

## Tobin Center reports surplus for first year

Revenues exceeding costs in Tobin Center's first season

By David Hendricks | August 21, 2015 | Updated: August 21, 2015 9:50pm



Photo: Kin Man Hui, Staff / San Antonio Express-News  
Tobin Center CEO Mike Fresher (left) with Chairman of the Bexar County Performing Arts Center Foundation J. Bruce Bugg Jr.

The Tobin Center for the Performing Arts' opening act – its financial first season – has been a fiscal success so far as it nears the anniversary of its opening. The Tobin Center's staff reports that the \$205 million building's revenues are exceeding its costs, keeping the center on track to keep a promise its founding board members made when planning the arts venue.

The promise was that the downtown Tobin Center would not seek annual operating subsidies from the city and county governments that provided the majority of the construction costs. Each fiscal year for Tobin Center, governed by the nonprofit Bexar County Performing Arts Center Foundation, is on the calendar year.

The Tobin Center opened Sept. 4 in the midst of a 2014 fiscal year that was mostly construction costs, plus four months of events. The center barely eked out a surplus for 2014, said Michael Fresher, Tobin Center CEO and president. Through June 30 for this year, the center's revenues exceeded costs by \$400,000 to \$500,000 and should end 2015 with

a surplus of about \$1 million that, as a nonprofit, will be plowed back into operations, Fresher said. The center's 2015 budget is about \$15 million.

"We're jam packed" for the rest of the year's events calendar, Fresher said. "That was one of the key pillars of the agreement" between the foundation and the city and county governments, said J. Bruce Bugg Jr., foundation chairman. "If they would help us with the construction, we would operate on a business arrangement, using no subsidies. We're honoring that. "We opened on time and under budget. There's not many performing arts centers that can say that. We did that for the Bexar County taxpayers and the citizens of San Antonio. We have no intention of going to the city and county for annual operating subsidies," Bugg said.

A large portion of revenues flow from ticket sales. Between Sept. 4 and June 30, nearly 225,000 people have attended events, with tickets sold to residents of all 50 states and nine countries, Fresher said. Other revenues come from the center's catering operations, leases to residents, ticketing

fees and touring performance groups, concessions, product promotions and other sources. The Tobin Center through June 30 staged 586 events in a period of about 300 days, or nearly two per day, including rehearsals, shows, and private and corporate events such as luncheons and banquets. "We're a real busy building," Fresher said.

A few financial strings still are hanging. After the county, through its visitors tax, and the city's gift of the land and the Municipal Auditorium building accounted for about three-fourths of the Tobin Center's construction, the foundation is committed to raising \$54 million, mainly for building amenities and a \$10 million reserve fund. To date, \$52 million has been raised, said Bugg, who also is chairman of the Tobin Endowment, which donated \$15 million toward the \$54 million goal.

The remaining \$2 million to be raised would add to the existing \$8 million reserve fund. The reserve fund is aimed at being a cushion to avoid seeking future government funding. "We're in discussions to raise the \$2 million," Bugg said. "We have good prospects to meet or exceed that." The donor's wall that overlooks the Tobin Center lobby still has space available through the end of 2015 to add the names of contributors donating \$100,000 or more, Bugg said. Not all of the 36 luxury boxes in the 1,750-seat H-E-B Performance Hall have been sold. Six boxes still are available on the hall's grand tier and two on the mezzanine level, Fresher said.

The Tobin Center's planned parking garage has moved slowly, but an agreement recently was signed with First Baptist Church for the land along Fourth Street near the Tobin Center, Fresher said. A five-level, 510-lot garage is planned, with retail space allocated on the street level. The garage will cost \$15 million to \$16 million, with about \$10 million in financing pending from the city and county.

"Our (foundation) board has authorized Mike and me to take out construction financing" for the rest of the amount, Bugg said. "We want to have our funding lined up and site work underway by the end of the year," Fresher added. Although donations are still being solicited, "Our model is to rely less on philanthropic gifts and more on operations. That is playing out, as we planned," said Fresher, who heads a full-time staff of 33 people.

In its first year of programming concerts, plays, operas and other types of events, the Tobin Center staff has learned what sells best in San Antonio. "There is a core base of classical aficionados, for the symphony, opera and ballet," Fresher said. "San Antonio is an '80s rock market. We sold out 20 shows. We're giving what the market wasn't getting. A lot of acts have not played San Antonio before and wouldn't have" if the Tobin Center had not opened, Fresher said. The big recent surprise came with booking "The Price is Right Live!" television game show for Sept. 8-13. "We sold out the first show in 16 minutes. We sold out the second show in 12 minutes. We're about 300 tickets short of selling out a third show," Fresher said recently.

"We've always meant to offer something for everyone," Fresher said. Resident performing arts groups credit the Tobin Center for providing a long-needed venue flexible enough to accommodate their varying performance stage and acoustics needs. "The Tobin Center for the Performing Arts provides a venue in which our patrons can truly hear the outstanding quality of the San Antonio Symphony," said symphony President David Gross. "Not only has it provided a superior experience for our patrons, it has created an environment for our musicians to realize their potential as an ensemble."

Opera San Antonio "produced three brand new productions: two in the Carlos Alvarez Studio Theater and one in the H-E-B Performance Hall. All these productions gave opera goers, not only those in the greater San Antonio area, but those from among many states throughout the U.S., the opportunity to enjoy very high-level productions with nationally and internationally acclaimed artists," said Opera San Antonio co-founder and board chairman Mel Weingart. "This first season in the city's magnificent performing arts center was a great beginning for a new opera company which will grow significantly over time and will provide our area with the opportunity to add another very important additional cultural asset to our great city," Weingart added.

Courtney Mauro Barker of Ballet San Antonio said, "People didn't realize San Antonio had a professional ballet company that invited guest artists for performances. The Tobin Center has provided for us access to an audience for our professional group.

The Tobin Center has been an incredible platform.” Barker made the comment days before resigning Thursday as Ballet San Antonio executive director.

Marketing was a key element for the Tobin Center’s first-year results, which led to several awards. At a recent luncheon meeting of the American Marketing Association’s San Antonio chapter, Chris Novosad, Tobin Center senior marketing manager, described how the staff underwent a progression of steps to raise public awareness. The steps included developing a logo, online and social media presences, starting and marketing the Tobin Catering and TOBi ticketing operations and marketing individual events.

The Tobin Center website started before the building opened and concentrated at first on construction updates. Upon the opening, the website shifted to events, Novosad explained. “Each event has a marketing plan, a marketing budget and a booking coordinator,” Novosad said. Graphics, fonts and distinctive colors, mainly a shade of purple called “Tobin plum,” were employed to make the Tobin Center distinctive, he said. “We would call (artists’) agents and say, ‘Have you seen our website?’ ” Novosad said. “We wanted to be highly functional, especially on mobile phones,” he added.

The social media presence, such as on Facebook and Twitter, developed to where the Tobin Center now has 42,000 followers, Novosad said. A billboard campaign and downtown banners proclaiming “It’s Time for the Tobin” added awareness in the opening year, Novosad said. For several months, the Tobin Center staff has emailed surveys to ticket buyers on the day after the ticketed event that basically asked, “How was your experience?”

The Tobin Center plans an open house 2-5 p.m. Aug. 30 to invite the public to the building. Event tickets can be purchased at that time without fees as resident organizations, such as the San Antonio Symphony, Opera San Antonio and Ballet San Antonio, promote their upcoming seasons with various artistic presentations throughout the building. “The interest in this building and what happens in it is phenomenal,” Novosad told the marketing association members.

Added Fresher, “We’re going to keep right on going into season two.”

[dhendricks@express-news.net](mailto:dhendricks@express-news.net)

## MORE INFORMATION

- Tobin Center facts
- Selected first-year awards and rankings for the Tobin Center for the Performing Arts:
- Ranked 61st out of the top 200 U.S. theaters and 79th in world rankings, 14th worldwide for theaters under 2,000 seats, by Pollstar magazine’s 2014 year-end report.
- Ranked 29th in the world, No. 19 in the United States and No. 1 in Texas for theaters of all sizes, fourth worldwide and third in the United States for theaters under 2,000 seats, by Pollstar’s first-quarter 2015 report.
- Event Production of the Year, Social award for the 2014 opening gala, from the National Association for Catering and Events industry awards.