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Building on Trust at the New World Symphony



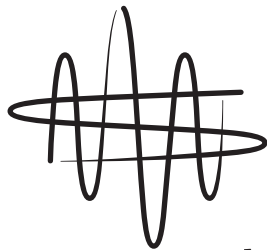
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Building on Trust at the New World Symphony

Based in Miami Beach, Florida, the New World Symphony is known as “America’s Orchestral Academy.” Founded in 1987, the organization enrolls graduates of top music programs and prepares them for roles in professional orchestras and ensembles worldwide. Distinguished conductor Michael Tilson Thomas has provided the artistic vision for the academy since its founding. Housed for more than a decade in a historic movie theater, the New World Symphony saw the need for a larger and more flexible space for its educational, performance, rehearsal, and administrative activities. The City of Miami Beach generously offered the symphony an attractive piece of real estate that would satisfy its need for expanded space in a state-of-the-art facility. This case examines the plans developed by the administration of the New World Symphony for its new home, in particular the operating cost projections for using the facility once it was built. The economic recession of 2008-09, however, forced some difficult decisions for the administration and board of trustees in order to see the project to its completion.



New World Symphony

America’s Orchestral Academy
Michael Tilson Thomas, Artistic Director

This case study was prepared by Michael Alan Anderson, Associate Professor of Musicology at the Eastman School of Music. *The Eastman Case Studies* are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements or sources of primary data nor are they to serve as illustrations of effective or ineffective leadership or decision making.

Background

In the mid-1980s, celebrated conductor Michael Tilson Thomas (MTT) expressed concern that graduates of the most prestigious music conservatories were insufficiently equipped to land positions in orchestras. Supply of musicians far exceeded demand, and MTT believed even the most promising young musicians needed more preparation than they had been given in music schools. He envisioned a training ground for the world's outstanding instrumentalists to launch successful careers. From its inaugural concert on February 4, 1988, the New World Symphony (NWS) was the realization of MTT's artistic vision. Known as "America's Orchestral Academy," NWS admits graduates of top music programs and readies its students for leadership roles not only in professional orchestras but also in smaller musical ensembles. Despite its name, the New World Symphony has more aspects of a school than one would expect. It is fully accredited by the National Association of Schools of Music, though it does not grant degrees, nor does it charge tuition to its students. Based in Miami Beach, the NWS sponsors 87 early-career musicians ("Fellows"), who receive free housing and a weekly stipend for 35 weeks per year for up to three years. The program is highly competitive: applicants have roughly a 2% chance of being accepted as Fellows.

Great opportunities and benefits await those who enroll in NWS. The Fellowship program allows students to refine their skills as musicians and to advocate for the profession. Opportunities further abound at the academy for exposure to high-profile conductors and visiting faculty, regularly welcomed into residence. Not only do Fellows expand their repertorial horizons in the training orchestra, but NWS also provides professional development training for its Fellows, crucial in the competitive marketplace of classical music. Fellows learn how to educate audiences and engage the community, in addition to entertaining them

with music. Despite regular turnover of nearly one-third of the Fellows every season, reviewers have consistently lauded NWS concerts for their high level of artistic excellence and professionalism. Fellows also make time to understand fundraising and entrepreneurship in the arts. Over 95% of NWS's "graduates" go on to find jobs in the classical music world. For over a generation, the NWS has helped launch the careers of more than 1,000 alumni worldwide.

NWS was founded with the significant financial support and vision of Ted Arison, founder of Carnival Cruise Lines, and his wife Lin. The couple had previously founded the National Foundation for Advancement in the Arts (YoungArts today) in Miami. The Arisons provided initial seed capital to NWS to ensure balanced operating budgets in the early years, purchased the organization's first campus facilities, and made two gifts, in 1991 and 1996, totaling \$50 million to establish the NWS endowment fund, thereby ensuring the long-term viability of the organization. The Arisons were joined by numerous other individuals, foundations, corporations, and government entities that continue to fund a substantial portion of NWS's operating, capital, and endowment needs. With this broad base of support, NWS has been able to establish itself as a "research and development" laboratory for the orchestral world, in addition to its role in educating already outstanding musicians. Fulfilling MTT's dream to advance the talent of instrumentalists for the future of the profession, the academy is in an enviable position to form a bridge between sheltered academic life and the "real world" to benefit maturing musicians and to ensure the viability of classical music.

Pressed for Space

Within a year of incorporation, NWS took ownership of a 1930s art deco movie theater, the Lincoln Theatre, renovated it for daily use, and also purchased two nearby hotels for student living space. MTT was

pleased with the cohesiveness of the Fellows and the faculty. With its reputation quickly expanding, NWS began extensive touring almost from the outset. By the mid-1990s, the academy had received invitations to perform in Japan, South America, Europe, and several universities and music festivals in the United States. In its first few years, the leaders of NWS debated core issues such as whether the number of Fellowships should be larger or smaller and whether the length of Fellowships should be shorter or longer. The pros and cons of the housing benefit and the merits of a 35-week season were also discussed at length. Resolving these issues by the mid-1990's, the program remained at 84 instrumental Fellows on three-year terms; additional specialized fellowships would be considered later.

While size of the Fellowship program held steady, the NWS administration realized after a decade that the physical space housing the academy, from Fellows to administration, had reached its limit. The Lincoln Theatre offered a single 704-seat hall with a cramped stage for the large orchestra, and there was effectively no auxiliary space for equipment storage and easy flow of personnel. The second floor of the facility was the site of 23 small practice rooms. Sound was bleeding from room to room, low ceilings prevented standing violinists from fully extending their bows, and the small number of rooms was insufficient for the Fellows who needed to practice for an average of six hours per day. Fellows routinely flooded the corridors of the building, rehearsing in any space they could find. There were two rooms available for small ensemble rehearsals, but no more than 10 players could fit in these rooms. The full string complement of NWS could only rehearse on the concert stage. NWS traditionally hosted at least ten instructors simultaneously from around the country at the start of a given academic year. Smaller coaching sessions with these visiting faculty members would sometimes have to take place in the lobby of the theater, rented space in a church across the street, and occasionally, NWS groups

and instructors relocated to nearby hotel rooms or elsewhere for masterclasses. Only one-fourth of the Fellows had an instrument locker on site at the Lincoln Theatre.

The remaining two upper floors of the Lincoln Theatre were occupied by the administration (about 35 people), and just one small conference room was afforded to them for meetings. Even a few bathrooms were converted into offices during that time. It was virtually impossible for members of the public to rent the theater for special events – a potential source of revenue for NWS. Students, staff, and patrons adored the historic charm of the Lincoln Theatre, but the “one-room schoolhouse,” as New World Symphony CEO Howard Herring called it, could not meet the needs of this world-class orchestral academy. The inadequacy of the space was felt widely in NWS, prompting the administration to explore options to expand its facilities and to develop a space worthy of this prestigious program that was rising in national prominence.

Students, staff, and patrons adored the historic charm of the Lincoln Theatre, but the “one-room schoolhouse,” as New World Symphony CEO Howard Herring called it, could not meet the needs of this world-class orchestral academy.

Adjunct Space or New Space?

Led by Herring, a small working group of NWS administrators and trustees embarked on a study to understand the institution's needs for physical space. The team began by considering expanding the Lincoln Theatre, at one point retaining nationally-recognized architect and sound specialist Larry Kirkegaard to examine possibilities for expansion. The options were limited, though. Expanding the footprint north, south, and west was impossible due to street conditions, and building upward was impossible

due to the protected historic designation of the facility. NWS considered buying property to its east thereby gaining some additional practice and administrative space, but the concert hall itself would always be constrained in acoustical volume. NWS set its sights on an adjacent city-owned property across a narrow service alley to the north to develop an adjunct facility; at the time, the commercially valuable two-block property was undeveloped and used as public parking lots. An early idea was to construct a 30,000 square foot flexible “black box,” thereby nearly doubling NWS’s current space (the Lincoln Theatre facility provided 40,000 gross square feet). The price tag would be substantial, estimated at a minimum of \$30 million.

Believing its local options to expand were limited to this one option, the NWS approached the City of Miami Beach in 2001 with the idea for expansion on a small portion of the closest parking lot. The city commissioners understood the organization’s space constraints and commissioned a master plan in response to its request. In 2002, the city commissioners approved a master plan that concluded a facility for NWS should be the centerpiece of a project to replace both parking lots and that would also include a parking garage and substantial green space. The NWS team took another 18 months to determine the best course of action to suit its space needs.

With this broader opportunity on the table, the first issue at hand was to decide whether the future of the NWS would remain tied to the historic Lincoln Theatre or not. NWS commissioned Theatre Projects Consultants (TPC) to assist with the task of precisely defining long-term space requirements. After substantial debate focusing on the challenges of operating and integrating two physically separate and potentially very different facilities in service of its mission, NWS leaders decided that the best course of action was to

leave the Lincoln Theatre behind and construct an entirely new campus.

Meantime, the NWS retained renowned American architect Frank Gehry to develop ideas for what a new facility might look like. Gehry is known for his awe-inspiring modern designs for buildings around the world. Music patrons recognize him for his design of Los Angeles’s Walt Disney Concert Hall and Chicago’s Jay Pritzker Pavilion. Gehry might seem like an ambitious choice for an architect at an exploratory phase of a relatively small project. Indeed, it would have been, but for a personal connection between artistic director MTT and Gehry: as a young boy in Los Angeles, MTT grew up in the same neighborhood as Gehry, who at one point even served at MTT’s babysitter; they have remained friends ever since.

NWS spent the better part of 18 months working with TPC on the space program (**Appendix 1**). The organization focused on net usable square footage – how big various spaces needed to be to function on a daily basis. TPC added in estimates for all the ancillary spaces that would support the facility itself; this included corridors, emergency stairwells, machine rooms for HVAC and fire equipment, public and back-of-house restrooms, usher locker rooms, etc. Gehry’s evolving design then contributed opportunities for expanded public circulation areas in the performance hall and lobbies, attractive “quiet zones” in back-of-house areas where Fellows and staff could congregate or work quietly, and a roof garden that could be used for NWS and third party events. Priorities and costs were evaluated and some “wish list” ideas had to be value engineered out. In the end, NWS settled on a plan that would provide nearly 59,000 net (usable) square feet over six levels that grossed up to 106,000 square feet in total.

While businesses, high-end hotels, and condo developers vied aggressively for opportunities to

build on the two-block parking lot, the city tabled these commercial requests, preferring to reserve the land for a higher civic purpose, one that would bring together the vibrant and growing community in a way that offices or residential buildings could not. Having forgone the opportunity for a major stream of revenue from commercial development, the city had a great stake in the success of its endeavor with NWS, and it insisted that the public had to benefit from the new campus. Meanwhile, a transformative element was also in the works.

The planners included a green space adjacent to the campus, and NWS proposed a one-of-a-kind experience as a way to integrate the interior and exterior spaces on the campus, while engaging the community as a whole. The concept was to simulcast NWS concerts, at the highest levels of audio and video excellence, onto an otherwise blank 7,000 sq. ft. portion of the building's façade, free of charge to audiences in the park. These WALLCAST™ concerts would soon become one of the most successful outcomes of the entire development project, attracting the largest and most diverse audiences in NWS's history and capturing international attention from facility and arts planners who began to incorporate their own versions of the WALLCAST™ experience into their projects.

With the concepts in place for what would later be called the New World Center, the NWS team entered into two agreements with the City of Miami Beach in 2004: the first, a development agreement that encompassed specific obligations for NWS to construct its facility, the garage, and the park (the latter two to be funded, owned and operated by the city), and the second, a 95-year ground lease for the parcel of land on which the finished NWS facility would sit.

Projections

Assisted by TPC, Gehry Partners, and a host of other

professional consultants, the working committee of the NWS board and administration brainstormed what the NWS program would require for space and activities in a purpose-built academic and performing environment. MTT was intimately involved in planning the new facility, and NWS also included numerous staff at all levels of the organization in the planning process to ensure that the facility would serve the day-to-day needs of its programs. They wrestled with many basic questions that came with building something from scratch, including budget, priorities, and specific program goals. After determining an appropriate budget to construct the facility, the planning team also took considerable pains to plan for operating costs once the facility was completed to ensure proper fundraising goals were established. NWS was determined not to fall into the all-too-common trap of building a great facility but then being unable to afford its operating costs. Operating *pro formas* therefore became part of the planning process from the beginning, rather than being an afterthought.

Starting with the facility itself, NWS first imagined schedules for daily activities in the new facility. These schedules provided answers to key questions:

- How many individual and ensemble practice rooms would be needed ideally? How large should these rooms be? What spaces required adjacency considerations?
- How many masterclasses might occur at the same time?
- How would NWS incorporate nascent distance learning technologies into various spaces?
- What should be the size of the concert stage to allow for artistic flexibility?
- What should be the size of the performance hall to achieve an all-important natural acoustic?

(Of note, NWS started with no predetermined requirement for how many seats should be in the hall.)

- How many administrative offices and technical suites were needed?
- How many small or large group conference rooms should be in the facility?
- How many elevators are needed?
- How wide must hallways and doorways be for instrument mobility?
- How should various programmatic functions be distributed throughout the facility to ensure interdepartmental efficiency, while at the same time ensuring interaction and collaboration across all parts of the institution?
- What spaces and functions were required for hosting third party events?

The team planned for a number of enhancements to the concert hall experience, including a reconfigurable stage with four ancillary performance stages in the auditorium, multiple robotic high-definition cameras, a state-of-the-art cinemascope projection screen, 10 electro-mechanical stage lifts, and discretely placed acoustic drapery to be used in rehearsals and for amplified events.

Amid various scenarios for how the facility would be utilized, the NWS working group reaffirmed that the Fellowship program need not grow in numbers by any material amount. The academy had already built the Fellowship program to a participant level that would provide the most benefit to its students. For works requiring more instrumentalists, the orchestra would continue to increase the number of performers with short-term supplemental musicians (usually applicant finalists).

With the student population remaining steady, resources would be directed toward supporting and enriching existing and future programs. In addition to determining the appropriate number, size and adjacencies of various practice and institutional support spaces, MTT and the team planned for a number of enhancements to the concert hall experience, including a reconfigurable stage with four ancillary performance stages in the auditorium, multiple robotic high-definition cameras, a state-of-the-art cinemascope projection screen, 10 electro-mechanical stage lifts, and discretely placed acoustic drapery to be used in rehearsals and for amplified events. Based on the acoustical studies, the size of the concert hall itself would be intimate, providing for a maximum seating capacity of just 756, with seats all around the stage, and no seat more than 13 rows away from the performers.

Coupled with evolving concepts from Frank Gehry for how the building would be constructed, what it would look like, and the required technology to be incorporated, construction budgets began to be crafted. In the end, an all-in construction budget of \$165 million was set: \$130 million for the physical construction and the balance for the considerable “soft costs” including fees for over 35 professional consultants (architect, engineers, acousticians, etc.) that NWS felt were required to ensure the success of the project. Sparked by a single lead gift of \$90 million from an anonymous donor and later increased to \$100 million, NWS raised sufficient funds to plan the groundbreaking for early 2008. The City of Miami Beach—already a partner in the plan by providing the land at a nominal cost of \$1.00 per year—contributed \$15 million for the NWS facility, Miami-Dade County granted \$30 million, and the sale of the Lincoln Theatre was expected to net around \$20 million. Separately, the City of Miami Beach contributed a total of \$36 million for the construction of its garage, park, and for related site infrastructure improvements. The campus would be paid for in full, but the trustees and the administration still

had to determine how the institution could sustain significantly higher annual operating costs once the facility was in use.

And More Projections

The remaining financial piece to determine was the cost of operating the New World Center while still running a tuition-free orchestral academy. For the ongoing operating expenses, the NWS working group developed an “event matrix” (**Appendix 2**) to study the activities and flow of people in a given year. The matrix was based on the highs and lows of projected audiences at various events and daily use by students, faculty, and the administration. Though the team did not foresee an increase in the length of its 35-week season or the number of concerts offered per year, they imagined new possibilities for the kinds of productions that could take place in the cutting-edge concert hall. These estimates on so many operational fronts were crucial not only for planning the new facility and its costs but also were valuable for potential funders to witness the extent of the team’s attention to detail in the process.

Beginning in 2006, the committee pored over sample schedules and *pro forma* spreadsheets detailing not just what a concert season would look like, but drilled down to an average day and week in the new building. Numerous *pro forma* updates were developed over the next four years, each time refining estimates for operating costs of the New World Center. Annual operating costs were destined to increase, and there were two areas of focus: actual facility operating costs (e.g., maintenance and repairs, cleaning, utilities, and insurance) and program-driven costs (e.g., staffing to utilize the new technological capabilities, enhancements to the concert experience, and music and video commissions).

Pertaining to the facility operating costs, insurance and utilities would be the biggest

components. The former expense would be driven by virtue of the location on a barrier island in South Florida, prone to flooding and wind damage from hurricanes and tropical storms. Unfortunately, this cost was inherently unpredictable since insurance markets changed considerably from year to year. NWS had to use best estimates from its insurance consultants who knew the local market and who took the time to understand how the facility was to be constructed.

The second major variable – power – especially needed to be well understood, and so the group worked tirelessly to develop realistic projections for usage of the facility by students, administration, and the public. Plans called for all-glass facades on two sides of the building and a large glass skylight. NWS worked with professional managers of other performing arts centers, developers, and consultants from the local utility company, Florida Power & Light, to estimate utilities usage and project future costs. NWS even hired a consultant to study the daily angles of the sun in Miami Beach over the course of a typical year to understand potential “hot spots” in the new building and examine ways to control the interior climate of the facility year-round.

While working on the facility operating cost parameters, the administration set out to examine program growth under various scenarios. Starting in 2007, the team presented the NWS board of trustees with three budget scenarios corresponding to differing levels of program enhancements that could be offered in the new facility (**Appendix 3**). These scenarios, drawn from operating *pro formas* developed for more than a year, were all considered to represent incremental costs above NWS’s then current operating budget. Program upgrades fell into artistic, educational, and fellowship-related categories. Examples of potential enhancements included music and video commissions (artistic), distance learning

with improved internet and communications capabilities (educational), and Fellowships in new areas such as audio engineering, video production and composition.

- Low use scenario: A relatively one-to-one transfer of the existing program from the old building to the new. Low risk. Growth would depend on future funding.
- Medium use scenario: An increase in program scope but not to the maximum. Medium risk.
- High use scenario: Program scope increased to the maximum. High risk, but also most appealing in terms of fully utilizing the infrastructure and capabilities of the new facility.

Facility operating costs would of course be impacted to some extent based on the level of program growth; for example, the high use scenario would require a higher budget for utilities. Staffing estimates varied slightly as well under the different scenarios, although a core increase in technical staff would be needed in any scenario. Given the level of investment in the facility, the natural inclination of the administration and trustees was to aim somewhere between the medium and high use scenarios. It was felt that this would provide maximum incentive for donors to support the project. With this level of program growth in mind, the committee determined in 2007 that the annual cost to operate NWS, inclusive of the new facility, would be over \$13 million for fiscal year 2012, the anticipated first full year of operation in the building. This represented more than a 50% increase from the \$8.5 million cost to run the organization at the Lincoln Theatre at the time. Funds needed to cover the incremental expenses of the program and infrastructure would have to be covered by (1) new revenue from rentals of

the facility to third parties, an area that remained relatively untapped in the Lincoln Theatre, (2) an increased annual fund, and most importantly, (3) significant contributions to the endowment fund.

The board's relatively aggressive posture in anticipation of the new facility was, on one hand, a vote of confidence for the committee that had met bi-weekly for six years to discuss and plan the details of the project. On the other hand, the medium-to-high usage scenario put unusual pressure on the administration to manage an enlarged budget, built on estimates of activities and usage of the building in the abstract. It also meant a lot more money needed

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to be raised. With the new budget level approved in the fall of 2007, the board approved the full scope of the project, and a construction crew broke ground in January 2008. In dramatic fashion, MTT made the groundbreaking ceremony into a festive event with music, conducting a group of bulldozers (!) on site to Alberto Ginastera's triumphant and energetic *Estancia* suite for orchestra. The bricks-and-mortar part of the plan was underway and on pace to be completed in three years.

Trusting Projections, Building Endowment

As ground was leveled for the New World Center, the administration of the NWS was ever mindful of the plight of a recently-completed major arts complex across the bay in Miami, the Adrienne Arsht Center for the Performing Arts. Opened in 2006 as the Carnival Center after years of

attempts to launch a facility that ended up costing \$478 million, the Arsht Center offered several attractive performance spaces for the Miami arts community and was available on a priority basis to five major resident performing arts companies,

It was imperative that projections for the NWS's new campus could be trusted.

including NWS. Early administrators had severely underestimated not just the cost of the Arsht Center (over budget by \$200 million) but also the cost to operate the building (a deficit of \$2.6 million in year one). The miscalculations created considerable and unexpected financial losses that took years to recoup. Workers were breaking ground at the New World Center in the midst of the financial troubles sustained at the Arsht Center, less than four miles away: it was imperative that projections for the NWS's new campus could be trusted. To that end, *pro formas* for the different program usage of the space and for utilities and other expenditures continued to be updated throughout construction.

Like any not-for-profit, the endowment of the NWS represents its permanent investment reserves, earnings of which can be used for operating support subject to board-approved spending policies. The value of the NWS endowment was \$74 million at the end of fiscal 2008, and the "draw" from the endowment by the organization accounted for nearly 40% of the that year's annual operating budget of \$9 million. Since the spending policy limited annual spending to 5% of the market values for the preceding 12 quarters, substantial negative change to the endowment could have a debilitating ripple effect through the organization over the next few years. With the budget to operate the New World Center projected to balloon to \$13 million and higher after the facility opened, a boost to the endowment would be essential to balancing the added costs of the new building and its ongoing

operation. CFO David Phillips calculated that "we needed at least \$50 million in new endowment funds *in the bank* before we opened in order to continue funding 40-45% of our new budget from the endowment." Since many endowment pledges are funded over time, NWS established a \$90 million goal for new endowment gifts.

Given the heavy reliance on the endowment for operations for more than a decade, NWS had to prepare for the risk of a blow to its reserves that could send the organization's budget in an undesirable direction quickly. In the fall of 2008, NWS met with financial turbulence of a magnitude for which it could scarcely have planned. The subprime mortgage crisis had already hit the economy of the United States hard in late 2007, but the collapse of Lehman Brothers in September 2008 and the bursting of the housing bubble sent the value of global investments plummeting. The endowment of NWS took a major hit, declining nearly 23% in one year. This would limit its access to funds to cover increased operating expenses, barring a quick recovery.

The fragile business environment at the end of 2008 put pressure not only on NWS but also on those doing business with it. Contractors and subcontractors involved in the construction of the New World Center were losing their business in other places, yet they had signed contracts to do work with NWS. It was tempting for NWS to attempt renegotiation of their contracts to lower construction costs, but there was no guarantee of success in this tactic. Altered construction contracts would also have delayed the opening of a facility that NWS sorely needed. Delays would have profound impacts on the best timing of a grand opening within NWS's season and would imperil sales goals for the Lincoln Theatre. Further, the New World Center promised a campus that would be a boon for the city. Remarkably, contractors and subcontractors assigned their best personnel

and tradesmen to this job, thereby ensuring the highest quality work while staying true to the project schedule.

In mid-February 2009, as the economy continued to slip into the worst recession since the 1930s, the NWS team of administrators and trustees huddled in its bi-weekly conference to determine a course of action at this unexpected crossroads. Although funding was secured for the builders and construction workers, they pondered whether work on the New World Center should be suspended. The capital campaign to raise \$90 million in endowment funds had reached 30% of its goal but new pledges were not coming in. Should the campaign be halted until the economy improved? Should the administration return to the board of trustees to modify the projections for building usage, from, say, medium-high to medium-low or even just the low-use scenario? Could the pro forma projections at all levels for the new facility be trusted in financial headwinds? Do they require revision?

With the foundation laid and steel starting to rise on the building site, what steps could the NWS working group take at this moment in the project? If the plan remains intact, how can donors be expected to give even more to an endowment campaign in an unfavorable financial climate? Alternatively, how could plans be altered with the opening and operation of the new facility? What should the NWS team recommend to the board of trustees in the midst of a deep recession?

APPENDIX 1

NEW WORLD SYMPHONY Building Program by Space

Summary of space requirements in net usable square feet.

	EXISTING LINCOLN	ADJACENT LINCOLN	NEW FACILITY	STAND ALONE NEW FACILITY
Performance Hall	8,670	4,450	17,020	17,020
Ensemble rooms	1,715	1,715	4,900	8,167
Individual practice rooms	1,170	1,170	650	1,950
Administration	13,178	13,178	6,210	7,044
Operations, artists and fellows	9,985	9,985	14,940	14,940
Public services	4,244	8,464	11,400	9,600
Total	38,962	38,962	55,120	58,721
Footprint	15,391	15,391	36,820	37,420

Footprint estimates include the principal sound chamber (performance hall), one assembly room, backstage restrooms, changing/locker rooms for fellows, operations workspace and storage, loading, and all public spaces (lobby, restrooms, box office, etc.). The adjacent Lincoln scenario contemplated a reduction in the existing hall and corresponding increase in public space in order to create a soundbridge to an adjacent new facility. All other spaces are assumed to be on upper floors.

APPENDIX 2

NEW WORLD SYMPHONY Event Matrix

Use Type										Staging				Acoustic Noise Control Rating
Ref. No.	Use Type	User	Activity	Audience	Possible Use of Alternate Space	Uses per Season	Duration per Use in Hours	Staging Format (Largest Possible)	No. of Performers on Stage	Scenery At Floor	Scenery From Overhead	Drapery	Floor Type	
1	Orchestra (Subscription)	Full Orchestra	Performance	700	N	16	2.25	Orchestral	45-105	No	Possible	No	Risers	Silent
2	Baroque Music	Chamber Orchestra	Performance	700	N	2	2.25	Orchestral	25-45	Possible	Possible	No	Flat	Silent
3	Orchestra Outreach	Full Orchestra	Performance	700	N	2	2.25	Orchestral	45-90	No	No	No	Risers	Silent
4	Other Orchestra	Full Orchestra	Performance	700	N	2	2.25	Orchestral	45-90	No	No	No	Risers	Silent
5	Chamber Music	Chamber or Large Ensemble	Performance	700	N	6	2.25	Large Ensemble	1-25	No	No	No	Flat	Silent
6	Musical Xchanges	Solo or Chamber Ensemble	Performance	700	N	2	2.25	Chamber Ens	1-15	Possible	Possible	No	Flat	Silent
7	Musicians' Forums	Solo, Ensemble or Chamber Orch	Performance	700	N	6	2.25	Chamber Orch	1-30	No	No	No	Flat	Silent
8	String Orchestra	String Orchestra	Performance	700	N	1	2.25	Orchestral	50	No	No	No	Flat	Silent
9	Woodwind/Brass Ensemble	Chamber or Large Ensemble	Performance	700	N	1	2.25	Large Ensemble	4-25	No	No	No	Flat	Silent
10	Percussion Ensemble	Chamber or Large Ensemble w/Perc	Performance	700	N	2	2.25	Large Ensemble	4-25	No	No	No	Flat	Silent
11	Orchestra Education	Full Orchestra	Performance	700	N	4	1.00	Orchestral	45-90	Possible	Possible	No	Risers	Silent
12	Orchestra (Subscription)	Full Orchestra	Rehearsal	>20	N	66	2.50	Orchestral	45-105	No	Possible	No	Risers	Silent
13	Opening Night	Full Orchestra	Rehearsal	>20	N	4	2.50	Orchestral	45-105	No	No	No	Risers	Silent
14	Gala	Full Orchestra	Rehearsal	>20	N	3	2.50	Orchestral	45-105	No	No	No	Risers	Silent
15	New Music	Full Orchestra or Large Ensemble	Rehearsal	>20	Y	24	2.50	Orchestral	25-105	No	Possible	No	Risers	Silent
16	Baroque Music	Chamber Orchestra	Rehearsal	>20	Y	8	2.50	Chamber Orch	25-45	Possible	Possible	No	Flat	Silent
17	Family/Kids	Full Orchestra	Rehearsal	>20	N	4	2.50	Orchestral	45-90	Possible	Possible	No	Risers	Silent
18	Orchestra Outreach	Full Orchestra	Rehearsal	>20	N	8	2.50	Orchestral	45-90	No	No	No	Risers	Silent
19	Other Orchestra	Full Orchestra	Rehearsal	>20	N	8	2.50	Orchestral	45-90	No	No	No	Risers	Silent
20	Chamber Music	Chamber or Large Ensemble	Rehearsal	>20	Y	42	4.00	Large Ensemble	1-25	No	No	No	Flat	Silent
21	Musical Xchanges	Solo or Chamber Ensemble	Rehearsal	>20	Y	10	2.50	Chamber Ens	1-15	Possible	Possible	No	Flat	Silent
22	Musicians' Forums	Solo, Ensemble or Chamber Orch	Rehearsal	>20	Y	18	2.00	Chamber Orch	1-30	No	No	No	Flat	Silent
23	String Orchestra	String Orchestra	Rehearsal	>20	Y	6	2.50	Orchestral	50	No	No	No	Flat	Silent
24	Woodwind/Brass Ensemble	Chamber or Large Ensemble	Rehearsal	>20	Y	6	2.50	Large Ensemble	4-25	No	No	No	Flat	Silent
25	Percussion Ensemble	Chamber or Large Ensemble w/Perc	Rehearsal	>20	Y	10	2.50	Large Ensemble	4-25	No	No	No	Flat	Silent
26	Orchestra Education	Full Orchestra	Rehearsal	>20	N	2	2.50	Orchestral	45-90	Possible	Possible	No	Risers	Silent
27	"The Music Ride"	Hi-Tech Video w/Live Music Element	Video/Performance	50	N	TBD		Video and Soloist	1	Possible	Possible	No	Flat	Silent
28	Commercial Audio Record Sessions	Full Orchestra or Ensemble	Recording		N	4	3.00	Orchestral	25-105	No	No	No	Risers	Silent
29	Commercial Video Record Sessions	Full Orchestra or Ensemble	Recording		N	4	3.00	Orchestral	25-105	No	No	No	Risers	Silent
30	Repertoire Reading Rehearsals	Full Orchestra	Rehearsal	>20	N	6	2.50	Orchestral	45-90	No	No	No	Risers	Silent
31	Sectional Rehearsals	Strings; Winds and Brass	Rehearsal	>20	Y	6	2.50	Orchestral	10-60	No	No	No	Flat	Silent
32	Conducting Master Classes	Full Orchestra	Master Class	N	N	8	2.50	Orchestral	45-90	No	No	No	Risers	Silent
33	Instrumental Master Classes	Solo	Master Class	N	Y	40	2.50	Solo/Classroom	5-50	No	No	No	Flat	Silent
34	Audition Sessions	Solo	Audition	N	Y	10	3.00	Solo/Classroom	20	No	No	No	Flat	Silent
35	Audition Training Sessions	Full Orchestra	Audition	N	Y	10	2.00	Solo/Classroom	80	No	No	No	Flat	Quiet
36	Admissions Auditions Sessions	Solo	Audition	N	Y	6	3.00	Solo/Classroom	1	No	No	No	Flat	Silent
37	Mock Audition Sessions	Solo	Audition	N	Y	10	3.00	Solo/Classroom	8	No	No	No	Flat	Quiet
38	Audition Taping Sessions	Solo	Recording Session	N	Y	15	4.00	Solo	2	No	No	No	Flat	Silent
39	Audition Preparation Seminar	Full Orchestra	Seminar	N	Y	2	3.50	Solo/Classroom	80	No	No	No	Flat	Quiet
40	Communications Training Sessions	Solo or Chamber Ensemble	Seminar	N	Y	10	4.00	Solo/Classroom	5-80	No	No	No	Flat	Quiet
41	Performance Psychology Training	Full Orchestra	Seminar	N	Y	8	3.50	Classroom	80	No	No	No	Flat	Quiet
42	Music Medicine Seminar	Full Orchestra	Seminar	N	Y	1	4.00	Classroom	80	No	No	No	Flat	Quiet
43	Adult Education Classes	Public Classes	Seminar	N	Y	10	1.00	Classroom	20	No	No	No	Flat	Quiet
44	Other Seminars and Classes	Full Orchestra	Seminar	N	Y	5	3.00	Classroom	80	No	No	No	Flat	Quiet

The priority was always to accommodate NWS in the new facility, but if other performers or performing arts organizations could use the space, they would be welcome. Examples include rentals for jazz, visiting orchestras, chamber ensembles, stand-up comedy, rock music, film, opera, meetings, recording projects, and special presentations. Design requirements were not specified for these.

APPENDIX 2

NEW WORLD SYMPHONY
Event Matrix (continued)

Use Type			Lighting						Video, Broadcast and Recording				Audio			
Ref. No.	Use Type	User	House Lights	Work Lights	Concert Lighting	Theatrical Lighting	Broadcast Lighting	Back-drop Lighting	Screens for I2, Videos, Projections	Video Broadcast to Park, Internet	Archival Video Recording	Broadcast Quality Video Recording	Commercial Audio Recording	Voice Reinforce	Music Reinforce	Sound Effects Playback
1	Orchestra (Subscription)	Full Orchestra	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	Possible	N	Y	N	Possible
2	Baroque Music	Chamber Orchestra	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	Possible	N	Y	N	N
3	Orchestra Outreach	Full Orchestra	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	N	N	Y	N	Possible
4	Other Orchestra	Full Orchestra	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	Possible	N	Y	N	Possible
5	Chamber Music	Chamber or Large Ensemble	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	Possible	N	Y	N	Possible
6	Musical Xchanges	Solo or Chamber Ensemble	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	N	N	Y	N	Possible
7	Musicians' Forums	Solo, Ensemble or Chamber Orch	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	N	N	Y	N	Possible
8	String Orchestra	String Orchestra	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	N	N	Y	N	N
9	Woodwind/Brass Ensemble	Chamber or Large Ensemble	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	N	N	Y	N	N
10	Percussion Ensemble	Chamber or Large Ensemble w/Perc	Y	Y	Y	Possible	Possible	Possible	Possible	P, I	Y	N	N	Y	N	Possible
11	Orchestra Education	Full Orchestra	Y	Y	Y	Possible	N	Possible	Possible	N	Y	N	N	Y	N	Possible
12	Orchestra (Subscription)	Full Orchestra	N	Y	Y	Possible	Possible	No	Possible	N	Y	N	N	N	N	Possible
13	Opening Night	Full Orchestra	N	Y	Y	Possible	N	No	Possible	N	N	N	N	N	N	Possible
14	Gala	Full Orchestra	N	Y	Y	Possible	N	No	Possible	N	N	N	N	N	N	Possible
15	New Music	Full Orchestra or Large Ensemble	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	Possible
16	Baroque Music	Chamber Orchestra	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	N
17	Family/Kids	Full Orchestra	N	Y	Y	Possible	N	No	N	N	N	N	N	Y	N	Possible
18	Orchestra Outreach	Full Orchestra	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	Y	N	Possible
19	Other Orchestra	Full Orchestra	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	Possible
20	Chamber Music	Chamber or Large Ensemble	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	Possible
21	Musical Xchanges	Solo or Chamber Ensemble	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	Y	N	Possible
22	Musicians' Forums	Solo, Ensemble or Chamber Orch	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	Possible
23	String Orchestra	String Orchestra	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	Possible
24	Woodwind/Brass Ensemble	Chamber or Large Ensemble	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	Possible
25	Percussion Ensemble	Chamber or Large Ensemble w/Perc	N	Y	Y	Possible	Possible	No	Possible	N	N	N	N	N	N	Possible
26	Orchestra Education	Full Orchestra	N	Y	Y	Possible	N	No	Possible	N	N	N	N	Y	N	Possible
27	"The Music Ride"	Hi-Tech Video w/Live Music Element	Y	Y	Y	Y	N	No	N	N	N	N	N	Y	Y	Possible
28	Commercial Audio Record Sessions	Full Orchestra or Ensemble											Y	N	N	N
29	Commercial Video Record Sessions	Full Orchestra or Ensemble											Y	N	N	N
30	Repertoire Reading Rehearsals	Full Orchestra	N	Y	Y	N	N	No	Possible	N	N	N	N	N	N	N
31	Sectional Rehearsals	Strings; Winds and Brass	N	Y	Y	N	N	No	N	N	N	N	N	N	N	N
32	Conducting Master Classes	Full Orchestra	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N
33	Instrumental Master Classes	Solo	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N
34	Audition Sessions	Solo	Y	Y	Y	N	N	No	N	N	N	N	N	N	N	N
35	Audition Training Sessions	Full Orchestra	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N
36	Admissions Auditions Sessions	Solo	Y	Y	Y	N	N	No	Possible	N	N	N	N	N	N	N
37	Mock Audition Sessions	Solo	Y	Y	Y	N	N	No	N	N	N	N	N	N	N	N
38	Audition Taping Sessions	Solo	Y	Y	Y	N	N	No	N	N	N	N	N	N	N	N
39	Audition Preparation Seminar	Full Orchestra	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N
40	Communications Training Sessions	Solo or Chamber Ensemble	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N
41	Performance Psychology Training	Full Orchestra	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N
42	Music Medicine Seminar	Full Orchestra	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N
43	Adult Education Classes	Public Classes	Y	Y	Y	N	N	No	N	N	N	N	N	N	N	N
44	Other Seminars and Classes	Full Orchestra	Y	Y	Y	N	N	No	Possible	N	Y	N	N	N	N	N

APPENDIX 3

NEW WORLD SYMPHONY Campus Expansion Operating Pro Forma PROJECTED FIRST YEAR INCREMENTAL COSTS IN 2011 DOLLARS RELATED TO THE NEW CAMPUS

Program Expenses	LOW	MEDIUM	HIGH
Artistic			
Video program notes @ \$2,000 per program	\$10,000	\$16,000	\$20,000
Music and video commissions @ \$30,000 average cost	\$30,000	\$90,000	\$150,000
Audio/visual consumables (tape/CD stock, projector bulbs, etc.): inside	\$65,000	\$65,000	\$65,000
Audio/visual consumables (tape/CD stock, projector bulbs, etc.): outside	\$40,000	\$40,000	\$40,000
Subtotal	\$145,000	\$211,000	\$275,000
Media expenses (payments/EMG to fellows, incl pension and H&W)			
Internet broadcasts (number correlated with staffing)			
<i>12 full orchestra concerts (100 @ \$50)</i>	\$-	\$60,000	\$60,000
<i>5 chamber concerts (15 @ \$50)</i>	\$-	\$3,750	\$3,750
<i>3 new music concerts (100 @ \$50)</i>	\$-	\$15,000	\$15,000
Subtotal	\$-	\$78,750	\$78,750
Total Artistic Expenses	\$145,000	\$289,750	\$353,750
Educational			
Masterclasses via Internet2			
<i>@ \$1,000; may include orchestral, sectional, incoming, and outgoing</i>	\$32,000	\$48,000	\$64,000
Coaching residencies			
<i>Additional on site coaching and/or multiple-coaching residencies @ \$10,000 ea.</i>	\$20,000	\$40,000	\$60,000
Speakers and seminars via Internet2			
<i>@ \$1,500 ea.; may include community engagement, alumni involvement</i>	\$12,000	\$18,000	\$24,000
Individual lessons via Internet2			
<i>One-hour lessons per fellow with remote coaches @ \$250/hour</i>	\$87,000	\$174,000	\$261,000
Fellowship opportunities (video and composition, incl. housing)	\$18,375	\$36,750	\$36,750
Total Educational Expenses	\$169,375	\$316,750	\$445,750
Staffing			
Artistic Planning Administrator	\$-	\$79,550	\$79,550
Video Production (Internet2, concerts, lobbies, outdoor screen)	\$79,500	\$159,000	\$238,500
Audio Engineers (education, concerts, recording)	\$79,500	\$159,000	\$159,000
Lighting Engineers (education, concerts, recording)	\$79,500	\$159,000	\$159,000
Internet2 Coaching Coordinator	\$-	\$47,750	\$47,750
Director of Coaching	\$63,650	\$63,650	\$63,650
Technology Staff (Internet2 and network systems)	\$69,000	\$137,900	\$137,900
Stage Crew	\$127,300	\$127,300	\$127,300
Rental Manager	\$79,500	\$79,500	\$79,500
Marketing Assistant	\$37,100	\$37,100	\$37,100
Web Programmer	\$58,350	\$58,350	\$58,350
Accountant	\$58,350	\$58,350	\$58,350
Maintenance personnel: included in building operating budget	\$-	\$-	\$-
Subtotal	\$731,750	\$1,166,450	\$1,245,950
Insurance at 6%	\$43,900	\$70,005	\$74,775
Taxes and other benefits @ 17%	\$124,400	\$198,300	\$211,800
Total Staffing Expenses	\$900,050	\$1,434,755	\$1,532,525
Total Program Expenses	\$1,214,425	\$2,041,255	\$2,332,025

APPENDIX 3

NEW WORLD SYMPHONY Campus Expansion Operating Pro Forma (continued) PROJECTED FIRST YEAR INCREMENTAL COSTS IN 2011 DOLLARS RELATED TO THE NEW CAMPUS

Maintenance and other operating expenses, excluding capital repairs and upgrades	LOW	MEDIUM	HIGH
Staff: Operating and maintenance			
<i>Salaries, taxes, benefits</i>	\$312,688	\$312,688	\$312,688
General maintenance			
<i>A/C, electric, plumbing, elevators, supplies, pest control, misc painting, etc.</i>	\$383,400	\$383,400	\$383,400
Insurance (100% coverage with wind/hail capped @ \$50m)			
<i>Property, windstorm, flood, tenant users, equipment</i>	\$700,000	\$800,000	\$900,000
Security			
<i>Alarm services</i>	incl	incl	incl
<i>Outsourced uniformed security</i>	incl	incl	incl
Front of house: NWS concerts			
<i>Security, ushers, ticket takers, tour guides</i>	\$24,000	\$24,000	\$24,000
Utilities			
<i>Electric, water, telephone</i>	\$328,014	\$378,014	\$428,014
Cleaning			
<i>Contract and Supplies</i>	incl	incl	incl
Total Maintenance and Other Operating Expenses	\$1,748,102	\$1,898,102	\$2,048,102
Incremental New Campus Operating Costs	\$2,962,527	\$3,939,357	\$4,380,127

These annualized costs are in 2011 dollars, are incremental to current operating costs, and assume no phasing in of planned activities.



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