

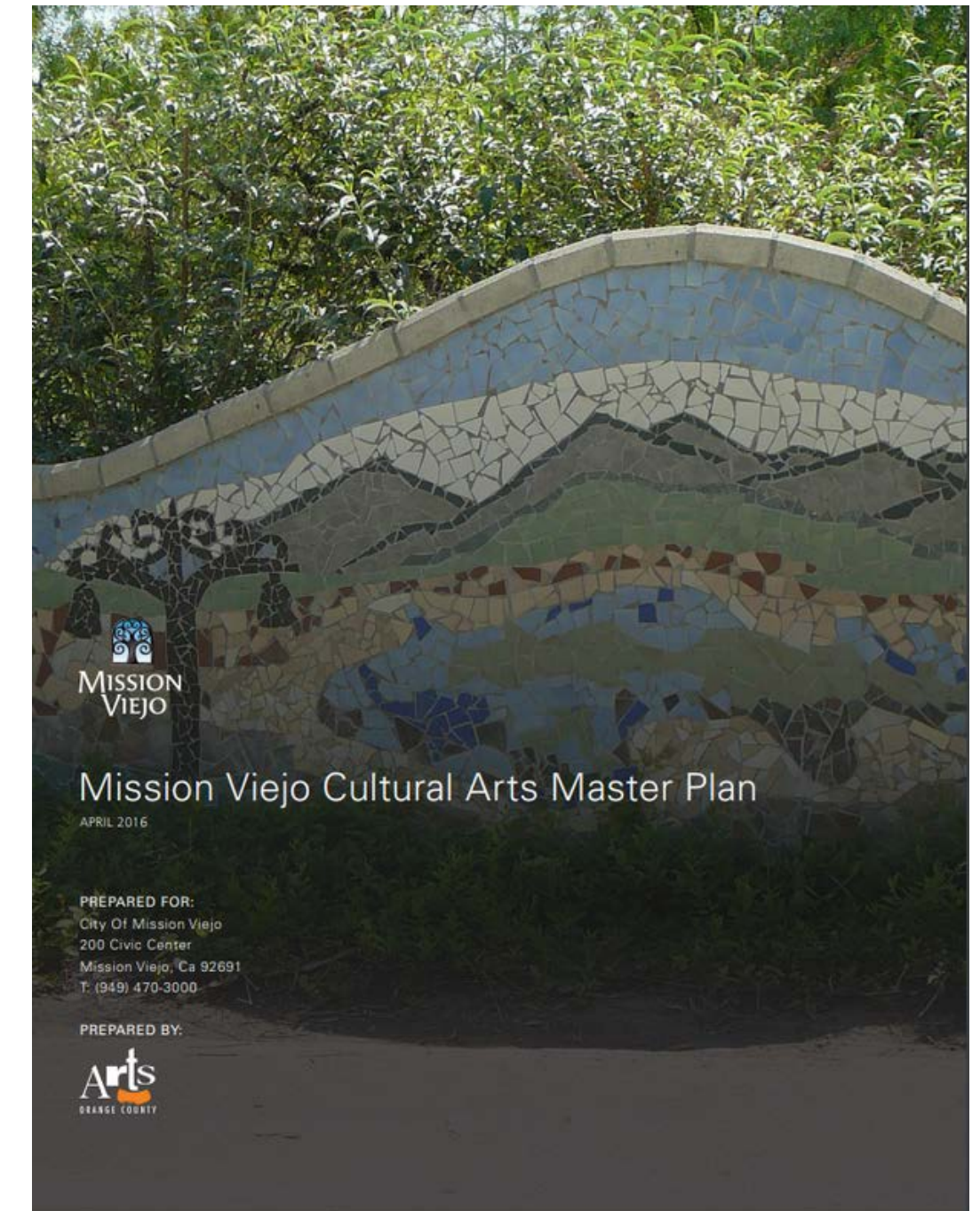
Performing Arts Center Feasibility Study Final Report



Project Background



- Adoption of the Cultural Arts Master Plan in 2017
 - demonstrated significant community interest in developing arts facilities
- Master Plan Recommendation to conduct a market and feasibility study
- Funds for the study allocated during Mid-year budget review for FY 22-23
- Contract awarded to TheatreDNA in July of 2023



Study Process



Benton Delinger
TheatreDNA



Michael Ferguson
TheatreDNA



Victor Gotesman
VGPAP



Teresa Koberstein
VGPAP



Joe Perryman
Cost+Plus



Alex Hargis
TheatreDNA

- Discovery & Community Engagement
- Market Analysis
- Benchmarking
- Facility Concepting
- Space Program
- Site Analysis
- Facility Capital Cost Projection
- Business & Operational Plan
- Bridging the Future
- Conclusions & Action Plan

Discovery

Review of Existing Documents & Plans

- Cultural Arts Master Plan
- Core Area Vision Plan
- Los Osos project documentation



Community Engagement

Engagement Process methods:

- Symphony in the Cities Outreach
- Working Group
- Key Stakeholder Interviews
- Public Survey
- Potential User Survey



Community Engagement

Stakeholder interviews: “What is missing in Mission Viejo?”



Community Engagement



Stakeholder interviews:

Why is a performing arts center needed in Mission Viejo?

- Economic development & community pride
- Educational support
- Well-rounded opportunities for youth
- More entertainment options close to home
- Support local arts & community groups

Stakeholder concerns:

- Difficulty of fundraising
- Cost to build & operate a facility
- Finding a viable location

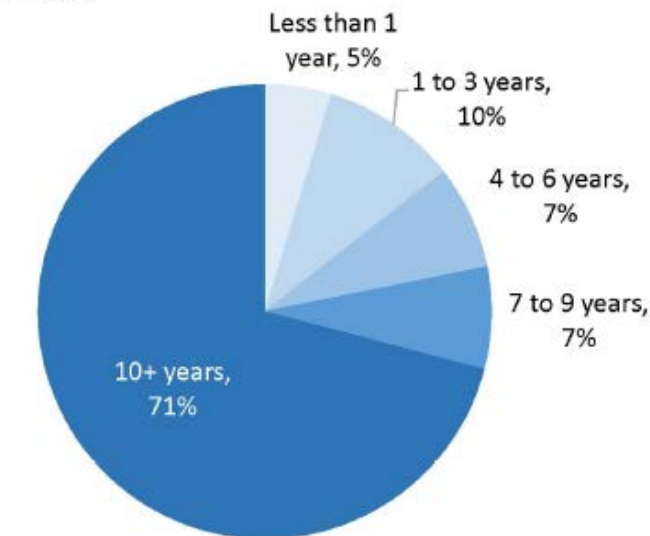
Community Engagement



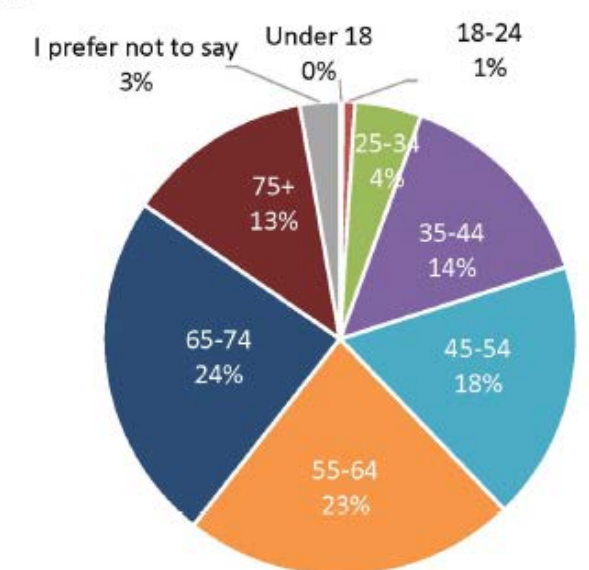
Public Survey, nearly 1000 responded:

- Respondents aligned fairly close to City demographics in age, but residents under age 65 were slightly under-represented
- Race/ethnicity and income questions each had significant percentages who declined to answer
 - Income respondents aligned closely with Census demographics
 - White/Caucasian respondents were slightly over-represented (2% above Census)
- 71% have lived in Mission Viejo for 10 years or more

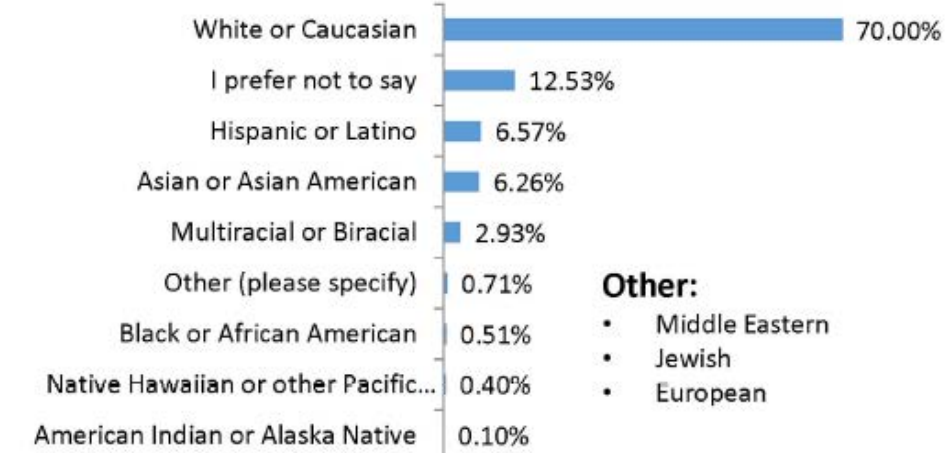
HOW LONG HAVE YOU LIVED IN MISSION VIEJO?



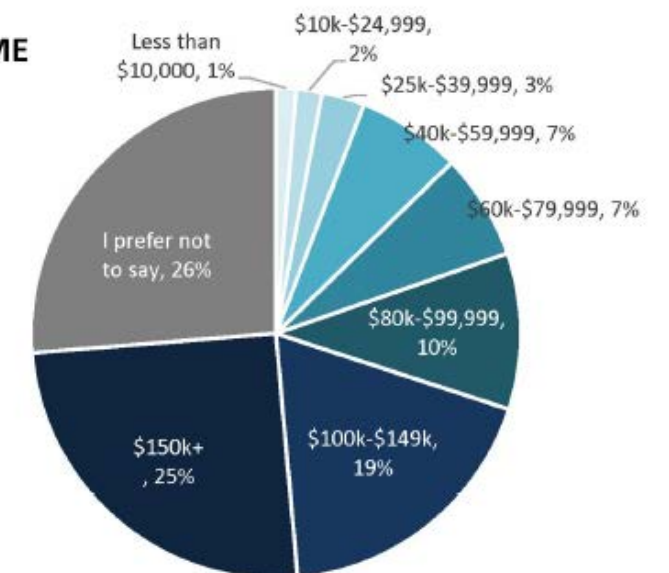
AGE



ETHNICITY + RACE



INCOME



Other:

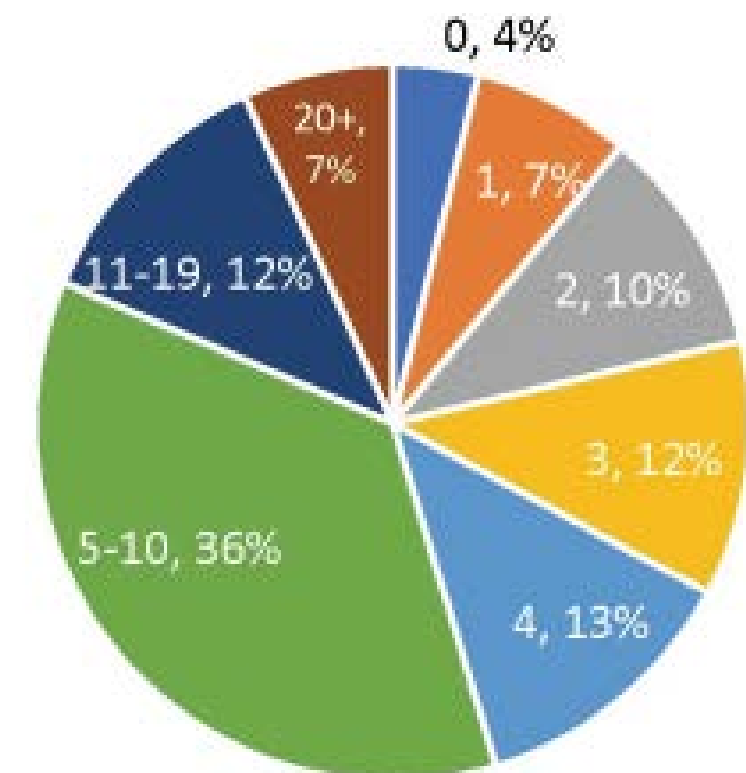
- Middle Eastern
- Jewish
- European

Community Engagement

Arts attendance & behaviors:

- 55% of respondents attended 5 or more events in the past year
 - Nearly 20% attended 11 or more
- While many attended free events, 76% paid between \$25 and \$75 for tickets
- A significant majority of respondents report that:
 - they like to dine at a restaurant before/after a show
 - they like to bring a friend or date to a show
 - they like to purchase concessions at a show

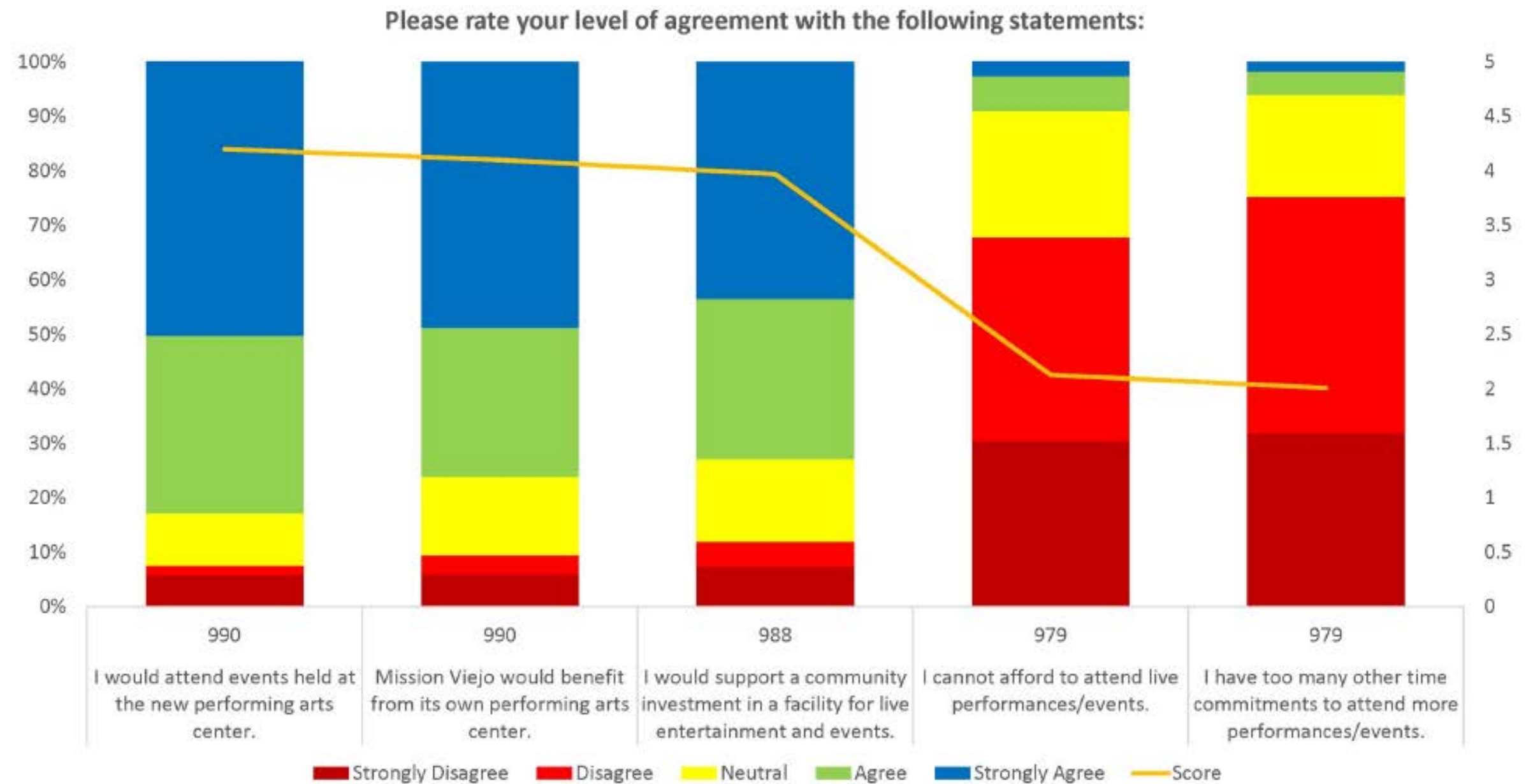
How many live entertainment/cultural events have you attended in the past 12 months? (n=990)



Community Engagement

Public Support

- Residents strongly support investment in a facility for arts and events in Mission Viejo
- They indicate that they have sufficient time and money to attend live performances and events



Community Engagement



Public Survey:

Types of events preferred?

- Live music
- Theatre plays
- Musicals
- Professional touring acts
- Comedy improv or standup

Respondent concerns:

- Potential traffic
- Parking concerns
- Cost to build

Community Engagement

Survey of potential users:

Needs:

- Support spaces
 - Storage
 - Dressing rooms
 - Rehearsal spaces
- Large stage (big enough for dance performances)
- Backstage support for groups of up to 60 performers
- Flexible spaces & seating
- Full fly tower



Market Analysis

Market Catchment areas:

- Delineated by distance from the Civic Center
 - 10-, 20-, and 30-minute drive-time
 - Encompasses the bulk of Orange County
- Bulk of audience anticipated to come from primary catchment with support from secondary catchment
 - North to Santa Ana
 - South to San Clemente
- Avoids more competitive arts markets in Los Angeles and San Diego counties



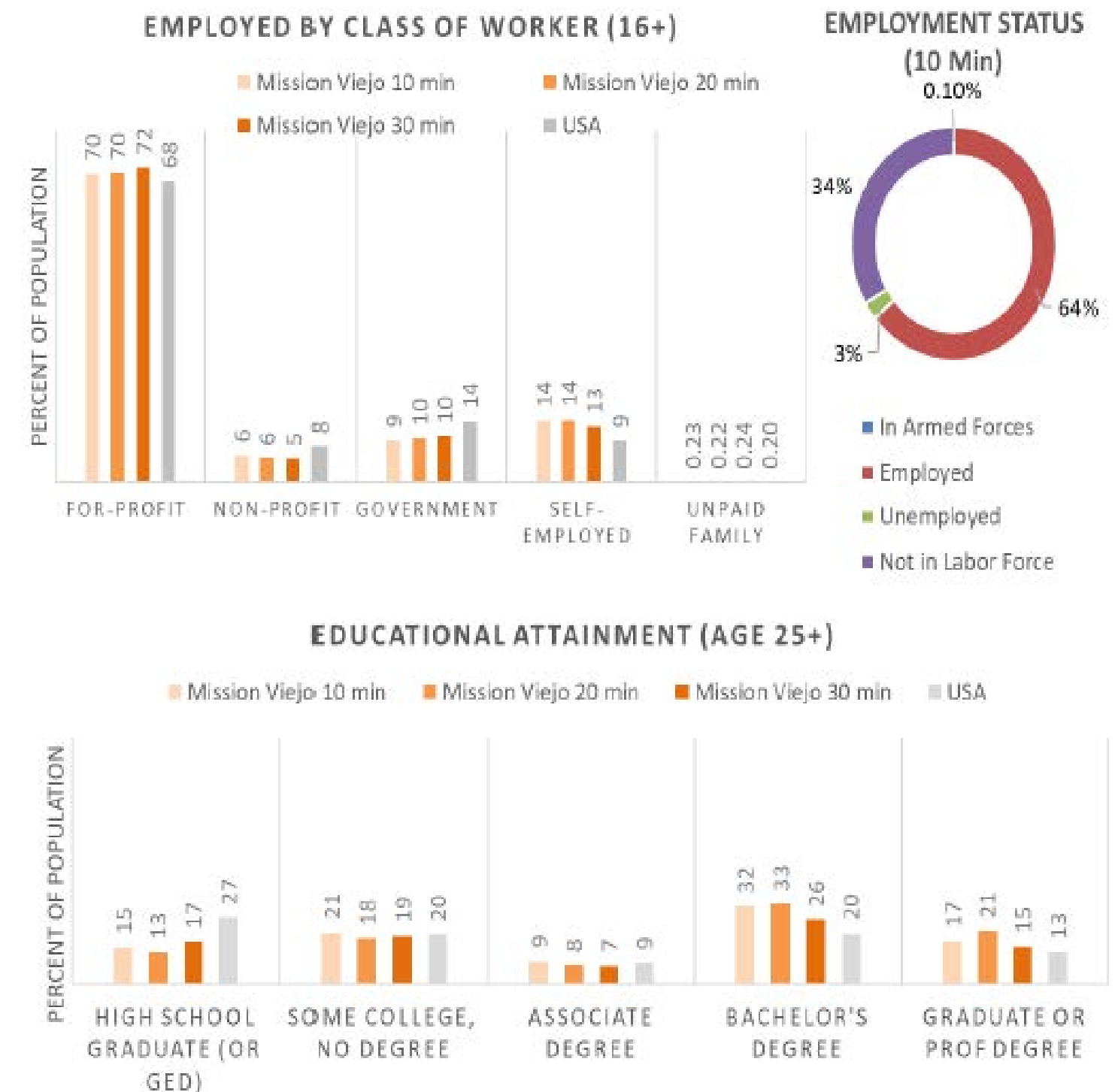
Market Analysis



Primary Market Catchment:

- Higher than average percentages of families with children and 55+ adults
- Higher than average:
 - Income
 - Educational attainment
 - Employment
- More entrepreneurial than U.S. benchmark

All good indicators for a robust arts & cultural audience

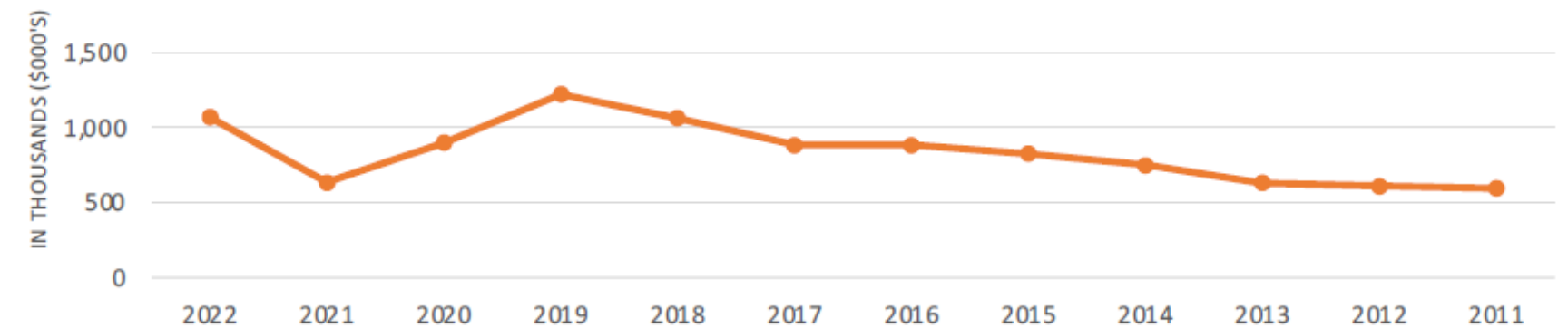


Market Analysis

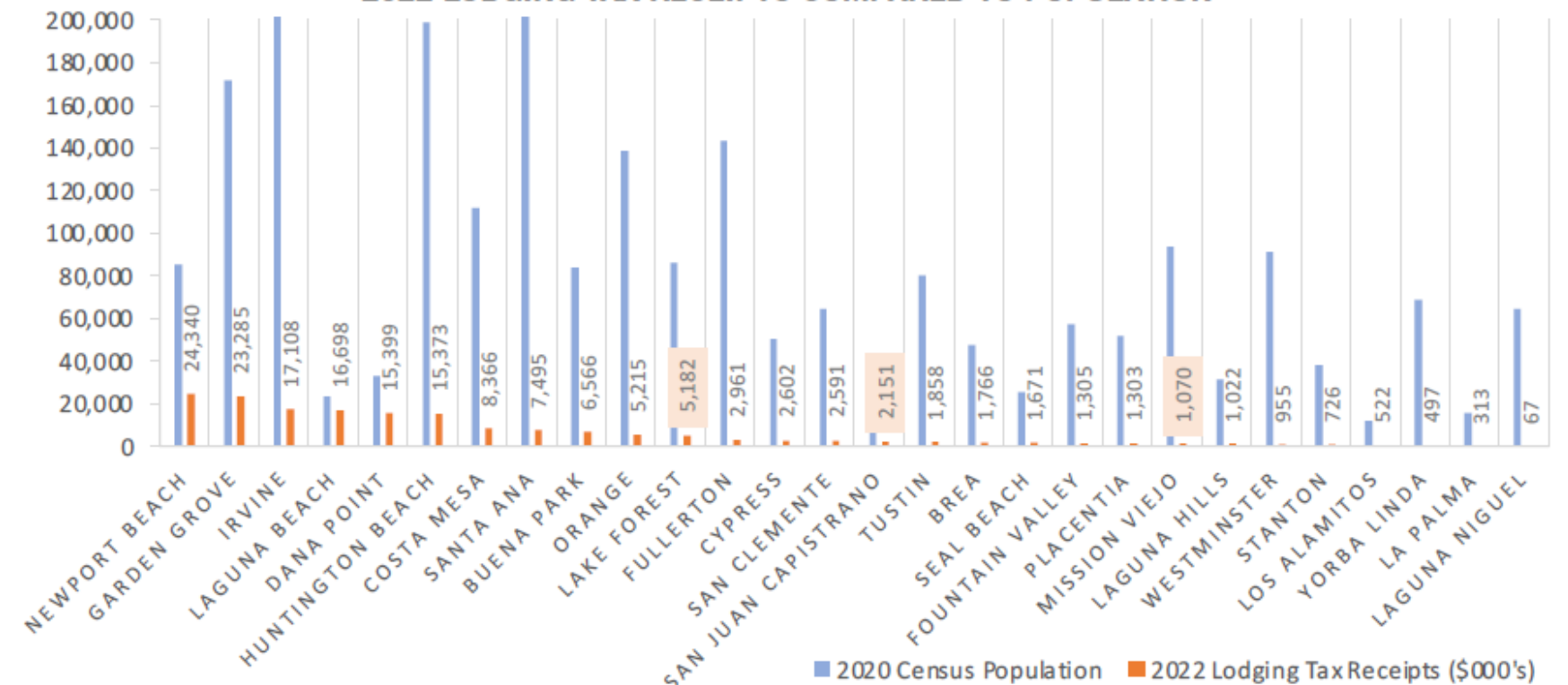
Lodging (ToT) taxes:

- Mission Viejo's lodging tax rate (8%) is lower than neighboring cities like Lake Forest (10%) and San Juan Capistrano (10%)
- Both cities bring in higher lodging tax receipts despite smaller populations

ANNUAL LODGING TAX RECEIPTS PER MISSION VIEJO



2022 LODGING TAX RECEIPTS COMPARED TO POPULATION



Market Analysis

Arts Vibrancy Index for OC:

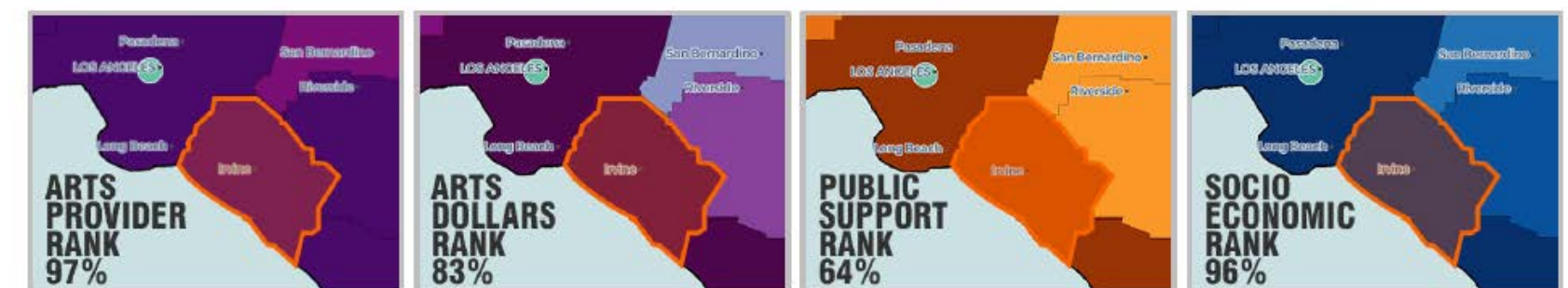
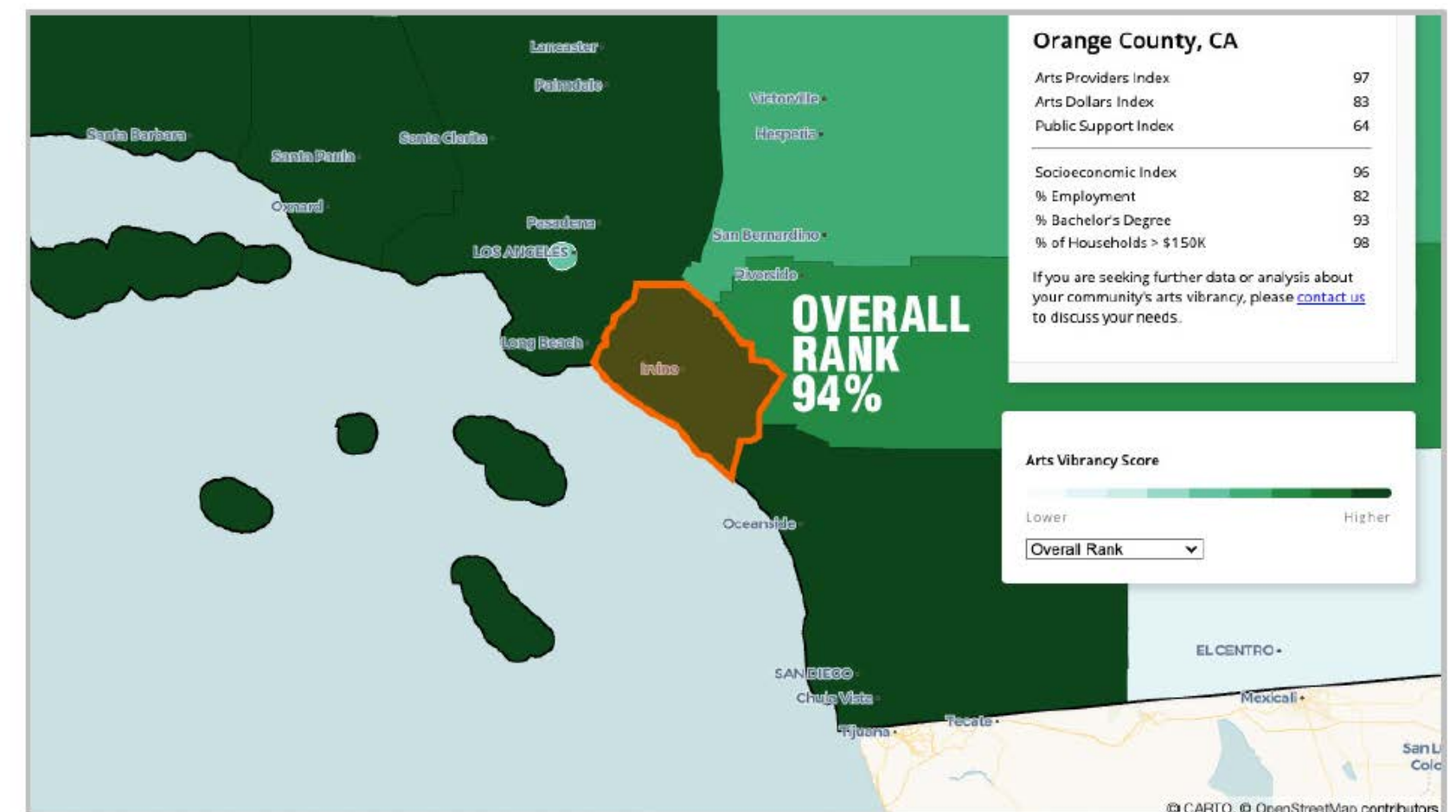
The County ranks very high on the following:

- Higher education rank 93%
- Household income rank 98%
- Arts providers rank 97%

The County ranks lower in the area of Government support: 64%

Overall creative economy rank is 94%

Mission Viejo residents spend 45% more on arts events than the U.S. Benchmark

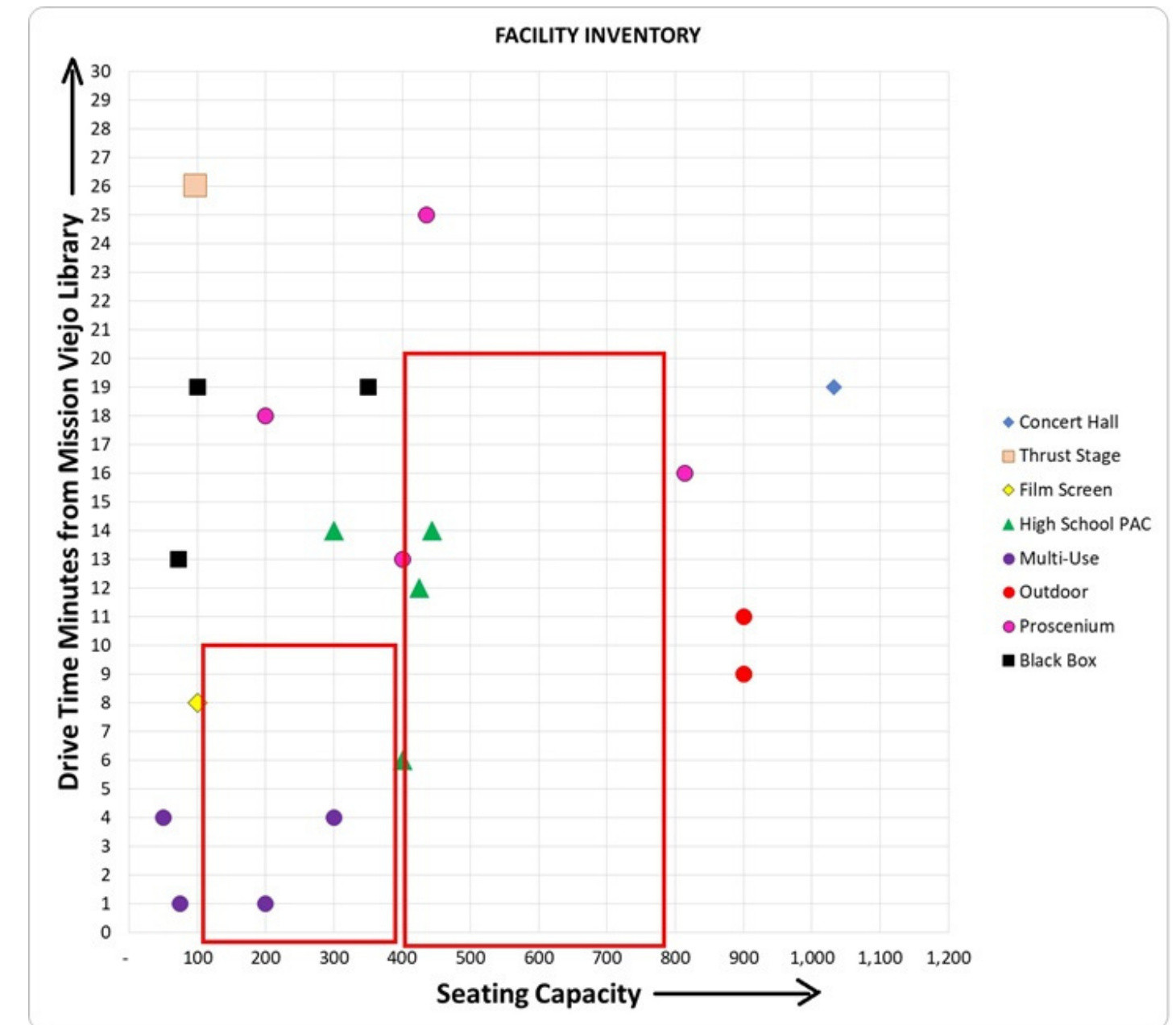


Source: SMU DataArts, Arts Vibrancy Index, 2022

Market Analysis

Local Facility Inventory:

- Two market gaps identified:
 - Studio theater with 100–375 seats
 - Proscenium theater with 400–775 seats
- Primary competitors in those ranges are local schools (CVHS, SJHHS, Saddleback College) which have extremely limited availability for community uses
- Norman P. Murray Center has a very full rental calendar and lacks amenities for full theatrical performances



Benchmarking

Benchmark facility characteristics:

- 15-30 miles from a major U.S. City
- Bedroom community w/population between 80,000 - 200,000 (Irvine excepted)
- Affluent community: avg. household income between \$84K and \$155K
- Variety of operational models, focusing on City-owned buildings
- Robust rental program



Benchmarking

Benchmark facilities:

- Patricia Reser Center for the Arts, Oregon
 - City-owned, non-profit operated
- Irvine Barclay Theatre, California
 - City-owned, non-profit operated
- Tempe Center for the Arts, Arizona
 - City-owned and operated
- Mountain View Center for the Performing Arts, California
 - City-owned and operated



Points of comparison:

- Program areas
- Staffing structure
- Governance structure
- Capital and operational costs
- Facility attributes
- Ticket prices and rental fees

Benchmarking

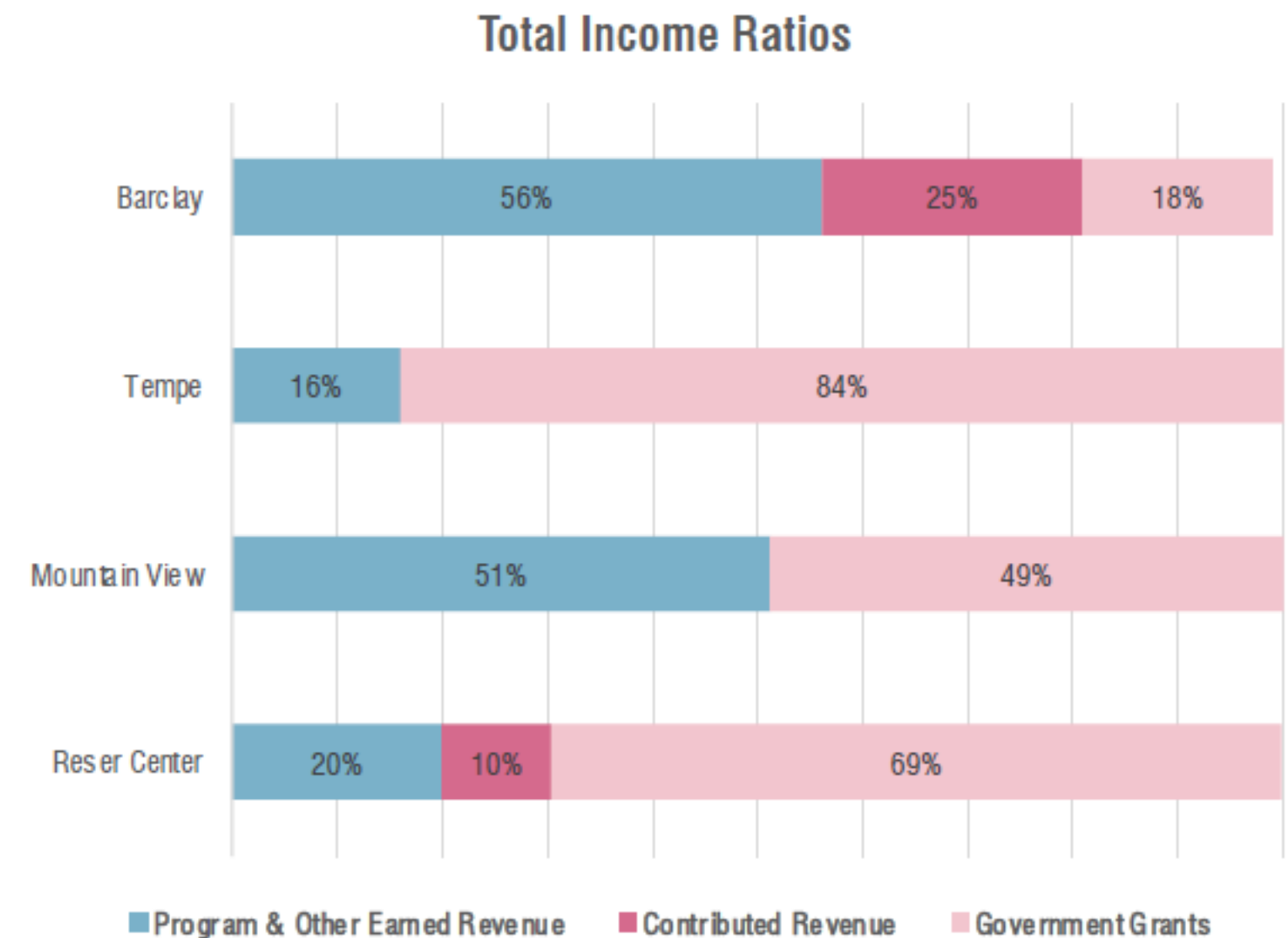
Benchmark comparisons:

	Main Stage seating	Second Stage seating	Ticket prices	Staffing	Budget
Reser Center for the Arts	550	150	\$15 - \$60	12	\$2,104,898
Irvine Barclay Theatre	756	N/A	\$30 - \$80	14-16	\$6,000,000
Tempe Center for the Arts	600	200	\$10 - \$35	19	\$5,000,000
Mountain View Center for the Performing Arts	600	200	\$20 - \$60	9	\$1,850,000

Benchmarking

Notes on funding:

- Cost recovery for benchmarked facilities is between 16 - 51%
- For government-run entities, the General Fund or other special tax programs fund the remainder
- None of the benchmarks supplement earned income exclusively with fundraising



Space Program



Key design elements include:

- 600-seat proscenium theater with one balcony and some flexibility
- Potential to use outdoor expansion to increase audience capacity
- Studio theater that also serves as a rehearsal room
- Stage support – loading dock, storage & stage offices
- Performer support – dressing rooms, wardrobe
- Front of house lobby, concessions, and lobby support spaces
- Administration offices

1	Common Areas	11,120	NSF
	Common Areas	11,120	NSF
3	Small Proscenium - 600 seats	24,549	NSF
	Performance Areas	16,220	NSF
	Stage Support	3,614	NSF
	Performer Support	4,715	NSF
9	Rehearsal Spaces	3,514	NSF
	REHEARSAL / CLASSROOM SPACES	3,514	NSF
11	Administration	2,410	NSF
	PAC Presenting - Small	2,410	NSF
12	Services	790	NSF
	Services	790	NSF
*	Total Net Area	42,383	NSF
	Grossing Factor	1.6	
	Total Gross Building Area	67,813	NSF

Space Program



Event Space



Concessions



Private Event Rentals



Intimate Performances



Art Gallery



Café Area



Rehearsals



Commercial Programming



Space Program

Performance Hall



Counterweight Rigging System



Equipment Storage



Staff Locker Rooms



Costume Shop



Dressing Rooms



Personal Offices



Conference Rooms



Site Evaluation

Consumer elements:

- Vehicular access
- Public transportation
- Pedestrian access/walkability
- Mobility impaired access
- Parking inventory
- Nearby amenities
- Visibility
- Passerby volume
- Traffic impact

Spatial and program:

- Required square footage available
- Expansion opportunities
- Operation concerns
- Development restrictions
- Noise isolation
- User/program displacement
- Utility services
- Environmental impact

Community characteristics:

- Civic pride
- Unique setting
- On brand
- Stakeholder appeal
- Facility synergy
- Master Plan integration

Economics:

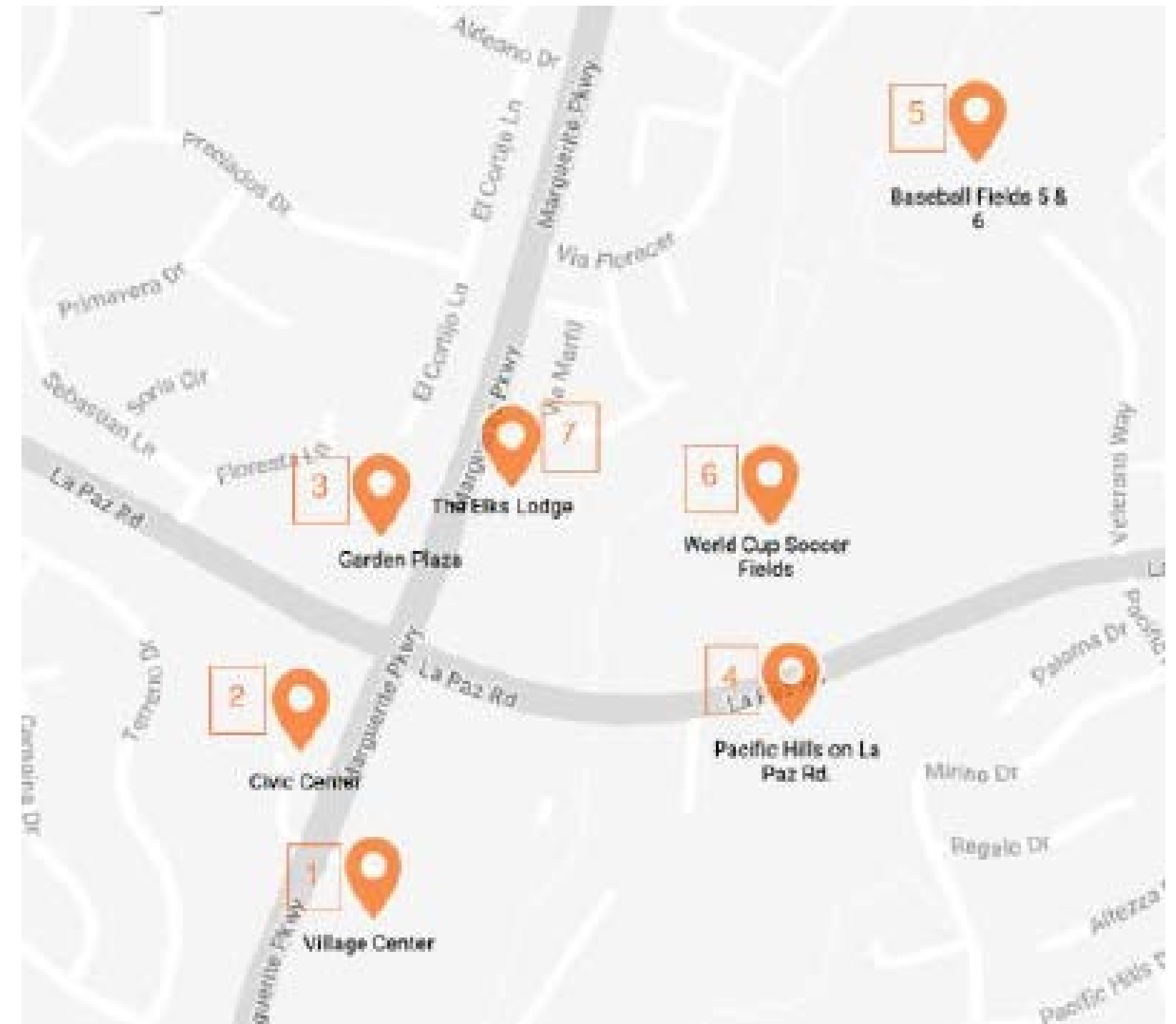
- Land availability
- Economic impact
- Development costs



Site Evaluation

Site Evaluation Scores

Village Center Development	435
Elks Lodge Parking Lot	415
World Cup Soccer Field	363
Baseball Fields 5&6	355
Pacific Hills Green Space on La Paz Rd.	342
Garden Plaza	302
Civic Center Parking Lot	275

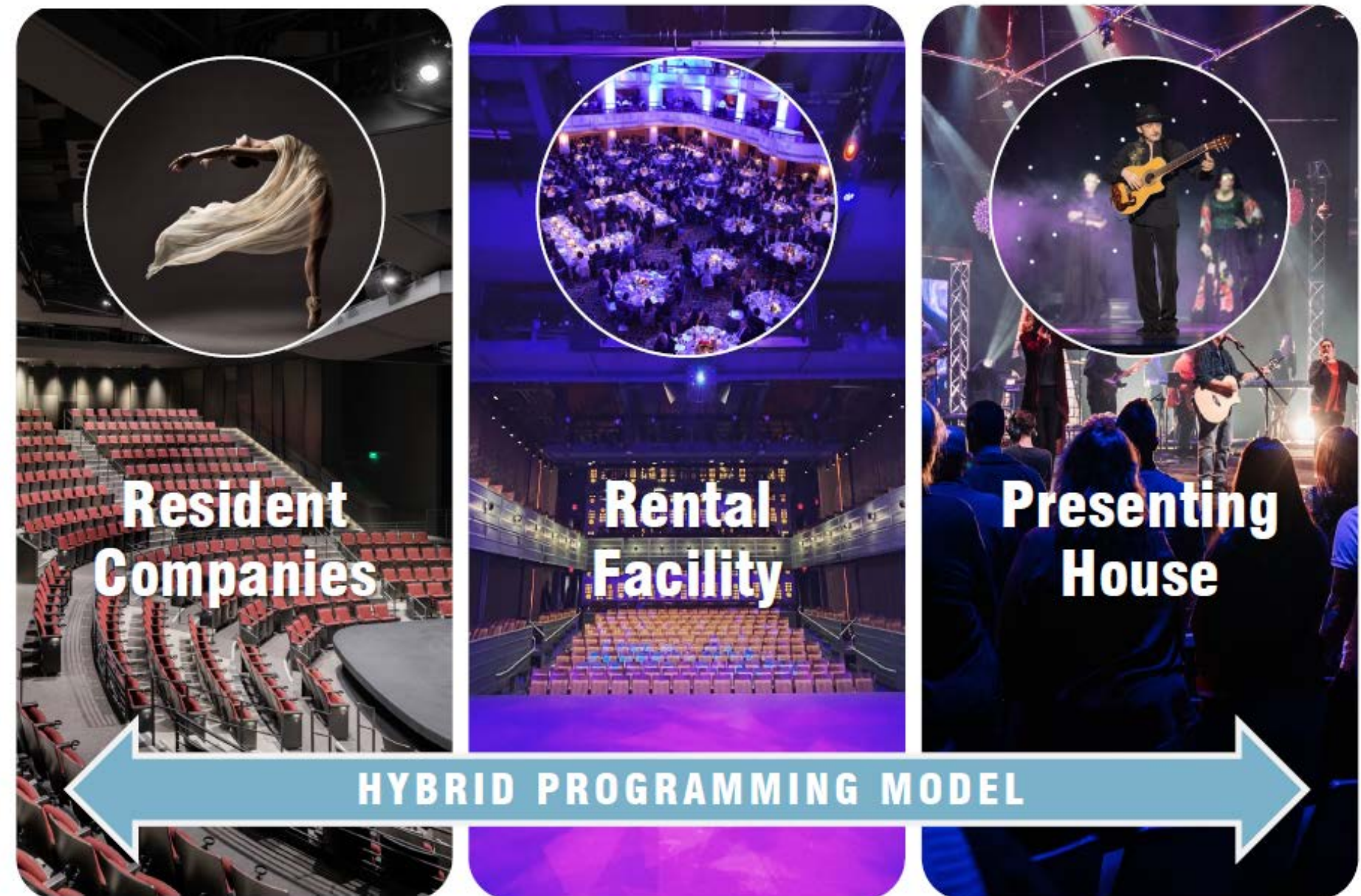


Business & Operational Plan

Possible Programming Models:

- Resident-company focused
- Rental facility
- Presenting house
- Hybrid model

Recommended Model: Hybrid

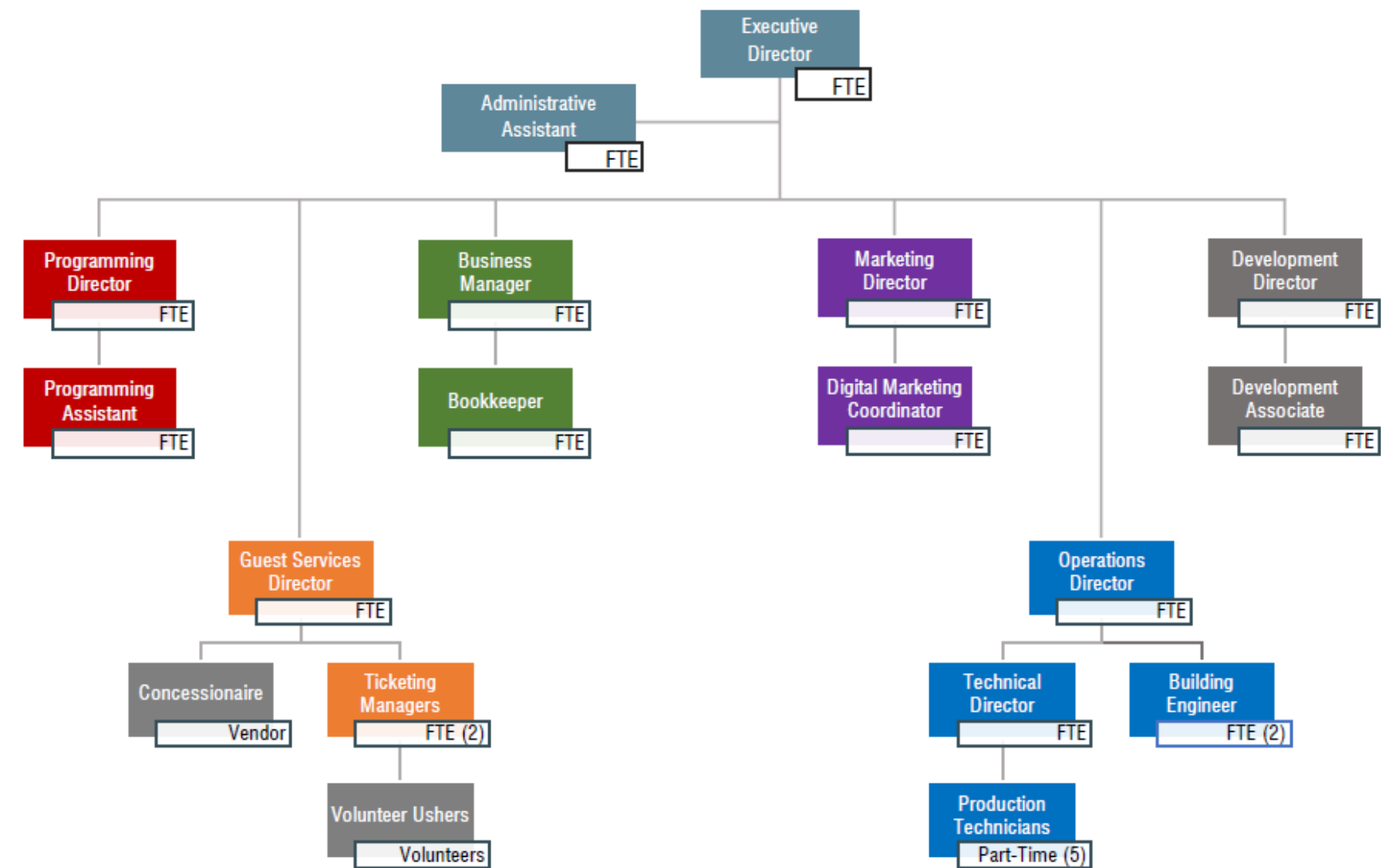


Business & Operational Plan



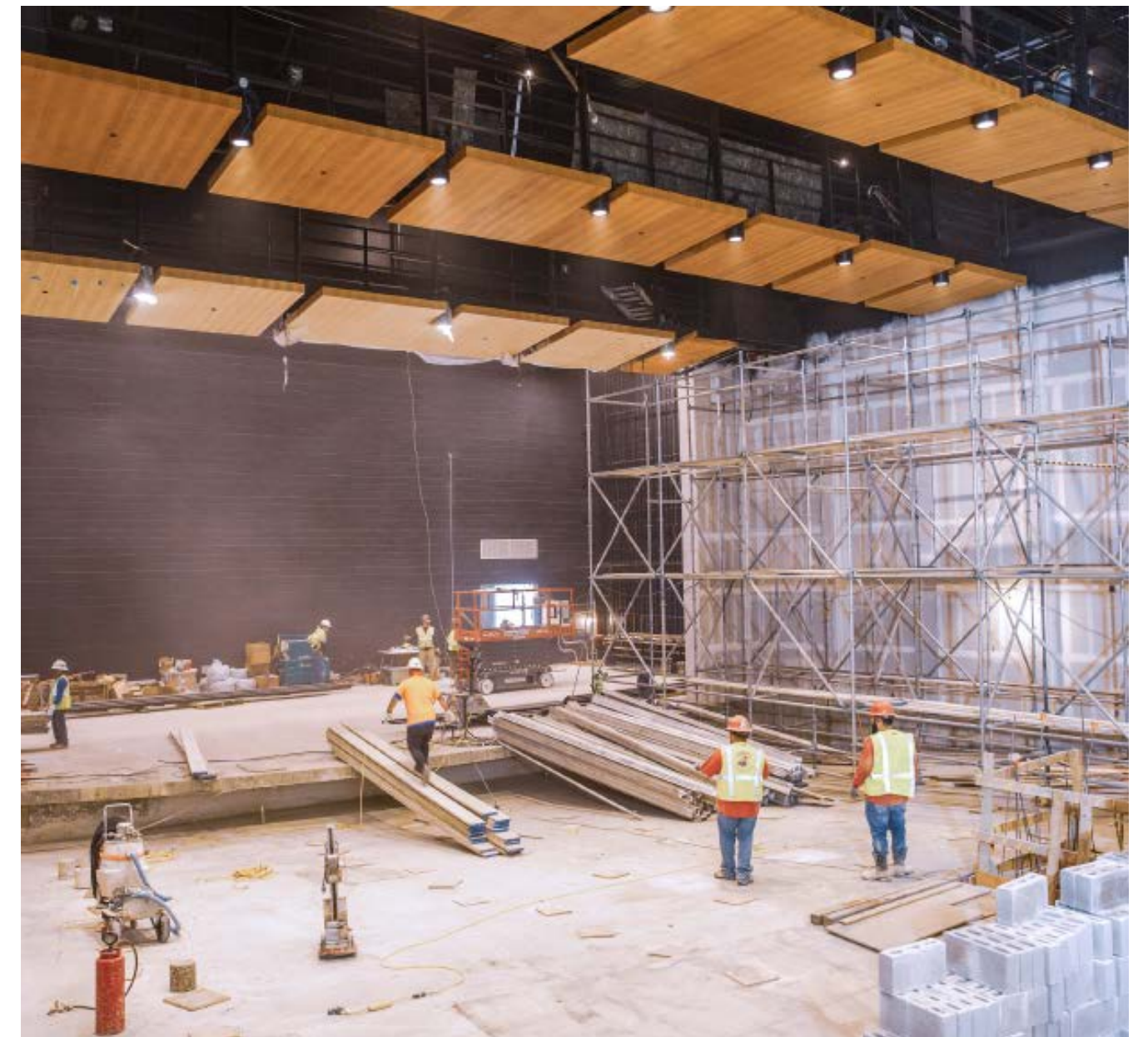
Recommended Staffing:

- 17 full-time positions
- 5 part-time positions
- Corps of volunteer to serve as ushers and docents



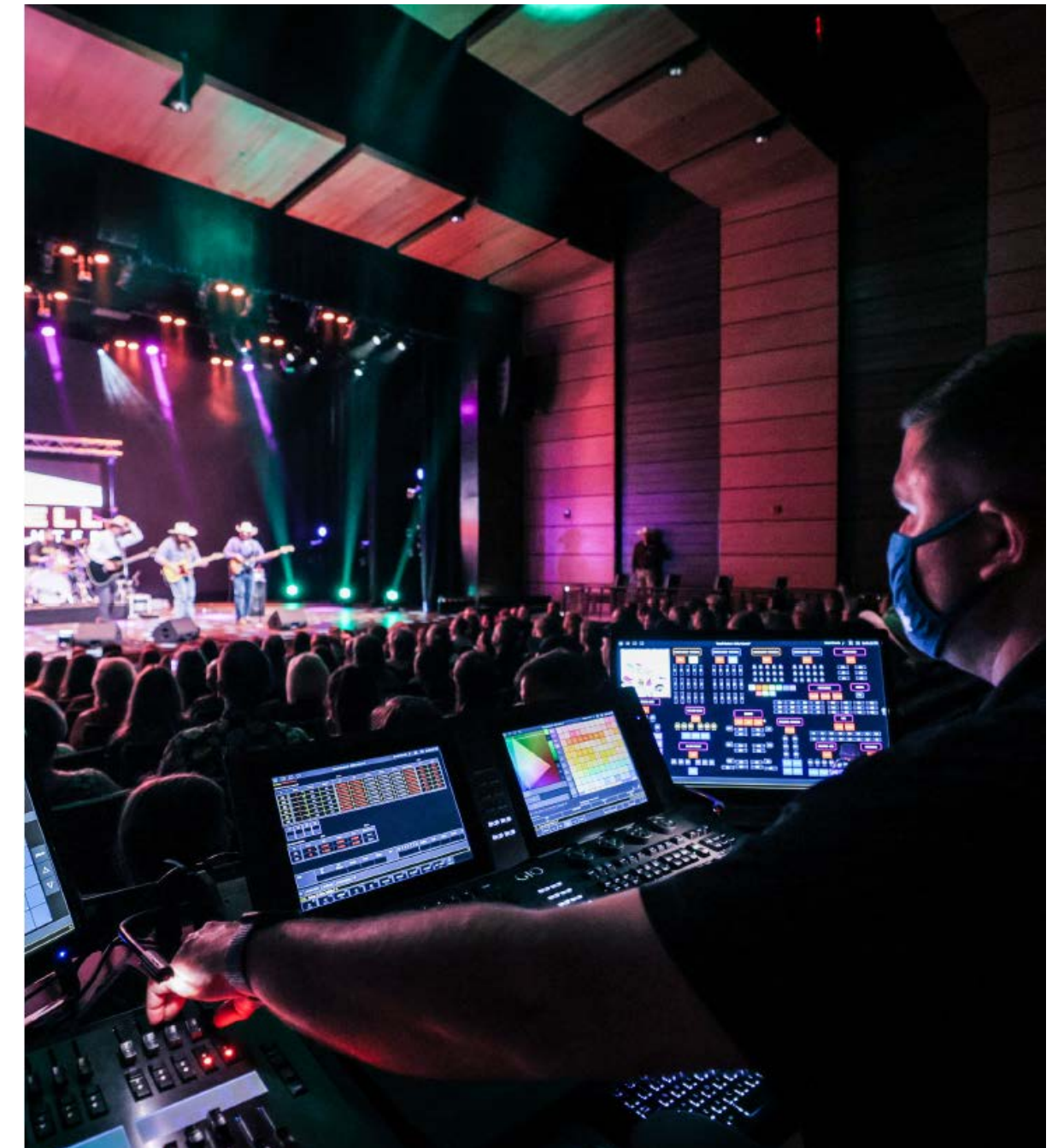
Facility Capital Cost Projection

Cost Category	Amount
Base Building Construction Costs	\$57,130,000
Contingencies & General Conditions	\$18,375,000
Escalation Costs	\$7,970,000
Soft Project Costs	\$27,870,000
Subtotal	\$113,610,000



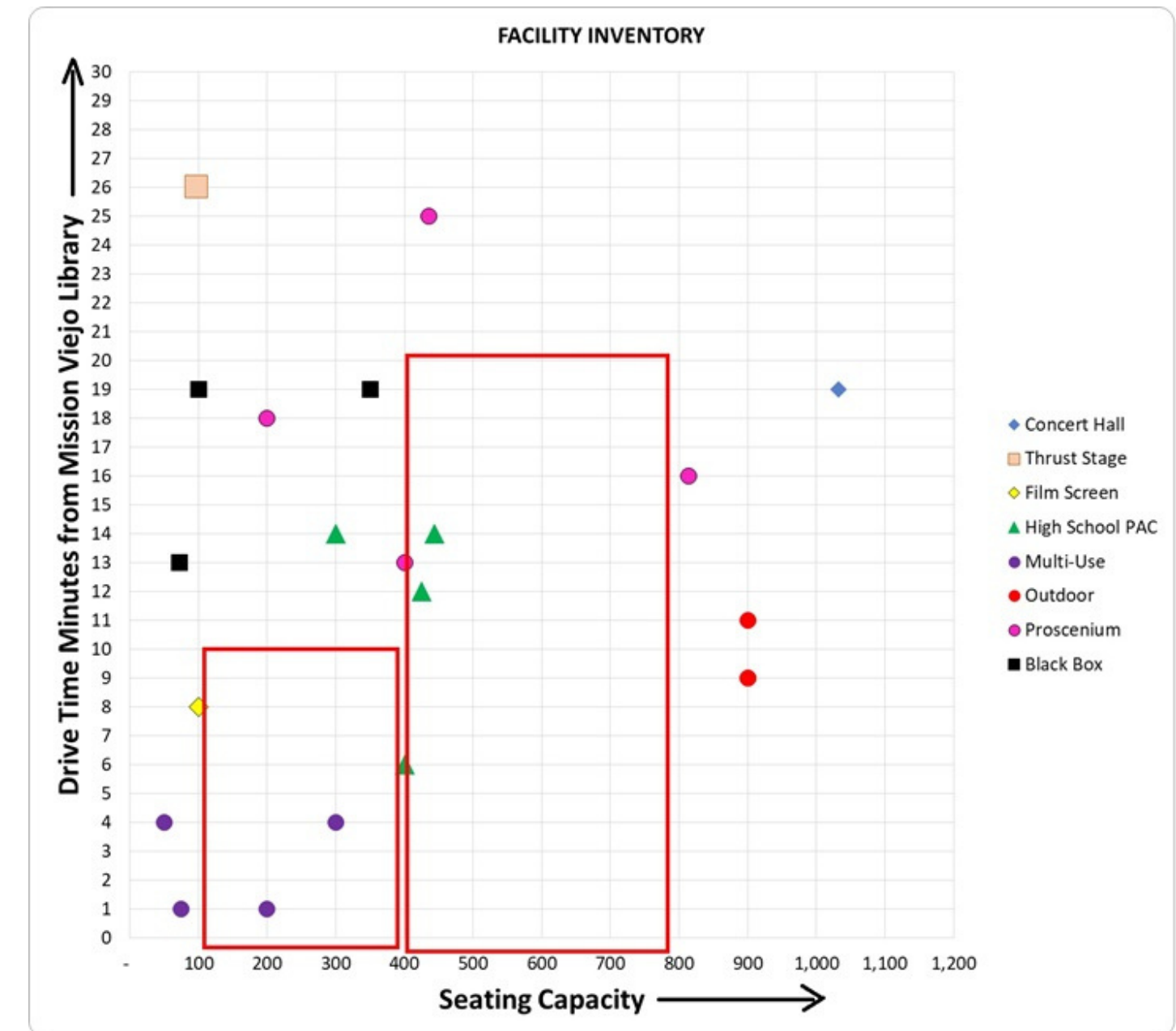
Operating Pro Forma

Category	Start-up	Year 10
Est. Income (earned + fundraising)	\$1,350,066	\$2,091,653
Est. Expenses	\$3,551,395	\$4,606,144
Earned income %	36%	42%
Contributed income %	64%	58%



Preliminary Conclusions

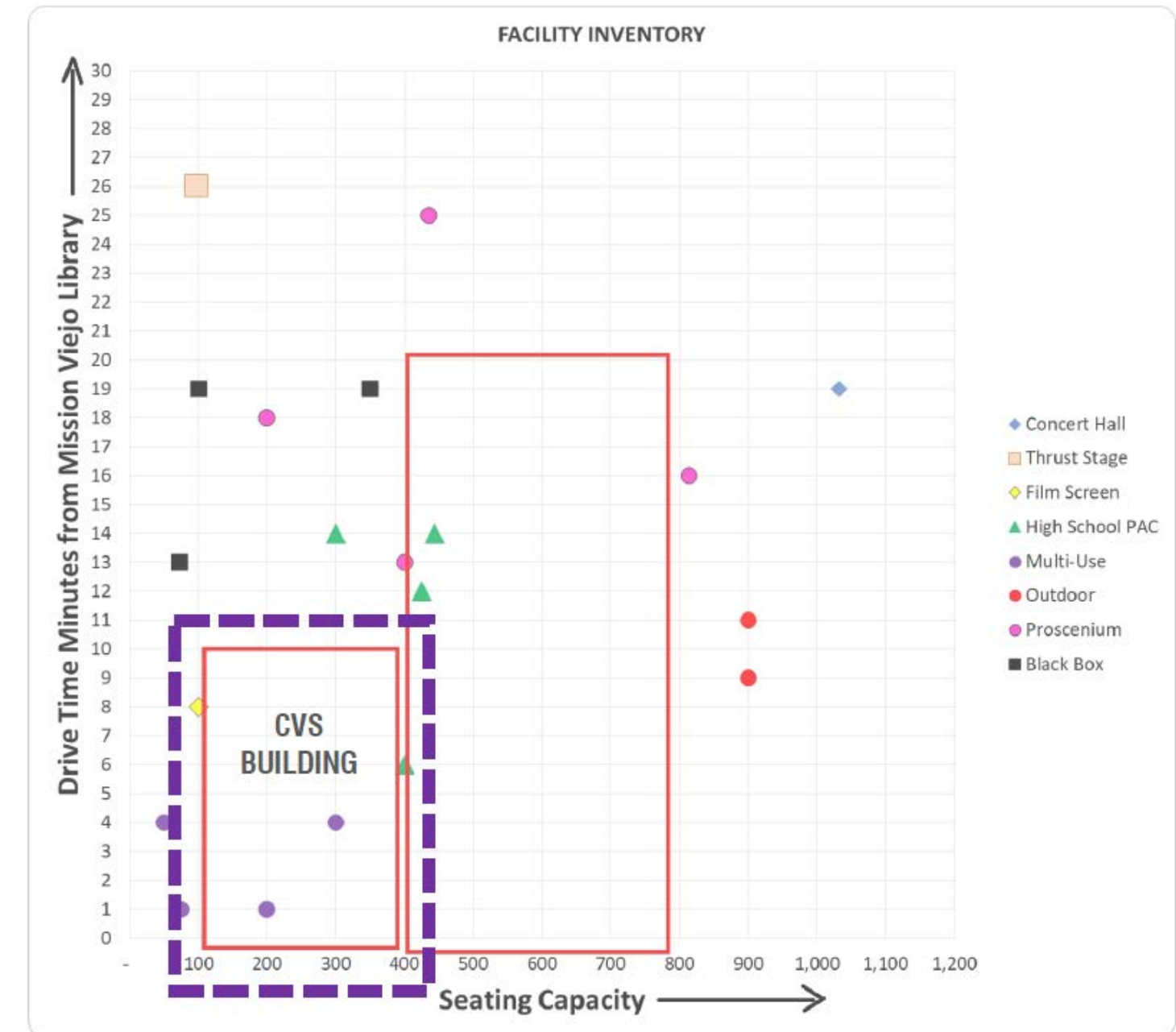
- There is strong community interest and support for a performing arts center in Mission Viejo;
- The community has the potential to support a robust cultural arts program;
- There are two gaps within the current market of local venues that the City has the potential to fill;
- The cost to build and operate a venue that fill both gaps and meets nearly all of the City's and community's needs renders the project infeasible at this time;
- A Village Center parcel (CVS or Big Lots property) offers the best possible interim or long-term solution and is worth further study.



Bridging the Future

Further evaluation of the CVS site (also applicable to Big Lots property) revealed the following:

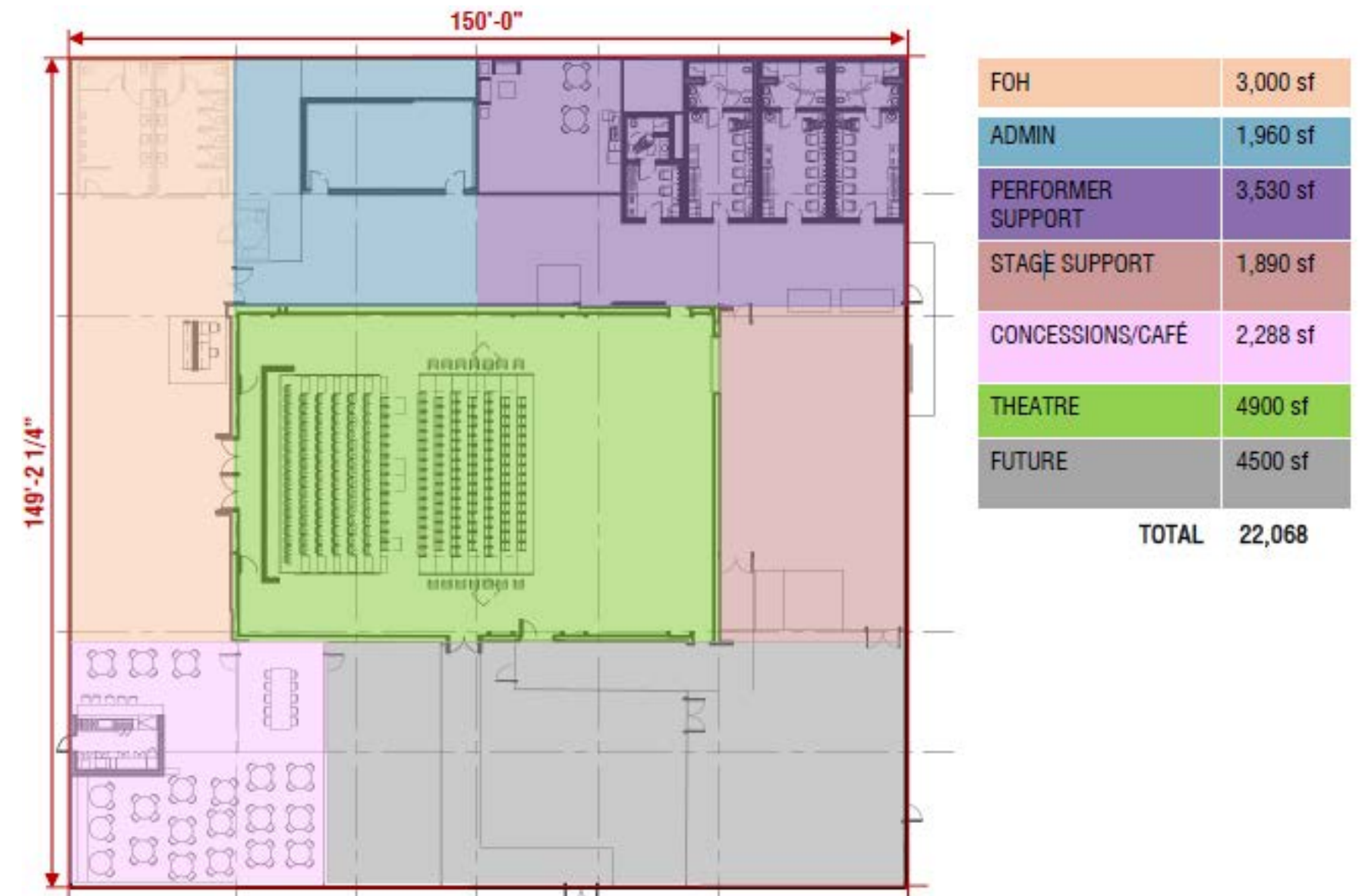
- The site footprint allows for a flexible studio theatre of approximately 300 seats, with amenities and support spaces;
- It is ideally located adjacent to the Los Osos project;
- It would fill one of the identified market gaps identified in the study, with a possible expansion in the future;
- Given the smaller size and adjustment to the programming, could be staffed by 2-3 full-time employees, plus part-time staff as needed;
- Based on preliminary data and the possibility of phased implementation, the building renovation is estimated to cost \$8-11 million



The Village Center Option

Potential facility features:

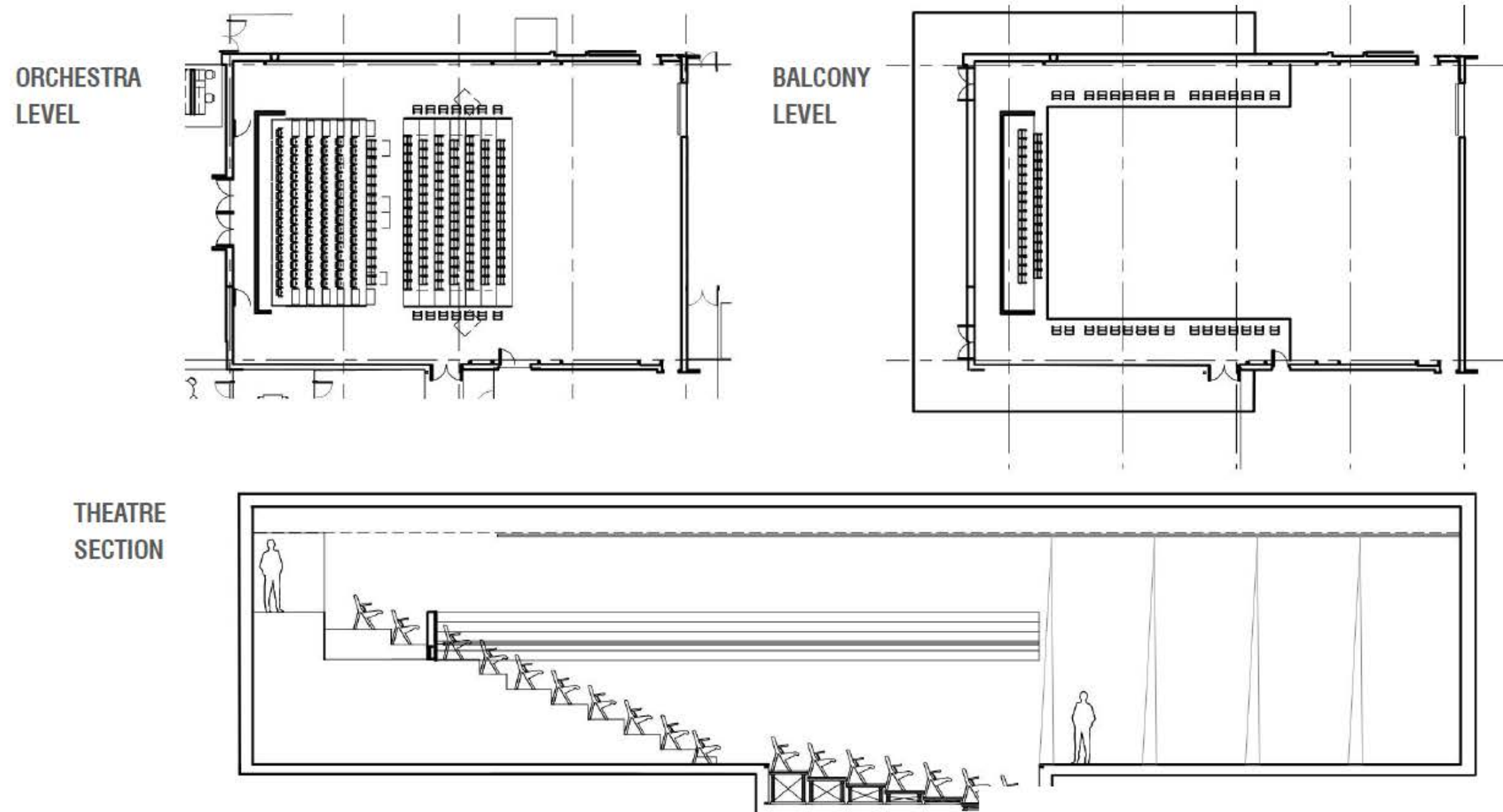
- Performance space
- Lobby/rental space
- Concessions/cafe
- Backstage
- Performer support
- Administration
- Space for future development, e.g.
 - Rehearsal hall
 - Restaurant



The Village Center Option

STUDIO THEATRE

PLAN AND SECTION VIEW



The Village Center Option

Flexible seating:

- Can be used in traditional theater configuration with small balcony
- Lower seating can be removed or retracted to allow for flat-floor events, programs, and rentals

COURTYARD THEATRE DESIGN WITH BALCONIES



END STAGE CONCERT CONFIGURATION



FLAT FLOOR SPECIAL EVENT CONFIGURATION



FLAT FLOOR EDUCATION CONFIGURATION



The Village Center Option

Outdoor stage option:



The Village Center Option

Programming model:

- A hybrid model is still appropriate in this scenario
- Great potential for community rentals
- Meets many needs of local arts organizations
- Touring product available at this size



Dry Bar Comedy

Stand Up / Sketch Comedy



Pacific Symphony Youth Orch.

Youth Recitals



Velveteen Rabbit – Virginia Rep

Family/Youth



OC Women's Chorus

Vocal Ensemble



Lord of the Strings Concert

Classical Music



The Long Road - Eagles Tribute

Local Tribute Acts

Next Steps



Potential next steps for City Council consideration:

- Decide upon the direction and use of the potential CVS or Big Lots site for the development of an interim space.
- Further evaluate the space programming for the CVS or Big Lots building to determine final theatre size and budget.
- Create a “Friends of” fundraising 501c3 organization with a board of directors and mission.
 - Working with them and using the feasibility study, develop a facility business plan.
- Begin researching potential private partnerships and create an advisory committee with these partners.
- Hire a capital campaign fundraising consultant to conduct an updated fundraising feasibility study.

Questions?



MISSION
VIEJO

