

Memorandum

TO: EXECUTIVE COMMITTEE

FROM: Kerry Adams Hapner

SUBJECT: Children's Musical Theater San Jose

DATE: January 31, 2018

Approved

Date

RECOMMENDATION

Recommend that the Arts Commission accept a recommendation for a \$50,000 challenge grant to the Children's Musical Theater San Jose (CMT) in support of CMT's Golden Anniversary Campaign to raise capital for future growth and sustained impact.

BACKGROUND

Founded in 1968, CMT is one of San Jose's oldest performing arts organizations that serves the arts education needs of young people in the community. CMT's mission is to train and educate youth by using musical theater to set and achieve high artistic goals become the leaders, artists, citizens and patrons of tomorrow.

CMT impacts 10,000 children annually who participate in programs which include 10 productions featuring performers aged 6 to 20, student matinees, studio classes and summer camps. Each season draws more than 40,000 audience members. Since its inception, CMT has maintained a policy of casting all who audition regardless of financial or physical limitations, believing that everyone should have an equal opportunity to participate in the highest quality programs possible. In addition, CMT awards approximately \$50,000 in scholarships so that financial barriers are not an obstacle to participation in its classes and outreach programs.

Under the artistic leadership of Kevin Hauge, CMT has grown into a nationally-respected children's theater, earning multiple highly competitive grant awards from the National Endowment for the Arts and receiving coveted licensing rights to produce and adapt Broadway musicals for younger audiences.

ANALYSIS

CMT celebrates its 50th anniversary of exceptional performances and programs in 2018. To mark this significant milestone, CMT is embarking on an ambitious fundraising campaign, referred to as the Golden Anniversary Campaign, to raise 2 million dollars to solidify its ability

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to provide exceptional artistic quality, deepen community commitment and nurture the talents and aspirations of future generations of young people.

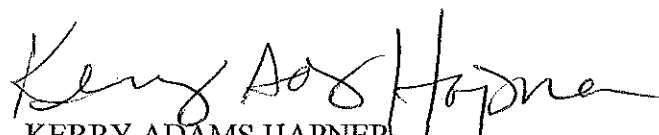
Campaign funds raised will be earmarked in a special board-designated fund for future strategic initiatives that will allow CMT to continue to grow artistic innovation, protect against unexpected economic downturns and secure its future as an anchor arts organization in San Jose.

The Mayor's June Budget Message for FY2017-18 contained a specific directive that the City Manager work with the Arts Commission to support CMT's campaign. In response to this direction, OCA staff and Arts Commission Chair met with CMT's Executive Director and a long-time CMT board member on January 17, 2018 to discuss details of this support within the framework of a challenge grant to strengthen the future capitalization of the organization. The City has assisted organizations such as San Jose Stage Company, Friends of Levitt Pavilion, and the Children's Discovery Museum in raising large amounts of capital by contributing funds that catalyze greater support from the public and business sector.

A challenge grant from the City will provide important leverage for CMT and amplify its efforts to raise significant funds from individuals and businesses. This challenge will be structured as a 2:1 match (i.e., for every \$2 raised, the City will match \$1). In this way, the City's \$50,000 contribution will help leverage an additional \$100,000 in contributions. CMT's board is fully engaged in this effort, and its members serve as campaign chairs and lead key committees for the success of this campaign. CMT expects to enter the public phase of their campaign in 2018 and will acknowledge the City's support in this effort along with other major donors.

The funds raised from the Golden Anniversary Campaign will strengthen the organization's capitalization profile, ensuring that CMT builds its financial resources to deliver on its mission for future generations. As this is a grant for capitalization purposes, \$40,000 will be drawn from the Capitalization Technical Assistance Grants pilot and \$10,000 from Programmatic Reserves. Based on interest in the first-round pilot of Capitalization Grants released last year, the remaining Capitalization Grants pool of \$160,000 will be sufficient to fund at least another four grants at the maximum of \$40,000.

CMT has a 50-year history of fostering a lifelong appreciation for the arts, and particularly theater arts, in young people. Due to strong community support and prudent management, the organization has recorded operating surpluses for five successive years and currently operates with a budget of nearly \$2.8 million dollars. The City's \$50,000 challenge grant in support of CMT's \$2 million Golden Anniversary Campaign will help ensure that CMT continues to thrive for next 50 years, inspiring new generations of young people to express their creativity through the arts.


KERRY ADAMS HAPNER
Director of Cultural Affairs