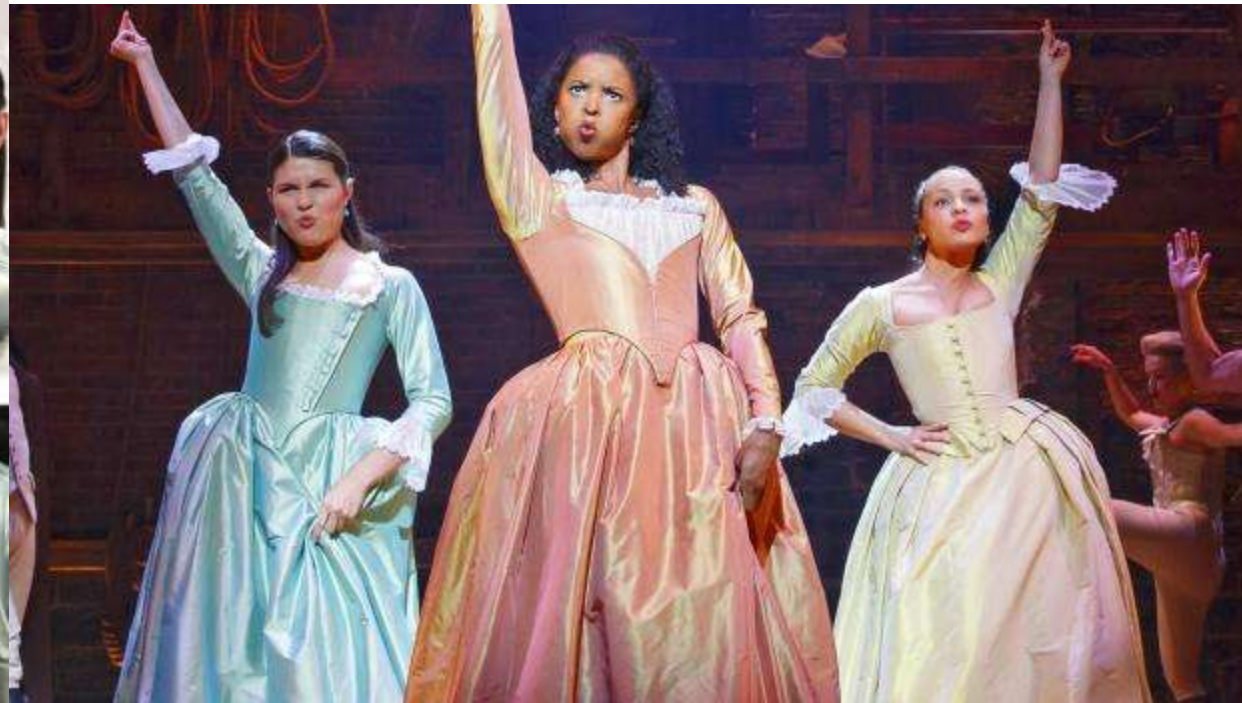


# Hamilton's New York

**“The Greatest City in the World”**

**According to Angelica, Eliza, (and Peggy)  
“lookin’ for minds at work” 30 minutes from now**



# The “Greatest City in the World”

Population 9.0 million  
300 square miles in areal extent





The "Wall"

# Plan view of Nieuw Amsterdam from 1660

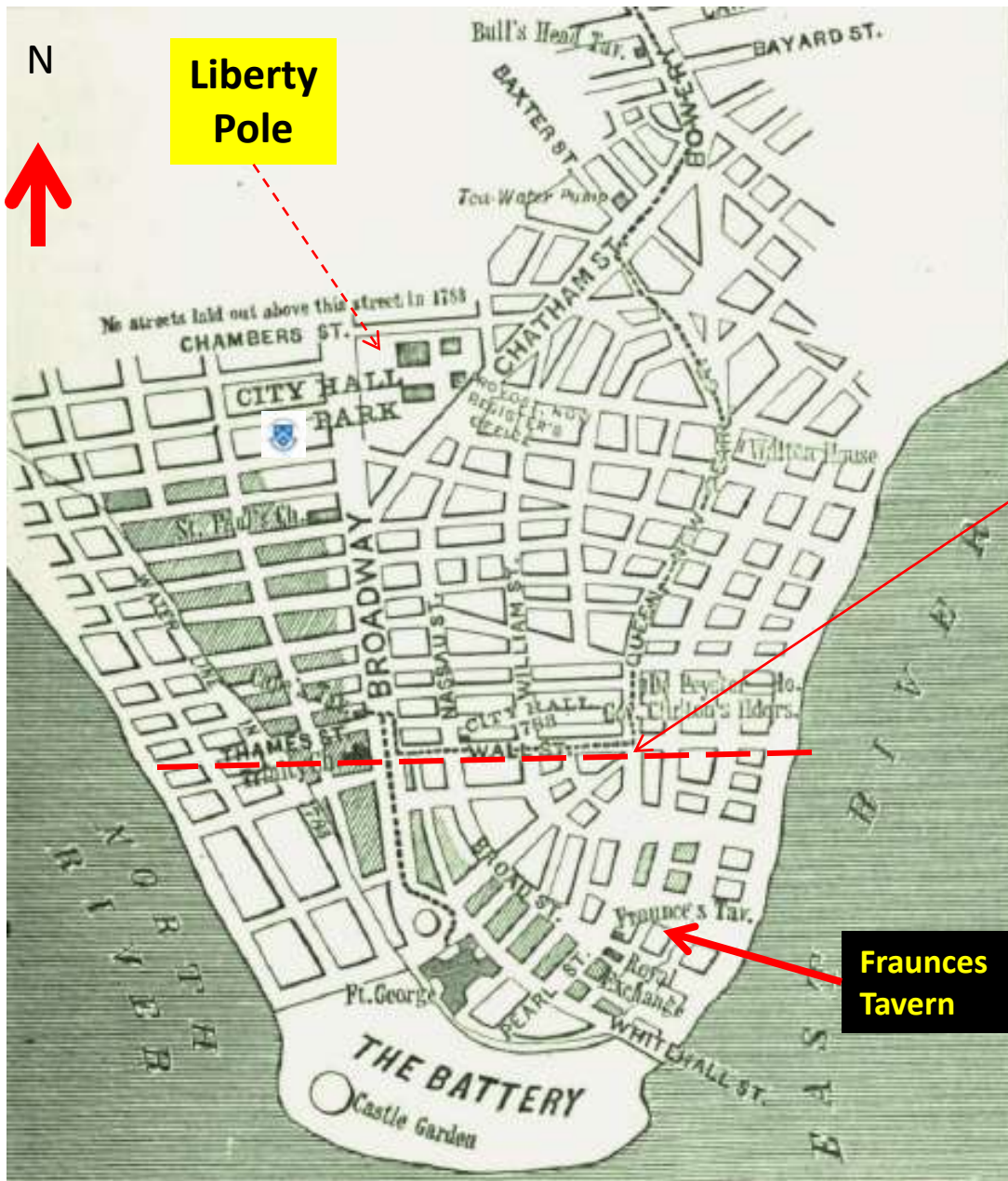
Jacques Cortelyou's Castello Plan

Population  $\approx$  2,000



Bowling Green (charging Bull and Fearless Girl)

Fort George (Fort Amsterdam)



# By 1770, the city had grown well to the north of the "Wall" of New Amsterdam

(abandoned in 1700 due to damage by pigs)

**Pop. 25,000**  
**Smaller in population and areal extent than the combination of Greenwood and Cherry Hills Villages**

**A small upper class**  
**Surrounded by dock Workers, sailors, and Rabble.**

**Patriots vs. Loyalists**

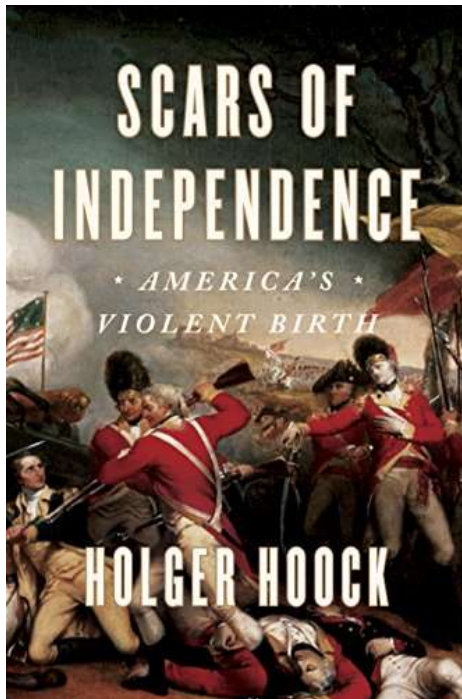


# Liberty Pole mob vengeance was common in the colonies following the seven years' war

AKA French and Indian War 1756--63

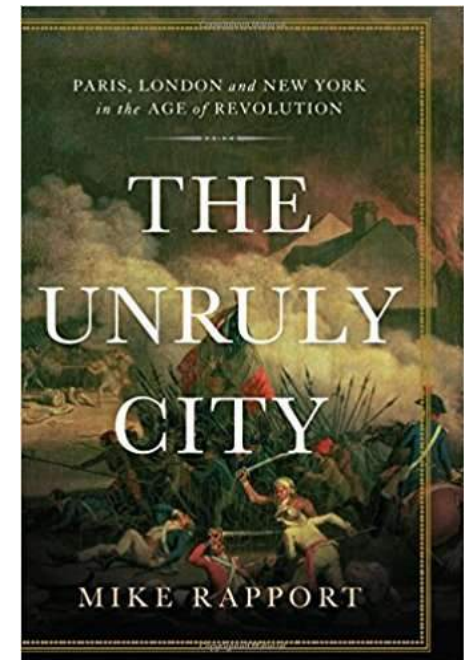


**The First (Military) Revolution was marked by intolerance, inhumanity, and savage war crimes. The Second (Constitutional) Revolution gave us our National Structure and Values.**



***“for my next project I will strip the barnacles of sentimentality away from the Revolutionary War”***

**Ken Burns**



# 1790—the Constitutional era





Hamilton Grange  
141<sup>st</sup> Street

Duel





# Manhattan's Middle-aged Spread



— 1650s —



— 1760s —



— 1880s —



— 1990s —

PBS. New York: A Documentary Film. "The Center of the World"  
[www.pbs.org](http://www.pbs.org)









Max Bialystok and Leo Bloom  
knew how to find investors

# Who makes what and how?

## Producing a Broadway musical



I'm not gonna miss my shot!

# The Broadway Business Model

## Accounting for the Creative Process

- **Receipts**

- Theatrical (Broadway, tour, foreign) ticket sales
- Gear, Licensing, Endorsements
- Recordings and books

- **Expenditures**

- Research and development Invested up front
- Production invest. (Sets, Costumes, for Broadway, tour, foreign)
- Exhibition operating costs--repetitive
- Ancillary production and sales support of gear and media



# Players

- 1. Producers (Sellers, Furman, Jacobs)**
- 2. Investors (100 +/- found by Producers)**
- 3. Creative talent (writing, composing, etc.)**
- 4. Performers (The cast)**
- 5. Friends and Family (Chernow, Miranda Sr.)**
- 6. Secondary market participants (scalpers)**

# Dividing the spoils

- **Worker Bees**
  - Direct payment (salaries, etc.)



# Actors' Equity on Broadway

- Scale: \$1,900 per week (eight performances)
- Some combination of media fee, understudy, swing, chorus, dance captain, fight captain, stunts, etc. can add another \$300/week +/-
- Having a big name can get you “Over Scale” on top of scale. Josh Groban, Taylor Swift, etc.
- To Start, the Hamilton actors likely each made between \$120,000--\$150,000 per year
- With the living costs in NYC, that equates to about \$60,000 in Denver
- Once it was obvious the show was a hit, the producers cut a better deal for the cast, throwing another \$1.3 million into a pot for them

# Dividing the spoils

- **Worker Bees**

- Direct payment (salaries, etc.)

- **Royalties**

- on Gear and other ancillary receipts




# Dividing the spoils

- **Worker Bees**
  - Direct payment (salaries, etc.)
- **Royalties**
  - on Gear and other ancillary receipts
- **Risk Takers** (you want to be in the room when it happens. . . )
  - **Gross points**
    - Less: Direct costs
  - **Adjusted gross points**
    - Less: Indirect costs and pure fantasy
  - **Net points**



# The Annual Spoils

first year estimates from the New York Times 12 Jun 16

1. Funds raised to develop the concept and create the show	\$12.5 mil
2. Annual Ticket Sales at the Richard Rodgers Theater	\$100.0 mil
3. Annual Revenues captured by Secondary Market Entrepreneurs	\$60.0 mil
4. Expected Touring Box Office Receipts per touring company	\$80.0 mil
5. Revenues from Gear, recordings, books, licensing	\$15.0 mil
<b>Annual Direct production costs in NYC (also approx. per touring co.)</b>	<b>\$34.0 mil</b>
1. Salaries/payments to NYC cast (30 total)—after deal was recut	\$ 1.3 mil
2. Family and friends: Chernow, Miranda sr., etc.	\$3.7 mil
3. Miranda—just from NYC production	\$6.4 mil
4. Rest of Creative Team—from NYC production: 7 people	\$6.4 mil
<b>Producers (Seller, Furman, Jacobs) and Investors (100+)</b>	<b>\$31.0 mil</b>
<b>Uncle Sam</b>   	???

# How movies differ from musicals

1. You only produce a movie once. Each subsequent exhibition has a very low marginal cost
2. Movie exhibition offers unlimited seating—cutting out (secondary market) ticket arbitrage
3. Movie revenues are generated quickly which increases ROI and avoids product ennui
4. Movies are (most often) structured to have worldwide cultural appeal in order to maximize immediate receipts



**IT grossed \$117.2 Million  
on 4,103 screens for opening weekend.  
Studio takes approx. 85% for opening week**





**IT grosses \$220 Million Domestically in first two weeks, adds another \$60.0 mil internationally**

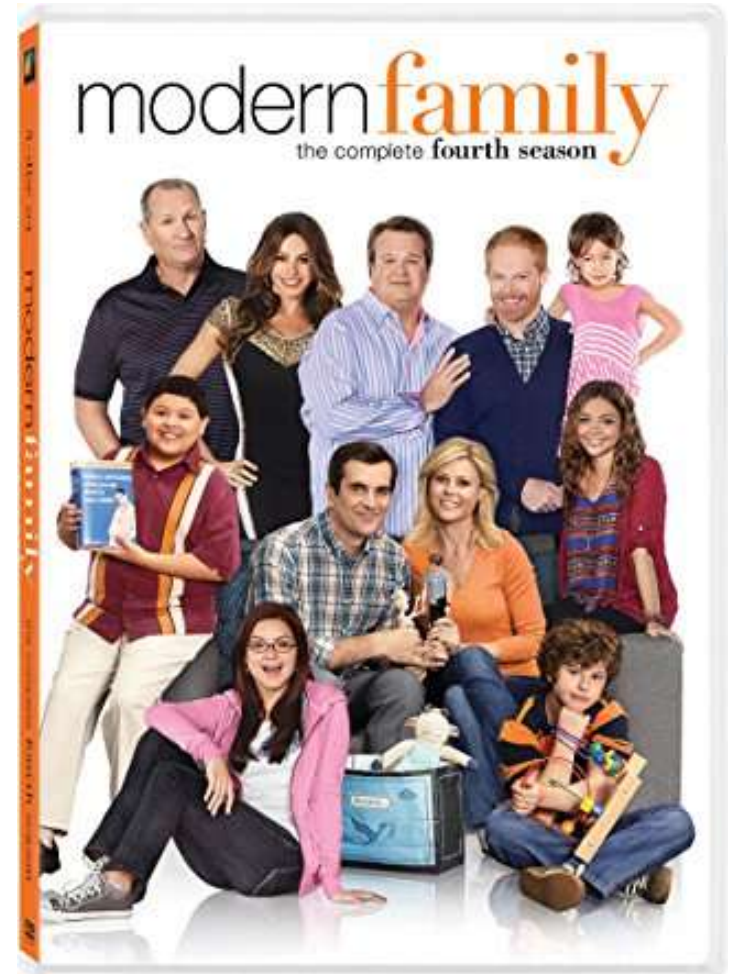
# What about producing for the small screen?



- 250 episodes over 11 seasons
- The five original stars take home \$900,000/episode
- The two new additions get \$500,000
- CBS now picks up the \$10 million/episode production costs to maintain the ratings translating into 19 million viewers
- Warner Bros. has already received over \$1.0 Bil from syndicating the show

# Other small screen Payments

- **\$500,000/per episode** for the six principals in “Modern Family”
- Will & Grace: **\$250,000/episode** for each of the four principals
- Jimmy Fallon gets \$16.0 million per season





**Miranda has said he wants everyone to have a chance to see Hamilton on stage before he considers a movie.**

Stubhub has about 350 tickets still available (\$300--\$2,500).  
What are you waiting for?

