

CITY COUNCIL STUDY SESSION AGENDA

5:30 PM - Tuesday, May 09, 2023
via Videoconference and In Person

Please Note: The City Council will meet in person as well as via Telephone/Video Conference

Telephone:1-669-444-9171 / Webinar ID: 864 4642 7738

<https://losaltosca.gov.zoom.us/j/86446427738?pwd=cjhwSWNVZFYcGc5WmxyOVRJY29qUT09>

Passcode: 367179

TO PARTICIPATE IN-PERSON: Members of the public may also participate in person by being present at the Los Altos Council Chamber at Los Altos City Hall located at 1 N. San Antonio Rd, Los Altos, CA

TO PARTICIPATE VIA VIDEO: Follow the link above. Members of the public will need to have a working microphone on their device and must have the latest version of ZOOM installed (available at <https://zoom.us/download>). To request to speak, please use the “Raise hand” feature located at the bottom of the screen. To participate via telephone you may call the number listed above and press *9 to request to speak.

TO SUBMIT WRITTEN COMMENTS: Prior to the meeting, comments on matters listed on the agenda may be emailed to PublicComment@losaltosca.gov. Emails sent to this email address are sent to/received immediately by the City Council. Please include a subject line in the following format:

PUBLIC COMMENT AGENDA ITEM ## - MEETING DATE STUDY SESSION

Correspondence submitted in hard copy/paper must be received by 2:00 PM on the day of the meeting to ensure distribution prior to the meeting. Correspondence received prior to the meeting will be included in the public record. .

Public testimony will be taken at the direction of the Mayor, and members of the public may only comment during times allotted for public comments.

AGENDA

MEETING CALLED TO ORDER

CONFIRM QUORUM

DISCUSSION ITEM(S)

1. Receive update from the Downtown Theater Working Group on the Downtown Theater Feasibility Study

ADJOURNMENT

SPECIAL NOTICES TO THE PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk 72 hours prior to the meeting at (650) 947-2610.

Agendas Staff Reports and some associated documents for City Council items may be viewed on the Internet at <http://www.losaltosca.gov/citycouncil/online/index.html>. Council Meetings are televised live and rebroadcast on Cable Channel 26.

On occasion the City Council may consider agenda items out of order.

Los Altos Theater Study

Final Summary Report

Prepared for the Los Altos Stage Company

March 23, 2023

Agenda Item 1.

AMS
PLANNING
& RESEARCH

THEATRE PLANNERS / LIGHTING DESIGNERS
Schuler Shook

INTRODUCTION



The following summarizes the feasibility study process, findings, and recommendations for a new theater. In the pages following, we have described the context and market for the proposed new theater, described a preferred facility vision, forecasted likely utilization for performances, programs, and community uses, and estimated facility and operational requirements and costs.

This report describes market and organizational conditions that support a base case for a new theater. With this completed, effort can now move to planning in greater detail and gathering support for the next phases. This report is intended to serve as a springboard for further decision-making regarding the development of a new theater for the Los Altos community.

The next seven (7) pages contain **a high-level executive summary.** Greater detail, analysis, and background information can be found in the body of the report and in the appended materials.

We would like to acknowledge the Los Altos Stage Company Board of Directors, the New Theatre Task Force, and the Los Altos City Council for their support of this study.

Executive Summary

Scope of Work

Phase 1

Assessing Feasibility

- Supply, Demand, and Aspiration

AMS Planning & Research, in partnership with theater planning firm Schuler Shook, worked with the New Theater Task Force and Los Altos Stage Company to assess the feasibility of developing a community-scaled theater space for the residents of Los Altos. Over the course of two phases of work, we found that **there is both need and opportunity for replacement of the existing Bus Barn Theater** with a degree of added space to accommodate a wider variety of community activity.

Phase 2

Setting Definition

- Operating Model, Building Description, Financial Forecast

In our **first phase**, we studied market conditions, the overall health and operations of the Stage Company, and the supply of other venues in the market, and also collected input regarding community goals, attitudes, opinions, and aspirations about arts, culture, and downtown Los Altos.

Our **second phase** focused on defining a space that meets both community and Stage Company needs and goals. We developed a profile and mock schedule of activity that would take place in a new facility and, from there, developed space plans and an operating financial forecast.



Background - Downtown Vision Plan

Supported Key Attributes:

- Increase the activity and vitality of Downtown during the day and evening hours;
- Include plazas that provide a central area for the community to congregate, places to provide activities for youth, and outdoor dining;
- Incorporate opportunities for a live theater, hotel, office, affordable housing, and mixed use with residential;

VISION ELEMENTS

The City of Los Altos is committed to a community-focused, economically viable, and village-scaled Downtown through:

- **Developing adequate parking facilities** and implementing parking strategies that continue to meet the current and future parking needs of businesses, residents, and visitors
- **Utilizing existing parking plazas** in a manner that enhances the village character while also meeting the working, living, entertainment, and hospitality desires of the community

OPPORTUNITY SITES

- **Entertainment:** A live theater is identified on Parking Plaza 2. This use would be both a daytime and evening draw from the community and elsewhere that would support complementary businesses, such as pre-event dining.

In 2018, the Los Altos City Council adopted the Los Altos Downtown Vision Plan “as a guiding document that we can all aspire to.”

The plan calls for the development of a live theater venue on Parking Plaza 2.

References: <https://www.losaltosca.gov/development-services/page/downtown-vision>; Supported Key Attributes (selected), page 7; Vision Elements (selected), page 16; Opportunity Sites (selected), page 26

Background - LASC & City MOU

In 2021, LASC and the City entered into a three-year non-binding Memorandum of Understanding regarding potential development of Downtown Parking Plaza No. 2.

The key points are excerpted here:

WHEREAS, on November 9, 2021, the Los Altos City Council (“City Council”) directed City staff to prepare a MOU under which the City would reserve a specified City-owned parking plaza for a certain number of years as a potential site for a community theater, in order to give LASC an opportunity to raise funds towards building a community theater;

WHEREAS, the City Council believes that a community theater would be a benefit to the community; and

WHEREAS, since August 2018 a community theater has been part of the Los Altos Downtown Vision Plan; and

WHEREAS, LASC has had a Use Agreement with the City for the Bus Barn Theater for twenty-seven (27) years, which is owned by the City and located at the Los Altos Civic Center site.

Executive Summary

The Company & The Market



53%

growth in *attendance* in years leading up to 2020 (pre-COVID)

In seeking to understand the state of the Stage Company, AMS analyzed operating data going back to fiscal year 2012 and up to 2019, pre-COVID. We consistently saw steady and measured growth in the Company's revenues and expenses.



60%

growth in *revenue* in years leading up to 2020 (pre-COVID)

This indicates **solid management and oversight** and that programming is meeting community interests and perceptions of value.



40%

of households in the primary market have incomes over \$200k – the highest concentration in California



53%

of patron households have children living at home – indicating strong potential for youth and multi-generational programming



55%

of the market's population is under age 40 – representing strong future growth potential for arts patronage

AMS analyzed the market area and zeroed in on a collection of 15 zip codes that we believe comprise the Theater's primary market. This geography includes a total population of approximately 387,000 people.

In short, **we found the primary market area to be extremely strong** – demographically speaking – for greater consumption of arts and cultural activity.

A thorough analysis of the Stage Company's database of over 10,000 patrons was also conducted and found that **a strong base of followers exists from which to build**, with ample opportunity for future growth of both program consumers and philanthropic supporters who could be tapped with the right strategies, approaches, and campaigns.

Executive Summary

Community Input



Survey responses received from over 440 area residents



There is high interest in diverse content, including educational programs for young people, film, lectures, theater, & live music



Stakeholders envision a multi- and inter-generational gathering place that contributes to downtown vitality

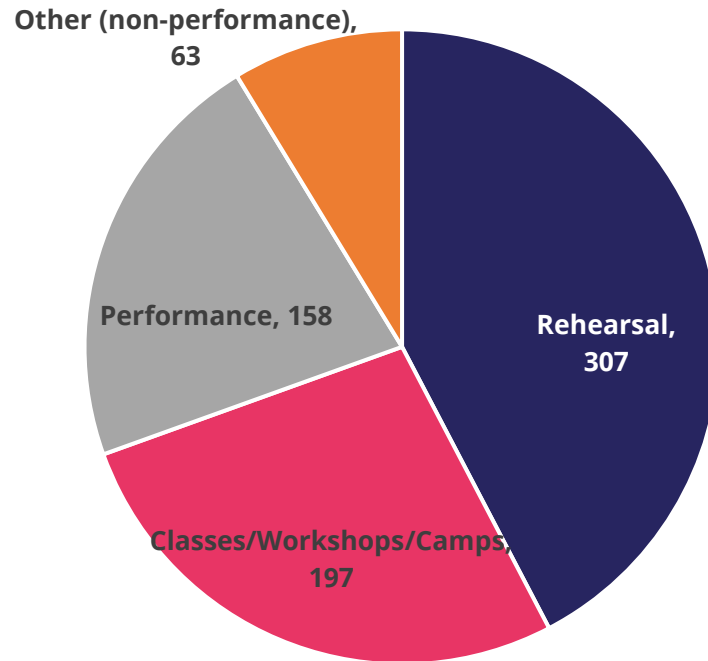
In order to gain insight into what community members, patrons of the theater, and other stakeholders are thinking with respect to the Stage Company and a new, community-facing facility, we conducted a web-based community survey. We heard from 445 respondents who self-selected to participate.

The survey found that **there IS significant interest for greater training opportunities for young people**, as well as for attending a range of performances including live music, comedy, lectures, film, and, of course, live theater. A majority felt that the advantages of developing a new theater would be to **enhance downtown Los Altos as a hub of economic and cultural activity**, and to **bring the community a sense of pride** – pride of place.

Our major take-away from the data is that people see this project as **a community resource for the residents of Los Altos** more so than as a regional destination. This project is about serving more of the Los Altos community and doing it better.

Executive Summary

Activity Forecast



Annual attendance of **20,500** from over **725 activities** annually, including:

- ✓ Community events
- ✓ Concerts, lectures, film, comedy, & family performances
- ✓ Rental uses
- ✓ LASC & LAYT performances
- ✓ Classes & camps for young people
- ✓ Rehearsals

To begin developing an operational forecast, we worked with LASC to map out the likely activity level of a new theater space. We put together a highly detailed calendar of community events, classes, rehearsals, performances, and facility rentals that would take place throughout a typical year.

The breakdown of this activity is summarized in the chart above. We plotted **over 725 unique uses of the building** including **community events** and rental of the space. Over a quarter of the use would be for **classes, workshops, and theater camps for young people**. The space would be utilized day and evening and often for more than one activity at a time. For example, a film might be shown in one space while young people are taking an acting class or rehearsing in another.

The forecasted activity conservatively generates **annual attendance of over 20,000** at the building, based on an 85% average capacity sold for ticketed events and performances.

Executive Summary

Facility Program

Schuler Shook theater planners worked with LASC leaders to determine that the building needed to contain this array of activity would consist of a **160-seat mainstage**, configured in a traditional proscenium style.

Theaters also require **ample backstage spaces and room for community gathering** in the front of the house. This building program includes a suitably-sized lobby and outdoor patio area, a special lounge space dedicated to Los Altos Youth Theatre, storage, dressing rooms, and other essential support spaces.

An appropriate site needs to accommodate a footprint of between 13,000 and 14,000 square feet, which can be accomplished at the downtown parking plaza site as a stand-alone project or as part of a larger, mixed-use development. However, it cannot be accommodated at the current Bus Barn site without spilling over onto adjacent land uses.

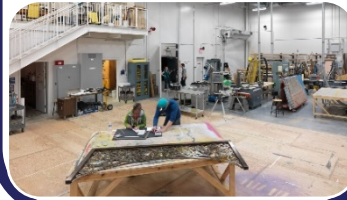
In terms of square feet, the facility would be over 23,000 when “grossed up,” which is the allocation used to account for walls, hallways, duct runs, sprinkler control rooms, etc.

An **order of magnitude analysis** of likely project costs for a theater in the Bay Area was conducted by the Schuler Shook team, which determined a project cost range of \$1,000 per square foot, including hard and soft project costs. Therefore, this building program would be in the range of \$23 million to develop.

The LASC team envisions this **cost to be met through a community-wide capital campaign**. The next step is to determine the funding plan to raise this money.

- 23,400 square feet
- 13,000 sq. ft. minimum site footprint required
- Order of magnitude cost = \$1,000/sq. ft.

Back of house support spaces



160-seat theater



Lobby, patio, & community gathering spaces

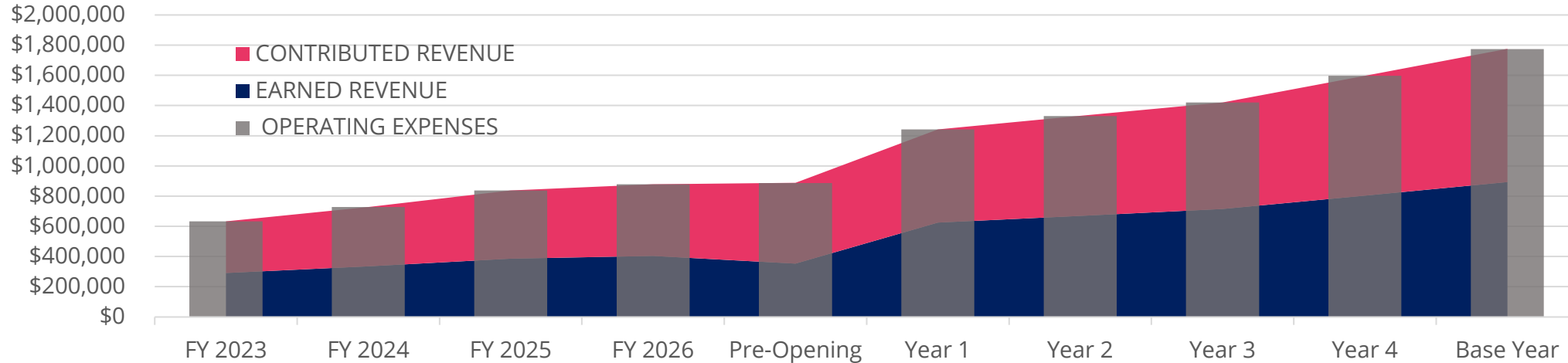


Dedicated youth lounge, rehearsal & teaching spaces, offices, storage



Executive Summary

Operating Forecast



Finally, we worked through a number of key operating assumptions and researched comparable theaters to arrive at an operating financial forecast.

The forecast shows that the operating budget for the building would normalize at around \$1.7 million in operating year 5 (which would be 8 to 10 years from now) with **revenue evenly split** between earned sources, such as ticket sales, rents, tuitions, and concessions, and contributed support, **in line with industry benchmarks**.

This budget includes LASC, Youth Theatre, building operations, and occupancy costs (heating/cooling, utilities, security, insurance, etc.)

The operation of LASC will build and grow to this point, with the greatest growth forecast to occur in contributed revenue, which can result from the significant capital campaign required to construct the facility.

As it builds towards this normalized operational forecast, **LASC will gradually introduce expanded educational programming** and external rentals, simultaneously ramping-up the staff required to program and operate the new facility to its fullest capacity.

Where do we go from here?

1. City to Determine Preferred Site & Development Approach

- Support City staff to determine if a stand-alone or mixed-use development approach is most feasible

2. Conduct a Capital Fundraising Analysis

- To understand the environment in which a capital campaign would occur
- To develop an achievable capital campaign strategy



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CONTEXT



Study Scope

STUDY SCOPE

A feasibility study for the development of a new home for LASC.

Appendix F contains narrative description of the scope of work

The Los Altos Stage Company (LASC) engaged AMS Planning & Research, along with theater planners Schuler Shook, to conduct a feasibility study for the development of a new home. The team sought to study, evaluate and develop plans and strategies to move the project forward. The primary goal of the study was to help LASC make a confident, business-based decision about the most effective building and business plan for a new or redeveloped facility.

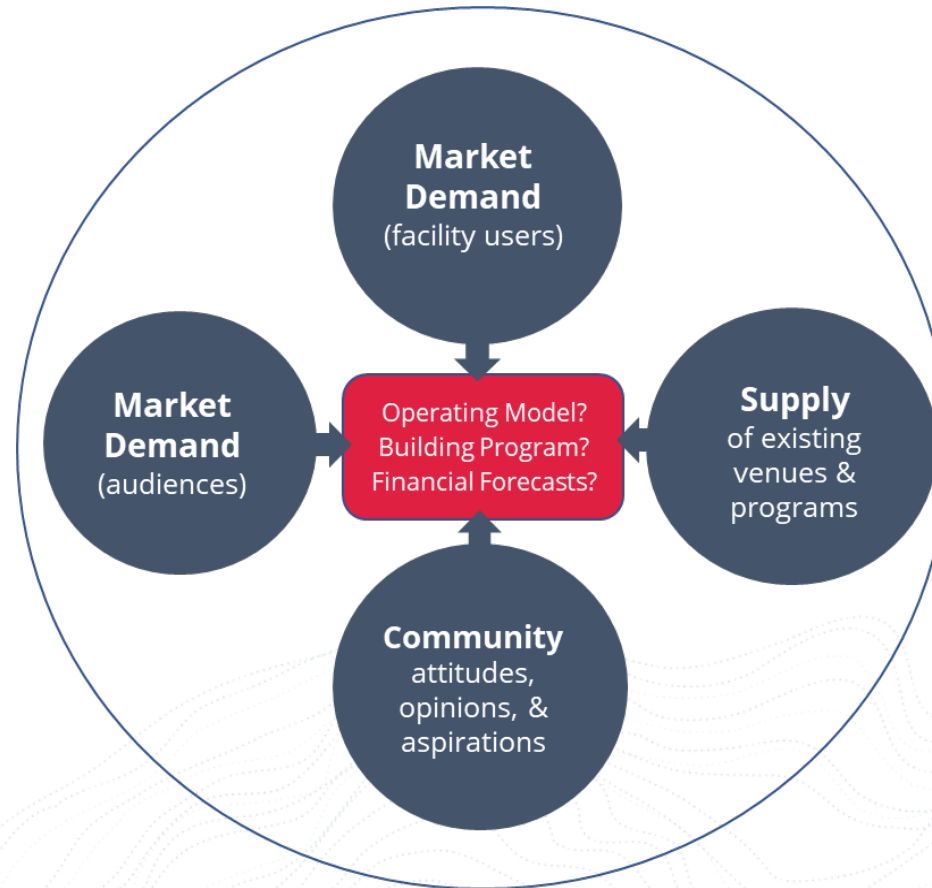
Six key questions guided this work:

1. What are the community's **priorities, needs and opportunities** for a new theater building?
2. What are the community's **programmatic interests** and **attendance patterns** and preferences?
3. What are the local and regional **market conditions** and **competitive landscape** for the development of a new theater?
4. What is the **best balance of activity** to both broaden and deepen LASC offerings and provide space for community use?
5. What is the **appropriate facility configuration** for the most relevant LASC, community and regional performing arts needs?
6. What are the **best operating structure and policies**? How are they manifested financially?

STUDY SCOPE

Assessing Feasibility:
Supply, Demand, and Aspiration

Setting Definition:
Operating Model, Building Program, Financial Forecast



Phase 1: Situation Analysis
1. Background & Operations Review
2. Kick-Off
3. Stakeholder Engagement
4. 360 Market Scan
5. Patron Assessment
6. Strategy Session & Workshop
Phase 2: Business Planning
1. Activity Mapping
2. Exemplar Learning
3. Facility Planning
4. Financial Projections
5. Final Reporting

STUDY SCOPE:

LASC established a set of goals for the development of a new theater in Los Altos.

These goals served as building blocks for the work of the study.

- To **increase the vibrancy of Los Altos' downtown** business district by building a performing arts venue that will present cultural activities and programs
- To **utilize Los Altos' existing and longstanding community-based theater arts** and youth theater education programs to provide programming and management for the venue
- To **increase the local cultural participation** of and engagement by Los Altos residents by expanding education and community access opportunities in the new venue
- To **attract residents of surrounding communities** to Los Altos' downtown business district for expanded and varied nighttime programs

CONTEXT



Current Snapshot

AMS Finding: Stage Company on Firm Foundation

Solid growth over five years pre-covid with revenues meeting expenses

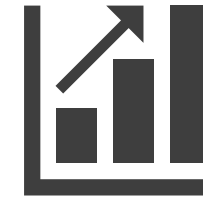
In seeking to understand the state of the Stage Company, we analyzed operating data going back to 2012 up to fiscal year 2019, pre-covid. When we did this we consistently saw steady and measured growth in the Company's revenues and expenses.

This indicates **solid management and oversight** and programming that is meeting community interest and perceptions of value.



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growth in *attendance* in years leading up to 2020 (pre COVID)



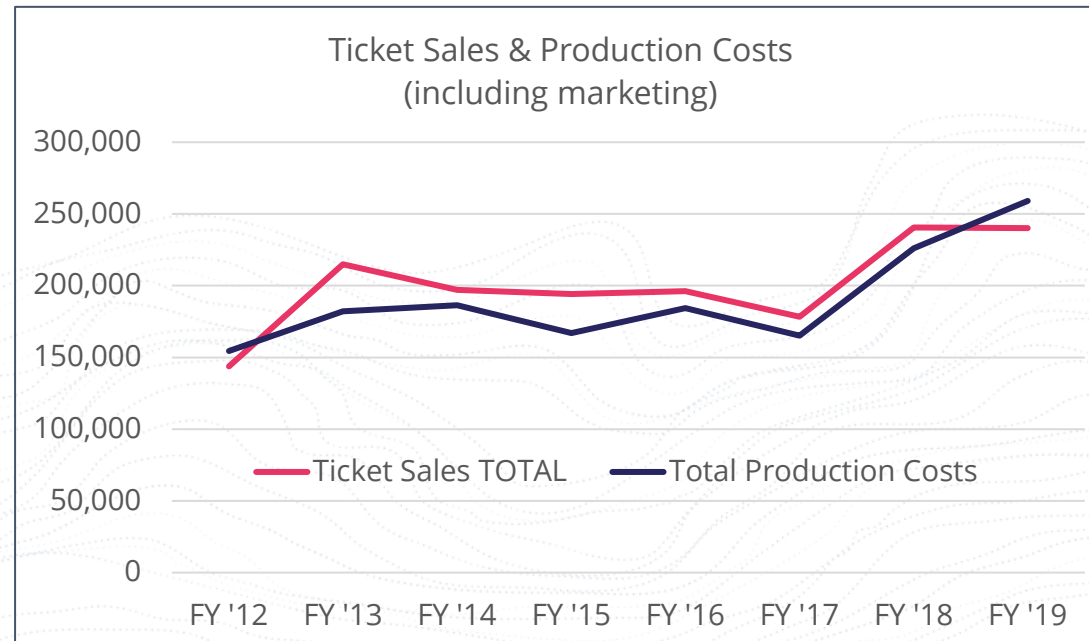
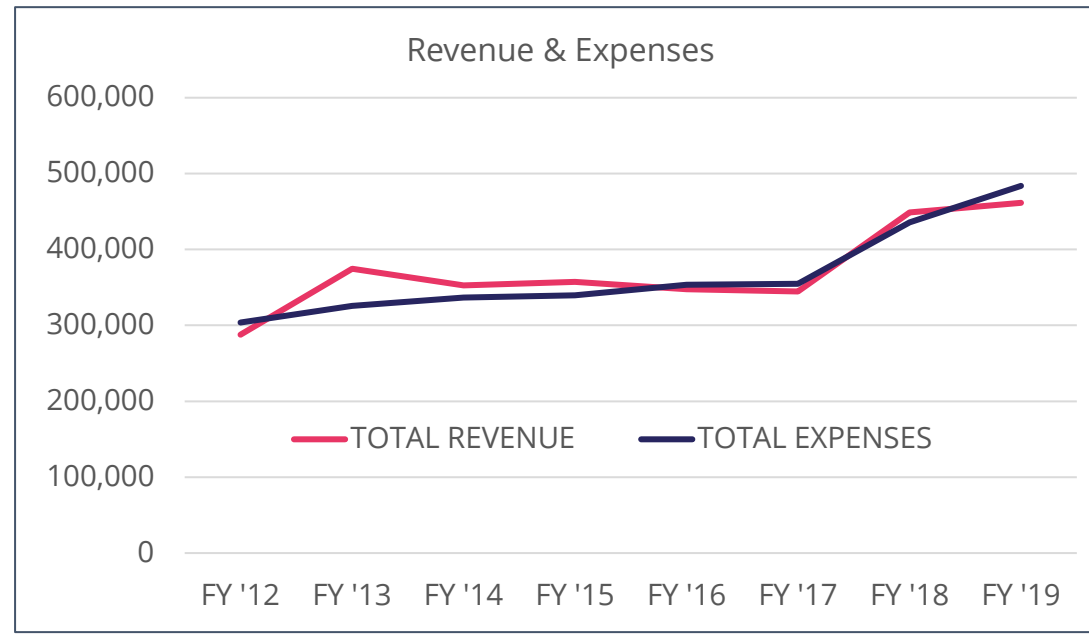
60%

growth in *revenue* in years leading up to 2020 (pre COVID)

CURRENT SNAPSHOT: *Operations*

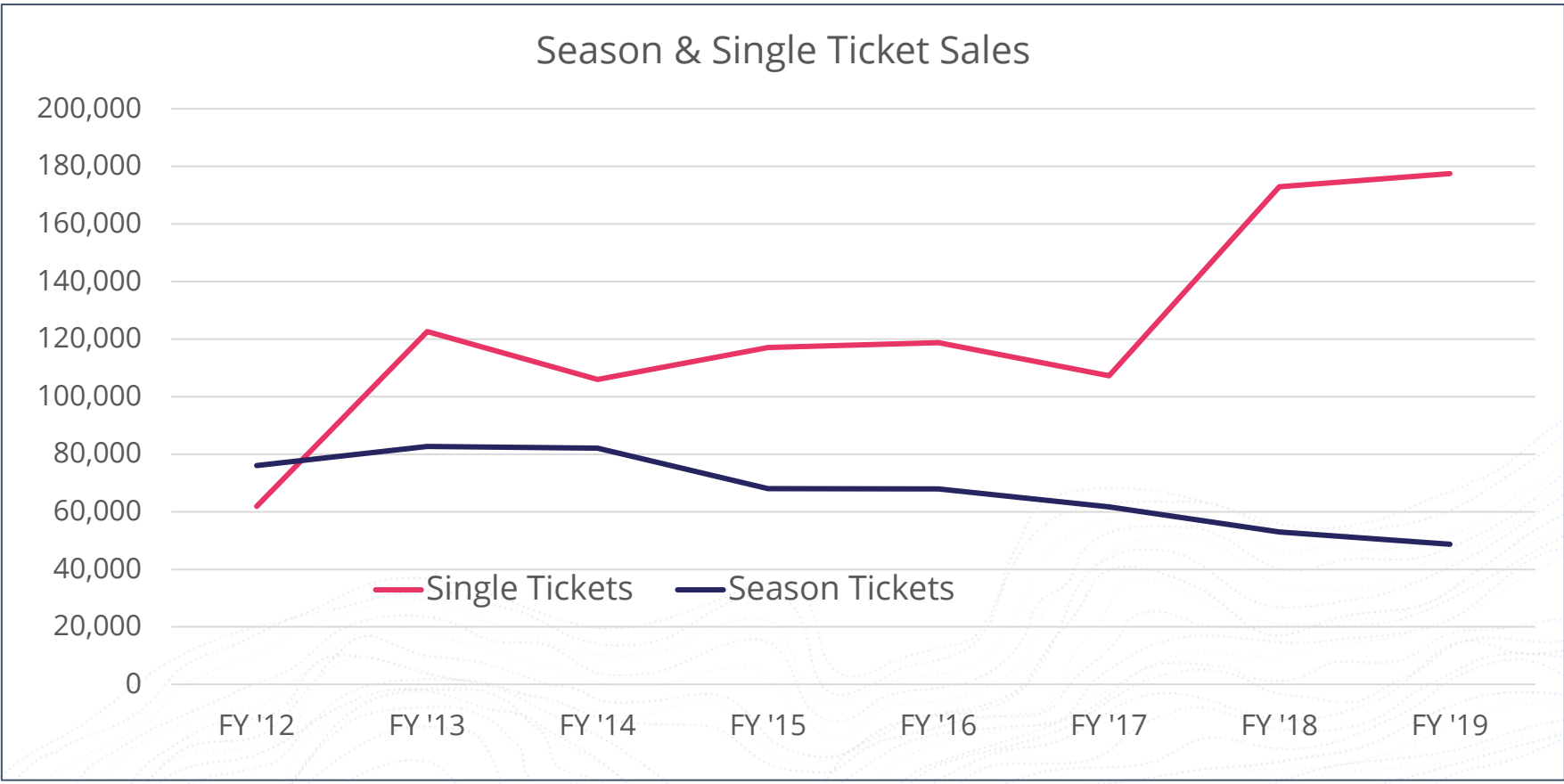
LASC has been making it work!

- Revenues have historically met expenses... even in growth mode



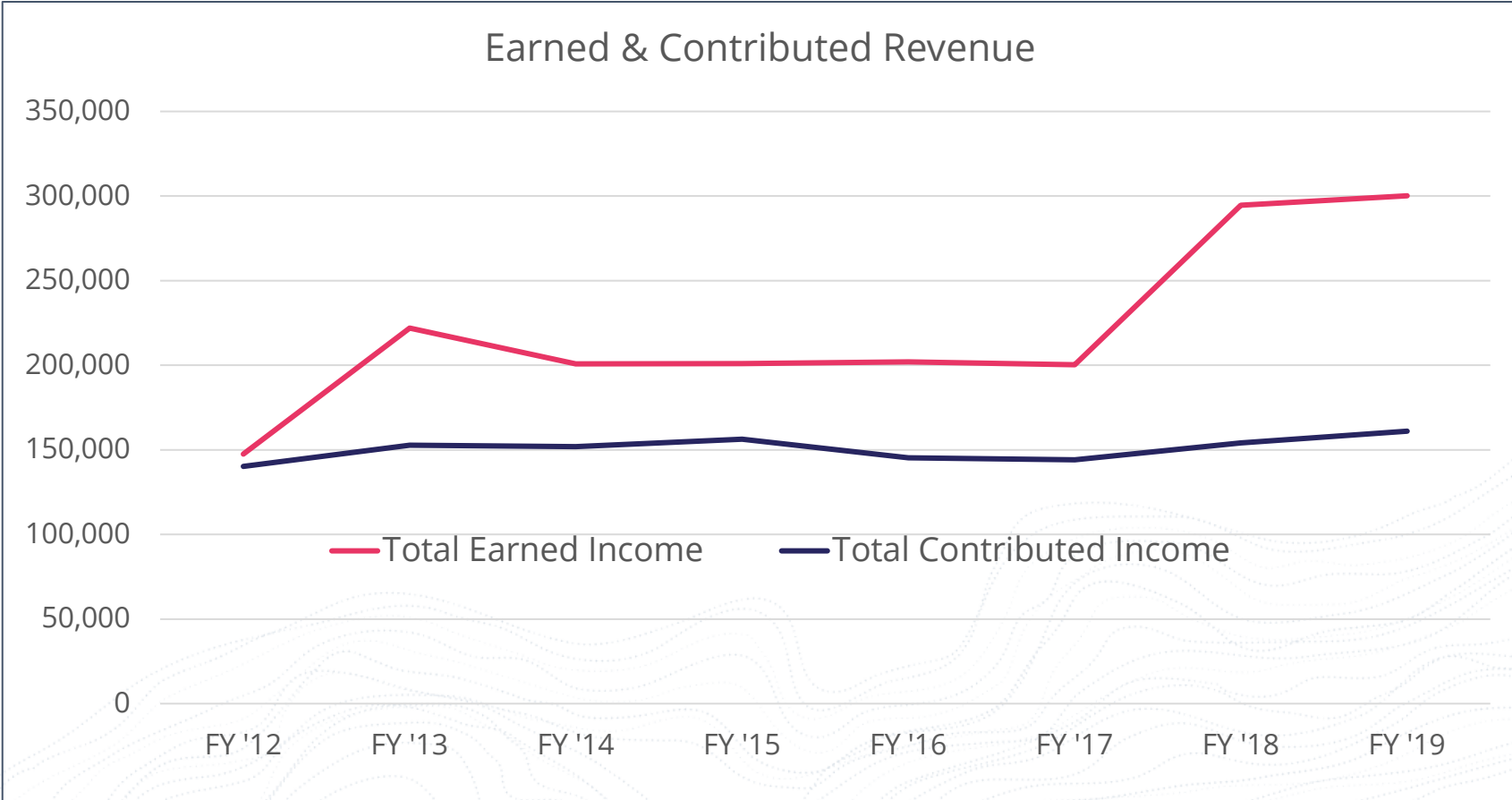
CURRENT SNAPSHOT: *Operations*

- LASC single tickets were seeing strong growth pre-COVID
- The Company has increased reliance on single ticket revenue



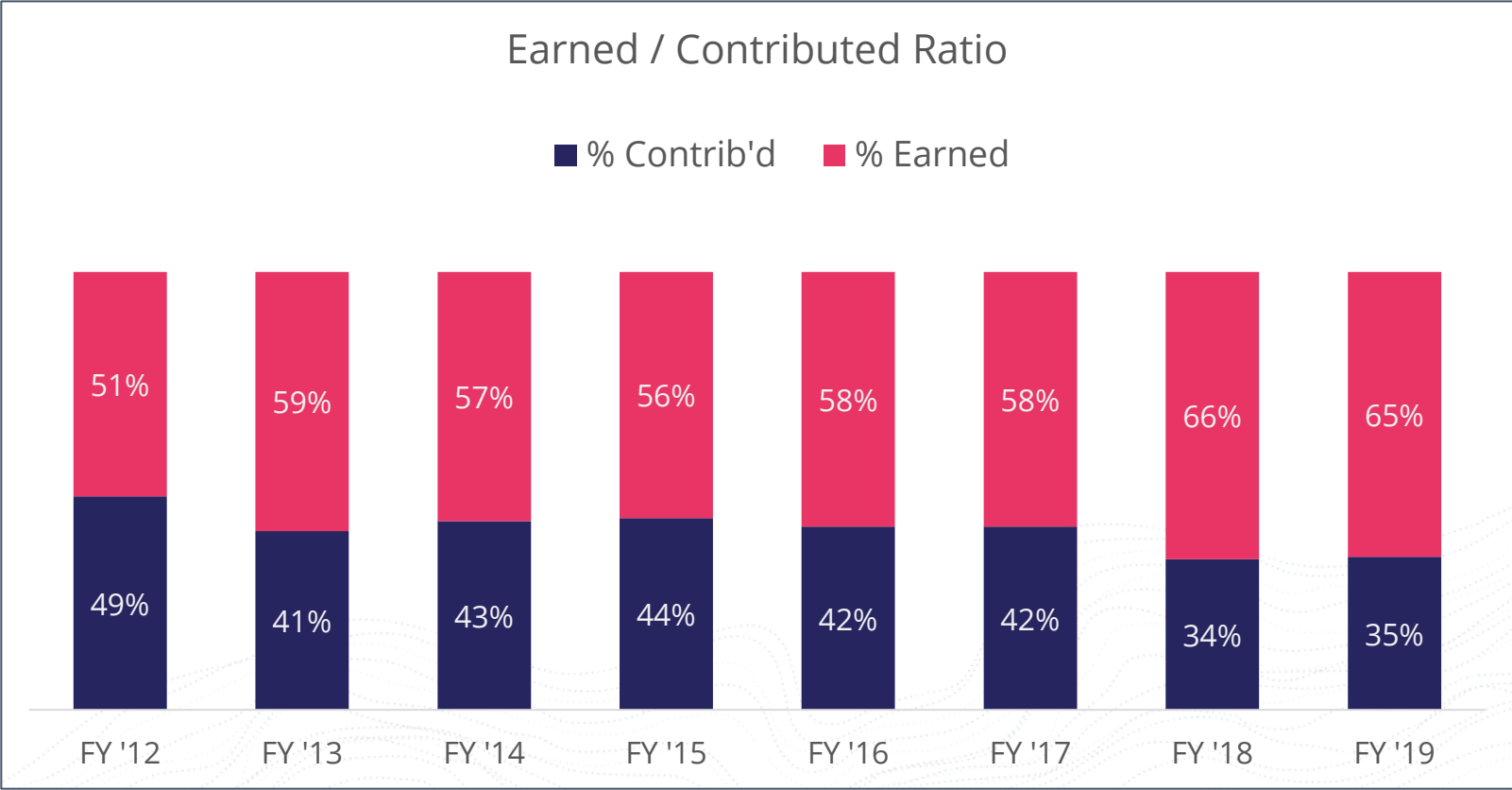
CURRENT SNAPSHOT: *Operations*

- Company growth is fueled by sales
- Contributed revenue has remained ~\$150k/year



CURRENT SNAPSHOT: *Operations*

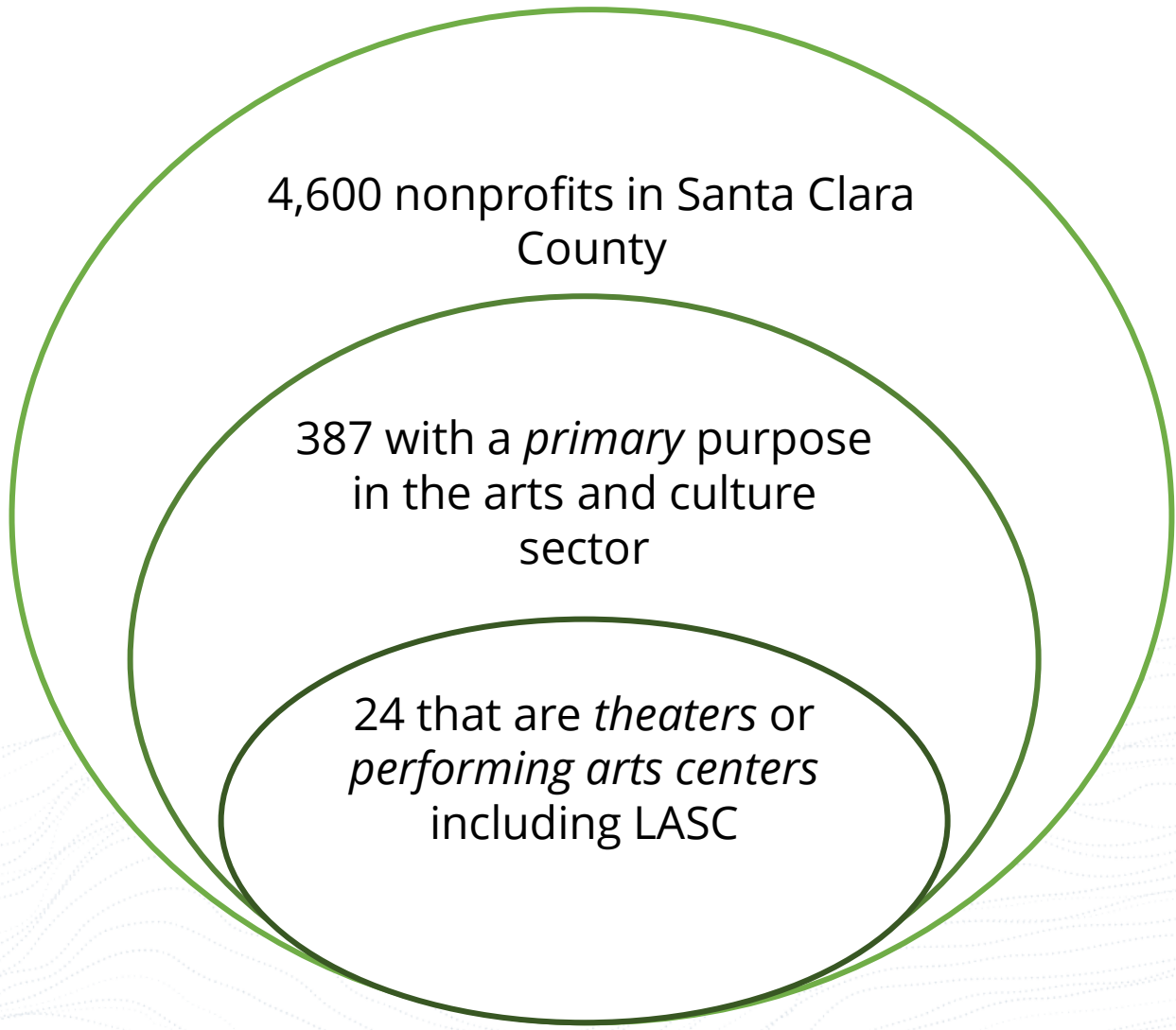
- There is an increasing reliance on sales
- This coin has two sides...



CURRENT SNAPSHOT: *The Market*

Santa Clara County's nonprofit universe...

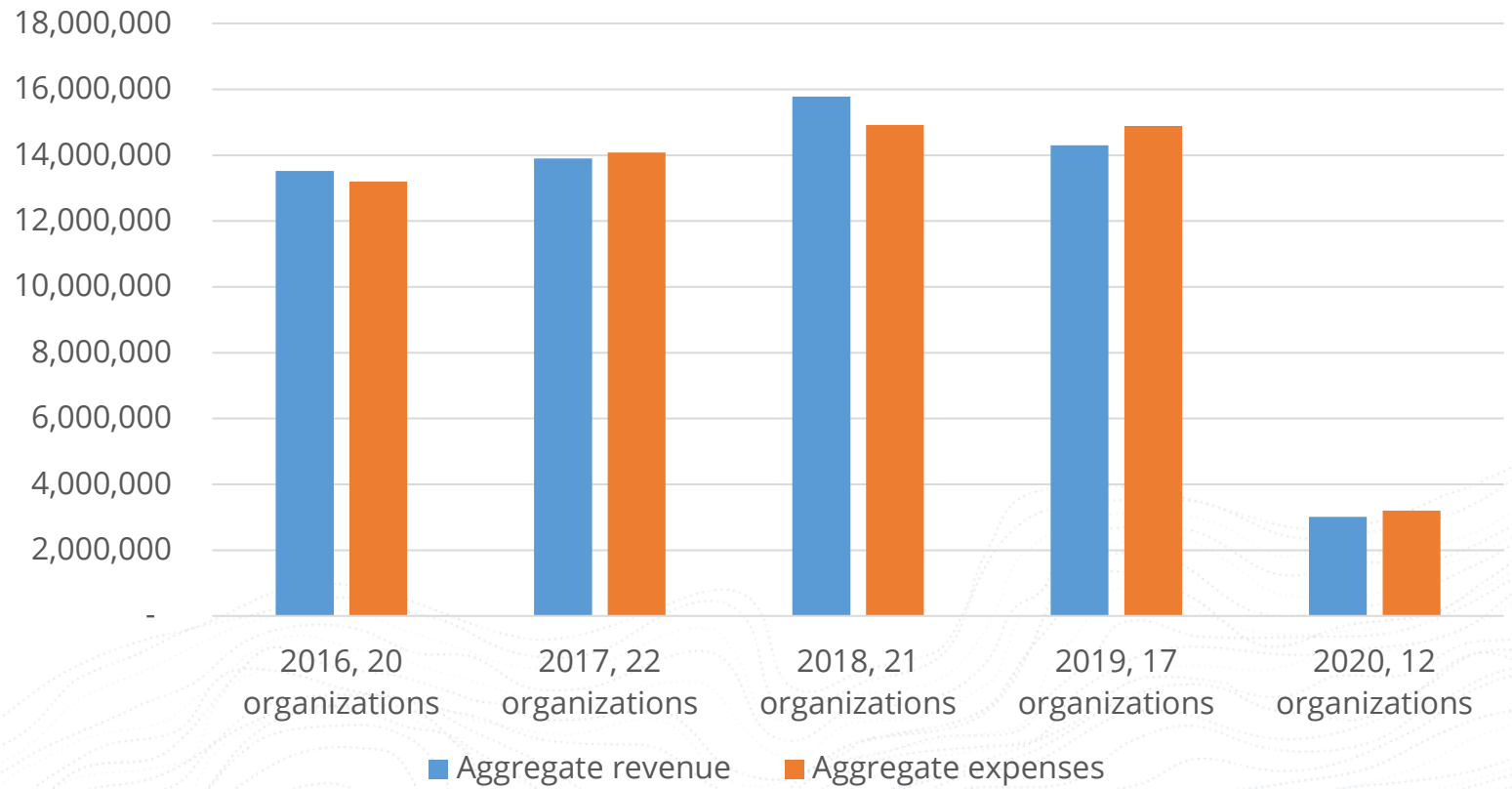
- A bit under 10% of all charitable organizations are focused on arts and culture, with an important minority working in LASC's "sweet spot"



CURRENT SNAPSHOT: *The Market*

The County's
Theaters and
performing arts
organizations saw
healthy but flat
results, pre-
pandemic

Financial results for Santa Clara County theaters & PACs



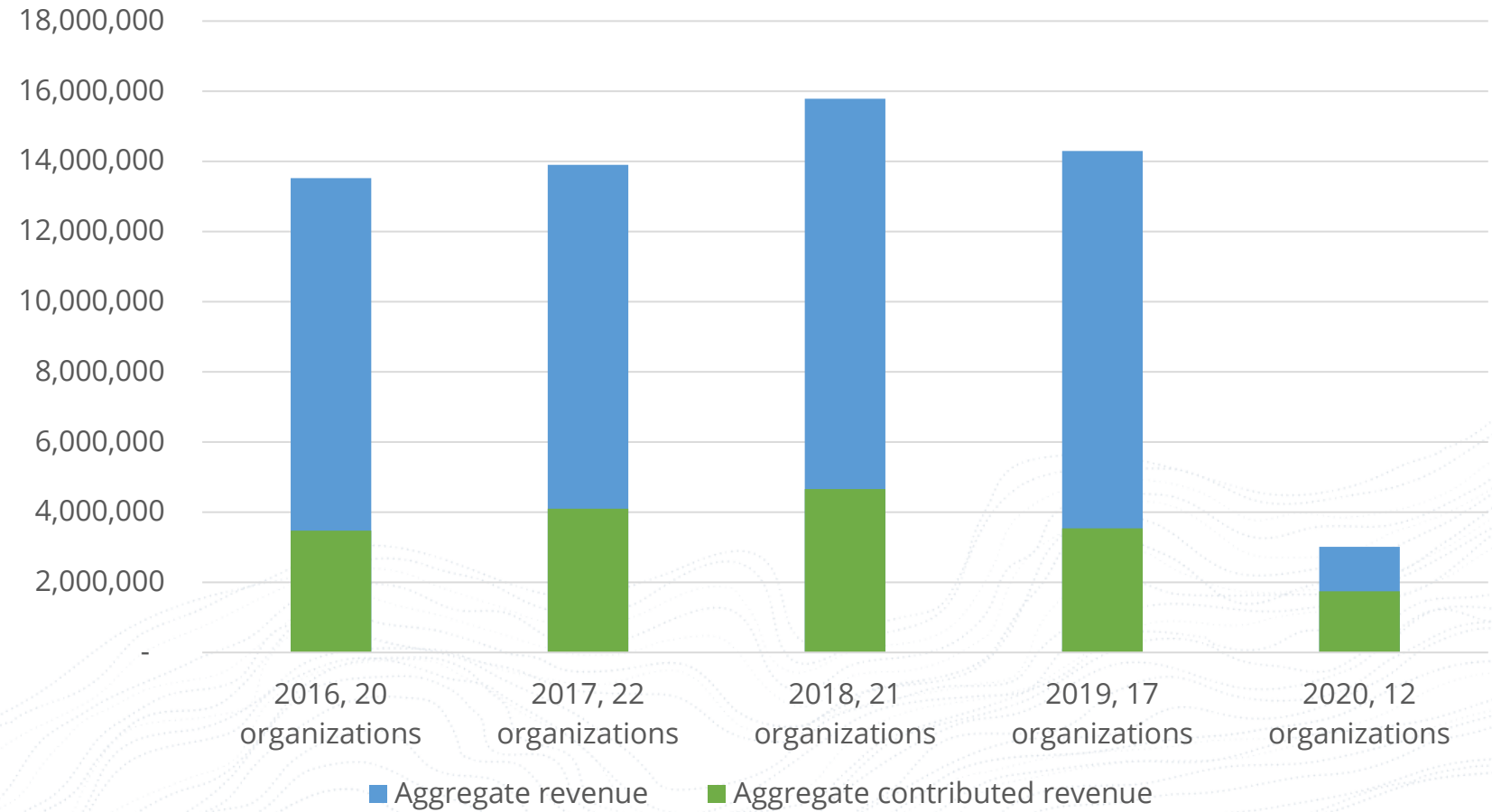
Note: The Guild Theatre is not shown in this chart, due to capital funding.

CURRENT SNAPSHOT: *The Market*

Contributed revenue was 25%-30% of total revenue pre-pandemic

Can the market sustain a bigger ask? National averages would suggest, yes

Revenue mix for Santa Clara County theaters & PACs

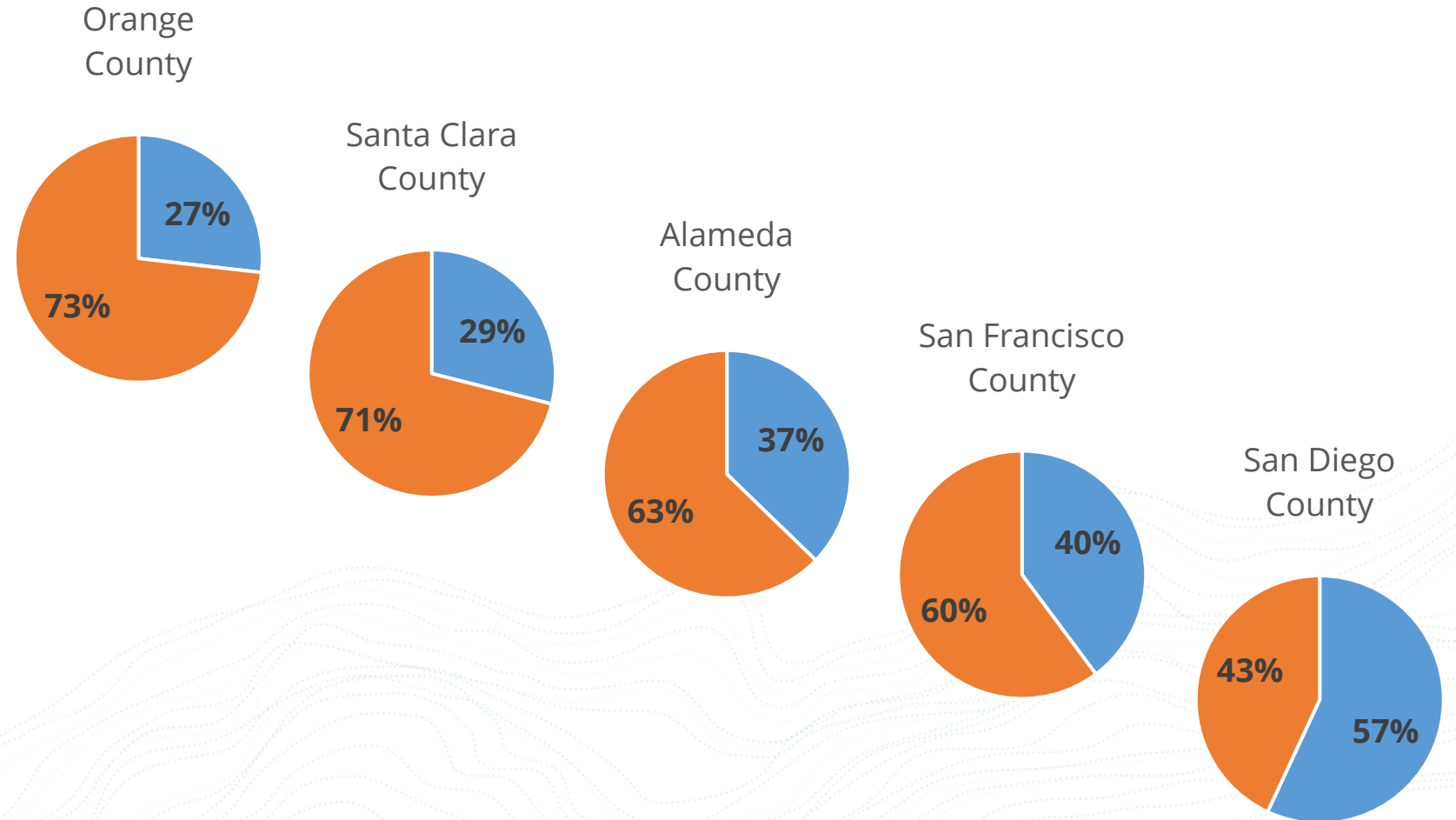


Note: The Guild Theatre is not shown in this chart, due to capital funding.

CURRENT SNAPSHOT: *The Market*

A 5-year summary (2015-2020) of revenue to theaters and PACs in Santa Clara County and 4 benchmark markets shows that in affluent California counties, theaters and PACs rely more on earned than contributed income.

earned



contributed

CURRENT SNAPSHOT: *The Market*

Giving is changing and so is the pool of prospective donors.

- The “emerging giving code” of disruption and systemic impact is replacing traditional focus on “charity”
- While most of the money is still going to organizations outside of the region, there is a growing trend toward local community-based giving
 - Noteworthy donors like Mackenzie Scott and Chan Zuckerberg funding locally with urgency and unrestricted, large grants
 - The region’s private and family foundations are still committed to local impact
- Making the case and connecting to giving priorities is key

Source: [*“Silicon Valley Fortunes Grow, but Frustrating Trends in the Region’s Philanthropy Persist.”*](#)
American Nonprofit Academy (September 2021)

CURRENT SNAPSHOT: *The Market*

35+ performance venues*

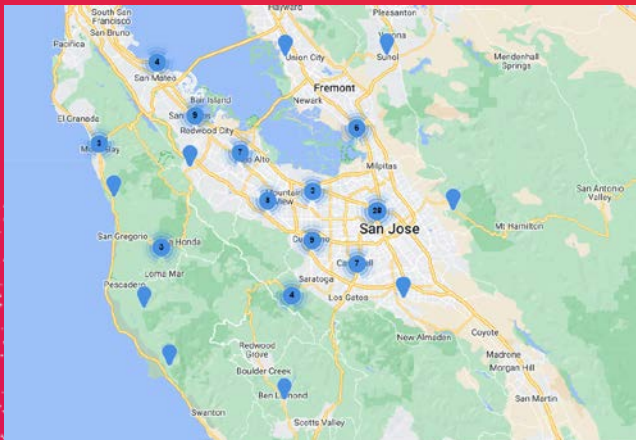
- 20-mile radius
- ~50% below 500 seats
- ~55% traditional or black box theaters
- Low % of multi-purpose spaces outside of churches and community centers
- 50% academic or government-owned / operated

**Excludes major commercial venues*

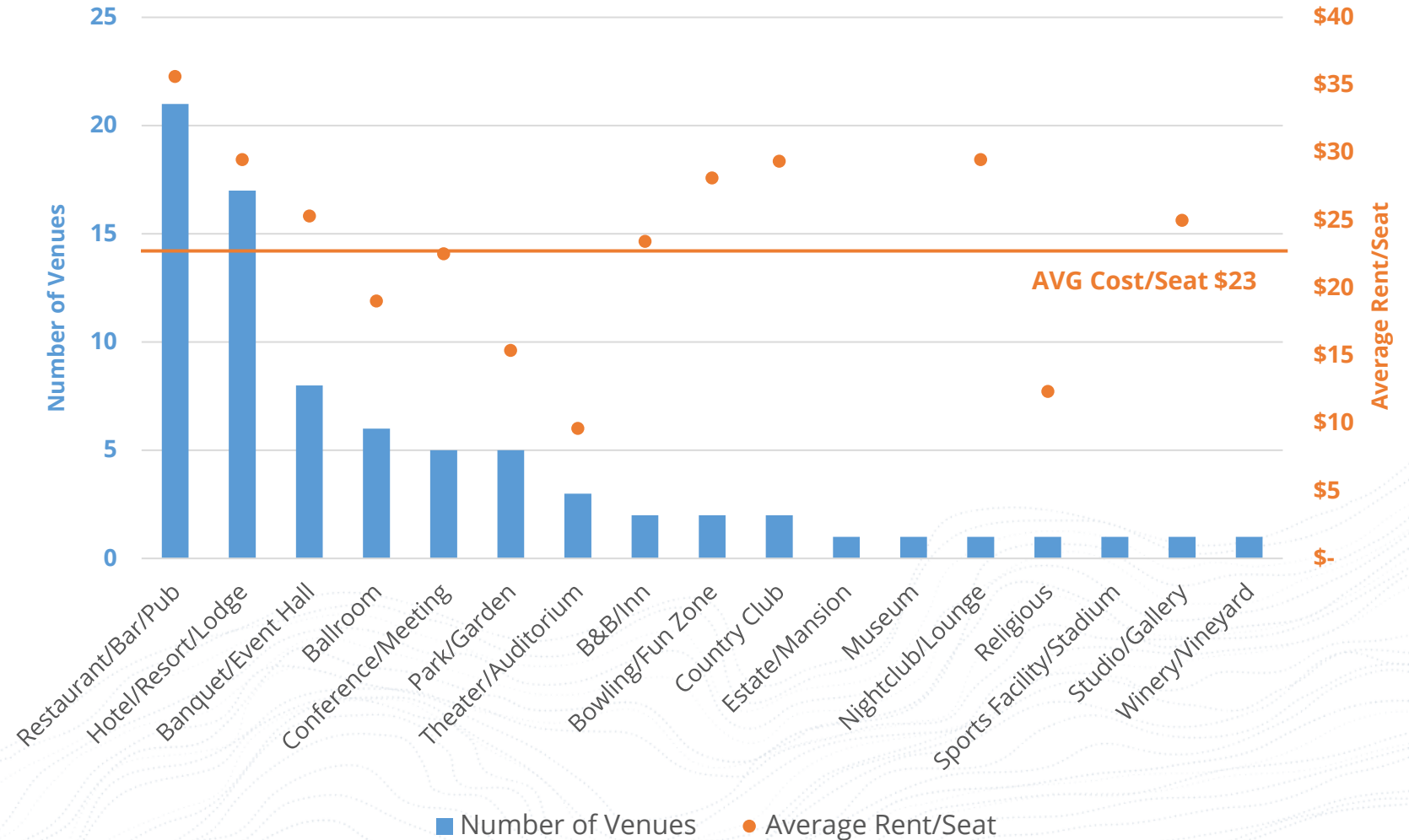


CURRENT SNAPSHOT: The Market

A sample of 75+ event venues within 10 miles; an opportunity for a smaller-scale, low rent option



Event Facilities Within 10 Miles

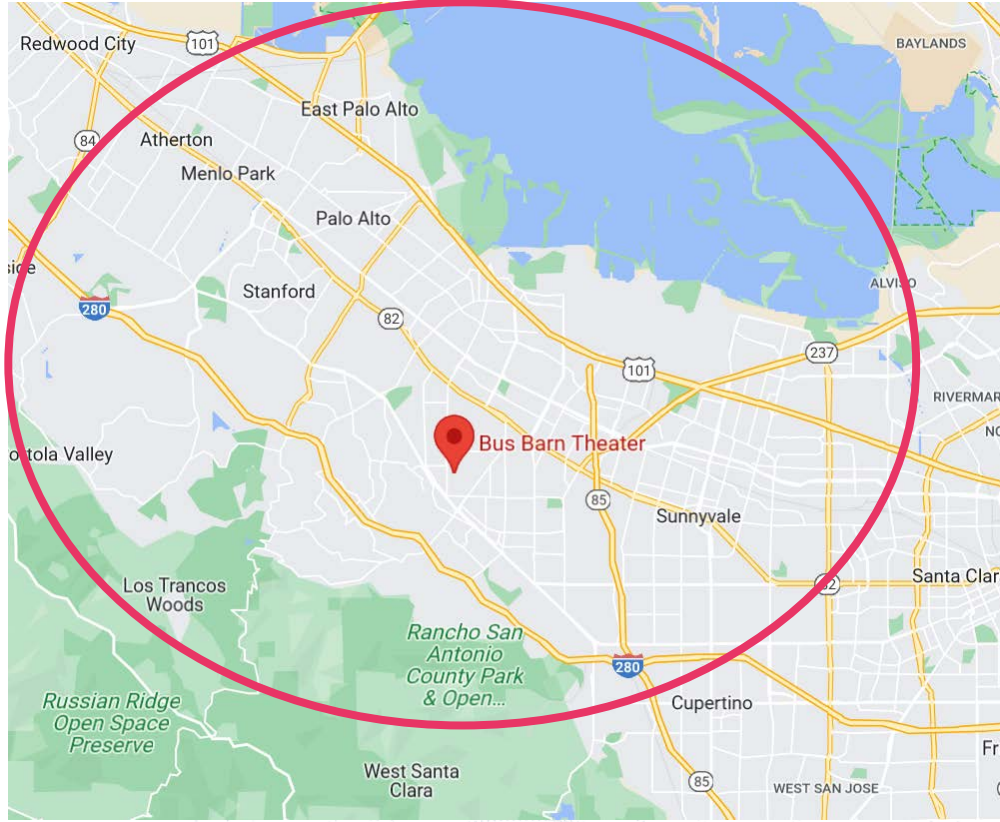


Source: Eventective.com

CURRENT SNAPSHOT:

Patron Summary*

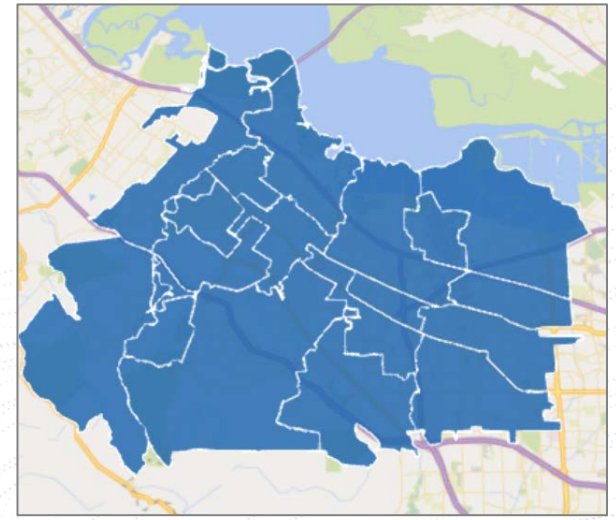
- The *primary market* for Los Altos Stage is the adjacent ZIPs
- Top 13 patron ZIPs account for 50% of records
- Predominantly in Los Altos, Mountain View, Sunnyvale, Cupertino, Palo Alto
- See Appendix A for full Market & Patron Analysis findings.



Primary market area (approximate)

15 Zips

- Population: **387,390**
- Area (sq miles): **91.6**
- Ppl/sq miles: **5,697.14**



Map of ZIP codes analyzed

CURRENT SNAPSHOT:

Patron Summary

- A tight primary market area, with majority hyper-local patron base
- Patrons are wealthier, older, and more racially homogenous than the broader market
 - Also, strong coexisting potential with children's programming
 - Top "persona" patron segments reflect older and family life, highest incomes and engagement in arts and culture
- Strong donor potential in existing nearby market with high household incomes and housing values
- Expansion to the north and east portion of the market requires consideration of programming and access

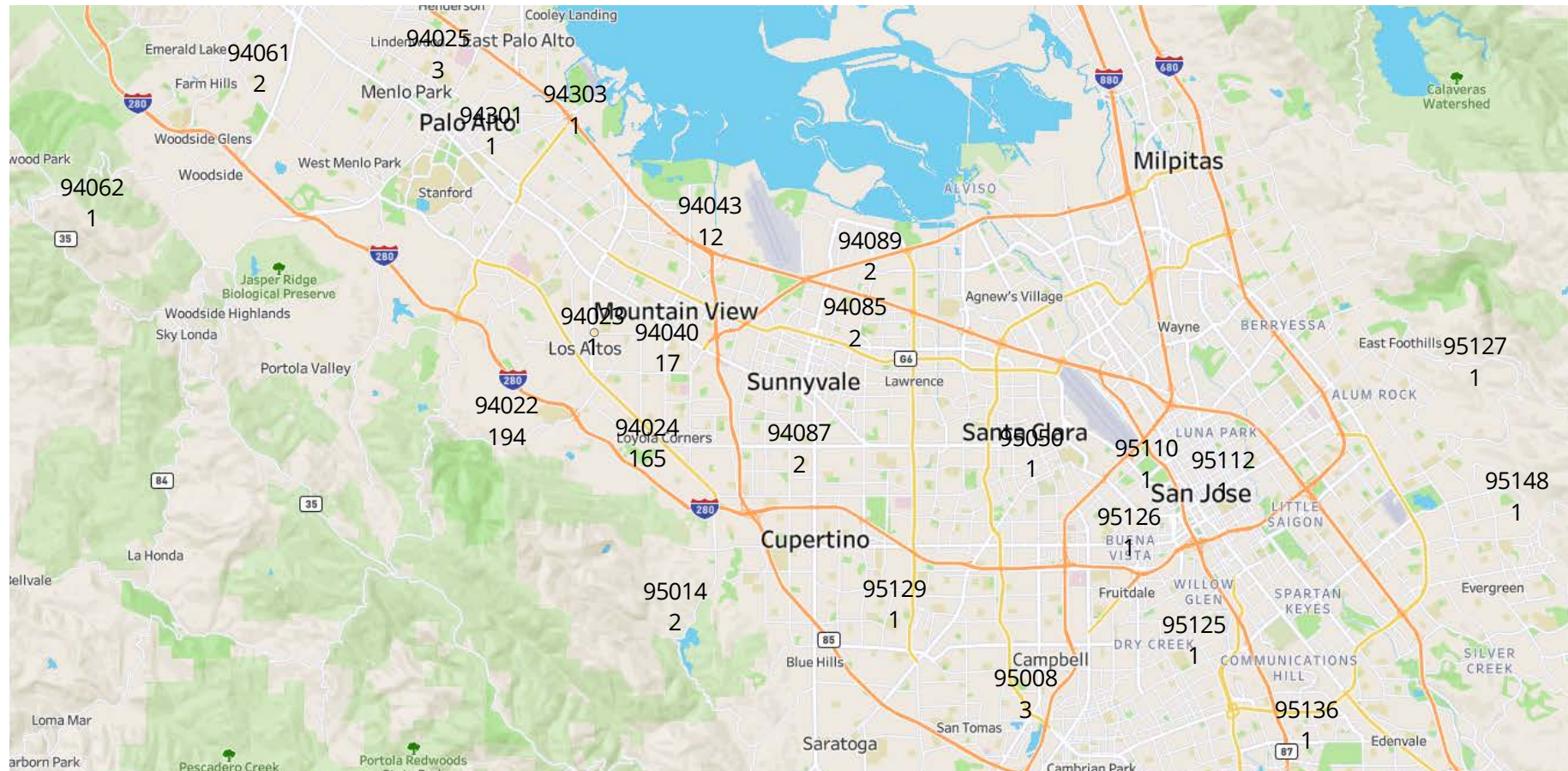
CURRENT SNAPSHOT: *Community Survey*

See Appendix C for
aggregate survey
results

- Most respondents are engaged with cultural life in Los Altos and the broader Bay Area
- Community pride, arts education, and drawing visitors to Los Altos are seen as benefits of a new theater by most
- Significant interest in programming diverse event types
- City-provided land for a new theater is less controversial than city funding; strongest support for a partnership approach
- Maintaining the Bus Barn site may mitigate opposition

81% of responses came from Los Altos

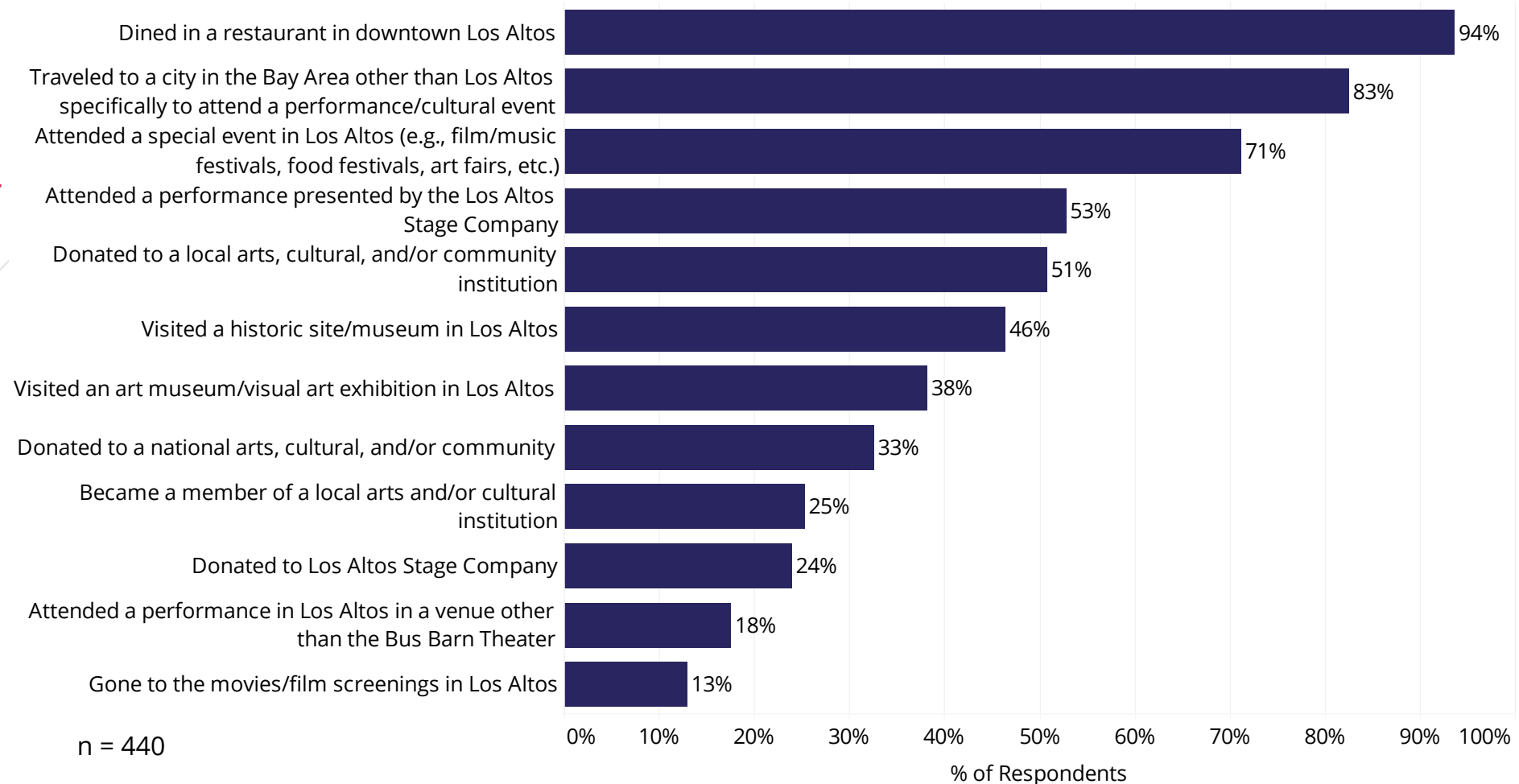
The remaining 19% were spread throughout the South Bay



Total responses = 445

Majority attend events in Los Altos and elsewhere in the Bay, donate to local organizations

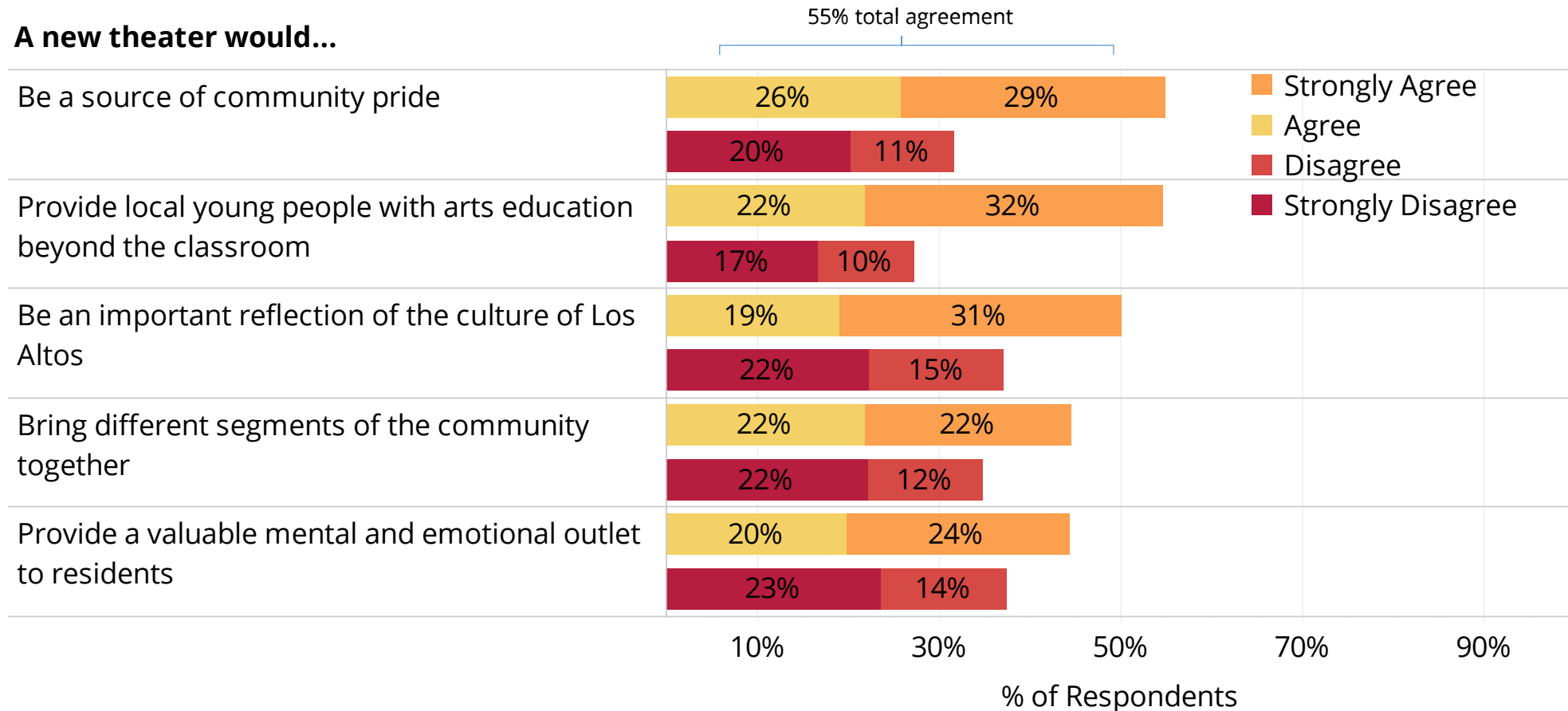
In the last 5 years respondents...



Community pride and arts education themes resonate most strongly

50% agree a theater would be a reflection of Los Altos culture

A new theater would...

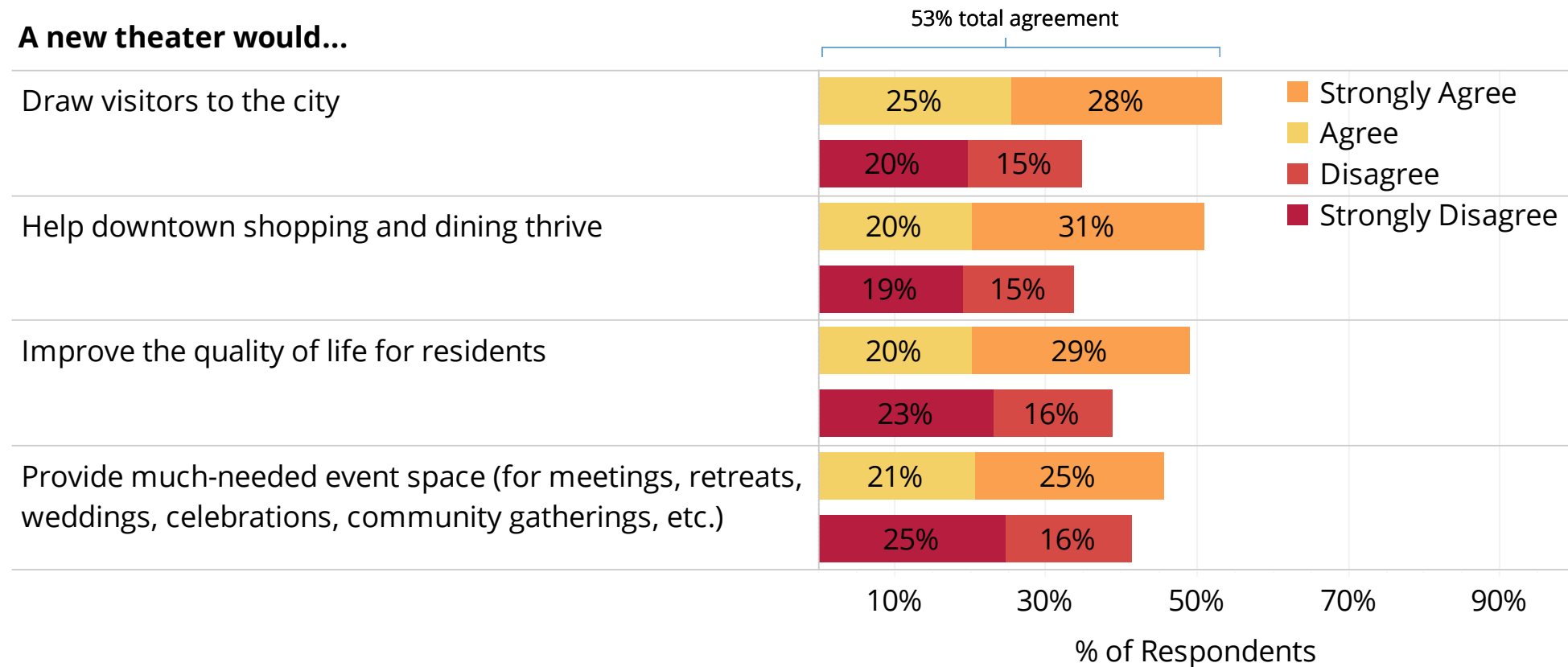


n = 438

Majority agree a new theater would promote economic development

49% agree it would improve quality of live in Los Altos

A new theater would...



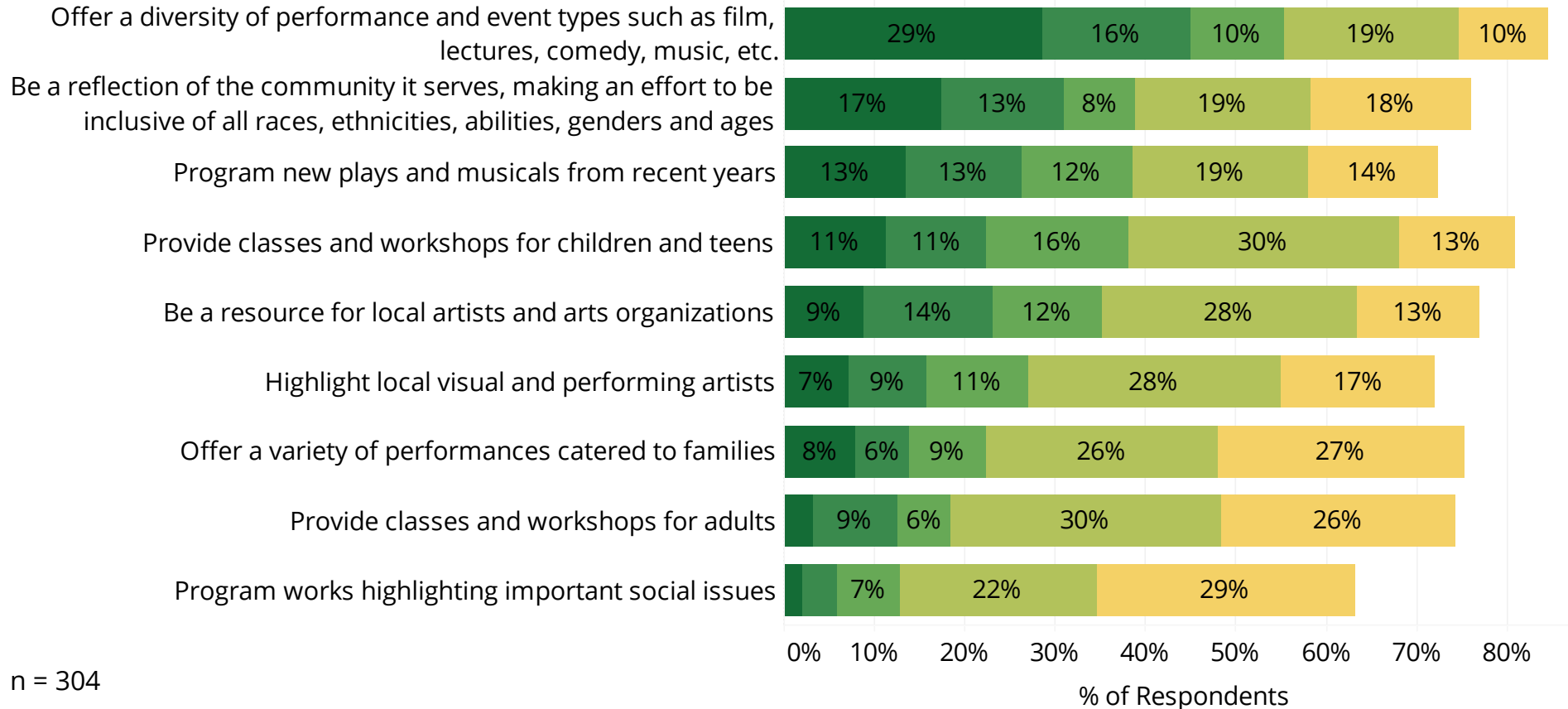
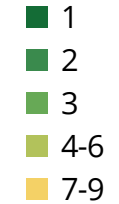
n = 441

Significant interest in programming diverse event types

More interest in classes for children than in family-oriented performances

Programming priorities

Priority Rank

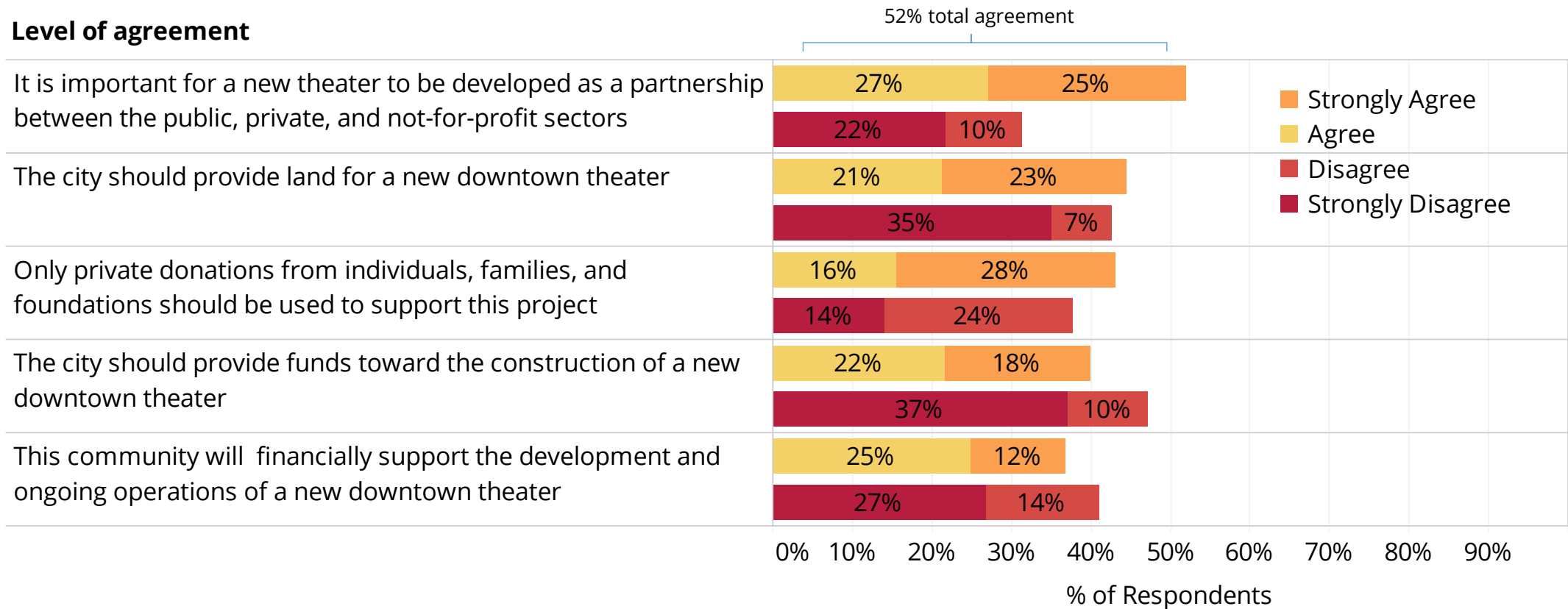


n = 304

Partnership approach has majority support

More approve of using city land than city funds; 38 comments suggested keeping the Bus Barn site

Level of agreement



n = 429

CURRENT SNAPSHOT: *Stakeholders*

17 interviewees
provided an honest
assessment

- People see the need to 'upgrade' the Bus Barn
- Downtown improvement is on everyone's mind
- Parking, parking, parking!
- Housing, housing, housing!
- There are vocal and organized 'nay sayers'
- The list of civic priorities for capital improvement is long and unfunded or underfunded
- A divided council is par for the course in Los Altos
- The donors are out there...will they show up for this project?

Stakeholders on... The Building

- A building of 'neighborhood scale'
- A community gathering place
- A place for young people & training
- A diversity of programming inclusive of LASC, but not exclusively for them
- Connected & contributing to downtown 'placemaking' & vitality
- Multi-generational & inter-generational programming



Stakeholders on... Location(s)

Where would you put it?

Downtown parking plaza

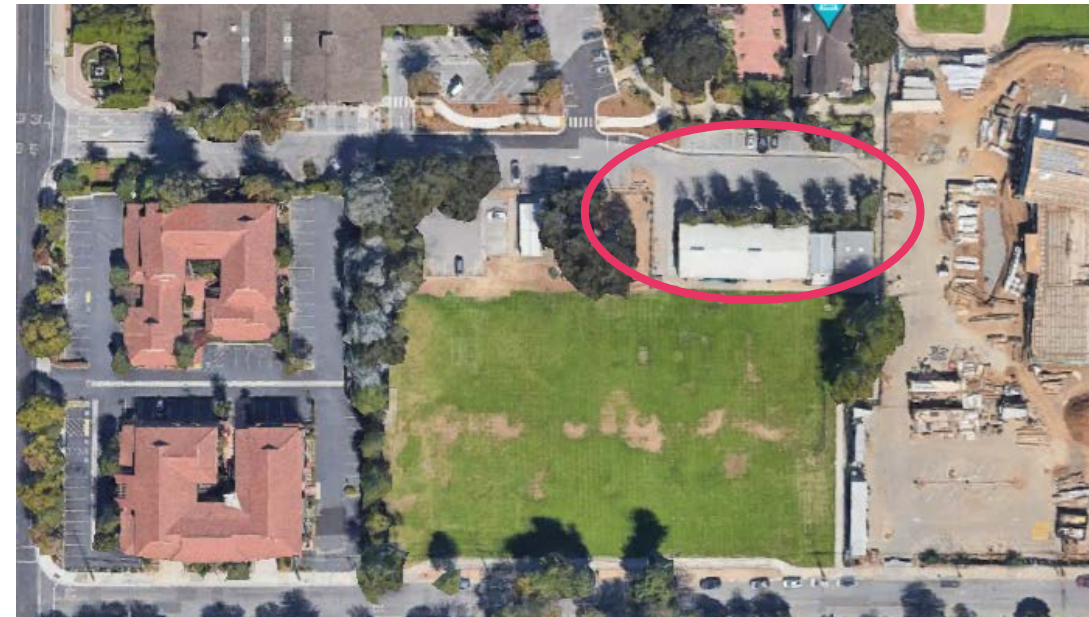
- “Feets on Streets”
- Controversial to remove or replace parking spaces
- Housing priorities

Redevelop current site

- ‘Less’ controversial; same use on same site
- Consolidates civic, cultural, and recreational assets
- Not physically downtown

Other parking plaza sites (or anywhere else)

- Only if an opportunity were to arise
- Possible, but not probable at this point



Stakeholders on... Support

- LASC is *by* and *for* the community of Los Altos
- People give to LASC, but will they give in larger amounts?
- LASC does not have a track record with large gifts and campaigns
- Board is developing new members in preparation for a campaign
- LASC's longstanding work with young people is noted as its best path to major donors
 - "Not everyone is a theater-lover..."



LOS ALTOS
STAGE COMPANY

EMERGING OPPORTUNITY



Comparable Theaters

COMPARABLE PROJECTS

Peer organizations were analyzed for their facility characteristics, programming and utilization, operating structure and finances, markets served, community partnerships, and other opportunities.

Lessons learned informed the development of the preferred operating, financial and facility scenario. They also aid in sharing the vision to stakeholders, prospective donors, and the community.

Appendix B contains additional information

Selection Criteria

FACILITY CHARACTERISTICS

180-500 seat mainstage theater

Rehearsal room, classrooms and other ancillary spaces

Ample lobby space

PROGRAMMING CHARACTERISTICS

Producing theater companies

Some rentals and presentations

Educational programs

OPERATIONAL CHARACTERISTICS

Preference toward non-profit owned and operated

See Appendix B for full Comparable Facilities report

Seven organizations help illustrate potential futures

	Colligan Theater at the Tannery Arts Center <i>Santa Cruz, CA</i>	Alexandra C. and John D. Nichols Theatre & The Gillian Theatre <i>Glencoe, IL</i>	Sutter Theatre in the Sofia Center for the Arts <i>Sacramento, CA</i>	The Steddy Theater at Center for the Arts <i>Crested Butte, CO</i>	Raymond James Theatre at St. Petersburg College, St. <i>Petersburg, FL</i>	Lillie Theatre <i>Pittsburgh, PA</i>	The CVA Flex Theatre in Silverthorne Performing Arts Center <i>Silverthorne, CO</i>
Primary Theater Capacity	182 seats	255 seats	386 seats	450 seats (standing)	182 seats	254 seats	131 seats
Year Built	2015	2016	2018	2019	2009	1991	2017
Scale	10,000 sf	36,000 sf	40,000 sf	31,000 sf	10,000 sf (orig. facility)	27,800 sf	16,000 sf
Cost	\$5.8 million	\$34 million	\$30 million	\$19 million	\$4 million	\$2.8 million	\$9 million
Owner	Non-profit	Non-profit	Non-profit	Non-profit	College	Non-profit	Non-profit
Operator	Non-profit	Non-profit	Non-profit	Non-profit	Non-profit/ College	Non-profit	Non-profit
Budget FY2019	\$1,480,552	\$6,018,225	\$3,722,735	\$2,116,977	\$3,685,576	\$3,448,220	\$2,241,829
% Contribution	43%	49%	35%	52%	34%	70%	56%

PREFERRED SCENARIO



Activity

AN ACTIVE VENUE:

By "Year 5" the bustling new venue will welcome daily formal and informal rehearsal, education, production and rental activity.

FALL			WINTER			
WATER	BOARD / SM. REH	REH ROOM / CLASSROOM	2025-26		THEATER	BO
			Day	Date		Agenda Item 1.
	CLASSES		Mon	1-Dec	MUSICAL-T	
	CLASSES	RENTALS AND COMMUNIT	Tue	2-Dec	MUSICAL-T	
	CLASSES	PLAY-R	Wed	3-Dec	MUSICAL-P	
ND COMMUNIT	CLASSES	PLAY-R	Thu	4-Dec	MUSICAL-P	RENTALS AND COMM
ND COMMUNITY ACCESS		PLAY-R	Fri	5-Dec	MUSICAL-P	
ND COMMUNITY ACCESS		PLAY-R	Sat	6-Dec	MUSICAL-P	
ND COMMUNITY ACCESS		PLAY-R	Sun	7-Dec	MUSICAL-P	
	CLASSES	PLAY-R	Mon	8-Dec		
	CLASSES	PLAY-R	Tue	9-Dec	RENTALS AND COMMUNIT	RENTALS AND COMM
	CLASSES	PLAY-R	Wed	10-Dec	MUSICAL-P	
ND COMMUNIT	CLASSES	PLAY-R	Thu	11-Dec	MUSICAL-P	
ND COMMUNITY ACCESS		PLAY-R	Fri	12-Dec	MUSICAL-P	
ND COMMUNITY ACCESS		PLAY-R	Sat	13-Dec	MUSICAL-P	
ND COMMUNITY ACCESS		PLAY-R	Sun	14-Dec	MUSICAL-P	
AY-R	CLASSES		Mon	15-Dec		
AY-R	CLASSES		Tue	16-Dec	RENTALS AND COMMUNIT	RENTALS AND COMM
AY-R	CLASSES	RENTALS AND COMMUNIT	Wed	17-Dec	MUSICAL-P	
AY-R	CLASSES	RENTALS AND COMMUNIT	Thu	18-Dec	MUSICAL-P	
AY-R			Fri	19-Dec	MUSICAL-P	
AY-R			Sat	20-Dec	MUSICAL-P	
AY-R			Sun	21-Dec	MUSICAL-P	
AY-R	CLASSES		Mon	22-Dec		
AY-R	CLASSES	RENTALS AND COMMUNIT	Tue	23-Dec	RENTALS AND COMMUNIT	RENTALS AND COMM
AY-R	CLASSES		Wed	24-Dec	MUSICAL-P	
AY-R	CLASSES	YOUTH-FAMILY-R	Thu	25-Dec	MUSICAL-P	
AY-R		YOUTH-FAMILY-R	Fri	26-Dec	MUSICAL-P	
AY-R		YOUTH-FAMILY-R	Sat	27-Dec	MUSICAL-P	
AY-R		YOUTH-FAMILY-R	Sun	28-Dec	MUSICAL-P	
AY-R	CLASSES	YOUTH-FAMILY-R	Mon	29-Dec		
AY-R	CLASSES	YOUTH-FAMILY-R	Tue	30-Dec	RENTALS AND COMMUNITY	
AY-R	CLASSES	YOUTH-FAMILY-R	Wed	31-Dec	MUSICAL-P	
AY-R	CLASSES	YOUTH-FAMILY-R	Thu	1-Jan	MUSICAL-P	RENTALS AND COMM
AY-T		YOUTH-FAMILY-R	Fri	2-Jan	MUSICAL-P	

ACTIVITY: Overall

767 total annual uses in the three primary spaces

Model assumes:

- spaces will host multiple uses a day
- any touring acts are brought in by renters
- A modest level of non-performance rental activity

Los Altos Stage Company				Agenda Item 1.
SCHEDULE 5: UTILIZATION SUMMARY (days)	Mainstage Theater	Board Room/Small Rehearsal	Rehearsal Room/Classroom	TOTAL
Internal Use (Productions/Classes)				
Performance	134	0	0	134
Rehearsal (Technical)	43	0	0	43
Rehearsal (Regular)	27	24	189	240
Classes/Workshops/Camps	40	128	29	197
Other	0	0	0	0
<i>Subtotal, Internal Use</i>	244	152	218	614
External Use (Rentals)				
Performance - Commercial	12	0	0	12
Performance - Nonprofit	12	0	0	12
Setup or Rehearsal	0	0	24	24
Non-Performance/Event - Nonprofit	10	12	11	33
Non-Performance/Event - Commercial	10	6	14	30
<i>Subtotal, External Use</i>	44	18	49	111
Dark				
Dark	14	14	14	42
<i>Subtotal, External Use</i>	14	14	14	42
TOTAL UTILIZATION	302	184	281	767

ACTIVITY: Overall

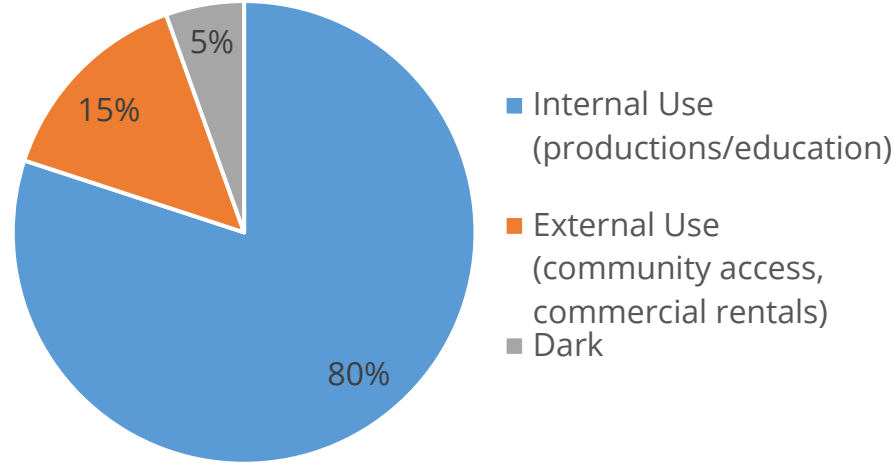
Most activity driven by LASC (80%)

15% of all use is Community Access

~20,500 in annual attendance

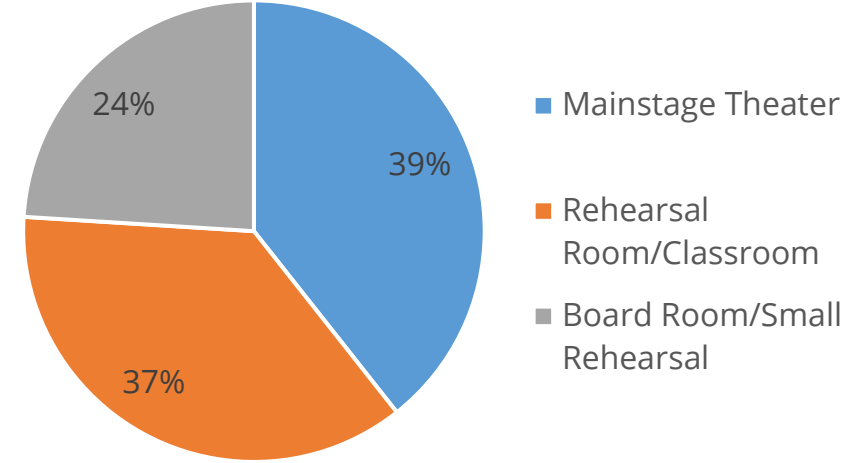
- *Approximately 25% are youth and family audiences*

Total Activity by USER TYPE

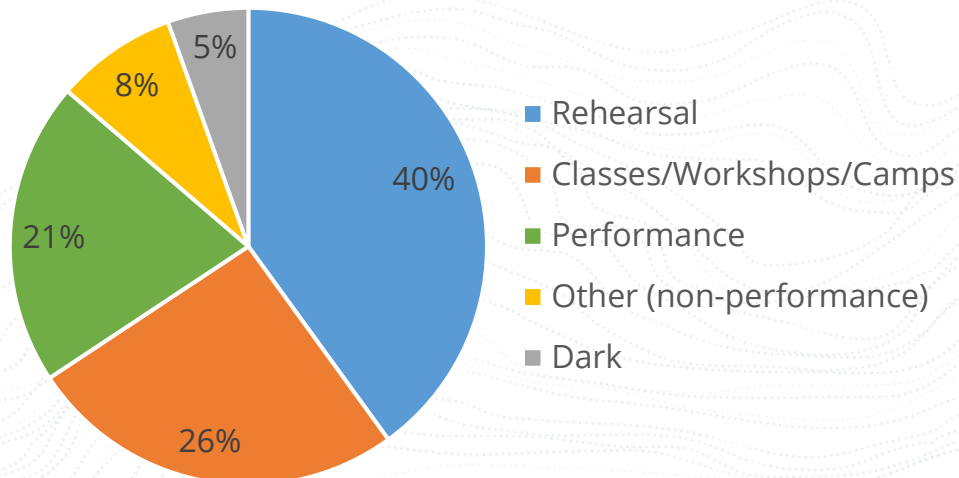


Total Activity by SPACE

Agenda Item 1.



Total Activity by USE TYPE



PUBLIC ATTENDANCE

Adult Performances/Events	13,200
Youth-Family Performances/Programs	4,380
Community Access Performances/Events	2,880
TOTAL ANNUAL ATTENDANCE:	20,460

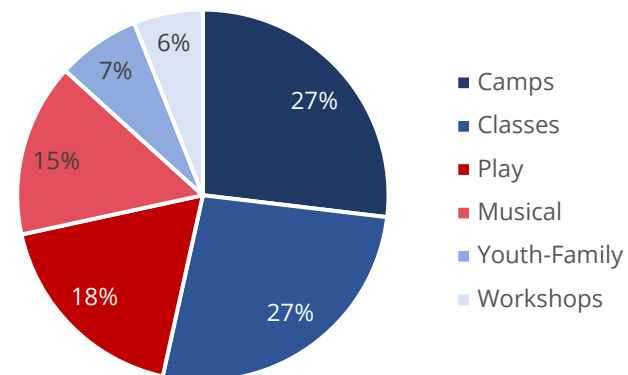
ACTIVITY: LASC

LASC-driven activity translates to 614 annual uses facility-wide

Education activity occupies a large portion of the calendar

Introduction of classes adds ~90 days to historical LASC offerings

LASC Activity by Type



PRODUCTIONS	Play	Musical	Youth-Family
# of Productions	3	2	3
# Performances per Production	20	25	8
Projected Attendance per Production	2,400	3,000	960
<i>Total Performances</i>	<i>60</i>	<i>50</i>	<i>24</i>
<i>Total Attendance</i>	<i>7,200</i>	<i>6,000</i>	<i>2,880</i>

CAMPS/WORKSHOPS/CLASSES	Youth Camps	Workshops	Classes
# of Days per Session	10	5	1
# of Camp Sessions	4		
# of Workshop Sessions		4	
# of Classes			88
Projected attendance per workshop/camp, session, or class	30	15	15
<i>Total Days</i>	<i>40</i>	<i>20</i>	<i>88</i>
<i>Total Attendance</i>	<i>120</i>	<i>60</i>	<i>1,320</i>

PREFERRED SCENARIO



Building Program & Economics

THE BUILDING: Facility Program

23,373 Gross Square Feet (GSF)

See Appendix D for full Architectural Program

KEY COMPONENTS

- Front of House (FOH) - Lobby, Concessions, Restrooms, Youth Lounge, Box Office, Storage
- Theatre - Proscenium Stage, Orchestra Pit, Trap Room, Stage Crossover
- Back of House (BOH)
 - Artist Support - Green Room, Dressing Rooms, Storage
 - Technical Support - Production Office, Costume Room, Loading Dock
 - Shops & Storage - Scene Shop, Property/Costume and Supply Storage
 - Offices/Classrooms/Meeting Rooms
 - 2 Rehearsal Rooms

Agenda Item 1.

KEY EQUIPMENT

- Stage Rigging and Curtain Systems
- Performance Lighting Power/Control System
- Stage Lighting (LED) Instruments and Portable Equipment
- Performance Audio Systems
- Assistive Listening System
- Live Room and Microphone System
- Production Communications System
- Wireless Microphones System
- Loose Equipment System
- Performance Video System
- Portable Conferencing System
- Fixed Seating - Theatre
- Loose Theatre Equipment
- Electrical for Theatrical Lighting

THE BUILDING:

Facility Program

Building footprint is 13,292 GSF

- Downtown site can accommodate
- Bus Barn site requires adjacent land
- Order of Magnitude cost ~\$1,000/sq.sf.
- See Appendix D for additional details

AREA SUMMARY

	<u>Net SF</u>	<u>Grossing Factor</u>	<u>Gross SF</u>
Front of House	2,355	1.45	3,415
Theatre	6,744	1.85	12,476
Artist Support	1,200	1.4	1,680
Technical Support	750	1.4	1,050
Shops & Storage	2,410	1.35	3,254
Offices/Classrooms/Meeting Rooms	1,070	1.4	1,498
TOTAL SF	14,529		23,373

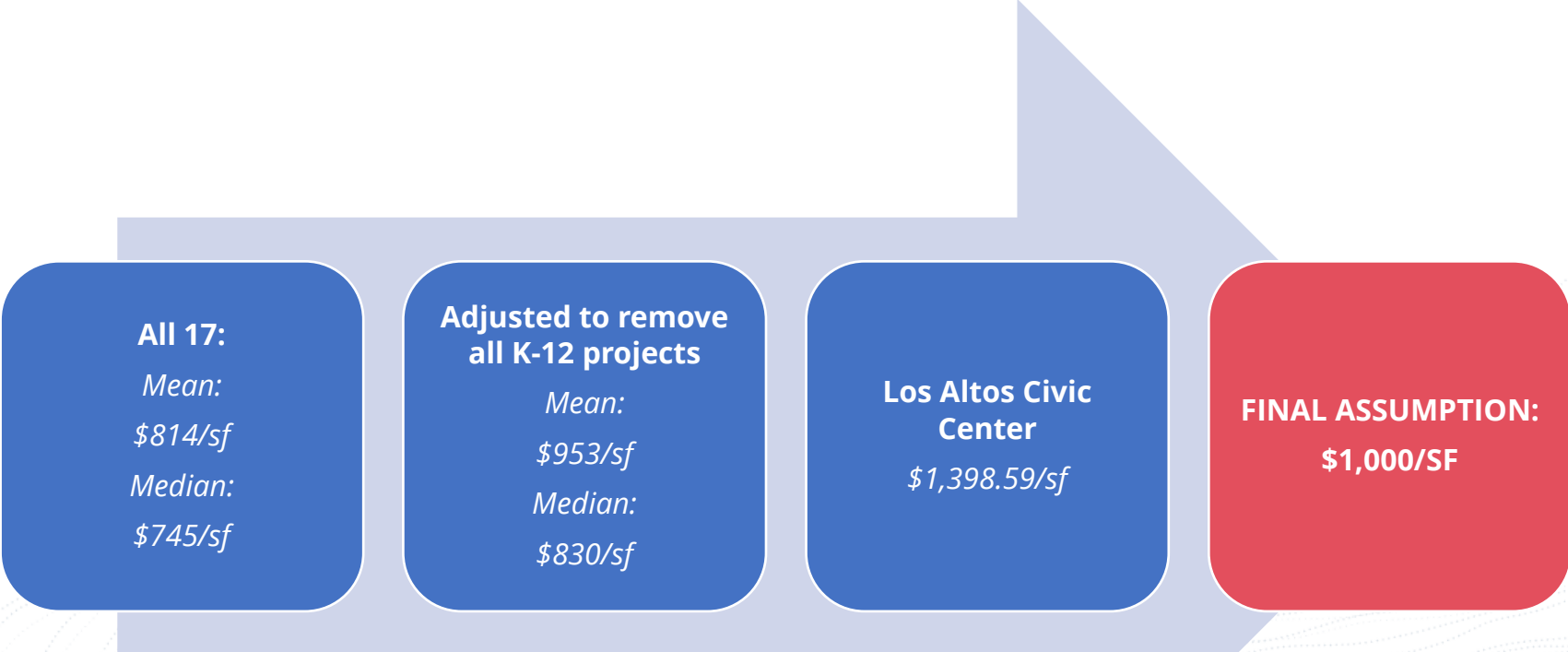
Notes:

Grossing factors based on averaging 12 completed projects
 Theatre grossing factor includes all mechanical and electrical spaces for the FOH and BOH spaces in the facility

Total Estimated Facility Project Cost: \$23,373,000

THE BUILDING: *Facility Cost*

The cost per square foot estimate was developed by first surveying the square foot cost of 17 newly constructed theatres in the San Francisco Bay Area over the last 24 years, adjusted for inflation.



PREFERRED SCENARIO



Operational Assumptions & Economic Impact

THE OPERATION: Key Assumptions

- Forecast for normalized year of operations (Base Year/Year 5)
- 2022 dollars
- No debt service
- “Presenter” model – *activity driven by LASC Productions with rentals*
- See Appendix E for full pro forma

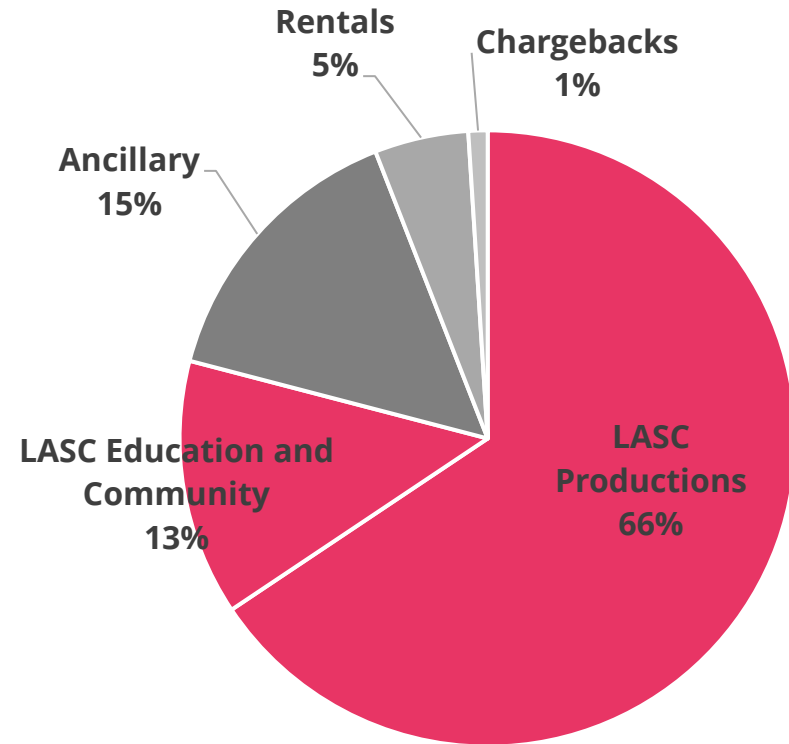
Los Altos Stage Company	
SCHEDULE 1: KEY ASSUMPTIONS	
Space Assumptions	
Space	Capacity
Mainstage Theater	160
Rehearsal Room/Classroom	65
Board Room/Small Rehearsal	15
Youth Program Classroom	35
Youth Lounge	40
Economic Assumptions	
Fringe Taxes and Benefits	25%
Expense Contingency	5%
Average Concession Transaction	\$2.80
Concession Capture Rate	70%
Nonprofit Rental Rate Discount	50%
Ticket Service Fee	\$6.00
Average % Capacity Sold for Performances	85%
Credit Card Fee Expense	2.5%
Credit Card Capture Rate	90%
Building Assumptions	
Total Gross Square Footage	23,373
Mainstage Net Square Footage	6,744

See Appendix E for full Pro Forma financial model

79% OF *EARNED* REVENUE FROM LASC TICKET SALES

LASC programming generates \$706K in gross earned revenue.

Los Altos Stage Company	
SCHEDULE 3: REVENUE SUMMARY	
EARNED REVENUES	
LASC Productions (play, musical, youth-family)	\$586,000
LASC Education and Community	\$120,000
Rentals	\$44,000
Chargebacks	\$9,000
Ancillary	\$134,000
TOTAL EARNED REVENUES	\$893,000

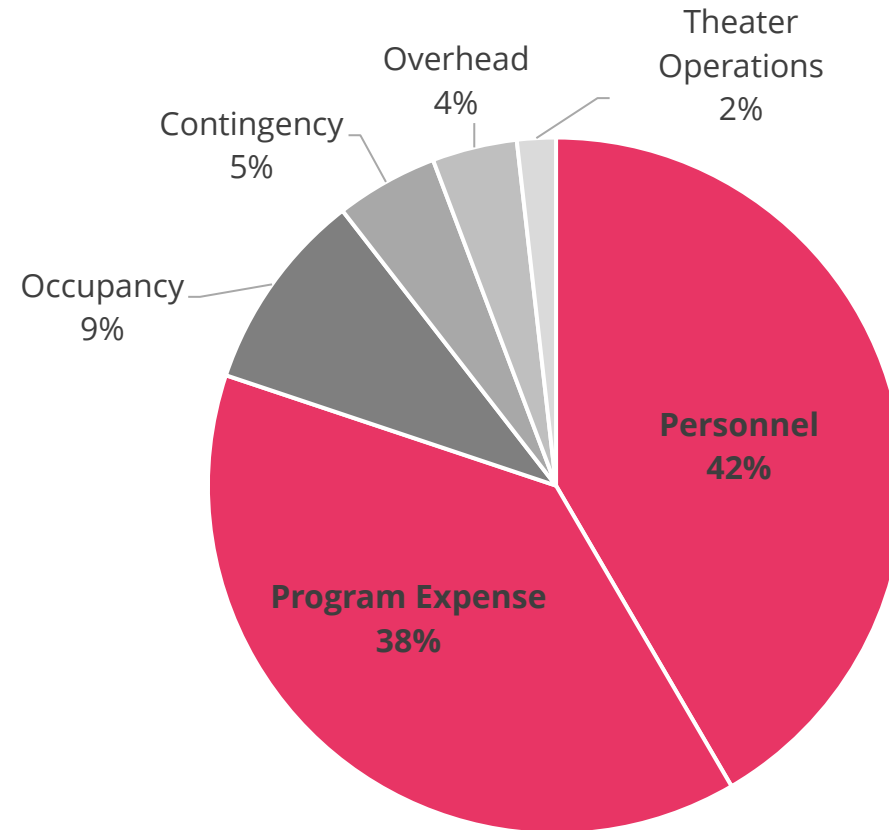


SCHEDULE 4: EXPENSE SUMMARY

Program Expenses	
LASC Productions (play, musical, youth-family)	\$620,000
LASC Education and Community	\$64,000
<i>Subtotal, Program Expenses</i>	\$684,000
Theater Operations Expenses	
Theater Operations	\$32,000
<i>Subtotal, Theater Operations Expenses</i>	\$32,000
General & Administrative Expenses	
Personnel	\$738,000
Overhead	\$70,000
<i>Subtotal, General & Administrative Expenses</i>	\$808,000
Occupancy Expenses	
Fire and Security	\$18,000
Utilities and Maintenance	\$117,000
Taxes	\$2,000
Insurance	\$29,000
<i>Subtotal, Occupancy Expenses</i>	\$166,000
TOTAL OPERATING EXPENSES	\$1,690,000
Expense Contingency (5%)	\$84,500
TOTAL EXPENSES WITH CONTINGENCY	\$1,774,500

EXPENSES

Expenses driven by Programming and Personnel



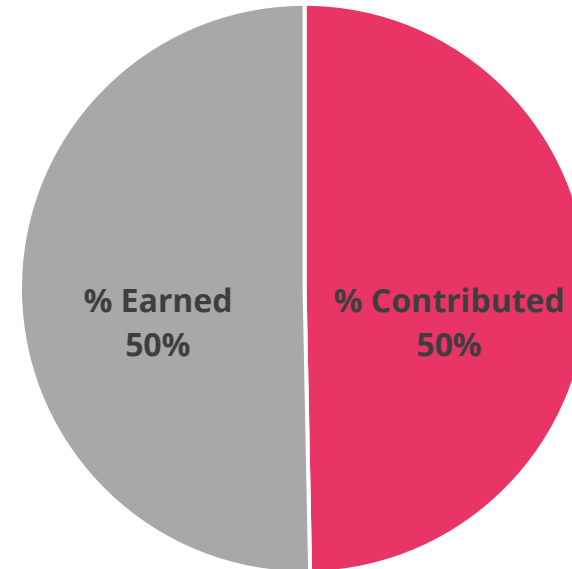
8 FTE

Increase of 4.75 FTE to support expanded programs, marketing, fundraising, facility

Los Altos Stage Company				
SCHEDULE 10A: STAFFING AND COMPENSATION	FTE	BASE SALARY	% Taxes & Benefits	Total Compensation
Executive Artistic Director	1.00	\$115,000	25%	\$144,000
Managing Director	1.00	\$85,000	25%	\$106,000
Facilities and Operations Manager	1.00	\$65,000	25%	\$81,000
Marketing Director	1.00	\$75,000	25%	\$94,000
Development Director	1.00	\$75,000	25%	\$94,000
Associate Artistic Director/Education Director	1.00	\$65,000	25%	\$81,000
Production Manager	1.00	\$55,000	25%	\$69,000
Box Office Manager	1.00	\$55,000	25%	\$69,000
TOTAL STAFFING	8.00	\$590,000		\$738,000

BASE YEAR FORECAST

LASC will need to raise 50% of its income to meet its \$1.78M operating budget



Los Altos Stage Company	
SCHEDULE 2: SUMMARY	
BASE PRO FORMA	
Earned Revenues	Base Year
Productions and Programming	\$706,000
Rentals	\$44,000
Chargebacks	\$9,000
Ancillary	\$134,000
<i>Subtotal, Earned Revenues</i>	<i>\$893,000</i>
Contributed Revenues	
Grants, Corp./Sponsorship, Individual, Special Events	\$882,000
TOTAL OPERATING REVENUES	\$1,775,000
Operating Expenses	
Productions and Programming	\$684,000
Personnel	\$738,000
Theater Operations	\$32,000
Overhead	\$70,000
Occupancy	\$166,000
<i>Subtotal, Operating Expenses</i>	<i>\$1,690,000</i>
Expense Contingency (5%)	\$84,500
TOTAL OPERATING EXPENSES	\$1,774,500
TOTAL ANNUAL RESULT	\$500

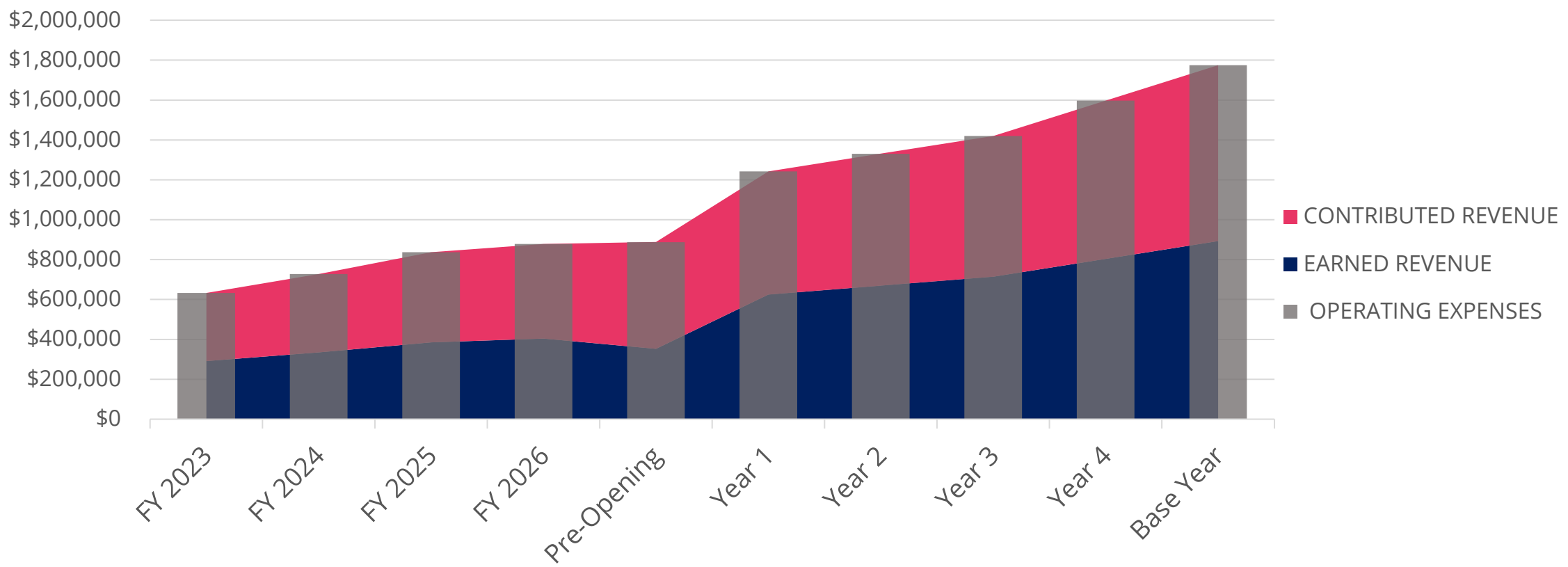
THE OPERATION: Incremental Growth

Building toward year 5 of operations, or the “base year,” LASC will gradually introduce expanded educational programming and external rentals, simultaneously ramping-up the staff required to program and operate the new facility to its fullest capacity.

Los Altos Stage Company						
SCHEDULE 2: SUMMARY						
BASE PRO FORMA						
Earned Revenues	Pre-Opening	Year 1	Year 2	Year 3	Year 4	Base Year
Productions and Programming	\$353,000	\$494,200	\$529,500	\$564,800	\$635,400	\$706,000
Rentals	\$0	\$30,800	\$33,000	\$35,200	\$39,600	\$44,000
Chargebacks	\$0	\$6,300	\$6,750	\$7,200	\$8,100	\$9,000
Ancillary	\$0	\$93,800	\$100,500	\$107,200	\$120,600	\$134,000
<i>Subtotal, Earned Revenues</i>	<i>\$353,000</i>	<i>\$625,100</i>	<i>\$669,750</i>	<i>\$714,400</i>	<i>\$803,700</i>	<i>\$893,000</i>
Contributed Revenues						
Grants, Corp./Sponsorship, Individual, Special Events	\$535,000	\$617,400	\$661,500	\$705,600	\$793,800	\$882,000
TOTAL OPERATING REVENUES	\$888,000	\$1,242,500	\$1,331,250	\$1,420,000	\$1,597,500	\$1,775,000
Operating Expenses						
Productions and Programming	\$342,000	\$478,800	\$513,000	\$547,200	\$615,600	\$684,000
Personnel	\$369,000	\$516,600	\$553,500	\$590,400	\$664,200	\$738,000
Theater Operations	\$16,000	\$22,400	\$24,000	\$25,600	\$28,800	\$32,000
Overhead	\$35,000	\$49,000	\$52,500	\$56,000	\$63,000	\$70,000
Occupancy	\$83,000	\$116,200	\$124,500	\$132,800	\$149,400	\$166,000
<i>Subtotal, Operating Expenses</i>	<i>\$845,000</i>	<i>\$1,183,000</i>	<i>\$1,267,500</i>	<i>\$1,352,000</i>	<i>\$1,521,000</i>	<i>\$1,690,000</i>
Expense Contingency (5%)	\$42,000	\$59,000	\$63,000	\$68,000	\$76,000	\$84,500
TOTAL OPERATING EXPENSES	\$887,000	\$1,242,000	\$1,330,500	\$1,420,000	\$1,597,000	\$1,774,500
TOTAL ANNUAL RESULT	\$1,000	\$500	\$750	\$0	\$500	\$500
% Contributed	60%	50%	50%	50%	50%	50%
% Earned	40%	50%	50%	50%	50%	50%

Mapping It Out: LASC Growth

LASC will grow incrementally over years leading up to normalization of operations around Year 5



THE OPERATION: *Economic Impact*

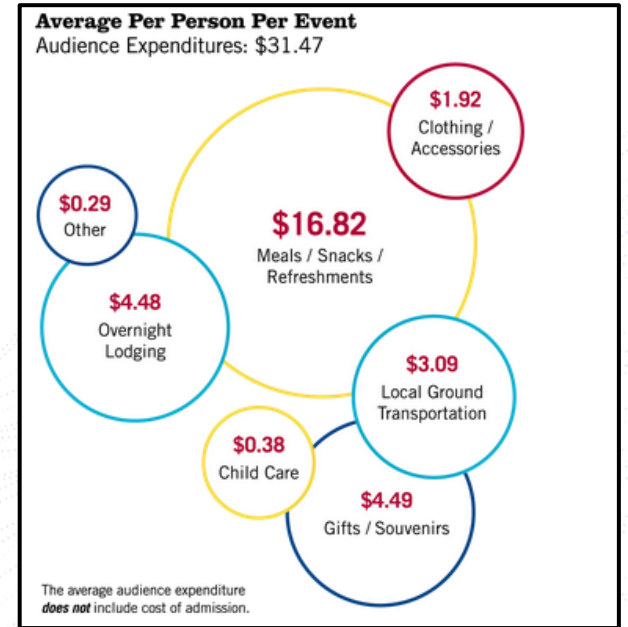
The expanded operation will produce a positive impact on the local economy, generating 76 full-time jobs and attendance-related spending.

TOTAL ECONOMIC IMPACT

Agenda Item 1.

	TOTAL EXPENDITURES	FTE JOBS	HOUSEHOLD INCOME	LOCAL GOVERNMENT REVENUE	STATE GOVERNMENT REVENUE
ORGANIZATION(S):	\$1,774,500	59	\$1,485,736	\$72,187	\$87,891
AUDIENCES:	\$707,271	18	\$389,982	\$35,901	\$43,193
TOTAL:	\$2,481,771	76	\$1,875,718	\$108,088	\$131,084

According to Americans for the Arts, the national audience spending average, above the cost of the ticket, is \$31.47.



Source: <https://www.americansforthearts.org/by-program/reports-and-data/research-studies-publications/arts-economic-prosperity-5>

RECOMMENDATIONS



MOVING FORWARD...

There is no doubt a new facility would allow LASC to deepen their commitment to community and artistic excellence. It would help nourish the economy and create a sense of place.

So where do we go from here?

■ City to Determine Preferred Site & Development Approach

- Support City staff to determine if a stand-alone or mixed-use development approach is most feasible

■ ~~Cultivate Project Partnerships~~

- ~~Developers~~
- ~~City~~

■ Conduct a Fundraising Feasibility Study

- To understand the environment in which a capital campaign will occur.
- To develop an achievable capital campaign strategy

■ Engage in Board Development

- To establish readiness for a capital campaign and organizational evolution

APPENDICES



APPENDIX A



Phase 1 Interim Presentation

Full presentation as delivered August 2022; includes market and patron file analysis findings
(Some data and findings repeated in report body)

APPENDIX B



Comparable Facilities Report

APPENDIX C



Aggregate Survey Results

APPENDIX D



Architectural Program & Supporting Documents

APPENDIX E



Financial Pro Forma

APPENDIX F



Scope of Work



Background - Downtown Vision Plan

Supported Key Attributes:

- Increase the activity and vitality of Downtown during the day and evening hours;
- Include plazas that provide a central area for the community to congregate, places to provide activities for youth, and outdoor dining;
- Incorporate opportunities for a live theater, hotel, office, affordable housing, and mixed use with residential;

VISION ELEMENTS

The City of Los Altos is committed to a community-focused, economically viable, and village-scaled Downtown through:

- **Developing adequate parking facilities** and implementing parking strategies that continue to meet the current and future parking needs of businesses, residents, and visitors
- **Utilizing existing parking plazas** in a manner that enhances the village character while also meeting the working, living, entertainment, and hospitality desires of the community

OPPORTUNITY SITES

- **Entertainment:** A live theater is identified on Parking Plaza 2. This use would be both a daytime and evening draw from the community and elsewhere that would support complementary businesses, such as pre-event dining.

In 2018, the Los Altos City Council adopted the Los Altos Downtown Vision Plan “as a guiding document that we can all aspire to.”

The plan calls for the development of a live theater venue on Parking Plaza 2.

References: <https://www.losaltosca.gov/development-services/page/downtown-vision>; Supported Key Attributes (selected), page 7; Vision Elements (selected), page 16; Opportunity Sites (selected), page 26

Background - LASC & City MOU

In 2021, LASC and the City signed a three-year non-binding Memorandum of Understanding regarding potential development of Downtown Parking Plaza No. 2.

The key points are excerpted here:

WHEREAS, on November 9, 2021, the Los Altos City Council (“City Council”) directed City staff to prepare a MOU under which the City would reserve a specified City-owned parking plaza for a certain number of years as a potential site for a community theater, in order to give LASC an opportunity to raise funds towards building a community theater;

WHEREAS, the City Council believes that a community theater would be a benefit to the community; and

WHEREAS, since August 2018 a community theater has been part of the Los Altos Downtown Vision Plan; and

WHEREAS, LASC has had a Use Agreement with the City for the Bus Barn Theater for twenty-seven (27) years, which is owned by the City and located at the Los Altos Civic Center site.

Progress-Momentum-Next Steps

Capital Campaign Analysis

State-of-the-Art Downtown
Theater

Multi-purpose
Neighborhood Playhouse



Outcomes-Findings-Forecasts

160-seat downtown theater

Estimated \$23 M construction cost

Funds for construction raised as a public-private partnership

Opening operating budget of \$1M

Theater donated to the City and managed by Los Altos Stage





Pillar One:

Intergenerational,
multi-cultural, &
multidisciplinary
arts programs



Pillar Two:

Youth education,
engagement
& empowerment

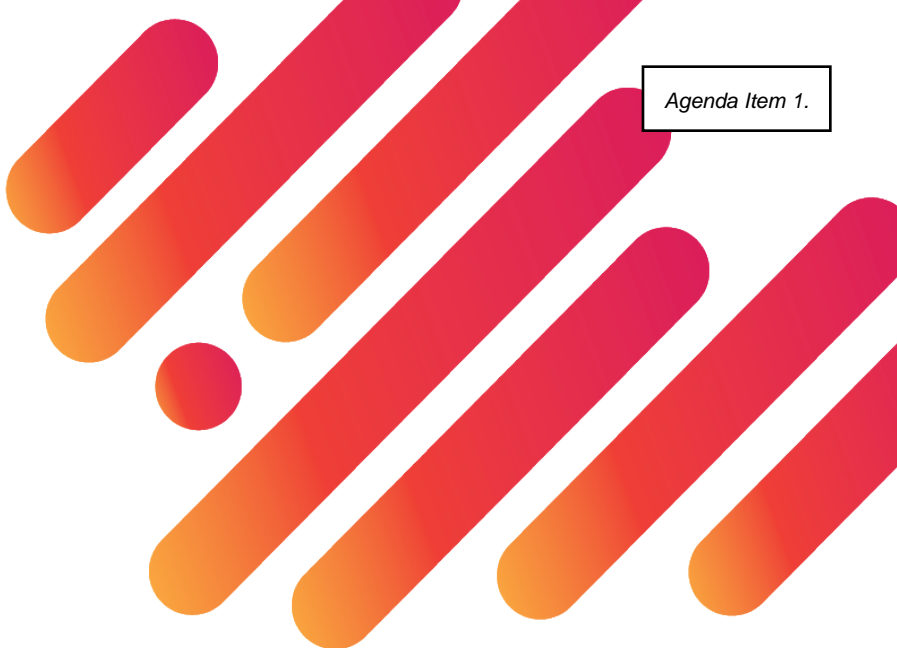


Pillar Three:

Community
access
opportunities

Los Altos Theater Study

Key Findings and Recommendations



AMS
PLANNING
& RESEARCH

THEATRE PLANNERS / LIGHTING DESIGNERS
Schuler Shook



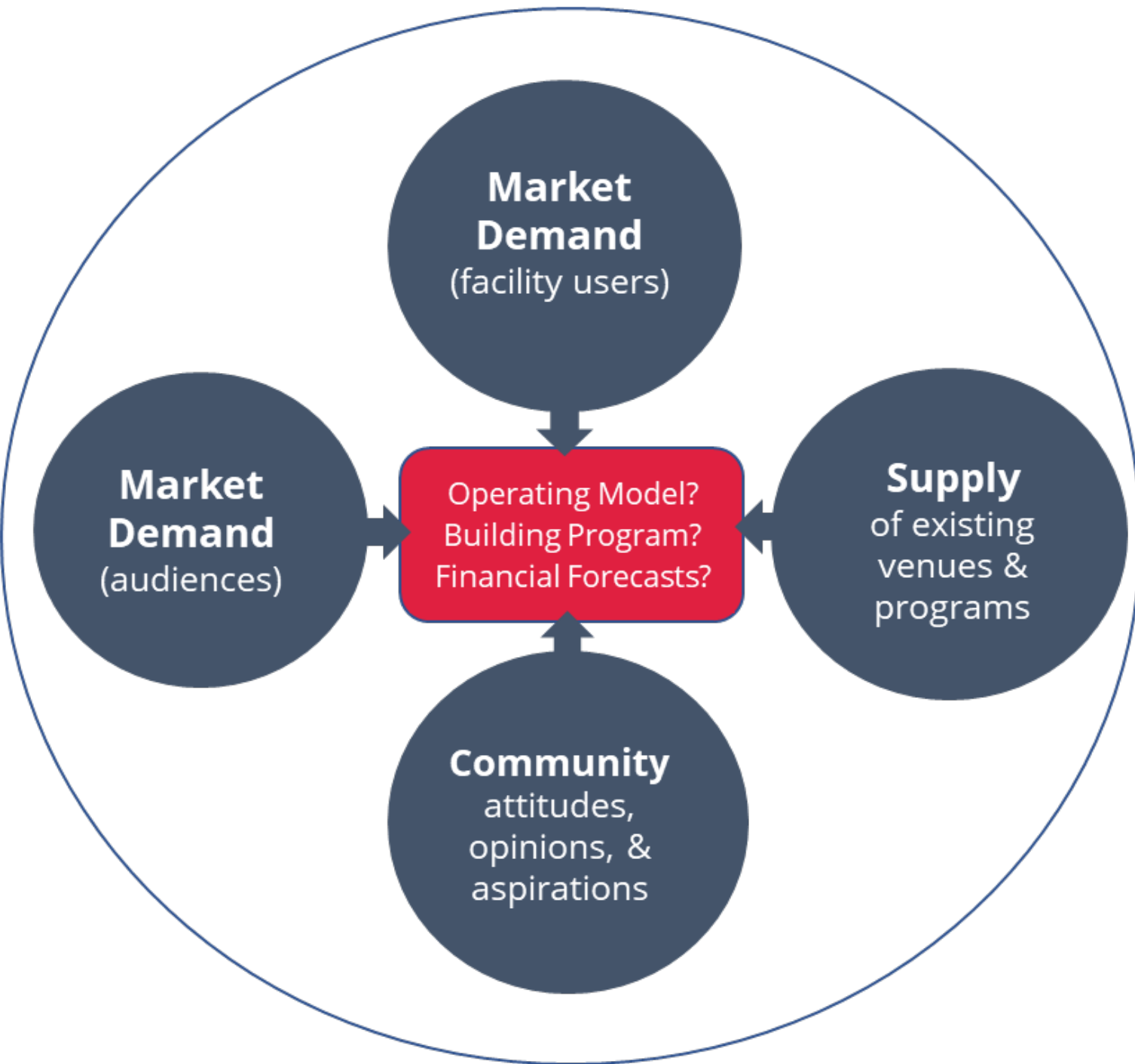
Scope of Work

Study the potential development of a replacement facility for LASC

Six key questions guided this work:

1. What are the community's **priorities, needs and opportunities** for a new theater building?
2. What are the community's **programmatic interests** and **attendance patterns** and preferences?
3. What are the local and regional **market conditions** and **competitive landscape** for the development of a new theater?
4. What is the **best balance of activity** to both broaden and deepen LASC offerings and provide space for community use?
5. What is the **appropriate facility configuration** for the most relevant LASC, community and regional performing arts needs?
6. What are the **best operating structure and policies**? How are they manifested financially?

Scope of Work



Phase 1

Assessing Feasibility

- Supply, Demand, and Aspiration

Phase 2

Setting Definition

- Operating Model, Building Program, Financial Forecast

Stage Company on Firm Foundation

Solid growth over five years pre-covid with revenues meeting expenses



53%

growth in *attendance* in years leading up to 2020 (pre COVID)



60%

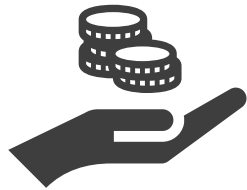
growth in *revenue* in years leading up to 2020 (pre COVID)



Bus Barn facility has significant limitations & constrains company growth

Market Assessment: Strong Potential for Growth

The market for arts consumption is strong



40%

of households in the primary market have incomes over \$200k – the highest concentration in California



55%

of the market's population is under age 40 – representing strong future growth potential for arts patronage



53%

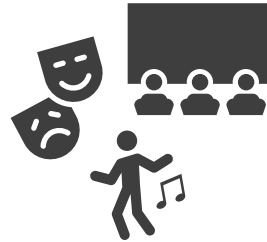
of patron households have children living at home – indicating strong potential for youth and multi-generational programming

Community Survey Shows Support

...a space by & for the Los Altos community



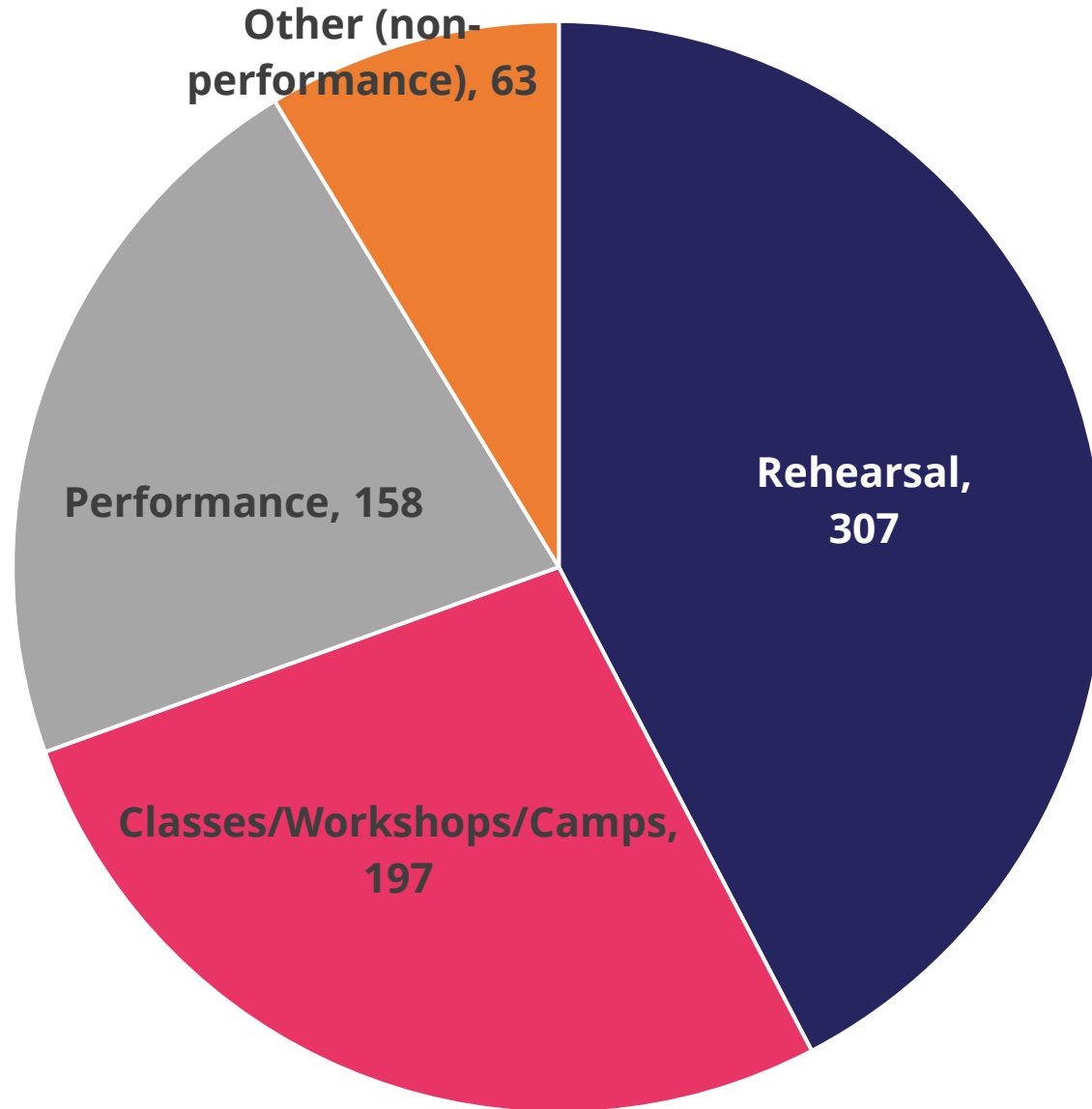
Survey gleaned response from over 445 area residents



There is high interest in diverse content including programs for young people, film, lectures, theater, & live music



Stakeholders envision a multi- and inter-generational gathering place that contributes to downtown vitality



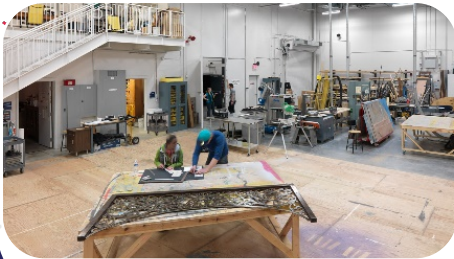
A Bustling, Year-round Venue

Annual attendance of **20,500** from over **725 activities** annually, including:

- Community events
- Concerts, lectures, film, comedy, & family performances
- Rental uses
- LASC & LAYT performances
- Classes & camps for young people
- Rehearsals

A New Theater for the Community

Back of house support spaces



160-seat theater



Lobby, patio, & community gathering spaces



Dedicated youth lounge, rehearsal & teaching spaces, offices, storage



- 23,400 square feet
- 13,000 sq. ft. minimum site footprint required
- Order of magnitude cost = \$1,000/sq. ft.
- City-owned, LASC-operated

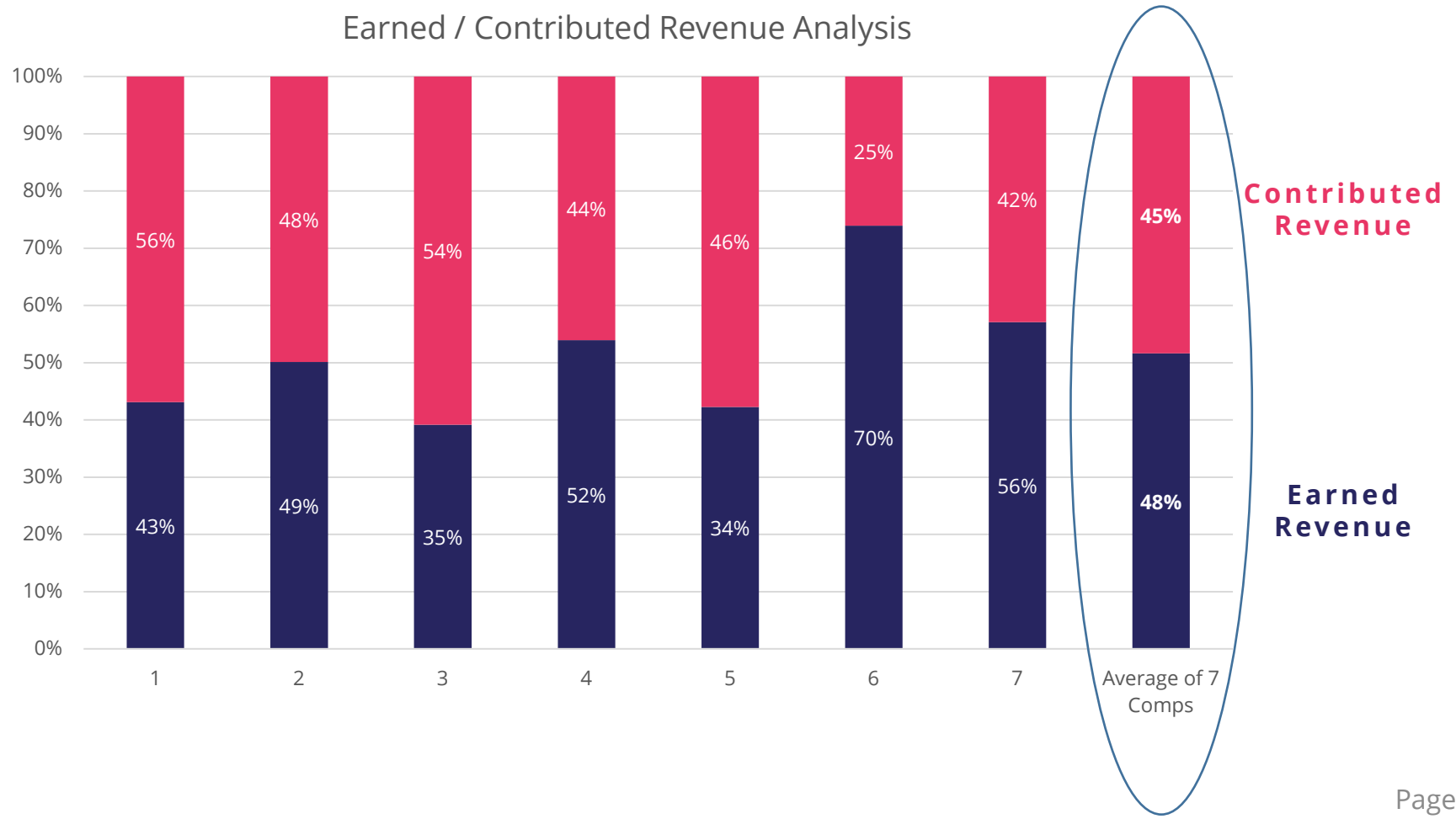
Seven organizations help illustrate potential futures

	Colligan Theater at the Tannery Arts Center <i>Santa Cruz, CA</i>	Alexandra C. and John D. Nichols Theatre & The Gillian Theatre <i>Glencoe, IL</i>	Sutter Theatre in the Sofia Center for the Arts <i>Sacramento, CA</i>	The Steddy Theater at Center for the Arts <i>Crested Butte, CO</i>	Raymond James Theatre at St. Petersburg College, St. <i>Petersburg, FL</i>	Lillie Theatre <i>Pittsburgh, PA</i>	The CVA Flex Theatre in Silverthorne Performing Arts Center <i>Silverthorne, CO</i>
Primary Theater Capacity	182 seats	255 seats	386 seats	450 seats (standing)	182 seats	254 seats	131 seats
Year Built	2015	2016	2018	2019	2009	1991	2017
Scale	10,000 sf	36,000 sf	40,000 sf	31,000 sf	10,000 sf (orig. facility)	27,800 sf	16,000 sf
Cost	\$5.8 million	\$34 million	\$30 million	\$19 million	\$4 million	\$2.8 million	\$9 million
Owner	Non-profit	Non-profit	Non-profit	Non-profit	College	Non-profit	Non-profit
Operator	Non-profit	Non-profit	Non-profit	Non-profit	Non-profit/ College	Non-profit	Non-profit
Budget FY2019	\$1,480,552	\$6,018,225	\$3,722,735	\$2,116,977	\$3,685,576	\$3,448,220	\$2,241,829
% Contribution	43%	49%	35%	52%	34%	70%	56%

Comparables

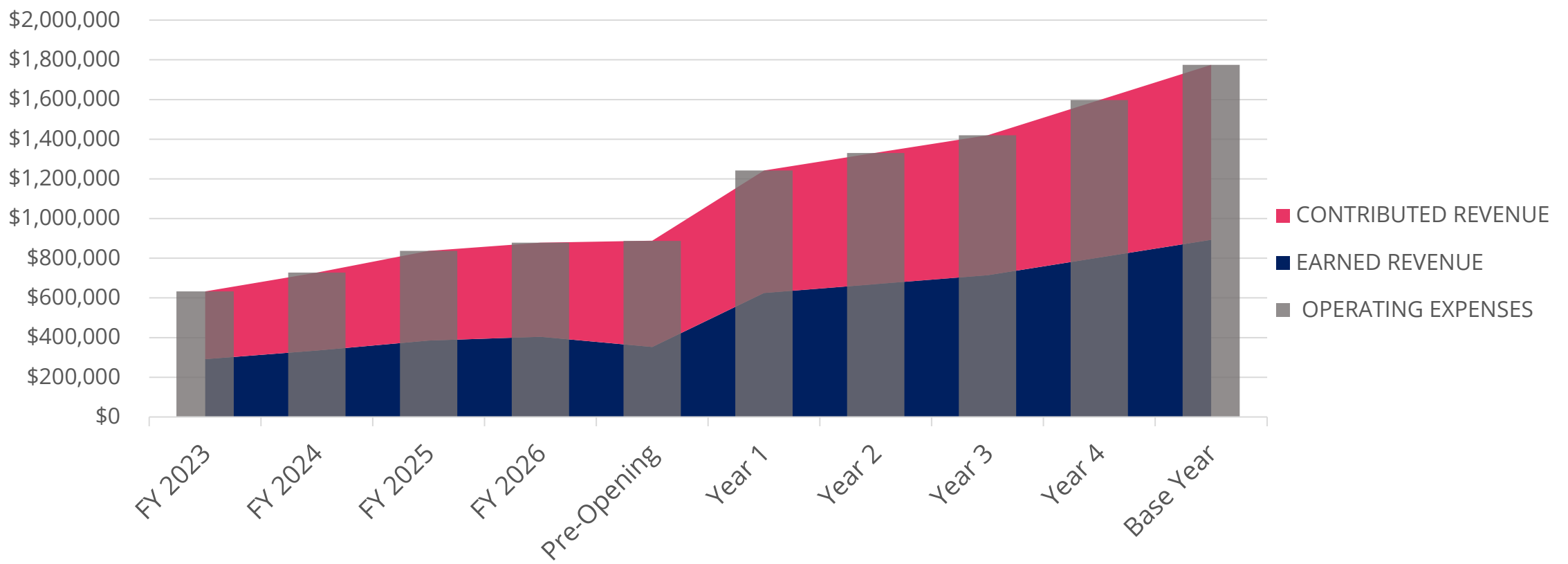
Economic Data Sourced Directly from LASC and 7 comparable theaters

Earned / Contributed Revenue Analysis



Mapping It Out: LASC Growth

LASC will grow incrementally over years leading up to normalization of operations around Year 5. LASC assumes all building operations & maintenance costs.



To summarize...

✓ Stage Company on Firm Foundation

- Company poised for growth post-COVID
- Current facility is constraint, not opportunity

✓ Market Assessment: Strong Potential for Growth

- Primary market is strong for arts consumption
- Family & younger adult households indicate opportunity for future growth

✓ Community Survey Shows Support

- Majority support a new theater for Los Altos
- Strong interest in 'community focused gathering place' with diversity of content

A Bustling, Year-round Venue

- Over 20,000 visits/year to downtown
- Over 700 activities mapped
- LASC productions, rehearsals, classes
- Community events, performances, & gatherings

A New Theater for the Community

- 160-seat downtown venue
- City-owned/LASC operated
- Fits on parking plaza site, not at Bus Barn
- Supports Downtown Vision objectives

Growth & Economic Impact

- New building = more growth for LASC
- Growth of sales, classes, + rentals
- Contributed revenue *must* grow
- Positive economic impact downtown

Where do we go from here?

1. City to Determine Preferred Site & Development Approach

- Support City staff to determine if a stand-alone or mixed-use development approach is most feasible

2. Conduct a Capital Fundraising Analysis

- To understand the environment in which a capital campaign would occur
- To develop an achievable capital campaign strategy





PUBLIC CORRESPONDENCE

The following is public correspondence received by the City Clerk's Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email PublicComment@losaltosca.gov

From: [Roberta Phillips](#)
To: [Public Comment](#); [City Council](#)
Subject: Study Session May 9,2023 Theater
Date: Monday, May 8, 2023 12:10:57 PM

Dear Council Members

1. The Study Session report does not show that a new theater in Downtown would be Financially feasible.

Just yesterday I saw the Children's Theater in Berkeley Ca, is closing due to lack of funds.

Funding Shortfall Forces Bay Area Children's Theatre To Suspend Season

[dowhttps://patch.com/california/berkeley/funding-shortfall-forces-bay-area-childrens-theatre-suspend-season](https://patch.com/california/berkeley/funding-shortfall-forces-bay-area-childrens-theatre-suspend-season)

2. Housing is a higher priority . Our parking lots should be used for affordable housing

3. The loss of parking will result in the City asking the residents to build a parking garage or other parking facilities at a cost to residents.A survey done by LAR shows clearly that the community does not want to pay for a private theater regardless of their non-profit status.

4. There is no value shown for the cost of land nor how much the Los Altos Stage Company will pay to lease this very valuable asset worth millions of dollars.

5. The goal of the Downtown Vision Plan was to put more feet on the street.

That is being accomplished by the plan to build more housing downtown.

The Los Altos State Company has to be self-sufficient. There is no proof that is feasible.

6. The Bus Barn theater can stay where it is currently located and the Stage Company can raise donations to remodel.There is plenty of parking available.

The City has set it's priorities and a new theater downtown is not one of the priorities. We have many CIP projects in line ahead of a theater.

Sincerely

Roberta Phillips
 650-941-6940

From: [Los Altos Residents](#)
To: [Public Comment](#)
Cc: [Gabriel Engeland](#)
Subject: [External Sender]Study Session May 9, 2023 - Theater
Date: Monday, May 8, 2023 8:34:00 AM
Attachments: [image001.png](#)
[Screen Shot 2023-05-06 at 9.06.06 PM 2.png](#)

Dear Mayor Meadows, Vice Mayor Weinberg, and Council Members Lee Eng, Fligor, and Dailey,

In November, 2021 Los Altos Residents (LAR) conducted a survey asking residents of Los Altos questions about their support for a new theater downtown and whether they were in favor of paying for its construction and/or operations and maintenance. We also asked questions about whether they wanted a theater to replace a parking plaza and whether they wanted to be able to vote on all these expenditures and give aways of city land. We got 444 responses to our survey.

Here is an executive summary of what those Los Altans that responded to the LAR survey thought. We also attach the complete data including the survey questions so you can judge for yourself if they were biased or not.

Executive Summary

- 444 Los Altos residents responded
- 43% would like a theater downtown; 39% would not
- 52% do not want a theater to replace a parking plaza
- 51% do not want city to contribute to construction
- 53% do not want city to contribute to operations & maintenance
- 50% want to vote on whether city land is used for a theater
- 53% want to vote on whether city contributes to construction
- 53% want to vote on whether city contributes to operations & maintenance

At the Study Session on May 9, 2023, AMS will report on the results of a survey it conducted for the Theater Working Group asking similar questions. AMS got 445 responses to its survey. However, only 81% of the responses AMS got were from Los Altans. So to compare the two surveys fairly, the LAR survey received 444 responses from Los Altans while the AMS survey only received 360 responses from Los Altans. LAR got input from 84 more Los Altans than AMS!

However here’s the interesting thing: the respondents from the **Theater Working Group/AMS survey AGREE with the LAR survey respondents** on some very important points!!

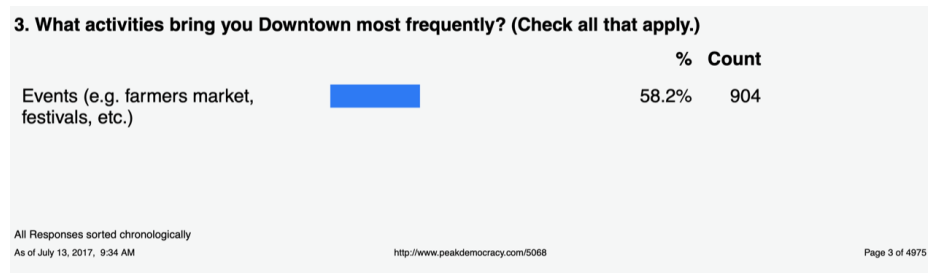
Of the Theater Gp/AMS respondents:

- the majority (44%) agree that only private donations should be used to support a new theater (versus 38% that disagreed)
- the majority (47%) do NOT want the city to provide funds towards the construction of a new theater (versus 40% that do)
- the majority (41%) do NOT want the city to financially support the

development and ongoing operations of a new theater (versus 37% that do)

These responses from both the LAR survey and from the AMS survey should be enough to convince you that your constituents do not want you to vote to spend any of their tax dollars for a new downtown theater.

We understand that you place great weight on the Downtown Vision Plan as justification for building a theater downtown. However the Downtown Vision Plan was adopted by a former Council in August 2018 - almost 5 years ago. And the surveys and community engagement that form the basis of the Downtown Vision Plan were all conducted in the **first half of 2017 - six years ago.**



(see the date in the lower right hand side)

A great deal has transpired since July 2017. We had a pandemic that resulted in a huge loss of jobs, and a change in the way people work - many people continue to work remotely at least 2 days per week if not all 5 days. Stores have closed and continue to close downtown - Oz Boutique, Runners High, Cook’s Junction, Cover Story, to name a few recent closures. Restaurants now occupy much of our street parking spaces on Main and State Streets. California has lost and continues to lose population and the tech sector has been laying off thousands of people in the Bay Area which will likely lead to even more loss of population. More has seemingly changed than not changed since the 2017 surveys that form the basis of the Downtown Vision Plan were taken. Are these survey results/community engagement takeaways still valid? Who can accurately answer that question? Do you have complete confidence the conclusions from the consultant are still correct?

We have several other questions we think need to be addressed:

1. Why was notice of this May 9, 2023 Study Session not sent out to people on the email list for City Council meetings or mentioned in the City Manager Weekly Update? Notice of the May 9, 2023 Regular City Council meeting was sent out to this email list. It is the practice of City Staff to send out notices of Study Sessions to everyone on this email list - why was this Study Session excluded? It could be interpreted to look like an attempt to keep this Study Session “under the radar” hoping that it wouldn’t come to the attention of interested parties such as LAR.
2. Would Council consider allowing the Theater Working Group to pay for and build a new theater where the Bus Barn Theater is currently located including allowing a larger footprint to accommodate the planned new theater, thus keeping the theater on the Civic Center Campus where it can take advantage of the parking afforded by the new Community Center?
3. Will the Council direct staff to conduct a survey and find out how many of your

constituents want to get rid of the parking spaces on Parking Plaza 2 - the parking plaza behind the Main Street Post Office, Chico's, the Discovery Shop, and the Rustic House - in order to build a theater?

4. Will we need to build required RHNA housing on that city-owned Parking Plaza?
5. Could we build a park for all the residents of the new condos downtown on that Parking Plaza?
6. Which of these options, park or theater, would benefit the most citizens and taxpayers of Los Altos?
7. What does funding the theater with "public/private" funds mean?
8. And exactly how much public funding are you willing to commit to?
9. Why are you even considering funding a new theater when the City apparently can't afford a desperately needed new police building?

These are just some of the questions we think you should address before any action is taken on a new downtown theater including funding any more new surveys on whether the Los Altos Stage Company can successfully raise the money to build a theater with "public/private" or even with only private funds. If they can't raise enough money to fund a survey, it would appear unlikely they could raise the tens of millions needed to build a new theater.

While we believe that most of you favor a new downtown theater, both surveys show that the majority of Los Altans do not want you to vote to pay any of our tax dollars towards the construction, development or operations of a new theater. Moreover, we believe the majority of Los Altans would prefer their tax dollars be used instead on resolving our budget deficit and, for example, funding all the deferred maintenance that has left most of the city-owned buildings in sad shape (police building, City Hall, Los Altos Youth Center, Grant Park Community Buildings/Senior Center to name a few). We believe they would prefer that you spend our tax dollars to bring our two fire stations into compliance. We understand our police force needs to hire nine (9) police officers to be fully staffed and we believe that public safety and crime prevention is at the top of most of your constituents expectations from its City government. We also believe we need to hire staff for City departments because we understand that many of the department are significantly understaffed.

It seems to Los Altos Residents that these items are all "must haves" and that a new theater is a "nice to have" but is not required especially when a theater already exists and has been successfully putting on productions.

We would urge you to listen to the viewpoint of **all** of your constituents - including those who responded to the LAR survey AND those who responded to the Theater Group/AMS survey. Again, the majority of all respondents from both surveys do NOT want the City to fund the construction, development or the ongoing operations of a new theater.

We hope you will take our concerns into consideration when you take up a new theater for discussion at the May 9, 2023 Study Session.

Sincerely,

Freddie Wheeler
Co-founder, Steering Committee
Los Altos Residents
www.LosAltosResidents.org

Survey of Residents of Los Altos Regarding Downtown Theater

November 1, 2021

Executive Summary

- 444 Los Altos residents responded
- 43% would like a theater downtown; 39% would not
- 52% do not want a theater to replace a parking plaza
- 51% do not want city to contribute to construction
- 53% do not want city to contribute to operations & maintenance
- 50% want to vote on whether city land is used for a theater
- 53% want to vote on whether city contributes to construction
- 53% want to vote on whether city contributes to operations & maintenance

Objective & Methodology

- Objective
 - Gather resident opinions to present to Council for consideration during discussion of downtown theatre proposal
- Methodology
 - Survey link posted on Nextdoor, emailed to approximately 1 500 fellow residents
- Duration
 - Two weeks

Survey email from Los Altos Residents

CALL TO ACTION:

PLEASE TAKE THIS DOWNTOWN THEATER SURVEY

The purpose of this anonymous survey is to solicit your thoughts about a live performance theater in downtown Los Altos. As you may have read in the Town Crier, a New Theater Working Group has been formed and will soon seek approval from the City Council to build the theater on one of the downtown parking plazas.

The aggregated data from this survey will be provided to the City Council when this topic is scheduled to go before them.

We welcome your thoughts and opinions. To make your voice heard, please [click on this link](#).

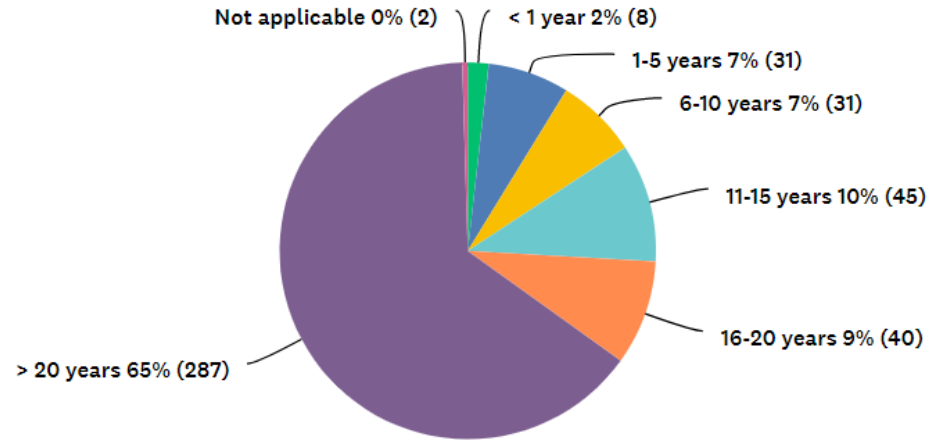
THANK YOU!

Resident Responses

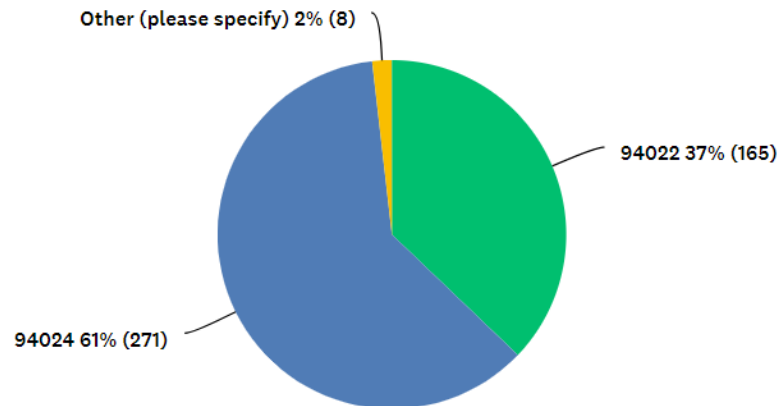
Aggregated data for respondents who identified as residents

Demographics

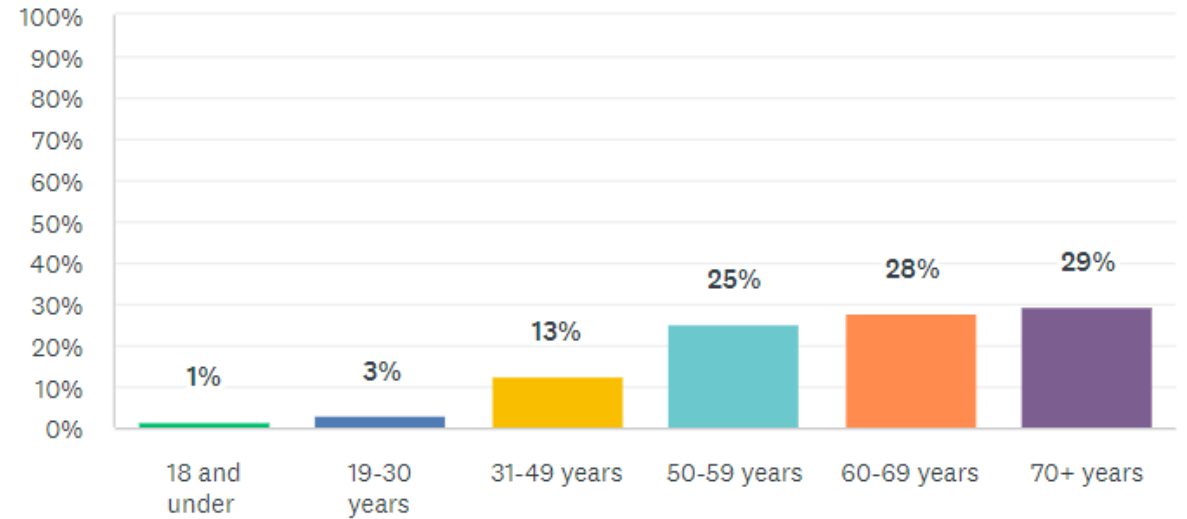
- Q2: How long have you lived in Los Altos?



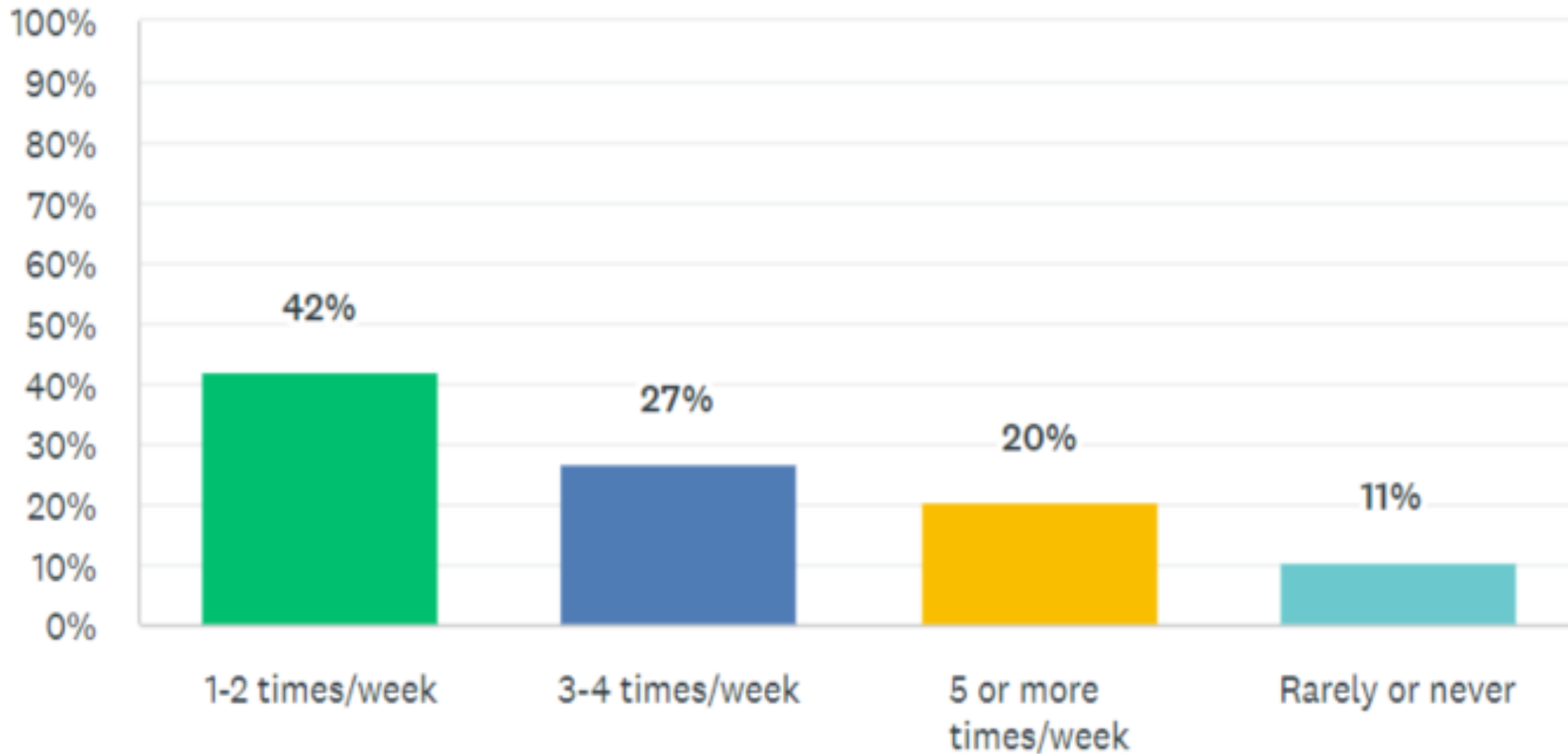
- Q3: My zip code is?



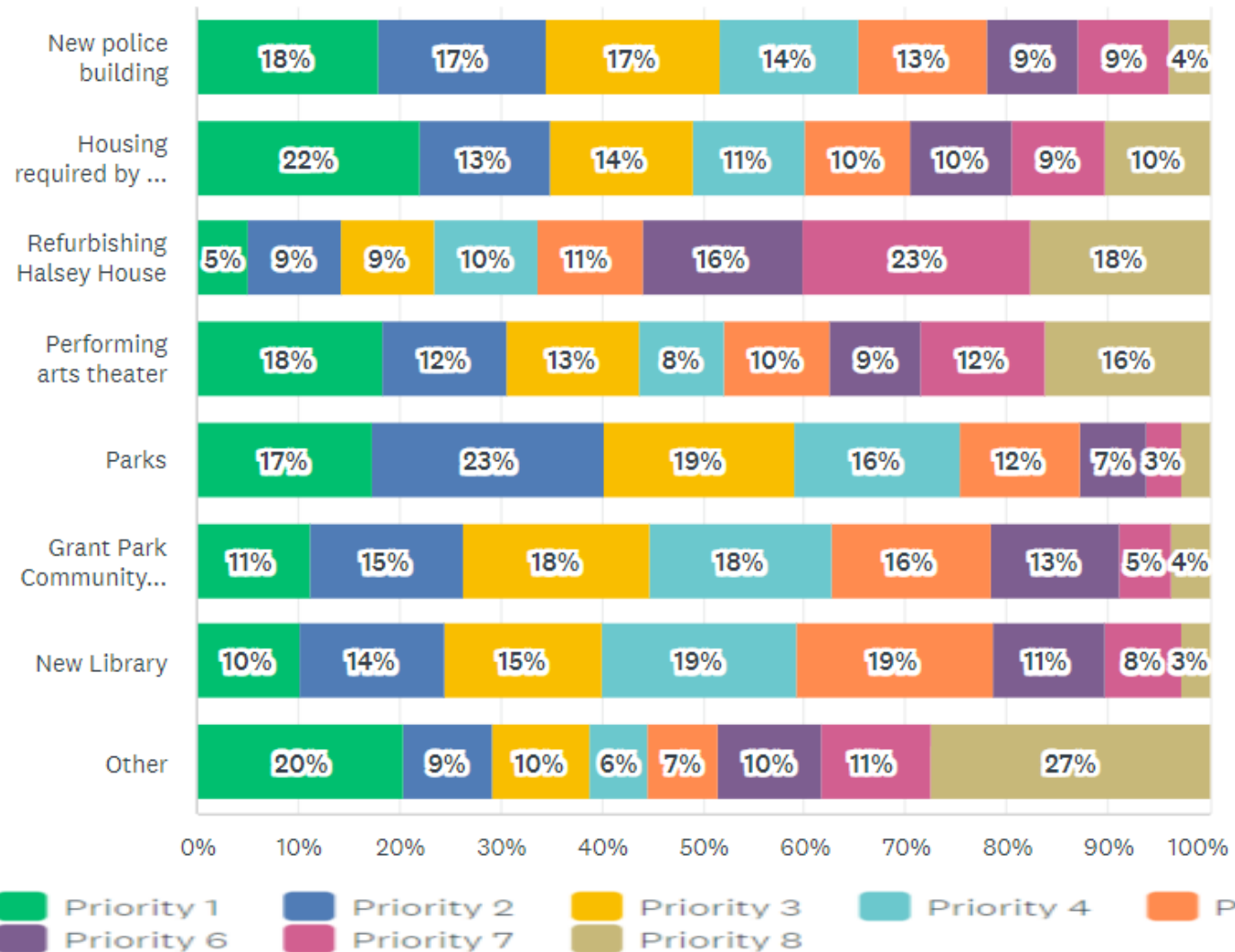
- Q4: My age group is:



Q5: I visit downtown Los Altos



Q6: Please rate the following in terms of where the city should spend city funds and resources:

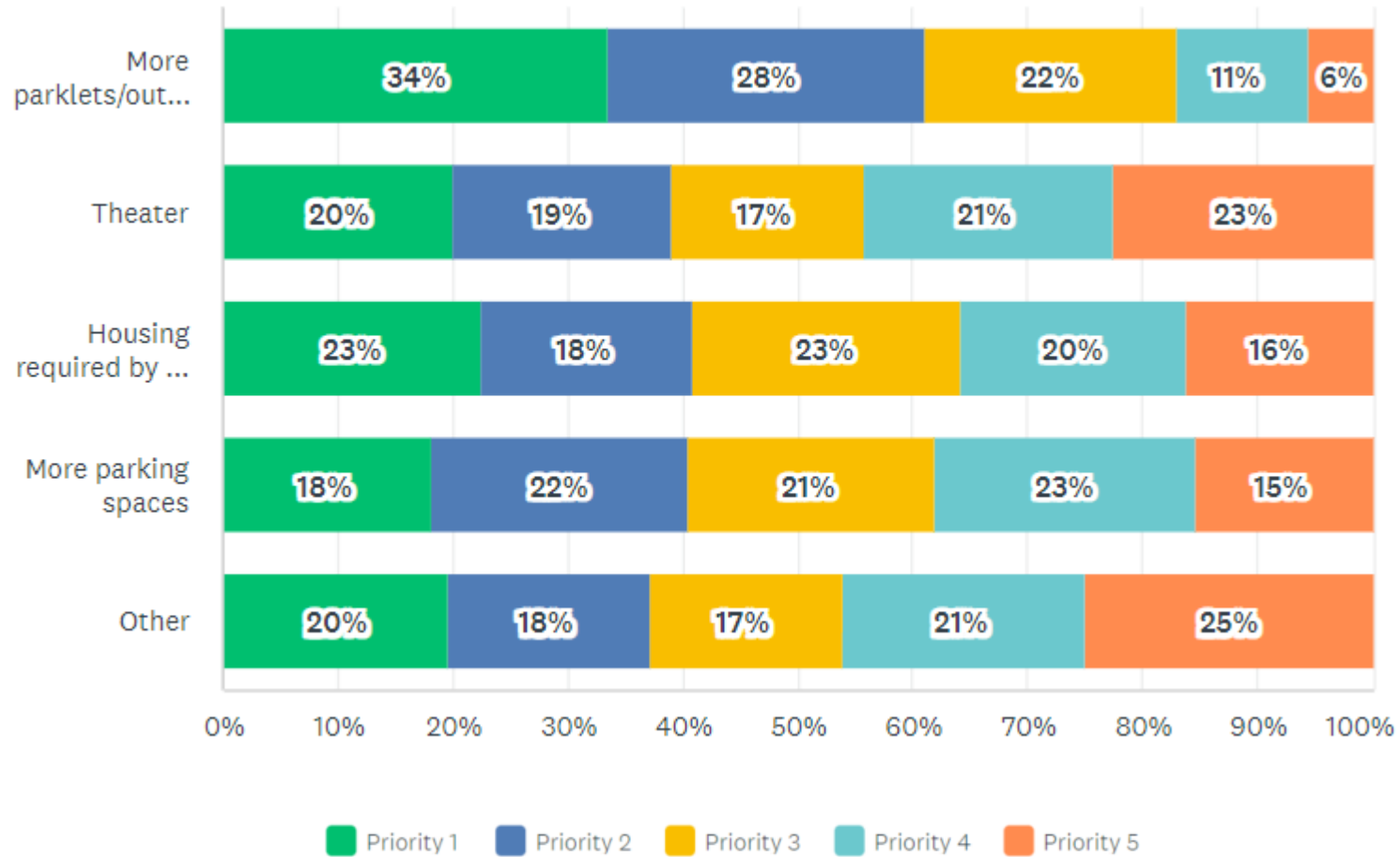


Q6: Tallying priorities 1, 2, 3 tells us residents want to spend money on

#1 Parks	59%
#2 New police building	52%
#3 Housing	49%
#4 Grant Park	44%
#5 Theater	43%
#6 Library	39%
Other*	39%
#7 Halsey House	23%

* Includes 152 random comments, e.g., pool, parks, more parking. See attachment.

Q7: Please rate the following in terms of land use in downtown Los Altos:

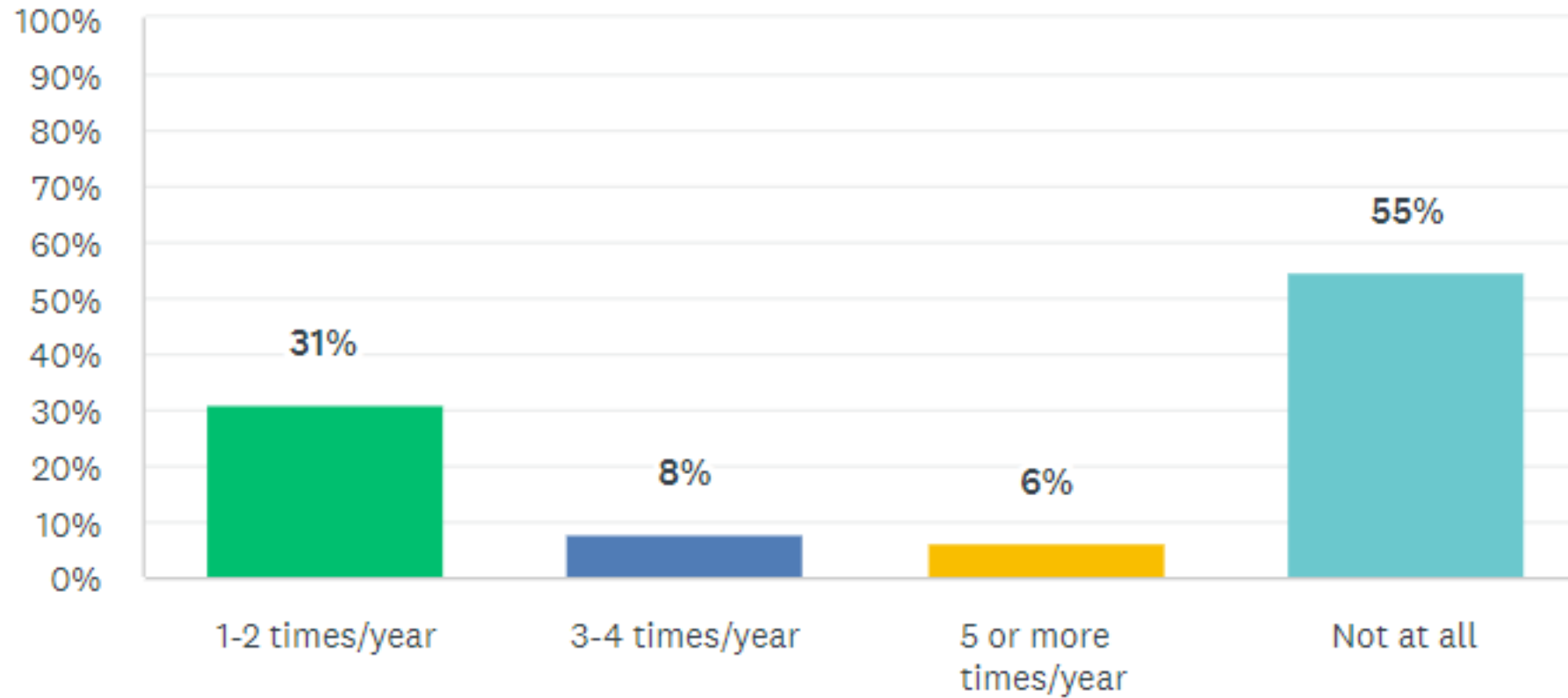


Q7: Tallying priorities 1, 2, 3 tells us residents prioritize land use as follows:

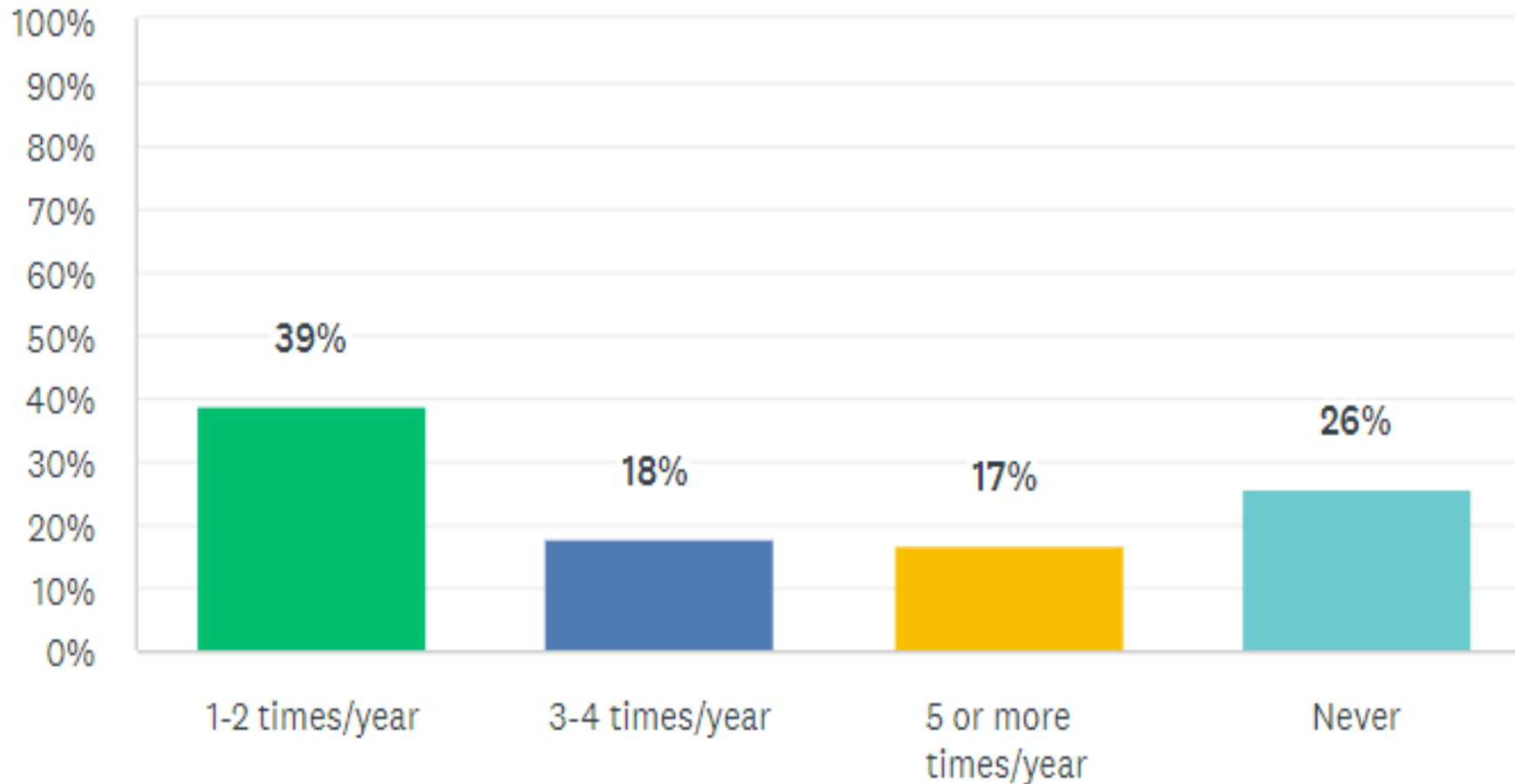
#1	More parklets	84%
#2	Housing	64%
#3	More parking	61%
#4	Theater	56%
#5	Other*	55%

* Includes 112 random comments, e.g., pool, dog parks, more parking. See attachment.

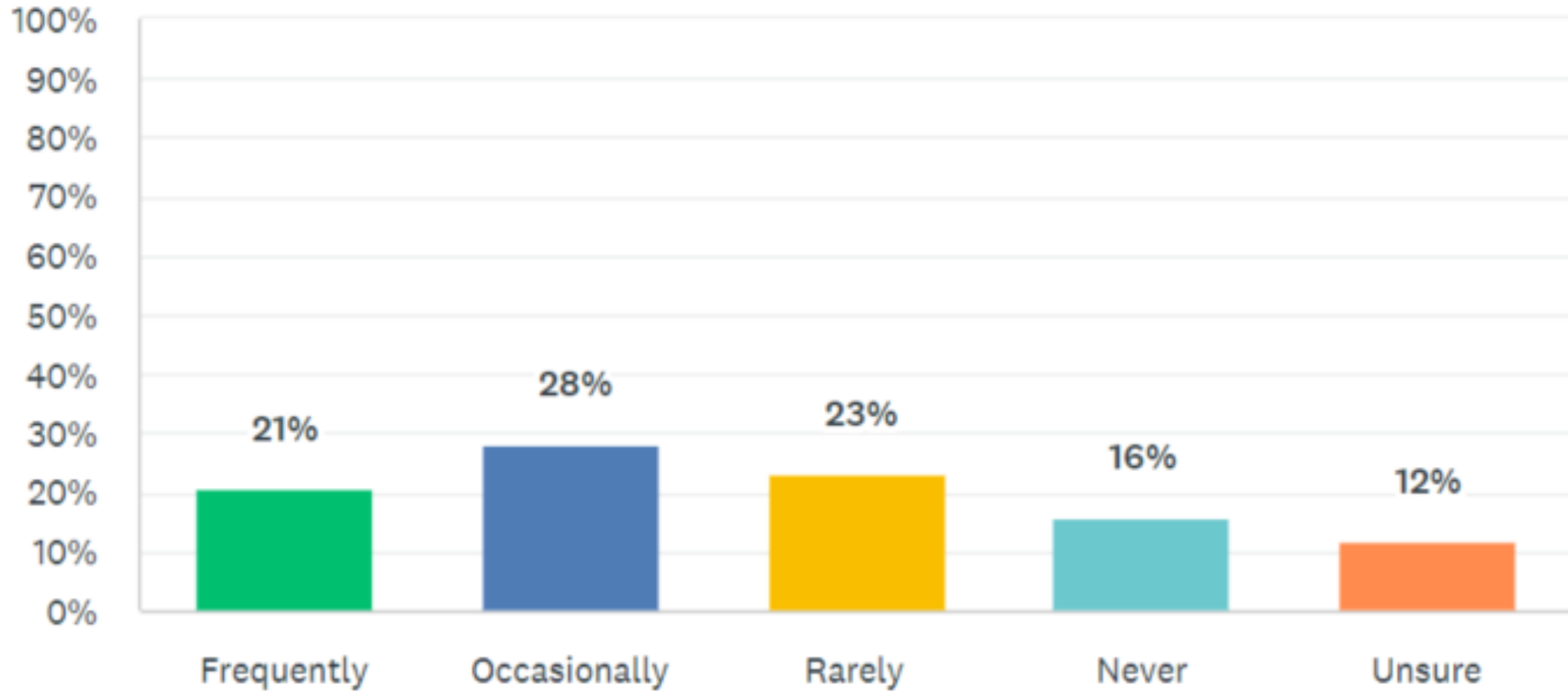
Q8: Pre-COVID, I attended live performances at Bus Barn Theater



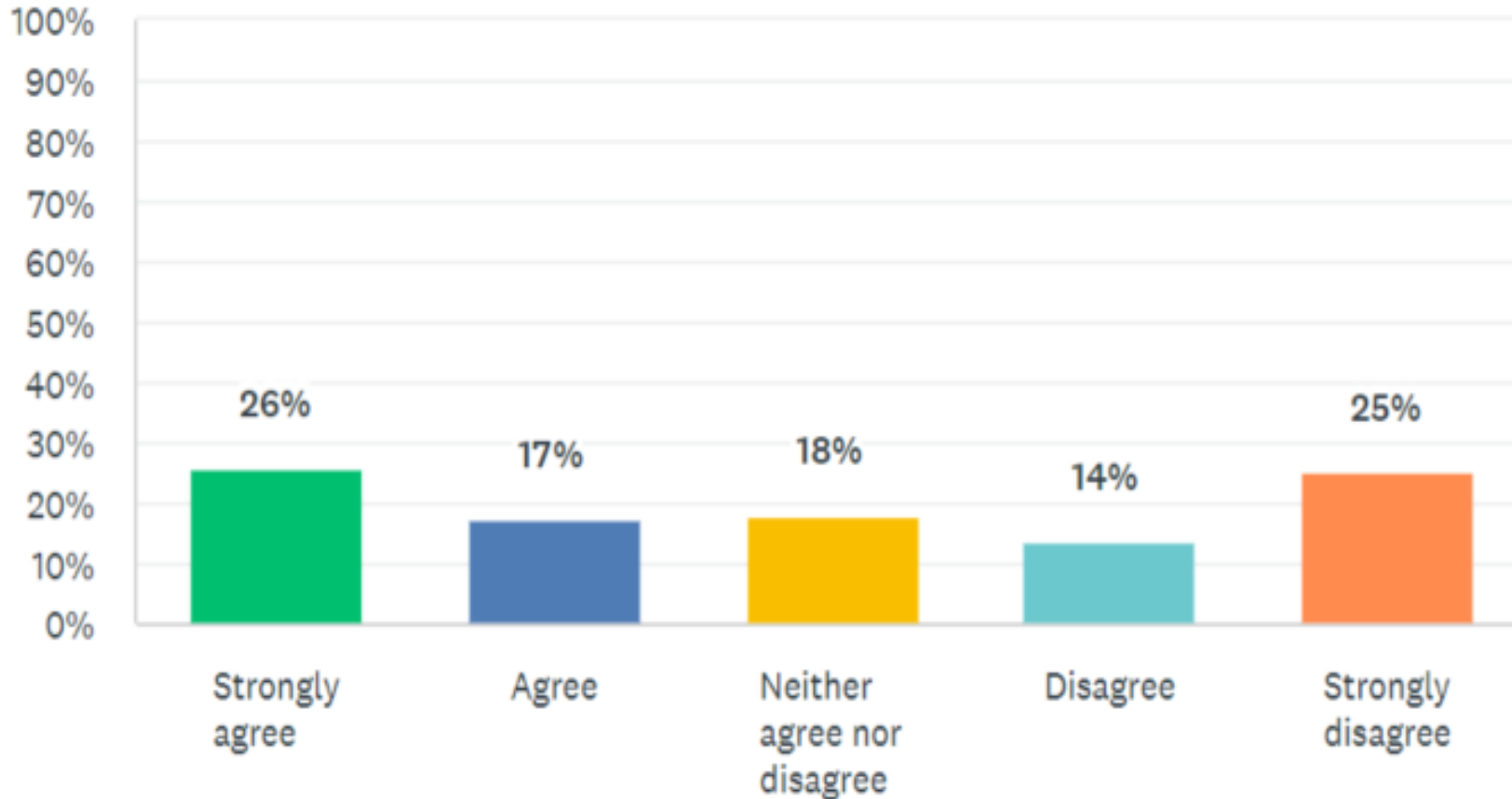
Q9. Pre-COVID, I attended live performances at live theaters such as Mt. View Center, Oshman JCC, Hillbarn, Lucie Stern, etc.



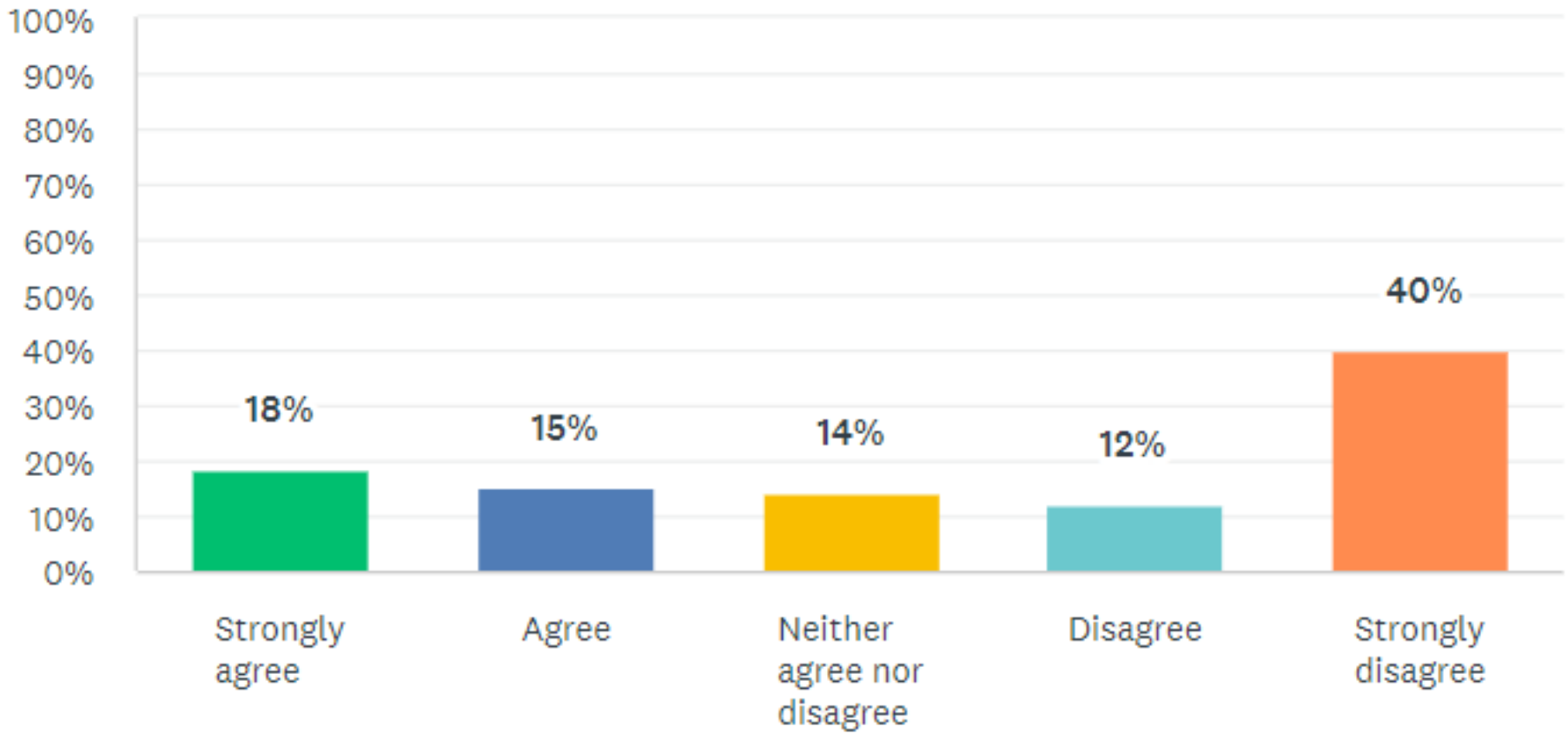
Q10: I would attend live performances at a theater in downtown Los Altos.



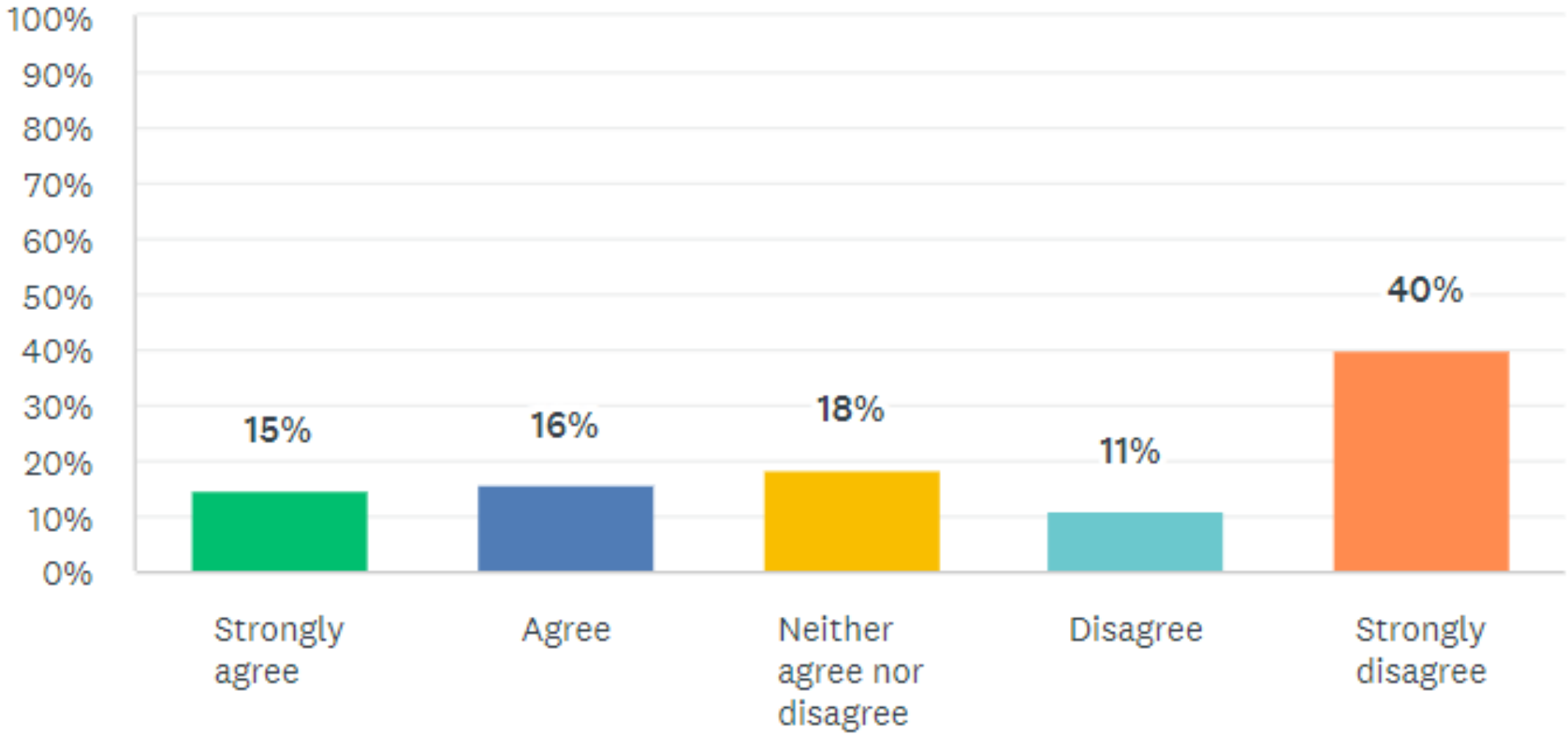
Q11: I would like to have a live performance theater downtown.



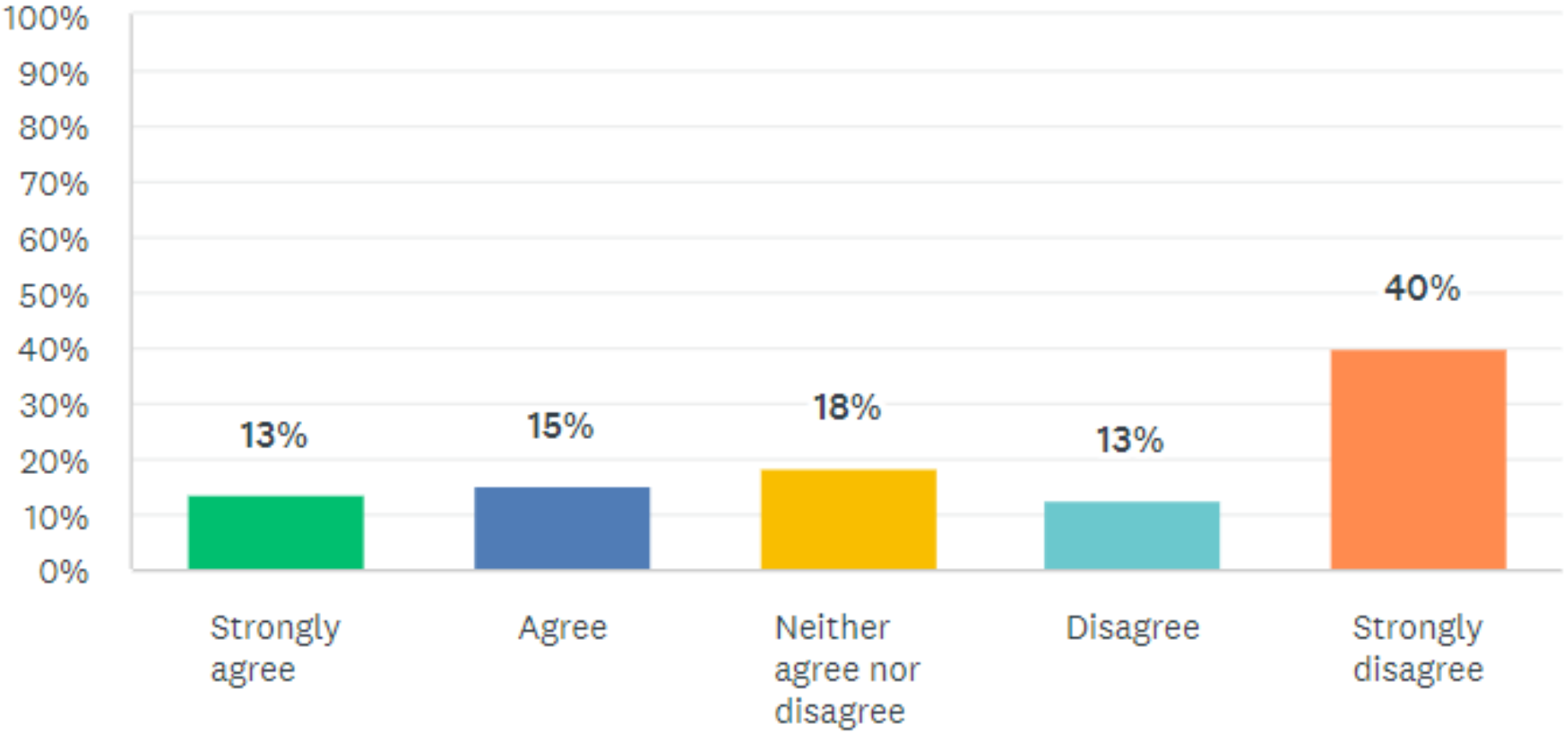
Q12: I want the city to allow a theater to replace a downtown parking plaza (for example, Plaza #2 behind the Main Street Post Office).



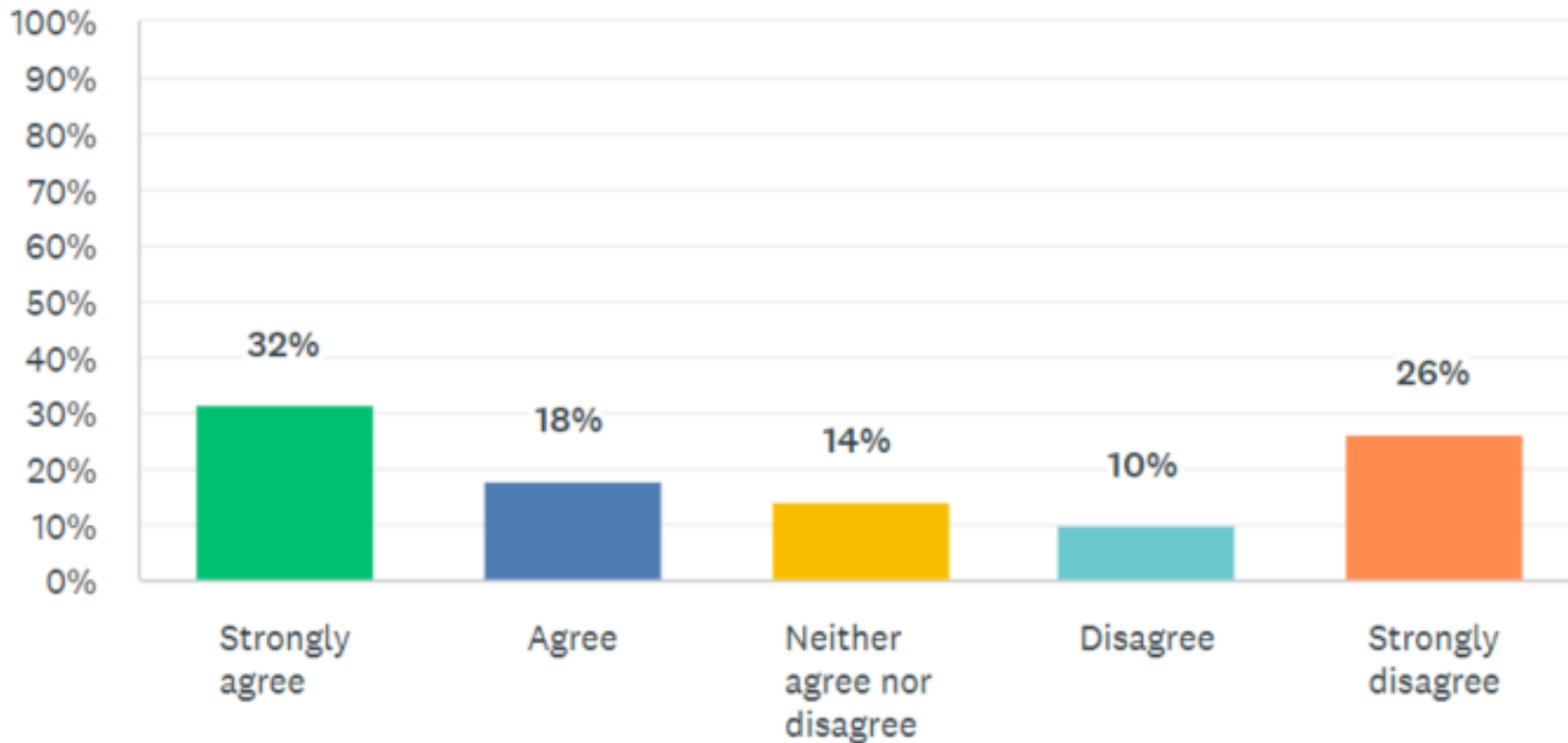
Q13: I want the city to provide funding from the city budget toward the cost of construction of a downtown theater.



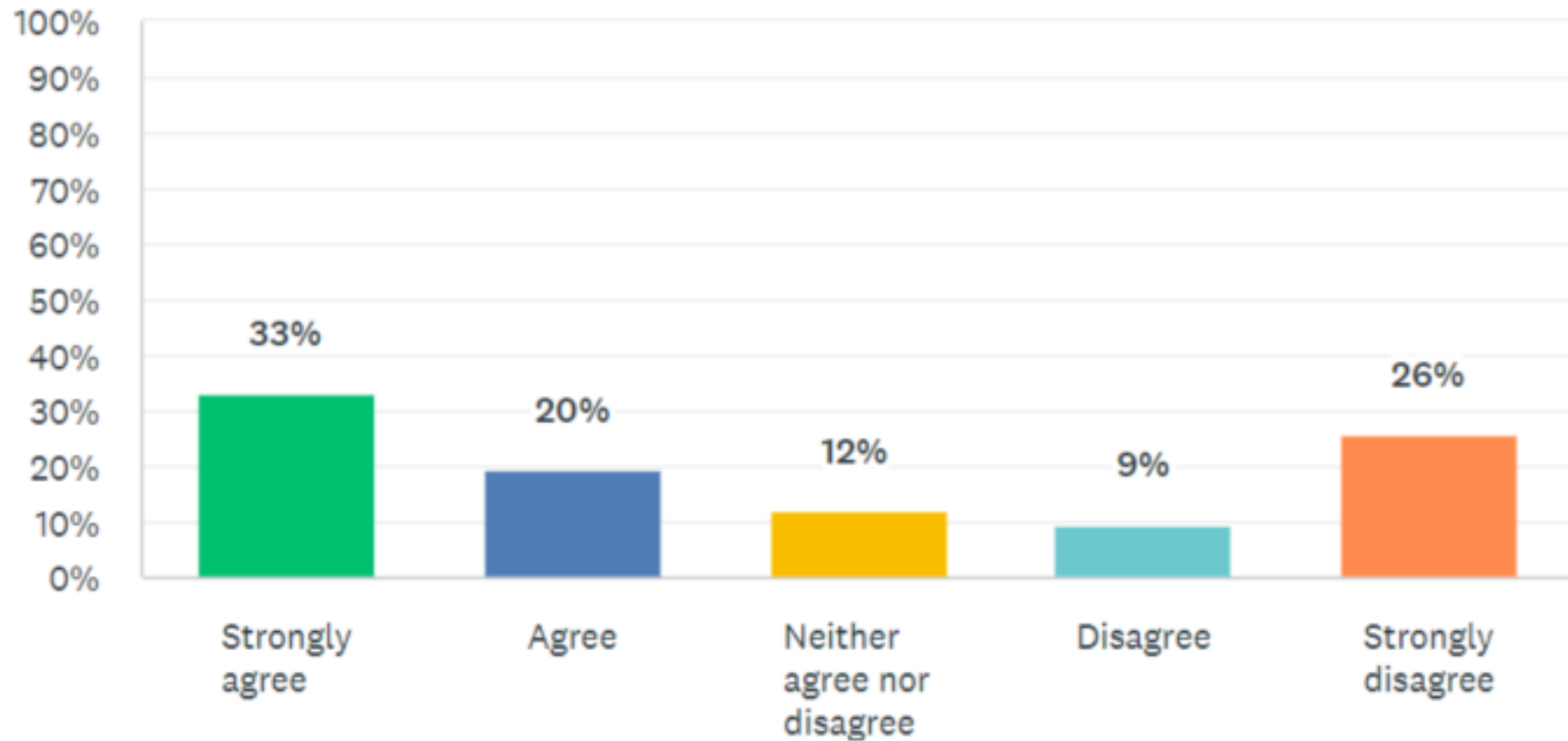
Q14: I want the city to provide funding from the city budget toward the ongoing maintenance and operating expenses of a downtown theater.



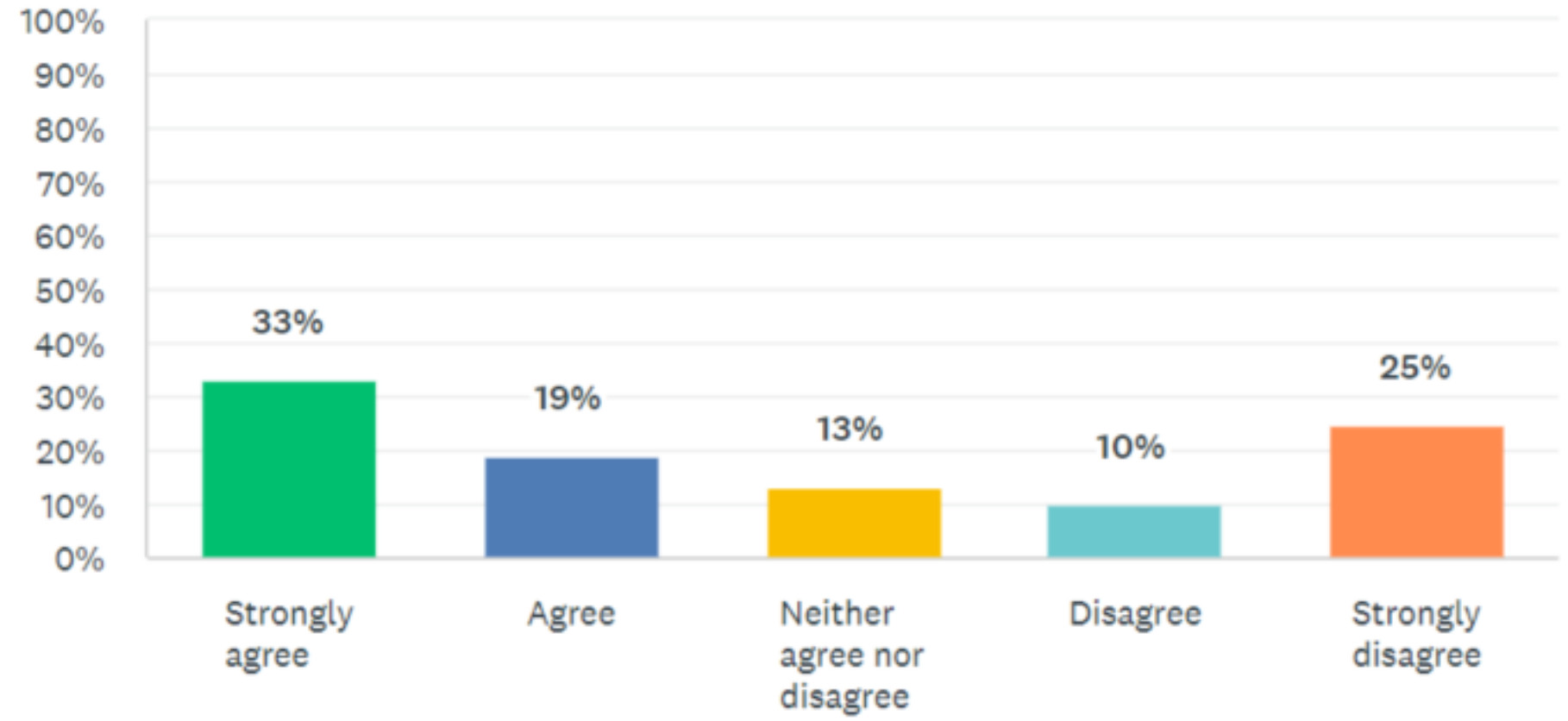
Q15: I want to vote in a citywide election on whether to use city-owned land (for example, Parking Plaza #2 behind the Main Street Post Office) for a theater.



Q16: I want to vote in a citywide election on whether the city should provide any funding from the city budget toward the cost of construction of a downtown theater.



Q17: I want to vote in a citywide election on whether provide any funding from the city budget for the ongoing maintenance and operating expenses of a downtown theater.





PUBLIC CORRESPONDENCE

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May 9, 2023

Mayor Meadows and the Los Altos City Council
Los Altos City Hall
1 North San Antonio Road
Los Altos, CA 94022

Subject: SUPPORT FOR NEW DOWNTOWN PERFORMING ARTS THEATER

I support the findings of the recent “Los Altos Theater Study” and the 2018 “Los Altos Downtown Vision Plan” as it relates to a new Downtown live theater. A Downtown theater would support the Downtown economic viability. It is supported by the merchants, Los Altos Village Association (LAVA), the property owners, Los Altos Property Owners Downtown (LAPOD), and many in Los Altos and the surrounding community.

The Theater Study found, “there is both need and opportunity for replacement of the existing Bus Barn Theater” with a larger theater. The consistent, steady and measured growth of the Los Altos Stage Company indicates solid management, oversight, and programming that is appreciated by the community. The market for a larger live theater is extremely strong in our Los Altos community.

Similar to the Downtown Vision Study, this new Theater Study, said “a majority currently felt that advantages of developing a new theater would be to enhance downtown Los Altos as a hub of economic and cultural activity, and to bring the community a sense of pride – pride of place.”

Of course, there will always be naysayers, who lead with fear and negative fantasies. They opposed the Community Center, and yet it is now a beautiful, functional asset to the City, loved by the Community. There are those afraid of live theater, and the multiple points of view and entertainment that it offers. Fortunately, the success of live theater does not rely upon those who wish to silence it. Yet the theater provides freedom of thought and speech, education, economic vitality, community gathering, and entertainment for the entire community.

A new Downtown Theater would be a wonderful resource, serving the Downtown, and Los Altos, and doing it better. All indicators show the economy of scale of a new theater would not only be embraced by the Community, it will also support the Downtown, and fit in well with neighboring businesses, offices and residential areas.

Imagine shopping Downtown, dining, and attending the theater all in one place. And imagine how wonderful the Stage Company can serve the Community with a proper theater building. I encourage you to continue your leadership to support the process of moving toward the Downtown Vision Plan and a new Downtown live theater.

Respectfully,
Mark Rogge

From: [Frank Martin](#)
To: [Public Comment](#)
Subject: Public Comment, Study Session, May 9, 2023"
Date: Monday, May 8, 2023 2:18:31 PM

Dear council members,

I strongly oppose using any of my tax dollars for a downtown theatre. Some of my friends are wondering whether the huge sewer tax fee [tax] increase you are considering is just another way to free up general funds for this purpose instead of using general funds to reduce or eliminate the sewer tax increase. Maybe this is true or maybe it is not.

The theatre is a money losing enterprise that cannot survive without about 50% ongoing donations or subsidies.

It benefits only a tiny number of kids and families in contrast to our community center or library. Some`people say it is another special interest grab on city land like a Bocce Ball court at Grant Park but I am not sure.

Moreover our city government does not belong in the theatre business.

If you want to give away a city parking lot or any city property or provide any city funds for any reason such as a downtown theatre for your interests this should be decided by an election ballot.

Moreover, having such short public notice of this special meeting is hardly a good idea if you believe in transparency and good governance.

Frank Martin

From: [Pat Marriot](#)
To: [Public Comment](#)
Subject: PUBLIC COMMENT THEATER STUDY SESSION MAY 9, 2023
Date: Monday, May 8, 2023 2:43:18 PM

Council Members:

“As trustees of the city, elected officials and city managers have special and serious obligations to safeguard the fiscal assets of the public.” League of California Cities

With that fiscal responsibility in mind, your job is to determine whether a new theater is economically feasible for the city and its residents.

I. LASC PRESENTATION

The feasibility study presented is based on “likely project costs” (\$23.4M), “likely utilization” (annual attendance of 20,500 from over 725 activities), and a “likely forecast” (expenses covered by earned revenue + equal contributions).

Demographic market data is no guarantee that wealthy people would contribute to or patronize a Los Altos theater over other charitable or entertainment options.

The quoted survey of “445 respondents who self-selected to participate” was distributed by LASC with instructions to “pass the link along to others.” Thus, it’s not scientifically valid and its conclusions should be ignored. In any case, it only asked if people would like a theater, not their willingness to pay for it

LASC has said it wants to give the theater to the city and lease it back. Bearing in mind your legal obligation to “safeguard the fiscal assets of the public,”

- Is it fiscally responsible to accept a “gift” that would drain our budget with added staff and building maintenance for a private interest group?
 - Is it fiscally responsible to take on major expenses at a time of rampant inflation, with a \$120M county budget deficit, a \$30B state budget deficit, while burdening residents with an exorbitant sewer fee increase, while the city can’t maintain existing assets (public safety building, Grant Park senior center, Halsey House among others)?
-

II. THE MISSING PRESENTATION: OTHER OPTIONS

LASC’s goal is to “increase the vibrancy of Los Altos’ downtown business district,” using the 2017 Downtown Vision to support its cause.

Its feasibility study does not indicate how increased vibrancy would be measured, but the

2017 economic study estimated a 190-seat theater – with parking – would generate an additional \$1M in downtown sales, increasing restaurant sales by 2.7% and other downtown retail sales by a mere 0.7%. Very small percentages.

Table 8: Estimated New Downtown Theater Impact on Downtown Sales

	Existing Theater	New Theater
Seating Capacity	100	190
Estimated Event Days/Evenings	135	200
Estimated Attendance @ 80% of Capacity	10,800	30,400
Estimated Percentage of Attendees Patronizing Downtown	50%	70%
Average Spending for Meals/Drinking/Incidentals	\$50	\$55
Theater Patron Sales Impact on Downtown	\$270,000	\$1,170,400
Add 10% for Performer and Staff Impact	\$297,000	\$1,287,440
Gain in Downtown Sales Due to New Theater Patrons/Performers/Staff		\$990,440

Source: LEG estimates based upon interview with Executive Director of Stage Company

This new 12,000 square foot theater will generate approximately \$1 million in addition downtown sales, almost entirely in restaurants, bars and coffee shops. This \$1 million in new sales represents a 2.7 percent increase in downtown restaurant sales and only a 0.7 percent increase in total downtown retail sales.



That economic study gave three other options for increasing downtown sales by \$1M: 64 apartments or 48 luxury condos or 113 hotel rooms or offices– all of which would be paid for, owned and maintained by private entities, costing the city nothing, but bringing in property and/or hotel tax.

Property tax is the city's largest source of revenue, 9x - 10x sales tax, so why would we opt for a theater as the best way to increase vibrancy/income?

Our Housing Element Update commits us to housing on downtown parking plazas, far more essential than a theater, especially considering the state’s housing strike force and builders remedy to contend with if we don’t meet our housing mandates.

A downtown theater would require parking to replace what would be lost by a 13,000 sf building and to provide parking for theater patrons. Palo Alto recently built a new above-ground parking garage with 627 spaces for a cost of \$67,838,798 ~ \$108,000/space.

Bearing in mind your legal obligation to “safeguard the fiscal assets of the public,”

- Is it fiscally responsible to use scarce city resources – time, staff, funds – for a theater that offers minimal, if any, ROI and does not have broad support among your constituents?
- Is it fiscally responsible to choose the “vibrancy” option that provides the least revenue to the city?
- Is it fiscally responsible to assume responsibility for building a multi-million parking garage downtown?

I urge you to consider your responses carefully because there’s a lot of money and a lot of credibility at stake.

Respectfully,

Pat Marriott

From: [Penny Lave](#)
To: [Public Comment](#)
Subject: Downtown Theater
Date: Monday, May 8, 2023 2:46:16 PM

The Los Altos community deserves the opportunity to explore the feasibility of a downtown theater. We support the City cooperating with the group of residents currently investigating such a project. There is precedent. Our excellent History Museum is a shining example of what dedicated residents can accomplish. Let's find out if it is possible!

Penny and Roy Lave

Sent from my iPad

From: [Couture, Terri](#)
To: [Public Comment](#)
Subject: FW: PUBLIC COMMENT THEATER STUDY SESSION MAY 9, 2023
Date: Monday, May 8, 2023 3:11:42 PM

Dear City Council

Regarding the theatre proposal, our City Council should safeguard our finances for the core operations to keep our city safe and viable.

The city is in dire need of many capital improvements and repairs, we also have financial obligations that must be paid, and MUST take priority over entertainment.

Page 6 of the feasibility study showed growth in revenues, but this study was done before the economic downturn. Governor Newsom's proposed 2023-2024 budget projects an even deeper decline than 2022.

The overall inflation rate this year was 7.27% and the CPI increase yearly was 5.3%. The economy is shrinking, mortgage rates have tripled, businesses are not projecting revenue increases & are firing workers.

Many newly local residents are fearful of losing their jobs and at least 3 businesses have recently left Los Altos, as they are going out of business.

The study further states that it analyzed 15 local zip codes of which there are already more than 10 community theatres. In a shrinking economy there should be more focus on maintaining the city services, necessary facilities and personnel.

The study does not show how the theater will help the children of the community even though it states that as a attribute. The study doesn't show how it will reach and improve the lives of those in affordable housing or on limited incomes.

Where is the concrete financial analysis for the theatre?

Our City Council should safeguard our finances for the core operations to keep our city safe and viable. Do not consider this proposal at this time.

Thank you

Terri Couture

***Wire Fraud is Real*. Before wiring any money, call the intended recipient at a number you know is valid to confirm the instructions.** Additionally, please note that the sender does not have authority to bind a party to a real estate contract via written or verbal communication.

From: [Pat Marriot](#)
To: [Public Comment](#)
Subject: ** SECOND ** PUBLIC COMMENT THEATER STUDY SESSION MAY 9, 2023
Date: Monday, May 8, 2023 3:12:47 PM

Council Members:

I wrote to you on Saturday, May 6, saying I had not received email notification of this study session. I have since learned that eight other residents who follow Council and commission agendas did not receive an email.

Bruce Barton, editor of the Town Crier, which publishes information about city meetings, was unaware of the session.

I did receive email notifications for the May 9 council meeting, May 8 environmental commission, May 10 parks and rec meeting.

The first email notice of this theater study session arrived in my mailbox at 9:13 this morning.

I don't know why this study session is the only city meeting for which I've not received an email notice. It's unfortunate that most residents who rely on email were not unaware of this session – dealing with an important and contentious issue -- until this morning.

Pat Marriott

From: [Bill Hough](#)
To: [City Council](#)
Cc: [Public Comment](#)
Subject: Public Comment, Study Session, May 9, 2023
Date: Monday, May 8, 2023 4:34:20 PM

I continue to oppose the expenditure of public funds on a downtown theater, especially at the same time the city wants to double the sewer tax. I have an idea: why not cancel the theater and use the funds to pay for higher sewer costs?

Two groups, Los Altos Residents (LAR) and the Theater Working Group/AMS conducted surveys on this issue. Respondents from both surveys agree:

- the majority (44%) agree that only private donations should be used to support a new theater (versus 38% that disagreed)

- the majority (47%) do NOT want the city to provide funds towards the construction of a new theater (versus 40% that do)

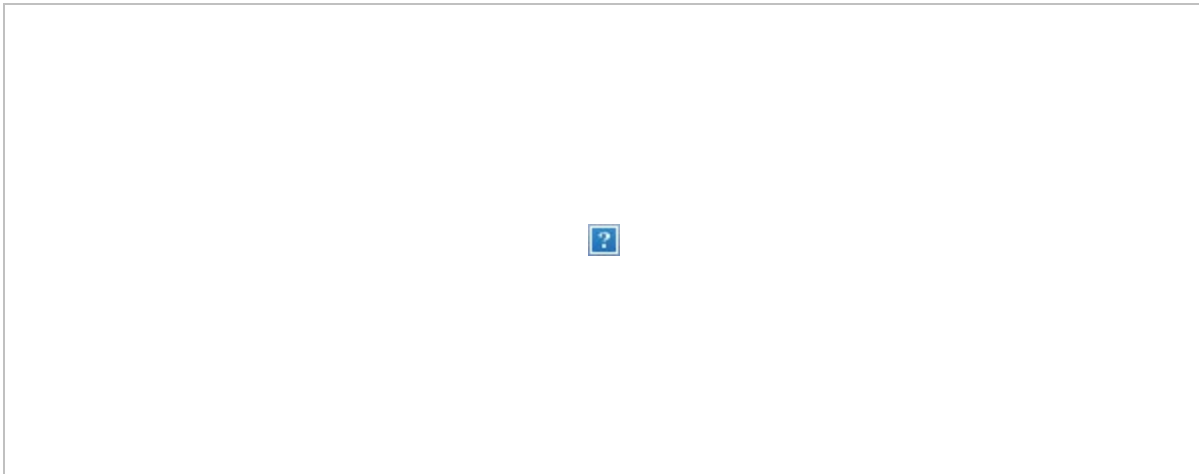
- the majority (41%) do NOT want the city to financially support the development and ongoing operations of a new theater (versus 37% that do)

These responses from both the LAR survey and from the AMS survey should be enough to convince you that your constituents do not want you to vote to spend any of their tax dollars for a new downtown theater. Let's let this bad idea die.

From: [Reena Kapoor](#)
To: [Public Comment](#)
Subject: [External Sender]Public Comment, Study Session, May 9, 2023
Date: Monday, May 8, 2023 6:31:32 PM

Dear Mayor Meadows, Vice Mayor Weinberg, and Council Members Lee Eng, Fligor, and Dailey--

In November, 2021 Los Altos Residents (LAR) conducted a survey asking residents of Los Altos questions about their support for a new theater downtown and whether they were in favor of paying for its construction and/or operations and maintenance. We also asked questions about whether they wanted a theater to replace a parking plaza and whether they wanted to be able to vote on all these expenditures and give aways of city land. We got 444 responses to our survey. Here is an executive summary of what those Los Altans that responded to the LAR survey thought. We also attach the complete data including the survey questions so you can judge for yourself if they were biased or not.



At the Study Session on May 9, 2023, AMS will report on the results of a survey it conducted for the Theater Working Group asking similar questions. AMS got 445 responses to its survey. However, only 81% of the responses AMS got were from Los Altans. So to compare the two surveys fairly, the LAR survey received 444 responses from Los Altans while the AMS survey only received 360 responses from Los Altans. LAR got input from 84 more Los Altans than AMS!

However here's the interesting thing: the respondents from the **Theater Working Group/AMS survey AGREE with the LAR survey** respondents on some very important points!!

Of the Theater Gp/AMS respondents:

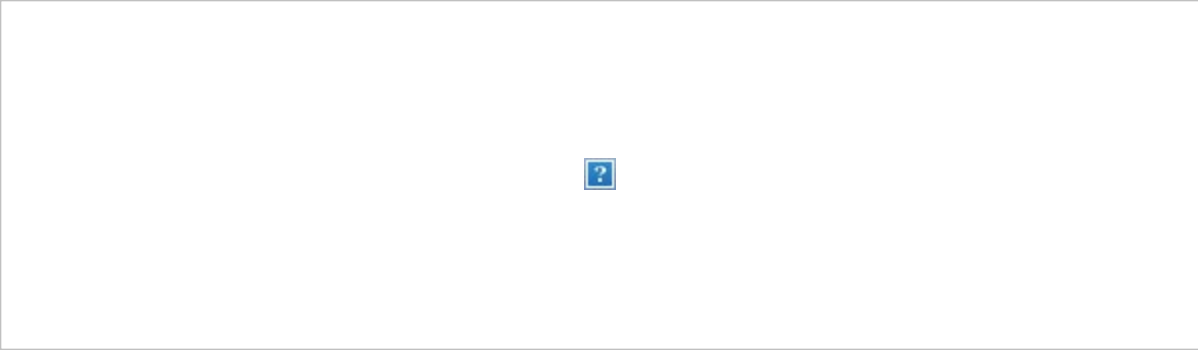
- the majority (44%) agree that only private donations should be used to support a new theater (versus 38% that disagreed)

- the majority (47%) do NOT want the city to provide funds towards the construction of a new theater (versus 40% that do)

- the majority (41%) do NOT want the city to financially support the development and ongoing operations of a new theater (versus 37% that do)

These responses from both the LAR survey and from the AMS survey should be enough to convince you that your constituents do not want you to vote to spend any of their tax dollars for a new downtown theater.

We understand that you place great weight on the Downtown Vision Plan as justification for building a theater downtown. However the Downtown Vision Plan was adopted by a former Council in August 2018 - almost 5 years ago. And the surveys and community engagement that form the basis of the Downtown Vision Plan were all conducted in the first half of 2017 - six years ago.



(see July 13, 2017 date - left side of page)

A great deal has transpired since July 2017. We had a pandemic that resulted in a huge loss of jobs, and a change in the way people work - many people continue to work remotely at least 2 days per week if not all 5 days. Stores have closed and continue to close downtown - Oz Boutique, Runners High, Cook's Junction, Cover Story, to name a few recent closures. Restaurants now occupy much of our street parking spaces on Main and State Streets. California has lost and continues to lose population and the tech sector has been laying off thousands of people in the Bay Area which will likely lead to even more loss of population. More has seemingly changed than not changed since the 2017 surveys that form the basis of the Downtown Vision Plan were taken. Are these survey results/community engagement takeaways still valid? Who can accurately answer that question? Do you have complete confidence the conclusions from the consultant are still correct?

We have several other questions we think need to be addressed:

1. Why was notice of this May 9, 2023 Study Session not sent out to people on the email list for City Council meetings or mentioned in the City Manager Weekly Update? Notice of the May 9, 2023 Regular City Council meeting was sent out to this

email list. It is the practice of City Staff to send out notices of Study Sessions to everyone on this email list - why was this Study Session excluded? It could be interpreted to look like an attempt to keep this Study Session “under the radar” hoping that it wouldn’t come to the attention of interested parties such as LAR.

2. Would Council consider allowing the Theater Working Group to pay for and build a new theater where the Bus Barn Theater is currently located including allowing a larger footprint to accommodate the planned new theater, thus keeping the theater on the Civic Center Campus where it can take advantage of the parking afforded by the new Community Center?
3. Will the Council direct staff to conduct a survey and find out how many of your constituents want to get rid of the parking spaces on Parking Plaza 2 - the parking plaza behind the Main Street Post Office, Chico's, the Discovery Shop, and the Rustic House - in order to build a theater?
4. Will we need to build required RHNA housing on that city-owned Parking Plaza?
5. Could we build a park for all the residents of the new condos downtown on that Parking Plaza?
6. Which of these options, park or theater, would benefit the most citizens and taxpayers of Los Altos?
7. What does funding the theater with “public/private” funds mean?
8. And exactly how much public funding are you willing to commit to?
9. Why are you even considering funding a new theater when the City apparently can't afford a desperately needed new police building?

These are just some of the questions we think you should address before any action is taken on a new downtown theater including funding any more new surveys on whether the Los Altos Stage Company can successfully raise the money to build a theater with "public/private" or even with only private funds. If they can't raise enough money to fund a survey, it would appear unlikely they could raise the tens of millions needed to build a new theater.

While we believe that most of you favor a new downtown theater, both surveys show that the majority of Los Altans do not want you to vote to pay any of our tax dollars towards the construction, development or operations of a new theater. Moreover, we believe the majority of Los Altans would prefer their tax dollars be used instead on resolving our budget deficit and, for example, funding all the deferred maintenance that has left most of the city-owned buildings in sad shape (police building, City Hall, Los Altos Youth Center, Grant Park Community Buildings/Senior Center to name a few). We believe they would prefer that you spend our tax dollars to bring our two fire stations into compliance. We understand our police force needs to hire nine (9) police officers to be fully staffed and we believe that public safety and crime

prevention is at the top of most of your constituents expectations from its City government We also believe we need to hire staff for City departments because we understand that many of the department are significantly understaffed.

It seems to Los Altos Residents that these items are all “must haves” and that a new theater is a “nice to have” but is not required especially when a theater already exists and has been successfully putting on productions.

We would urge you to listen to the viewpoint of all of your constituents - including those who responded to the LAR survey AND those who responded to the Theater Group/AMS survey.

Again, the majority of all respondents from both surveys do NOT want the City to fund the construction, development or the ongoing operations of a new theater.

We hope you will take our concerns into consideration when you take up a new theater for discussion at the May 9, 2023 Study Session.

Sincerely,
Thanks!

Reena



REENA KAPOOR

1927 ANNETTE LN., LOS ALTOS, CA 94024

reena1988@gmail.com | rkapoor@alumni.northwestern.edu

From: [Oleg Kiselev](#)
To: [Public Comment](#)
Subject: Public Comment, Study Session, May 9, 2023"
Date: Monday, May 8, 2023 7:21:48 PM

Dear City Council,

I have an objection to:

1. Building the new theater on the Downtown Parking Plaza
2. Using city funds to pay for the construction of the new theater
3. Using city funds to pay for the maintenance of the new theater

A new theater is not going to revitalize the downtown or bring new business. Most likely, it will move the patrons who attend Bus Barn theater now 2 blocks over.

I don't object to a private group buying or leasing land from the city and building a theater at their own expense. If the idea behind this theater is sound, the theater should be able to support its ongoing costs from its business. If the theater can not survive on its own revenues and the donations of its supporters, then saddling the city with a permanent lifeline for it (\$1M/year by 2028-2030?!) is extremely irresponsible.

I am a Los Altos resident and property tax payer for the past 23 years.

From: baerjc@earthlink.net
To: [Public Comment](#)
Cc: [City Council](#); [Gabriel Engeland](#)
Subject: [External Sender]public comments on theater study session may 9
Date: Monday, May 8, 2023 8:30:35 PM

To: Los Altos City Council

From: Jon Baer

Re: Downtown theater study session

1. Land on the Civic center site is a viable and preferable option for locating a new theater-there is sufficient land, readily available parking and close proximity to the downtown.
2. A downtown location for the theater, while originally envisioned as part of the downtown vision plan, is no longer a good option. Much has changed, including the need to put housing downtown on several of the downtown parking plazas without necessarily providing parking, much less replacing the lost parking spots. The other parking plazas must be kept for parking to meet the demand for parking for existing downtown businesses as well as new residential buildings which have insufficient parking.
3. Building affordable housing in the downtown without providing parking, while within the current State laws, is a policy decision which unduly disadvantages those in affordable housing who have cars and could subject the City to legal challenge. Please read the following article on this subject: <https://missionlocal.org/2023/05/no-parking-at-mission-affordable-housing-means-tenants-pay-the-price/>
4. The proposed downtown theater does not address the issue of parking nor replacement parking. Looking at adding mixed use development to the project only worsens the parking deficit
5. Park in lieu and public art funds should not be used to construct or subsidize operations of a theater. The money was raised to maintain and upgrade our parks and provide public art throughout town. Using those funds for a theater is a misuse and mis-prioritization of money. The city has failed to fund other, time sensitive park projects, including improvement at Grant park which could be funded by park in lieu monies. By funding projects such as the theater with park in lieu money, it will necessitate deferring other projects or require diversion of scarce general funds for those projects.
6. The proforma for the theater assumes that grants, corporate sponsorship and donations will cover the nearly \$900K annual deficit. This deficit, which is likely to grow over time, is as large as the revenues expected from productions, programs and rentals. This is a huge hole which the City would be forced to cover if donations do not meet projections.
7. The cost of construction is estimated at \$1000/ft sq. Given the cost of building the community center, that cost estimate may be low by 30-50%, particularly if it must meet standards for City public facilities.
8. While there is support for a theater from a core group within the community, half the residents are not in favor of funding a theater with public funds. Most of the public is not in favor of donating land for a theater.
9. The survey that was completed by the theater group was ambiguous and misleading, resulting in survey results that do not fully reflect the community's opposition to spending city funds on a new theater.

From: [Carla Hickman](#)
To: [Public Comment](#)
Subject: [External Sender]Public Comment, Study Session, May 9, 2023--Theatre
Date: Tuesday, May 9, 2023 12:17:42 AM

I am writing to voice my opposition to the City spending money and converting any City lands for a Theatre in Downtown Los Altos. I have many concerns over this issue.

1. The notifications and information about this entire project have been dismal. I feel like the Council is trying to sneak this in without any true input from the residents.
2. Parking is already at a premium in Los Altos. Between the restaurants taking parking spaces (which I am NOT opposed to), new development adding more users downtown and very little new parking, and the already limited availability for parking in downtown, it is absurd to think of taking spaces for a theatre that would require more parking, and yet taking away parking.
3. The idea of the City paying for any part of the construction of this Theatre, and an even bigger problem, being responsible for the upkeep and staffing for such a venture in the long term, is absurd. We all heard the comment from one of the City Council member after winning election who "promised" a theatre to the best friend. Ridiculous. If a theatre is so well supported, then let those that want it fund it with their own supporters.
4. Los Altos is a small town. The existing live theatre does not appear to be a huge draw, as there are always tickets available, certainly not enough to spend millions to expand, take parking and require years of long term costs. People are NOT coming to Los Altos to go to a play. There are several theaters in other communities nearby that are more than available for Los Altans to participate in if they so desire. Mountain View Theatre sits vacant so much of the year and they have a community more than double the size of ours. There are theaters available at the high schools, and even Foothill where arrangements could be made for shared use.
5. At a time when people are moving away from the area and housing prices are going down, construction costs are skyrocketing (see recent articles on Bay Area City projects in the area with costs far exceeding budgets), and long term budgets in question with less business taxes coming, now is NOT the time to put a huge financial outlay on the budget, with maintenance and staffing costs continuing far into an uncertain future.
6. Your own, very minimally successful survey does not match up with your idea of overwhelming support for this project. People are not interested in this project. At minimum, this should be put to the voters. The idea that the City has spent as much money as it has, even considering this with feasibility studies and the like is ridiculous. After getting a No vote on the Community Center, and pushing it through despite voters saying no, and seeing the empty spaces over there on a regular basis, and lack of available staffing, I am extremely concerned that the Council is trying to proceed with their own agenda with no regard for the thoughts and opinions of the constituents they serve.

Please take into consideration the citizens of this town outside of your immediate friend group. There are still many of us living in this town that do not have unlimited funds to support fiscally irresponsible spending.

The support for a downtown theatre is minimal from the discussions I have had with neighbors and friends in town, and I strongly urge you to be realistic about what you are thinking about, and drop the Theatre project from consideration.

Carla Hickman
Los Altos Resident

From: [Jo Estill](#)
To: [Public Comment](#)
Subject: Public Comment Study Session May 9, 2023
Date: Tuesday, May 9, 2023 7:57:21 AM

Any consideration of spending any city funds on a theater is ludicrous. Our city is facing such liability right now from lack of funding for normal town expenses. For instance, how many people have fallen already while tripping on the upended asphalt in all of our parking plazas? For instance, how many residents have tripped while trying to reach their mailboxes because the city's gutters are impeded due to city installed street tree's roots? For instance, where in our city's budget does it fulfill the future unfunded employee pension plans? For instance where in our city's budget is funding for much needed upgrading to 70 year old buildings?

Even considering any city funds towards a theater at this time is seriously a frivolous idea.

JoAnne Estill
1972 Deodara Drive
Phone: 650 967 5086

From: [Monica Waldman](#)
To: [Public Comment](#)
Subject: PUBLIC COMMENT MAY 9, 2023 THEATER STUDY SESSION
Date: Tuesday, May 9, 2023 8:01:31 AM

Council Members,

My family benefits from having a local theater in Los Altos and we've attended several performances over the years. After reading the packet for the Theater Study Session I have the following concerns:

1. Why was the survey not sent to all members of the Los Altos community but instead sent to a select few who were selected by an unknown criteria? As Chair of the Public Arts Commission, an art teacher and a working artist with an extensive arts background, I was saddened that I was not "chosen" to participate in the survey. How accurate are the results and how do they reflect the wishes of the community?
2. Slide 40 mentions "Housing, housing, housing!" which should be the top priority with City owned land at this time. We are trying to get our Housing Element passed and how will HCD react when finding out our City will be using City owned land for an entertainment venue in lieu of housing?
3. Why not rebuild LASC's current building and create a Cultural Hub with the Main Library, History Museum, Community Center and new theater? Events could use multiple facilities with ease with this configuration.

Monica

From: [Rita Held](#)
To: [Public Comment](#)
Subject: downtown theater
Date: Tuesday, May 9, 2023 11:03:32 AM

A new theater downtown is not a good idea.

#1 Using a downtown parking plaza for a new theater is ridiculous. Parking downtown is tight, especially now with outdoor eating taking lots of street parking.

#2 We already have a theater at the community center where there is lots of parking. If needed, renovate the existing theater or build a new one there.

#3 Perhaps it's time to put this issue on the 2024 ballot, and let Los Altos voters decide.

Most sincerely,
Rita Cartalano