

December 1, 2016

War Memorial Board of Trustees
c/o Jennifer Norris
San Francisco War Memorial and Performing Arts Center
401 Van Ness Avenue
San Francisco, CA 94102

Dear Trustees of the War Memorial Board,

San Francisco Opera requests permission to increase the Facility Fees currently charged to Opera patrons. Current fees are \$1 per ticket in the Balcony and \$2 per ticket in all other seating sections. The new prices would be \$2 per ticket in the Balcony and \$3 per ticket in all other seating sections.

As we work with the Ballet and the War Memorial on various projects to enhance patron experience in the Opera House, we continue to receive complaints about the comfort and condition of the auditorium seats. Response to the first phase of the project, installation of new seats in the Balcony, was enthusiastic; patrons are constantly asking when the next phases will be completed.

At the moment further phases are limited by a lack of accrued funding. Because the Ballet has more performances in a year than the Opera (given *Nutcracker*), the Opera proposes to increase just the Opera fee to better equalize the money being collected by both organizations. The Ballet has indicated that they have no concerns with there being two different fees between organizations, and neither does the Opera. During the initial fee implementation, neither company received complaints or comments when the fee was introduced. Both note the fee in appropriate collateral.

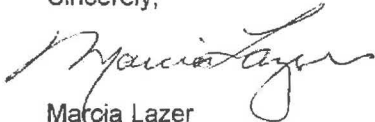
We ask for this fee increase, likely effective with single tickets in the Opera's summer 2017 season and all but Ring tickets for the 2017-18 season, to ensure that the availability of funds will not hold up the next phase.

Current status, projected through FY17 for both companies:

San Francisco Opera	\$ 942,437 (based on current fee structure)
San Francisco Ballet	\$1,478,730
Total Revenue	<u>\$2,421,167</u>
Total Expenses to date	<u>\$ 975,762</u>
Balance at end of FY17 (projected)	<u>\$1,445,405</u>

We would deeply appreciate it if you would consider our request at your upcoming meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Marcia Lazer". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Marcia Lazer
Director of Marketing

OPERA HOUSE FACILITY FEE
Revenue/Expenditures

BALLET	FY	Revenue	Expenditures (Balcony Seating)	BALANCE
	FY13	-	-	-
	FY14	220,098.00	8,366.03	211,731.97
	FY15	422,746.00	128,163.95	506,314.02
	FY16	415,886.00	342,612.56	579,587.46
	FY17		14,668.95	564,918.51
	<i>Current Balance</i>	<i>1,058,730.00</i>	<i>493,811.49</i>	<i>564,918.51</i>
	FY17 Projected	420,000.00		984,918.51

OPERA	FY	Revenue	Expenditures (Balcony Seating)	BALANCE
	FY13	-	16,732.05	(16,732.05)
	FY14	65,127.00	(5,366.03)	53,760.98
	FY15	308,100.00	140,830.64	221,030.34
	FY16	287,331.00	356,283.76	152,077.58
	FY17		(14,668.95)	166,746.53
	<i>Current Balance</i>	<i>660,558.00</i>	<i>493,811.47</i>	<i>166,746.53</i>
	FY17 Projected	281,879.00		448,625.53

TOTAL BALLET/OPERA	FY	Revenue	Expenditures (Balcony Seating)	BALANCE
	FY13	-	16,732.05	(16,732.05)
	FY14	285,225.00	3,000.00	265,492.95
	FY15	730,846.00	268,994.59	727,344.36
	FY16	703,217.00	698,896.32	731,665.04
	FY17	-	-	731,665.04
	<i>Current Balance</i>	<i>1,719,288.00</i>	<i>987,622.96</i>	<i>731,665.04</i>
	FY17 Projected	701,879.00		1,433,544.04

PER TICKET FACILITY FEE

	BALLET	OPERA
11/1/13 - 5/30/17	\$1.00 - Balcony \$2.00 - All other seats	\$1.00 - Balcony \$2.00 - All other seats
5/31/17 -	\$1.00 - Balcony \$2.00 - All other seats	<i>Proposed</i> <i>\$2.00 - Balcony</i> <i>\$3.00 - All other seats</i>