



**MUNICIPALITY OF ANCHORAGE**  
**ASSEMBLY MEMORANDUM**

AM No. 759-2025

Meeting Date: October 7, 2025

1 FROM: MAYOR

2  
3 SUBJECT: A MEMORANDUM FROM THE MUNICIPALITY OF ANCHORAGE  
4 SEEKING ASSEMBLY APPROVAL TO AMEND THE MANAGEMENT  
5 AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE  
6 (MOA) AND ALASKA CENTER FOR THE PERFORMING ARTS, INC.  
7 (ACPA, INC.), BY EXTENDING THE CONTRACT TERM TO JUNE 30,  
8 2027, AND INCREASING THE MANAGEMENT FEE BY ONE MILLION  
9 EIGHTY-NINE THOUSAND DOLLARS (\$1,089,000) TO TWO MILLION  
10 SIX HUNDRED EIGHTY-SEVEN THOUSAND FIVE HUNDRED TWO  
11 DOLLARS AND SEVENTY-FOUR CENTS (\$2,687,502.74) IN 2026  
12 AND REDUCING THE MANAGEMENT FEE TO ONE MILLION THREE  
13 HUNDRED FORTY-THREE THOUSAND SEVEN HUNDRED FIFTY-  
14 ONE DOLLARS AND THIRTY-SEVEN CENTS (\$1,343,751.37) IN 2027.

**ANCHORAGE, ALASKA**  
**AR No. 2025-308**

1 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
2 AUTHORIZING THE USE OF ML&P SALE PROCEEDS TO RETIRE ACPA ROOF  
3 BOND AND CAMA TAX SYSTEM MUNICIPAL DEBT PURSUANT TO  
4 MUNICIPAL CHARTER SECTION 13.11(A).



**Alaska Center for the Performing Arts, Inc.  
(A Component Unit of the Municipality of Anchorage, Alaska)**

**Notes to the Financial Statements**

**1. Nature of the Organization**

Alaska Center for the Performing Arts, Inc. (ACPA) (a component unit of the Municipality of Anchorage, Alaska) (Municipality) was incorporated March 25, 1987 as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. ACPA was organized to operate, maintain, and promote the use of the Alaska Center for the Performing Arts, Inc. (Facility). This is accomplished through a management agreement with the Municipality of Anchorage (Municipality), which owns the Facility.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AMENDED AND APPROVED

No. AM 663-87

DATE 6-30-87

Meeting Date: June 30, 1987

From: Mayor  
Subject: APPROVAL OF MANAGEMENT AGREEMENT FOR THE PERFORMING ARTS CENTER,  
CAPITAL PROJECTS OFFICE

### MANAGEMENT AGREEMENT

This Agreement, dated as of the 1st day of July 1987, by and between the MUNICIPALITY OF ANCHORAGE, a home rule municipality (the "Municipality"), and ANCHORAGE PERFORMING ARTS CENTER, INC., an Alaska non-profit corporation (the "Company").

WHEREAS, the Municipality is causing to be constructed a Performing Arts Center, more particularly described below, and is authorized to contract for the management of the Performing Arts Center;

WHEREAS, the Company has been incorporated as a non-profit corporation for the purpose of operating, maintaining and promoting the use of the Performing Arts Center;

WHEREAS, by entering into this agreement the parties

**MANAGEMENT AGREEMENT FOR  
THE ALASKA CENTER FOR THE PERFORMING ARTS**

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This Agreement, is made by and between the MUNICIPALITY OF ANCHORAGE, a home rule municipality (the "Municipality"), and THE ALASKA CENTER FOR THE PERFORMING ARTS, INC., an Alaska non-profit corporation (the "Company") for Management of the Municipality's Arts Center.

This Agreement delegates to the Company responsibility for the marketing and management of the Arts Center, including but not limited to marketing the facility, repair and maintenance, operating and management of the concessions and commercial premises as set forth herein;

**2015 Management Agreement for  
The Alaska Center for the Performing Arts, Inc  
Page 1 of 18**

# Management Fee = Historically, one component of the annual operating budget (along with ticket sales, fees, rents & philanthropy)

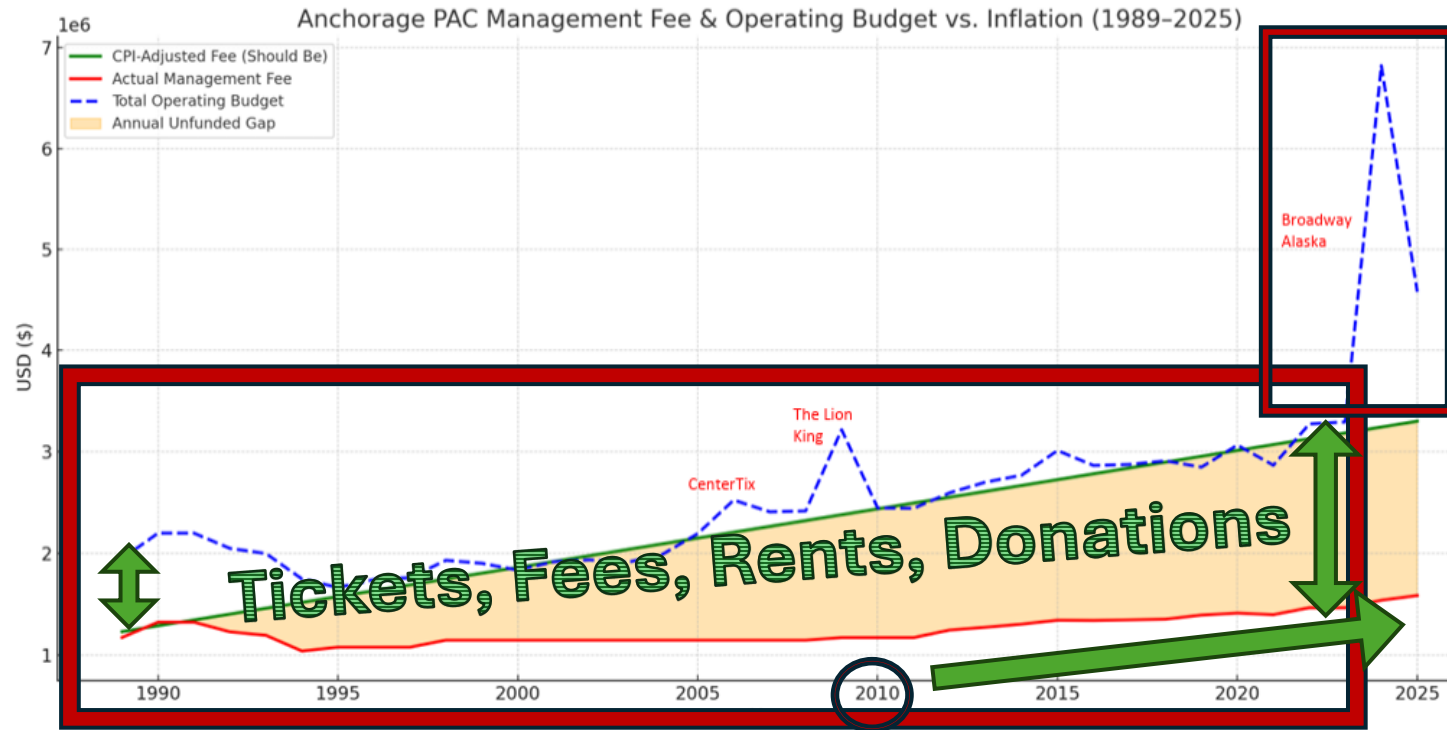
- ✓ **Green Line:** CPI-adjusted management fee (starts at **\$1.175M in 1988** and increases to **\$3.226M in 2025**).

- ✓ **Red Line:** Actual management fee paid annually

- ✓ **Blue Dashed Line:** Total operating budget (includes **revenue + expense**, with both management fee + nonprofit earnings represented, note that our budget is designed at net zero).

- 1988-1994 – ACPA Presented Commercial Events / Broadway
- 2005 - CenterTix
- 2009 – The Lion King
- 2023 – Hamilton/Come From Away
- 2024 – Six/Aladdin/Mean Girls
- 2025 - Beetlejuice

- ✓ **Orange Shading:** Annual unfunded management fee (inflation adjusted) absorbed by ACPA



In response to Mr. Dyson, Mr. PARGETER said the corporation projected an initial budget for operation of \$1.8 million with \$1.3 million of that being subsidy from the government. It is hoped within four years, half the operating costs will be supported by revenues.



## Management Fee = Mostly inflation-adjusted for 15 years

9. **Consideration:** As consideration for the Company's undertaking hereunder, the Municipality shall pay for the contracted services as follows:

- A. For calendar year 2009, in the amount of \$1,173,500.00 subject to Assembly approval.
- B. For the calendar year 2010 and each subsequent calendar year, the budgeted amount shall be negotiated by the parties but shall not be less than \$1,173,500.00 as adjusted for any increase in the United States Department of Labor Consumer Price Index for Anchorage for the prior calendar year not to exceed 5% annually.

4. **Consideration:** As consideration for the Company's undertaking hereunder, the Municipality shall pay for the contracted services as follows:

- A. For calendar year 2015, in the amount of \$1,335,655.17 subject to Assembly approval.
- B. For the calendar year 2016 and each subsequent calendar year, the budgeted amount shall be negotiated by the parties but shall not be less than \$1,335,655.17 as adjusted for any increase in the United States Department of Labor Consumer Price Index for Anchorage for the prior calendar year not to exceed 5% annually.

Management Fee for 2025 = \$1.598m

Request for 2026: + \$1.089m

for a new total amount of \$2.687m



	Jan - December 19 YTD	Jan- December 18 YTD	Prior YTD Variance
<b>Operating Fund</b>			
<b>Earned Revenue</b>			
Rentals	544,570	480,895	63,676
Concessions & Novelties	54,471	46,613	7,857
Ticketing	828,611	729,358	99,252
Other Earned Revenue/Production Reimbursable	79,756	77,691	2,065
<b>Total Earned Revenue</b>	<b>1,507,407</b>	<b>1,334,557</b>	<b>172,850</b>
<b>Contributed Revenue</b>			
Contributions	196,405	193,478	2,928
In-Kind Contributions	31,081	10,071	21,010
<b>Total Contributed Revenue</b>	<b>227,487</b>	<b>203,549</b>	<b>23,938</b>
<b>Operating Expenses</b>			
General Operating	938,681	887,705	50,976
Development	50,130	48,636	1,494
Production	339,225	334,024	5,201
Patron Services	60,016	57,569	2,447
Building	936,130	931,335	4,795
Ticketing	577,436	571,850	5,586
<b>Total Operating Expenses</b>	<b>2,901,618</b>	<b>2,831,119</b>	<b>70,499</b>
<b>Operations Revenue Before MOA Contract</b>	<b>(1,166,724)</b>	<b>(1,293,013)</b>	<b>126,289</b>
<b>MOA Contract Revenue</b>	<b>1,374,421</b>	<b>1,354,441</b>	<b>19,979</b>
<b>Net Operating Revenue</b>	<b>207,697</b>	<b>61,429</b>	<b>146,268</b>
<b>Non-Operating Fund</b>			
Employee Contributions	-	56	(56)
Gain/Loss on sale of Eggs	(9,900)	-	(9,900)
HVAC Revenue	39,819	93,386	(53,567)
HVAC (Expenses)	(13,671)	(83,865)	70,194
Capital Fund - Net	336	22	314
MOA Reserve - Net	-	(14,690)	14,690
<b>Total Non-Operating Fund</b>	<b>16,583</b>	<b>(5,092)</b>	<b>21,675</b>
<b>All Funds Excess Revenues Over (Under) Expenditures</b>	<b>224,281</b>	<b>56,338</b>	<b>167,943</b>

7. **Reserve Account:**

A. A Reserve Account shall be maintained for the Arts Center during the term of this Agreement as follows:

1. A deduction of ten percent (10%) of the monthly total Gross Rentals from Arts Center activities shall be deposited in a Reserve Account to:

- a. Replace equipment which is lost, destroyed or otherwise rendered unusable during the course of operations at the Arts Center,
- b. Pay the costs for renovations or improvements to the Arts Center,
- c. Repair damages or losses caused by catastrophic occurrences or accidental damage to the Arts Center.

6. **Management Services:**

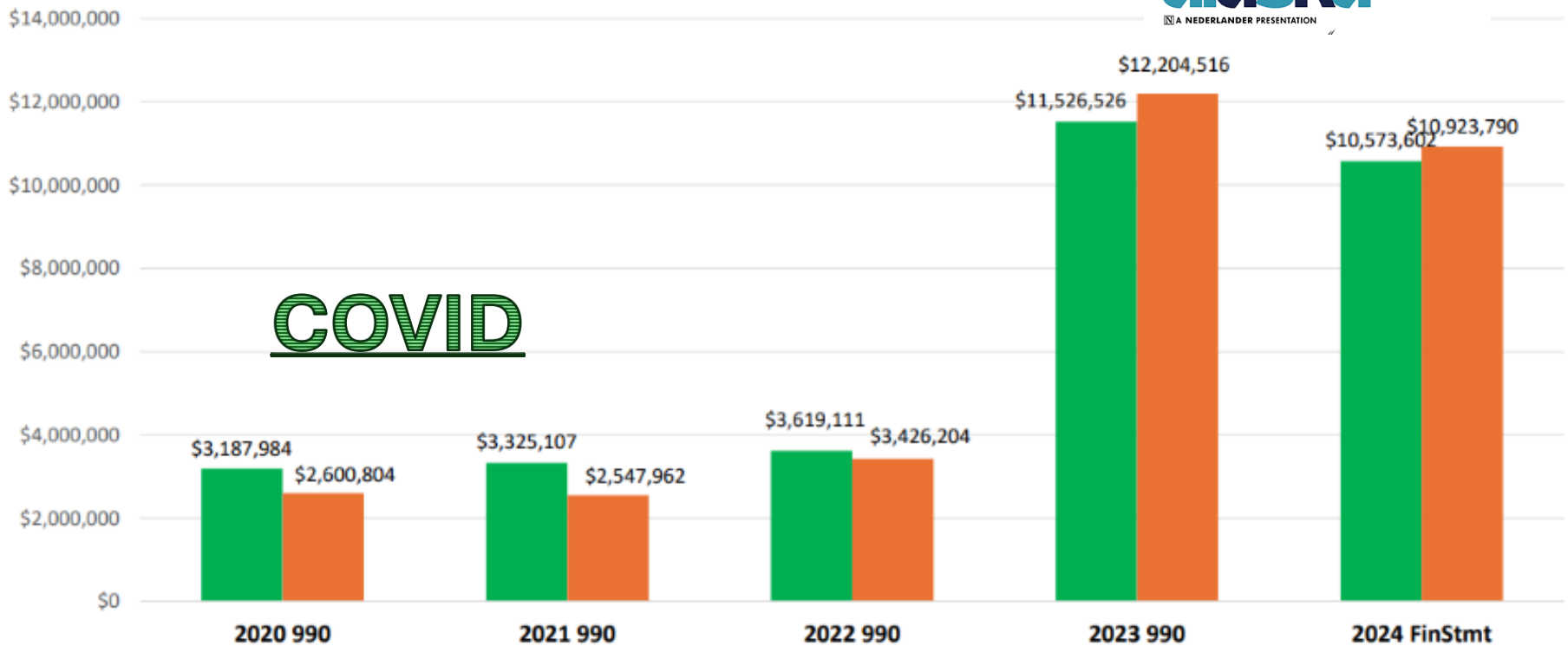
- A. The parties agree that they will negotiate the amounts in the expense categories of the annual operating budget with the Company for its services under this Agreement on an annual basis. Negotiations shall commence in June and be completed by December 31st. Payment of any funds to the Company for obligations undertaken pursuant to this Agreement shall be based upon an appropriation made at the discretion of the Municipal Assembly during the Municipal budgeting process. Payment of one-fourth of the appropriated amount shall be made to the Company in four (4) equal installments each calendar quarter. No later than March 30th of each year the Company shall submit to the Municipality a reconciliation of actual expenditures to the previous year's Approved Budget in a form approved by the Contract Administrator. Any surplus (fund balance) remaining at the end of any year shall be placed in the repair and replacement Reserve Account. The recommendation for Assembly approval of the use of funds in the replacement Reserve Account shall require the approval of both the Company Chief Operating Officer and the Contract Administrator.

# 2020-2024 All PAC Revenue and Operating Expense

**broadway  
alaska**

A NEDERLANDER PRESENTATION

■ All Revenue ■ Operating Expense



Source: PAC 990 and 2024 Unaudited Financial Statement

**Alaska Center for the Performing Arts, Inc.**  
**(A Component Unit of the Municipality of Anchorage)**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023	2022
<b>Operating revenues - Non-Broadway:</b>			
Contract revenue	1,564,093	\$ 1,540,978	1,467,598
Contributions	214,458	139,681	88,510
Grants	355,226	280,979	105,838
Rental revenue	266,485	320,415	366,057
Production revenue	68,485	-	70,585
Concession and novelty sales	100,775	37,843	43,807
Ticketing revenue	556,331	569,118	565,073
Other revenue	162,220	213,725	43,562
<b>Total operating revenues - Non-Broadway</b>	<b>3,288,073</b>	<b>3,102,739</b>	<b>2,751,030</b>
<b>Operating expenses - Non-Broadway:</b>			
Administration	1,313,212	1,142,962	1,149,932
Building operations	1,141,272	1,058,620	843,908
Production	427,514	510,116	433,337
Marketing and development	220,353	85,175	17,880
Volunteer and house management	235,132	254,727	82,045
Ticketing	497,516	673,371	632,925
<b>Total operating expenses - Non-Broadway</b>	<b>3,834,999</b>	<b>3,724,971</b>	<b>3,319,346</b>
<b>Subtotal non-Broadway revenues and expenses</b>	<b>(546,926)</b>	<b>(622,232)</b>	<b>(568,316)</b>
<b>Operating revenues and expenses - Broadway:</b>			
Ticketing/Earned revenue	5,865,750	7,558,799	80,000
Contributions	233,367	218,779	293,860
Rental revenue	100,000	260,525	-
In-kind support	70,207	472,904	-
Broadway Alaska expenses	(6,903,008)	(8,127,205)	(159,319)
<b>Subtotal Broadway revenues and expenses</b>	<b>(633,684)</b>	<b>383,802</b>	<b>214,541</b>
<b>Operating loss</b>	<b>(1,180,610)</b>	<b>(238,430)</b>	<b>(353,775)</b>

**CPI Inflation Calculator**

\$

in

has the same buying power as

**\$3,661,962.45**

in

Calculate

# Where would the +\$1.089m go?

The main drivers for the \$1.089M stop-gap increase are estimated below:

## Admin Context

\$585k Eliminate annual (non-Broadway) Operating Loss

See prior page

\$150k - Repairs (materials/ parts/ labor) of aged furnishings, systems, including ongoing vandalism issues

Relates to capital need; recall unused amount would go to Reserve

\$100k CPI increases to compensation

~3.8% on a payroll of \$2.6m

\$100k utility and security rate increases

CY2024 utilities = ~\$400k

\$50k IATSE labor rate increases

\$104k other non-discretionary cost increases

~12% non-payroll, non-utility budget of \$800k  
(=[\$3.8m total operating] –  
[\$2.6m payroll]-[\$0.4m utilities])

# 18-month extension



# Ticket Surcharge

## 9. Ticket Surcharge Agreement

In May 2004, the Anchorage Assembly imposed an increase of \$1.50 to the already existing \$1.00 ticket surcharge which was established in 1989. As a result, patrons of the ACPA began paying \$2.50 per admission to events. Proceeds from the adult admission surcharge, excluding senior citizen admission charges, were used to establish a reserve to pay off existing Municipal debt from the original Facility construction and provide a revenue stream for financing roof replacement/repairs. The Ordinance (AO 2004-93) became effective for all performances beginning September 9, 2004. In April 2010, the Anchorage Assembly imposed an additional increase of \$0.50 to the already existing \$2.50 ticket surcharge and eliminated the senior citizen exemption beginning with events held at the ACPA effective September 7, 2010.

Surcharge receipts are recorded as a liability to the Municipality when collected and are remitted to the Municipality quarterly in accordance with the agreement. At December 31, 2023 and 2022, the surcharge payable to the Municipality was \$320,251 and \$193,739, respectively.

ACPA has made payments to the Municipality for the years ended December 31, as follows:

<i>Year Ended December 31:</i>	\$1.00 Surcharge	\$2.50 Surcharge	\$3.00 Surcharge	Total
1989	\$ 132,697	\$ -	\$ -	\$ 132,697
1990	149,012	-	-	149,012
1991	156,706	-	-	156,706
1992	131,466	-	-	131,466

<i>Year Ended December 31:</i>	\$1.00 Surcharge	\$2.50 Surcharge	\$3.00 Surcharge	Total
1989	\$ 132,697	\$ -	\$ -	\$ 132,697
1990	149,012	-	-	149,012
1991	156,706	-	-	156,706
1992	131,466	-	-	131,466
1994	167,699	-	-	167,699
1995	114,020	-	-	114,020
1996	122,864	-	-	122,864
1997	132,495	-	-	132,495
1998	148,207	-	-	148,207
1999	132,723	-	-	132,723
2000	135,091	-	-	135,091
2001	131,057	-	-	131,057
2002	123,676	-	-	123,676
2003	143,053	-	-	143,053
2004	77,983	123,668	-	201,651
2005	-	305,348	-	305,348
2006	-	282,225	-	282,225
2007	-	259,404	-	259,404
2008	-	275,605	-	275,605
2009	-	360,458	-	360,458
2010	-	180,704	167,460	348,164
2011	-	-	473,678	473,678
2012	-	-	444,621	444,621
2013	-	-	599,315	599,315
2014	-	-	347,350	347,350
2015	-	-	400,458	400,458
2016	-	-	433,054	433,054
2017	-	-	423,719	423,719
2018	-	-	387,528	387,528
2019	-	-	380,394	380,394
2020	-	-	92,269	92,269
2021	-	-	4,914	4,914
2022	-	-	143,199	143,199
2023	-	-	263,258	263,258
2024	-	-	517,413	517,413
	\$ 2,129,522	\$ 1,787,412	\$ 5,078,630	\$ 8,995,564

ANCHORAGE, ALASKA  
AR No. 2025-308

1 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
2 AUTHORIZING THE USE OF ML&P SALE PROCEEDS TO RETIRE ACPA ROOF  
3 BOND AND CAMA TAX SYSTEM MUNICIPAL DEBT PURSUANT TO  
4 MUNICIPAL CHARTER SECTION 13.11(A).



MUNICIPALITY OF ANCHORAGE  
*ASSEMBLY MEMORANDUM*

AM No. 756-2025

Meeting Date: October 7, 2025

1 FROM: MAYOR  
2

3 SUBJECT: A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
4 AUTHORIZING THE USE OF ML&P SALE PROCEEDS TO RETIRE  
5 ACPA ROOF BOND AND CAMA TAX SYSTEM MUNICIPAL DEBT  
6 PURSUANT TO MUNICIPAL CHARTER SECTION 13.11(A).  
7

8 The attached resolution allows the Municipality to retire the current roof bond debt of the  
9 Alaska Center for Performing Arts ("PAC" or "ACPA"); if approved, the Assembly could,  
10 by future ordinance, allow ticket surcharges at the PAC to fund other PAC needs. The  
11 resolution also formalizes a decision implicitly made in the 2025 Municipal Budget, which  
12 allowed the Municipality to close a vestigial Municipal Light & Power ("ML&P") account.

6 It is the Administration's intent that the management-fee increase be funded by a  
7 combination of ticket surcharge revenues and tourism-related bed taxes.

8  
9 Regarding the former, patrons of the Center have paid an MOA-imposed ticket  
10 surcharge since 1989. After May 2004, the surcharge amount was increased; it is now  
11 \$3/ticket and, by Code (AMC 10.45.060), is used to pay debt service on a borrowing  
12 incurred to replace the facility's roof. To offset increased management fee expense,  
13 the Administration is separately proposing to use ongoing proceeds from the sale of  
14 ML&P to retire the existing roof bond debt, and a Code change to allow the \$3-  
15 surcharge revenue to fund Center operations, maintenance, and capital needs.

16  
17 Regarding the latter, programming tourism-related bed tax receipts to support the  
18 ACPA, Inc. contract would be a new use of that revenue stream, and the Administration  
19 is in ongoing discussions with the Anchorage Convention and Visitors Bureau (dba  
20 Visit Anchorage) about the proposal.

21  
22 Together, the use of surcharge revenue and bed tax receipts would allow the increased  
23 cost of the proposed contract extension (beyond the continuation amount) to be funded  
24 without additional general government tax dollars.

