

Report to City Council
July 9, 2024

PARAMOUNT THEATRE OF THE ARTS, INC.
Report to the Life Enrichment Committee
July 9, 2024

Paramount Theatre of the Arts, Inc. was incorporated in the State of California in September of 1975 and per its by-laws and articles of incorporation, the specific purposes of this corporation are to promote the performing and visual arts; operate and manage the Paramount Theatre in Oakland, California for the benefit of the City of Oakland; preserve the Paramount Theatre as an historic landmark; and engage in any other charitable activities.

On an annual basis, the theatre hosts a wide and diverse range of performances including popular music concerts, comedy events, family shows, Oakland Symphony, Oakland Ballet, Oakland Speaker Series, graduation ceremonies of many local high schools and local universities and many other events.

Oakland's Paramount Theatre is one of the finest remaining examples of Art Deco design in the United States. Designed by renowned San Francisco architect Timothy L. Pflueger, it was one of the first Depression-era buildings to incorporate and integrate the work of numerous creative artists into its architecture and is particularly noteworthy for its successful orchestration of the various artistic disciplines into an original harmonious whole. The theatre's opening night was December 16, 1931 and the building is owned by the City of Oakland.

After its initial brief blaze of "movie palace" glory in the 1930's, this remarkable auditorium suffered three decades of neglect and decline until its rescue by the Oakland Symphony, the City of Oakland and numerous private donors. A painstaking and authentic restoration was completed in 1973 and the theatre was entered in the National Register of Historic Places on August 14th of that year.

Paramount Theatre of the Arts has maintained our national historic treasure for almost 50 years, in accordance with our operating agreement, and for the last two decades without the fiscal support of the City of Oakland. PTA has begun to work with City of Oakland staff to update our operating agreement.

The following report is a summary of activities at the Paramount Theatre for the Fiscal Year July 1, 2023 to April 30, 2024 with some additional relevant details from prior years. **The dollar amounts contained in this report for FY 2023/2024 are based on unaudited numbers.**

EVENTS

- a) **TOTAL NUMBER OF EVENTS NUMBERED 63. This equates to a 3% decrease from 2022/2023.**

Total number of events in fiscal year 2022/2023 was 65.
Total number of events in fiscal year 2021/2022 was 47.
Total number of events in fiscal year 2020/2021 was 0.
Total number of events in fiscal year 2019/2020 was 72.

- b) **TOTAL PERFORMANCES NUMBERED 77. This equates to a 7% decrease from 2022/2023.**

Total performances numbered 83 in 2022/2023.
Total performances numbered 55 in 2021/2022.
Total performances numbered 0 in 2020/2021.
Total performances numbered 86 in 2019/2020.

- c) **TOTAL EVENT DAYS NUMBERED 69. (Event Days do not include move-in/out days, rehearsal days, and/or "Dark" days). This equates to a 7% decrease from 2022/2023.**

Total event days numbered 74 in fiscal year 2022/2023.
Total event days numbered 52 in fiscal year 2021/2022.
Total event days numbered 0 in fiscal year 2020/2021.
Total event days numbered 71 in fiscal year 2019/2020.

- d) **TOTAL MOVE-IN/OUT DAYS AND REHEARSAL DAYS NUMBERED 26. This equates to a 26% decrease from 2022/2023.**

Total move-in/out days and rehearsal days numbered 33 in 2022/2023
Total move-in/out days and rehearsal days numbered 32 in 2021/2022
Total move-in/out days and rehearsal days numbered 0 in 2020/2021
Total move-in/out days and rehearsal days numbered 25 in 2019/2020

- e) **TOTAL NUMBER OF USE DAYS WAS 121 DAYS. This equates to a 13% increase from 2022/2023.**

Total number of use days in fiscal year 2022/2023 was 107 days
Total number of use days in fiscal year 2021/2022 was 84 days

Total number of use days in fiscal year 2020/2021 was 0 days
Total number of use days in fiscal year 2019/2020 was 96 days.

ATTENDANCE

A TOTAL OF GUESTS ATTENDED EVENTS IN FISCAL YEAR 2023/2024 was 125,035. This equates to a 2% increase from 2022/2023.

Total number of guests that attended events in fiscal year 2022/2023 was 123,120.
Total number of guests that attended events in fiscal year 2021/2022 was 76,735.
Total number of guests that attended events in fiscal year 2020/2021 was 0.
Total number of guests that attended events in fiscal year 2019/2020 was 176,035.

THEATRE USES

Fiscal Year 2023/2024 resulted in sixteen (16) concerts with sixteen (16) performances, whereas prior Fiscal Year 2022/2023 resulted in fourteen (14) concerts with sixteen (16) performances. This represents a 0% increase in the number of concert performances from 2022/2023 to 2023/2024.

The 16 concerts were:

- Bay Area Productions presented The O'Jays, The Whispers & The Dramatics, and KEM
- Global Media presented ALEXPERIENCE
- Living Jazz presented In The Name of Love
- Mammoth presented Chuu
- North American Entertainment Group presented Tamia + Joe and Blues is Alright Tour
- Live Nation Worldwide presented Raphael Saadiq Revisits Tony! Toni! Tone! for two (2) performances, ONEUS, and The Teskey Brothers
- Oakland Interfaith Gospel Choir presented Annual Holiday Concert
- Sean Healy Presents presented Loona
- SFJazz presented Lila Downs and Caetano Veloso

Fiscal Year 2023/2024 resulted in eleven (11) comedy events with eighteen (18) performances, whereas prior Fiscal Year 2022/2023 resulted in nine (9) comedy events with fourteen (14) performances. This represents a 29% increase in the number of comedy performances from 2022/2023 to 2023/2024.

The 11 comedy events were:

- Entertainistry presented J'Red's Comedy Show
- Icon Entertainment presented This Is Important Podcast
- Live Nation Comedy presented Theo Von for two (2) performances, Chris Tucker, Tiffany Haddish, Trevor Noah, Tina Fey + Amy Poehler for three (3) performances, and Matt Rife for four (4) performances
- North American Entertainment Group presented Festival of Laughs
- Outback Presents presented Jim Jefferies, and Shane Gillis for two (2) performances

Annually presented events at the theatre included the Oakland Symphony, and MPSF, Inc. presented the Oakland Speaker Series.

The Theatre hosted seven (7) graduations:

- Merritt College
- Moreau Catholic High School
- Oakland High School
- Oakland Technical High School
- Samuel Merritt University – three (3) graduations
- San Lorenzo High School

Clients new to the Paramount Theatre were North American Entertainment Group (NAEG), Mammoth & Sugar Monkey, Living Jazz (returned after 10 years), School Yard Rap, Global Media, Shor Media Group, and Shiru Presents

The Oakland Ballet returned to the Paramount in September 2023 with a special screening of Misty Copeland's "Flower", November 2023 with three (3) performances of Luna Mexicana, and in December 2023 with four (4) performances of "Graham Lustig's Nutcracker".

Temple Sinai returned to the Paramount in September 2023 with two (2) religious services.

Other major events during the FY 2023/2024 year included:

- Gus Newport Memorial
- Hip Hop Nutcracker presented by Red Tail Live
- Blippi the Wonderful presented by Premier Productions
- Moor Than a Month presented by School Yard Rap
- Jai Shri Ram: Ramayan presented by Shor Media

PARAMOUNT MOVIE CLASSICS

During FY 2023/2024, the theatre again presented no classic movies as the movie classic series remains on hold. In the past few fiscal years, there were no classic movies presented due to the increased rental cost of 35mm films including shipping, the shrinking selection of films, the poor quality of the prints and their sound embedded in the prints. To restart the classic movie series, the theatre will need to locate better quality 35mm prints and improve in-house sound capabilities for the audience to enjoy the movies.

FACILITY FEE

The Facility Fee of \$2.00, which was raised to \$3.00 for events booked after August 1, 2018, and raised to \$3.50 for events booked after July 1, 2022. Facility Fee on all tickets sold through April 2024 resulted in income of \$390,460 during FY 2023/2024 as compared to \$366,749 in FY 2022/2023.

HOUSE TICKET SURCHARGE

The house ticket surcharge of \$10 is applied to each house ticket sold to VIPs and clients of the Paramount Theatre. There was no house ticket surcharge income in FY 2023/2024 or FY 2022/2023.

FOOD & BEVERAGE SALES

In FY 2023/2024 through April 2024, the total gross beverage/snack sales were \$955,255 which represented a \$9.19 per cap. In the FY 2022/2023, the total gross beverage/snack sales were \$772,857 which represented an \$7.68 per cap.

The increase in beverage/snack sales in FY 2023/2024 over FY 2022/2023 may be attributed to the 29% increase of comedy events in FY 2023/2024.

MERCHANDISE

The Paramount Theatre through April 2024 of FY 2022/2023 has gross merchandise sales of \$336,312. The net income to the Paramount Theatre was \$95,696. For FY 2022/2023, gross merchandise sales were \$524,305 of which the net income to the Paramount Theatre was \$148,730. This equates to a 55% decrease in net income from FY 2022/2023 and is primarily due to the specific artists who performed the previous year and the public excitement for their merchandise.

TOURS (PUBLIC AND PRIVATE)

Public tours of the Paramount Theatre have been held on the 1st and 3rd Saturdays of each month with an admission fee of \$10.00 per person. In FY 2023/2024 there were twenty-two (22) public tours resulting in \$3329.00 tour fees income. In FY 2022/2023 there were ten (10) public tours resulting in \$948 tour fees income.

Private tours are booked through the administration offices. In FY 2023/2024 there were twelve (12) private tours resulting in \$3,670. This can be compared with FY 2022/2023 there were ten (10) private tours resulting in \$1,250.

BUDGET

This was the twenty fifth (25th) fiscal year in which the Paramount Theatre operated without a city subsidy. The 2023-2024 Fiscal Year ends on June 30th and we anticipate an operating surplus. FY 2022-2023 the Theatre ended with an operating surplus of \$258,672. **This amount represents revenues over expenses before depreciation and before investment income and expense.**

Fiscal year 2021/2022 yielded an operating surplus of \$1,859,393.
Fiscal year 2020/2021 yielded an operating surplus of \$1,130,491.

VOLUNTEER PROGRAM

From January to June of 2024, we have begun to track our volunteer support to the theatre. During this time window, our program achieved 496 hours of volunteer service with most hours (89%) dedicated to ushering events, and another 5% to tours and 6% to training. This is broken down into 134 usher shifts and 9 tour shifts. We also welcomed 19 new volunteers during this period.

As a revitalized initiative, we look forward to the continued growth of the program.

BUILDING IMPROVEMENTS

During the 2023/2024 Fiscal Year several capital improvement projects began and continued from prior years. These include phase I of the stage rigging system replacement, exterior fall protection, and egress lighting project.

During the 2022/2023 Fiscal Year five (5) projects were completed: Broadway security gate, sound system replacement, roof repair project, exterior video system, and the restoration of the original Wurlitzer organ console.

During the 2021/2022 Fiscal Year several capital projects were completed including water heater replacement, lobby fan motor replacement, video surveillance system, boiler replacement, carpet for the coat check room, board room remodel, and stage equipment acquisition.

During the 2020/2021 Fiscal Year, the Façade Restoration (tile mosaic and neon sign) project and the exterior stairs improvement projects were finished.

During the 2019/2020 Fiscal Year, the retaining wall and fence, and sewer injector storm drain projects were completed.

In total, between FY 2019/2020 and FY 2023/2024, Paramount Theatre of the Arts has invested more than \$7 million on the above listed projects at the Paramount Theatre.

NEIGHBORHOOD PROJECTS

BART parking lot – At the corner of 21st and Broadway, Douglas Parking operates a parking lot on behalf of BART. BART is in the process of developing a portion of this lot as a potential new bike station to service more of their riders. BART has been engaged with PTA in this process since 2019 and are close to finalizing 100% of design. A representative from the City of Oakland, Real Estate team has also supported PTA at our request.

2100 Telegraph project – The Lane Partners Project has not had significant movement since the pandemic. PTA has recently had contact with the developer regarding potential changes in design and we will need to complete negotiation of an MOU regarding the project's potential impacts on PTA operations.

AWARDS

In April of 2022, Paramount Theatre of the Arts was awarded the Governor's Historic Preservation Award for our Façade Restoration project.

In May 2023, Paramount Theatre of the Arts was honored by the Art Deco Society of California for restoring the iconic neon sign and mosaic.

In May 2024, Paramount Theatre of the Arts was recognized during City of Oakland Small Business Week with Oakland Multicultural Chambers' Member of the Year Award.

SAFETY

The neighborhood in which the Paramount Theatre exists continues to experience public safety issues. The theatre continues to experience issues with graffiti along the building exteriors; however, the installation of the gate on the 21st Street staging area and to the entrance on Broadway has significantly reduced the amount of graffiti and unhoused individuals taking shelter.

The Uptown area has seen an increase in the number of petty crimes, such as car break-ins, and robberies. In response, the theatre has made operational adjustments including armed security or Oakland Police special events coverage at the entrances on Broadway and 21st Street on event nights.

The theatre has also been actively engaged with business groups focused on improving security in the uptown/downtown areas including the Downtown Partnership, convened by the Chamber of Commerce, and the Uptown Downtown Nightlife Committee (UDNC), convened by several bars, restaurants, and venues in the area. Both groups have actively engaged with city employees, council and mayoral staff, and the Community Benefit District to coordinate and enhance security, address ongoing operational concerns with illegal food vendors and clubs in the area, and efforts to beautify the uptown/downtown areas. The work is ongoing.

OVERALL SUMMARY AND FUTURE PROSPECTS

FY 2023/2024 was a stronger year for events than the previous year. This was primarily due to a robust year for comedy and the continuing strength of touring acts. FY 2024/2025 events already booked indicate a continued recovery for the Paramount Theatre, although we anticipate a return to less robust event revenues in the year ahead.