

# **Investing in our PAC: The Next Act**



# Why Does the Performing Arts Center Matter?

- Heartbeat of Downtown
- A Home for Alaska's Artists and Dreamers
- Spark for Our Economy and Spirit
- A Bridge to the Best in the World
- First Steps into Magic for our Kids
- A Place Where We All Belong
- A Public Treasure, Not a Private Profit
- Doing So Much With So Little
- Building is Aging, Vision is Alive
- This is Our Moment to Believe Bigger





# What's at risk?

- Loss of a Cultural Heartbeat
- Damage or Collapse of Our Resident Arts Organizations
- End of Broadway in Alaska
- Economic Fallout for Downtown and Local Businesses
- Fewer Opportunities for Youth and Arts Education
- Loss of Anchorage's and Alaska's National Standing
- Increased Cultural Inequity
- Vanishing of Local Storytelling and Talent
- A Community More Disconnected
- Long-Term Cost of Inaction



# Why Support to ACPA is Also Support to the Arts Ecosystem

## ACPA'S RESIDENT COMPANIES

### Presenting Resident Companies:

- Anchorage Concert Association
- Alaska Junior Theater

### Producing Resident Companies:

- Anchorage Symphony Orchestra
- Anchorage Opera

### Producing Community Resident Companies:

- Alaska Youth Orchestras
- Alaska Dance Theatre
- Anchorage Classical Ballet Academy
- Anchorage Concert Chorus





# THE ORGANIZATION

+ HIGHLIGHT OF PROGRAMS,  
PARTNERSHIPS, ASSOCIATIONS,  
CONSTITUENTS



MOA

ACPA, Inc. BOD (23)

ACPA, Inc. (55-75)

Stagehands



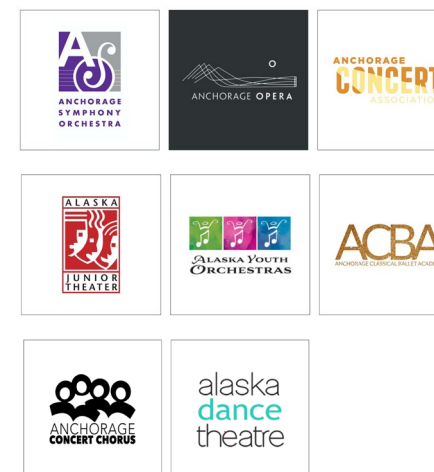
CenterTix



Broadway Alaska



Resident Companies (8)



Community Programs



Ruth Hart Endowment –  
Sydney Laurence Subsidy

Contractors

Patron Services



Internships

Partnerships



Event  
Production OEC

Concessions



Security

Evolv Weapons Detection  
Drogon Security Services  
907 Tactical

Community Space



Other Nonprofit Clients  
Presenters/Producers

Commercial Clients  
Presenters/Producers

# **Rebuilding & Reopening**

## **Introduction of Broadway Alaska**



# Post COVID World

## Innovating to Build New Audiences

- Live events faced **unique reopening barriers** not shared by many industries.
- Distancing requirements and **delayed return to full capacity** made reopening financially unsustainable.
- Health and safety mandates created **unexpected operational strain**.
- Returning to "business as usual" was never going to be enough.
- **Audience behaviors shifted**—habits broke, expectations changed.
- The **market reset**—demanding new models, higher wages, and more convenience.
- ACPA leaned into **bold innovation** to stay relevant and rebuild attendance.
- Created **Broadway Alaska** to reach new demographics and reinvigorate programming.
- Launched **digital and hybrid content** strategies to meet audiences where they are.
- Developed deep community partnerships—including **Anchorage Summer Arts in the Park**—to grow cultural access and trust.

**broadway alaska**  
A NEDERLANDER PRESENTATION



Anchorage  
Summer  
Arts in the Park .

2022



# Reaching New Audiences – National Tours Impact on Communities

- Total direct spending due to Touring Broadway amounted to **\$1.8 billion**.
- Generating another **\$2.0 billion** in secondary rounds of spending.
- Full economic contribution totaled **\$3.8 billion** to these **191 cities**.
- **83% (\$3.2 billion)** supported communities that presented Broadway tours.
- Another \$610.2 million impacted the New York City area.
- What's different for Alaska: transportation, market size and attendance

On average, Broadway tours contributed an economic impact of 3.27 times the gross ticket sales to the economy of the metropolitan areas in which they played – we use 3x as a conservative evaluation for Anchorage.



**broadway alaska**  
A NEDERLANDER PRESENTATION

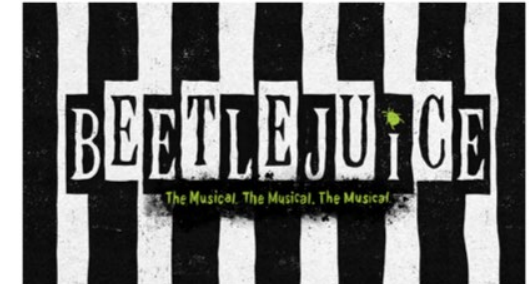
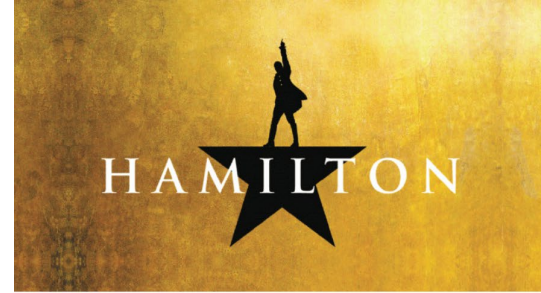


M.J. Murdock  
CHARITABLE TRUST

WH Management Group, LLC

# Broadway Alaska – Season 1 and 2 – Successes & Challenges

- **Tickets:** 125,000
- **Reach:** ex. *Hamilton* attendance from 91 cities across Alaska, all 50 states, 2 territories, Canada and Armed Forces overseas, similar reach for each show
- **Season:** \$35M in economic impact  
*(conservative calculation based on gross ticket sales for a community of our size)*
- **Education:** Statewide student reach through Backstage with Broadway Alaska, developed and distributed by season sponsor, GCI
- **Workforce:** More jobs in the arts – technical, business and event operations, facility mgmt
- **Transportation:** 14 Air Cargo Flights; 4 round trip shipping routes; nearly 50 trailers





# A Strategic Pause for Broadway

## What this is:

- An opportunity to **align and scale Broadway** programming with our market and venue realities
- Expand efforts to further **mitigate transportation costs** and challenges
- Time for ACPA to **focus on driving short and long-term investment** for the PAC's **deferred maintenance** needs
- Space for collaboration with Municipality to **restructure and right size ACPA's management agreement and fee** to a sustainable level, with a focus on increasing operations revenue and developing a structure and commitment for capital investment
- **Reshaping of resident partnerships** to ensure mutual benefit and sustainability

## What this must not be:

- **Business as usual**
- **The end of the PAC**



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# **Running on Passion**

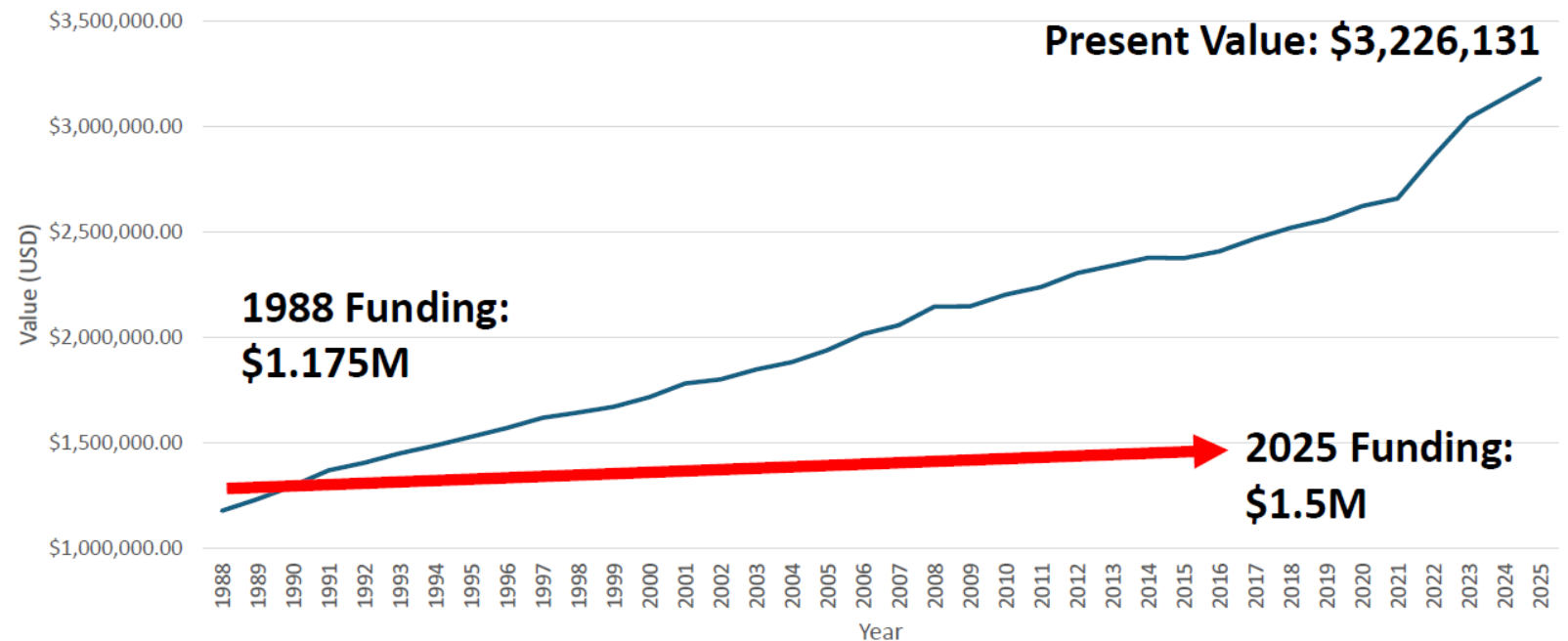
## **An Unsustainable Funding Path**



# Management Fee

- **Current \$1.58M fee is far below national standards** for similar multi-venue performing arts centers
- **Severe deferred maintenance** is crippling efficiency and reliability of daily operations
- **Outdated systems and equipment** are forcing costly workarounds and limiting performance quality
- **Chronic underfunding undermines nonprofit leverage**, limiting ability to attract philanthropy and private investment
- **PAC is managing just to keep doors open**, not positioned for sustainability or strategic growth
- A \$4M investment is a **strategic correction**, not an expansion—aligns support with scope and need
- Increased funding **unlocks long-term potential**: revenue growth, national partnerships, and civic value

Civic Funding of \$1,175,000 (1988) net present value is \$3,226,131 today (2025). Civic Funding has declined.



Source: US Bureau of Labor Statistics CPI Inflation Calculator [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)



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# ACPA's Innovative Efforts to Grow Earned Revenue

- **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

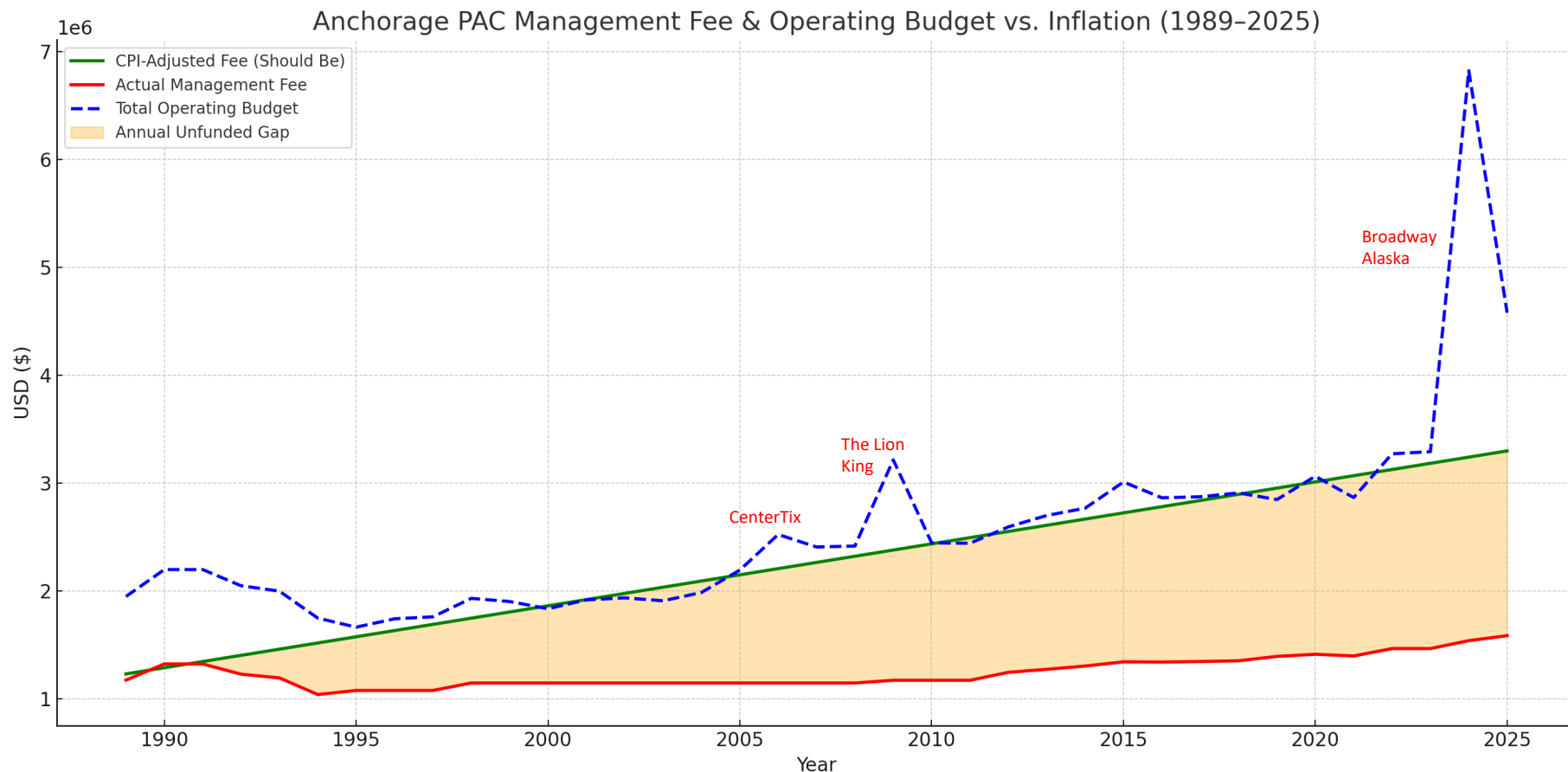
- 2009 – The Lion King

- 2023 – Hamilton/Come From Away

- 2024 – Six/Aladdin/Mean Girls

- 2025 - Beetlejuice

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



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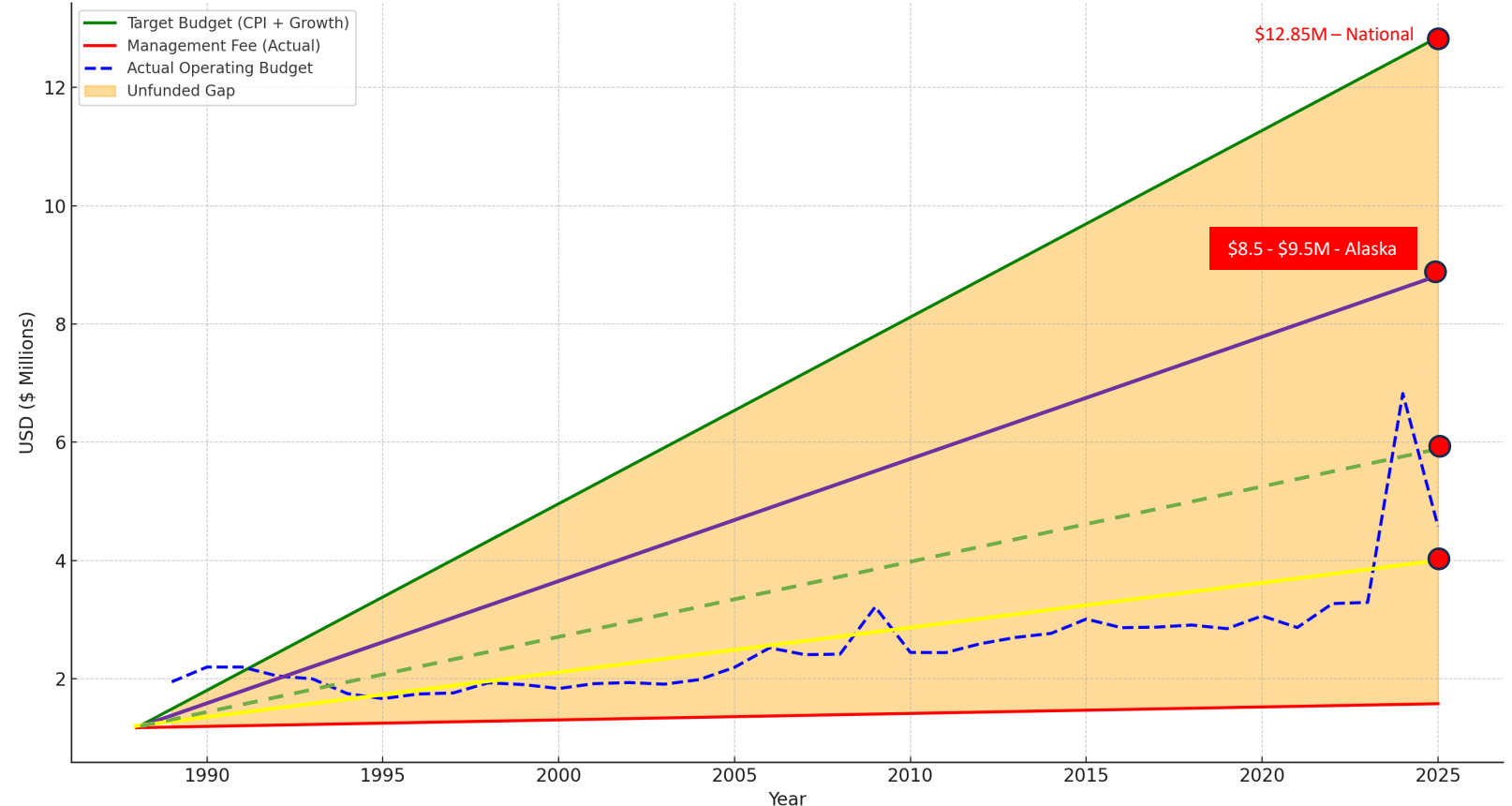


# ACPA is Multi-Venue Facility

## Our Annual Budget is Far Behind Standards and Needs

- ✓ **Purple Line:** A realistic and responsible target for our facility, adjusted for Alaska's distinct challenges and market constraints, falls in the range of **\$8.5M to \$9.5M annually**. This level of investment reflects both the **true cost of safe, sustainable operations** and the capacity needed to **modernize systems, stabilize staffing, and deliver on our nonprofit mission**.
- ✓ **Green Line:** Average budget nationally for multi venue facilities similar to our structure and size\*
- ✓ **Red Line:** Actual municipal management fee over time
- ✓ **Yellow Line:** Requested increase starting in FY26, to be combined with ~\$2M in other ACPA generated revenue with focus on annual CPI increases in management fee and with more staff (including development) to drive more earned and contributed revenue
- ✓ **Blue Dashed Line:** Actual total operating budget (Revenue and Expense)
- ✓ **Orange Shading:** The growing **unfunded gap** between the actual management fee and what the budget should be to meet national standards

Anchorage PAC Budget Trends: Management Fee vs. Target vs. Actual (1988-2025)



\* The \$12.85M national benchmark reflects the average operating budget for comparable multi-venue nonprofit performing arts centers with Broadway programming, adjusted for inflation and cost growth through 2025. Based on industry data from APAP, TCG, and national venue benchmarking studies.

# **Renewal & Resilience**

## **Addressing Critical Capital Needs**

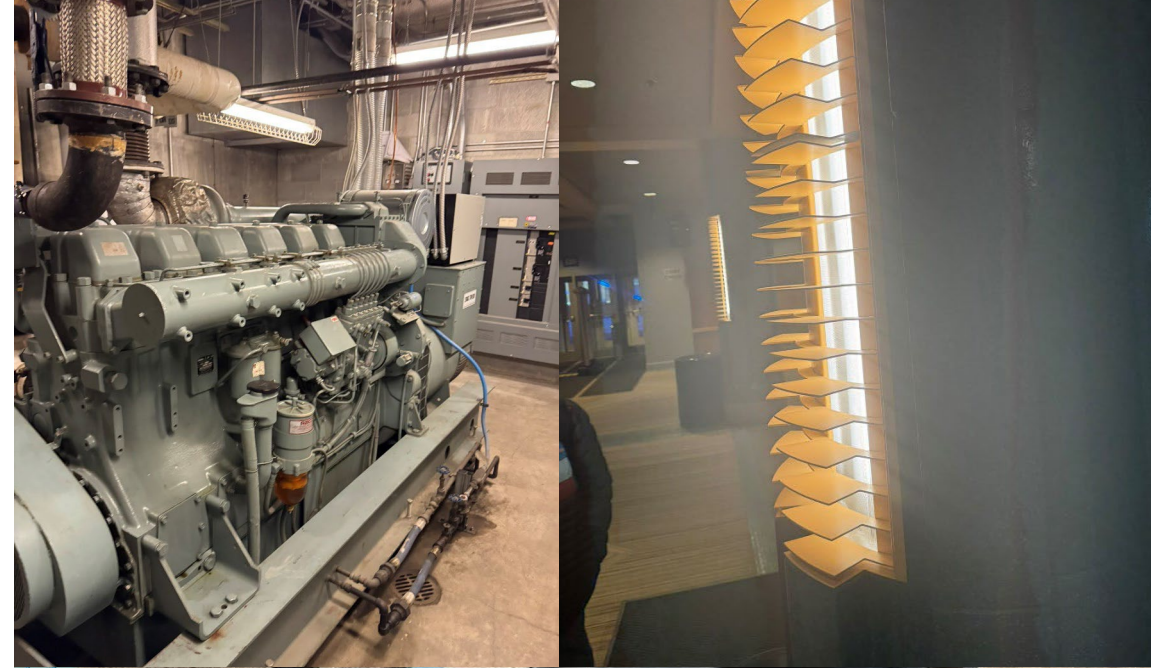


# Immediate Facility System Needs

ACPA will be presenting a Phase I facility assessment detailing costs associated with facility system repairs and upgrades on August 4.

Initial recommendations include:

- **Repair, reinforce, recondition** exterior insulation and exterior wall joints
- **Replace:**
  - Glass-fiber reinforced concrete exterior column covers and integral lighting systems
  - Exterior entrance/exit doors and frames, freight doors
  - Suspended ceilings to include seismic enhancements
  - Interior metal doors, frames and hardware
  - Ventilation system
  - Building heating, ventilation and air conditioning equipment controls
  - New chillers and condensers
  - Cabinet unit heaters
  - Boiler exhaust stack
  - Vales in plumbing supply lines
  - Emergency power generator and automatic transfer switch
  - Lighting controls
  - Interior lighting fixtures with LED fixtures
  - Interior column lighting fixtures with LED fixtures
  - Fire Alarm System (partially funded)
- **Decommission and remove** existing chillers, piping, refrigerants and condensers
- **Water Issues impacting equipment and freight elevator are not included in the costs for above elements**
- **Remaining Elevator and Fire System** upgrades issues/costs not included here, previous information anticipates additional \$2-\$3M to complete those **modernizations** after initial fire panel/device upgrade completed in 2025 and freight/1-passenger elevator modernizations are complete in 2026
- **ADA Study** pending



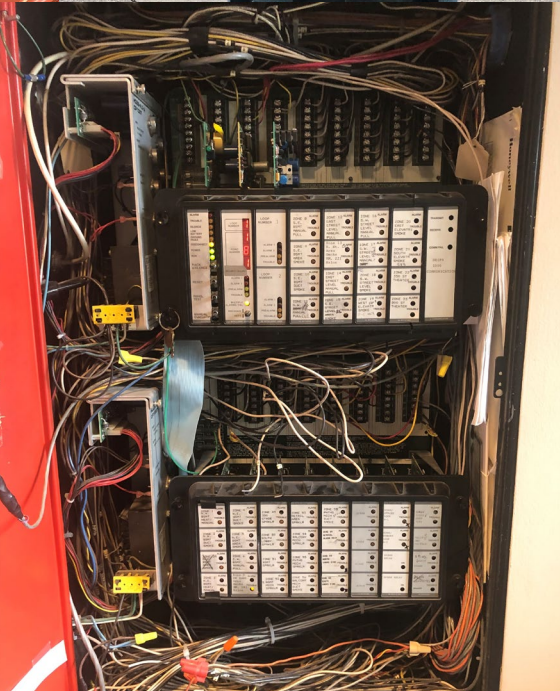


# Immediate Facility & System Needs



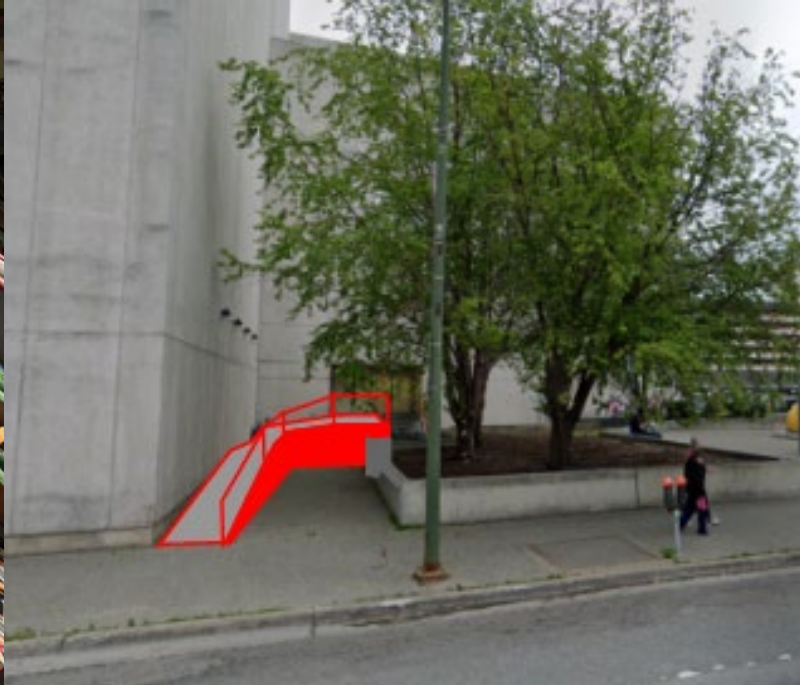
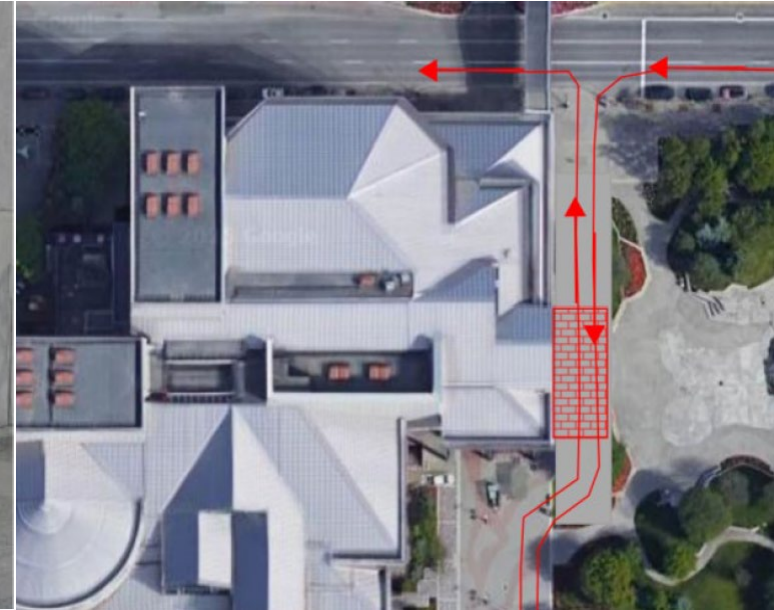


# Immediate Facility & System Needs





# Access IS NOT Optional – It IS Essential



ADDITIONAL FUNDING FOR  
ASSESSMENT & COSTING  
NEEDED



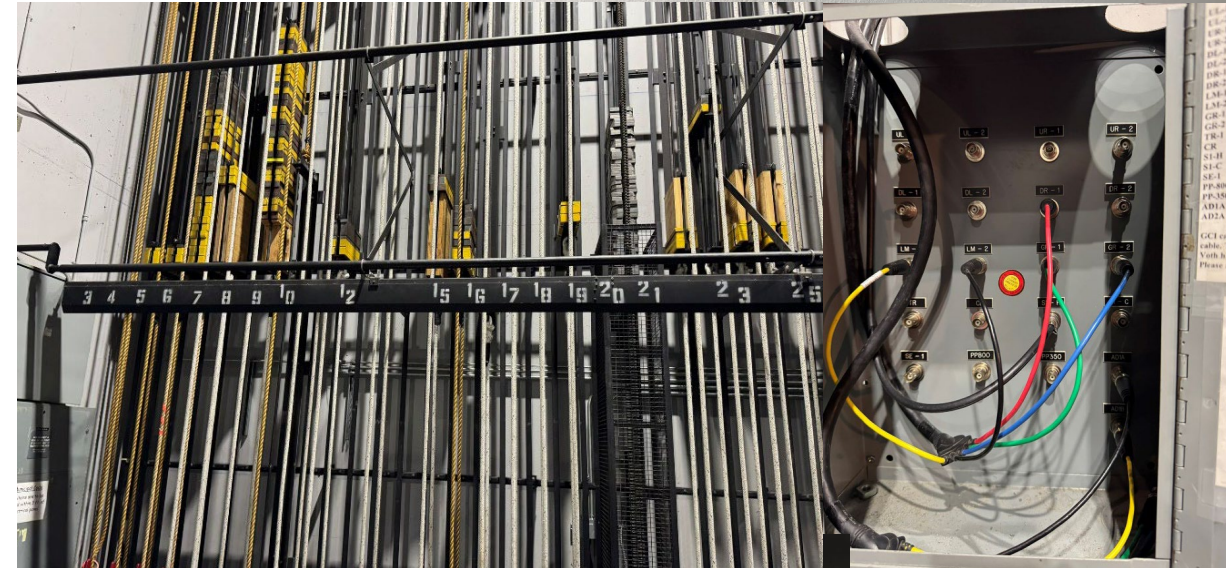
# Needs for Multi-Year Theatrical & Technical Systems Modernization Plan

All theatres critical technical systems require modernization.

- **Rigging systems** are all outdated
- **Lighting infrastructure** remains largely incandescent and provides inconsistent coverage and non-compliant aisle and backstage lighting
- **Audio and video systems** are outdated and underpowered, limiting production capability
- **Backstage areas** present operational deficiencies due to failing equipment, limited storage and accessibility barriers
- **Safety and code compliance** issues are evident in trap room usage, wayfinding and signage

Improvements are key to success of the facility:

- **Energy and cost savings** through modernization
- **Greater operational efficiency**
- **Improved safety and compliance**
- **Enhanced production quality** and ability to attract more programming
- **Better working conditions** for staff and technical teams





# Needs for Multi-Year Theatrical & Technical Systems Modernization Plan





# Needs for Multi-Year Theatrical & Technical Systems Modernization Plan





# Current Capital Reserve

Per SAP System on 6.18.25

PO Contract Encumbrances - Obligated thru procurement but not spent	\$1,110,366.05
Unspent Balance of Current Prjs Already Appropriated	\$407,836.69
Total Unappropriated Capital Reserve Revenue	\$420,392.02
ACPA Capital Reserve Fund Balance	\$1,938,594.76

Description	Original Budget	Budget Change	Current Budget	Pending Procurement	Obligated - thru Procurement	Actuals - Expended	Balance - Remaining
*** CDP2003 ACPA Freight Elevator Upgrade	\$ -	\$ 1,909,931.72	\$ 1,909,931.72	\$ 1,439,861.00	\$ 77,264.77	\$ 116,227.72	\$ 276,578.23

# Next Steps

## Now through end of September 2025:

- **AUG 4** - Presentation of initial assessments to ACPA Board and Municipality
- **AUG 7** - Presentation of initial assessment to ACPA Resident Companies
- **BY MID-AUG** - ACPA Management Agreement and Fee Modernization Approved
- **AUG 28** - ACPA FY26 Budget Approved at ACPA Board Meeting
- **SEPT 1** - ACPA FY26 Approved Budget submitted to MOA
- **SEPT 20** - Trend Alaska Fundraiser in support of PAC
- **BY END SEPT** - ADA Assessment Funded, Approved and Executed
- **BY END SEPT** - Community Assessment Funded, Approved and Executed

## Continued Assessments – Goals of Fall 2025 (Oct-Dec)

- **Confirm Owner Commitment** - Confirm MOA's capital investment commitments and long-term support strategy.
- **Assess Campaign Readiness** - Determine readiness for a comprehensive fundraising campaign focused on endowment, facility modernization, and repairs.
- **Evaluate Funding Landscape** - Gauge interest and capacity of local, regional, corporate, foundation, government, and community stakeholders to support the campaign.
- **Recommend Campaign Structure** - Provide recommendations for a combined capital and annual operating campaign approach.
- **Define Campaign Framework** - Confirm campaign goals, timeline, leadership structure, staffing needs, and budget in partnership with ACPA leadership and the facility owner.



# SUPPORT OUR PAC - TREND



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