

DRAFT

MINUTES

**BILLINGS CITY COUNCIL AD-HOC ADVISORY COMMITTEE
ON FUTURE USES AND MANAGEMENT OF THE BABCOCK THEATER**

Monday, Dec. 19, 2016

City Hall Conference Room

The meeting was called to order at 3:30 p.m. by Chairman Larry Brewster. Also present were Council Member Richard Clark, and Committee Members Jack Nickels, Wayne Wilcox and Lisa Harmon. City Administrator Tina Volek, scheduled speaker Sean Lynch and current operator Kim Olsen also were present.

Minutes

It was noted that Sean Lynch's and Kim Olsen's names were misspelled in the minutes. Mr. Clark Moved and Mr. Nickels seconded approval of the revised Nov. 28, 2016, Minutes. The motion carried unanimously.

Report on Other Facilities/Agencies

Mr. Nickels said he had talked to Art Space and the Montana Arts Council, and it was suggested that the City issue a Request for Qualifications (RFQ) to see who is interested in running the Babcock in the future. A copy of Art Space's RFQ is attached.

Review of Request for Extension from City Council

Ms. Volek reviewed the City Council Resolution 16-10529, requesting Council extension of the deadline for recommending what the Babcock Committee would until Feb. 17, 2017. (Note: The item was approved Dec. 19, 2016, by the City Council.)

Sean Lynch Presentation

Mr. Lynch asked what thoughts there were about the Babcock's future? Mr. Brewster said the committee wanted the City to keep operating it, and issue an RFQ to see who was interested in managing it in the future.

Mr. Lynch asked how the City would pay the manager? Mr. Brewster said the manager should earn what was needed to pay him/her. Mr. Lynch said that would be a challenge. Casper, WY, went with a venue management company that uses City funds to get paid to run the theater. A

non-profit may have to have a donor base. Who locally would be most beneficial as manager? You might need to throw money at the theater for it to be profitable. It would be hard to find someone who didn't need to be paid.

Mr. Lynch suggested finding a local group to manage the theater. The Alberta Bair organization is not viable, as every show it has is sponsored. A theater is challenging unless there is a stream of business coming in from the outside.

Mr. Brewster asked, what kind of funding is needed for the theater? Mr. Lynch said he didn't know, but the committee should check with the Alberta Bair. Mr. Clark said he did not want to give the managers anything other than the building.

Mr. Lynch said, long-term, the theater ought to be managed by a non-profit or group of non-profits, or find a local philanthropist to take it over. The concern is an outside group would come in for something like three years, and then leave. Mr. Wilcox said the committee needs to find someone who is willing to pound the pavement to get bookings. Mr. Lynch said possible performances could include those from bands, symphonies and a bluegrass festival.

He cautioned that, in Missoula, an outside group ran the local owner into the red about \$100,000 in 6 months after taking it over. There was bad publicity nationally. The shows that make the most profit are hardest on the building, like rap or rock shows. The Babcock shows need to be specific for a seated theater. The last thing anyone wants is to get into a lawsuit.

Mr. Brewster said the City needed someone to head the theater operation or pull together a group to do so. Mr. Lynch said the Cultural Partners put together Christmas parties, community/college band events, and other activities that would put the least intense uses on the building.

Mr. Nickels expressed concerns about the state of the building's mechanical operations, and asked what additions the building needed to be viable? Mr. Lynch said the theater needed \$250-300,000 for rigging, as there is none in the facility now. Mr. Nickels mentioned lighting and sound also would be needed to make it viable for anyone who wants to operate it as a non-profit.

Ms. Harmon suggested the committee meet with the Cultural Partners at 4 p.m. Jan. 9 to discuss where to turn on this issue. Mr. Nickels said, from an organizational and financial standpoint, the theater would be a heavy lift to take on. Ms. Harmon said there might be volunteers in the Cultural Partners, but they also could advise what productions should look like. The High Plains Book Awards and other events under the Cultural Partners already are held at the theater. Mr. Nickels noted there could be challenges to the Cultural Partners like the Billings Studio Theater and the Yellowstone Art Museum if there is separate, competing fundraising for the Babcock. There already is concern about the impact on other groups of a \$10 million proposed campaign to expand the Alberta Bair Theater. Mr. Lynch said the cost and size of the Babcock might make it more useful to some groups, like belly dancers that draw a crowd of 200. Everything

competes. Ms. Olsen said the advantage is to know what size facility a certain event needs, and put it in the appropriate place. Why put 1,500 people into the Metra for an event? Ms. Harmon said they needed to get together with the Metra leadership. Mr. Brewster suggested going to the meeting with the Cultural Partners and seeing what happens. Mr. Lynch said if an outside group is brought in, it could compete with existing entities. Ms. Olsen said the advantage to using a non-profit is that it doesn't need to make a profit.

Ms. Harmon noted the Babcock Theater seating is good, and Mr. Lynch agreed it didn't need to be replaced. Ms. Olsen said there is a need for some new seating at an estimated cost of \$15,000. It was also noted that there is a non-profit liquor license that is available to a theater at a cost of \$500.

There was discussion of the theater being used as a service to the community, not competing with the Alberta Bair or other facilities. Mr. Nickels projected 180-190 events a year could produce more than 300 event days, due to multiple performances and paid rehearsals. There could be \$5 matinees or workshops for students, with all counting toward revenue. Mr. Clark noted that other cities, like Lewistown, send bus loads of people to events in Billings.

Mr. Nickels noted that, if the Alberta Bair is refurbishing the theater, there may be time when it will go dark for a season and lay people off. Ms. Olsen suggested it might be a time to offer to bring those programs over to the Babcock. Mr. Nickels said that when the Helena theater was being renovated, its programs went to Fort Pack. Mr. Lynch said such a plan would benefit both theaters. Mr. Nickels suggested a conversation with Bill Gottwals, chair of the Alberta Bair Board, in the future. Ms. Harmon said the Alberta Bair has asked the Downtown Billings Partnership for \$5 million toward the expansion, but the development committee wants more information. Mr. Brewster suggested City officials meet with Mr. Gottwals and with the Cultural Partners.

Mr. Nickels asked if the City would be willing to invest money to make the Babcock as viable non-profit? Mr. Clark said there were only two of the 11 Council Members present. Mr. Nickels said, unless the theater was put under the Cultural Partners as a 501C3, someone would have to market the theater and get shows in.

Mr. Brewster said, when the committee reports to the City Council, the committee can ask what the rest of the Council wants, like whether to hire a business manager, or take improvements out of the City's financial reserves? Mr. Nickels asked, what would it cost to have a person keep the doors open through programming? Mr. Brewster said the City had talked to Ms. Olsen about continuing to manage the theater for a year or two until decisions are made about meeting capital costs and seed money to get things going. The City will have to pick up the maintenance.

Mr. Clark asked how much did Babcock LLC put into the theater? Ms. Olsen said, \$1.9 million into the entire building. Mr. Clark asked, didn't the money come from funds left over with the sunseting of the previous Tax Increment Financing District (TIFD)? Ms. Olsen said the

Babcock and the Northern Hotel renovations were among legacy products that were the result of a 2008 sunset of the old TIFD. The City's eventual acceptance of the theater was part of the original arrangement, but the transfer was delayed to allow the structure to achieve historic building status.

Mr. Brewster asked as many of the committee as possible attend the Jan. 9 meeting with the Cultural Partners. Mr. Nickels said a problem is that all but a few of the members report to boards. There is a possibility there will be collaboration, but the theater needs to fit in with everything else. Mr. Lynch said the theater will need a rock-solid mission statement.

Future Speakers

It was decided that the group would postpone meeting with the Knitting Factory, a production group that had expressed an interest in the theater. It was agreed that the City will work with Ms. Olsen to continue booking the theater for a year, with a 30-day termination notice.

Mr. Nickels noted he had talked with Montana State University – Billings Chancellor Mark Nook, and the college had scrapped its theater program. He had not had time to talk to Rocky Mountain College. Mr. Lynch noted that Montana State University has a theater management program, and it might be a possible source of an intern to work at the theater a year from now.

Next Meeting

Because of the Martin Luther King holiday on the next regularly scheduled meeting date of Jan. 16, the meeting was postponed until Jan. 23 at 3:30 p.m. in the City Hall Conference Room. All members are encouraged to attend the Cultural Partners meeting at 4 p.m. Jan. 9 at the Western Heritage Center.

Public Comment

There was none.

Adjournment

Mr. Brewster adjourned the meeting at 4:30 p.m.