

Daniel L. Pierotti & Company

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February 11, 1991

CONTRACT

BETWEEN

**THE RAMSDALL THEATRE COMPLEX
BLUE RIBBON COMMITTEE
MANISTEE, MICHIGAN**

AND

**DANIEL L. PIEROTTI & COMPANY
MADISON, WISCONSIN**

"To develop a Business Plan showing usage, program and operational proforma for the Ramsdell Theatre Complex, and to further develop a Case Statement and Fund-Raising Plan providing for capitalization of full restoration/rehabilitation of the Ramsdell Theatre Complex and providing an operational endowment."

THE RAMSDELL THEATRE COMPLEX

Business and Funding Plan Development A Case Statement

I. Goal

The goal of this development project will be to create a Case Statement for purposes of capitalization of the full restoration/rehabilitation of the Ramsdell Theatre Complex and to provide for the seeding of an operational endowment fund.

This Case Statement will be comprised of a Business Plan, Restoration Plan and a Fund-raising Plan.

II. The Business Plan

The Business Plan will show usage and program for all floors of the entire building with the identification of the necessary support spaces for public and private functions. The Business Plan will further develop and purpose proforma operations budgets, staff and management configurations, vendor contracts, maintenance and other functions necessary for a fully operational building.

III. The Restoration Plan

The Restoration Plan is in large measure complete. The work of David Evans of Quinn Evans/Architects submitted in full report, November, 1990, will serve as the basis for this portion of the Project. As the Business Plan is developed, further consultation and coordination with the architects will be pursued.

In order to establish goals for the Fund-Raising Plan, a careful up-dating of the projected construction costs will be in order.

IV. The Fund-Raising Plan

The Fund-Raising Plan will detail how the funds are to be raised, a timetable for fund-raising and a budget for implementation. In addition to the funds to be raised for construction and restoration, an Endowment Fund will be seeded at approximately ten percent of the total projected construction costs.

V. Methodology/Task Areas

A. Principles/Methodology

1. The restoration/rehabilitation of the Ramsdell Theatre Complex must flow out of a Program/Business Plan which has broad support, is manageable and has demonstrated economic feasibility.
2. The goal of the Business Plan must be optimum use of The Ramsdell, year around, with care given to creating a healthy balance between local use, house produced shows, leased space, outside, promoter and performance use.
3. The Business Plan must be based on a Manistee area-wide Market Study.
4. The Business Plan must include a viable non-profit management model, pro-forma operations budgets, staff configurations, Box Office operations models and an economic impact statement.

B. The Business Plan will include the following task areas:

1. Analysis of past and current Ramsdell Theatre Complex programs.
 - a. Are they economically viable?
 - b. Are they meeting market needs?
 - c. What is their audience development approach?
 - d. Can existing programs be expanded and improved upon?
 - e. Can we suggest other more viable programs?
2. Conduct a Market and similar venue study to determine potential programming and audience development needs.
 - a. Identification of Basic Trading Area (BTA), Primary Market Area (PMA) and Secondary Market Area (SMA) for Manistee. Demographic Profile.
 - b. Conduct a Random Sample Telephone Survey in the Manistee PMA. Survey will examine entertainment seeking habits and preferences of the area residents. Attitudes towards downtown Manistee and the Ramsdell will also be explored.
 - c. Conduct a series of community leadership interviews to ascertain levels of support for this project.

3. Examination of potential programming utilizing the entire building square footage.
 - a. Use of the restored theatre and its attendant facilities on a 12 month basis.
 - b. Use of the theatre and its attendant spaces (lobbies, stage, etc.) for non-theatre or nonperformance functions.
 - c. Use of the theatre for civic or corporate functions.
 - d. Local arts enterprise use of the theatre.
 - e. Use relationship between the theatre and adjoining spaces.
 - f. Use of the Assembly Hall for a full range of community, educational, public and private functions.
 - g. Use of the Assembly Hall by other Manistee based organizations.
 - h. Are there other income producing spaces? If so, what shall be their use?
 4. Operations proforma will be developed for each space in the Complex as well as for the entire Complex. These proformae will show anticipated revenues, expenditures, staff and maintenance requirements for a fully operational building.
 5. An economic impact statement for a fully operational Ramsdell Complex will be provided.
- C. The Fund-Raising Plan
1. A Fund-Raising Plan will be developed which demonstrates feasibility.
 - a. Appropriate goals for the Fund Drive will be suggested for individual, corporate, foundation, small business, public and other components.
 - b. An organization for the Fund Drive will be recommended.
 - c. The Fund-Raising Plan will include a budget which shows total fund-raising costs for all functions and materials: professional fees, support staff, expenses and materials.
 2. The initial stage of the Fund Drive will be an advance gift (leadership gifts) campaign. This campaign will produce at least 51% of the total funds to be raised.
 3. An Endowment Fund will be established and a "loss of revenue during construction" fund will be secured.

4. Implementation, of the Fund Drive will be included in a separate contract.

VI. The Role of Daniel L. Pierotti & Company

Daniel L. Pierotti will serve as lead consultant for this development project. The contract for the consultant shall be for a period of eight months.

A. Responsibilities

1. Daniel L. Pierotti will provide a detailed work plan, Task Calendar, organizational chart and tracking system for the Task Areas.
2. Daniel L. Pierotti will report monthly, verbally and in writing to the Ramsdell Theatre Complex Blue Ribbon Committee, throughout the duration of the Contract.
3. Daniel L. Pierotti will prepare the Random Sample Telephone Survey instrument, issue a subcontract for conducting the Survey, and Daniel L. Pierotti will tabulate, cross-tabulate and interpret the Survey result.
4. Daniel L. Pierotti will implement all necessary research for the development of the Business Plan, including the Market Study and the preparation of an economic impact statement.
5. Daniel L. Pierotti will design the Fund-Raising Plan, preparation of budget, identification of organization and materials to be needed.
6. At the conclusion of the sixth month of this contract, a Business Plan will be submitted.
7. At the conclusion of the seventh month, a Fund-Raising Plan will be submitted.
8. A final full report will be made at the conclusion of the Contract.

VII. Services

Daniel L. Pierotti & Company will provide the following schedule of services for the duration of this eight-month contract.

- A. A minimum of two-days per month on-site in Manistee to facilitate progress in the six Task Areas: attend meetings, conduct interviews, research and surveys, use of space studies, develop management and financial models, explore potential vendor contracts and in general carry out the full intent of this Con-

- B. An unlimited number of days, as necessary, to keep to the work schedule, in the Madison office or elsewhere (Lansing, for example) for research, planning and writing purposes.
- C. Preparation and submission, including verbal presentation, of all written documents and reports as required by this Contract.
- D. Unlimited telephone access by all principals to the Contract.
- E. Submission of a working calendar and task tracking documents by the 30th day of the first month of this Contract.
- F. Mail, fax, computer use, clerical and other office costs (excluding multiple copies of extended documents).
- G. Submission of thirty copies of the final report (The Case Statement and Fund-Raising Plan) by the 30th day of the last month of this Contract.

VIII. Professional Service Fee

Daniel L. Pierotti & Company shall be reimbursed at the rate of \$75 per hour for the services outlined in this Contract. This Professional Services Fee shall not exceed \$19,200.

4 days/month x 8 months x 8 hrs/day
x \$75 = \$19,200.00

IX. Expenses

All expenses shall be reimbursed against actual invoices submitted by Daniel L. Pierotti & Company. These expenses include travel beyond Madison, Wisconsin; 22.5 cents per mile for auto travel; airfare, ground transportation, car rental, parking fees and tolls at actual cost. Hotel/motel and meals at actual cost. Receipts for these expenses shall be submitted to the client monthly.

Layout design and printing of the Case Statement and Fund-Raising Plan shall be at actual cost.

Expenses shall not exceed those listed on the following schedule. Additional expenses shall not be incurred without expressed and written prior client approval.

SCHEDULE

Fees and Costs

Fees:

Professional Services		\$19,200.00
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Expenses:

Travel/9 Trips to Manistee and/or
Lansing

Airfare @ \$200/trip	\$1800.00	
Auto (Madison to Milw)	35.00	
Parking	81.00	
Car Rental (Grand Rapids to Manistee) 9 times	882.00	
Motel - 18 x \$60	1080.00	
Meals @ \$25/day	<u>450.00</u>	4,328.00

Office (Madison):

Telephone Survey 350 completed calls	3500.00	
Postage, Fax, etc.	160.00	
Telephone	280.00	
Printing (30 copies Final Report)	<u>330.00</u>	<u>4,270.00</u>

TOTAL FEES AND COSTS

\$27,798.00

X. Terms

Client will be billed with detailed invoice and expense receipts on the 30th of each month. Payment will be due upon receipt.

This Contract may be terminated by the client at the conclusion of any month during the run of the Contract without penalty. In the event termination occurs, client will be responsible to pay all fees and costs invoiced at the end of the termination month.

An initial payment of 10% of this Contract (\$2,780) shall be paid when Contract is signed. This payment will be shown when the final invoice of the Contract is presented.

Daniel L. Pierotti and Company will maintain a \$2,000,000 umbrella commercial excess liability policy throughout the life of this contract. The client will receive certification of this coverage.

Daniel L. Pierotti and Company will further maintain \$300,000-\$500,00 automobile insurance for a company owned vehicle and any rental vehicle used during the execution of this Contract.

The Contract shall begin on the first working day of _____ and the terms of the Contract shall be fully executed and Final Report submitted on the thirtieth day of _____.

ACCEPTANCE OF THIS CONTRACT

CLIENT

DATE

DANIEL L. PIEROTTI & CO.

DATE