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'Fun tax'

Ticket tariff takes toll on SC culture

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The admissions tax in Santa Cruz, which some have called "the fun tax," has already had a detrimental effect on the draw of culture to the city.

Ironically, most hurt by the tax is the Civic Auditorium, owned and operated by the city.

Auditorium director Don Ricker said he has been notified by Bill Graham Presents, one of the Civic's main booking agents, that the company will no longer book performances there.

Neither will another booking group, the FBI Agency of New York.

These two agencies booked the more popular rock bands at the Civic, including such favorites as UB40, George Thorogood, Chick Corea and Steel Pulse.

"The tax is making it impossible to do events here," he said. "Nobody is going to put on a show here."

The tax works by charging an extra five percent on every ticket sold or cent spent on entertainment in the city. The money raised is intended to

make up for federal revenue sharing funds which the city has applied instead to social services.

Theoretically, those offering entertainment are supposed to tack on the extra five percent

In a letter notifying the Civic of its move, a Bill Graham Presents spokeswoman wrote that the admissions tax "eliminates any potential profit and effectively precludes our ability to do business in your hall."

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— Don Ricker, SC Civic Auditorium director

to the cost of a ticket so that the consumer pays for it. But in the case of the Civic Auditorium, the cost of tickets is already so high that Ricker fears the market couldn't bear the additional cost.

For instance, the top-priced ticket to a rock concert is \$16.50. An additional five percent, 82 cents, pushes the cost to \$17.32.

Concert-goers, Ricker said, will not be willing to pay for the type of music the Civic can draw when they can pay the same amount or less at an auditorium within an hour's drive.

The problem is in the limited capacity of the Civic Auditorium. It only seats 2,000, which is not a large money-maker for nationally known bands.

"Through promotional techniques, we have been able to encourage promoters to use our hall," Ricker said. "It's been a lot of work, and I'm afraid a lot of our efforts and goodwill have been wiped out with this."

Another agency that books national bands for the Civic Auditorium, Rocking Horse, will continue trying to get performers in Santa Cruz.

Jim Werthman, talent buyer for Rocking Horse, said bands

have historically come to Santa Cruz mostly for its aesthetic qualities.

But if the profit slips from marginal to non-existent, the groups will no longer be willing to do so, he said.

"The cost of touring is going up all the time, so bands are cutting down on their markets," Werthman said. "Considering it's hard enough to get a band to go to Santa Cruz anyway, this tax makes it even more difficult. I think the bands will just say they'll go to Santa Barbara or Sacramento."

He agreed it would be risky to raise ticket prices.

"The way the economy is, people have to make a determination that enough is enough," he said.

Ricker said he fears the problem will go even farther and hurt the local non-profit events that book the Civic Auditorium.

"Let's face it," Ricker said. "We make our money out of rock concerts. The profit we make on these helps us support the non-profit events we have."

Another problem Ricker has with the admissions tax is that

the Santa Cruz Boardwalk has been exempted from the tax until Jan. 1. All other entertainment organizations had to start paying the tax as of Oct. 1.

This was done because the Boardwalk had already listed its prices for the season.

Ricker said he thought this was unfair.

"An admissions tax should be applied to everyone at the same time," Ricker said. "The way it is now is not fair."

He continued, "What I'm saying is don't tax the Civic until you tax the Boardwalk. With those extra months, I could have notified my promoters and walked through this thing with them. As it was, I had four days to implement it."

Other Santa Cruz establishments booking musical groups didn't seem to be so hurt by the tax.

Gary Tighe, entertainment

director for The Catalyst, said the club is charging a higher ticket price when it can. But sometimes the club merely takes the five percent out of its profit.

This means that local musicians are paid less in percentage money.

Tighe also complained about implementation of the tax. "It has been a mess the last few months," he said. "We weren't notified until two days before we were supposed to be charging this tax."

City Finance Director Robert Shepherd also said things were a little rough at first with the admissions tax, but it is now smoothing out. The tax is expected to raise \$750,000 annually for the city's coffers which will go to social service programs.

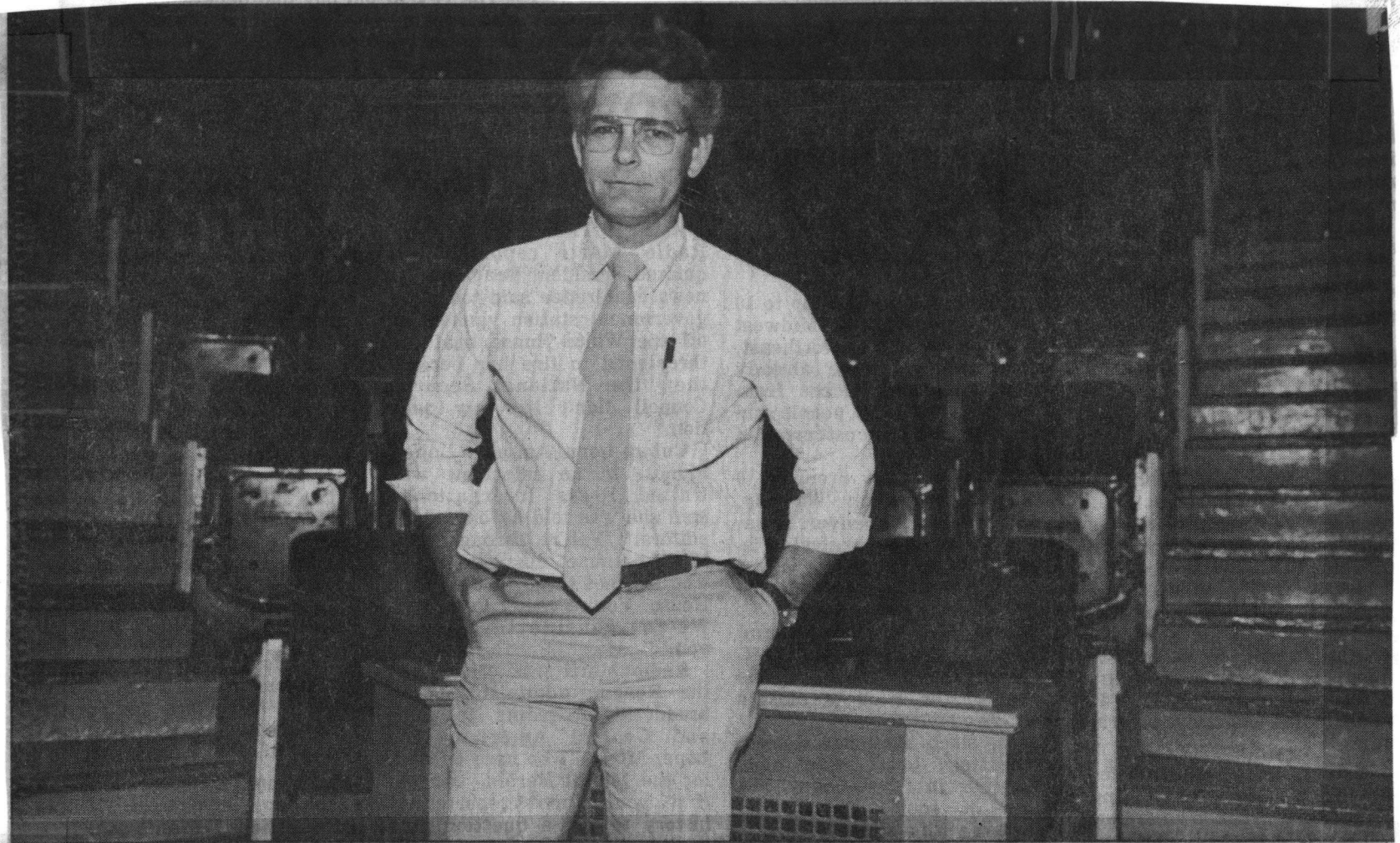
So far, Shepherd said, the tax has raised less than \$1,000 but that's because a large portion of the revenues have not started to come in yet.

In staff time, one person has spent half a day working on the tax since its implementation, but that also should be improved with time, Shepherd said.

Glenn LaFrank, spokesman for the Seaside Company which runs the Cocoanut Grove, said the club merely raised its ticket prices.

So far, he said, the admissions tax hasn't hurt the Cocoanut Grove's ability to draw bands since most of the bands are booked well in advance.

"Some of the people we're afraid it's going to affect is the non-profit groups we deal with," he said. "They may have to put down large deposits on the tax, and these are not groups that have a lot of money to throw around."



Chip Scheuer

Civic Auditorium director Don Ricker fears the ticket tax could damage the theater's ability to fill these seats