



Proctor's Theater Troy, N.Y.

Market Analysis

April 15, 2009

Operation. Community members in the region have a deep and strong attachment to Proctor's Theater, as many fondly recall attending theater events and community activities in the welcoming structure. The theater has been a part of the fabric of the community for generations, and neighbors and former patrons, as well as regional visionaries, support the restoration and continued role as a community center.

Proctor's Theater will be available year round for arts and cultural events, banquets, educational activities, entertainment, film, receptions, and tours. Proctor's, with a mystique all its own, may be used to present events by businesses, community groups, individuals, and nonprofit organizations. The experience of an intimate, inviting, and welcoming Proctor's Theater is served, in part, by the varied activities hosted and presented within the historic buildings.

Proctor's Theater will serve the community in three specific areas:

- As a Presenting Facility where Proctor's presents professional touring shows of dance, family entertainment, theater, music, and classic and independent film.
- As a Rental Facility for local arts groups, professional promoters, businesses, organizations, and individuals.
- As a Travel and Tourism attraction that includes working in partnership with existing attractions and special events.

Presenting. As a presenter of live art and film, and provider of services to the community, educational centers, and local and regional audiences, offerings at the multi-purpose Proctor's Theater will reflect and support the values, vision, and mission of the Center.

Programming at Proctor's Theater is diverse and engaging, fun and professional, inclusive and innovative. The eclectic blend of performing arts and cinema programming may include:

- Dance: professional touring companies, student recitals
- Music: battle of the bands, big band, blues, chamber, choral, classical, festivals, folk, hip hop, jazz, light opera, Augusta Symphony and, and contemporary for young audiences
- Theater: Broadway musical, community, family, poetry slams, readers theater, summer stock, touring companies
- Film: art, cartoons, classic, independent, matinees, silent, student, Film Festival, subscription series, themed series/speakers
- Arts Camps
- Comedy
- Community Gatherings
- Conferences
- Debates and Lectures

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- Dining Opportunities: banquets, holiday, themed
- Educational Opportunities: classes, lessons, workshops
- Exhibitions and Visual Art Displays
- Magic
- Private Functions: award ceremonies, banquets, corporate meetings, fund raisers, galas, parties
- Student Performances and Productions
- Specialty Shows - Antiques, Auctions, Crafts, Cooking, Fashion
- Talent and Variety Shows, Open Mike amateur night
- Weddings and wedding receptions
- And more.....
-

Currently, there is not a facility in Troy that can present such a broad and reaching spectrum of public and private events on a regular basis. Proctor's will create new possibilities and opportunities for performing arts and entertainment presentations, film screenings, and corporate meeting occasions in a restored historic facility updated to accommodate activities and events unlike any other in the region.

In addition to public presentations Proctor's Theater will work with Troy educators and students in grades K – 12 to create a multidisciplinary performing arts and cinema series for the enhancement of existing classroom curricula.

Program Goals:

- To build long-term partnerships between Troy educational centers and Proctor's Theater
- To work with regional educators to present quality performing arts and cinema events that meet the needs of students and educators
- To help educators ensure that the arts are a vital part of every child's education
- To afford the students of Troy professional theater and cinema experiences in a setting where history, language arts, mathematics, and science may come to life
- To provide students with an opportunity to attend live performing arts events, sharing these experiences with others
- To create enthusiasm and motivation for learning through positive theater and cinema experiences and appropriate program presentations
- To foster the growth of creative thinking and creative abilities
- To promote the benefits of curiosity, discovery, and life long learning through lively and invigorating performing arts events and cinema experiences

Proctor's Theater will continue to explore the desires and needs of the Troy communities for the development of programming and educational opportunities.

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Rentals. Proctor's Theater will be available on a rental basis to businesses, local arts groups, professional promoters, organizations, and individuals.

Suitable and qualified public venues are at a premium in the Troy. Finding appropriate space to rehearse, perform, and gather for meetings and conferences is a never-ending challenge.

That downtown lacks a large, air-conditioned meeting place with comfortable seating and presentation amenities cannot be overlooked. While some space does exist for some of these activities, none of the venues in the area can meet all of the needs arts groups, businesses, civic organizations, and promoters require. The restored Proctor's Theater will meet these needs in a professional fashion and provide additional services and opportunities as well.

Travel and Tourism. Tourism is one of the largest industries in New York and one that is vital to the state's economic stability and growth. According the Office of Travel and Tourism of the State of New York, tourism generated \$763 million in state and local tax revenues in 2001 with more than \$11.7 billion in spending by travelers. Of this, \$723 million was spent on entertainment and recreational activities. More specifically, the Troy hosts 2.7 million visitors annually with 26% reporting attendance at cultural events, historic places, and museums.

The Proctor's area already hosts some of the top cultural heritage tourism attractions in the state with fairs and festivals, galleries, historic sites, museums, performing arts events, and an abundance of historic architecture in a vital downtown. As a result of these draws and continued efforts toward riverfront and downtown restoration, Proctor's will be connected to the greater regional cultural activities and appeal to visitors from beyond the immediate geographic area. Activities at Proctor's Theater will complement these powerful events and in its own right bring new visitors to the area. As an attraction, Proctor's Theater provides:

- A unique venue for entertainment and education. The buildings of Proctor's Theater are among only a few historic structures of such magnitude in New York undergoing restoration for use as community gathering places. The architecture and design of the buildings, their histories, and their eclectic offerings, will provide patrons and visitors an experience unmatched anywhere in the Troy.
- An evening anchor attraction. While Proctor's attracts a number of visitors each year for cultural heritage tourism attractions, the majority are daytime visitors. Evening activities are important to the cultural and economic vitality of Proctor's and the Troy. Currently, the community lacks a regular evening attraction to draw visitors to the area, but the programming and promotion of Proctor's Theater will target travelers, enhance evening activity at shops and restaurants, and increase transient guest tax revenues for the community.

Daytime activities at the theater may include public tours of the historic facilities. These tours will include an overview of the architecture and restoration of the building and the history of the theater in New York. A multi-media presentation of the historic area may also be developed for visitors who will be charged admission.

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- A location for conventions, events, and receptions. Large scale gathering areas are unavailable in downtown Proctor's, forcing many groups to look to other communities for conventions, events and receptions that require professional presenting opportunities in dynamic and luxurious settings. As the largest air-conditioned venues in the area, Proctor's Theater would accommodate a range of businesses, families, and groups now meeting elsewhere. By making the Center available to local and regional associations, corporations, civic groups, and event planners on a rental basis, Proctor's Theater will target a new market of visitors.

Market Description

Historically, people from a large trade area have traveled to Proctor's for entertainment and recreation. Proctor's Theater, in the heart of the historic downtown, is centrally located in Troy and is easily accessible. The city has served as the center of activity for many of its surrounding communities and thousands of travelers pass through Troy each year with its proximity to the Hudson River, New York's interstate and state highways, and mountain and lakes region destinations. Visitors enjoy antiquing and the historic architecture in the vibrant downtown and residential neighborhoods. Through aggressive marketing, the community has been a successful promoter of the rich assets Proctor's has to offer.

Troy is host to a wide range of ethnic festivals that celebrate the city's diversity and rich heritage. Among them are the:

Events and attractions are promoted and profiled through the Troy's Chambers of Commerce, the State of New York Office of Travel and Tourism, The New York Department of Economic and Community Development, in local and regional newspapers papers, and through radio and television advertising.

Residents of Troy have also traveled long distances for cultural activities and gathering places. Depending upon the event, it is not unusual to find a large number of community members who will routinely travel fair distances for cultural events and meeting and reception halls.

With its location in the heart of downtown, Proctor's Theater will offer a market attraction that can be divided into two areas: programming with a local emphasis, and programming with a regional appeal. The market area will expand depending on the type of event Proctor's Theater is offering.

Local Programming. The market area for local emphasis programming encompasses the communities of Troy capital as well as surrounding communities from Rensselaer county and western Massachusetts. The population of the Troy is nearly 50,000 and within a 50 mile radius of Proctor's alone, there are over 1 million residents. (Source: 2000 U.S. Census Bureau)

Programming with local emphasis includes events with a hometown feel, produced by area organizations. Community theater, dance school recitals, youth choirs and orchestras, and talent shows for charity, characterize live local programming. Film presentations in this area will feature local and New York based filmmakers at the amateur and professional levels presenting independent and feature films, and even home movies.

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While local emphasis programming will undoubtedly appeal to friends and neighbors of casts and crews, the freshness, spontaneity, and passion of local programming will make these events at Proctor's Theater attractive to the many visitors from outside the area as well.

Regional Programming. Events with regional appeal extend the market area beyond the boundaries established for programs with local-emphasis. Live performance programming with professional entertainers and touring artists, special film presentations, and the positioning of Proctor's Theater as a tourist attraction, will draw patrons from across the region. And programming highlighting local and regional history, through film and live performance, can target cultural heritage tourism as well.

Through marketing and working with existing attractions and events in the region, Proctor's Theater can develop an audience with a broad geographic reach. With the responsible downtown and riverfront development, it is believed that Proctor's can become a major travel destination.

A reborn Proctor's will add to the cultural critical mass of the area.

Competition

Proctor's, with stylish decoration, and state-of-the-art cultural and hospitality amenities, will prove an unrivaled performance, cinematic, and reception venue. The outstanding features of Proctor's, coupled with its creative and unique programming, provide an experiential package for patrons not available on the east side of the Hudson River. Patrons of Proctor's, as at many historic venues across the country, will purchase tickets to an event as much to marvel at the inspired architecture and the Center's mystique, as they will to be enlightened by the performance.

Competition will focus primarily on programmatic offerings and geographic location. The competition can be addressed in two categories: local performance and film venues, and regional performance and film venues.

Local Film Venues. There are no movie theaters in downtown Troy. Troy residents now have to travel many miles to see films.

Proctor's will offer amateur and classic films, cartoons, film festivals, matinees, subscription series, and silent film as well as highly acclaimed independent films that would not otherwise be screened in the Troy on a regular basis. Additionally the theater will present specialized programming for schools and targeted industries.

Regional Performance Venues There are a multitude of venues in the greater Proctor's region that provide performing opportunities for regional events: These venues range from the large scale to area college and university programs. Travel distances, the characteristics of the facilities, and the types and amount of programming will determine the extent to which these facilities compete with Proctor's.

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Appearance, performance amenities, seat comfort, acoustics, sound, lighting, and concession opportunities vary as well. Arts patrons not affiliated with the institutions tend to shy away from performances on college and university campuses.

Proctor's Schenectady and the Palace in Albany are regarded as rivals to a restored Proctor's in Troy. But this is likely not the case. Troy's reach extends into all of Rensselaer County as well as surrounding neighborhoods of Watervliet, Cohoes, Brunswick and others. A facility that caters to community-specific programming as well and offers a closer geographic location will attract people from these communities.

Regional Film Venues There are facilities outside of Troy that may compete with Proctor's Theater film offerings. These range from the multi-plex mall cinemas throughout the region to an art and foreign film house in Albany and Proctor's in Schenectady. Travel distances, the characteristics of the facilities, and the types of film offered will determine the extent to which these facilities compete with Proctor's Theater.

The sameness and vastness of mall cinemas do not compare to the intimacy and uniqueness of Proctor's Theater where the mystique of a 1914 vaudeville house and its downtown setting have much to offer movie buffs.

Management

Proctor's is currently owned by Rensselaer Polytechnic Institute and under the proposed redevelopment scheme Proctor's will be leased by Troy Proctor's Inc a nonprofit 501(c) (3) organization directed by a volunteer board of directors, a respected and dedicated group who provide expertise in the areas of business, community action, finance, law, and nonprofit management, including the President, Vice President, Secretary, and Treasurer overseeing the affairs of the corporation.

Personnel

Staffing at Proctor's Theater will start on a small scale during Phase I, the glass box theater within a theater.. Growth should only occur after the main theater is operational, the staff is well versed in its running, and the needs of the operation are evaluated and fully understood.

The staff for Proctor's Theater will include an Executive Director and Executive Assistant/Box Office Manager to oversee the daily operation of the theater. A Technical Director/Projectionist will supervise theater and film activities with theater services billed directly to clients, and trained volunteers will staff concessions, ticket collection, and ushering positions. In order for this staff configuration to function successfully, all members of the staff must be willing to take on varied responsibilities.

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Volunteers Proctor's will rely heavily on the work of an organized group of volunteers providing trained enthusiastic talent for a wide variety of activities. The volunteers play a leading role in a continuing list of objectives that enhance and facilitate the development and operation of the theater.

Volunteers will serve as ushers, ticket takers, docents, projectionists, and apprentices. They will provide public education about the theater and its activities, and support for special events. They will also support day-to-day operations by assisting with mailings, answering telephones, and performing general office tasks.

Interns Proctor's Performance will develop relationships with regional high schools and colleges for the development of internship opportunities at the theater. Students will work with professional theater personnel in the areas of finance, graphic design, hospitality, marketing, management, and technical theater as part of service learning initiatives and work-study programs.

Economic Impact

- The revitalization of Proctor's Theater will have a significant impact on the region's economy. As a thriving community focal point, it will:
- Serve as a center for performing arts and cinema for the region's artistic, cultural, educational, and entertainment needs.
- Contribute to the promotion of Proctor's and the Troy as a destination.
- Serve as an evening anchor attraction to encourage downtown vitality.
- Stimulate activity in area restaurants and other retail establishments.
- Increase spending on goods and services in the downtown and the surrounding area.
- Stimulate growth of local arts, dance, educational, theater, and musical organizations.
- Provide construction employment during restoration.
- Provide permanent employment for theater staff.

Arts and Economic Prosperity Calculator

Nonprofit arts organizations nationwide can make use of the "**Arts and Economic Prosperity Calculator**" designed by the national arts service organization Americans for the Arts.

Released online in 2003, the Arts and Economic Prosperity Calculator has been a valuable tool for generating simple, free estimates of economic impact by nonprofit cultural organizations around the country. The calculator requires only basic annual operating expense and visitation figures, using economic models to translate those figures into estimated impacts on full-time-equivalent employment, household income, local government revenue and state government revenue presented in a clean, straightforward format.

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Americans for the Arts stresses that when using the calculator, it is important to keep in mind that the results are estimates; that they are based on averages of similarly populated communities throughout the U.S., not on your specific community; and that they are based on surveys of 3,000 nonprofit arts organizations and more than 40,000 attendees at arts events in 91 cities in 33 states and the District of Columbia.

The *Arts and Economic Prosperity Calculator* allows users to indicate the number of cultural event-related visits received by a particular organization or community to calculate the estimated impact due to visitors. The calculation does not distinguish between visitors from inside the county and those from outside the county, which many economists would consider problematic because of the likelihood that spending by visitors from within the county would be easily replaced by other local spending in the event that a particular cultural organization moved or ceased operations.

Quality of life through residential property analysis

Cultural organizations can be agents of community change because they improve the quality of life and make the neighborhood a more desirable place to live. Evaluating the extent to which a particular organization serves this function is complex, however, because of the intrinsic difficulty in defining what being “more desirable” means. One approach developed by economists is to conceptually “empower” current and potential residents of the community to define attractiveness based on their own willingness to seek out and pay for accommodation in the community. This view leads naturally to an economic evaluation, in which we measure the increased desirability of the local neighborhood and community by calculating the appreciation in property values and identifying that portion of the change that is attributable to the arrival of the cultural institution or other source of amenity.

The approach has important strengths and weaknesses. On the one hand, it can be undertaken in a consistent fashion over a wide variety of communities and for a wide variety of cultural organizations, environmental amenities, and other factors. This permits comparison and evaluation of the features of communities and institutions that combine to influence the community development impact. A further advantage is that it produces numerical estimates of changes in community wealth and property values that are often of interest to local policy makers and funding sources quite apart from the artistic merit of an organization’s programming.

Proctor's Troy

Conservative Yearly Estimates:

Theater Revenues:

Shows: 3 Community Plays, 10 movies, 6 live dance/arts shows, 4 bands

Result in: 19,000 patron visits to downtown area
\$240,000 in ticket and concession sales

Auditorium Rentals: 30 (Graduations/commencements, conferences, private shows)

Result in: \$60,000 in rental fees

Office Space Rentals: 30,000 Sq. Ft.

Result in: About 86 jobs housed in downtown
Conservatively \$180,000 in rental income

Total theater revenues before fundraising: About \$470,000.00

Total yearly fundraising: About \$220,000.00

Total Yearly Income: About \$690,000.00

Benefits to local economy:

About 86 jobs housed downtown, 19,000 patron visits to downtown

Result in: **About \$300,000 in retail/restaurant sales downtown**

PLUS: **19,000 evening patron visits a year to Fourth Street will reduce the numbers of illicit activities (drugs, prostitution, etc) currently troubling the area.**

LEAGUE OF HISTORIC AMERICAN THEATRES

“Eat, Drink, and be Profitable”

Agenda

July 16, 2008

- 1) INTRODUCTION OF PANEL BY LHAT REPRESENTATIVE**
- 2) OVERVIEW OF PANELIST AND FACILITY**
 - A) John Faust of the Stanley Center for the Performing Arts**
 - B) Edward Kelsey of the Orpheum Center**
 - C) Allan Vella of the Fox Theatre**
- 3) TOPICS**
 - A) Food and Beverage Policy**
 - I) Food and beverage permitted in the theatre**
 - B) Staffing**
 - I) Volunteer vs. paid**
 - II) T.I.P.S. training**
 - III) Payment methods (cash/credit/debit)**
 - C) Concessions Management (In-house vs. Outsource)**
 - D) Alcohol**
 - I) License, license! Who owns the license?**
 - II) Beer and wine vs. full bar**
 - E) Catering**
 - I) In-house vs. out of house**
 - II) Backstage**
 - F) Vendors: How Many is Too Many?**
 - G) Pourage Rights**
 - H) Going Green: Eco-friendly Substitutes for Traditional Paper Products**

LEAGUE OF HISTORIC AMERICAN THEATRES
(Venue Survey)

VENUE NAME	Fox Theatre Atlanta, Georgia	Stanley Center for the Arts	Orpheum Center		
		2006 Figures			
BUSINESS ENTITY					
Profit			X		
Non-Profit	X	X			
SEATING CAPACITY	4,674	2,903	1,957		
AVERAGE NUMBER OF PERFORMANCES PER YEAR	300	73	100		
ANNUAL ATTENDANCE	750,000	84,040	100,000		
EVENT MIX					
Ballet	X	X			
Broadway	X	X			
Opera	X	X			
Concerts	X	X	X		
Comedy	X	X	X		
FOOD & BEVERAGE					
In-house	X	X	X		
Contracted					
CONCESSION STAFF					
Number of Managers	5	1 (1/2 time)	0		
Number of Hourly Bar/Concession Staff	35	0	0		
Number of Volunteer Staff	N/A	100	0		
Number of Paid Staff	All	0	0		
Number of Points of Sale	30	7	3		
				*All above staff contracted per event	
LIQUOR LICENSE					
Type	Beer/Wine/Liquor	Beer/Wine	Beer/Wine/Liquor		
License Holder	Atlanta Landmarks, Inc.	CNYCAC	Steve Needleman (owner)		
ACCOUNTING SYSTEM					
Manual		X			
POS	X				
Cash Register			X		
METHOD OF PAYMENT					
Cash	X	X	X		
Credit	X				
Debit	X				
FOOD & BEVERAGE ALLOWED IN AUDITORIUM					
Yes	X	X	X		
No					
% OF ANNUAL REVENUE ATTRIBUTABLE	25% gross revenue	10.4% earned income	20.0%		

Orpheum Theatre Bar Options

Hosted with tickets

Minimum charge of \$750 plus \$125 per bartender.

Client purchases drink tickets. Client is only charged for tickets actually used.

Prices:	Water	\$2
	Sodas	\$3
	Beer/wine	\$5
	Cocktails	\$7

Open Bar with per person, per hour charge

Minimum charge of \$750 plus \$125 per bartender.

Client pays a per person fee for each hour (or fraction thereof) of bar service based on estimated number of guests. Theater reserves the right to adjust estimate upward based on actual attendance.

Prices:	Sodas, water, beer and wine	\$6 per person per hour
	Above plus Cocktails	\$8 per person per hour

Open bar with running tab

Minimum charge of \$750 plus \$125 per bartender.

Client pays only for actual drinks served above minimum charges. Client can specify which of the items below are covered in the open bar. Can be open to all guests or selectively with wrist bands.

Prices:	Water	\$2
	Sodas	\$3
	Beer/wine	\$5
	Cocktails	\$7

No host with minimum

Minimum charge of \$750 plus \$125 per bartender.

Guests purchase their own drinks. Client is only liable if sales do not reach the minimums.

Prices:	Water	\$2
	Sodas	\$3
	Beer/wine	\$5
	Cocktails	\$7

Donated liquor with bartender fee

Minimum charge of \$1000 plus \$125 per bartender.

Client supplies donated liquor, beer or wine. Theater supplies mixers, cups, etc. Basic charge is \$3 per person per hour of service, based on estimated number of guests. Theater reserves the right to adjust estimate upward based on actual attendance.

Menu

(subject to change)

Soda/Water

- Orpheum label water
- Coca Cola
- Diet Coke
- Sprite

Beer

- MGD
- Miller Lite
- Corona

Wine

- Sutter Home Merlot
- Sutter Home Chardonnay

Liquors

- Bacardi Light Rum
- Absolut Vodka
- Jack Daniels Whiskey
- Bombay Sapphire Gin
- Johnny Walker Black Scotch
- Cuervo Tradicional Tequila
- Courvoisier Brandy
- Crown Royal Whiskey

October 24, 2007		Add	Sub-total	End Count	comp/mixer	Diff	Unit Cost	Serv/unit	Price/serving	Gross Profit	Net Profit	
Sodas&Water												
Coke, 500 ml bottle	5	192	197	147	28	22	\$0.90	1	\$3.00	\$66.00	\$21.21	
Diet Coke, 500ml bottle	256	144	400	347	25	28	\$0.90	1	\$3.00	\$84.00	\$36.52	
Sprite, 500 ml bottle	177	72	249	222	15	12	\$0.90	1	\$3.00	\$36.00	\$11.81	
Orpheum Water	553		553	333	96	124	\$0.20	1	\$2.00	\$248.00	\$204.00	
						186				\$434.00		
Snacks												
Chex	0		0	0		0	\$0.30	1	\$1.00	\$0.00	\$0.00	
Sandwiches	0	10	10	0		10	\$6.00	1	\$7.00	\$70.00	\$10.00	
Candy	364		364	364		0	\$0.65	1	\$1.00	\$0.00	\$0.00	
						10				\$70.00		
Beer												
Miller Lite Plastic	631		631	556		75	\$0.86	1	\$5.00	\$375.00	\$310.50	
MGD	0		0	0		0	\$0.86	1	\$5.00	\$0.00	\$0.00	
Corona	577		577	363		214	\$0.98	1	\$5.00	\$1,070.00	\$860.28	
Bud Keg	0		0	0		0	\$71.00	103	\$5.00	\$0.00	\$0.00	
Bud Lite Keg	0		0	0		0	\$71.00	103	\$5.00	\$0.00	\$0.00	
						289				\$1,445.00		
House Wine												
Chardonnay, 1.5	62.9		62.9	59.6		3.3	\$6.67	8	\$5.00	\$132.00	\$109.99	
Mertot 1.5	42.2		42.2	36.3		5.9	\$6.67	8	\$5.00	\$236.00	\$196.65	
						9.2				\$368.00		
Well Liquor												
Cuervo Trad 1 L	17.1		17.1	16.9		0.2	\$25.17	17	\$7.00	\$23.80	\$18.77	
Crown Royal 1 L	7.2		7.2	6.1		1.1	\$26.42	17	\$7.00	\$130.90	\$101.84	
Rum 1L	16.3		16.3	14.8		1.5	\$13.25	17	\$7.00	\$178.50	\$158.63	
Jack Daniels 1L	53.4		53.4	50.7		2.7	\$24.50	17	\$7.00	\$321.30	\$255.15	
Bombay Sapphire Gin	21.2		21.2	18.6		2.6	\$25.25	17	\$7.00	\$309.40	\$243.75	
Absolut Vodka 1 L	71.8		71.8	66.3		5.5	\$23.83	17	\$7.00	\$654.50	\$523.44	
J. Walker Black Lbl 1L	0.1		0.1	0		0.1	\$33.25	17	\$7.00	\$11.90	\$8.58	
Chivas 1L	25.1		25.1	24.7		0.4	\$30.00	17	\$7.00	\$47.60	\$35.60	
Couvorsier 1L	6.7		6.7	6.7		0	\$32.00	17	\$7.00	\$0.00	\$0.00	
						14.1				\$1,677.90		
TOTAL										\$3,994.90	\$3,106.70	

Preliminary Concession Reconciliation

October 24, 2007

Calculated Sales			\$7,829.00
Soda	222	3.00	666.00
Water	331	2.00	662.00
Candy	491	1.00	491.00
Sandwiches	34	7.00	238.00
Beer	508	5.00	2,540.00
Wine	50	5.00	250.00
Liquor	426	7.00	2,982.00
Supplies - 5% of liquor sales			149.10 (cups, mixers, napkins, etc.)
Labor	Black Tie		1,200.00
Cost of Goods Sold			1,950.43
Soda	\$0.85	222	188.70
Water	\$0.38	331	125.78
Candy	\$0.65	491	319.15
Sandwiches	\$6.00	34	204.00
Beer	\$0.85	508	431.80
Wine	\$0.84	50	42.00
Liquor	\$1.50	426	639.00
Sales Tax Owed			\$596.67
			\$3,932.80
Host Reimbursement			\$0.00
Net Profit or Loss			\$3,932.80

Cash Reconciliation

Cash in from bars

Lobby 1		\$1,030.00
Lobby 2		\$1,469.00
Lobby 3		\$68.00
Lobby 4		\$0.00
Mezz 1		\$0.00
Mezz 2		\$0.00
3rd Floor		\$0.00
Basement		\$1,439.00
Basemnt2		\$0.00
	Subtotal	\$4,006.00
Host ing or Comps		\$0.00
	Subtotal	\$4,006.00
Difference		-\$3,823.00 comps
Final Profit (Net plus difference)		\$109.80

Orpheum Theatre

Bar and Concessions Overview

The Orpheum is a rental house, with about 100 -150 public event days per year. The range of events include rock concerts, ethnic concerts (Filipino, India, Middle Eastern, Korean), film screenings, awards shows, TV tapings, dance recitals and fundraising events. The theater has a full California liquor license held by the building's owner.

The bar and concession setup consists of portable bars on the main floor and mezzanine as well as a permanent bar in the basement lobby. Depending on the event, we may open only the main floor bar or add on the basement and/or mezzanine. The bars all have top-loading beer coolers which are used to store the beer, sodas and water, which are all served from bottles. Liquor is free-poured from the bottles by the bartenders. Our normal food menu consists of sandwiches prepared by a local restaurant along with chips and candy.

The bars are staffed by outside bartenders supplied by a catering company. They handle all payroll and insurance for the bartenders. Bartenders are hired for a minimum 5 hour shift including setup and final cleanup. The theater orders all supplies and product, and handles inventory and reconciliation.

Bars are all cash only. We have two ATM machines on the premises for patrons who don't have cash – these are also an independent source of income through the service fee. Bartenders share cash registers which are pre-programmed with items and prices to make operation as simple as possible. Theater staff monitor the registers on a regular basis, removing excess cash as needed and handling any errors or operator issues.

Inventory and reconciliation consist of a full count of all inventory after each event or series of events. At the same time, the cash is balanced to the register tapes and the register totals for various items are balanced to the difference between the beginning and ending inventory.

For the vast majority of events, customers are allowed to take all items to their seats. Some TV tapings don't allow this because it would be seen and heard on camera. In those cases, sales can go way down as customers don't want to stay in the lobby to finish their drink.

Some of the keys to maximizing profitability include:

- Getting the correct staffing levels for each event. Overstaffing drags down profits, while understaffing can lose customers who don't want to wait in line. There is always a fine line between staffing for the intermission rush and having bartenders standing around for the rest of the shift.
- Maintaining control of inventory. Profits can evaporate if the bartenders are too free with the product. Over-ordering of inventory can lead to spoilage, while ordering too little can cause you to run out of product during a show.

- Getting the renter to agree to an intermission is crucial. Sales can be cut in half or more if the show doesn't have an intermission.
- Speed up service by keeping the product selection to a minimum while still satisfying customer expectations. It is better to stock one good brand of each liquor to minimize decision-making when the customer gets up to the bar. Eliminating martinis and blender drinks during the intermission rush can really speed up customer service which still satisfying the vast majority of customers.
- Friendly bartenders have an amazing way of driving repeat business during an event – customers love to be recognized and feel special, and they will spend more when that happens.
- Post the prices and selection on large, easy to read signs so that people in line can be ready to make their selection when they reach the bar.
- Provide audio and video of the show in the bar area. This is pretty simple to do today with inexpensive equipment. Customers are much more likely to stay in line after the show starts if they can see and hear what they are missing.
- Set up accounts with local wholesale distributors to save on the time and expense of going out shopping. Most liquor, soda and water distributors will deliver with very small minimum orders.

The Orpheum rents to a wide variety of special events which usually include some kind of VIP reception, pre- or post-party or 'meet and greet'. These events often have sponsors who donate liquor, beer, wine or other product, or have a caterer who wants to handle the bar as well as the food. We have to inform clients that the theater holds the liquor license and that any bar service has to go through us, or the client needs to buy out our license for the day (CA allows a temporary surrender of the license to allow another license holder to serve on the premises). We are pretty flexible on terms and pricing as long as two requirements are fulfilled – (1) the theater still makes some profit from any bar service, and (2) the drinks are being served in a safe and legal manner. We often supply one or two supervising bartenders to watch the caterer's serving staff in these cases.

Up to this point, the Orpheum has not become involved in food catering. We have a small catering area off the main lobby where food can be stored and readied for service – it does not have cooking facilities. Cooking is usually done off-site, or under tents in the rear parking lot. We allow any caterer as long as they are insured. If clients ask for recommendations we will give them name of nearby caterers who have done events in the past. The theater does not take any percentage from these companies. If the main lobby bar room is used for a private event during the show and is not available for us to use for a cash bar, we charge an additional \$500 rental for that room.

Income from our bar service vary greatly by type of event. Rock concerts are the most lucrative and can gross \$5.00 or more per person. Some ethnic shows go as low as 50 cents per person. Eliminating alcohol for a particular show brings both the gross and the net way down, as we have a much lower margin on sodas and water. Hosted bars for private events can be very lucrative as we normally charge a total fee per hour which usually leaves us a higher gross that the actual sales would generate if it were a cash bar.

Eat, Drink & Be Profitable

1. What is the name and location of your historic theatre?

	Response Percent	Response Count
Name: <input type="text"/>	100.0%	45
City/Town: <input type="text"/>	100.0%	45
State: <input type="text"/>	100.0%	45
<i>answered question</i>		45
<i>skipped question</i>		0

2. What is the seating capacity of your theatre?

	Response Percent	Response Count
Fewer than 500 seats <input type="text"/>	24.4%	11
501-999 seats <input type="text"/>	26.7%	12
1,000-1,499 seats <input type="text"/>	26.7%	12
1,500-2,499 seats <input type="text"/>	15.6%	7
More than 2,500 seats <input type="text"/>	6.7%	3
n/a	0.0%	0
Other (please specify)		0
<i>answered question</i>		45
<i>skipped question</i>		0







3. What is the population of your primary market?

		Response Percent	Response Count	
Fewer than 250,000		37.8%	17	
251,000-500,000		26.7%	12	
501,000-1,000,000		13.3%	6	
1,001,000-3,000,000		11.1%	5	
More than 3,000,000		8.9%	4	
n/a		2.2%	1	
	Other (please specify)		2	
			answered question	45
			skipped question	0




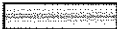


4. How many events occur annually in your theatre?

		Response Percent	Response Count	
Fewer than 50		6.7%	3	
51-150		31.1%	14	
150-350		40.0%	18	
More than 350		20.0%	9	
n/a		2.2%	1	
	Other (please specify)		3	
			answered question	45
			skipped question	0

5. What is your theatre's profit margin (% income over cost) on food and beverage sales?

		Response Percent	Response Count
Less than 10%		10.8%	4
11-25%		10.8%	4
26-50%		21.6%	8
51-100%		29.7%	11
Over 100%	 *	8.1%	3
n/a		18.9%	7
	Other (please specify)		4
	answered question		37
	skipped question		8

6. What percentage of your theatre's annual gross income is derived from food & beverage sales?

		Response Percent	Response Count
Less than 1%		10.8%	4
1-5%		27.0%	10
6-15%		29.7%	11
16-25%		16.2%	6
More than 25%		2.7%	1
n/a		13.5%	5
	Other (please specify)		2
	answered question		37
	skipped question		8




7. What is the average amount each patron spends for food and beverage items at your theatre?

		Response Percent	Response Count
Less than \$1		21.6%	8
\$2-4		59.5%	22
\$4.5 - \$6		5.4%	2
\$6.5 - \$8		0.0%	0
\$8.5 and above		2.7%	1
n/a		10.8%	4
	Other (please specify)		4
	answered question		37
	skipped question		8

8. How do you staff food and beverage service for patrons in your theatre?

		Response Percent	Response Count
Paid servers/bartenders		54.1%	20
Volunteer servers/bartender		40.5%	15
Paid servers/volunteer bartenders		5.4%	2
	Other (please specify)		1
	answered question		37
	skipped question		8



9. What type of beverages are available at your theatre?

	Response Percent	Response Count
No alcohol 	16.2%	6
Beer/wine, soft drinks 	43.2%	16
Beer, wine, mixed drinks, soft drinks 	27.0%	10
All alcohol 	13.5%	5
Other (please specify)		3
answered question		37
skipped question		8

10. Please list your basic food and beverage menu, along with size and price you charge per item. (Example: 12 oz Saranac draft beer for \$3; 12 oz Heineken bottled beer for \$4; 12 oz plastic bottled soda for \$2; 16.9 oz bottled Nirvan Spring water for \$2; 4 oz candy bars for \$1; etc.)

	Response Count
	37
answered question	37
skipped question	8


11. Do you allow food and beverage items into the house during most events at your theatre?

	Response Percent	Response Count
Yes 	73.0%	27
No 	27.0%	10
Other (please specify)		6
answered question		37
skipped question		8


12. Does your theatre offer any catering facilities for other events in the theatre, such as receptions, dinners, etc.?

		Response Percent	Response Count
Yes		43.2%	16
No		56.8%	21
<i>answered question</i>			37
<i>skipped question</i>			8

13. If your answer to the previous question is "yes," please explain how food service is handled and any charges. (For example, only caterers approved by the theatre may be used and they are charged \$200 per event for use of your kitchen.)

	Response Count
	18
<i>answered question</i>	
18	
<i>skipped question</i>	
27	

14. Please provide any additional comments about your theatre's food and beverage service that you think your colleagues would be interested in knowing.

	Response Count
	12
<i>answered question</i>	
12	
<i>skipped question</i>	
33	