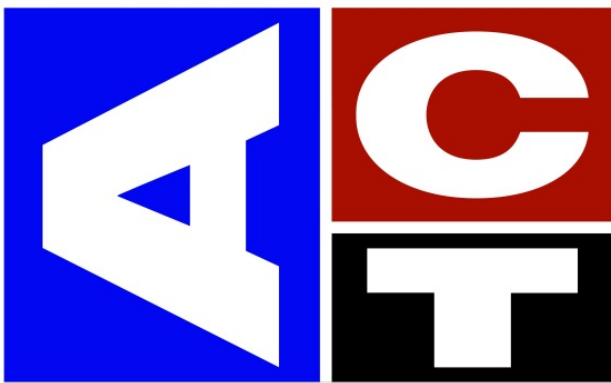


# INVESTING IN THE FUTURE OF CONSCIOUSNESS-RAISING THEATRE: A CAMPAIGN PLANNING STUDY FOR ACT, SUMMER 2013



**Timed with its 50<sup>th</sup> anniversary**, ACT Theatre is evaluating the feasibility of a \$15M campaign to ensure its long-term financial sustainability as an innovative theatre that engages new audiences, inspires future generations of artists, and serves as a cultural engine for the region.



**A Contemporary Theatre**



## A HISTORY OF SUCCESS

**1965:** ACT opens in Queen Anne as the brainchild of Gregory A. Falls, then head of the UW's School of Drama.

**1965-1995:** ACT steadily grows into one of the region's most prominent professional theatres.

**1996:** Under the leadership of Managing Director Susan Trapnell, ACT raises \$36 million to move to the Eagles Auditorium in downtown Seattle, now on the National Register of Historic Places.

**2002:** ACT's Young Playwrights Program is created, offering Seattle-area students a language arts curriculum based on the art of playwriting, an extension of the theatre's commitment to new voices.

**2007:** The Central Heating Lab was conceived, creating a new model for ACT and setting the course for becoming a performing arts center with multidisciplinary programming throughout the building.

**2009:** ACTPass, a first-of-its-kind monthly membership program, is instituted. With consistent annual growth, this program is bringing in diverse audiences whose average age is half that of current subscribers.

**2010, 2011, 2012:** ACT receives the Theatre Puget Sound Gregory Award as Outstanding Theatre of the Year three times in a row.

## DRIVING NEW IDEAS THROUGH ARTISTIC EXCELLENCE AND ACCESSIBILITY

**Seattle is defined by its art** – the soul of our city. Unusual architecture, playful public art, contemporary music, and world premiere plays have put Seattle on the map and express a uniquely creative community. The arts add to our unparalleled quality of life as well as our economic well-being. Arts organizations preserve historic facilities and help neighborhoods leverage their cultural assets. They enhance the education of young people, and both deeply challenge and inspire new perspectives among audience members.

**For nearly 50 years,** ACT - A Contemporary Theatre has been a vital artistic home for the region. Known for innovation, world premieres, and commissioning of new works, ACT is more than just a part of the fabric of Seattle's arts community, it is a driving agent that cultivates a community of artists and creates an accessible and welcoming place for diverse audiences.

**ACT serves as a cultural engine** for theatre, dance, music, and film that touches its audiences through large-scale productions and rare intimate moments. Located in the historic Eagles Auditorium of downtown Seattle, ACT operates five distinct venues – often simultaneously; more than any other theatre in the Puget Sound.

**ACT's mission is to raise consciousness through theatre.** With more than 500 performances and 140,000 people attending shows annually, ACT brings artists and the public together to witness, contemplate, and engage in dialogue on today's important issues, ideas and art – presented with intelligence, insight, and humor.

## RECENT FAN-FAVORITE PRODUCTIONS

*The Seagull* by Anton Chekhov

*First Date: A New Musical* (now on Broadway), book by Austin Winsberg, music & lyrics by Alan Zachary & Michael Weiner

*Seattle Confidential*, hosted by Ian Bell

*A Christmas Carol* by Charles Dickens, a Seattle Holiday tradition since 1976



## A THEATRE THAT ARTISTS AT THE TOP-OF-THEIR GAME AND NEW-TO-THE-GAME CALL HOME

**Some of ACT's most successful and memorable artistic endeavors** have come straight from the ideas of the artists who call ACT home. From workshops to world premieres, ACT is both an incubator and a producer; turning wishful thoughts into dreams come true.



Photo Courtesy of LaRae Lobdell

*"I LOVED the Ramayana [and] feel so proud to live in a city that would take a chance on this and do something so beautiful. It held my attention for the entire time ... the costumes, acting, music, dance and story elements all combined in a wonderful whole; thank you."*

*-Vicki W.*

**Mainstage Productions:** A season series of fully staged productions fulfill the mission of ACT with a high level of artistic merit.

**New Works Initiatives:** New plays and performance-related works are developed through the process of readings, workshops, classes, and commissions, with leading local and national playwrights and partners.

**Central Heating Lab:** Kurt Beattie's idea for how to grow ACT's performance offerings in the multi-venue building is now a nationally-renowned program. Providing space and resources for the development of projects in a variety of art forms helps cross-pollinate audiences and keep ACT fully operating all year long.

**Young Playwrights Program:** ACT's flagship education program sends professional playwright teaching artists into area schools for 10 weeks to teach the basics of playwriting to Puget Sound-area students. This program equips participants with tools for creative self-expression, endowing them with self-confidence and the sense that their ideas – about themselves, their world, and the challenges they face – matter, and their voices will be heard.

**Collaborations:** ACT's cultural engine is fueled through partnerships with a multitude of area organizations, individual artists, and fellow theatre companies. Recent collaborations include efforts with The 5th Avenue Theatre, Town Hall Seattle, University of Washington, Seattle Asian Art Museum, Washington Ensemble Theatre,

Azeotrope, New Century Theatre Company, The Seagull Project, 14/48, eSe Teatro, Bridging the Gap, Seattle Confidential, KT Niehoff, REPRESENT Multi-Cultural Festival, Hedgebrook Women Playwrights Festival, Icicle Creek Theatre Festival, and many more.

## A TIME OF GROWTH AND TRANSFORMATION



**In the past five years**, under the leadership of Kurt Beattie, Artistic Director, and Carlo Scandiuzzi, Executive Director, ACT has gained a strong local and national reputation. ACT has experienced a transformation through increased collaborations, expanded youth programming, and amplified artistic and audience outreach and development. Today, the historic Eagles Auditorium hums with activity at nearly all hours.

	<i>ACT Visits</i>	<i>Performances</i>	<i>Ticket Revenue</i>	<i>ACTPass Members</i>
<i>2008</i>	94,000	330	2,262,040	0
<i>2012</i>	170,000	541	3,145,031	1,536

**Over the next five years**, ACT plans to further this trend through new artistic opportunities and deeper community engagement. But to continue this growth and creative risk-taking, ACT must address its ongoing financial health and produce art in a sustainable manner to assure the future of the theatre.

*“But recession and nonprofit blues be damned: ACT has, in spite of it all, blossomed into one of Seattle’s liveliest and most inviting cultural hubs, a nerve center where audience members and artists of all stripes and ages can plug in and turn on.”*  
– American Theatre Magazine





## UNDERCAPITALIZATION – A PERENNIAL CHALLENGE

**ACT measures** its success through artistic excellence, cultivated arts community, and inspired audiences. But to do all of this, ACT must also measure success through its business model and bottom line.

Undercapitalization of arts organizations is a common struggle around the country and locally. At ACT undercapitalization has been a persistent issue that undermines the theatre's mission and threatens its survival.

ACT began accumulating debt after its move to the Eagles Auditorium due to a combination of initial subscriber attrition and increased operating costs. Though the theatre has proved nimble and entrepreneurial in the new space, it has also been unable to keep pace with the maintenance needs of its historic and highly-used facility. Two recessions over this time period have also challenged the theatre as well as shaken arts organizations around the country.

Debt and deferred maintenance keep the theatre looking backward instead of forward. ACT is a daring organization; however, to be able to take risks and explore the diversity of our community's artistic expression, it must develop a sustainable financial model that will allow it to continue to take leaps and push boundaries.



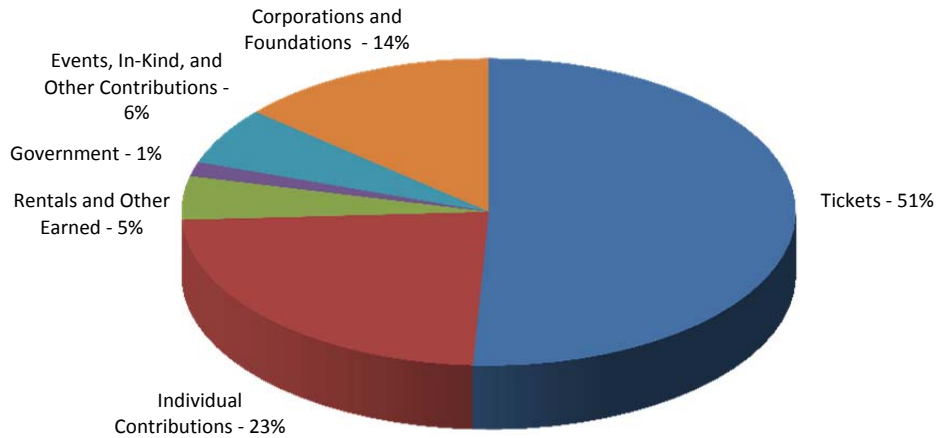
Photo Courtesy of LaRae Lobbell

# SOLID FINANCIAL PLANNING

**This past spring**, staff and board leadership conducted a thorough process of business planning to determine how to set ACT on a renewed and sustainable course. This has led to a series of initiatives and commitments to sound financial practices that will put ACT in a strong position in the short-term, and that will create renewing reserves to ensure financial stability for the long-term.

**ACT'S balanced budget** reflects the theatre's priorities and the multiple ways ACT engages with the community. To the right is a snapshot of ACT's 2013 revenue sources, divided between earned and contributed sources.

**ACT's 2013 \$5.7M Revenue Overview**



14/48 Theatre Festival, Photo Courtesy of John Ulman

# ACT'S \$15M PLAN FOR ARTISTIC EXCELLENCE AND FINANCIAL HEALTH

**Campaign Promise:** As a result of this \$15 million investment, ACT will be able to sustain financial stability for decades to come and invest in creativity, risk-taking, and innovation.

## ARTISTIC AND ENGAGEMENT INITIATIVE - \$2,500,000

- ACT will invest in new ideas, programs, and initiatives to create challenging and ambitious work for the theatre and broaden audiences.

## ARTISTIC AND ENGAGEMENT RESERVE - \$2,500,000

*This self-perpetuating revolving fund will provide a continued support fund for teams of artists and educators.*

## BUILDING REVITALIZATION INITIATIVE - \$5,500,000

- ACT will maintain an attractive, welcoming facility that provides access to all people and creates an unforgettable experience.
- ACT will meet ongoing maintenance needs to keep pace with world class theatres.

## DEFERRED MAINTENANCE - \$500,000

*ACT will address the building's physical and technical needs, including floor coverings in hallways, ramps, and lobbies.*

## CAPITAL IMPROVEMENTS - \$2,000,000

*Capital projects will renovate and enhance the main entrance, redesign the acoustics of the Ackerley Forum, create a café/bar, and relocate the ticket office.*

## CAPITAL REPLACEMENT RESERVE - \$3,000,000

*A quasi-endowment fund will use annual earnings to address current needs.*

## FINANCIAL SUSTAINABILITY INITIATIVE - \$6,000,000

- ACT will be able to focus on current operations and future opportunities.
- ACT will protect its core mission and its ability to produce inspiring, innovative work.

## LONG-TERM DEBT RETIREMENT - \$3,000,000

## WORKING CAPITAL RESERVE - \$3,000,000

*Equivalent to six months of operating expenses, this revolving fund will help with cash flow and unforeseen budget fluctuations due to external conditions.*

*Campaign costs are estimated at \$1,000,000, approximately 7% of the goal, which would build long-term fundraising capacity and round out campaign objectives to \$15 million.*



# THE RETURN ON A CAMPAIGN INVESTMENT

**ACT's campaign vision** will ensure that the theatre continues to thrive, innovate, and deliver great work for the next 50 years *and beyond*. These investments will have far-reaching impacts for ACT, the arts, and our community.

## A Stronger Theatre

With renewed financial strength, ACT will be able to invest more dollars in new, daring productions, extend outreach into diverse communities, expand youth programs and arts education, and fulfill the vision of Eagles Auditorium as a vibrant home for a broad range of artists and audiences.

## A Stronger Arts Sector

In its half century, ACT has become a foundational institution that strengthens Seattle's arts and cultural sector. ACT continues to grow in this role and is a training ground for young artists and an incubator

*"The nonprofit arts and culture are a \$447.6 million industry in the City of Seattle—one that supports 10,807 full-time equivalent jobs and generates \$38.2 million in local and state government revenue. Communities that support the arts and culture ... are investing in an industry that supports jobs, generates government revenue, and is a cornerstone of tourism."*

- Arts & Economic Prosperity IV Report, 2012

*"As a dynamic theatre, it's not enough to break even; we must invest in our long-term health. These initiatives and reserves will allow ACT to continue to dream, to dare, and to inspire – with the financial stability to weather uncertainty. This campaign is both responsible and incredibly bold."*

- Carlo Scandiuzzi, ACT Executive Director

for arts groups. ACT helps create a community that allows artists to live and work in this region, and maintains Seattle's presence as one of the country's leading cities of the arts.

## A Stronger Seattle and Regional Community

A dynamic arts and cultural presence is essential for a world-class city. ACT facilitates the examination of the critical issues and ideas of the day, thereby fostering creativity and innovation in the region. ACT truly does raise consciousness in both the creators and consumers of cutting-edge art.

## ACT FOR ACT: HOW YOU CAN HELP

**ACT has retained Collins Group**, a fundraising consulting firm, to gather opinions and feedback that will help us shape a successful fundraising campaign. Your thoughts and expertise are invaluable as we move forward.

### For more information, contact:

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