



City Council Agenda Report

Meeting Date: April 22, 2025

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Approved By: Gabe Engeland

Subject: Adopt Resolution Allocating Additional Funding In The Total Amount Of \$300,000 Into Fiscal Year 2024/25 City Managers Office Department Operating Budget For A Contribution to the Los Altos Mountain View Community Foundation, Specifically for the Downtown Performing Arts Center Project

COUNCIL PRIORITY AREA

- ☐ Public Safety
- ☒ Business Communities
- ☐ Circulation Safety and Efficiency
- ☐ Environmental Sustainability
- ☐ Housing
- ☐ General Government

FISCAL IMPACT

Approving this item will amend and increase the current fiscal year budget by \$300,000.

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, November 12, 2024, & April 8, 2025

BACKGROUND

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

In 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.

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.

Per the analysis, 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.

At the November 12, 2024 City Council meeting, the Los Altos Stage Company requested 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 a few years. The final request was to extend the MOU with the City to continue their work.

At the November 12, 2024 meeting, the majority of the City Council directed City staff to explore the best feasible next steps to support the request for “a capital campaign consultant or firm that will provide a progress update in the first year to know about the standing and the contract could extend out two to years as necessary.”

City staff first evaluated the previous reports provided to City Council by AMS Research and BuildingBlox. City staff believe a project that is 25,000 square feet with the full amenities listed in the project will cost more than the \$25 million mentioned in the report. However, City staff believes a scaled down building with more flexible, less technical spaces and one larger performing arts room in a smaller square footage may be possible for the price of \$25 million. It is the intention to continue pursuing the fundraising goal of \$25 million as outlined in the two reports.

City staff has met with close to ten individuals and firms that focus on major performing arts fundraising in different capacities. After meeting with them, City staff has distilled the following notes and recommendations regarding the project.

There should be a Steering Committee consisting of one individual from the City, the Los Altos Stage Company, and Los Altos Mountain View Community Foundation that will focus only on ensuring the ongoing operations of the fundraising activities, but will not be directly involved in the fundraising. The Steering Committee will also be tasked with hiring the capital campaign firm or individual.

As mentioned in previous reports, Los Altos Stage Company does not have the current staffing to support this capital campaign development. The capital campaign firm or individual will focus on fundraising for this project alone. City staff believes it makes the most sense to have this capital campaign firm or individual work directly out of a third-party beyond the City or Stage Company, which is the Los Altos Mountain View Community Foundation.

Once the capital campaign firm or individual is hired, the Steering Committee will meet with them to identify the best selection process and criteria for a Capital Campaign Cabinet. The Capital Campaign Cabinet will be comprised of individuals from the community, Los Altos Stage Company, and philanthropic community who are donors themselves that will work to support the initiatives and concepts presented with the goal to solicit donations directly from other prospective donors.

The Capital Campaign Cabinet will be the sole group working to fundraise for the downtown theater project through the Los Altos Mountain View Community Foundation and would collaborate with the Los Altos Stage Company as necessary, but the Los Altos Stage Company will not be directly involved in fundraising for the project as it will all be completed by the Capital Campaign Cabinet. The Capital Campaign Cabinet should be comprised of individuals not currently on the boards of any of the three groups.

This type of project will require a quiet phase where the capital campaign firm or individual will be meeting directly with potential Capital Campaign Cabinet members and developing relationships with prospective donors over a period of time.

If City Council desires to allocate funding for this project, City staff recommends that the City provide \$300,000 to the Los Altos Mountain View Community Foundation to retain the services of a capital campaign firm or individual with requirements:

- Must create a Steering Committee consisting of one individual from the City, the Los Altos Stage Company, and Los Altos Mountain View Community Foundation

- Must create a Capital Campaign Cabinet that will oversee the capital campaign firm or individual's work and ensure they are moving forward through this quiet phase
- Must provide a report back to the City around one year from their initial start date with a status update on their current capital campaign efforts and a realistic timeline at the end of one year for the project to reach its goal
- Must provide an analysis to the City of how a City contribution towards the project, requested \$5 million, would be best received in this process

DISCUSSION

At the April 8, 2025 meeting, City Council unanimously approved allocating \$300,000 to the Los Altos Mountain View Community Foundation to retain the services of a capital campaign firm or individual for fundraising activities for a downtown performing arts center.

ATTACHMENTS

1. Resolution