



City Council Agenda Report

Meeting Date: November 12, 2024

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Subject:

Discuss Theater Capital Campaign Analysis Update and Request for Funding from City

COUNCIL PRIORITY AREA

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

FISCAL IMPACT

The fiscal impact will depend upon City Council direction. The Los Altos Stage Company requests two \$2.5 million requests with one as the lead gift for the project and another at the \$10 million goal mark and a campaign fundraising consultant that will cost roughly \$300,000 over 3 years. The total initial fiscal impact would depend upon when the City Council requests to hire a consultant, present the lead gift, and when the fundraising campaign would hit the \$10 million goal mark.

ENVIRONMENTAL REVIEW

No known or intended environmental impacts at this stage.

The City and Los Altos Stage Company acknowledge that any financial commitments are subject to the compliance with all legal requirements, including and but not limited to compliance with the California Environmental Quality Act (CEQA). No financial commitment shall be construed to compel Los Altos Stage Company or the City to approve or make any particular findings with respect to any environmental documentation that is prepared, pursuant to CEQA, for any portion of the Project. The City retains full discretion to approve any CEQA documents prepared or to analyze environmental impacts or the Project.

PREVIOUS COUNCIL CONSIDERATION

November 9, 2021, November 30, 2021, May 9, 2023 & June 13, 2023

SUMMARY

With City Council support and direction, the Los Altos Stage Company is pursuing a downtown theater located on half of Parking Plaza #2. The City has an existing MOU with them through November 9, 2025 while they completed a Capital Campaign Analysis.

BACKGROUND

The Los Altos Stage Company has operated in the Bus Barn Theater at the Los Altos Civic Center site for 29 years.

Since August 2018, a community theater was identified as part of the Los Altos Downtown Vision Plan that would relocate the Los Altos Stage Company to a new theater in the downtown triangle.

During the November 9, 2021 meeting, the Los Altos Stage Company presented to the City Council and requested a Memorandum of Understanding (MOU) with the City of Los Altos in order to pursue building a downtown theater. At that meeting, the City Council directed staff to prepare a MOU under which the City would reserve a specified City-owned parking plaza through November 9, 2024 as a potential site for a community theater, in order to give the Los Altos Stage Company an opportunity to raise funds towards building a community theater

During the November 30, 2021 meeting, the City Council approved the MOU for a three year agreement through November 30, 2024.

During this time, the Los Altos Stage Company hired AMS Research to do a Feasibility Study built around project objectives, program possibilities, and costs. The results of this study were presented to the City Council in May 2023. This analysis presented an estimated cost of \$24 million with \$1 million escalation for a 23,400 square foot building with a 160-seat theater and other performing arts spaces.

During the May 9, 2023 study session with the Los Altos Stage Company, City Council directed staff to bring a one year extension of this MOU in order to support their next step in completing a capital campaign analysis.

During the June 13, 2023 meeting, the City Council voted to extend the existing MOU through November 9, 2025 with the updated language.

DISCUSSION/ANALYSIS

The Los Altos Stage Company hired BuildingBlox Consulting who completed their findings in June 2024. BuildingBlox created a prospective donor list with over 200 names, conducted in-depth interviews with 20 prospective donors, and drafted an analysis on the potential for a fundraising campaign.

The analysis showed that they were likely to raise roughly \$9 - \$12 million without a lead gift. In order to reach a \$25 million goal, it was recommended that Los Altos Stage Company should hire a capital campaign manager to cultivate the largest gifts between \$2.5 and \$5 million.

The Los Altos Stage Company is requesting the City to fund two \$2.5 million requests, with one as the lead gift for the project and another at the \$10 million goal mark, and to hire a Capital Campaign Consultant, which is estimated at roughly \$300,000 over 3 years. The final request is to extend the MOU with the City to continue their work.

ATTACHMENTS

1. Los Altos Stage Company Presentation
2. Los Altos Stage Company Feasibility Study Executive Summary
3. Downtown Theater MOU Extension