

THE NATIONAL **OPERA** CENTER **AMERICA**

Co-Production Loan Fund **Funded by The Andrew W. Mellon Foundation**

Guidelines and Application Procedures

Loan requests are accepted on a year-round basis. A Loan Review Committee meets quarterly, starting in the Fall of 2018.

Application Materials available as of July 1, 2018.

Artistic Services Director

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OPERA America's Co-Production Loan Fund

Guidelines

About the Co-Production Loan Fund

OPERA America's Co-Production Loan Fund offers no-interest, no-fee loans to Professional Company Members operating in the United States to ease their participation in co-production partnerships with other companies. Loans will be available to companies only in relation to co-productions of new and existing American operas.

A total loan fund of \$1 million is made possible through a deeply appreciated five-year program related investment from The Andrew W. Mellon Foundation.

Background

Co-production is a time-tested strategy that provides some relief to producers by leveraging the resources of several companies around a single opera. Coordinated by a lead producer with responsibility for overseeing the commissioning and production process, co-productions benefit from the financial participation of partner companies that helps to reduce the expenditure that would otherwise be borne by a single company. The 'ownership shares' of each company in a co-production may vary, but advance commitment of partner companies is critical.

The benefit of co-production reaches beyond financial considerations by extending the initial life of a new work. Guaranteed performances in multiple cities give the creative artists an opportunity to refine and adjust the opera, and performers the chance to develop their musical interpretation and characterization. The opera can be seen by different audiences and reviewed by different critics. With a longer performance period, more producers are able to attend performances and decide if they wish to bring the opera to their companies. Marketing strategies can be honed and development teams can use the additional time to cultivate donors. This combination of factors, inherent to the co-production model, increases the likelihood of a work entering the repertoire.

While the benefits are widely recognized, a company's ability to enter into a co-production requires a level of financial strength that only a limited number of opera companies enjoys. OPERA America notes that only a small percentage of its members have entered into co-productions over the last few decades. Fewer still have been positioned financially to lead such initiatives, which limits the range of artistic voices fueling co-production partnerships. The benefits of the model have not been realized equitably across OPERA America's membership.

OPERA America expects that access to no-interest, no-fee loans will give more companies the financial flexibility to take advantage of the benefits of co-producing opportunities. As co-producing becomes more accessible to more companies, the landscape of American opera will flourish with more new work and more new productions reaching audiences in a greater number of communities.

Loan Parameters

Each company may request a loan of up to \$100,000, but no more than \$250,000 will be committed by OPERA America to the various partners of any single project. A single company may apply for and obtain multiple loans for different projects, provided the total of the loans does not exceed \$100,000. As loans are repaid, the company will be able to apply for subsequent loans.

The Loan Fund's priority is to strengthen the canon of American works from 20th and 21st centuries. OPERA America's sole criterion for a work to be eligible for a loan is that the composer or librettist must be a United States citizen or permanent resident.

Repayment of loans will be due in the fiscal year a company presents the production.

There are no minimum requirements nor limitations on the size or scope of the proposed production and its budget. Each eligible company in a consortium may apply independently for a loan to cover only the costs associated with its specific participation in the co-production. Costs may include, but not be limited to sets, costumes, commissioning fees and copy costs.

Co-production Consortium and Partnerships:

Only Professional Company Members (PCMs) operating within the United States will be eligible to receive loans. A co-production partnership can include Canadian and other international partners, but only American member companies may receive loans to cover the specific costs associated with their participation in a consortium. Similarly, consortia may include educational institutions, other Associate Members of OPERA America and even non-members, but only US-based Professional Company Members are eligible to request a loan. An applicant may be either the lead producer or a participant in the co-production.

Eligibility:

In order to be eligible for a Co-Production Loan, the applicant company must be a Professional Company Member of OPERA America in good standing. A company in good standing has met the following criteria:

- Has maintained Professional Company Membership for at least one year prior to the submission of application.
- Is current in the submission of reports for any prior OPERA America grants or loans.
- Is current in the payment of membership dues.
- Is current in the completion of the most recent Professional Opera Survey.
- Is current in updating the Membership Directory staff listings and Season Schedule of Performances.
- Has OPERA America's logo, including a hyperlink to the OPERA America website, in a prominent location on their website.

How to Apply

Please read the guidelines and review the application checklist before completing the online application. Application materials, including a loan agreement template, are available online at <https://www.operaamerica.org/content/about/grants.aspx> or from Laura Lee Everett at LEverett@operaamerica.org.

Applicant companies must provide financial statements for the previous three years, a co-production budget that shows the full cost of the production and the applicant company's share of the expenses and other materials as indicated on the application.

Review Process

Approval is based on the Loan Review Committee's assessment of the financial stability of the applicant, demonstrated capacity for successful production planning and documented strength of the co-production consortium. Members of the Loan Review Committee will not engage in artistic assessment of the work or production that is the subject of the loan application. Decisions of the Loan Review Committee will be final, although eligible applicants will be permitted to re-submit applications after receiving feedback from the Committee via the OPERA America staff.

Successful companies will receive preliminary notification that a loan has been approved with specific terms about the duration and repayment of the loan. Companies then will have up to 90 days to secure a Letter of Credit against default from a financial institution for the amount and duration of the proposed loan. (Companies will be responsible for covering the cost of securing the Letter of Credit, if any.) OPERA America will make the loan once the Letter of Credit has been received, accompanied by a letter from the company's Board President or Chairman and the General Director confirming that the company's Board of Directors has approved a resolution confirming the terms of the loan.

Loan Terms

Co-Production Loans are interest-free. There are no additional fees for administration of the loan by OPERA America. Loan documents, including repayment schedules, will be finalized when the loan has been approved. A loan agreement template is included in the application packet.

Repayment of Loan

Loans may be repaid in one payment or in installments. Loans are to be repaid in full at least one month prior to the load-in of the production. Early payments may be made without penalty. It is anticipated that repayment will begin in the first month of the fiscal year in which the applicant company will perform the opera that is the subject of the loan.

Acknowledgment

Co-Production Loans are funding mechanisms, not grants. OPERA America requires acknowledgement in printed performance programs as follows:

This production is made possible, in part, by a co-production loan from OPERA America thanks to the generous support of the Andrew W. Mellon Foundation.

Questions? Contact Laura Lee Everett, Artistic Services Director, at LEverett@operaamerica.org or 212.796.8625.