CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroder, Director

Date: October 4, 2013

Subject: KIRKLAND PERFORMANCE CENTER PRESENTATION

RECOMMENDATION:

That the City Council receives a presentation on the Kirkland Performance Center operations by Executive Director Dan Mayer.

BACKGROUND DISCUSSION:

Attached is the annual report from Day Mayer, which provides an overview of the 2012-2013 season, upcoming 2013-2014 season, and includes the 2012 financial summary.

In 2008, the City renewed the 10 year lease with Kirkland Performance Center (KPC) for operations of the facility. The City contributes to the operations of the KPC in several ways:

- As the landlord of the facility, the City has certain obligations with respect to the structural components of the facility. These obligations are primarily limited to maintaining the roof, the exterior walls, the foundation, the facility's HVAC system and elevator, as well as the testing and repair of the theater's fire suppression system.

- The City incurs costs related to annual property insurance.

- The City returns to KPC one hundred percent (100%) of the admissions taxes collected from KPC event ticket sales. This was granted for the first 10 year lease with KPC. In 2012 the Council extended this refund through the end of the existing lease on June 30, 2018. The tax rate is 5% on top of ticket sales.

- The City allocates one time funds each year to assist in program operations of KPC. These funds assist the KPC operating budget and ability to program the facility. The City has contributed one time funds of $50,000 for the years 2004-2009 and in 2010 this amount was reduced to $34,000. For 2013-2014 Council approved the same level of

$34,000 per year. This allocation is considered Outside Agency Support. KPC applies for these funds every year.

- The City provides the lease to KPC rent free. In the initial lease, the consideration of value of Kirkland Performance Center's contributions to the development of the performing arts, as well as to maintain and operate the building was value enough to waive any rent requirement. This was extended to the second ten year lease. This is similar to the lease the City currently has with the Bellevue YMCA to operate the KTUB, and Youth Eastside Services in operating services out of the Forbes House at Juanita Beach. The City has historically recognized the leveraged value of the leasing city facilities for minimal or no cost, in exchange for services to Kirkland citizens. In the case of the KPC, not only does it provide a venue for performing arts for citizens, it has a regional draw, impacting the economics of downtown restaurants and businesses.

Attachments:

Attachment A: KPC Annual Report
Attachment B: List of Board of Directors
Attachment C: 2012 Financial Summary

Kirkland Performance Center
A World of Arts…Near You!

October 1, 2013

Mayor Joan McBride and the Kirkland City Council
City of Kirkland
123 Fifth Ave.
Kirkland, WA 98033

Dear Mayor McBride and City Council Members:

On behalf of the Board of Directors, staff, and patrons of Kirkland Performance Center, thank you for the opportunity to present this annual update on the "State of the Arts" at KPC.

As you may know, our 2013-2014 Season marks KPC's **15th Anniversary** of bringing great performances to the Eastside. Our origins are a monument to the power of a small group of citizens working together towards a common vision: to create a local home for the performing arts, and a gathering place for shared experiences. Our success and growth has been the continuation of that vision, achieved with the involvement, support, and dedication of the entire community.

KPC is much more than the bricks and mortar of our building. Each year, we literally search the globe to bring great performers from around the country and around the world to our stage. Through our *Spotlight* education program**,** KPC's impact extends well beyond our stage**.** Often for the first time in their lives, local students are given an opportunity to experience live music, theater, and dance. In addition to our special student matinees, we bring artists into the schools, offer in-school performances, youth-centered workshops, and more.

Two years ago, KPC adopted a dynamic new model of booking new programs year-round, to supplement the core performances which are booked about a year in advance. This model gives us the flexibility to attract great performers who may be travelling through the region to play larger venues, or who have added new stops to a tour on relatively short notice. This model has also allowed us to offer programs outside the typical September-May season. For instance, we were able to schedule a June performance with jazz/blues sensation Madeline Peyroux, who was travelling from California to Vancouver to perform at the Vancouver Jazz Festival. The practice of year-round booking has allowed us to be more responsive to market trends, and to present a wider and better-known range of artists to local audiences. We are thus able to bring a truly diverse range of programming to Kirkland audiences, while maintaining a strong, independent artistic identity.

This new programming model emerged from a strategic planning process, which identified a need to offer more shows to younger and more diverse audiences. We are currently in the second year of our three-year organizational Strategic Plan, and we are currently developing new, targeted strategic plan specifically for our "Spotlight" arts education program.

Retrospective on our 2012-2013 Season
During the 2012-2013 Season, Kirkland Performance Center brought more than **100 performances** to our stage. Highlights included, but are not limited to:

- Legendary composer and pianist Philip Glass, with local cora player Foday Musa Suso

(*continued*)

- Zakir Hussain, Indian tabla player and classical musician widely known as "the most famous percussionist in the world."
- Folk legend Peter Yarrow, of Peter, Paul & Mary
- Grammy-nominated American vocal band quartet The Four Freshmen
- Legendary humorist/pianist Mark Russell
- Jazz superstar Jane Monheit and violinist/fiddler Mark O'Connor
- TV's "Survivorman," Les Stroud, who presented a multi-media adventure with live music.
- Jazz/blues sensation Madeline Peyroux
- The Glenn Miller Orchestra
- Science comedian and children's entertainer Doktor Kaboom!
- Folk/Pop star Lisa Loeb
- Classical/experimental octet Eighth Blackbird
- Famed jazz trio Medeski, Martin & Wood in a rare all-acoustic set
- Rahim AlHaj & Ancient Sounds, a fusion of traditional Middle Eastern and South Asian music
- Renowned Hawaiian/slack-key guitarist Makana
- The Popovich Comedy Pet Theater
- Celtic music stars Solas and Alsdair Fraser & Natalie Haas
- Guitar virtuosos Kevin Eubanks and Stanley Jordan

Our Upcoming 2013 - 2014 Season

KPC's **15th Anniversary Season** began on September 21st with a family-friendly performance by famed sleight-of-hand magician John Carney, as seen on Late Night with David Letterman. It is appropriate that the season kicked off with a magic show—after all, the performing arts are a very real kind of magic, sparking the wonder full of transformative potential for individuals and communities. As ever, our season's programming strikes a perfect balance of well-known favorites, emerging talent and the best in all-ages programming.

Due to our relationships with artists, we are proud to be able to bring back well-loved performers who enjoy performing at KPC as much as our patrons delight in seeing these artists. These "repeat performances" help brand KPC and Kirkland as a home for your favorite artists in diverse genres. Returning favorites include: Gary Stroutsos, John Carney, Celtic favorites Gaelic Storm and Solas, Mark Russell, the Brothers Four, Dr. Kaboom! and more.

The upcoming 2013 – 2014 Season features many highlights, including:

- Headliners, including an encore solo piano performance with Philip Glass (widely considered the greatest living American composer) and Country/Folk star Kathy Mattea
- World Music, with such diverse performers such as: Afro-Cuban Jazz superstar Omar Sosa, Antonio Zambujo (Portugese Fado), Marcio Faraco (Bossa Nova/Jazz) and more.
- Leading Celtic musicians such as Gaelic Storm, Solas, the Tannahill Weavers, and Maria Doyle Kennedy
- Family programs including: Dr. Kaboom!, Owl & Pussycat, We're Going on a Bear Hunt!
- Classical/Instrumental: The Richter Uzur Duo; The Portland Cello Project; Dublin Guitar Quartet.
- Contemporary dance, including: Arpan: Yavanika: Veiled Perspectives (a dance performance reflecting on womens' identity across cultures); Khambatta Dance Company, and more.

Partnerships with Local Arts Organizations

KPC was founded with a mission to provide a home for other Eastside and regional arts organizations. We have also continued to maintain strong relationships with the local and regional arts community by providing a high quality venue and professional support services, allowing a dozen producing partner companies to regularly present their work in our state-of-the-art theater. Local partners over the past year include:

- Seattle International Film Festival (SIFF)
- Seattle Repertory Jazz Orchestra
- Kirkland-based Studio East's StoryBook Theater
- Lyric Light Opera
- Seattle Shakespeare Company
- Master Chorus Eastside
- Washington Wind Symphony

Ongoing efforts such as Namasté Kirkland, an outreach initiative to highlight artists of South Asian origins. In addition to serving the South Asian community, these performances shine a light on the Subcontinent's rich tradition of expression through the performing arts. This is just one element of a broader effort to build partnerships with local communities across ethnic, religious and linguistic lines. We have similarly reached out to members of local Eastern European, Central Asian and East Asian communities through performances such as Iveria: Georgian National Song & Dance Ensemble, the upcoming Ukranian ensemble Dakha Brakha, and Korean jazz sensation Youn Sun Nah.

KPC's dynamic approach to programming and outreach ensures has ensured our expanded calendar will responsively present programming specifically relevant to Eastside audiences, while maintaining a strong, independent artistic identity. We actively engage and shine a light on the cultural traditions of the diverse populations that make their home on the Eastside.

In addition to the performances we host, individual and corporate renters benefit from our state-of-the-art auditorium for dance recitals, graduations, product launches with national media, corporate meetings, and much more. During the past year, our to a diverse range community groups. KPC is an integral part of the artistic and economic fabric of our Eastside community. As such, people come from around the region to Kirkland, which strengthens all aspects of our local economy.

Education Programs

Exposure to live, professional performing arts provides an education that cannot be replicated in a textbook, video, or recording. The performing arts keep and convey culture and history, stimulate creativity, and spark the imagination. At a time when funding for arts programs in the public schools are rapidly diminishing, young people need the creativity, self-expression, and cross-cultural awareness that the performing arts have the unique capacity to convey.

Spotlight, KPC's signature education initiative, displays the wonder of art and creativity to thousands of children and young adults (More than 4,500 K-12 students in 2012-13 alone). At a time when public schools have been forced to cut or reduce performing arts programs, demand for KPC programming has grown exponentially. KPC remains the only organization in East King County connecting community members with leading professional performing artists from around the world. Also, during our 2012-13 Season, KPC was able to provide scholarship tickets to more than 600 K-12 students—more than a 500% increase from the prior year.

Below are just few examples of the arts education programs we offered over the past year:

- School Matinees featuring Seattle Shakespeare's *Romeo and Juliet*, with facilitated post-performance discussions. Ruth Schemmel, E.L.L. teacher of Redmond High School, said of one performance, "*The majority of my students are economically disadvantaged. They were moved to tears. For the first time in their lives, they felt a direct emotional response to the play. One student who cried during the performance has been suspended multiple times and is failing many classes. He was moved—they all were*."
- Les Stroud, TV's "Survivorman," led a hands-on teen filmmaking and documentary workshop facilitated by KPC, with participants from Kirkland Teen Union Building
- 80 local elementary school students performed with Norman Foote, an internationally acclaimed musician, puppeteer and songwriter;
- Northwest physical theatre company UMO Ensemble offered student workshops as an extension of their KPC student performances, which taught young people how to analyze and adapt stories into stage productions. This season, UMO featured "Red Tiger Tales," which brought traditional Chinese folk tales to life on the stage through acrobatics, theater, and storytelling.

Spotlight works with KPC's unique roster of Presented Artists to bring one-of-a-kind educational programs into local schools. In addition, KPC develops supporting materials that help teachers connect the performing arts with the Washington State curricula. KPC is the only organization in East King County connecting students and community members with professional, internationally acclaimed performing artists. Spotlight programs include:

- In-School Residencies;
- Daytime matinees at KPC;
- Performing opportunities for students with national touring artists;
- Master classes for adults; and
- Cultural outreach to diverse communities through specific performances.

Kirkland-area schools served include Lake Washington High School, Rosa Parks Elementary School, BEST High School, Peter Kirk Elementary, Totem Preschool, Carl Sandburg Elementary, Lakeview Elementary, Eastside Preparatory School, Environmental & Adventure School, Northstar Junior High, Holy Family Parish School, Kamiakin Jr. High and Redmond High School, among others.

In 2013, we welcomed Dr. Traci Pierce, Superintendent of the Lake Washington School District, as a member of our Board of Directors. Dr. Pierce is actively involved in helping KPC shape our programs in collaboration with educators, to more effectively link the performing arts with various aspects of the Washington State Curriculum.

We look forward to teacher trainings and assembly shows throughout the school year. We have also established a School Bus Fund to provide free or low-cost transportation to school matinees for students and schools for whom a lack of transportation may be a barrier to participation in KPC programs. To fund this initiative, KPC was one of a handful of local nonprofits to be selected by Groupon Gives to reach out to their customers to ask for designated funding for the KPC School Bus Fund, which was matched by Groupon.

Financial Report

FY2012 was a turn-around year for KPC. With a few generous one-time charitable gifts, we were able to realize a surplus before depreciation of nearly $60,000. Like so many others in our community, the very dedicated donors who gave above and beyond in 2012 value the power of the arts to change lives and impact their community for good. With their support we were able to program our most ambitious season yet, one that saw more than 60 performances in KPC's presented season. Momentum continues to build, as we anticipate a 30% increase in ticket sales from 2012. Recent strategy changes in our marketing have yielded some immediate impressive results, notably hitting a new single-day sales record of $30,000 during our now annual No Fee Sale. Increased revenue and community support have enabled us to invest in our theater and programs. This has allowed us to spend more on well-known "headliner" artists like Lisa Loeb, Philip Glass, "Survivorman" Les Stroud, and Madeleine Peyroux—events that draw patrons from around the region..

Facility Maintenance and Improvements

As stewards of our state-of-the-art theater, we invest a great deal of time and money in maintaining and improving our building, so that it can be a facility that our entire community can enjoy and take pride in. We've just completed building an extension to our stage which will allow for a "dance floor" and more interactive uses of our stage. We're updating our sound system with new state of the art microphones to improve both the performers and audiences experience of our venue. We've also put in new carpet and repaired the aging auditorium seats, in addition to regular painting, repairs to walls and floor, and ongoing beautification and maintenance projects.

Board of Directors

KPC is proud of its growing and diverse Board of Directors. Led by Board President Bill Schultheis, this cadre of 25 community leaders works tirelessly to advance the mission of KPC. Our board includes representatives from Boeing, Wells Fargo Investments, Microsoft, and many other local business, as well as other community members who believe in the transformative potential of the performing arts.

The board-led Auction Committee has worked tirelessly planning our upcoming "Affair for the Arts" **15th Anniversary Celebration** and Gala/Auction on Saturday, October 19th at the Hyatt Regency Bellevue. This event will honor the Past Presidents of the KPC Board of Directors (we hope to see all of you there!) with our annual *Champion of the Arts Award*. A roster of Board Members is attached.

City Support / Conclusion

As we celebrate our landmark 15th Anniversary Season, we are truly grateful for the sustained and sustaining support we receive from the City of Kirkland. I'm sure we can all agree that the performing arts are invaluable to our community. As a practical matter, there is a considerable cost associated with bringing world-class performing artists and arts education to the people of our community. The funding we receive from the City of Kirkland has been a key element in our strong and continuing success over the past fifteen years. We believe that the returns are manifold on the City's investment in KPC. The cultural, economic, and educational fabric of our community is immeasurably stronger because of our partnership with the City of Kirkland. On behalf of all of us who believe in the power of the performing arts and arts education, I thank you for your time, vision, and support.

Sincerely,

Daniel Y. Mayer
Executive Director

KIRKLAND PERFORMANCE CENTER
2013 Board of Directors

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Investment Counselor, Soundmark Wealth Management

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Beth M. Strosky
Attorney

Kay Taylor
VP Marketing & Communications, Evergreen Healthcare

Mike Tenhulzen
Owner, Tenhulzen Residential

Kathy Terhune
Realtor, John L. Scott Real Estate

Kirkland Performance Center
Unaudited Balance Sheet

	Dec 31 2012	Dec 31 2011	$Var
Assets			
Cash			
Operating Checking	23,807	79,708	(55,901)
Operating Savings	16,000	35,151	(19,151)
Total Cash	39,807	114,859	(75,052)
A/R			
Donations	81,155	96,382	(15,227)
Rentals, etc.	11,353	15,227	(3,874)
Total A/R	92,508	111,609	(19,101)
Other Current Assets	26,615	42,728	(16,113)
Endowment Assets	675,285	704,039	(28,754)
Fixed Assets	1,836,551	1,948,953	(112,402)
Total Assets	2,670,766	2,922,188	(251,422)
Liabilities & Net Assets			
A/P	62,609	34,831	27,778
Credit Cards	4,865	524	4,341
Other Current Liabilities	32,150	38,579	(6,429)
Deferred Revenue	40,188	99,515	(59,327)
Line of Credit	79,640	100,000	(20,360)
Total Liabilities	219,452	273,449	(53,997)
Net Assets	2,451,314	2,648,739	(197,425)
Total Liabilities & Net Assets	2,670,766	2,922,188	(251,422)

Kirkland Performance Center
Unaudited Income Statement

	2012
Income	
Earned Income	
Presented Ticket Revenue	268,805
Other Earned Income	409,490
Total Earned Income	678,295
Individual Contributed Income	261,813
Other Contributed Income	401,850
Total Contributed Income	663,663
Total Operating Income	1,341,958
Personnel Expenses	619,976
Program Expenses	468,790
Other Expenses	191,194
Total Operating Expenses	1,279,960
Net Operating Income	61,998

Council Meeting: 10/15/2013
Agenda: Honors and Proclamations
Item #: 5. b.

CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroder, Director

Date: October 4, 2013

Subject: Kirkland Performance Center's 15-year Anniversary

RECOMMENDATION

That the Mayor proclaims the Kirkland Performance Center's 2013-2014 Season as "The Year of the Performing Arts," celebrating 15 years of bringing great performances to the City of Kirkland.

BACKGROUND DISCUSSION

June 2013, marked the 15th anniversary of the partnership between the City of Kirkland and the Kirkland Performance Center (KPC). Over the last 15 years, KPC has welcomed over one million guests and is a cultural hub in our community, bringing more than 110 diverse, high-quality performances to its stage each year. Much more information about KPC is included in the annual report the Council which is also on the October 15th Council agenda.

Attached is a proclamation to celebrate the Kirkland Performance Center's success in bringing great performances to the City of Kirkland for 15 years. KPC Executive Director Dan Mayer will be in attendance accept the proclamation on October 15th, following his annual presentation to the Council.

A PROCLAMATION OF THE CITY OF KIRKLAND

Proclaiming the Kirkland Performance Center's 2013-2014 Season as "The Year of Performing Arts" and Celebrating 15 Years of Great Performances in the City of Kirkland, Washington

WHEREAS, support for the artistic and cultural development of the City of Kirkland and its residents fulfills an important public purpose; and,

WHEREAS, the Kirkland Performance Center provides great performances and an essential gathering space for the presentation of artistic and cultural events, and thereby accomplishes this important public purpose; and,

WHEREAS, the Kirkland Performance Center reaches out to enrich the cultural lives of Kirkland youth by subsidizing transportation to performances among its many community activities; and,

WHEREAS, through its partnerships with local hotels and other businesses, the Kirkland Performance Center supports the local economy and brings visitors to our city; and,

WHEREAS, June 2013, marks the 15th anniversary of the partnership between the City of Kirkland and the Kirkland Performance Center; and,

WHEREAS, the Kirkland Performance Center has welcomed over one million guests in the past fifteen years; and,

WHEREAS, the Kirkland Performance Center is a cultural hub in our community, bringing more than 110 diverse, high-quality performances to the stage each year; and

WHEREAS, the Kirkland Performance Center is a force for economic development, attracting new visitors and shining a light on all that Kirkland has to offer,

NOW, THEREFORE, I, Joan McBride, Mayor of Kirkland, do hereby proclaim Kirkland Performance Center's 2013-2014 Season as "The Year of the Performing Arts" in Kirkland, Washington and encourage community members to attend one of the many outstanding performances being held this season.

Signed this 15th day of October, 2013

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Joan McBride, Mayor