



Business Plan

Upper West Arts Center

Ferry Circle
Buffalo, New York 14222

Owner/Developer/Operator
Alleyway Theatre Incorporated
1 Curtain Up Alley
Buffalo, New York 14202

Upper West Arts Center

Adaptive reuse of historic architecture to create an outstanding multi-use center for the arts.

1. Executive Summary

The development of Upper West Arts Center will preserve and adaptively reuse an historically significant structure, provide needed performing and support space to Western New York artists and arts organizations, promote stabilization of a diverse Buffalo neighborhood, and bolster regional cultural tourism while strengthening the fiscal health of the sponsoring non-profit organization.

Upper West Arts Center is a 36,000 sq. ft. former church building located at Ferry Circle in Buffalo, New York. Alleyway Theatre Incorporated, a thirty year old 501(c)(3) not-for-profit corporation, purchased the property in 1998 and is developing it as a multi-use community based center for the arts offering a wide range of high quality performing and visual arts spaces at affordable rates. The building is listed on the **National Register Of Historic Places**, and overlooks Fredrick Law Olmsted designed Richmond Avenue. Its many dramatic and acoustically excellent rooms will showcase, to best advantage, the work of local individual artists and arts organizations from every arts discipline. Daily, weekly, monthly and annual rentals will be available to tenants ranging from individual painters to symphony orchestras. As a commercial enterprise, Upper West Arts Center is the financial key to the future of Alleyway Theatre Incorporated and, in light of diminishing public funding for the arts, may well be an essential tool for securing the futures of a large number of Erie County's small to medium size cultural organizations. Support has come from The Margaret L. Wendt Foundation, The Elster Foundation, The Spaulding Foundation, The Fatta Foundation, The Erwin H. Johnson Memorial Fund, Inc., County Of Erie Public Benefit Grant, M&T Bank, NYS Community Enhancement Facilities Program, NYS Strategic Investment Program, NYS Council On The Arts Capital Program and Technical Support Awards, Erie County Legislative Grants, and NYS Environmental Protection Fund.

Financial Summary As Of June, 2010:

Funds Raised And Invested:	\$1 Million
Additional Funds Currently Committed:	\$550,000
Additional Funds Required For Opening:	\$850,000
Additional Funds Required For Completion:	\$600,000

(Total Project: \$3 Million)

2. Mission Statement



Original architect's sketch, 1898.

Upper West Arts Center is dedicated to providing outstanding performance, exhibit, studio and other related arts spaces at modest cost to artists and arts organizations of Western New York while preserving and adaptively reusing one of the region's historic pieces of architecture, enriching the immediate neighborhood, fostering the appreciation of diversity, and boosting economic development and promoting cultural tourism.

3. The Project Team

Neal Radice - Project Manager/Facility Operator

Neal Radice, Executive Director of Alleyway Theatre Inc., has over 40 years experience in arts administration and arts facility management. Since founding the company in 1980, he has guided its growth as one of the area's busiest and most progressive cultural institutions. Mr. Radice has worked with numerous arts service organizations including Theatre District Association, Arts Council In Buffalo And Erie County and Buffalo Theatre Alliance, and has often served as chairperson of the annual Curtain Up! celebration. His experience related to theatre design includes a Master Of Arts degree from University Of Buffalo and consultant work on the development of numerous theatre spaces including Forbes Theatre, Lancaster Opera House, and Café In The Square, among others. In addition to his role with Alleyway Theatre, Mr. Radice has managed or consulted on facility management for numerous organizations including, Studio Arena Theatre, Center Theatre, Forbes Theatre, UB's Department Of Theatre And Dance, Franklin Street Theatre, and other small professional and dinner theatres. Most recently, his considerable construction, design, technical and management skills served him in his role as project manager and general contractor for the renovation of Alleyway Theatre. The \$1.5 million adaptive reuse project transformed an historic former bus depot into a theatre complex featuring two theatres, spacious lobby, conference room, exhibit gallery, scene and costume shops and rehearsal halls. On the occasion of its grand opening in September, 2005 the renovated Alleyway Theatre was hailed by the Buffalo News as "*the Ritz of local theatres*". Mr. Radice was 2001 winner of the Preservation Coalition of Erie County's Civic Leadership Award for his role in developing the Upper West Arts Center project, and received the Working For Downtown 2006 Fernbach Award for his efforts to revitalize downtown Buffalo.

Clinton Brown - Architect

President, Project Architect, Heritage Architecture

President of Buffalo-Niagara based full service historic preservation architecture firm; Principal architect responsible for all architectural services and historic preservation consulting. Clint was the Secretary (staff) of the Buffalo Preservation Board and worked for a real estate developer; lectures on facilities issues for not-for-profits, on downtown revitalization for municipal leaders, and on historic property rehabilitation strategies; assisted in the creation of the Hoyt Valesky state historic rehabilitation tax credit legislation advocated by the Preservation League that Governor Paterson recently signed into law; appointed by the Secretary of the Interior to the Erie Canalway National Heritage Corridor Commission; Richardson Board; historic building redeveloper. He is Vice Chair of the Board of Willowbank School of Restoration Arts in Ontario. Clint, as one of the firm's key personnel meets and exceeds the National Park Service's 36 CFR Part 61 *Professional Qualification Standards*.

Alma O'Connell-Brown - Project Manager

Over 25 years of project management and coordination, construction contract administration services; Project administrator, SHPO and client liaison for Historic Resources Surveys of over 12,500 properties, Erie County Commercial Center Improvement Program, Alma provides grant writing and grant administration services for clients to fund projects, raising over \$30 million in funding for client historic preservation projects. Recent projects include the exterior restoration & roof replacement of the historic Riviera Theatre, funded by NYS Parks EPF grant, First Baptist Church of Newfane exterior restoration of historic cobblestone church.

4. Market Assessment

Western New York is home to a remarkable number and variety of cultural organizations. Indeed, on this basis it outshines communities many times its size throughout the country. Yet, we lack an arts



The Garden Walk was the last event before renovations began in 2001.

center which offers our cultural organizations affordable high quality performing and exhibit space. The critical need for such space has been identified by numerous theatre, opera, dance, music, literary and visual arts organizations and confirmed in studies conducted by the Arts Council In Buffalo and Erie County.

Further, the recent crises in public funding for the arts has brought into focus the need for arts organizations to earn a greater portion of their income from box office sales. Upper West Arts Center will be an essential tool for many organizations to successfully meet that challenge.

5. Opportunities

Opportunities for income in the market of rentable arts and meeting space are both diminished and enhanced by the recent reduction in public funding for the arts. Less public funding may cause some arts organizations to reduce their budgets in this area, but for the many who recognize the imperative of increasing earned income, the services of a high quality arts space will be essential. With an emphasis on survival based on earned rather than subsidized income, it is not an overstatement to suggest that Upper West Arts Center may even help save some companies from extinction. The market for spaces that are suitable to use by individual artists remains strong, and there is an increasing need for space to conduct fund raising events of all kinds. Another growing niche in this market that will benefit space rental sales, is the demand for unique locations for private weddings.

6. Business Concept

The financial success of Upper West Arts Center will be based, in part, on its ability to intensively and simultaneously book a wide range of spaces. The facility will offer these outstanding rooms for rent:

- 600 seat Concert Hall (10,000 sq. ft.) featuring a 45 ft. high central dome, 900 sq ft stage, 2,300 pipe grand organ, choir loft, balcony, box office, coat room, professional lighting and sound systems, exceptional acoustics, beautifully decorated in quarter-sawn oak, elaborate plaster columns, and stained glass windows.
- 99 seat Drama Theatre (1,700 sq. ft.) featuring a 400 sq. ft thrust stage, portable seating for conversion to many other uses, box office, professional lighting and sound systems, 25 ft high ceilings, excellent acoustics, beautifully decorated in mahogany wood and brass railings.
- Exhibit Gallery (900 sq. ft.) effortlessly transforms into a reception/meeting room featuring new leaded windows, and a track lighting system.
- Community Meeting Room (900 sq. ft.) featuring original wood work, fire place and mantel, stained glass windows, baby grand piano, designed to function as a lobby to the Drama Theatre, stand alone meeting room or small performance space for as many as 60.
- 5 Artist Studios/Offices (120 to 240 sq. ft.) featuring stained glass windows and high ceilings.

Business Concept (continued)

- Catering Kitchen (500 sq. ft.) featuring complete kitchen with separate access from rear parking/loading, service bar to banquet area, staff rest room and walk-in cooler.
- Banquet Room (1,600 sq. ft.) featuring comfortable table seating for up to 160, readily transformed into a rehearsal hall, meeting or class room.
- Dressing Rooms (3) (total 500 sq. ft.) which may be rented separately as small meeting rooms, class rooms or rehearsal rooms.



The potential for income generation is based on **maximizing the amount of potential rental space and potential number of rentals.** The rooms within the building will be dedicated, almost entirely, as rentable spaces since administrative operations will be based off-site at corporate offices 2½ miles away, and warehouse and shop support will be provided at an adjacent 3,500 sq. ft. building, also owned by the corporation. The original construction of the building provides unique opportunity

for aggressive scheduling since some currently interior walls were originally heavy masonry exterior walls. The result is a grouping of interior spaces with such excellent acoustical separation that as many as four events may be scheduled at one time, an advantage which will be enhanced by the installation of new staircases and a four-stop, pass-through elevator facilitating traffic flow throughout the building avoiding interference between simultaneous events. Further, the floor plan of the main concert hall which contains both a concert stage and separate organ gallery/choir loft, offers the opportunity to “double book” the room with music recitals or organ concerts on off-nights during long-running productions.

7. Competition

The current Western New York market offers few affordable options for renting arts space appropriate to small and medium sized cultural organizations. Although there are a few larger area facilities which theoretically offer their spaces to the market, they do not offer realistic options. Typically, either they are not actually available, due to the busy schedule of the resident arts institution or college, or the high cost of rental makes their use impractical. Facilities such as Shea’s Performing Arts Center, Rockwell Hall, UB Center For The Arts, etcetera are limited in the number and type of spaces they have to offer, limited in available opportunities for booking, and offering rental fees that are beyond the budgets of most local organizations. Thus, organizations in need of space for rehearsals, performances and other events are often forced to rely on “found” spaces such as back rooms of bars and book stores, or inadequately equipped school auditoriums or church basements. No arts space in Western New York compares with the number, variety, versatility, affordability and quality of the spaces found within Upper West Arts Center. Further, Upper West Arts Center will be able to boast that it is operated by a not-for-profit agency which has a clear understanding of the needs and limitations of the companies and individuals who will be its tenants.

8. Goals & Objectives

Upper West Arts Center will become the premier location for experiencing Western New York's diverse cultural offerings, showcase the artistic achievements of the area's minority communities, foster new relationships among existing arts organizations and facilitate the growth of new artistic ventures. The immediate objective is to replace the roof and complete interior renovations permitting an early opening of the facility. Once funding is in place, renovations can be completed within 12-18 months, and full occupancy can be achieved within the first 18 months of operation. Full occupancy is defined as a minimum of 3-4 resident companies, 3-5 resident studio artists, 3-4 seasonal renters, and no fewer than 150 other instances of a single space rental of 4 hours or less. The financial goal is to operate without the need for annual public funding and to generate net annual revenues to support the work of the not-for-profit corporation. A further goal is the expansion and strengthening of the Alleyway corporation staff by providing more full time and year round employment.

9. Resource Requirements

The physical aspects of Upper West Arts Center are, for the most part, already in place. New 800 amp electrical service has been installed, along with new plumbing, fire alarm system, elevator, two complete heating systems, and security system. Remaining, is the installation of a fire sprinkler system, professional lighting system, basic telephone system, and an electrically powered daylight



View of the Concert Hall balcony

elimination system for the windows in the concert hall. All office/operations equipment is in hand. Upper West Arts Center will be staffed by a full time facility manager who will be responsible for all scheduling and event management, a small custodian crew or contractor, and a technical director and assistant. Since the facility's spaces are available only as straight rental, there will be no need for other staff such as box office, stage management, design, scene crew; all such staffing will be the responsibility of the renting company. The existing Alleyway Theatre Incorporated staff will market, promote and fund-raise for Upper West Arts Center and be expanded as needed.

10. Risks & Rewards

Upper West Arts Center is owned outright by Alleyway Theatre Incorporated, and is exempt from real estate taxes. By its very nature, operation will incur a minimal financial risk since the majority of expenses both of personnel and facility, are directly tied to the level of rental activity. Only costs such as grounds maintenance, annual inspections, security services, equipment maintenance fees and insurances will remain consistent annual expenses. Thus, in good times Upper West Arts Center will prosper to the advantage of the corporation as a whole by providing a new source of income more than offsetting recent losses of City and County arts funding. While, in lean times, the facility will at the very least break even, not risking harm to the corporation's other enterprises.

11. Key Issues

The lack of onsite parking has been the only issue raised regarding the development of Upper West Arts Center. However, experience operating the facility between 1998 and 2001 indicates that the lack of parking is not a serious problem. During that time, even sold out events started on time with no parking complaints due to that fact that, as predicted, a large percentage of the audience walks to performances at Upper West Arts Center. Located in the heart of the neighborhood where the majority of Buffalo's traditional arts attendees reside, even if only 25% of the center's patrons walk, the nearby streets need only to accommodate 200-300 cars, suggesting that driving patrons need to walk no more than 4-6 blocks from car to the Center's front door. During the typical evenings and weekends hours of operation, parking is permitted on both sides of neighboring streets when residents are typically already home before audiences arrive. In the case, however that parking issues arise, Alleyway Theatre Incorporated has on its Board of Directors the president of the area's largest parking company. His expertise with parking management, valet parking and other offsite parking systems would then come into play. In any case, one need only look to the circumstance of Kleinhans Music Hall (which research determined requires more than three times as much street parking) to see that both audiences and neighbors will adapt to a successful and worthwhile cultural enterprise.



The grand pipe organ.

Summary

Small to medium size arts organizations facing growing financial hardships desperately need the tools that will be provided by Upper West Arts Center.

Yet, there is another reason for urgency.

It was 1997, a year before purchasing the building, that the Corporation's intentions were first made clear at public meetings. Despite the consequential and visible strides that have been made over the intervening years, for many, there is an impatience to see this project completed.

It is imperative that next steps be taken and its doors be open before public enthusiasm turns to skepticism or disappointment in a way that has plagued other similar area projects. For the good of arts organizations, the hundreds who have been generous with their time and money, and the well being of Alleyway Theatre Inc., the project must move ahead without delay.

Upper West Arts Center Pro-Forma

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REVENUE (calculated at 60% occupancy)

Annual Rental Spaces		
6 Artists Offices/Studios	\$10,800	
Catering Kitchen	\$12,000	
		Total Annual Rental Spaces
		\$22,800
Occasional Rental Spaces		
600 Seat Concert Hall (80 performances)	\$36,000	
99 Seat Drama Theatre (90 performances)	\$14,000	
80 Capacity Meeting/Reception Room (30 uses)	\$5,000	
100 Capacity Gallery/Exhibit Room (15 uses)	\$3,000	
Weddings/Parties/Kitchen/Banquet Hall (25 uses)	\$15,000	
Events/Garden Walk/ Conferences/etc. (10 uses)	\$6,000	
		Total Occasional Rental Spaces
		\$79,000
Residency Rentals		
Resident Company 1	\$10,000	
Resident Company 2	\$10,000	
Resident Company 3	\$7,500	
		Total Residency Rentals
		\$27,500
All Rehearsals/Tech. Preparation Time		\$7,000
Total Annual Income from Rentals		\$136,300
Other Potential Income Sources		\$2,000
		TOTAL PROJECTED REVENUE
		\$138,300

OPERATING EXPENSES

Salaries		
Personnel-Admin.	\$16,000	
Personnel-Technical/Production	\$24,000	
		Total Salaries
		\$40,000
Fees		
Artistic Fees & Services	\$6,000	
Other Fees & Services	\$1,000	
		Total Fees
		\$7,000
Building & Utilities		\$32,400
Administrative		\$9,450
Development		\$3,000
Marketing/Public Relations		\$3,900
Production/Miscellaneous		\$2,500
		TOTAL EXPENSES
		\$98,250
		PROJECTED INCOME(DEFICIT)
		\$40,050

Alleyway Theatre Inc.
Consolidated Pro-Forma
Total Annual Operations Including Upper West Arts Center

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EARNED INCOME

Ticket Sales/Subscriptions	\$64,000
Fundraisers	\$13,200
Tuitions/Workshop Fees	\$1,000
Concessions	\$1,500
Contractual Services	\$3,900
Space Rental-Alleyway Theatre	\$16,000
Space Rental-Upper West	\$136,300
Interest/Miscellaneous	\$1,000
TOTAL EARNED INCOME	\$236,900

UNEARNED INCOME

Private Donations	\$11,800
Corporate Donations	\$8,600
Foundation Grants	\$27,000
County/Municipal	\$0
NYS Council on the Arts	\$17,800
TOTAL UNEARNED INCOME	\$65,200

TOTAL INCOME \$302,100

EXPENSES

Salaries-Administrative	\$49,420
Salaries-Artistic	\$24,000
Salaries-Technical/Production	\$37,000
TOTAL SALARIES	\$110,420
Artistic Fees & Services	\$15,100
Other Fees & Services	\$3,700
TOTAL FEES	\$18,800
Building & Utilities	\$68,251
Administrative	\$37,568
Development	\$3,850
Marketing/Public Relations	\$7,550
Production	\$15,611
TOTAL EXPENSES	\$262,050
OPERATING EXCESS(DEF)	\$40,050