



## Wheaton Arts and Cultural Center

### Summary report of facility operational model

September 10, 2024

**Issued to Montgomery County Department of General Services (Montgomery County)**

**Prepared by Theatre Projects Consultants**

Daniel Ordower, Managing Principal

Paul McGinley, Senior Consultant

240 West 40<sup>th</sup> Street

Suite 305

New York, New York 10018



## Table of contents

Executive Summary.....	3
Revised program .....	5
Activation goals and usage model .....	6
Programming and business plan.....	7
Governance structure .....	7
Staffing .....	8
Full time position summaries.....	9
Part-time position summaries .....	10
Financial Pro Forma.....	12
Revenues.....	13
Rental rates and totals .....	14
Expenses .....	17
A final note .....	18

## Executive Summary

In early 2024 Theatre Projects was engaged by Montgomery County to support the ongoing planning for the future Wheaton Arts and Cultural Center (11507 Georgia Avenue, Wheaton, Maryland). Through a series of two community engagement forums, preliminary design input from the perspective of the future operator, and review and update of the previously completed 2019 facility business plan, our process was guided by three key questions:

- Have there been any significant changes to the user profile and models, including any changes directly related to the post-pandemic landscape?
- What are the needs of the future users and operators of the facility, and what level of venue elements are necessary in the current design assumptions?
- In designing the “box”, what elements may be missing or require adjustment within the timeline, budget, and physical constraints of the project plan?

The first of two community engagement forums was held on April 24, 2024 at the Wheaton Library and Recreation Center, co-hosted by Montgomery County Department of General Services (DGS) Office of Planning & Development (OPD) and Councilmember Natali Fani-González. Theatre Projects facilitated the session, providing stakeholders with project context and background, inclusive of timeline, budget, site selection, and facility program. Grimm & Parker, the project architect, provided floor plans, renderings, and program narrative, which were presented for feedback from the community. Attendees representing a variety of perspectives including visual and performing arts organizations, individual artists, and local residents shared feedback verbally through a listening session and in written form via display boards with prompts. A project email address and phone hotline were available for ongoing comment following the forum.

The project team reviewed, aggregated, and synthesized the feedback and inquiries from attendees, resulting in a robust Frequently Asked Questions (FAQ) document and significant adjustments to the facility program (see section “Revised Program” below). Key design updates based on community feedback include:

- Clarified intended use for each program space
- Aligned classroom use with available infrastructure
- Redesigned upper and lower lobby
  - Removed curved walls
  - Added dedicated and securable visual art gallery space at street level
  - Added administration space and box office near parking garage entrance
  - Adjusted restroom placement
- Increased back of house performer support spaces: +2 dressing rooms, +2 restrooms

The FAQ document was published on the project website and distributed via email to attendees of the first session. The second community forum was held on June 20, 2024, with the same co-hosts as the first session returning to the Wheaton Library and Recreation Center. Grimm & Parker provided updated floor plans and renderings which were annotated to illustrate the design updates. Theatre Projects presented the revised space

program and design updates, then facilitated a Q&A session between attendees and representatives from DGS OPD, Grimm & Parker, and Theatre Projects to answer follow-up questions from attendees relating to the design updates and FAQ document. Several attendees expressed appreciation for the consideration and inclusion of their feedback in the process and requested continued involvement. Montgomery County has made explicit their intention to continue involving community perspective in identifying goals and objectives for the future operator.

Theatre Projects also engaged in a comprehensive review of past study work, including the business plan developed by arts consultant Victor Gotesman in spring 2019. This report includes recommended updates to the financial and staffing model for future operations based on community feedback, design updates, and escalating costs for a 2030 opening of the facility (see “Programming and business plan” section below).

Next steps for the project include continued refinement of the design and the creation of a Request for Proposals for the future operator. The start of construction for the base building is projected for mid-2026. The FAQ document and presentations from both sessions are available on the project website:

<https://montgomerycountymd.gov/DGS/OPD/WheatonArtsandCulturalCenter.html>



Above: Community engagement at the Wheaton Public Library, Spring 2024

## Revised program

As of June 2024, approximately 40,000 square feet is planned for the future Wheaton Arts and Cultural Center. The facility will be co-located with an affordable housing development by Montgomery Housing Partnership (MHP) in the Wheaton Arts and Entertainment District at 11507 Georgia Avenue. The key spaces for arts activities include a flexible theatre for performing arts and community events, a studio space for events rehearsals and instruction, a visual art gallery, two classrooms, and administrative space for future users and the operator. The table below, and descriptions that follow, provide additional detail about the intended uses and features of each space:

Space name	Attendees	Intended uses	Intended arts disciplines
Flexible theatre	150 – 300	Performing arts & community events	Theatre, dance, music
Studio space	100	Gatherings, cultural events, arts instruction, rehearsal, readings	Theatre, dance, music, visual art
Gallery	45	Visual art exhibits	Visual art
Flexible classroom	25	Digital arts classes, small gatherings, meetings, table-top visual arts	Theatre, visual art
Visual art classroom	25	Painting, drawing, jewelry making, table-top visual arts	Visual arts
Arts incubator administrative space	6 – 10	“hot desk” style workstations, meeting space, administrative resources	Theatre, dance, music, visual art
Administrative space (operator)	6 – 10	Offices & box offices	

Figure 1: Facility program summary. Source: Theatre Projects

**Flexible Theatre:** The flexible theatre is intended primarily for performing arts and community event usage. It will be well-equipped for performance, dance, movement, and music (with a surface appropriate for dance and acoustical sound treatments). It is designed with maximum flexibility in mind and is not intended to serve as a traditional proscenium theatre. As such, it does not have permanent fixed seating (but includes flexible seating options) or wing space, a set proscenium, fly space, or other elements traditionally associated with a proscenium-style theatre. It will have a professional grid with theatrical lighting, drapery, and rigging capacity so that the theatre can be styled with an end-stage or used as an open flat floor – and any combination in between. The facility program includes back-of-house support spaces (e.g. dressing rooms, loading dock, control room) for the flexible theatre.

**Studio Space:** The studio is intended primarily for use by the community at large for smaller gatherings and cultural events. It could also be used as a teaching or rehearsal space for performing arts disciplines including theatre and dance (a surface appropriate for dance will be included), small music ensembles, and select visual arts disciplines including drawing and illustration. Readings and other events may also be held in this space. The facility program includes back-of-house support spaces (e.g. dressing rooms, loading dock) for the studio space.



**Gallery:** This space is intended primarily for visual arts exhibits. It can be closed and secured for gallery use only or opened up to combine with the larger lobby space for bigger exhibits or events. It is not intended to be utilized by performance disciplines.

**Flexible Classroom:** This space is intended as a flexible gathering and teaching space. It will not be equipped for dance, movement, or music (no specialized flooring or acoustical sound treatment). It will be designed with maximum flexibility in mind including wi-fi and projection capabilities, ample electrical power, and moveable tables and seating. This room could be used for digital arts classes, smaller community or cultural gatherings, meetings, or table-top visual arts (i.e.: knitting, crafting, etc.).

**Visual Art Classroom:** This space is intended as a flexible visual arts studio classroom designed to serve the broadest possible number of mediums and uses. The space will have sufficient ventilation for mediums involving paint and other noxious fumes that require similar air circulation. There will be a sink and ample electrical power. Examples of mediums that this room can serve include painting, drawing, jewelry, or other table-top arts. As many visual arts mediums require specialized spaces and equipment, it is important to note that not all of them will be able to be accommodated in this room. It will not be well-suited for pottery, large sculpture, metal working, or wood working.

**Administrative Offices:** Administrative office space for users of the facility, including participants of the incubator program and the operator will be included on-site. The current design includes a large box office that can double as an administrative space, 10 flexible workstations, two private offices, a conference/work room, kitchenette, a restroom, and a room for IT, storage, and/or mechanical needs.

## Activation goals and usage model

Theatre Projects reviewed the activation goals, anticipated opportunities and challenges, and usage models as outlined in the spring 2019 report. The activation goals, as stated in pages seven through eight of the 2019 report, are found to be in alignment with the evolved vision of the project and the needs expressed by community members.

The usage models and program evaluation methods, as outlined on pages eight through twelve of the 2019 report, remain consistent with the goals of the evolved concept. Further study would be needed to verify projected usage with potential users, but the model as outlined in the 2019 report appears reasonable and consistent with similar types of venues. Key programmatic activities could include:

- Internal programming (arts incubator & artist presentation series)
- Facility rentals from Wheaton residents, nonprofit organizations, non-resident individuals, and/or commercial entities
- Strategic partnerships with local arts & cultural organizations

The envisioned **arts incubator program** would support a diverse group of artists in refining their business strategy, administrative and operational capacity, and strategic growth. The program would include professional development, central services and administrative support for the local arts community. Specific programming could include workshops, seminars, and resources to support the administrative and business development of individuals and organizations in the local arts community such as in-house counsel to artists, classes in business skills, website development and marketing, and resources for professional opportunities. The incubator may also offer artists opportunities to produce and teach in the new facility and create a network for artists to provide opportunities for collaboration and shared learning experiences. The administrative area will provide flexible workspace (office hoteling/hot desk) for artists in the incubator program. The arts incubator program will be further developed during the RFP process and with the future operator, and could include membership fees or other forms of financial buy in from participants.

## Programming and business plan

### Governance structure

The operational model for the future Wheaton Arts and Cultural Center is envisioned as a public-private partnership in which Montgomery County owns and maintains the base building and a facility operator is selected to operate the building and provide program content. The County will involve community input to develop goals and objectives for the future operator of the facility to meet core competencies that were initially articulated on pages 13 & 14 of the June 2019 report, including:

- Performing arts facilities management
- Arts and arts education programming development and production
- Customer and stakeholder engagement
- Box office and ticketing
- Marketing and branding
- Entrepreneurship
- Philanthropic fundraising for both administrative and artistic production
- Program evaluation

We recommend the competencies be thoroughly reviewed and updated as needed during the creation of the RFP for the future operator to ensure potential operators will uphold the mission and vision for the new facility and provide equitable access to the spaces for local artists and cultural groups.

## Staffing

To best achieve the goals and programs outlined for Wheaton Arts and Cultural Center, at fullest expression of operations we recommend the future operator’s staffing structure include eight essential full-time roles for successful non-profit management, six part time positions for event and patron support, and the engagement of third-party vendors for necessary marketing and professional services. The business plan reflects opening the facility with a full-time administrative staff of six, then adds two positions in year two of operations. Approximately six part-time positions would directly support gatherings, events, and performances. Based on the projected utilization of the facility, we’ve estimated part-time staff hours at approximately 1.5 full time equivalent in year one, increasing to approximately 3.25 full time equivalent by year three as utilization increases.

Our recommended staffing model is more robust than what was presented in the previous report. The changes were informed by our study of staffing structures at other regional community-oriented arts and cultural centers, including input from current staff from facilities currently operating in Prince George’s County. Community feedback from our process also requested additional resources to center the local artists and organizations utilizing the facility and participating in the envisioned arts incubator program. The chart below updates the staffing model from the 2019 report to include the additional study and feedback, outlining a possible staffing structure. The future operator will decide the final structure of roles and responsibilities. Evaluation of proposed staffing structures will be part of the upcoming RFP process.

## Example staffing model

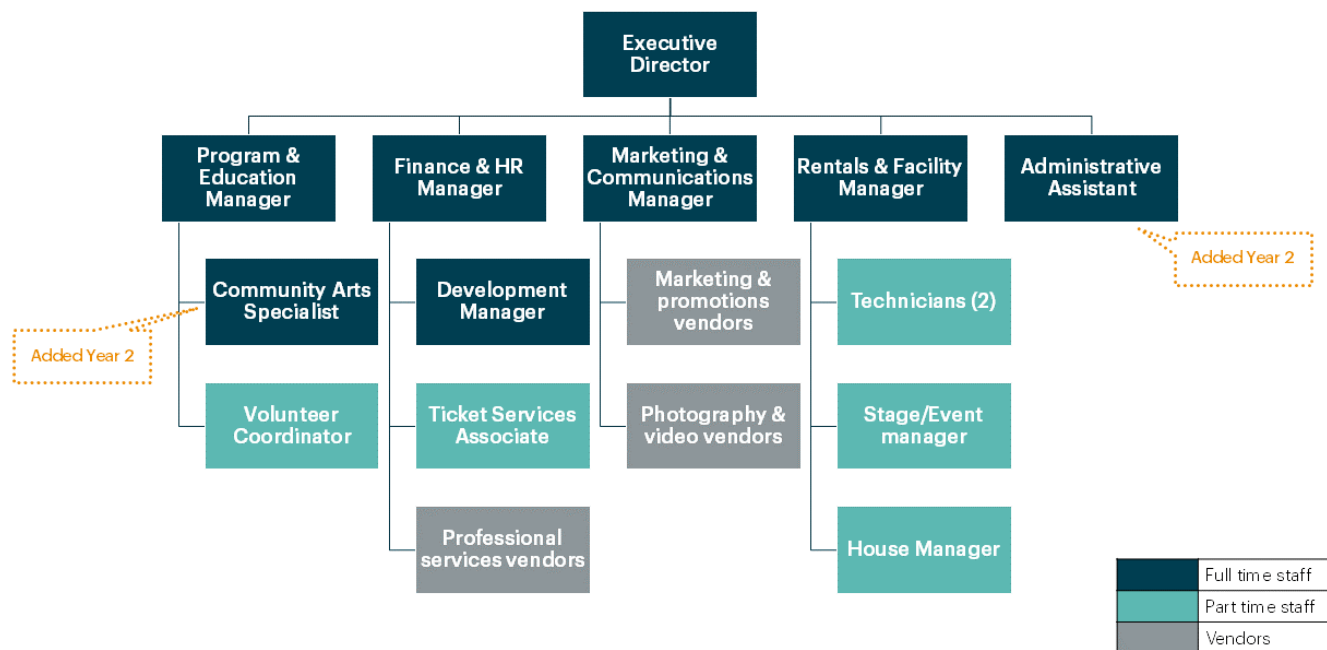


Figure 2: Example staffing structure. Source: Theatre Projects





### ***Full time position summaries***

**Executive Director:** The Executive Director is the chief executive officer responsible for the overall strategic, operational, and financial management of the center. They ensure that the organization's mission to serve community artists and local organizations is effectively implemented. The Executive Director leads the organization's vision, fosters partnerships with stakeholders, secures funding, and represents the center in the community. Assuming a non-profit operator, the Executive Director reports to a board of directors and directly supervises four key managers and an administrative assistant.

**Finance & Human Resources Manager:** The Finance & HR Manager oversees the financial operations, human resources, and administrative functions of the center. This includes financial strategy and budgeting, accounting system management, financial reporting, payroll and benefits administration, and ensuring compliance with all relevant regulations. They also manage contracts with presented artists, programmatic vendors, and legal and accounting service providers. The Finance & HR Manager supervises the Development Manager and a part-time Ticket Services Associate.

**Program & Education Manager:** The Program & Education Manager is responsible for developing, coordinating, and evaluating the center's artistic, educational, and community outreach programs. They oversee the Arts Incubator curriculum and work closely with local artists and organizations to design workshops, classes, and other learning opportunities that align with the center's mission. The Program & Education Manager supervises the Community Arts Specialist and a part-time Volunteer Coordinator.

**Marketing & Communications Manager:** The Marketing & Communications Manager leads the center's marketing, branding, and communication strategies. They develop and execute campaigns to promote events, programs, and the center's mission to the broader community. This role includes overseeing contracts with third-party vendors for marketing, promotions, photography, and videography. The Marketing & Communications Manager ensures consistent and effective messaging across all platforms.

**Rentals & Facility Manager:** The Rentals & Facility Manager oversees the management of the center's facilities, including scheduling and coordinating rentals for events, exhibitions, rehearsals, and performances. They ensure that all spaces are well-maintained and meet the needs of the center's artists, administrators, and event attendees. This role includes supervising four part-time staff: a Visual Art & Carpentry Technician, a Theatre Technician, a Stage/Event Manager, and a House Manager.

**Development Manager:** Reporting to the Finance & HR Manager, the Development Manager is responsible for fundraising activities, including grant writing, donor relations, and event planning. They work to secure financial support for the center's programs and initiatives, building relationships with donors and sponsors. The Development Manager also collaborates with the Finance & HR Manager to track and report on fundraising efforts.



**Community Arts Specialist:** (*added year two*) The Community Arts Specialist, reporting to the Program & Education Manager, is responsible for working directly with local artists and community organizations to support their participation in the center's programs. They help organize workshops, exhibitions, and other events that highlight community talent. This role also involves supporting the Volunteer Coordinator and assisting in outreach efforts to engage a diverse range of participants.

**Administrative Assistant:** (*added year two*) The Administrative Assistant provides clerical and administrative support to the Executive Director and other key staff. This includes supporting office operations, coordinating meetings, handling correspondence, and maintaining supplies for programs and office spaces. The Administrative Assistant plays a crucial role in ensuring the smooth daily operation of the center.

### ***Part-time position summaries***

**Ticket Services Associate:** The Ticket Services Associate, reporting to the Finance & HR Manager, is responsible for managing the ticketing system for the center's events and performances. They handle ticket sales, customer service inquiries, and provide support during events to ensure smooth operations. This role requires strong communication skills and the ability to manage multiple tasks in a fast-paced environment.

**Volunteer Coordinator:** The Volunteer Coordinator, reporting to the Program & Education Manager, manages the recruitment, training, and scheduling of volunteers for the center's events and programs. They work closely with other staff to ensure that volunteers are effectively integrated into the center's operations and that they have a positive and rewarding experience. The Volunteer Coordinator also maintains volunteer records and tracks volunteer hours.

**Visual Art & Carpentry Technician:** The Visual Art & Carpentry Technician, reporting to the Rentals & Facility Manager, provides technical support for the installation and maintenance of visual art exhibitions and other related activities. This role involves working with artists and curators to ensure that exhibitions are presented at the highest standard. The technician also assists with classroom and performance space needs relating to rigging and carpentry.

**Theatre Technician (Lights, Sound, & Projection):** The Theatre Technician specializes in managing the lighting, sound, and projection systems for performances, rehearsals, and other events at the center. Reporting to the Rentals & Facility Manager, this role ensures that all technical aspects of performances run smoothly and meet the artistic requirements of the events. The Theatre Technician is responsible for setting up, operating, and maintaining technical equipment.

**Stage/Event Manager:** The Stage/Event Manager oversees the backstage logistics and coordination of performances and events. They work closely with performers, directors, and other staff to ensure that events run safely, according to schedule, and that all technical and production needs are met. Reporting to the Rentals & Facility Manager, this role requires strong organizational and communication skills.



**House Manager:** The House Manager is responsible for overseeing the front-of-house operations during events and performances. This includes managing the flow of patrons, coordinating with ticketing staff and event volunteers, and ensuring that the audience has a positive experience. Reporting to the Rentals & Facility Manager, the House Manager also handles any issues that arise during events, such as seating arrangements, accessibility needs, or emergency situations.

We utilized national and local salary research to estimate staff expenses for the first year of operations in 2030. Part-time staff hours are estimated at \$25 average hourly rate for the approximate number of event days anticipated. Year one forecasts nearly 3,500 total part time hours, increasing to nearly 7,000 hours by year three.

Assuming 23% for benefits and taxes, the total administrative and event staff expenses could be approximately \$685,000 in year one, equivalent to 50% of total expenses. The 2019 report estimated staffing expenses at 58% of total budget. Assuming the addition of two full-time staff positions, increased part-time staff hours, and an annual cost of living increase of 3.5%, by year three the expense would be approximately \$950,000, approximately 56% of the year three expenses.

	Year 1: 2030		Year 2: 2031		Year 3: 2032	
	FTE	Total	FTE	Total	FTE	Total
<b>Administrative Staff</b>						
Executive Director	1	\$ 116,850	1	\$ 120,940	1	\$ 125,173
Admin. Assistant			1	\$ 73,800	1	\$ 76,383
Finance & HR Manager	1	\$ 92,250	1	\$ 95,479	1	\$ 98,821
Program & Education Manager	1	\$ 92,250	1	\$ 95,479	1	\$ 98,821
Development Manager	1	\$ 92,250	1	\$ 95,479	1	\$ 98,821
Marketing & Communications Manager	1	\$ 92,250	1	\$ 95,479	1	\$ 98,821
Community Arts Specialist			1	\$ 86,100	1	\$ 89,114
Rentals & Facility Manager	1	\$ 92,250	1	\$ 95,479	1	\$ 98,821
<b>TOTAL Administrative staff</b>	<b>6</b>	<b>\$ 578,100</b>	<b>8</b>	<b>\$ 758,234</b>	<b>8</b>	<b>\$ 784,772</b>
<b>Part Time Technicians / event support</b>						
Visual art & carpentry technician	0.27	\$ 17,523	0.41	\$ 18,137	0.55	\$ 18,771
Theatre technician (lights, sound, projec	0.27	\$ 17,523	0.41	\$ 18,137	0.55	\$ 18,771
Stage/Event manager	0.27	\$ 17,523	0.41	\$ 18,137	0.55	\$ 18,771
<b>Part Time Patron Services</b>						
House Manager	0.27	\$ 17,523	0.41	\$ 27,205	0.55	\$ 37,543
Ticket Services Associate	0.27	\$ 17,523	0.41	\$ 27,205	0.55	\$ 37,543
Volunteer Coordinator	0.27	\$ 17,523	0.41	\$ 27,205	0.55	\$ 37,543
<b>TOTAL event staff</b>	<b>1.64</b>	<b>\$ 105,140</b>	<b>2.47</b>	<b>\$ 136,025</b>	<b>3.29</b>	<b>\$ 168,942</b>
<b>TOTAL Administrative &amp; Event staff</b>	<b>7.6</b>	<b>\$ 683,240</b>	<b>10.5</b>	<b>\$ 894,258</b>	<b>11.3</b>	<b>\$ 953,714</b>

Figure 3: Projected staff expenses Years 1 – 3 (2030 – 2032). Source: Theatre Projects



## Financial Pro Forma

The financial pro forma is developed using the following considerations and assumptions:

- The usage projections from the 2019 report would be achievable by year three of operations.
- By year three, the operator's programming would include an ongoing free visual art gallery publicly accessible during business hours, approximately 90 workshops in classroom spaces, and approximately 40 guest artist presentations/events total between the flexible theatre and studio space. The arts incubator programming is included in the workshop and event totals.
- Creative space and office space rents to local residents and nonprofit organizations involved in the arts incubator program at below-market rates
- Additional rentals by outside community users including performing arts groups, visual artists, private and public users as forecast in the 2019 report would be achievable by year three.
- 2030 is assumed to be the inaugural year of operations, with revenues and expenses escalated 3.5% to 4.5% annually from today's industry standard rates and estimations

We estimate that the new facility will require an expense budget of approximately \$1.35 million in the first year of operations, an increase of approximately \$325,000 from the 2019 report due to increased costs post-pandemic, operational impacts of design evolution, and our recommended adjustments to the utilization and staffing model. Our projection includes approximately \$225,000 in costs for programming and events inclusive of part-time event staff, approximately \$380,000 in facility expenses, and approximately \$750,000 in administrative costs inclusive of full-time staff. We assume a utilization increase and additional staffing plus at least 3.5% annual rising costs in subsequent years to account for rising costs and inflation, indicating total expenses could be approximately \$1.7 million in year three.

Earned income revenue projections for the community-focused center totals approximately \$280,000 in year one, approximately 21% of total expenses. This requires 79% contributed income comprised of individual donations (15%), foundation grants (20%), corporate sponsorship (5%), and government grants and subsidy (60%), totaling approximately \$1.4 million in year one. By year three, earned income could increase to approximately 33% due to increased utilization, reducing contributed income to approximately 67%. For many arts nonprofits, contributed income tends to make up a larger portion of the budget (50 – 80%) due to the reliance on philanthropic support and grants to fund operations, especially for those focused on community engagement and educational programming where ticket sales or fees will not cover all costs.



REVENUE PROJECTIONS	Year 1 (2030)	Year 2 (2031)	Year 3 (2032)
Earned Income	\$ 279,415	\$ 416,108	\$ 551,677
Contributed Revenue	1,074,777	1,184,246	1,143,539
<b>INCOME TOTAL</b>	<b>\$ 1,354,192</b>	<b>\$ 1,600,354</b>	<b>\$ 1,695,216</b>
EXPENSE PROJECTIONS	Year 1 (2030)	Year 2 (2031)	Year 3 (2032)
Facility Expenses	\$ 377,655	\$ 390,873	\$ 404,554
Cost of Programming & Events	223,615	267,603	313,247
Administrative Costs	752,921	941,877	977,415
<b>EXPENSE TOTAL</b>	<b>\$ 1,354,192</b>	<b>\$ 1,600,354</b>	<b>\$ 1,695,216</b>
<b>OUTCOME</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Figure 4: Pro forma summary. Source: Theatre Projects

### ***Revenues***

The arts and cultural center’s earned income could be a mix of facility rentals, ticket revenue, and nominal concession and merchandise sales. We predict that approximately 80% of the funding will need to come from contributed sources in year one. This percentage could drop to approximately 70% by year three if utilization increases to the rates projected.

Earned revenue categories include:

- **Event revenues:** Operator-produced events in the flexible theatre and studio space, assuming 70% of venue capacity as tickets sold with average ticket prices between \$20 and \$30. A total of 20 events are assumed for year one, increasing to 40 events by year three.
- **Workshop fees:** Operator-produced workshops in both classrooms, assuming 60% of room capacity paid with average registration fee of \$15 per person. A total of 45 workshops are assumed for year one, increasing to 90 events by year three. This line also includes potential Arts Incubator Program membership fees.
- **Ticket fees:** A facility fee of \$3 per ticket for all operator-produced ticketed events and ticketed rentals, assuming 60% average venue and room capacity attendance for facility rentals.
- **Facility rentals:** Year three projection is based on previously assumed utilization, with sliding scale rental rates for various constituent types. See rental rates section below for more detail. A new facility will require strategic growth of facility rentals, so to allow time for a rental program ramp up, we have estimated year one at 50% of year the three projection and year two at 75% of the year three projection.
- **Concession sales:** Gross income assuming a \$2.50 spend per patron for projected attendance at operator-produced events. This is a modest projection in anticipation that most community and cultural programming could include free concessions or third-party catering.
- **Merchandise sales:** Gross income assuming 50% margin on cost of goods (i.e. t-shirts, mugs, stickers, etc.)



Contributed revenue assumes robust fundraising efforts by the operator and significant subsidy from the County for ongoing operations. We have updated the distribution of contributed income categories to align with current industry trends, adjusted to anticipate that the future operator will need time to build a donor base and establish support from foundations. The projected percentage of contributed income by category is:

Category	2019 report percentage	Current projected percentage
Individual donations	17%	15%
Grants	33%	20%
Sponsorship	8%	5%
Government support	42%	60%

Figure 5: Contributed income percentage comparison . Source: Theatre Projects

REVENUE PROJECTIONS	Year 1 (2030)	Year 2 (2031)	Year 3 (2032)
<b>Earned Income</b>	\$ 279,415	\$ 416,108	\$ 551,677
<b>Event revenues</b>	67,900	101,850	135,800
<b>Workshop fees</b>	\$24,525	\$34,470	\$43,290
<b>Ticket fees</b>	43,245	64,868	86,490
<b>Facility rental</b>	136,120	204,180	272,240
<b>Concession sales</b>	6,125	9,188	12,250
<b>Merchandise</b>	1,500	1,553	1,607
<b>Contributed Revenue</b>	1,074,777	1,184,246	1,143,539
<b>Individual Donations</b>	161,216	177,637	171,531
<b>Grants</b>	214,955	236,849	228,708
<b>Government support &amp; subsidy</b>	644,866	710,548	686,124
<b>Sponsorship</b>	53,739	59,212	57,177
<b>INCOME TOTAL</b>	<b>\$ 1,354,192</b>	<b>\$ 1,600,354</b>	<b>\$ 1,695,216</b>

Figure 6: Pro forma revenues. Source: Theatre Projects

### ***Rental rates and totals***

The pro forma includes earned revenue based on rentals by local residents, nonprofit organizations, nonresident individuals, and commercial clients. The calculation is based on rental rates proposed for the center that are commensurate with rates for other comparable venues in the area, such as those listed by Prince George’s County’s Arts and Cultural Heritage Division facilities including Brentwood Arts Exchange, Harmony Hall Arts Center, and Publick Playhouse. Considering the need for affordable arts space in Wheaton, the rates are designed to accommodate a range of users, including free use for local residents and nonprofits with smaller budgets.



The 2019 business plan assumed four-hour minimums for all spaces. To better align with projected programming, we recommend a four-hour minimum for rental of the flexible theatre and studio space, and a two-hour minimum for rental of the classrooms and galleries. Figure 6 outlines the hourly rental rates by constituent type. Note that the comparable table in the 2019 report reflects rates for four-hour minimums.

<b>Hourly rental rates by constituent type</b>	<b>Flexible Theatre 4-hour min.</b>	<b>Studio space 4-hour min.</b>	<b>Classroom 2-hour min.</b>	<b>Gallery 2-hour min.</b>
<b>Local residents</b>				
Performance/event	\$125	\$80	N/A	\$0
Rehearsal/meeting	\$75	\$60	\$0	N/A
<b>Nonprofit orgs.</b>				
Performance/event	\$150	\$100	N/A	\$100
Rehearsal/meeting	\$100	\$75	\$50	N/A
<b>Nonresident individuals and Commercial</b>				
All activities	\$750	\$275	\$200	\$275

Figure 7: Hourly rental rates by space. Source: Theatre Projects

Earned income projections are calculated on these minimums, based on previously studied utilization projections (Figure 8). Total forecasted events were not updated from the 2019 report in the scope of this review, and we recommend further study to verify utilization assumptions. In the interim, since the 2019 report outlined the utilization as year one totals - which we believe to be aggressive for post-pandemic programming - we recommend a stepped approach towards full utilization. The usage from the 2019 report is now represented as year three revenue goals. The pro-forma assumes year one utilization 50% of these totals for year one and 75% of these totals for year two. The previous report assumed 24 internal arts events in the studio space and 16 in the flexible theatre. Based on this spring's design revisions informed by community feedback, we swapped spaces for the internal arts events totals but did not change the total number of events (see Figure 8 on next page).



Rental income totals: year three						
	Operator	Local Residents	Non-Profit Rentals	Commercial Rentals	Totals	
<b>Flexible theatre: 4-hr rental</b>						
Performance / event	24	59	59	12	154	
Rehearsal		63	63		126	
<b>Total Use Days</b>	<b>24</b>	<b>122</b>	<b>122</b>	<b>12</b>	<b>280</b>	
Income \$	-	\$ 48,400	\$ 60,600	\$ 36,000	\$ 145,000	
<b>Studio space: 4-hr rental</b>						
Performance / event	16	54	54	10	134	
Rehearsal		84	84		168	
<b>Total Use Days</b>	<b>16</b>	<b>138</b>	<b>138</b>	<b>10</b>	<b>302</b>	
Income \$	-	\$ 37,440	\$ 46,800	\$ 11,000	\$ 95,240	
<b>Flexible classroom: 2-hr rental</b>						
Meeting	45	15	15	15	90	
Workshop	45	72	72	0	189	
<b>Total Use Days</b>	<b>90</b>	<b>87</b>	<b>87</b>	<b>15</b>	<b>279</b>	
Income \$	-	\$ -	\$ 8,700	\$ 6,000	\$ 14,700	
<b>Visual art classroom: 2-hr rental</b>						
Meeting	45	15	15	15	90	
Workshop	45	72	72	0	189	
<b>Total Use Days</b>	<b>90</b>	<b>87</b>	<b>87</b>	<b>15</b>	<b>279</b>	
Income \$	-	\$ -	\$ 8,700	\$ 6,000	\$ 14,700	
<b>Gallery: 2-hr rental</b>						
Events	0	313	13	0	326	
<b>Total Use Days</b>	<b>0</b>	<b>313</b>	<b>13</b>	<b>0</b>	<b>326</b>	
Income \$	-	\$ -	\$ 2,600	\$ -	\$ 2,600	
<b>Rental Income</b>	<b>\$</b>	<b>85,840</b>	<b>\$ 127,400</b>	<b>\$ 59,000</b>	<b>\$ 272,240</b>	

Figure 8: Rental income total projections. Sources: 2019 Programming & Business Plan, Theatre Projects



## ***Expenses***

The expenses for Wheaton Arts and Cultural Center include facility expenses, cost of programming and events, and administrative costs. Expense categories and the methodology of our calculations include:

- **Facility expenses:** The County will maintain the base building costs, generally responsible for expenses related to electrical and plumbing, HVAC, elevator, and grounds/snow removal. It is anticipated that the operator would be responsible for the expense categories listed below. Calculated per square foot, our figures are based on 2024 local research from Montgomery County Department of Permitting Services, Claris Design Build, and MacKenzie Commercial Real Estate Report, escalated 4.5% annually to 2030.
  - Janitorial: \$2.39
  - Energy/Utilities: \$3.58
  - Security: \$1.49
  - Insurance: \$1.19
  
- **Cost of programming and events**
  - Special events, bookings, rentals: Inclusive of advertising, artist and booking fees, part-time event staff, equipment purchase/rental/repair, supplies, event documentation, and permits & licenses
  - Concessions and merchandise: cost of goods plus supplies
  - Scholarships for art classes: to be net with contributed revenue
  
- **Administrative Costs**
  - Credit Card Fees: calculated at 3.5% of ticket, concession, merchandise sales & rental fees, assuming 75% credit card use
  - Institutional Marketing: for non-event promotions
  - Professional Services: Accounting, legal, marketing & promotion services
  - Salary, Wages, Benefits: Eight full-time staff members. See staffing section above for details.
  - IT & Software Fees: Computer Administrative hardware & software, inclusive of a patron service database
  - Supplies & Equipment: Office materials
  - Training & Travel: For staff professional development and fellowship

The expense projections are outlined in the table below.



EXPENSE PROJECTIONS		Year 1 (2030)	Year 2 (2031)	Year 3 (2032)
<b>Facility Expenses</b>				
Janitorial	\$	104,181	\$ 107,827	\$ 111,601
Energy/Utilities		156,271	161,741	167,402
Security		65,113	67,392	69,751
Insurance		52,090	53,914	55,801
<b>Cost of Programming &amp; Events</b>				
<b>Special events, bookings, rentals</b>				
Advertising		40,000	41,400	42,849
Artist Fee and Booking Fees		15,000	22,500	30,000
Event staff		105,140	136,025	168,942
Equipment purchase, repair & rental		20,000	20,700	21,425
Supplies, Printing & Hospitality		30,000	31,050	32,137
Photography & Videography		7,500	7,763	8,034
Permits and Licenses		500	518	536
<b>Concessions and merchandise</b>				
Food & Candy		1,225	1,838	2,450
Supplies / Paper goods		750	776	803
Merchandise		1,000	1,035	1,071
<b>Scholarships for art classes</b>				
		2,500	4,000	5,000
<b>Administrative Costs</b>				
Credit Card Fees		5,821	8,729	11,606
Institutional Marketing		1,500	1,553	1,607
Professional Services		50,000	51,750	53,561
Salary, Wages, Benefits		578,100	758,234	784,772
IT & Software Fees		35,000	36,225	37,493
Supplies & Equipment		75,000	77,625	80,342
Training & Travel		7,500	7,763	8,034
<b>EXPENSE TOTAL</b>	<b>\$</b>	<b>1,354,192</b>	<b>\$ 1,600,354</b>	<b>\$ 1,695,216</b>

Figure 9: Expense projections Year 1 - 3. Source: Theatre Projects

## A final note

In conclusion, the future operator of the Wheaton Arts and Cultural Center must be both a savvy financial manager and a robust fundraising entity, capable of balancing the dynamic needs of creative endeavors with the financial realities of sustaining operations. Given the importance of this future center to the local arts and cultural community, the County, as the owner of the facility, will need to provide ongoing operational subsidies to ensure its long-term success. As the planning process progresses, it will be crucial to further study and refine utilization projections to align with the center's mission and financial sustainability. Theatre Projects is committed to continuing our collaboration with Montgomery County in the planning and development of the Wheaton Arts and Cultural Center, ensuring that it serves as a vibrant hub for community engagement, cultural celebration, and artistic excellence.