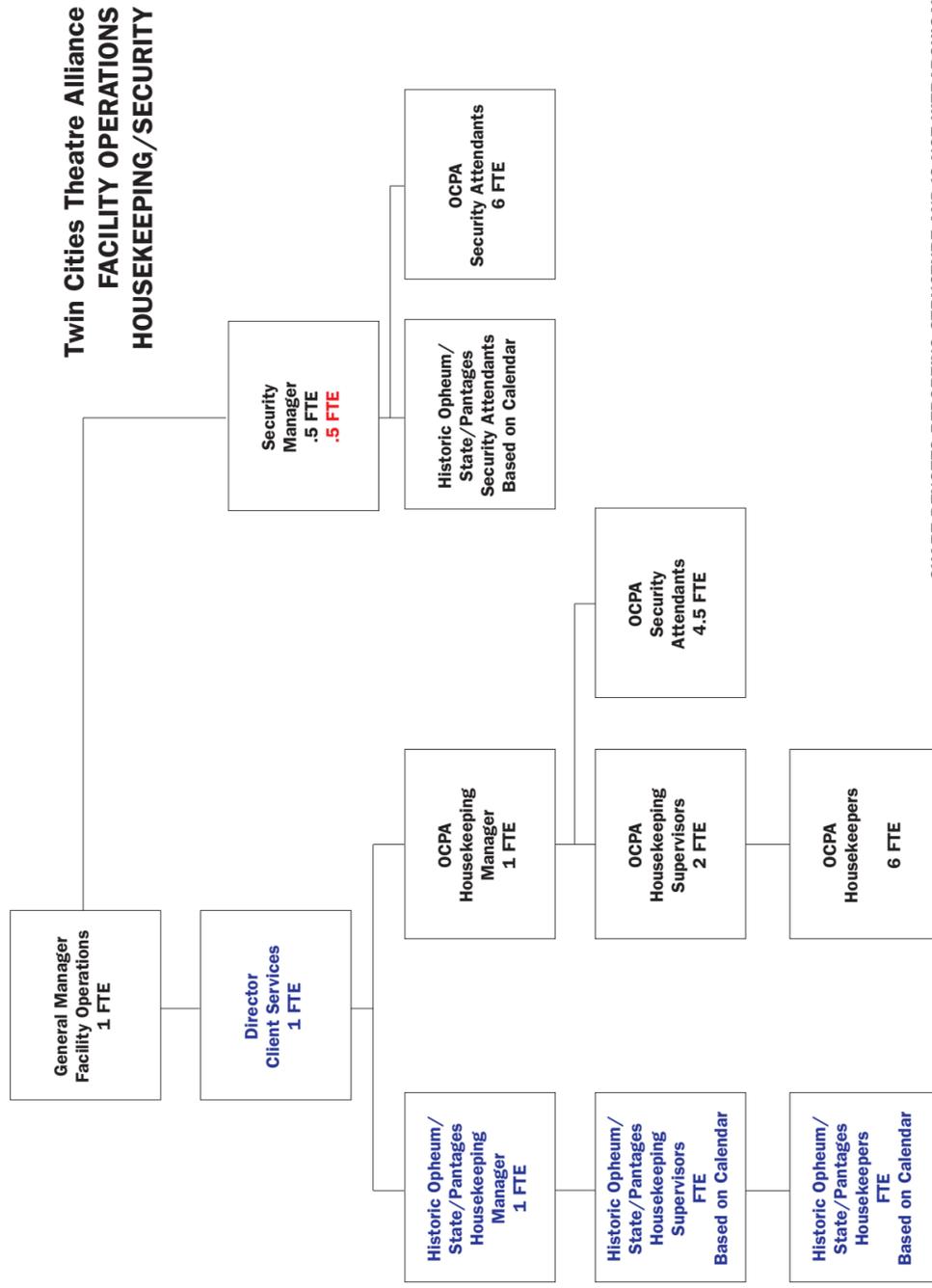


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The Alliance to provide locally.

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**Twin Cities Theatre Alliance
FACILITY OPERATIONS
FRONT OF HOUSE**

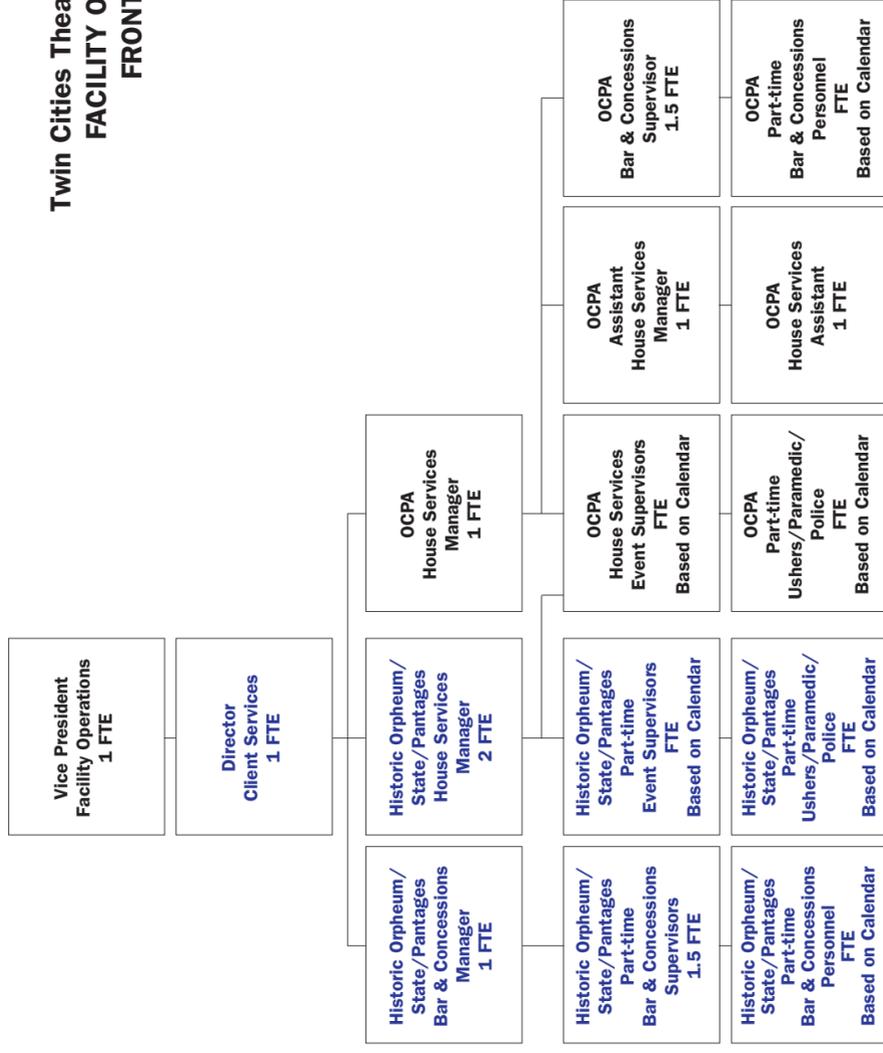


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**Twin Cities Theatre Alliance
FACILITY OPERATIONS
ENGINEERING PRODUCTION**

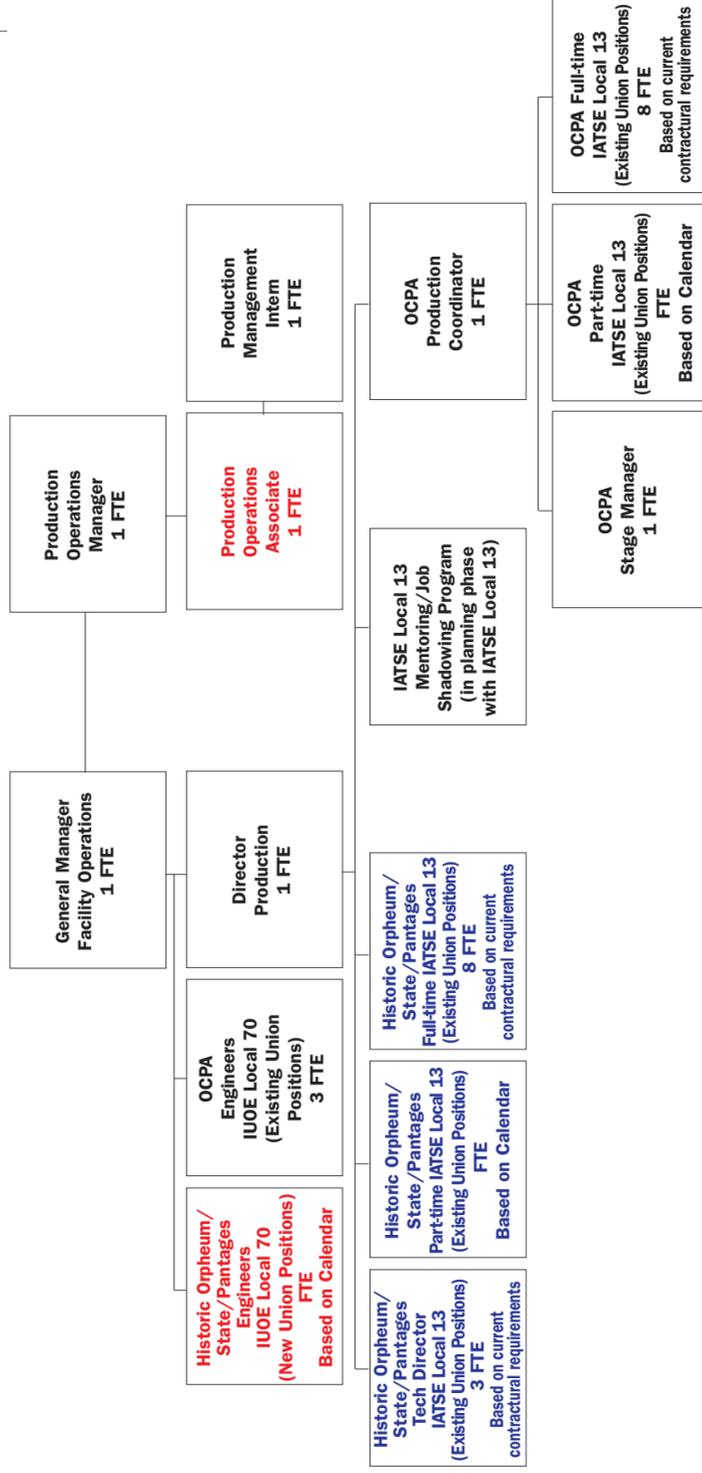


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Twin Cities Theatre Alliance DEVELOPMENT

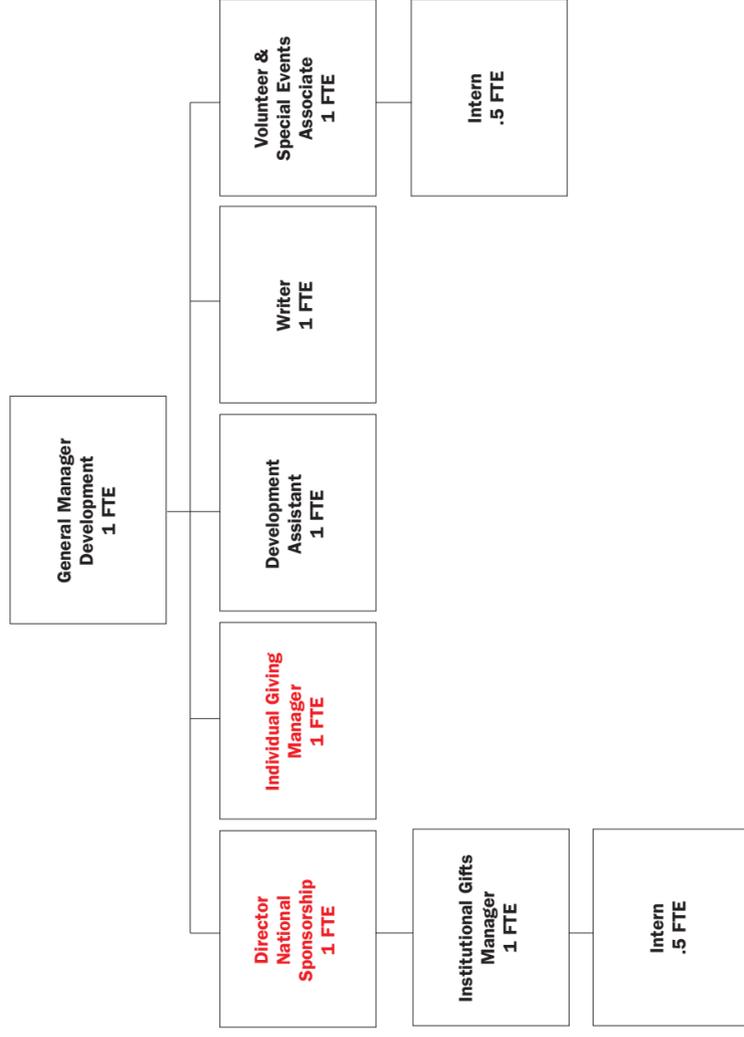


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**Twin Cities Theatre Alliance
SALES DEPARTMENT**

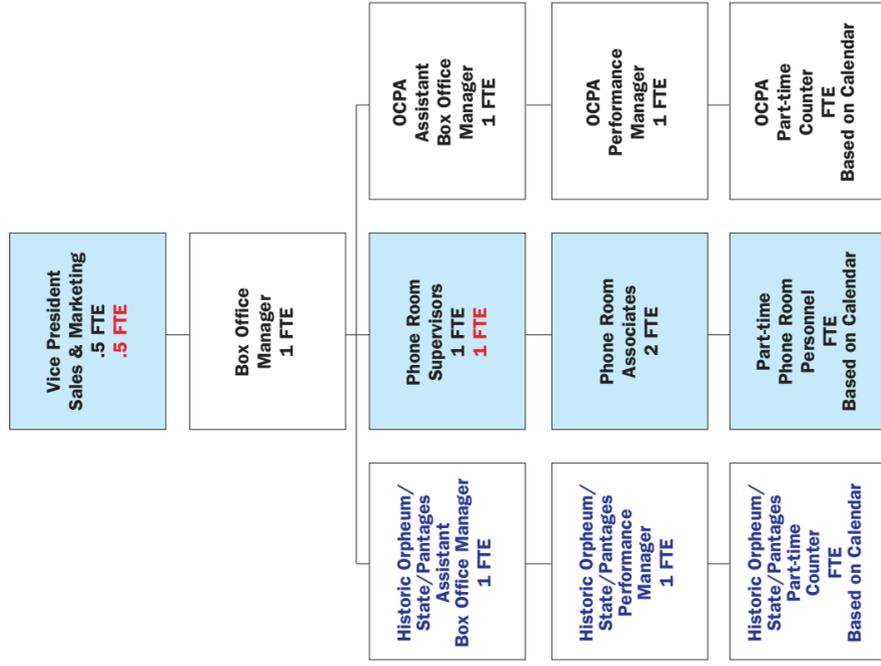


CHART DENOTES REPORTING STRUCTURE AND IS NOT HIERARCHICAL

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The Alliance to provide locally.

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**Twin Cities Theatre Alliance
MARKETING DEPARTMENT**

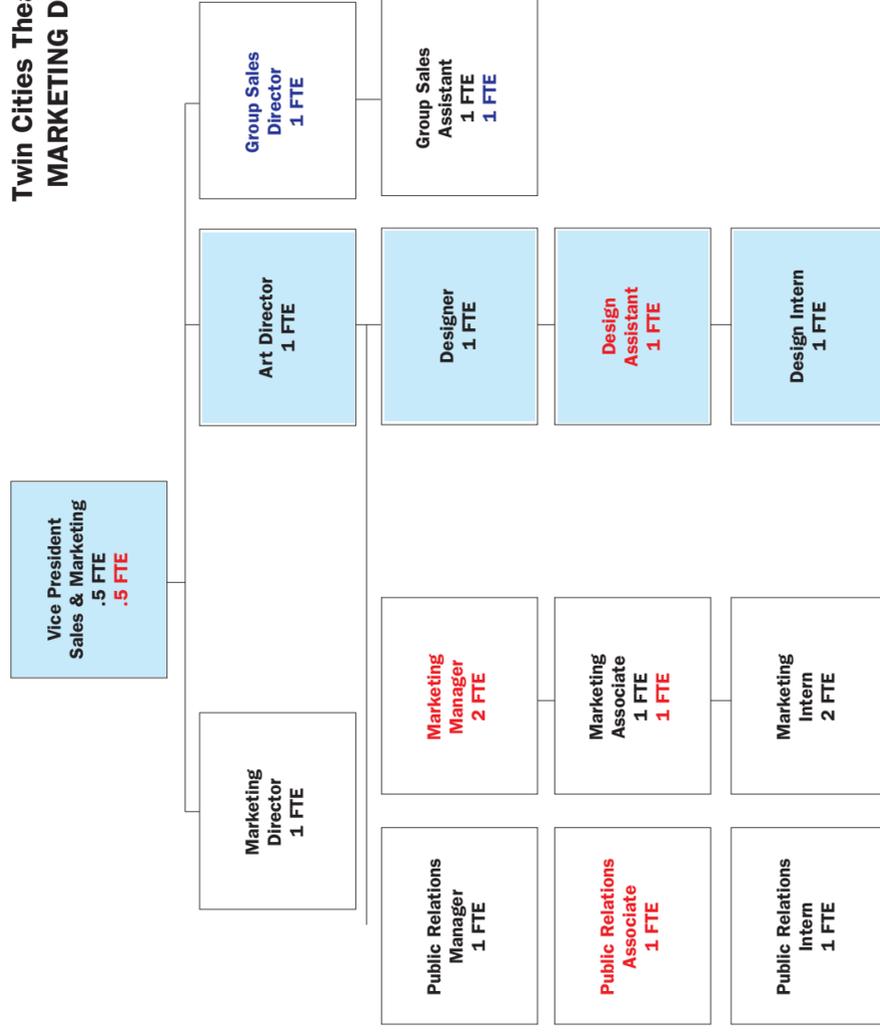


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The Alliance to provide locally.

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**Twin Cities Theatre Alliance
EDUCATION/OUTREACH**

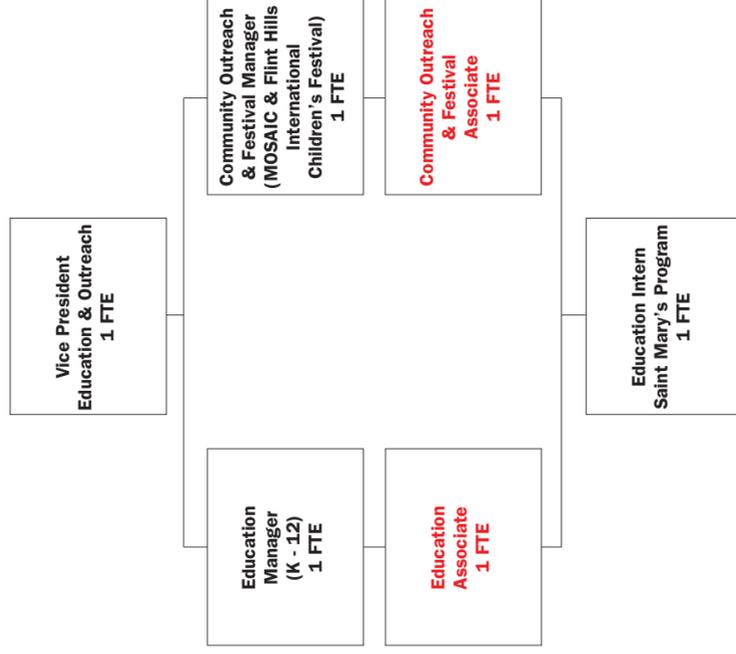


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Box Office and Ticket Sales Plan

8. A box office and ticket sales plan including responsibilities for group and subscription season sales.

Twin Cities Theatre Alliance believes that the box office is one of the most essential parts of any venue—the “face” of the venue and source of important customer service. Patrons prefer to speak with box office personnel who live in the same community and who also attend performances at the venues—it's disconcerting and distancing for Minneapolis arts patrons to speak with ticket vendors in Texas and North Carolina. That's why The Alliance will operate ticketing in-house, increase our current local ticket staff, will have box office hours that are convenient for the Minneapolis theater-goer, and will train our front line ticket staff with top-of-the-line customer service.

As a non-profit that depends upon community support, having a qualified, local box office is also crucial to growing contributions. Strong fundraising relies on the box office to gather information and to better serve donors. This cannot be accomplished with outsourced ticketing.

Twin Cities Theatre Alliance will provide the Hennepin Theatre District with an on-site, cost effective, service-oriented ticketing and sales operation in order to maximize programming growth and economic impact on Hennepin Avenue. We have the experience and resources to do so, and it is available to the City immediately—a comprehensive operation.

Experience In-House

Twin Cities Theatre Alliance has twenty years experience in ticketing (subscription, single and group tickets) and sales for all types of events and arts organizations. We pride ourselves in providing the best service in the Twin Cities. The customer service departments (box office and front-of-house) have been trained by the Disney Approach to Quality Service at The Disney Institute.

Box Office of the Year, INTIX - the International Ticketing Association - 1998 Best Usher Award from the Pioneer Press - September 2000

The Alliance currently owns an in-house ticketing system and supports a full-time box office/ticket sales staff, consisting of a Box Office Manager, Assistant Box Office Manager, Phone Room Supervisor, two Performance Supervisors, and two full-time Sale Associates. In addition, we employ up to twenty part-time sales associates. All tickets sales are transacted locally to provide the best customer service and knowledge of the marketplace. This provides the high level of personal service that patrons have come to expect from The Alliance.

The box office currently sells all types of tickets including subscription (season tickets) and single tickets through phone, counter and on-line sales. In addition, The Alliance has a group sales department of one full-time Group Sales Account Executive to market and sell group tickets to all events. **The Alliance's group sales department is connected to the tourism and visitors bureaus throughout the Twin Cities and has nurtured over 3500 contacts for group tickets.**

Comprehensive Operations and Savings

With contract award, The Alliance will increase its Box Office management and Group Sales staff as needed to accommodate the volume of ticket sales in subscription, single and group sales.

The Alliance has experience with Ticketmaster and is prepared to work with the corporation for the remainder of the contract (until 12/31/06). Upon completion of the contract, The Alliance will transition operations to our integrated in-house system. This will provide cost savings that would remain in the community to help support additional programming on Hennepin Avenue.

Sales Goals

As stated in the Term Sheet, Twin Cities Theatre Alliance guarantees annual number of tickets sold sufficient to cover debt service on existing bonded indebtedness. Specifically, we will grow the Hennepin Theatre



continued **Box Office and Ticket Sales Plan**

District subscription base from 10,000 subscribers to over 26,000 subscribers to the theater season in five years, with 50% growth occurring in the first year—**as we demonstrated was possible in 1995-96 with our subscription base of 25,000.**

Group sales will account for 10 - 20% of total ticket sales to each theatrical. The remainder of the sales goals will be met through single ticket sales. The sales goals will range from 70 - 80% attendance.

Facility Utilization and Marketing Plan

9. A Facility utilization and marketing plan describing the mix of event types to maximize utilization of the Theatres and the strategies, resources, and experience to achieve those goals.

A Proven Model for the Twin Cities

In the four seasons from 1992-1996 when Ordway Center held the Master Use Agreement with the City, the total **economic impact to the City was estimated at \$149 million-roughly 185.5 million in today's market.** Nearly 700 performances in Minneapolis played to 1.3 million people. Ticket sales totaled \$59.2 million and restoration fees paid to the City totaled \$2.6 million. The Twin Cities grew from the 17th largest market for Broadway theatre to the 6th largest by the mid-90s. From 1992 to 1996, the unified programming, marketing, and sales in the Twin Cities market provided great financial results and great attendance on Hennepin Avenue.

Now is the time to look at comprehensive management and programming for all venues to provide maximum growth, economic development and fundraising opportunities to sustain the Hennepin Theatre District and its historic theatres.

The Experience of Decades

Twin Cities Theatre Alliance has twenty years experience working with area non-profit arts groups and over a decade of global/multicultural performing arts and education programs that round out our calendar. The only dark days in St. Paul are for rehearsal and preventive maintenance. The Alliance will similarly increase the utilization of the Hennepin Avenue theaters with a more diverse mix of commercial and non-profit performing arts activity, including the subsidized use of the theaters by local arts groups.

The benefits experienced in the Hennepin Theatre District help also the larger cultural ecosystem of the Twin Cities. For example: shifts in programming and education to Minneapolis will drive increased economic impact on Hennepin Avenue and at the same time work to the advantage of the Minnesota Orchestra and The Minnesota Opera, two Minneapolis-based organizations that long have requested more Ordway Center facilities dates. Combined with The Alliance's history of nurturing and supporting smaller community arts organizations—also a part of the plan proposed here—the success of Hennepin Avenue and its historic theatres can benefit the wider metropolitan region's artistic community.

We'll increase programming by a minimum of 15% in year one, bring in more new works, multicultural programming, education, community outreach, and concerts—\$57.4 million in annual economic impact.



continued Facility Utilization and Marketing Plan

Historic Orpheum Theatre

Broadway Theatrical Season
—musicals
Concerts
Rentals
Spectacles

Historic State Theatre

Broadway Theatrical Season
—plays
Concerts
Local Arts Organization
Presentations
Educational/Outreach
Programming
Multi-Cultural Programming
International Children's Festival

Historic Pantages Theatre

Educational/Outreach
Programming
Multi-Cultural Programming
Local Arts Organizations
Presentations
Locally produced
long-running musicals
New Works
Concerts

STRATEGIES

to support a diversity and frequency of programming to maximize economic impact

Strategy 1, The Alliance will **guarantee 20 weeks of theatrical programming**—double the amount currently guaranteed under the Master Use Agreement. That's a minimum 15% increase in current programming in year one—with a potential economic impact of \$57.4 million annually.

Strategy 2, The Alliance will offer locally produced long-running musicals and house our **New Works Program** in The Pantages Theatre, positioning Minneapolis (with San Francisco and Chicago) as a key national incubator of new works for the stage.

Strategy 3, The Alliance will increase **multicultural programming** by expanding our existing planet Ordway® Target® Season to the Pantages Theatre.

Strategy 4, The Alliance will extend our **educational and outreach programming** for school groups to the State and Pantages Theatres, bringing more than 25,000 metropolitan public schoolchildren and educators to Hennepin Avenue each school year. *See Goal (f), page 39.*

Strategy 5, The Alliance will nurture, support, and present **more local community arts** organizations on Hennepin Avenue, with established programming partners such as Penumbra Theatre Company, Ballet of the Dolls, VocalEssence, Minnesota Dance Theater, Mixed Blood, and relationships with additional organizations.

Strategy 6, The Alliance will program **more concerts** and one-night events to include: Jazz, Modern Dance, Classic Comedy, Big Band, Rock-n-Roll, and Pop-Culture to name a few.

continued Facility Utilization and Marketing Plan

Twin Cities Theatre Alliance

PROGRAMMING AND PRODUCING PARTNERS

While our list of program partners is important in understanding the ways in which we will work to increase programming in the Hennepin Avenue theaters, it represents only a fraction of the program partnership possibilities that will exist for The Alliance, and only The Alliance, **because it is programming a united theatrical season.** The economic incentives for content providers to work with The Alliance in further developing a united Twin Cities market are strong enough that even program partners suggested in the RFP responses of our competitors, as well as our competitors themselves, will want to work with The Alliance.

Twin Cities Theatre Alliance has producing and presenting relationships and partnerships with the following national producers, booking agencies, Twin Cities based performing arts organizations and related entities to program a dynamic theatrical season, concerts, multi-cultural and educational programs on Hennepin Avenue.

NATIONAL PRODUCERS

- Independent Presenters Network
- Kevin McCollum-Independent Producer/
The Booking Group
- Phoenix Productions - Phoenix, AZ
- Pittsburgh, CLO - Pittsburgh, PA
- Theater of the Stars - Atlanta, GA
- The 5th Avenue Theatre - Seattle, WA

NATIONAL BOOKING AGENCIES

- Alan Wasser Associates
- Architects of Air
- Brad Simon Organization
- The Booking Group
- CAMI - Columbia Artist Theatricals
- Cameron Mackintosh, Ltd.
- D-Tours
- David Lieberman and Associates
- Disney Theatricals
- Gary Lyndsey Artist Services
- Green Thumb Theatre
- Horton Smith Agency
- ICM
- IMG
- Ixtlan Artists
- JAM Productions
- Joanne Rile Artists
- Kid's Entertainment
- Kristen Lee Agency
- Lisa Booth Agency
- Networks
- Pomegranate Artists
- Rena Shagan Agency
- SRO Artists
- KAPA Productions
- The Road Company
- Robin Klinger Agency
- Roots Agency
- Western and Southern Arts Associates
- William Morris Agency

NATIONAL THEATRE ORGANIZATIONS

- Member - Independent Presenters Network
- Member - The League of American Theatres and Producers
- Member - The National Alliance of Musical Theatre

TWIN CITIES BASED NON-PROFIT ARTS/CULTURAL ORGANIZATION PARTNERS

- Ballet of the Dolls
- COMPAS
- Circus Juventas
- Penumbra Theatre Company
- The Minnesota Opera
- The Minnesota Orchestra
- The Saint Paul Chamber Orchestra
- The Schubert Club
- VocalEssence
- Walker Art Center

EDUCATIONAL PARTNERSHIPS

- COMPAS
- El Arco Iris
- Intermedia Arts
- mainstreetART
- Minneapolis Public School District
- Minnesota Alliance for Arts in Education
- Minnesota Children's Museum
- Minnesota Museum of American Art
- Minnesota Science Museum
- Minnesota Zoo
- Paul and Sheila Wellstone Elementary School
- Saint Paul Public Library
- St. Paul Public School District
- Teatro del Pueblo
- The Children's Theatre Company
- The Minnesota Opera
- The Saint Paul Chamber Orchestra
- The Schubert Club

The Power of Alliance

continued Facility Utilization and Marketing Plan

Marketing Strategies and Resources

The Alliance has an award-winning, in-house marketing/design/sales team to accomplish the proposed sales goals for the Hennepin Avenue Theatres.

- **Minnesota Monthly, 2002 Eagle Award for the Flint Hills International Children's Festival printed piece award**
- **National Conference of Theatrical Marketing, New York, 2001 Honored, Best Theatrical Marketing Campaign**
- **Minnesota Direct Mail Association, Gold Award 1999**
- **National Arts Advocacy, 1999 Best Arts Advocacy Creative Piece**
- **Minnesota Newspaper Association Award, 1996 Best Page Layout, Best Overall Design**

The marketing/sales team of Twin Cities Theatre Alliance was responsible for the following record-setting sales events from 1992-1996 when there was one Broadway Theatrical Season:

- February 6, 1995 - North American single ticket, single-day sales record for **Show Boat** (\$928,000)
- June 6, 1994 - Previous North American single ticket, single-day sales record for **Joseph and the Amazing Technicolor Dreamcoat** (\$817,156)
- July 1993 - Weekly ticket sales record of \$813,725 for **Miss Saigon** (approximately 16,000 tickets)
- June 14, 1993 - Previous Twin Cities single ticket, single-day record for **Miss Saigon** (\$405,000)
- September 1992 - Previous weekly ticket sales record of \$450,000 for **Phantom of the Opera** (approximately 7,500 tickets)

The experienced staff available immediately to the City includes: Vice President of Marketing and Programming, Marketing Manager, Marketing Associate, Group Sales Account Executive/Concierge, Communications and Public Relations Manager, Art Director, Designer, and an intern staff of three to four at all times. Marketing and Sales staff will be restructured and added to as the volume of work increases over the next few years.

Also available immediately to the City is substantial roster of marketing partners throughout the metropolitan area. The following list is a representative of existing marketing partners who will help ensure the success of a revitalized Hennepin Theatre District scene.

continued Facility Utilization and Marketing Plan

This list represents only a fraction of the partnerships that will exist for Twin Cities Theatre Alliance—and only with a united theatrical season.

PARTNERS TO PROMOTE TOURISM AND DOWNTOWN BUSINESSES

Explore Minnesota Tourism
 Ad Fed of Minnesota
 Arts and Cultural Partnership
 MERSC - Minnesota Employee Recreation & Services Council
 Greater Minneapolis Convention & Visitors Association
 Saint Paul Convention & Visitors Bureau
 Saint Paul Chamber of Commerce
 National Concierge Association - Minnesota Chapter
 Twin Cities Quorum (Gay, Lesbian, Bisexual, Transgender Allied Chamber of Commerce)
 Richfield Chamber of Commerce

COMMUNITY-BASED NON-PROFIT ARTS/ CULTURAL PARTNERS

- Big Brothers Big Sisters
- Circus Juventas
- COMPAS
- Southwest Minnesota State University Foundation
- U of M Theatre and Dance Department

- Prodigal House
- Minnesota Valley Academy of Music
- Family Resource Center
- Theatre in the Round
- Courage Center
- Penumbra Theatre Company
- Minnesota Dance Theatre
- Minnesota Foodbank Network
- Twin Cities Gay Men's Chorus
- Minnesota Orchestral Association
- The Minnesota Opera
- The Schubert Club
- The Saint Paul Chamber Orchestra
- Ballet of the Dolls
- Jungle Theatre
- Minnesota AIDS Project
- Walker Art Center
- James Sewell Ballet
- Children's Cancer Research Fund
- VocalEssence
- Mixed Blood Theatre Company
- Walker West Music Academy
- Children's Theatre Company

- Social Services — ticket reciprocal

Finally, with contract award, this experienced team and network will:

- Conduct a branding/naming study with City and civic leaders to evaluate how to establish the best possible market and public position for the Twin Cities Theatre Alliance (working 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.
- Work with our marketing promotional partners to develop a campaign that brands the consolidated season for the greater understanding of arts audiences (for example: "Where Arts Happen!"). This will create new and renewed interest by the media for the programming and new activity on Hennepin Avenue.
- Launch a subscription campaign to include a combined effort of direct mail, media advertising, out-of-home advertising, telemarketing and partnership marketing to assure a successful campaign.
- Host several open houses for the public to tour the venues and meet the new organization that is programming and managing the venues.

A united season, with a coordinated, highly accomplished marketing force behind it, will flood the Hennepin Theatre District with fuller houses and greater economic impact.

Description of Public Economic Benefits

10. A description of the public economic benefits that will result from the proposal, e.g., the direct and indirect economic benefit, creation or retention of jobs (including the estimated number, type and wage levels), tax base enhancement (sales, entertainment, and real estate, as applicable), etc.

The Economic Power of Alliance

Minneapolis' direct financial interests—the secured repayment of its \$22 million debt, covered capital calls, and the economic impact of a more vibrant Theatre District—are only advanced by uniting the performing arts market, ceasing reliance upon costly outsourcing, and unifying programming and management under one entity. **Any entity that manages a divided market realizes only half the economic potential for the City and for Hennepin Theatre District.** Our plans to increase operating and presenting profits—detailed in the Term Sheet under either option available to the city—is only possible with the unification of Twin Cities programming under one entity. It is necessary to coordinate markets in order for the Hennepin Theatre District venues—and all Twin Cities major theatrical properties—to succeed.

CHART B: PUBLIC ECONOMIC BENEFITS SUMMARIZED

DIRECT BENEFITS	<ul style="list-style-type: none"> • Full Operating Expenses, all costs of theater operations, responsibility of The Alliance including Operating Expenses currently paid by City (\$390,000 net operating cost to City in 2003, based on information City supplied during RFP process) • No Management Fee (vs. \$600,000 current fee) • City's net operating cash position improved \$4,590,400 - \$6,667,200 over first five years of lease (depending upon terms) • \$57.4 million in annual economic impact in Minneapolis • Increase quantity and breadth of visitor trips to downtown due to expanded types and quantity of programs • 60,500 more people attending shows annually, spending money in the Hennepin Theatre District • Increased performing arts activity in all three historic theatres creates vibrancy of District as a destination • Increased subscription base provides repeat theatergoers more opportunities to become familiar with and patronize District businesses. • Reduced cost of procuring Broadway shows due to coordinated, one-season market • Cost savings from management efficiencies • Growth in season subscribers from the current 10,000 to 26,000 in five years, with 50% growth occurring in the first two years—as we demonstrated was possible in 1995-96 with our subscription rate of 25,000. • Elimination of City's growing annual net operating subsidy of approximately \$400,000 • We will retain millions of wasted outsourcing dollars, as a self-reliant non-profit that creates local jobs. • 16 New FTEs in Minneapolis, plus part-time phone room staff • 17 FTEs in carry over from current manager
INDIRECT BENEFITS	<ul style="list-style-type: none"> • Additional IUOE Local Engineers, FTEs to be based on calendar • 18 FTEs brought to Minneapolis, currently outsourced out-of-town • Thousands of metropolitan public school children, families, and educators come to the new destination of choice—Hennepin Theatre District. • Accuracy of preventative maintenance and capital improvements budgets • Immediate affordable repair made on facilities vs. future investment in renovation • Open, simple, and accountable operations from one experienced entity. • Twenty years experience promoting tourism and partnering with local businesses. • Numerous existing community memberships and affiliations. • Strong ties to the philanthropic community, with the proven ability to raise funds (\$104 million to date, \$4 million annually). • Guarantee preservation of tax exempt bond financing. • Institutional and organizational support for MINNEAPOLIS MOSAIC

The Power of Alliance

Transition Plan

11. A transition plan for the assumption of booking and management duties from the current management Contract and MUA provider. (See Section 4.1.(d) of the Management Agreement, Exhibit 2, and the Second Amendment, Exhibit 4).

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:

- Honor all specifics therein.
- Obtain the bookings list and contracts entered into therein.
- Follow up on bookings that are being pursued and/or are in contract negotiations.
- Assess/evaluate potential liabilities and address them.
- If not existing, prepare a master calendar for the bookings and plan for operations and facilities support accordingly.
- Contact the principal for each booking and/or contract to define any further requirements to be met.
- 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.
- Begin immediately to plan Brand and Destination campaign.
- Begin immediately to plan Subscription campaign.

Please refer to our Draft Transition Plan, in ("Other Information" page 85) for 2005-07, with detail for 2005, for evidence of our approach to a seamless transition.

12. An executed "Consent for Release of Response Data" form (Exhibit 7). Proposals that do not include an executed "Consent for Release of Response Data" form shall be considered incomplete which will be grounds for rejection of the entire proposal.

consent of release of response data

Form of Consent for Release of Response Data

October 15, 2004

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: Historic Orpheum, State and Pantages Theatres Request for Proposals
Consent for Release of Response Data

Jeffrey T. Bakken, on behalf of Ordway Center for the Performing Arts, hereby consents to the release of its development proposal in response to the Historic Orpheum, State and Pantages Theatres Request for Proposals and waives any claims it may have under Minnesota Statutes Section 13.08 against the City of Minneapolis for making such information public.

Jeffrey T. Bakken
Vice Chair of the Board
Ordway Center for the Performing Arts

13. Any other information that would help City staff understand and evaluate the concept

other information

CASE STUDIES

The Multi-Faceted Not-for-Profit Conglomerate Model

PLAYHOUSE SQUARE CENTER CLEVELAND, OHIO

The Performance Space

At the commencement of the 1987-1988 theater season Playhouse Square Center's (Playhouse) program and financial limitations were remarkably similar to Ordway Center's current position. Playhouse consisted of three theaters: the Ohio, the State, and the Palace. 70-75% of the theaters' programming at that time was dominated by 5 residential companies which left Playhouse, in its capacity as a performing arts center, to fill in only the limited gaps in scheduling.

The Decision to Expand

A year after opening the State and Palace Theaters, Playhouse began to expand its programmatic and physical space in a way that redefined both its artistic vision and financial structure.

Before the 1988-1989 season Playhouse allowed a smaller out-of-town promoter to occupy space and to present Broadway shows in one of Playhouse's own buildings, which the promoter paid for with 15% of its profits. Playhouse decided that it made no artistic or financial sense to have the promoter remain in the market, and unhappy with his penchant for cobbling the season together in the eleventh hour, it decided to buy him out. In a relatively simple transaction, Playhouse agreed to pay the promoter \$75,000 a year over 5 years, which Playhouse was able to pay wholly through the interest income on the existing subscription base. Playhouse was able to increase subscriptions from 7,000 people in 1989 (the time of the transaction) to its current subscription of 22,000. Today, Playhouse Square is the sole Broadway presenter in the Cleveland market.

In 1993 Playhouse expanded again. Its chief competition in the Cleveland market for booking concerts (as opposed to Broadway offerings) was a theater-in-the-round operating out of one of Cleveland's suburbs. In part, because the theater-in-the-round lacked the capital required to maintain its suburban building, and in part, because it realized that Playhouse was the stronger of the two entities, the owners of the theater-in-the-round agreed to a merger/buyout with an up-front cash payment and an earn-out over a 5-6 period based on income from those types of concerts. Playhouse closed the facility, sold the land, employed a portion of the theater-in-the-round's workforce and pulled in an additional audience of 175,000 to its theaters downtown.

In 1993, Playhouse Square Foundation took an opportunity to lease the Allen (its fourth theater) for five years, with an option to purchase, which it exercised in 1997. Using revenues raised through a capital campaign, Playhouse renovated the theater. In 1999, two years after it exercised its option to purchase the Allen, Playhouse Square Foundation acquired the Hanna building, which contained the Hanna Theater (its fifth theater), a hotel, a garage, a parking lot and 1,000,000 square feet of commercial office space. Playhouse also restored the Hanna.

The Resulting Entity

Playhouse Square Center now has 10,000 seats, making it the nation's second-largest performing arts center after Manhattan's Lincoln Center. In 2002, the worth of Playhouse's holdings was valued at \$124 million, with \$54 million in debt. In 2001, 94% of its \$49 million operating budget came from its own revenues with a 6% contribution from private donations and \$500,000 a year from the city.

The City-As-Steward Model**DENVER CENTER FOR THE PERFORMING ARTS
DENVER, COLORADO****The Performance Space**

The Denver Center Performing Arts Complex (PLEX) is a four-square-block, 12-acre structure that contains nine performance venues. All told, the nine performance venues contain 10,345 seats. (The Colorado Symphony occupies the eighth venue, the 2,634-seat Boettcher Concert Hall, and the DCPA does not use the ninth venue, the Donald R. Seawell Grand Ballroom, which can accommodate 1,029 people.)

The Presenter

The Denver Center for the Performing Arts (DCPA) is a private, not-for-profit entity that is the major tenant of seven of the venues. The DCPA reaches a market of roughly 2.5 million people, a market similar in size to the Twin Cities' market, and has 16,500 subscribers, at one time reaching a high of 21,000. As an organization, the DCPA consists of three divisions, of which two produce shows. Denver Center Theatre Company
One of the DCPA's producing divisions, the Denver Center Theatre Company (DCTC), performs as the resident theatre company in the four theatres that comprise the Helen Bonfils Theatre Complex. The other producing division, Denver Center Productions, encompasses three departments of which one, Denver Center Attractions (DCA), presents Broadway plays and cabaret in three of the venues.

The City as the Owner of the PLEX

The City and County of Denver (City), which are functionally the same entity, own all nine performance venues and own the real estate upon which the venues sit. The DCPA built several of the buildings, but donated them to the City and now rents space back from it. The City as the landlord of the PLEX pays the costs of heat, light, power and cleaning. In addition, the City as an operator oversees the PLEX's

three largest venues through its Division of Theatres and Arenas (Division), which makes direct arrangements with the three largest resident organizations: Opera Colorado, the Colorado Symphony, and the Colorado Ballet. In fiscal year 2003, the City spent \$15.4 million to run the Division (which also oversees Red Rocks Amphitheatre, the Colorado Convention Center and the Denver Coliseum).

The City as the owner of the PLEX assumes responsibility for all capital improvements, which last year amounted to \$3.6 million. (It recently cost \$75 million to complete a renovation of the Auditorium, which had to be gutted without structural modification to honor its position on the National Register of Historical Places.) Income from rent alone allows the City to break even on the PLEX and if it stopped appropriating parking-fee revenue for use on other projects, the City would actually make money on the structure. Instead, the City chooses to meet capital costs for PLEX renovations by issuing bonds and servicing the bond-debt through a 10% Facilities Development Admission Tax (Seat-Tax) which the City imposes on patrons who attend performances at the four venues run by the Division. (Since its inception in 1975, the seat-tax has financed a \$25 million expansion of the old Mile High Stadium, a \$1.6 million lobby for Boettcher Hall, \$50 million of the renovation cost of the Auditorium, and was instrumental in retiring the \$27 million bonds issued to build the Buell.) In addition to the 10% seat tax, 6% of the ticket price goes to pay rent. Through the seat tax and rent, the building pays for itself, but the automatic 16% deduction from ticket sales makes the DCPA a difficult place for productions to play. According to the executive director of the DCA, Randy Weeks (Weeks), the DCPA thrives despite the seat-tax only because it is "the only game in town": "This business is not big enough for a lot of competitors. Unsold seats are perishable items that are gone once the curtain goes up. The market is small. The hits are inconsistent. You might have five big hits one year and none the next. Theater seats are luxury items."

The City as a Cultural Steward

Even if the PLEX faced stiff competition and was financial distressed, the City has made it clear that it intends to absorb and subsidize the costs of maintenance for two reasons. First, the City envisions itself as a cultural steward. On the City's website, the Division promises to: "create and maintain the optimum environments and premier facilities in which to present cultural, entertainment, sporting, and public assembly events for the enjoyment and benefit of the public." Second, the City recognizes its economic interest in maintaining the cultural well-being of downtown Denver. The City's budget overview for 2004 reports that "Upgrades and new projects, primarily at the City's venues operated by Theatres and Arenas[,] account for 16 percent [of Denver's capital budget]. Keeping up these facilities is necessary to compete with other venues in the area. Attendance at these venues also has a multiplier effect on the local economy."

According to Weeks, the City's commitment as a cultural steward is the critical factor in preserving Denver's theatres: "Because of the constantly changing nature of what we do, this business does not lend itself well to a big corporate environment. When the programming doesn't look good for the next two or three seasons, what will a big corporation do? The answer: bail on marginal cities."

The For-Profit Collaborative Model**BROADWAY IN CHICAGO
CHICAGO, ILLINOIS**

"Broadway in Chicago" is a joint venture that was launched in June 2002 as collaboration between three for-profit theaters in Chicago's North Loop District: the Shubert Theatre (Shubert), the Cadillac Palace (Palace) and the Ford Center (Ford).

The Shubert

The Shubert Theatre (originally the Majestic Theatre) opened in 1906, closed in 1932, and was

purchased and re-opened by the Shubert Organization in 1945. For many years the theater was the premier venue in Chicago, but in 1971 the Arie Crown Theatre (Crown) re-opened its doors to Broadway shows and in 1989 the Auditorium Theatre (Auditorium) began originating the national tours of a series Cameron Mackintosh (Mackintosh) hits (Les Miserables, Phantom of the Opera, and Miss Saigon). By the end of the 1980s, the Shubert Organization was ready to sell, complaining both that the Shubert was too small to profitably book expensive touring musicals and that box office receipts were anemic. In 1991, a rival, the Nederlander Organization (Nederlanders), acquired the building and the theatre but fared no better, staging their own run of poorly received shows. In 1993, "Variety Magazine" reported that the Nederlanders cut their general manager and press representative to trim operating costs and reduce losses.

The Ford

The Ford Center for the Performing Arts in Chicago (originally the Oriental Theatre) opened in 1926, closed in 1981 after a fire, remained empty for 15 years, was purchased by Livent in 1996, underwent an 18-month \$32 million dollar renovation, and re-opened in October 1998. In November 1998, amidst revelations of corporate accounting fraud, Livent's lender cut off funds, forcing Livent to declare bankruptcy. In June 1999, SFX Theatrical Group (SFX) purchased most of Livent's assets, including the Ford.

The Palace

The Cadillac Palace Theatre (originally the Palace theatre) opened in 1926, was converted into a movie house in 1931, converted into a banquet hall in the 1970s, and converted into a rock venue in 1984. Used only sporadically in the 1990s, a joint venture by Fox Associates (Fox) and Magicworks Entertainment (Magicworks) undertook a \$25 million renovation of the Palace and re-opened it in 1999 with the debut of "Aida."

The Collaboration

By 2002, with eleven years running the Shubert, the Nederlanders had the longest presence and the most experience presenting in Chicago, but had the smallest, least appealing theater to audiences and touring productions. In 1998 SFX purchased Magicworks and in 2000 Clear Channel (CC) acquired SFX, so by 2002 CC had owned the Ford for two years and owned half of the Palace, which had been open for three years. CC had a lot of economic clout, but with little experience working in Chicago it faced the prospects of building a subscription base, and of establishing ties with the community and it had an unpopular reputation with the press.

In the meantime, the competition for booking had devolved into a war of all against all. In the entertainment market the real competition occurs during the bidding to present shows. For example: in 2002, all of the theaters in Chicago were fighting to win the right to present "The Lion King." According to David Fay (Fay), who was then the President of Fox Associates, the theaters were lining up to essentially allow "The Lion King" to play in their theaters free of charge. In Fay's words, "It would have been a bloodbath."

To eliminate such bidding competition, CC could have tried to muscle out the Nederlanders by buying out Fox's interest in the Palace. CC also could have tried the direct approach and bought out the Nederlanders' interest in the Shubert. Had the Nederlanders merely been presenters and not owners of the Shubert, CC might have tried. But it would have made little sense to expend a lot of capital to purchase a relatively small theater with a history of poor financial performance. From the Nederlanders' perspective, they faced a bidding war with an entertainment giant that was armed with superior venues and a larger pocketbook—a bidding war that they weren't even winning before the Palace opened and

before CC entered the Ford. In an effort to survive, the Nederlanders attempted to form an alliance with the Auditorium, but even if negotiations had been successful, the Auditorium was suffering from the loss of Mackintosh's patronage, decreased attendance and a legal battle over its ownership between the Auditorium Theatre Council and Roosevelt University. (In 2003, the Auditorium Theatre signed a deal with "Broadway in Chicago" making it the fourth theater in the joint venture.)

Ultimately both CC and the Nederlanders realized that their best option was to settle for an easy piece of a bigger pie rather than fighting for all of a smaller pie. The Nederlanders bought out Fox's half-interest in the Palace. The Nederlanders conceived of and proposed the "Broadway in Chicago" concept, and CC accepted. The Nederlanders receive the benefits of programming for and profiting from the combined purchasing power of the three venues and in return contribute their experience and expertise. CC receives a monthly management fee requiring little investment, exposing it to little risk in return for relinquishing the use of its venues. The fee (which is almost certainly a flat fee and not a percentage rate) is large enough to satisfy CC and small enough to keep the Nederlanders happy. The combined entity reaps the benefits of avoiding a bidding war, of eliminating duplicative management, and of the resulting economies of scale.

"Broadway in Chicago" makes an estimated net operating profit of \$6-7 million a year.

Ordway Center
Preventative Maintenance Schedules

Housekeeping

Task	Daily	Weekly	Monthly	Quarterly	Seasonal
Bathrooms - Public	x				
Clean & Restore	x				
Main Lobbies:	x				
Vacuum: All carpets, couches, rugs, stairs	x				
Brass:	x				
All brass where needed	x				
Brass outside main entrance	x				
Front Windows	x				
Wipe down trash cans	x				
Dust all wood work	x				
Exterior:	x				
Trash pick up	x				
Sidewalks	x				
Halls:	x				
Touch up as needed	x				
Housekeeping Closets:	x				
Clean, stock & organize	x				
Extract carpet where needed		x			
Extract couches		x			
Extract chairs where needed		x			
Elevators		x			
Mirrors		x			
1st Fl. windows inside & out		x			
Check for cobwebs outside		x			
Globes:			x		
Inside & outside Main Hall			x		
Mirrors:			x		
Drake Rm.			x		
U.S. Bank Rm.			x		
Extract Stairs			x		
Overhead Brass Signs			x		
Bathrooms Front of House:				x	
Buff & restore tile floors				x	
High Globes (stage hands)				x	
Exterior & Interior High Windows					x
Wood Lattice Work					x
Lawn Care					x
Sidewalks					x

Ordway Center
continued **Preventative Maintenance Schedules**

Engineering

Week #35

S-2 & R-2

Computer Room Heat Pump
Orchestra Rest Rooms
Elevator Maintenance
Freight & Passenger
DDC Prev. Maintenance
Fire Extinguisher Maintenance

Ice Machine Preventative Maintenance
Battery Back-up Lighting
Washer/ Dryer Preventative Maintenance
Gopher State
One Call Locates

Week #36

S-3 & R-3

Exit Lights
Dressing Room Fixtures
Mezzanine Rest Rooms
Theatre Hand Rails
Roof & Floor Drains

Week #37

S-1 & R-1

Fire Pump F-1
Balcony Rest Rooms
Condensate Pans All Units

Week #38

S-5 & R-5

Drinking Fountains
Back Hall Rest Rooms

Lighting

ITEM	OCCURANCE	WHEN	#S	TIME
Main Hall annual lighting equipment maint.	1 / yr.	summer	10	8 days
McKnight annual lighting equipment maint.	1 / yr.	summer	10	4 days
clean catwalks - Main Hall	1 / yr.	summer	2	2 days
clean catwalks - McKnight	1 / yr.	summer	2	1 day
Relamp calls	every 3 wks		2	1 day
lamp inventory and order	monthly		1	1/2 day
follow spot maint	1 / yr.		2	1 day
gallery - sconce cleaning	2 / yr.		4	1 day
Grand Staircase - sconce cleaning	4 / yr.		8	1 day
clean and organize shop	2 / yr.		2	2 days
Drake room - lighting repair / maint.	1 / yr.		2	2 days
Main Hall - clean and organize booth	2 / yr.		1	2 days
McKnight - clean and organize booth	2 / yr.		1	2 days
Main Hall dimmer rack maint.	1 / yr.		2	3 days
Lobby dimming system maint.	1 / yr. / as needed		2	3 days
Exterior Lighting maint.	1 / yr. / as needed		2	2 days
orchestra shell maint. / inspection	1 / yr.	fall	2	2 days
SPCO lx. system refocus	1 / yr.	fall	4	1 day
organize color inventory	2 / yr.		1	1 day
organize template inventory	2 / yr.		1	1 day
inspect, clean and repair cable inventory	1 / yr.		4	4 days
inspect, clean and repair cir raceways and tails	1 / yr.		2	2 days
work box repair and repaint	once every 5 years		4	5 days
dimmer rack filter cleaning (all spaces)	2 / yr.		2	3 days

Ordway Center Board Members, Advisory Committees

Board of Directors

Margaret Alldredge
Staff Vice President
Leadership Development
and Learning, 3M

Jeff Bakken
Andy Bessette
Executive VP & Chief Administrative
Officer The St. Paul Companies, Inc.

R. Bruce Binger
Founder, C-3 Consulting

Ellis F. Bullock
Executive Director
The Grotto Foundation, Inc.

Peter Capell
Division President, General Mills

Micheal Ciresi
Partner & Chairman of Executive
Board, Robins, Kaplan, Miller &
Ciresi, LLP

David Galligan
President & CEO, Ordway Center for
the Performing Arts

Carl B. Drake, Jr.
Jeffrey M. Ettinger
President & CEO
Jennie-O Turkey Store

Steve Fox
President, Minnesota Monthly
Publications

Isabel Gomez
Judge, Hennepin District Court

James T. Hale (Board Chair)
Executive Vice President &
General Counsel

Sarah B. Harris
Chief Operating Officer
The 614 Company

Patricia A. Harvey
Superintendent of Schools
St. Paul Public Schools

Honorable Randy Kelly
Mayor, City of St. Paul

Gailen Krug
Chief Investment Officer
Waycrosse, Inc.

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Mary C. Linder
SVP Corporate & Brand
Communications
Northwest Airlines

Colleen McGough-Wood
Metro Dance Center

Bill Mehus
OCOS President

Nancy Nicholson
John G. Ordway, Jr.
William D. Slattery
Shamrock Business Group, Inc.

Mary Lynn Staley

Gerald Stenson
Executive Vice President,
Minnesota Commercial Banking
Wells Fargo Bank

Edward C. Stringer
Attorney/Shareholder
Briggs and Morgan

Paul M. Tobin
Executive Vice President
Logic Bay

Elsa Vega Perez
Senior Program Officer
Otto Bremer Foundation

F.T. Weyerhaeuser (Ted)

Ordway Circle of Stars Board of Directors

Blythe Brenden
Carol Demma
Peter Eigenfeld
Brian Enright
Lawson Software

Mary Fischer
Polaris

Richard Gardell
Deanne Greco
Moss & Barnett

Jill Hamburger
Best Buy

Barbara Hamilton-Sustad
Smith Barney

Carolyn Herfurth
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Arts & Custom Publishing

Madelaine Karwoski
Star Tribune

Gary Lally
Robert Lawrence
Merrill Corp

William Mehus
Outsource One

Verne Melberg
Linda Moeller
Kristen Hoeschler O'Brien
Minnesota Public Radio

Chuck Paton
St. Paul Hotel

Cynthia Sutter

Advisors

Kay Bendel
Sheri Biller
Sam Kasuske
Barry Lazarus
John Thorvilson
Sue Zelickson

Educators Advisory Committee (EAC)

Tom Gale
St. Paul Public Schools, retired

Mary Haffner
St. Paul Public Schools

Jan Louise Kusske
St. Paul Public Schools

Jan Spencer de Gutiérrez
St. Paul Public Schools

Mary Mackbee
St. Paul Public Schools

Evie Odland
Consultant

Cheryl Paschke
Minneapolis Public Schools

Kris Peterson
St. Paul Public Schools

Jerry Shannon
Consultant

Valeria Silva
St. Paul Public Schools

Carole Snyder
Consultant

Holly Windle
The Schubert Club

Aloida Zaragoza
University of MN

Akosua Addo
University of Minnesota

Bruce Maeda
St. Paul Public Schools Principal

Uve Hamilton
Minneapolis Public Schools

Jamie Andrews
Minnesota Opera

Christine Foster
St. Paul Public Schools

Debra Hunt
MN Alliance for Arts in Education

Jeff Levine
Bloomington Jefferson High School

Ben Lacina
St. Paul Public Schools

Cultural Advisory Council (CAC)

**African American Cultural
Advisory Sub-Committee**

Chair: Dorothea Burns
Hallie Q. Brown/
Martin Luther King Center

Denise Andrews
PRI Public Radio International

Celeste Carty
Principal, Crossroads Elementary

Soli Hughes
Consultant/Teacher

Sarita Turner
T.M. Realty Inc.

Willena Marshall

American Indian Cultural Advisory Sub-Committee

Chair: John Blahna
Mayor of Landfall

Donna Council
St. Paul Public Schools

Lori Haskell
PRI Public Radio International

Warner Huss
Wally Leary
Jacqueline Miller
Renee Peterson
3M

Karri Plowman
American Indian
Chamber of Commerce

Lisa Wade
Risk Administrator

Patricia Welch
American Indian Family Center

Chicano/Latino Cultural Advisory Sub-Committee

Chair: Elsa Vega-Perez
Otto Bremer Foundation

Gilbert de la O
Neighborhood House

Colette Illarde
Fuego Flamenco

Alberto Justiniano
Teatro del Pueblo

Asian/Pacific Cultural Advisory Sub-Committee

Chair: Gloria Kumagai
Museum Magnet Elementary

Connie Cher
GMAC

Lita Malicsi
Roosevelt High School

Charissa Uemura
Uemura Photography

Ordway Center Board of Directors Overview

The Board of Directors of Ordway Center for the Performing Arts is the equal of any non-profit cultural organization in the Twin Cities, in terms of diversity, civic interest and influence, and financial commitment.

The entire business, property and affairs of Ordway Center are managed by a Board of Directors. There are six classifications of members of the Board: regular directors; honorary director; the Chief Executive and President of the Corporation; Cultural Advisory Council President; Ordway Circle of Stars President; and ex officio directors.

An annual meeting of the Board shall be held for the purpose of electing the members, for electing the officers who shall serve until the next annual meeting of the Board and until their successors have been elected and have qualified, and for transacting any other business that may properly come before the meeting. The annual meeting is held at Ordway Center or at another place as designated by the Chair. The annual meeting is held during the month of September in each year, or at such other time and place as may be specified, either in a written notice given for special meetings of the Board or in a written consent and waiver of notice signed by all of the directors.

A. Membership

Members are elected for a three-year term, which can be renewed one time (for a total of six years). Members may rejoin the board after being off the board for one full year.

Board members are encouraged to regularly attend performances and events at Ordway Center.

B. Meetings

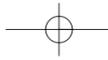
Ordway Center's Board of Directors meets eight times per year, typically on the third Monday of every other month, beginning with the start of our fiscal year in July. Meeting notices and materials are mailed out prior to each meeting. Board members are expected to attend meetings regularly.

Committees meet at the discretion of the Committee Chair, currently varying by committee from monthly to semi-annual.

C. Committees

Each Director serves on one or more of the following Board Committees:

- Governance
- Executive
- Development
- Endowment Campaign
- Government Relations
- Finance
- Endowment Investments
- Marketing
- Human Resources
- Minneapolis Theaters Initiative



D. Financial Commitment

New Board members are asked to make a personal contribution to the Annual Fund in the amount of \$5,000, and current Board members are being asked to increase their giving to this level, if their current giving does not already reflect this amount. (Ordway Center recognizes that not all Board members will have the ability to contribute at this level.) In addition, Board members are asked to make a one-time pledge to the Endowment Fund and a membership contribution to Ordway Center's volunteer support organization, Ordway Circle of Stars.

E. Fundraising

We expect that Board members will participate actively in fundraising solicitations (i.e. signing of letters, meeting with foundations/corporations) as this organizational capacity is transferable to the Minneapolis theatres.

It should be noted that along with the Annual Fund, The Alliance will engage in both a Capital and an Endowment campaign as needed to ensure that adequate funds are available for the Minneapolis Theatres as we do for Ordway Center.

Most importantly, it is expected that Board members will serve as champions of The Alliance's mission in their businesses and communities.



Twin Cities Theatre Alliance Personnel

David Galligan joined Ordway Center for the Performing Arts in August 2002 as President and CEO. Previously, he served as chief operating officer of Walker Art Center for seventeen years and, as such, was responsible for managing its marketing, fundraising, government relations, finance, strategic planning, and other business affairs. During his tenure, the museum added the Minneapolis Sculpture Garden to create one of the largest sculpture gardens in the U.S. and began the \$90 million expansion project scheduled to open in 2005. Mr. Galligan is a Phi Beta Kappa graduate of Stanford University. He earned a law degree from the University of Virginia and an MFA in creative writing from Vermont College. He is a member of the League of American Theaters and Producers and the Independents Presenters Network. Mr. Galligan is a member and fundraiser for the Minnesota Rowing Club and Plymouth Congregational Church, where he also sings in the choir.

Vice President and Chief Financial Officer, **Christine Sagstetter**, is responsible for overall financial planning, budget tracking, and control. She also serves as Ordway Center's principal liaison to legal counsel, banking and investment advisors and auditors. Before joining Ordway Center in 1993, she was Senior Audit Manager for KPMG Peat Marwick, specializing in not-for-profit, government, real estate, and manufacturing issues. A certified CPA, she has been

an accounting officer for the State of Minnesota's Department of Human Services and Department of Transportation. Ms. Sagstetter holds a B.A. in accounting from the University of Minnesota. She received the 1999 Star Tribune "Working Woman of the Year" Award.

As Vice President of Marketing and Programming, **Lynn Von Eschen** oversees the departments of Marketing, Sales, Education, and Programming. In addition, Mr. Von Eschen works with Ordway Center's President and CEO David Galligan to create the vision and direction for Ordway Center theatrical programming and oversees the execution of artistic elements of presenting and producing. Mr. Von Eschen served as Executive Producer for *Hot 'n Cole*, *A Grand Night for Singing*, and *8 Track: The Sounds of the 70's* and Associate Producer for Ordway Center's productions of *Wit*, *South Pacific*, *Bingo*, *The Prince & The Pauper*, *2 Pianos, 4 Hands*, *Anything Goes*, and *Forever Plaid presents: Plaid Tidings: A Special Holiday Edition*. His Twin Cities experience in theater management includes positions at the Children's Theatre Company, and the Carlton Dinner Theatre. Mr. Von Eschen earned his B.A. in speech /communications / theater from South Dakota State University, and his M.F.A. in arts management from the University of Iowa. He is a member of the League of American Theaters and Producers, Inc., the Independent Presenters Network, and the National Alliance for Musical Theater.

Vice President and General Manager **Mary McColl** has been with Ordway Center since 1984, serving in a variety of leadership positions over the years. As Vice President and General Manager, Ms. McColl is responsible for all operational and production aspects of the facility, as well as technical aspects of Ordway Center productions. She is responsible for creating and overseeing the implementation of Human Resources policies and procedures, and directs the creation and implementation of all customer service policy and procedures. Ms. McColl is the primary staff liaison to Ordway Center's resident Arts Organizations, works closely with Community Partner groups that use our facilities. She is responsible for the negotiation and administration of all collective bargaining agreements, and is the principle liaison to Trade Unions. Ms. McColl is an elected member of the City of St. Paul Cultural Star Board, where she represents large arts organizations, and is a past member of the Board of Directors of Park Square Theatre. Ms. McColl has been appointed by St. Paul Mayor Randy Kelly to serve on the Conservatory for the Performing Arts Task Force and serves as a Vice Chair of the Board of Directors for the Conservatory. She is also a Mayoral appointee to the Executive Board of the Mayor's task force for the creation of the Art, Culture and Entertainment Plan for the City of St. Paul. Ms. McColl is an active member of the International Association of

continued ...

**Twin Cities Theatre Alliance
continued Personnel**

Assembly Managers, and serves on the Performing Arts Facilities Committee. Ms. McColl holds a B.A. in social science from Winona State University.

Bill Venne, Vice President of Development, joined Ordway Center for the Performing Arts in January 2003. Mr. Venne has worked in the arts community for over fifteen years. Mr. Venne has served as Director of Development at The Minnesota Opera, where his duties included planning and initiating fundraising strategies with the Board of Directors. Prior to his work with the Opera, Mr. Venne was Development Director and Managing Director of Illusion Theatre. He earned his B.A. in Journalism/ Public Relations from the College of St. Thomas and earned a Mini MBA in Non-Profit Management from the University of St. Thomas.

Heather Spicuzza joined Ordway Center in December 2001 as Director of Education and Programming. She is responsible for producing and programming the planet Ordway Target Season, the Performing Arts Classroom series, and the Flint Hills International Children's Festival. Additionally, Ms. Spicuzza supervises the Education Department and its programs, as well as sponsor fulfillment related to the programs she directs. Previously, Ms. Spicuzza served as Director of Education at Playhouse Square Foundation in Cleveland, Ohio; General Manager

of Western and Southern Arts Associates; National Tour Coordinator of The Children's Theatre Company of Minneapolis; and, Dean of Theatre School, Studio Arena Theater in Buffalo, New York. She serves as a Board Member and Chair of the Education Committee for the International Association for Performing Arts for Young People, and represents Ordway Center in the Minnesota Presenters Network. Ms. Spicuzza is a member of the Organization of Performing Arts Centers Education Directors. She holds a BA in Theatre (directing) from Webster University and an MFA in Theatre Management from Florida State University.

Kevin McCollum co-founded The Producing Office with Jeffrey Seller in 1995. The Producing Office is represented on Broadway by *Avenue Q* winner of the 2004 Tony Awards for Best Musical, Best Book and Best Score as well as *RENT* which won the 1996 Pulitzer Prize for Drama and four Tony Awards, including Best Musical. Off Broadway, Kevin produced *De La Guarda*, which has seen companies in Las Vegas, Amsterdam, Tokyo Tel Aviv and Seoul. At the Curran Theater in 2002 McCollum produced Baz Luhrmann's Broadway production of Puccini's *La Bobeme*, which won two Tony Awards. Mr. McCollum is a Managing Partner in a new off-Broadway theatre complex called 37 Arts where Mikhail Baryshnikov will be in residence with his new company. Mr. McCollum is

also co-owner of The Booking Group, a pre-eminent theatrical booking agency currently handling the national tours of *The Producers*, *Mamma Mia*, and *RENT*. Mr. McCollum was the executive producer of the feature film *Jeffrey* and was the recipient of the Robert Whitehead Award for Outstanding Commercial Theatre Producing in 1995. McCollum was trained at the Conservatory of Music in Cincinnati and earned his Masters' degree in film producing from the University of Southern California. Kevin McCollum was the CEO and President of the Ordway Music Theatre in St. Paul Minnesota for 7 years (1995 - 2002).

transition plan

ORDWAY CENTER
2004 Strategic Plan: excerpts

STRATEGY FOR FACILITY AND SERVICES:

Maintain and preserve the Minneapolis Historic Theatres and Ordway Center and provide services to artists, and audiences that match the beauty and history of the physical venues

Goals:

1. Maintain all venues so they remain a preeminent environment for artists and audiences.
2. Plan for repair, replacement, and major upgrades — Capital Plan
3. Provide for a safe environment for employees, artists, and audiences in compliance with best practices and standards in the industry.
4. Maintain excellent customer services. Continue to seek ways to improve and/or more effectively respond to the needs of audiences, artists, and organizations using our facilities.
5. Provide highest level of production support to all users of the facilities.

STRATEGY FOR PERFORMANCE MANAGEMENT:

Support excellent staff performance through effective human resources management, enabling work culture, processes, and information technology; and strong, engaged governance.

1. Attract, retain, and reward top performers who, on the whole, represent the diversity of our community.

2. Ensure that processes and procedures support work performance

3. Increase productivity through an effective Information Management System

4. Maintain / build a performance culture that is knowledgeable and skill based, cooperative and collaborative, supportive of colleagues success, and responsible for the success of the Twin Cities Theatre Alliance

Goal: Maintain all venues so they remain a preeminent environment for artists and audiences.

Objective and tasks:

1. Perform extensive preventative maintenance to prevent lost time and revenue
2. Use the best practice standards for housekeeping and maintenance to ensure that public and backstage areas are in alignment with this goal.
3. Continued reprogramming of the HVAC to allow for comfortable use of multi-purpose components of stage and seating areas.
4. Place higher priority on qualifications and background of personnel hired for security positions
5. Accessibility — continue to provide opportunities for people with different physical abilities by complying with ADA requirements

ORDWAY CENTER
2004 Strategic Plan: excerpts

Goal: Continue excellent customer service, promoting the Twin Cities Theatre Alliance experience

Box office:

1. Develop a system to sell all tickets for all presentations at all venues, including RAOs performances.
2. Develop a system to sell tickets "live" via the Internet.
3. Acquire and use technology that is state of the art in the ticketing business including "print at home: tickets and ticket scanners for means of admission.

Front of house:

1. Continue to upgrade and provide the customized customer service training program.
2. Provide a welcoming, safe environment so that all Twin Cities Theatre Alliance audiences can fully concentrate on experiencing the performing arts.
3. Develop a rental marketing plan to maximize the utilization of each venue and increase revenue streams and awareness of the attributes of each venue.

Production support:

1. Ensure that each venue remains current with equipment and other support items necessary for all users through an annual audit of the facilities.
2. Employ technicians and production management staff that have proven to excel at their craft and can provide support to a myriad of productions.
3. Provide a welcoming, safe, and technologically superior environment for artists so that they may concentrate on achieving their highest performance levels.
4. Provide top-notch personnel for touring companies that need additional workers through ongoing quality relations with the Trade Unions.
5. Acquire / develop a state of the art scheduling system to allow for ease of scheduling as well as tracking and settlement.

ORDWAY CENTER CORPORATE AND FOUNDATION CONTRIBUTORS

Ordway Center for the Performing Arts is dedicated to contributing to the artistic vitality of our community and to providing access to outstanding performing arts for all segments of our community. We gratefully acknowledge the essential support of the following businesses and foundations:



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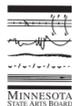


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These activities are made possible in part by a grant from the Minnesota State Arts Board, through an appropriation by the Minnesota State Legislature and a grant from the National Endowment for the Arts.



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Selected respondent will be required to enter into appropriate contracts, agreements, and leases with the City and comply with any applicable City requirements. These requirements vary depending upon the type of proposal and the source and amount of public funding and may include, without limitation, the payment of Prevailing Wages for construction, the preparation of Affirmative Action Plans, competitive bidding, compliance with Chapter 423 Small and Underutilized Business Enterprise Program and Business Subsidy Act/Living Wage Policy, and reporting requirements for those programs.

other requirements

The Alliance is already compliant with the requirements as stated and is ready to comply with any city requirements that may be defined in addition to those stated.

Management Contract General Conditions

The Alliance acknowledges the conditions contained in the "General Requirements" document attached to the RFP as Exhibit 13 and agrees to be bound by those requirements.

Guarantee of Performance

The Alliance acknowledges the terms and conditions for "Guarantee of Performance" and is compliant with them. Within seven days of City Council approval, Alliance will provide a \$50,000 "good faith" deposit with the stipulation, as stated in the RFP, that this deposit will be returned upon assumption and commencement of the responsibilities of Theatre Manager.

The irrevocable Letter of Credit required by the City is addressed by the Wells Fargo Letter of Commitment, provided under separate cover.

Sale or Lease Terms

The Alliance acknowledges the conditions contained in the RFP regarding Sale or Lease Terms and agrees to be bound by those terms.

Insurance

The Alliance acknowledges the conditions contained in the RFP regarding Insurance and agrees to be bound by those terms as they apply to Liability Insurance, Workers Compensation Insurance, and Property Insurance.

Equal Opportunity (nondiscrimination and affirmative action)

The Alliance acknowledges the conditions contained in the RFP regarding Equal Opportunity (nondiscrimination and affirmative action) and agrees to be bound by those terms.

Litigation and Dispute Disclosure

The Alliance acknowledges the conditions contained in the RFP regarding Litigation and Dispute Disclosure and agrees to be bound by those terms. In compliance with this requirement, documentation regarding all relevant litigation and disputes has been provided to the City under separate cover as this information is deemed proprietary and not available for review by the general public.

appendix

CHART A: OTHER EVALUATION CRITERIA ADDRESSED (per RFP page 15)

EVALUATION CRITERIA	SUMMARIZED
<p>(a) The experience and the financial and organizational capacity of the respondent in successfully managing and promoting similar theatres.</p>	<p>For twenty years, Ordway Center for the Performing Arts has been: owner and manager of world-class Ordway Center in St. Paul that includes two theaters, a 1,900-seat Main Hall and the 322-seat McKnight Theatre. Ordway Center provides a home to four major arts organizations; presenter and producer of a wide range of theater, music, dance, and multidisciplinary performing arts and education programs for many different audiences.</p>
<p>(b) The terms and conditions of the Term Sheet, including the proposed fee structure (if applicable).</p>	<p>See Term Sheet, pages 6 and page 48</p>
<p>(c) The financial capacity to perform respondent's duties and obligations, including, to the extent applicable, collateralization of ticket proceeds, presentation guarantees, debt service reserves, and capital improvements reserves.</p>	<p>With an annual budget of \$15 million, a full-time staff of sixty-six, and 165 to 180 part-time employees, The Alliance is a major employer and an economic presence in the community. The Alliance has raised over \$104 million to date, raises \$4 million annually, has net assets of \$47 million, and no existing debt. Our plan offers to generate \$57.4 million in annual economic impact in Minneapolis.</p>

continued ...

continued **other evaluation criteria**

CITY OF MINNEAPOLIS PLAN FOR ARTS & CULTURE

Recommendation #1: Integrate and utilize arts and culture as a resource for economic development.

Only a coordinated, united market can ensure the kind of economic impact the City desires—as proven nationally in comparable cities such as Denver, Cleveland, and Chicago. Only The Alliance offers the City the opportunity to retain millions for our community—millions currently wasted on unnecessary outsourcing to mega-commercial enterprises. To further arts-related economic development, the Plan "calls upon the City to . . . form strategic partnerships." See Appendix, *City of Minneapolis Plan for Arts & Culture*, page 10.

Recommendation #2: Develop robust leadership on behalf of cultural development.

The Alliance offers the City an established statewide profile, strong relations with civic leaders, a metropolitan-wide patron base, and influential Board.

Recommendation #3: Increase resources for arts and culture in Minneapolis.

The Alliance offers the City strong ties to the philanthropic community, with the proven ability to raise funds (\$104 million to date, \$4 million annually). Our plan will generate \$57.4 million in annual economic impact in Minneapolis. In order to increase resources for arts and culture, the Plan calls upon the City to think regionally and "stimulat[e] partnerships and alliances," including the possibility of "a coalition of Minneapolis, St. Paul and the suburbs." See Appendix, *City of Minneapolis Plan for Arts & Culture*, pages 11, 26.

Recommendation #4: Strengthen the City's public art program by providing a definite funding commitment and confirming policy.

N/A

Recommendation #5: Promote the city's arts and culture, to residents and visitors, and to civic and community leadership as an integral aspect of Minneapolis' identity, quality of life, economic vitality and civic health.

The Alliance offers the City an established statewide profile, strong relations with civic leaders, a metropolitan-wide patron base, and influential Board. We have twenty years of experience promoting the city in which we currently present and produce, through active involvement in tourism promotion and partnerships with downtown businesses.

Recommendation #6: Promote collaborations among arts and cultural organizations and artists, and with the City and other partners.

A coordinated, united market can ensure the kind of economic impact the City desires—as proven nationally in comparable cities. The ability to lead the continuing development of the Hennepin Theatre District comes from thinking inclusively and collaboratively. As a high priority, the Plan asks that larger arts organizations support smaller arts groups, which has been a critical mission element for The Alliance for 20 years. The Plan also suggests that the City think regionally, working with other area governments in helping to create a healthy arts ecosystem. See Appendix, *City of Minneapolis Plan for Arts & Culture*, pages 15, 32.

Recommendation #7: Preserve and strengthen arts education opportunities for Minneapolis youth.

The Alliance will make the arts accessible to everyone, immediately bringing thousands of metropolitan public school children, families, and educators to the new destination of choice—Hennepin Theatre District. This "issue of morality and social justice"—see Appendix, *City of Minneapolis Plan for Arts & Culture*, page 34—is at the very core of The Alliance's pre-eminent K-12 education programs. This is the reason The Alliance is already the #1 arts educator of Minneapolis public school children.