



**Feasibility Study and Business Planning
for New Cultural Facilities**

Truckee-North Lake Tahoe

January 2009

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1. needs assessment summary

Webb Management Services has been hired by the North Lake Tahoe Resort Association (“NLTRA”) to develop a cultural facilities master plan for new, proposed and/or renovated cultural facilities in the North Lake Tahoe Region. This chapter is a summer of the study’s first phase of work - the needs assessment. A copy of the needs assessment presentation is appended to this report.

Of particular consideration in the master plan is the diversity and breadth of the North Lake Tahoe Region. The area is unified – and at the same time divided – by one of the nation’s most captivating environmental landmarks. It is one of the most popular tourism destinations in the United States, known for its tranquil summers, coveted ski resorts and outdoor recreation, family oriented activities and casinos. The population swells in the summer and winter months, due to high numbers of tourists and second homeowners.

This report summarizes the findings, conclusions and recommendations of Webb Management Services’ Needs Assessment for the NLTRA. Areas of research and analysis include:

1. Audience demand
2. User demand
3. Existing and proposed facilities
4. Benefits and impacts

Audience & Market Analysis

The first step in this process was to define a market for the region. Using anecdotal information from comparable communities, survey information from the Lake Tahoe Music Festival and experience defining market areas for cultural facilities in similar areas, we have defined the region into two key segments:

1. The North Lake Tahoe Region
2. The 30-mile radius surrounding Kings Beach

This analysis also examined the distinct differences between various communities in the region. Truckee has a larger proportion of families and has strong population growth. Sunnyside and Tahoe City have a high concentration of second homeowners, and population growth is relatively flat. Kings Beach has a significant Hispanic and Latino population as well as lower income levels. And in Nevada, Incline Village has an older and more affluent population.

Further, we have identified three distinct populations that represent potential arts attendees:

1. Permanent residents
2. Second homeowners
3. Visitors (i.e. tourists)

For the purpose of this study, second homes are estimated to be 40% of total housing stock. The numbers of second homes are increasing in the area likely due to aging baby boomers, newer tax laws and a national trend towards perceiving real estate as a sound investment.

Approximately 1.8 million people visit the region annually. This number is projected to grow at a conservative rate of 5% each year. The visiting population is somewhat restricted by the current hotel and motel inventory within the basin, which is limited by TRPA restrictions and land availability. Future development that is planned and approved will provide higher quality accommodations with luxury amenities, leading to an increase in the number of visitors.

All three population segments (permanent residents, second homeowners and visitors) have a good propensity to attend arts events throughout the region. The permanent population base is well educated and very affluent. The presence of growing seasonal and visiting populations also supports this conclusion. Key audience segments include:

- Growing Hispanic/Latino population throughout the region.
- Large regional empty nester and retiree population.
- Family populations in Truckee.
- Young adult and Hispanic/Latino residents in Kings Beach.

Even though the market is likely to support additional cultural facilities and arts activities, there are certain barriers affecting the development of regional facilities. First, North Lake Tahoe suffers from geographical isolation, with small insular communities and population “pockets”. Secondly, each of these communities has its own identity and is competitive in nature. Finally, studies conducted on a regional level and information gathered via in-person interviews indicated that despite the region’s strong capacity to support cultural organizations and activity, a majority of nonprofit contributions are made to organizations outside of the region.

Competitive Landscape

To understand the existing supply of cultural facilities, we reviewed local and regional facilities where arts events and programming regularly occur. The results show:

- There are 22 local facilities currently used for public performance or presentation on a consistent basis, ranging in size from a 60-seat performance space at the KidZone

museum to the large-scale outdoor facilities located in parks, ski resorts and even a golf course.

- Half of the region's facilities are operated by schools, churches, or casinos, facilities that are generally in poor condition and have limited theatricality.
- A large proportion of performing arts events take place in untraditional venues such as bars, restaurants, conference rooms and backyards.
- Larger regional performance spaces in Reno and Carson City host more significant touring entertainment.

In addition to live performance venues, there are 21 cultural facilities located throughout the region. These facilities include heritage museums, dance and theater studios, small galleries, and educational institutions. These cultural facilities tend to be in better condition than live performance venues and well-supported by the community.

Based on the existing facility inventory and interviews, observations about the current competitive landscape are:

- Quality and quantity of local performance facilities limit program opportunities for artists, arts groups, schools, community organizations and permanent, seasonal and visiting audiences.
- The inventory of cultural facilities may be stifling the development of cultural groups and the sustainability of local artists. For example, a lack of affordable artist workspace seems to be inspiring working visual artists to leave the area.
- Most local performance spaces are in poor to fair condition and were not created to support quality live performances.
- Many facilities are affiliated with schools and churches, with booking policies that are risky for outside users.
- There is a large inventory of outdoor performance spaces supporting seasonal festivals and events.
- There are a large number of proposed facilities, many have flexible concepts and are willing to reevaluate based on the recommendations of this study.

Uses & Users

The market and facilities analysis, along with input from a diverse cross-section of constituents, and previous research that was reviewed and collated in support of this report suggests demand for several types of programs.

There is a clear need for community-oriented cultural programming. Specifically, participatory or instructional classes for children and all-ages, family oriented programs and theatrical presentations. Programs should target Hispanic and Latino populations, children and young adults. There is also a notable demand for programming geared toward older adults, empty nesters and retirees. And there is a need for some programming that is very affordable and/or free.

There is also notable demand from area arts groups for localized cultural facilities, including a small to mid-sized high quality performance space. Specific demand includes:

- 708 potential uses for a performance venue of up to 300-seats.
- 287 potential uses for a venue with between 325 and 500-seats.
- 86 potential uses of a venue with more than 1,500 seats.
- 124 potential uses for outdoor facilities.

Also required are sufficient rehearsal facilities, more classroom and teaching space, as well as outdoor event and performance space. And visual artists in the community have insufficient workspace, exhibition, gallery and studio space.

Benefits & Impacts

By complementing the priorities of current planning initiatives, as well as the goals, sensibilities and flavor of varying local communities, new cultural facilities have potential to further improve an already high quality of life, attracting and enhancing workforce and productivity of existing businesses, supporting community development and also serving as an important economic driver.

Conclusions & Recommendations

The North Lake Tahoe Region has a good propensity and capacity to support additional cultural activity. Existing venues limit the quality and quantity of cultural activity, stifling the establishment and growth of local arts organizations. There are a number of new facilities in development, and a clear need for quality performance venues in the region.

The following observations are of particular importance:

- New facilities and programs should first aim to serve the local permanent residents, then market to the seasonal and visiting populations.
- There is notable demand for facilities and programs on the part of regional residents and organizations.

- Investment within new cultural activity and facilities may offer an opportunity to further develop a unified sense of regionalism, particularly through the development of a creative economy.

There are five types of needs for cultural facilities in North Lake Tahoe.

1. Community based cultural facilities in Truckee, Tahoe City, Incline Village and Kings Beach.

The primary objective of these spaces is to provide functional space and accessible programs for permanent residents and second homeowners. Physical characteristics of these spaces should include flexible performance space, rehearsal space, wet, dry and media-oriented classrooms, dance studios and exhibition space. Community arts facilities should encourage cultural activity, develop local arts organizations, provide “hands on” programming for all ages and more.

2. Larger facilities to serve North Lake Tahoe as a whole.

- a) One facility should support the North Lake Tahoe arts community, unifying regional arts groups and audiences. The facility should offer events and programming that are interactive and engaging. To accommodate this type of programming and ensure a sustainable operation, physical characteristics should include:
 - 500-seat performance space with fly tower.
 - 100-seat black box theater.
 - Children’s arts facilities.
 - Rehearsal space suited for dance.
 - Multi-media capabilities including film equipment.
 - Administrative space for resident groups and short-term community access to administrative and meeting space for other arts groups and artists.
 - Meeting space.
 - Exhibition or gallery space.
- b) A second facility should focus on providing audiences with year-round, nationally-respected performing arts events. This facility should focus high-end performers and talent, presenting world-class dance, music and theater. To appeal to national presenters and performers, this space should possess the following physical characteristics:
 - 800-seat ‘jewel-box’ performance space.
 - Orchestra pit.
 - Fly tower.
 - Quality acoustics.
 - Proper backstage amenities.

- Large lobby with a high level gallery.
- High quality food service.
- Ability to convert (or partially convert) to flat floor for cabaret style events.

3. Appropriate and permanent outdoor facilities.

A large inventory of amphitheaters and outdoor performance spaces already exist in the region. But many of these spaces are untraditional, lacking fixed seating or stages, stage coverage and basic patron amenities. New facilities should possess some of these characteristics. Consideration should be given to the audience experience, creating a comfortable atmosphere for large audiences and highlighting the beauty of the region. Specific recommendations include:

- a) A flexible outdoor plaza for local festivals, art fairs and informal music.
- b) One high-quality, mid-sized amphitheater with a spectacular setting.
- c) One larger capacity amphitheater to meet the economics of commercial touring artists.

4. Heritage facilities.

These types of facilities are inherent to the rich history of the North Lake Tahoe Region. While the study findings do not suggest specific concepts for museum and heritage projects, we endorse their development as long as they do not drain the funding pool. These projects should be allowed to develop in an entrepreneurial manner, potentially fundraising capital costs and building a sustainable operation.

5. A visual arts center.

Interviews with local artists indicate a strong need for adequate workspace as well as sufficient retail and exhibition space. A Visual Arts Center would establish a cultural, creative identity, connect local working artists, employee professional artists, reduce the trend of artists leaving the region and more. This facility should include:

- Space in which local artists can create and sell their work.
- Program space for artists to teach classes.
- Multi-purpose room for lectures, meetings and more.
- Nonprofit exhibition space.
- Food service for visitors and artists.

2. advancing recommendations

We will now address the question of how to advance various recommendations, starting with our two policy/infra-structure recommendations and then working through all of the various facility options.

1. The Arts-based Economic Development Strategy

The opportunity we see is for the development of a regional economic development strategy that is based on the creative economies concept – that places with active arts and cultural communities (and workers) have the chance to drive economic development in a number of key sectors that increase jobs, the tax base and the sustainability of the region.

The first example that we brought to the table was the Berkshire Creative Economy Project. Here is an area with many similarities to Truckee North Lake Tahoe – a popular tourist destination with a series of relatively isolated towns, strong ties to the landscape and limited modes of transportation. The project is being led by the Berkshire Economic Development Corporation, which is investing in nonprofit organizations, artists and then related commercial enterprises in the areas of media, commercial arts, design, literacy, visual arts and crafts, performing arts, heritage and conservation. These investments include both capital projects and operating support, which have already contributed to job creation and the recruitment of targeted industries to the area.

Another interesting example of using the arts for broader purposes is in the rural community of Starksboro, VT, where artists have been commissioned by Middlebury College, the Vermont Land Trust and the Orton Family Foundation to collect stories and create art that will engage citizens in discussions about their values and visions for the future of the Town. This work will inform the Town Plan, leading to future development that maintains the characteristics and vision important to citizens.

Whereas some of our other recommendations will lead to projects and benefits in a particular place, the economic development initiative has a truly regional scope. It is an opportunity for all of the towns in the two states to come together for their collective benefit. The question is how?

We would recommend the following steps:

- Assemble a leadership team – a number of the groups driving the cultural master plan are the same ones that should lead this next effort – the North Lake Tahoe Resort Association, the Truckee Tahoe Community Foundation, the Arts and Culture Council of Truckee Tahoe (ACCTT), the Tahoe Mountain Resorts Foundation and the

Parasol Foundation. The other benefit of this group is that they can come to the table with seed capital to get the ball rolling.

- Conduct research on options and opportunities – with or without outside support, the leadership team should undertake research on the how’s and why’s of an arts-based economic development strategy.
- Design the economic development strategy – based on the results of the research and using the results of the cultural master planning (particularly the information on audiences, artists and facilities), design an arts-based economic development strategy for the Truckee North Lake Tahoe Region, that leads to a plan with budgets, schedules and implementation strategies.
- Communicate - undertake an effort to communicate the strategy and its potential impacts and benefits in the region, to build general support for the plan as a basis to solicit funds for its execution.

2. The Regional Arts Service Organization

Our second recommendation is to build an organization that would more directly support and sustain the arts and cultural community in the region. The organization could provide technical assistance for cultural organizations (potential for an incubator program), professional development for artists and arts professionals, engage in cultural promotion and ticketing, provide centralized marketing efforts, act as an arm’s length funder for artists and organizations and take responsibility for the implementation of the cultural facilities master plan. Such an organization can access funding not available to individual artists and organizations. If it truly represents the community, it can be an effective communicator and advocate for the arts. And it can enhance the level and quality of communications within the regional arts community, as well as promote the role and value of the arts to the broader community.

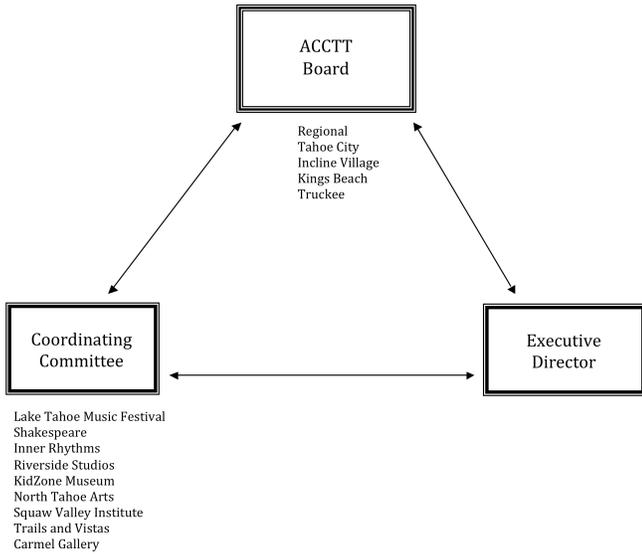
The question we’ve struggled with over the course of our study is whether to create a new organization to take on these responsibilities or to direct an existing organization towards these goals. We have been working with the ACCTT over the last seven months and have come to believe that they are the organization that should take this on. In fact, the group has done significant work over the past several months to prepare for these challenges.

The following chart (all have been prepared by ACCTT) identifies focus areas for the organization. These various programs and initiatives have come out of the arts community and our work, and they represent an ambitious set of programs that will inevitably be developed over time.

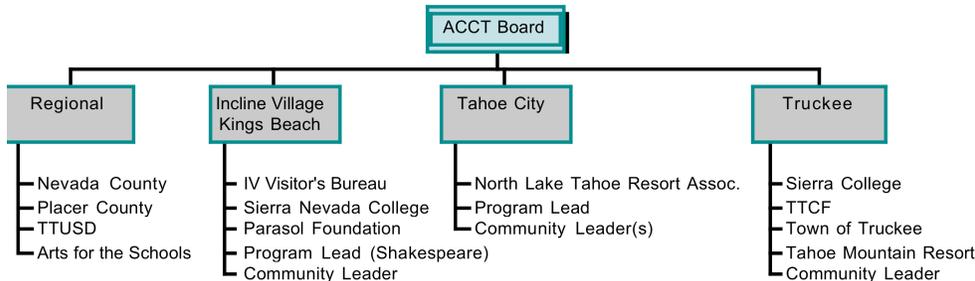
ACCTT Focus Areas Chart



The next issue for the organization has been the relationship between board, staff and key arts partners, represented by this next graphic. It suggests the critical role to be played by key arts organizations in the region, the need for paid staff and the importance of a regional board. That of course is the biggest challenge, as the current board is heavily weighted with Truckee-based arts groups.



ACCTT Organizational Structure



This chart suggests how the board might look if built to include more representation from other communities and more non-arts leaders (particularly funders).

The challenge is how to build and broaden the board over a period of

time. Over the years, we have observed many groups in similar situations and would therefore recommend the following steps:

- The organization should set up and empower a nominating committee to first draft up goals and a timeline for additions to the board.
- This committee should work quickly to develop a plan and schedule for full board approval. That report should also re-affirm representational goals and suggestions on term limits.
- We would suggest adding no more than two new board members per quarter, and also including term limits in the 3 to 5-year range from non-funding partners.
- Over time, the board should develop a 'give or get' policy that actively engages all board members in fundraising.
- The board might consider maintaining a minimum of 50% representation by artists/representatives of regional arts organizations.
- Additional committees should be added incrementally depending on the programs and priorities determined by the board. These might include committees for programming, marketing, fundraising, education or perhaps the focus areas noted above.
- We are generally in favor of large boards (20 to 30 members), but only if there is an additional executive committee that meets on a more frequent basis and is actively engaged in major decision-making. This group should consist of 6 to 8 people, and managed in such a way that there is rotating representation for different partners from each part of the region.

On the following page is a preliminary pro-forma operating budget that reflects the expansion of the organization and its services over the next four years.

Here are key assumptions driving the budget:

- Programs are added incrementally. The organization starts with communications and advocacy in 2009, then the economic development through the arts program in 2010, the centralized ticketing and technical assistance in 2011.
- Member dues grow steadily from a variety of sources.
- Key start-up funds are provided for three years by the NLTRA, TTCF and the Tahoe Mountain Resorts. That funding ends after 2011 and is replaced by higher program fees and funding from other sources.
- The bulk of expenses relate to personnel, including the Executive Director, administrative support, a program coordinator and then other contract staff for training and consulting.
- Non-personnel costs are kept to a minimum until advertising and information technology services are added.
- Overall, the organization and its budget grow with its programs, but only insofar as external funding can be secured to support those efforts.
- The fiscal sponsor fee is an annual amount paid to Placer County Arts for use of their 501(c)3 status.

| ACCTT Pro-forma Operating Budget | | | | |
|--|--------------------|----------------------|-----------------------|-----------------------|
| Budget | Projected | | | |
| | 2009 | 2010 | 2011 | 2012 |
| PROGRAMS | | | | |
| | Advocacy | Advocacy | Advocacy | Advocacy |
| | Communications | Communications | Communications | Communications |
| | | Eco. Dev. Initiative | Eco. Dev. Initiative | Eco. Dev. Initiative |
| | | | Centralized Ticketing | Centralized Ticketing |
| | | | Technical Assistance | Technical Assistance |
| REVENUE | | | | |
| Membership (various levels \$50-\$1,000) | - | 3,500 | 5,000 | 7,500 |
| Partner Dues (\$3,000 and above) | | | | |
| NLTRA | 5,000 | 5,000 | 5,000 | 5,000 |
| Town of Truckee | 5,000 | 5,000 | 5,000 | 5,000 |
| Incline Representatives | 3,500 | 4,000 | 6,000 | 9,000 |
| Chambers | 3,500 | 4,000 | 5,000 | 6,000 |
| Ski Resorts | 3,500 | 4,000 | 5,000 | 6,000 |
| Nevada County | 3,500 | 4,000 | 5,000 | 6,000 |
| Placer County | 3,500 | 4,000 | 5,000 | 6,000 |
| Total Member Dues | 27,500 | 33,500 | 41,000 | 50,500 |
| Start up commitments (3 years, end 2008) | | | | |
| NLTRA | 10,000 | 10,000 | 10,000 | - |
| Tahoe Mountain Resorts | 10,000 | 10,000 | 10,000 | - |
| Incline Representation | 10,000 | 10,000 | 10,000 | - |
| TTCF | 10,000 | 10,000 | 10,000 | - |
| Total Start up | 40,000 | 40,000 | 40,000 | - |
| Program Fee | | | | |
| Public Art - facilitation, consultation | 5,000 | 7,500 | 10,000 | 10,000 |
| Ticketing (\$2/ticket) | 5,000 | 7,500 | 10,000 | 10,000 |
| Marketing Events | 2,500 | 5,000 | 5,000 | 7,500 |
| Buck Program | 2,000 | 25,000 | 50,000 | 75,000 |
| Grants | - | 15,000 | 30,000 | 45,000 |
| Total Program Fees | 14,500 | 60,000 | 105,000 | 147,500 |
| TOTAL REVENUE | 82,000 | 133,500 | 186,000 | 198,000 |
| EXPENSES | 2008 Budget | 2009 | 2010 | 2011 |
| Personnel | | | | |
| Administrative | 7,500 | 15,000 | 20,000 | 20,000 |
| Executive Director (part-time) | 50,000 | 55,000 | 60,000 | 65,000 |
| Program Coordinator | - | - | 25,000 | 25,000 |
| Trainers and Consultants | - | - | 15,000 | 20,000 |
| Total Personnel | 57,500 | 70,000 | 120,000 | 130,000 |
| Non-Personnel | | | | |
| Supplies/Expenses | 1,000 | 2,000 | 3,000 | 4,000 |
| Events (Artists Unite, etc.) | 1,500 | 3,000 | 3,150 | 3,308 |
| Postage | 500 | 1,000 | 1,050 | 1,103 |
| Travel/meeting expense | 1,500 | 2,000 | 2,100 | 2,205 |
| Other-Printing and Copying | 2,000 | 2,200 | 2,310 | 2,426 |
| Information technology | | 7,500 | 15,000 | 20,000 |
| Advertising | 3,500 | 7,000 | 14,000 | 21,000 |
| Total Non-Personnel | 10,000 | 24,700 | 40,610 | 54,041 |
| TOTAL EXPENSES | 67,500 | 94,700 | 160,610 | 184,041 |
| Fiscal Sponsor Fee | 5,740 | 9,345 | 13,020 | 13,860 |
| NET REVENUE | 8,760 | 29,455 | 12,370 | 99 |

As ACCTT moves forward with this work, we would stress the importance of partnerships with local leaders and regional service organizations – most importantly PlacerArts. PlacerArts is the Arts Council of Placer County, a nonprofit, public benefit catalyst for the arts and humanities. Founded in 1983, PlacerArts is designated by the Placer County Board of Supervisors as the State Local Partner of the California Arts Council, a state agency. They promote the good work of the regional constellation of arts producers, provide links between arts producers and the public, provide networking, facilitation and technical assistance to organizations and individual performing, visual and literary artists, and fiscal services and grants for qualified projects. They partner with municipalities, school districts and other agencies to maximize limited resources for public benefit and also serve as County Arts Lead

to the California Department of Education for Placer County Office of Education.

PlacerArts also coordinates projects and is the fiscal receiver of the Sierra Nevada Arts Alliance. (The region covers the 22 counties of the Sierra Nevada Conservancy and includes the Tahoe-Truckee region, as it is within the service footprint of PlacerArts).

3. The Matching Exercise

In September, we came to the area for a series of individual and group meetings designed to help us determine how to move forward with various facility development options. The challenge is made clear by the following two lists.

The list on the right side is the set of facilities we have recommended, while the list on the left side shows all of the various facility development (or improvement) projects now under discussion. The fact that so many projects are being considered is one of the driving forces behind this study – how can our work help to coordinate all of these initiatives in such a way that the broader needs and interests of the region are being served?

Facilities in Development

1. Homewood Amphitheater (1,500 seats)
2. Northstar Amphitheater (2,500 seats)
3. Amphitheater at Martis Camp (capacity N/A)
4. Northstar Performing Arts Center (500 seats)
5. Truckee Community Center (300 seats, 80 seats)
6. Sierra Nevada College Performing Arts Center (300 to 500 seats plus rehearsal hall)
7. Railyards mixed-use development
8. Downtown Truckee Expanded Carmel Gallery
9. Squaw Valley Ski Heritage Museum
10. Expanded Gatekeepers Museum
11. ACCTT Performing Arts Center Concept

Potential Upgrades/Expansions

1. Kings Beach Conference Center
2. Calneva
3. Truckee Parks and Rec. Building
4. Highlands Community Center, Tahoe City
5. Fairway Community Center, Tahoe City
6. Olympic Movie Theater, Squaw Valley
7. Truckee Library

Recommended Facilities

1. Outdoor Plaza Event Venue
2. Large Capacity Amphitheatre
3. High-Quality Amphitheatre with Distinct Setting
4. Visual Arts Center
5. State-of-the-Art Performing Arts Center (800-seats plus high-end gallery)
6. Regional Cultural Arts Center (500-seats, 100-seats plus add'l spaces)
7. Community Arts Facilities
 - Truckee
 - Tahoe City
 - Incline Village/Crystal Bay
 - Kings Beach

We approached this challenge by working our way through the list of recommendations, trying to determine which (of any) of these development options might satisfy the needs for the project, and considering where various facilities might be developed. Our conclusions are as follows:

Community Arts Centers

In Truckee, we considered a number of options for the development of a Community Arts Center. Best among these is the plan now being considered by Truckee Parks and Recreation to convert the current community center into a community arts center as and when the community center moves to its new location. In that regard, Parks and Recreation has recently engaged local architects to consider what size of auditorium might be developed if the current gymnasium is demolished.

There are other examples of Parks & Recreation arts facilities that have been developed in conjunction with private partners. For example, the Middletown Arts Center in Middletown, NJ was created via a partnership that developed among the Parks, Recreation and Cultural Affairs Department and the Middletown Township Cultural and Arts Council. Through a lease agreement with the Township, the Center is operated by the nonprofit Middletown Township Cultural and Arts Council. Since its inception in 2001, the Center has offered award-winning programs and community events in their new 23,000 square foot facility. The Center is located in a former commercial space that was converted into a beautiful, yet practical facility for the community.

In Incline Village, there are also a series of options. We would encourage the further exploration of both the Boulder Bay mixed-use development and the Parasol Foundation facility.

In King's Beach there is only one realistic option, but it's a good one in that the PUD is most interested in finding a better use for what is now called the King's Beach Conference Center. It is also clear that only minor modifications might be necessary to transform the facility into a series of small performance, rehearsal, practice, teaching and exhibit spaces.

For Tahoe City, there is a much longer list of possibilities. None are perfect, but all of them have some possibilities. The determination of which to move forward with will depend on efforts in Tahoe City to determine best uses for all of these spaces relative to other community needs. For the purposes of our cultural master planning, we will build a preliminary business plan around a 15,000 square foot Community Arts Center, whether that is new construction or (more likely) the adaptive re-use of an existing building.

The Visual Arts Center

When conceiving of a new visual arts center for the region, we were thinking of places like the Torpedo Factory in Alexandria, VA and the Spanish Village Arts Center in San Diego, CA. The ideal scenario would be to find one very large or a series of older buildings that are charming and available for redevelopment. That opportunity has not yet emerged. But it does seem clear to us that it makes the most sense to pursue the development of the visual arts center in the Truckee area, as this is where

the largest community of working artists is based and where we are most likely to find an existing structure or structures that might be converted into artists studios and selling space, as well as some areas for teaching.

In our matching exercise, we looked at the Railyards mixed-use development project, which is appealing in that this is a project that would benefit from having a cultural component. The problem is that these sorts of spaces make less sense as a part of new construction, both in terms of aesthetics and cost structure. We also looked at the existing Community Arts Center. Here the problem is that Parks and Recreation is prepared to convert and sustain the building as a community center, but will not easily be convinced to financially support the conversion of the structure into a place for the creation and sale of artwork.

Our sense is that the future of this project depends on identifying and then quickly taking control of an existing industrial structure near downtown Truckee, hopefully then leading to the conversion of other buildings nearby. For the time being, we will develop an operating plan for a 5,000 square foot conversion.

The Regional Cultural Arts Center

We identified a series of possible locations and partners for the development and operation of a new performing arts facility to serve regional artists and organizations.

One of the options for the development of a new regional center is to advance the concept of a cultural arts center put forward by ACCTT board members. This is a concept for a building that includes a series of spaces for particular organizations (KidZone and Inner Rhythms) as well as other regional arts groups. There is apparently some interest on the part of regional foundations to fund the project, with indications of interest in the range of \$4 million. On the other hand, the concept lacks a site, needs an operator and faces the prospect of much more fundraising. A more preferable option given the level of fundraising achieved, and immediate needs of the KidZone would be for that organization to look into partnering with Holiday Development as a key anchor of that downtown site.

The other key option for the regional cultural arts center is to partner with Sierra Nevada College, in Incline Village. In fact, we see this as the option most likely to progress and result in a successful building, given:

- The College is proceeding with plans for build a new 400-seat hall surrounded by teaching facilities for the performing and visual arts.
- A donor has been identified for a lead gift of up to \$18 million, which will drive the project forward.
- Colleges are generally good facility development partners. They are experienced at raising capital and operating dollars, they have staff to develop and maintain facilities and they bring daytime activity and younger audiences to these spaces.

- The new hall will be actively used by the College for its teaching and presenting programs, but there will be more than sufficient dates that it can be booked by regional arts organizations.

At the same time, there are a number of challenges with this option. A location in Incline Village will be somewhat out of the way for a group of potential users. There is the possibility that the College and its donor will not have sufficient funds to deliver the project. And nonprofit arts organizations are always leery about seeking access to campus facilities, where other priorities often exist.

Nevertheless, we see the Sierra Nevada plan as one worth supporting. We have thus determined that we should write our preliminary business plan around the specific opportunity. It will suggest to local groups how (and for how much) they might use the new hall. It will inform the College about the operating implications of the project. And it may even aid their capital fundraising efforts.

The Regional Performing Arts Hall

For this project, which is the one more oriented to larger-scale touring arts and entertainment, we also considered a range of possibilities, including some of the same ones as the regional performing arts hall. In our minds, Sierra Nevada College's interests are more in line with the first option. And the Martis Valley option is more of an idea than a plan. And though this may well be the most difficult piece to achieve over the long-term, we are inclined, at least initially, to promote the Northstar facility development plan as a strong potential partner with whom to achieve these spaces.

The idea of developing new facilities (both indoor and outdoor) at Northstar is somewhat controversial. There is the perception that parking and access will be difficult. There is a sense that the location is somewhat out of the way, and that a venue up on the hill won't be accessible and welcoming to regional residents. Northstar's plans address these issues, but the lingering feelings about the project will not easily dissipate. In our minds, it should come down to a more practical consideration - here is a developer that is willing to move forward with a project that will provide both indoor and outdoor facilities that fit with the master plan. They are contributing the site and will lead the fundraising effort (and likely raise some capital from their own development partners).

There will be a community component to the capital campaign. And at some point in the future, key community funders will be approached for support and will ask themselves the following key question:

“Is it in my philanthropic interests and the broader interests of the region for me to give \$X million to this project given its direction and probability of success, or is it better to wait for a different request for a different project at some point in the future?”

We cannot predict how funders will respond to that question, nor to the likely result of a community campaign, but we do believe that the Northstar project deserves the chance of getting to the point of the community ask. On that basis, we will develop some preliminary business plans for the regional performing arts hall (and an amphitheater) at Northstar.

We see potential for the regional performing arts hall to serve as a cultural destination for residents and visitors alike. Depending on activity at the Hall, we could imagine that seasonal residents might be more inclined to visit because of interesting programming. Based on anecdotal information from the Aspen Chamber of Commerce and Resort Association, cultural events help bring second homeowners back to Aspen quite frequently. According to the Association, the seasonal population tends to plan their schedules around cultural events held in Aspen, including the Aspen Summer Music Festival, Jazz-Aspen Snowmass, Aspen Santa Fe Ballet, Aspen Ideas Festival and the Aspen Institute.

New Amphitheaters

We have suggested that a series of new outdoor facilities might be feasible, under three categories. In the large-capacity category, we looked at options in Alpine Meadows and the Tahoe City Golf Course. Both might work, though there are no definite plans in either location. For the mid-size category, we looked at Northstar and Homewood, where there are plans in place to build these facilities, and Commons Beach, which currently functions as a mid-size amphitheater on a temporary basis. And for the event plaza facility, we saw a range of options in different communities. From our perspective, all of these are good opportunities and we would encourage their further development. Homewood and Northstar should move forward with their plans, as neither will fully satisfy demand for outdoor events and both are well integrated into larger development plans. Commons Beach will continue to work as long as acts can be booked and audiences come. Perhaps one of the Alpine Meadows and the Tahoe City Golf Course options will advance, which we would support as long as there is a willing operator. And the various event plazas should be pursued in each of the communities as and when resources allow.

The key to all of this is that amphitheaters can be developed for a fraction of the cost of indoor facilities. And more importantly, they can be operated in a cost-effective manner with virtually no overheads. Thus, from our perspective, we should support the development of any outdoor facilities that meet the following criteria:

- They are developed with an operating partner and programmer in mind.
- They require only minimal operating support to be sustained.
- Their construction does not take appreciable funding away from the larger indoor projects now under consideration.
- They fit with the character of the region even when not in use.

The Railyards Development

Finally, we would like to address one specific opportunity - a mixed-use development that might well include one or more cultural components. We are taking a different approach with this project, as we see the need to move quickly to identify appropriate cultural components and then determine how to get them into the development.

The Railyards project in Truckee is being lead by Rick Holiday. The plan is for a 25-acre mixed-use development that includes residential, office, retail, restaurants and entertainment. The current plan shows one 60,000 square foot block that has been designated as a theater (a multi-screen cinema in fact). There have been some preliminary discussions with Sundance about operating the venue, and the current plan calls for 6 to 8 screens. In fact, the developer is open to a range of options and opportunities to include a cultural component on the block. There is a concern that the location of the project relative to the Truckee airport might limit development options, but we still see several opportunities:

- One or more of the cinema venues might be developed in such a way to support live performance, with a small stage, backstage and package of equipment. This is more difficult than it sounds, as spaces for live performance require a different interior geometry than film and the support spaces are significant. Nevertheless, it has been done before and the opportunity to get a new smaller performance space in this way is attractive. In our minds this might serve as the up to 200-seat hall proposed for the Community Arts Center if that venue is not feasible at the existing community center site. We would not recommend building a much larger hall at this location unless there was an operator prepared to take on the challenge of programming and sustaining the space.
- As mentioned earlier, this might be a reasonable location for our visual arts center. New construction is less than ideal for working artists with limited resources, but this could be the location of a cooperative gallery or retail outlet for the visual arts.
- We are intrigued by the possibility that KidZone and/or InnerRhythms could be recruited as the cultural components, leading to the development of a children's museum and dance studios on the block. These particular spaces make great sense at this location. Truckee is a family-friendly community seeking more downtown amenities. These kinds of spaces make sense in an urban setting, as long as there is adequate nearby parking and drop-off locations. The daytime activity associated with these programs would drive business to local retailers and increase quality-of-life for those moving to the development. KidZone and Inner Rhythms have already been working on plans for joint facilities. And these two organizations likely have the skills and resources to be effective operators of new facilities.

For now, what matters is engaging Mr. Holiday in a continuous dialogue on how to include cultural components in the Railyards development. Of course all of this seems daunting given the current economic/development environment, but we would encourage patience on the part of all partners. Then, as project parameters and timing become clearer, ACCTT and others can advance more specific plans with the development team.

We now proceed with the development of business plans for a typical Community Arts Center, a Visual Arts Center, the Regional Cultural Arts Center at Sierra Nevada College and the Regional Performing Arts Hall and Amphitheater at Northstar. Our goal is to suggest how each of these facilities is brought to life, managed and financially sustained.

3. community arts centers

We have recommended the development of community arts centers in each of the towns included in the study area. We have also acknowledged that each of these facilities might be quite different based on the facilities that might be available for conversion, the project sponsor and the specific needs of each community. Appended to this report are descriptions of community arts centers similar to what we are recommending here. For purposes of this exercise let's assume that each community develops (or redevelops) a center with the following characteristics:

Area: 15,000 gross square feet

Components:

- 200-seat flexible performance space with an enclosed stage and backstage areas.
- 75-person capacity multipurpose room for smaller performances, rehearsals, meetings and special events.
- A gallery space that can also host meetings, programs and special events.
- Two classrooms.
- A concession area/coffee bar in the public space.

New let's consider all of the various ways that the building comes to life:

- **Nonprofit arts rentals:** Local artists and organizations would rent the performance space and multipurpose room for performances and rehearsals.
- **Commercial arts rentals:** Commercial arts groups (say local musicians) or touring programs could also rent the space for performances.
- **Exhibits:** The gallery space would be programmed with a series of curated exhibits, focusing on the work of local and regional artists. In some cases the Center organizes and runs these shows and in other cases they rent the gallery to outside groups who organize shows.
- **Programs:** A key activity is the programs developed and run in the theater, multipurpose room, gallery and classrooms, ranging from group music lessons to a seniors' theater program.
- **Community and civic events:** All of the spaces are available for various kinds of community events, from political debates to PTA meetings.
- **Private and corporate rentals:** All of the spaces are also rentable to individuals and companies seeking space for meetings, presentations, reunions, weddings and more.

Let's also describe some operating goals for these community arts centers, framed in terms of how we might define success in these facilities:

- These centers should support the growth and development of arts and culture in each community, providing opportunities for artists and organizations of all types and skill levels to advance their work.
- New centers should be affordable and accessible to all users, particularly local artists and arts organizations.
- These facilities should be actively engaged in the teaching of art to the citizens of the community.
- Community arts centers should be seen as “community living rooms” and gathering places, where people come to share their experiences and express themselves.
- Finally, these facilities should be operated in such a manner that they can be financially sustained with available resources.

The next issue is what kind of organization is created or contracted to run the facility. Our continuing research on comparable facilities confirms that community centers can be run effectively by the public sector (i.e. local government) or the private sector (a new or existing 501(c)3). More of them tend to be operated by local government (or a related agency) because they are seen as providing basic services in the community, like other kinds of recreation or leisure services. So we will leave it to each community to determine who is the specific operator of the space they develop for this purpose.

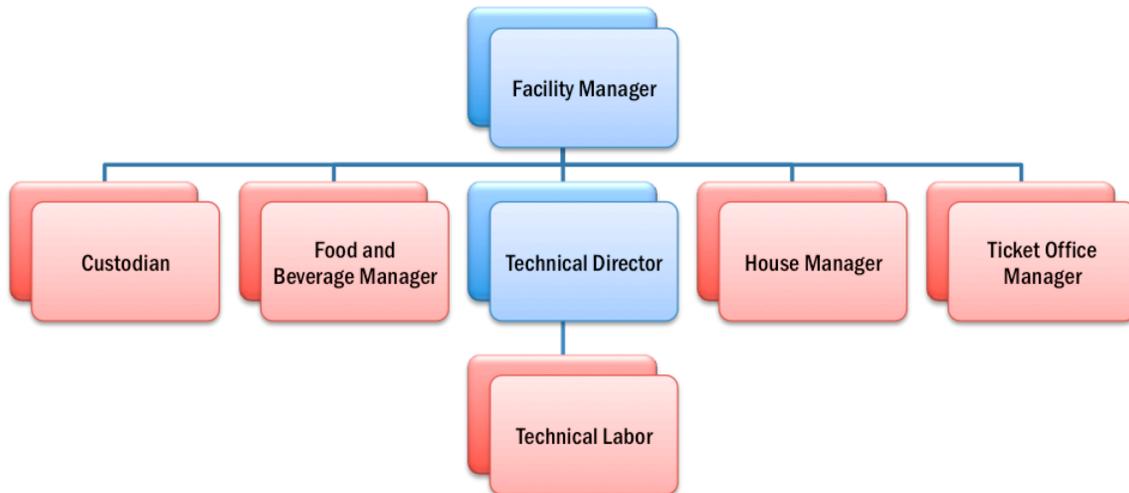
More important is how the Center is operated to serve the community. We would stress the following:

- All types of activity listed above must be recognized as important. The facility management team must do its best to balance access and demand among these groups.
- Explicit policies must be in place on how facilities are booked, including how far in advance dates can be secured, rental rates, scheduling priority, cancellation fees and other charges.
- Rental rates should be scaled to favor some combination of local and nonprofit groups as renters.
- User fees (for such services as use of the box office, technical staff and house staff) should be charged in addition to the base rental rates.
- We would recommend that a series of community-based organizations have the opportunity to seek classification as a resident organization. Resident groups gain preferred rental rates and status for booking in exchange for bringing a certain amount of activity and benefit to the venue. These groups can guarantee a relatively consistent level of activity to attract participants, audiences and tourists and build an

image of the facility through ongoing use, supporting ongoing marketing and fundraising efforts. We generally favor a process where organizations qualify as residents through an open application process. In such a process, the criteria by which these organizations qualify should be published, and might include their level of programming, worthiness of mission, the quality of their work, their track record and level of organization and financial capacity.

- All arts facilities should embrace energy efficiency and sustainability, developing green operating practices in such areas as transportation, energy efficiency, consumables and community awareness of those practices.
- These centers should take advantage of new technologies in ticketing, including online services, in order to serve users and audiences and to collect data with which to market the facility and its programs. Centers could develop their own web pages with a ticketing function that sells tickets online both for presented programs and for outside renters. The actual box office at each Center could also be expanded to take on the role of community ticket outlet for a range of off-site programs.

Here is an organizational chart that identifies staff required to run our proto-typical community arts center. The pink boxes denote part-time staff.



Here are job descriptions for key positions:

Facility Manager: The manager of the Community Arts Center is responsible for administering the facility on a day-to-day basis, overseeing operations and staff, preparing annual budgets and capital improvement plans, monitoring performance, overseeing all presentations and rentals, negotiating supplier contracts and maintaining the physical plant. Marketing the facility to audiences, users and other elements of community leadership will be a particularly important duty.

Technical Director: A full-time position to manage backstage operations of the performance spaces in the Community Arts Center. He/she is charged with backstage maintenance and the safe and responsible use of stage equipment and facilities. The position requires experience with stage, sound, lighting, mechanical rigging and electronics systems, as well as theatrical equipment set-up, operation and maintenance. The Technical Director is also responsible for hiring and overseeing part-time technical labor.

Custodian: This part-time position is responsible for the care, cleaning and maintenance of the building.

Ticket Office Manager: This part-time position runs the ticket office and is accountable for the daily volume of cash and credit transactions, working with the Facility Manager to prepare daily audit reports and maintain accurate records and account balances.

House Manager: This part-time position recruits, trains and mobilizes ushers and ticket takers for events in the performance space or multipurpose room. This position requires a strong orientation to customer service training, as well as the ability to train and motivate paid and volunteer staff to deliver a high level of service at events.

Food and Beverage Manager: The food and beverage manager would organize and run food service in the Center, including concessions for performances, a coffee bar during operating hours and catering for special events in the Center.

Appended to this report is a one-page pro-forma operating budget for our proto-typical Community Arts Center. Here is a description of the budget and its implications:

- The key step in developing this and the other pro-formas has been estimating activity in all programmable space. While the resulting program of events is not an exact forecast of activity, it does provide a basis for projecting earned revenues, expenses and attendance.
- This pro-forma should be considered a “live” model, one that can be adjusted based on changing circumstances and assumptions. It is fundamentally a tool to help prepare for the operation of these facilities.
- Rental rates for the four spaces (theater, multipurpose room, gallery and classrooms) have been established for nonprofit and commercial users. We then project levels of use by outside renters, as well as the performances that they host.
- Attendance levels are forecasted for each event, which allows us to project additional revenue sources (e.g. concessions) on a per-capita basis. We have projected that 2/3 of available seats will be sold on all events. This is an appropriately conservative attendance level given our experience with similar facilities. Gross revenues for

specific events are based on the number of events, capacity sold, attendance and average ticket prices.

- Hospitality income in the facility could be significant. We project concessions at all theaters, as well as catering income from special events held in various spaces and then the daytime operation of the public area coffee bar. Catering income is based on a net per capita and a net per event, which gives the operator the flexibility to contract an outside operator as long as those net targets can be achieved.
- A ticket surcharge is proposed to offset operating expenses, a frequent practice for performing arts facilities. The surcharge is a \$1.50 per ticket charge.
- Operating expenses come under the headings of personnel, administration and operations. Staffing costs have been set with reference to local salary levels, also applying 30% for full-time staff benefits and 15% for part-time staff benefits.
- Administrative costs include basic office services and systems, as well as resources for marketing and promotion of the Center.
- Operating costs relate to the physical operation of the facility, starting with base occupancy costs, estimated on a cost per square foot basis given occupancy costs at comparable arts facilities. We also add direct program costs, including both teachers and related overheads.
- Operating expenses less earned income equal the annual funding requirement for each facility, which would then be supported through various means - both from the public (government) and private (non-government) sectors.

As a final step in considering these facilities, we have estimated the various economic impacts associated with the development and operation of our proto-typical Community Arts Center.

Economic impact means that something has happened to increase economic activity, which includes new sales, new earnings for workers and new jobs in the local economy. These impacts are caused by several things: first there are the impacts of construction of new facilities (which are counted as one-time impacts); then there are the ongoing impacts of the new or expanded operating organization (the entity making expenditures in the local economy), and finally there are the impacts of new audiences, who spend money in association with their attendance at events. These audience expenditures are often referred to as induced impacts.

All economic impacts are also split between direct and indirect impacts. Direct impacts (which also include the induced impacts of audience) are the measure of the economic effect of the initial expenditure within a community. Then there are the indirect impacts, which occur as people and businesses receive and then re-spend those initial direct expenditures locally. The indirect impact is the effect of this re-spending on sales, jobs and household earnings. It is often referred to as secondary spending or the dollars "rippling"

through a community. When funds are spent outside the market area, they are considered to have “leaked out” of the community and therefore cease to have a local economic impact. Indirect impact is then the sum of the rounds of local spending after the initial expenditures.

The shift from direct impacts to indirect impacts is measured by employing multipliers developed by the Bureau of Economic Analysis (BEA), part of the Department of Commerce in Washington DC. Multipliers translate an input into an output: for example, a dollar spent on food (input) has an impact on the local economy by virtue of new sales in that industry, new earnings for people associated with that industry and new jobs created in that industry (output). There are three multipliers for each industry. The output multiplier is the estimate of total new sales associated with the initial expenditure. The earnings multiplier is the sum of three components of personal income-wage and salary disbursements, supplements to wages and salaries, and proprietors' income. It is not a sub-category of the output estimate, but rather the resulting impact of sales on what is earned by local workers. Finally, there is the employment estimate, which forecasts the jobs created in each industry as a result of new expenditures.

Multipliers are purchased for a defined market area, with counties as the basic building block. For this analysis we have purchased multipliers for the area that combines Washoe County in Nevada and Placer and Nevada counties in California. This then means that we are measuring the impacts of expenditures on this three-county region.

The following chart shows the sum of construction expenditures and resulting impacts:

| One-time Impacts of Proto-typical CAC on Three-County Region | | |
|---|--------------------------|-----------------|
| | Construction Budget | \$3,000,000 |
| (Industry Code 230000) | Final Demand Multipliers | Project Outputs |
| Output | 1.9529 | \$5,858,700 |
| Earnings | 0.5353 | \$1,605,900 |
| Employment (Person-years of Employment) | 12.9481 | 39 |

Though we don't yet know how much it would cost to build one of these centers, we have plugged in \$3 million as a reasonable construction budget for a new 15,000 square foot arts center. That amount, over the course of the construction project, will yield new economic activity (i.e. sales) of over \$5.9 million and new earnings for regional workers totaling \$1.6 million, as well as 39 person-years of new employment in the three-county region.

The following chart shows how we calculate operating outputs based on a series of estimated expenditures by the organizations running the recommended cultural components. Wages are subtracted from the total operating budget. Then, this figure is divided among several categories, each of which represents some money spent by the organization: utilities, hotels, waste management, etc.

| Operating Impacts of Proto-typical CAC on Three-County Region | | | | | | | | |
|---|---------------------|------------------|-------------------------|----------------|---------------------|------------------------|-------------------|--|
| Bill of Goods Approach (Base Year) | Inputs | | Multipliers (1997/2006) | | | Outputs | | |
| Category | Pro-forma Purchases | Output (Dollars) | Earnings (Dollars) | Empl't (Jobs) | New Sales (\$000's) | New Earnings (\$000's) | New Empl't (Jobs) | |
| Power Generation and Supply | \$ 27,500 | 1.4621 | 0.2932 | 4.6239 | \$ 40,208 | \$ 8,063 | 0.1 | |
| Retail Trade | \$ 7,500 | 1.7861 | 0.4784 | 16.5193 | \$ 13,396 | \$ 3,588 | 0.1 | |
| Transit and Passenger Transportation | \$ 5,000 | 1.8764 | 0.6041 | 24.4446 | \$ 9,382 | \$ 3,021 | 0.1 | |
| Postal Service | \$ 5,000 | 1.6894 | 0.6367 | 12.2136 | \$ 8,447 | \$ 3,184 | 0.1 | |
| Couriers and Messengers | \$ 2,500 | 1.8991 | 0.5407 | 11.2058 | \$ 4,748 | \$ 1,352 | 0.0 | |
| Sound Recording Industries | \$ 2,500 | 1.5085 | 0.2652 | 6.1126 | \$ 3,771 | \$ 663 | 0.0 | |
| Telecommunications | \$ 7,500 | 1.6982 | 0.3666 | 6.9101 | \$ 12,737 | \$ 2,750 | 0.1 | |
| Data Processing Services | \$ 2,500 | 1.7691 | 0.5804 | 10.7588 | \$ 4,423 | \$ 1,451 | 0.0 | |
| Insurance Agencies/Brokerage | \$ 10,000 | 1.5941 | 0.4087 | 8.3052 | \$ 15,941 | \$ 4,087 | 0.1 | |
| Funds, Trusts, other Financial Services | \$ 2,500 | 1.8391 | 0.3357 | 5.9515 | \$ 4,598 | \$ 839 | 0.0 | |
| Equipment Rental | \$ 5,000 | 1.5045 | 0.2908 | 6.0799 | \$ 7,523 | \$ 1,454 | 0.0 | |
| Legal Services | \$ 5,000 | 1.9128 | 0.7410 | 12.3583 | \$ 9,564 | \$ 3,705 | 0.1 | |
| Accounting and Bookkeeping Services | \$ 7,500 | 1.8882 | 0.7440 | 19.1612 | \$ 14,162 | \$ 5,580 | 0.1 | |
| Computer Related Services | \$ 5,000 | 1.8079 | 0.6435 | 8.1380 | \$ 9,040 | \$ 3,218 | 0.0 | |
| Management Consulting Services | \$ - | 1.8860 | 0.7227 | 17.2724 | \$ - | \$ - | - | |
| Advertising and Related Services | \$ 12,500 | 1.7836 | 0.5572 | 11.5626 | \$ 22,295 | \$ 6,965 | 0.1 | |
| Travel Arrangements and Reservations | \$ 2,500 | 1.8955 | 0.5352 | 14.0398 | \$ 4,739 | \$ 1,338 | 0.0 | |
| Office Administrative Services | \$ 25,000 | 1.7307 | 0.5560 | 11.5621 | \$ 43,268 | \$ 13,900 | 0.3 | |
| Business Support Services | \$ 15,000 | 1.6448 | 0.4392 | 13.3714 | \$ 24,672 | \$ 6,588 | 0.2 | |
| Security Services | \$ 5,000 | 1.6856 | 0.6017 | 22.4683 | \$ 8,428 | \$ 3,009 | 0.1 | |
| Services to Building | \$ 15,000 | 1.8131 | 0.4986 | 20.7124 | \$ 27,197 | \$ 7,479 | 0.3 | |
| Waste Management | \$ 6,500 | 1.8212 | 0.4352 | 9.8196 | \$ 11,838 | \$ 2,829 | 0.1 | |
| Performing Arts Companies | \$ 10,000 | 1.9043 | 0.6313 | 34.3809 | \$ 19,043 | \$ 6,313 | 0.3 | |
| Promoters of Performing Arts | \$ 7,500 | 1.7984 | 0.5481 | 27.2406 | \$ 13,488 | \$ 4,111 | 0.2 | |
| Hotels and Motels | \$ 5,000 | 1.7003 | 0.5122 | 16.3269 | \$ 8,502 | \$ 2,561 | 0.1 | |
| Food Services | \$ 2,500 | 1.7554 | 0.4881 | 24.5138 | \$ 4,389 | \$ 1,220 | 0.1 | |
| Averages and Totals | \$ 201,500 | 1.7559 | 0.5175 | 14.4636 | \$ 345,794 | \$ 99,265 | 2.8 | |

As a first step we estimate the non-personnel expenditures in the new facility. Then we apply the BEA regional multipliers for sales, earnings and jobs in order to show that the operation of the new facility yields new economic output of \$346,000, new annual earnings of \$100,000 and 3 new jobs in the region beyond those directly employed in the building.

In order to estimate the impacts of audiences and their expenditures in the three-county region, we first suggest that a component of the total audience (taken from the pro-forma) is new (as opposed to being re-located) and coming from outside the region. It is important that we do NOT include existing or regional audiences in the calculation of spending, as these are expenditures that are simply moving around the defined economic region, as opposed to new economic activity in the region.

| Estimated Attendance at Proto-typical CAC | | |
|---|-----|--------------|
| Total Projected Attendance (Base Year) | | 14,000 |
| Less Relocated Attendance | | 7,000 |
| Projected Incremental Attendance | | 7,000 |
| Three-County Region | 80% | 5,600 |
| Outside Attendance | 20% | 1,400 |

Now, we input those estimates into ancillary spending formulas, which are taken from two sources. First, we employ national per capita expenditure estimates taken from the Arts and Economic Prosperity Report just published by Americans for the Arts as a means to estimate what local residents spend when attending a performance. For visitors, we have estimated per capita expenditures based on research contained in the NLTRA 2005 report on the Economic Significance of Visitors. We finally apply our multipliers to these direct impacts and add the totals for each industry to arrive at total impacts associated with the expenditures of audiences.

| Ancillary Spending Impacts on Three-County Region | Per Capita Expenditure Estimates (2011) | Total Direct (Induced) Expenditures | Output Multiplier (2006) | Total New Outputs (Sales) | Earnings Multiplier (2006) | Total New Earnings | Job Creation Multiplier (2006) | Total New Jobs |
|---|--|-------------------------------------|--------------------------|---------------------------|----------------------------|--------------------|--------------------------------|----------------|
| Resident (3-County) Attendance | | | | | | | | |
| Food Services | \$9.17 | \$57,789 | 1.7554 | \$101,443 | 0.4881 | \$28,207 | 24.5138 | 1.42 |
| Retail Trade | \$3.15 | \$19,854 | 1.7861 | \$35,461 | 0.4784 | \$9,498 | 16.5193 | 0.33 |
| Transportation | \$4.81 | \$30,277 | 1.8764 | \$56,812 | 0.6041 | \$18,291 | 24.4446 | 0.74 |
| Overnight Lodging | \$1.08 | \$6,807 | 1.7003 | \$11,574 | 0.5122 | \$3,487 | 16.3269 | 0.11 |
| Miscellaneous | \$0.68 | \$4,254 | 1.7559 | \$7,471 | 0.5175 | \$2,202 | 14.4636 | 0.06 |
| <i>Sub-total</i> | | \$118,982 | | \$212,761 | | \$61,684 | | 2.66 |
| Non-resident Attendance | | | | | | | | |
| Food Services | \$118.41 | \$82,887 | 1.7554 | \$145,500 | 0.4881 | \$40,457 | 24.5138 | 2.03 |
| Retail Trade | \$125.87 | \$88,109 | 1.7861 | \$157,371 | 0.4784 | \$42,151 | 16.5193 | 1.46 |
| Recreation | \$202.38 | \$141,666 | 1.8764 | \$265,822 | 0.6041 | \$85,580 | 24.4446 | 3.46 |
| Lodging | \$117.30 | \$82,110 | 1.7003 | \$139,612 | 0.5122 | \$42,057 | 16.3269 | 1.34 |
| <i>Sub-total</i> | | \$394,772 | | \$708,305 | | \$210,246 | | 8.29 |
| Total Impact of Ancillary Spending | Total | \$513,754 | | \$921,066 | | \$271,929 | | 10.95 |
| | Excluding Three-County Attendance | \$394,772 | | \$708,305 | | \$210,246 | | 8.29 |

At the bottom of the chart, we show these total impacts. We then highlight just those associated with audiences coming from outside the region. For that non-regional group, new expenditures of \$395,000 in the base year lead to new annual outputs of \$708,000, another \$210,000 in new earnings and 8 jobs created on an ongoing basis.

This final chart summarizes economic impacts by showing first the total impacts of construction and then total operating impacts. The construction project and the new organization spending new money in the three-county region (and also having new audiences bringing their expenditures into the region) suggest significant positive impacts over the life of the project.

| Summary of Economic Impacts of Proto-typical CAC on Three-County Region | | |
|--|---------------------------------------|--|
| One-time Impacts | Input (Construction \$) | \$3,000,000 |
| Construction | Output (Sales) | \$5,858,700 |
| | Earnings | \$1,605,900 |
| | Person-years of Employment | 39 |
| | Ongoing Annual Impacts | Input (Base year Expenditure: |
| Operation | Output (Sales) | \$345,794 |
| | Earnings | \$99,265 |
| | Jobs Created | 2.8 |
| | Ancillary Spending | Input (Base Year Customer S _i) |
| (Excluding Three-County Attendance) | Output (Sales) | \$708,305 |
| | Earnings | \$210,246 |
| | Jobs Created | 8.3 |
| | Total Annual Operating Impacts | Output (Sales) |
| | Earnings | \$309,511 |
| | Jobs Created | 11.07 |

4. the visual arts center

Our second recommended component is the Visual Arts Center, a smaller version (at least at first) of the Torpedo Factory in Alexandria, VA or Spanish Village in San Diego, CA. In fact, since first conception of the plan, we have searched for more modest examples and have managed to find the Chicken Farm Art Center in San Angelo, TX and the Rochester Contemporary Arts Center in Rochester, NY. Detailed descriptions are attached in Appendix B.

As with the community arts centers, the Visual Arts Center might develop in different ways over time. We are suggesting that the most likely location for such a building is in (or near) downtown Truckee, where there is an active community of working artists and are existing structures. For purposes of this exercise, let us assume that the project starts with a building that is 5,000 gross square feet. It might include the following:

Components:

- Ten studios for working artists, each with space for them to create and sell their work.
- A co-op gallery/retail space for the exhibit and sale of work.
- A classroom.
- A café in the public area.

The creation of a Visual Arts Center would provide working artists with studio space and the ability to sell their work from these studios. A cooperative gallery and retail area would also sell the work of these and other local artists. Additionally, there is a classroom that offers visual arts classes taught by local artists. Finally, there is a café and public space that serves the working artists, their customers and others in the community.

The Center should have the following operating goals:

- Support local artists by providing space for them to create and sell their work.
- Provide new opportunities for arts education in the community.
- Attract consumers to the community who are interested in the work of local artists.
- Serve as a gathering place for local artists and their customers.
- These facilities should be operated in such a manner that they can be financially sustained with available resources.

We would recommend that the Center be operated by a new 501(c)3 set up expressly for this purpose, for the following reasons:

- The Center should be mission-driven, operated to serve the above stated goals and various constituencies.
- Operations of the Center must be open and transparent, such that local artists have the ability to seek access and participate in how the Center is operated.
- The Center will require ongoing financial support and must thus have a fundraising capability and capacity.

Here are a few key elements of operating policy:

- Explicit policies must be in place on how studios are rented and how artists are able to sell their work at the Center.
- Programs should be developed based on what skills/disciplines might be taught by local artists and what the local market would support.
- The café area should be open as often as possible to serve the artist community and their customers, as well as becoming a community hangout.
- A partnership with the local Chamber and Visitors Association will be critical to market and promote the Center to seasonal residents and visitors.

Here is an organizational chart that identifies staff required to run the Visual Arts Center:



Here is a job description for the one full-time position:

Facility/Retail Manager: The one full-time position for the Center manages both the building and its retail operations, overseeing operations and staff, managing annual budgets, working with a volunteer board of directors, recruiting and supporting resident artists, driving program development and then supervising sales in the gallery/retail area.

Appended to this report is a one-page pro-forma operating budget for the Visual Arts Center. Here is a description of the budget and its implications:

- The first key revenue source is the rent of the ten studio areas, with fees based on \$35 per square foot.
- Next are commissions from art sold in the gallery and retail area. This we set on a 30% commission basis.
- Café sales are based on average daily sales of \$100 for 250 days of annual operation.
- Program revenues are modest fees from students taking various visual arts classes over the year, taught by local visual artists.
- The most significant expenses are full and part-time staff to manage the space.
- There are direct operating costs for the café and programs, based on a percent of revenues.
- Administrative costs are nominal but include important office and communications line items.
- Occupancy costs are based on the same per square foot formulas as our other facilities and will allow the visual arts center to sustain itself.
- Earned income covers some 73% of operating expenses, meaning the need to raise an additional \$41,000 annually. This would seem like a reasonable investment given the scope and impacts of the Center.

As a final step in considering these facilities, we have estimated the various economic impacts associated with the development and operation of the Visual Arts Center.

Economic impact means that something has happened to increase economic activity, which includes new sales, new earnings for workers and new jobs in the local economy. These impacts are caused by several things: first there are the impacts of construction of new facilities (which are counted as one-time impacts); then there are the ongoing impacts of the new or expanded operating organization (the entity making expenditures in the local economy), and finally there are the impacts of new audiences, who spend money in association with their attendance at events. These audience expenditures are often referred to as induced impacts.

All economic impacts are also split between direct and indirect impacts. Direct impacts (which also include the induced impacts of audience) are the measure of the economic effect of the initial expenditure within a community. Then there are the indirect impacts, which occur as people and businesses receive and then re-spend those initial direct expenditures locally. The indirect impact is the effect of this re-spending on sales, jobs and household earnings. It is often referred to as secondary spending or the dollars “rippling” through a community. When funds are spent outside the market area, they are considered to

have “leaked out” of the community and therefore cease to have a local economic impact. Indirect impact is then the sum of the rounds of local spending after the initial expenditures.

The shift from direct impacts to indirect impacts is measured by employing multipliers developed by the Bureau of Economic Analysis (BEA), part of the Department of Commerce in Washington DC. Multipliers translate an input into an output: for example, a dollar spent on food (input) has an impact on the local economy by virtue of new sales in that industry, new earnings for people associated with that industry and new jobs created in that industry (output). There are three multipliers for each industry. The output multiplier is the estimate of total new sales associated with the initial expenditure. The earnings multiplier is the sum of three components of personal income-wage and salary disbursements, supplements to wages and salaries, and proprietors' income. It is not a sub-category of the output estimate, but rather the resulting impact of sales on what is earned by local workers. Finally, there is the employment estimate, which forecasts the jobs created in each industry as a result of new expenditures.

Multipliers are purchased for a defined market area, with counties as the basic building block. For this analysis we have purchased multipliers for the area that combines Washoe County in Nevada and Placer and Nevada counties in California. This then means that we are measuring the impacts of expenditures on this three-county region.

The following chart shows the sum of construction expenditures and resulting impacts:

| One-time Impacts of Visual Arts Center on Three-County Region | | |
|--|--------------------------|-----------------|
| | Construction Budget | \$500,000 |
| (Industry Code 230000) | Final Demand Multipliers | Project Outputs |
| Output | 1.9529 | \$976,450 |
| Earnings | 0.5353 | \$267,650 |
| Employment (Person-years of Employment) | 12.9481 | 6 |

Again, we don't yet know how much it would cost to build one of these centers, so we have plugged in \$500,000 as a reasonable cost to convert an existing structure into a 5,000 square foot arts center. That amount, over the course of the construction project, will yield new economic activity (i.e. sales) of \$1 million and new earnings for regional workers totaling \$268,000, as well as 6 person-years of new employment in the three-county region.

The following chart shows how we calculate operating outputs based on a series of estimated expenditures by the organizations running the recommended cultural components. Wages are subtracted from the total operating budget. Then, this figure is divided among several categories, each of which represents some money spent by the organization: utilities, hotels, waste management, etc.

| Operating Impacts of Visual Arts Center on Three-County Region | | | | | | | | |
|--|---------------------|---------------|-------------------------|--------------------|----------------|---------------------|------------------------|-------------------|
| Bill of Goods Approach (Base Year) | Inputs | | Multipliers (1997/2006) | | | Outputs | | |
| Category | Pro-forma Purchases | | Output (Dollars) | Earnings (Dollars) | Empl't (Jobs) | New Sales (\$000's) | New Earnings (\$000's) | New Empl't (Jobs) |
| Power Generation and Supply | \$ | 5,000 | 1.4621 | 0.2932 | 4.6239 | \$ 7,311 | \$ 1,466 | 0.0 |
| Retail Trade | \$ | 1,000 | 1.7861 | 0.4784 | 16.5193 | \$ 1,786 | \$ 478 | 0.0 |
| Transit and Passenger Transportation | \$ | 1,000 | 1.8764 | 0.6041 | 24.4446 | \$ 1,876 | \$ 604 | 0.0 |
| Postal Service | \$ | 2,500 | 1.6894 | 0.6367 | 12.2136 | \$ 4,224 | \$ 1,592 | 0.0 |
| Couriers and Messengers | \$ | - | 1.8991 | 0.5407 | 11.2058 | \$ - | \$ - | - |
| Sound Recording Industries | \$ | - | 1.5085 | 0.2652 | 6.1126 | \$ - | \$ - | - |
| Telecommunications | \$ | 2,500 | 1.6982 | 0.3666 | 6.9101 | \$ 4,246 | \$ 917 | 0.0 |
| Data Processing Services | \$ | 1,000 | 1.7691 | 0.5804 | 10.7588 | \$ 1,769 | \$ 580 | 0.0 |
| Insurance Agencies/Brokerage | \$ | 5,000 | 1.5941 | 0.4087 | 8.3052 | \$ 7,971 | \$ 2,044 | 0.0 |
| Funds, Trusts, other Financial Services | \$ | 1,000 | 1.8391 | 0.3357 | 5.9515 | \$ 1,839 | \$ 336 | 0.0 |
| Equipment Rental | \$ | 1,000 | 1.5045 | 0.2908 | 6.0799 | \$ 1,505 | \$ 291 | 0.0 |
| Legal Services | \$ | 2,500 | 1.9128 | 0.7410 | 12.3583 | \$ 4,782 | \$ 1,853 | 0.0 |
| Accounting and Bookkeeping Services | \$ | 2,500 | 1.8882 | 0.7440 | 19.1612 | \$ 4,721 | \$ 1,860 | 0.0 |
| Computer Related Services | \$ | 1,000 | 1.8079 | 0.6435 | 8.1380 | \$ 1,808 | \$ 644 | 0.0 |
| Management Consulting Services | \$ | - | 1.8860 | 0.7227 | 17.2724 | \$ - | \$ - | - |
| Advertising and Related Services | \$ | 5,000 | 1.7836 | 0.5572 | 11.5626 | \$ 8,918 | \$ 2,786 | 0.1 |
| Travel Arrangements and Reservations | \$ | - | 1.8955 | 0.5352 | 14.0398 | \$ - | \$ - | - |
| Office Administrative Services | \$ | 5,000 | 1.7307 | 0.5560 | 11.5621 | \$ 8,654 | \$ 2,780 | 0.1 |
| Business Support Services | \$ | 2,500 | 1.6448 | 0.4392 | 13.3714 | \$ 4,112 | \$ 1,098 | 0.0 |
| Security Services | \$ | 1,000 | 1.6856 | 0.6017 | 22.4683 | \$ 1,686 | \$ 602 | 0.0 |
| Services to Building | \$ | 2,500 | 1.8131 | 0.4986 | 20.7124 | \$ 4,533 | \$ 1,247 | 0.1 |
| Waste Management | \$ | 2,500 | 1.8212 | 0.4352 | 9.8196 | \$ 4,553 | \$ 1,088 | 0.0 |
| Performing Arts Companies | \$ | - | 1.9043 | 0.6313 | 34.3809 | \$ - | \$ - | - |
| Promoters of Performing Arts | \$ | - | 1.7984 | 0.5481 | 27.2406 | \$ - | \$ - | - |
| Hotels and Motels | \$ | 2,500 | 1.7003 | 0.5122 | 16.3269 | \$ 4,251 | \$ 1,281 | 0.0 |
| Food Services | \$ | 2,500 | 1.7554 | 0.4881 | 24.5138 | \$ 4,389 | \$ 1,220 | 0.1 |
| Averages and Totals | \$ | 49,500 | 1.7559 | 0.5175 | 14.4636 | \$ 84,930 | \$ 24,764 | 0.6 |

As a first step we estimate the non-personnel expenditures in the new facility. Then we apply the BEA regional multipliers for sales, earnings and jobs in order to show that the operation of the new facility annually yields new economic output of \$85,000, new annual earnings of \$25,000 and one new job in the region beyond those directly employed in the building.

In order to estimate the impacts of audiences and their expenditures in the three-county region, we first suggest that a component of the total market (taken from the pro-forma) is new (as opposed to being re-located) and coming from outside the region. It is important that we do NOT include existing or regional audiences in the calculation of spending, as these are expenditures that are simply moving around the defined economic region, as opposed to new economic activity in the region.

| Estimated Attendance at Visual Arts Center | | |
|--|-----|--------------|
| Total Projected Attendance (Base Year) | | 12,500 |
| Less Relocated Attendance | | 6,250 |
| Projected Incremental Attendance | | 6,250 |
| Three-County Region | 67% | 4,188 |
| Outside Attendance | 33% | 2,063 |

Now, we input those estimates into ancillary spending formulas, which are taken from two sources. First, we employ national per capita expenditure estimates taken from the Arts and Economic Prosperity Report just published by Americans for the Arts as a means to estimate what local residents spend when attending a performance. For visitors, we have estimated per capita expenditures based on research contained in the NLTRA 2005 report on the Economic Significance of Visitors. We finally apply our multipliers to these direct impacts and add the totals for each industry to arrive at total impacts associated with the expenditures of audiences.

| Ancillary Spending Impacts on Three-County Region | Per Capita Expenditure Estimate | Total Direct (Induced) Expenditures | Output Multiplier | Total New Outputs (Sales) | Earnings Multiplier | Total New Earnings | Job Creation Multiplier | Total New Jobs |
|---|--|-------------------------------------|-------------------|---------------------------|---------------------|--------------------|-------------------------|----------------|
| Resident (3-County) Attendance | | | | | | | | |
| Food Services | \$8.15 | \$34,128 | 1.7554 | \$59,909 | 0.4881 | \$16,658 | 24.5138 | 0.84 |
| Retail Trade | \$2.80 | \$11,725 | 1.7861 | \$20,942 | 0.4784 | \$5,609 | 16.5193 | 0.19 |
| Transportation | \$4.27 | \$17,881 | 1.8764 | \$33,551 | 0.6041 | \$10,802 | 24.4446 | 0.44 |
| Overnight Lodging | \$0.96 | \$4,020 | 1.7003 | \$6,835 | 0.5122 | \$2,059 | 16.3269 | 0.07 |
| Miscellaneous | \$0.60 | \$2,513 | 1.7559 | \$4,412 | 0.5175 | \$1,300 | 14.4636 | 0.04 |
| Sub-total | | \$70,266 | | \$125,649 | | \$36,428 | | 1.57 |
| Non-resident Attendance | | | | | | | | |
| Food Services | \$118.41 | \$244,221 | 1.7554 | \$428,705 | 0.4881 | \$119,204 | 24.5138 | 5.99 |
| Retail Trade | \$125.87 | \$259,607 | 1.7861 | \$463,684 | 0.4784 | \$124,196 | 16.5193 | 4.29 |
| Recreation | \$202.38 | \$417,409 | 1.8764 | \$783,226 | 0.6041 | \$252,157 | 24.4446 | 10.20 |
| Lodging | \$117.30 | \$241,931 | 1.7003 | \$411,356 | 0.5122 | \$123,917 | 16.3269 | 3.95 |
| Sub-total | | \$1,163,168 | | \$2,086,970 | | \$619,474 | | 24.43 |
| Total Impact of Ancillary Spending | Total | \$1,233,434 | | \$2,212,619 | | \$655,902 | | 26.00 |
| | Excluding Three-County Attendance | \$1,163,168 | | \$2,086,970 | | \$619,474 | | 24.43 |

At the bottom of the chart, we show these total impacts. We then highlight just those associated with audiences coming from outside the region. For that non-regional group, new expenditures of \$1.1 million in the base year lead to new annual outputs of \$2.1 million, another \$620,000 in new earnings and 24 jobs created on an ongoing basis.

This final chart summarizes economic impacts by showing first the total impacts of construction and then total operating impacts. The construction project and the new organization spending new money in the three-county region (and also having new audiences bringing their expenditures into the region) suggest significant positive impacts over the life of the project.

| Summary of Economic Impacts of Visual Arts Center on Three-County Region | | |
|--|---------------------------------------|----------------------------------|
| One-time Impacts | Input (Construction \$) | \$500,000 |
| Construction | Output (Sales) | \$976,450 |
| | Earnings | \$267,650 |
| | Person-years of Employment | 6 |
| | Ongoing Annual Impacts | Input (Base year Expenditures) |
| Operation | Output (Sales) | \$84,930 |
| | Earnings | \$24,764 |
| | Jobs Created | 0.6 |
| | Ancillary Spending | Input (Base Year Customer Spend) |
| (Excluding Three-County Attendance) | Output (Sales) | \$2,086,970 |
| | Earnings | \$619,474 |
| | Jobs Created | 24.43 |
| | Total Annual Operating Impacts | Output (Sales) |
| | Earnings | \$644,238 |
| | Jobs Created | 25 |

5. the regional cultural arts center

Our next facility is the Regional Cultural Arts Center, which for planning purposes, we are considering within the proposed Sierra Nevada College new arts facilities project. As discussed in Part One of the business plan, the College is proceeding with a plan that will include a new 400-seat hall as well as other teaching and support facilities. We see the opportunity to support external demand with this on-campus facility, depending on how it is operated. The following sections then consider how Sierra Nevada College should manage and operate the hall and related spaces so as to serve and support regional artists and organizations. Also note the description of two comparable facilities in Appendix B.

At the present time we'll assume the development of performing arts spaces with the following characteristics:

Area: 40,000 gross square feet

Components:

- 400-seat flexible performance space with an enclosed stage and backstage areas. There is a fly-tower (for raising and lowering lighting and scenery), an orchestra shell (that allows a music ensemble to perform on the stage) and an orchestra pit (that allows live music for dance or theater productions).
- 100-person capacity multipurpose room for smaller performances, rehearsals, meetings and special events.
- A large lobby that includes a concession area/coffee bar.
- Backstage support, including dressing rooms, green room and production offices.

Note again that the College is intending to add additional classrooms, practice rooms and a faculty office to the building, which will be solely for the use of the College and its teaching programs.

Now let's consider all of the various ways that the building comes to life:

Teaching Programs: Though the teaching of the performing arts is still in its infancy at the College, there has already been significant growth in music, dance and theater, and there is great enthusiasm around access to new facilities. By the time new facilities open, the level of demand for time in various spaces should be strong but not overwhelming.

Student Programs: This will probably be the slowest element of the program to develop, as it may take time for student organizations to determine how best to use

facilities. We would suggest that a regular night should be established in appropriate spaces to build these traditions.

College and District Events: We would imagine that the College will quickly respond to the opportunity to program events in the Center. This might include speakers, films and performances brought in to serve the mission and profile of the College in the region.

Community Rentals: Per our work in Phase One, we see significant outside demand for facilities such as amateur and professional organizations, producing and presenting theater, music, dance and other cultural programs.

Presenting: Presenting touring arts and entertainment programs will be an important element of the Center's programs. Presented events can support the mission of the building by providing the College and surrounding community the opportunity to see and hear great artists. Presented events can have a direct and positive impact on student life. And the revenues associated with presenting can improve the financial performance of the Center. In addition, the number of presented events need not overwhelm the use of any particular space in the Center. The challenge with presenting is having the ability to choose and access the right shows and promote them effectively such that a small set of performances has a large and positive impact on the College and its regional profile.

Community Educators: Finally, there is the possibility of programs and performances on the part of regional high-school students and their families for high-level performing arts training – essentially for Advanced Placement (AP) and College-level courses in the performing arts. This will likely develop more slowly than other programs in the Center, but we see it as a very positive factor in the life of the building, supporting new academic efforts, bringing new audiences to the College and driving additional fundraising. Build on previous discussions with leadership at the Lake Tahoe School, we see an opportunity to collaborate with their teachers and students.

All of these elements of programming are important to the life of the Center. Each one will develop at a different pace, and each one is served by different physical spaces in the Center. But there will be conflicting needs for space, and there will be seasonal peaks and valleys in demand. Managing these forces will thus become the most important part of the job of the head of the Center.

Let's also describe some operating goals for this campus-based arts center. In a general sense, new facilities might be needed to:

- Recruit great students and faculty to SNC.
- Support participation by all SNC students in the arts.
- Support the future growth and development of teaching programs.
- Enhance the quality of arts education in and around Incline Village.
- Respond to desires of regional audiences.

- Provide facilities for local arts organizations.
- Build the regional profile of SNC.
- Advance the region's cultural, economic and community development goals.

We reviewed this list with College leadership, which led us to a more precise set of operating goals:

- New facilities should be as busy as possible with a wide range of programs serving the student population as well as local, regional and visiting audiences.
- Spaces should support growth in teaching programs while remaining accessible and affordable to other College programs, local arts organizations and other educational efforts.
- The Center should present cultural and entertainment programs of touring performing artists and entertainers in-service to academic programs, the interests of the student population and the demand for high-quality programs in the community.
- Annual funding requirements for the Center should be both achievable and sustainable.

Each one of these sounds relatively straightforward and viable. It is the combination that presents a series of challenges to facility managers in the day-to-day operation of facilities.

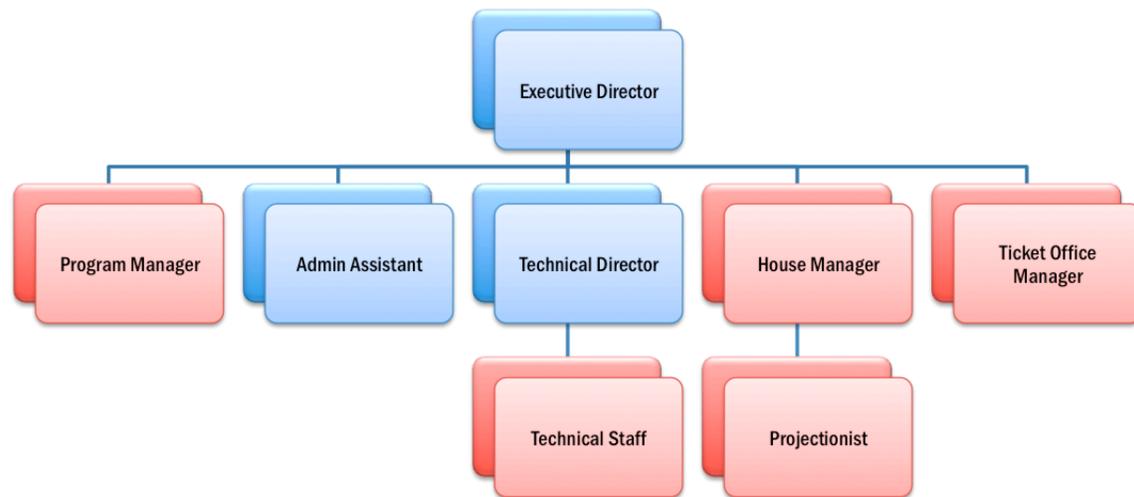
As to who would operate the Center, we would recommend that the College hire and train staff specifically for this work. We don't see any reason to have anyone but the College operate the Center. Colleges are generally effective managers of arts facilities, given their experience running other types of facilities, their ability to program spaces and their capacity to raise money to sustain facilities.

Here then is the beginning of operating policy for the College-based Center, considering how it should be operated on a day-to-day basis to serve the goals described above:

- As with the community arts centers, all types of activity to be supported must be recognized as important. The facility management team must do its best to balance access and demand among these groups. The particular challenge in a campus-based facility is balancing the needs and priority of the space as a teaching and presenting venue with the off-campus demand for rental space.
- Explicit policies must be in place on how facilities are booked, including how far in advance dates can be secured, rental rates, scheduling priority, cancellation fees and other charges.
- Off-campus rental rates should be scaled to favor some combination of local and nonprofit groups as renters. Even more controversial are on-campus rental rates, as most teaching programs would not have ever paid rent for access to facilities. We generally endorse a plan whereby rent is charged for uses leading up to

- performances at which tickets are being sold. Alternatively, the College might charge internal groups a share of box office proceeds.
- User fees (for such services as use of the box office, technical staff and house staff) should be charged in addition to the base rental rates, both for campus and community users.
 - We would recommend that a series of community-based organizations have the opportunity to seek classification as a resident organization at the College Center. Resident groups gain preferred rental rates and status for booking in exchange for bringing a certain amount of activity and benefit to the venue. These groups can guarantee a relatively consistent level of activity to attract participants, audiences and tourists and build an image of the facility through ongoing use, supporting ongoing marketing and fundraising efforts. We generally favor a process where organizations qualify as residents through an open application process. In such a process, the criteria by which these organizations qualify should be published, and might include their level of programming, worthiness of mission, the quality of their work, their track record and level of organization and financial capacity.
 - All arts facilities should embrace energy efficiency and sustainability, developing green operating practices in such areas as transportation, energy efficiency, consumables and community awareness of those practices.
 - These centers should take advantage of new technologies in ticketing, including online services, in order to serve users and audiences and to collect data with which to market the facility and its programs. The Center could develop its own web page with a ticketing function that sells tickets online both for presented programs and for outside renters. The actual box office at the Center could also be expanded to take on the role of campus ticket outlet for a range of campus and off-site programs.
 - To the extent that space allows, the Center should include food service capabilities, including concessions in conjunction with performances, catering for special events in the Center, backstage catering for artists and others working in the building and then an additional coffee bar/café using the concession area that operates during the day for students and others coming to the Center for performances, rehearsals and classes. The new San Francisco Conservatory of Music has a small cafe that is open all day in the central lobby of the building, feeding students by day and audiences in the evenings. This would be an ideal situation.

Here is an organizational chart that identifies staff required to run the College-base Regional Cultural Arts Center. The pink boxes denote part-time staff.



Here are job descriptions for key positions:

Executive Director: The manager of the Center, responsible for administering the facility on a day-to-day basis, overseeing operations and staff, overseeing a professional presenting series, preparing annual budgets and capital improvement plans, monitoring performance, overseeing all programs and rentals, negotiating supplier contracts and maintaining the physical plant. Marketing the facility to on and off-campus audiences, users and other elements of community leadership will be a particularly important duty, as it relates to both audience development and fundraising. We would suggest that this position should be filled at least one year before the facility opens, to assist with planning, construction, commissioning and preparation for operations.

Technical Director: In charge of all operations and the technical aspects of production in the Center. He/she is charged with backstage maintenance, the safe and responsible use of stage equipment and facilities, scheduling all crew calls including load-ins, changeovers, show calls and load-outs, and coordinating with front of house activities. The position also supervises the Technical Director and crew, and the projectionist. The position should be filled at least six months before the building opens.

Programming Manager: A part-time position responsible for the planning and delivery of programs in the Center, including the scheduling of all programmable spaces, the booking of presented programs and the coordination of rental events. Particularly important are those skills related to finding, negotiating and promoting the presenting program. This staffer should be in place at least nine months before the opening of the Center, reporting to the Executive Director.

Ticket Office Manager: This part-time position runs the ticket office and is accountable for a high daily volume of cash and credit transactions, working closely with the Executive Director to prepare daily audit reports and maintain accurate records and account balances. The manager also works closely with renting organizations to coordinate their ticketing needs. This staff member should be on the job at least three months before the Center opens.

House Manager: This is part-time position recruits, trains and mobilizes ushers and ticket takers for events in the performance space or multipurpose room. This position requires a strong orientation to customer service training, as well as the ability to train and motivate paid and volunteer staff (largely from the College) to deliver a high level of service at events.

Appended to this report is a one-page pro-forma operating budget for the first year of operation. Here is a description of the budget and its implications.

- Again, the key step in developing the pro-forma has been estimating activity in all programmable space. While the resulting program of events is not an exact forecast of activity, it does provide a basis for projecting earned revenues, expenses and attendance.
- This pro-forma should be considered a “live” model, one that can be adjusted based on changing circumstances and assumptions. It is fundamentally a tool to help prepare for the operation of these facilities.
- Rental rates for the theater and multi-purpose room have been established for nonprofit and commercial users. We then project levels of use by College-based groups and outside renters, as well as the performances that they host. Rent is charge to College users only when in conjunction with performances at which tickets are sold.
- Attendance levels are forecasted for each event, which allows us to project additional revenue sources (e.g. concessions) on a per-capita basis. We have projected that either 75% or 66% of available seats will be sold on all events. This is an appropriately conservative attendance level given our experience with similar facilities. Gross revenues for specific events are based on the number of events, capacity sold, attendance and average ticket prices.
- Hospitality income in the facility could be significant. We project concessions at all theaters, as well as catering income from special events held in various spaces and then the daytime operation of the public area coffee bar/cafe. Catering income is based on a net per capita and a net per event, which gives the operator the flexibility to contract an outside operator as long as those net targets can be achieved.

- Another unpopular but necessary revenue stream comes from ticket handling charges. We are assuming that the Center's ticket office charges buyers for tickets sold online and by telephone.
- Finally, a facility surcharge is proposed to offset operating expenses, a frequent practice for performing arts facilities. The surcharge is a \$2.00 per ticket charge.
- Operating expenses come under the headings of personnel, administration and operations. Staffing costs have been set with reference to local salary levels, also applying 30% for full-time staff benefits and 15% for part-time staff benefits.
- Administrative costs include basic office services and systems, as well as resources for marketing and promotion of the Center.
- Operating costs relate to the physical operation of the facility, starting with base occupancy costs, estimated on a cost per square foot basis given occupancy costs at comparable arts facilities. We also add direct program costs, including both teachers and related overheads.
- Operating expenses less earned income equal the annual funding requirement for each facility, which would then be supported through various means - both from the public and private sector.

As a final step in considering these facilities, we have estimated the various economic impacts associated with the development and operation of the Regional Cultural Arts Center.

Economic impact means that something has happened to increase economic activity, which includes new sales, new earnings for workers and new jobs in the local economy. These impacts are caused by several things: first there are the impacts of construction of new facilities (which are counted as one-time impacts); then there are the ongoing impacts of the new or expanded operating organization (the entity making expenditures in the local economy), and finally there are the impacts of new audiences, who spend money in association with their attendance at events. These audience expenditures are often referred to as induced impacts.

All economic impacts are also split between direct and indirect impacts. Direct impacts (which also include the induced impacts of audience) are the measure of the economic effect of the initial expenditure within a community. Then there are the indirect impacts, which occur as people and businesses receive and then re-spend those initial direct expenditures locally. The indirect impact is the effect of this re-spending on sales, jobs and household earnings. It is often referred to as secondary spending or the dollars "rippling" through a community. When funds are spent outside the market area, they are considered to have "leaked out" of the community and therefore cease to have a local economic impact. Indirect impact is then the sum of the rounds of local spending after the initial expenditures.

The shift from direct impacts to indirect impacts is measured by employing multipliers developed by the Bureau of Economic Analysis (BEA), part of the Department of Commerce in

Washington DC. Multipliers translate an input into an output: for example, a dollar spent on food (input) has an impact on the local economy by virtue of new sales in that industry, new earnings for people associated with that industry and new jobs created in that industry (output). There are three multipliers for each industry. The output multiplier is the estimate of total new sales associated with the initial expenditure. The earnings multiplier is the sum of three components of personal income-wage and salary disbursements, supplements to wages and salaries, and proprietors' income. It is not a sub-category of the output estimate, but rather the resulting impact of sales on what is earned by local workers. Finally, there is the employment estimate, which forecasts the jobs created in each industry as a result of new expenditures.

Multipliers are purchased for a defined market area, with counties as the basic building block. For this analysis we have purchased multipliers for the area that combines Washoe County in Nevada and Placer and Nevada counties in California. This then means that we are measuring the impacts of expenditures on this three-county region.

The following chart shows the sum of construction expenditures and resulting impacts:

| One-time Impacts of Regional CAC on Three-County Region | | |
|--|--------------------------|-----------------|
| | Construction Budget | \$20,000,000 |
| (Industry Code 230000) | Final Demand Multipliers | Project Outputs |
| Output | 1.9529 | \$39,058,000 |
| Earnings | 0.5353 | \$10,706,000 |
| Employment (Person-years of Employment) | 12.9481 | 259 |

Let's assume \$20,000,000 of construction costs for the new building. That amount, over the course of the construction project, will yield new economic activity (i.e. sales) of \$39 million and new earnings for regional workers totaling \$11 million, as well as 259 person-years of new employment in the three-county region.

The following chart shows how we calculate operating outputs based on a series of estimated expenditures by the organizations running the recommended cultural components. Wages are subtracted from the total operating budget. Then, this figure is divided among several categories, each of which represents some money spent by the organization: utilities, hotels, waste management, etc.

| Operating Impacts of Regional CAC on Three-County Region | | | | | | | |
|--|---------------------|-------------------------|--------------------|----------------|---------------------|------------------------|-------------------|
| Bill of Goods Approach (Base Year) | Inputs | Multipliers (1997/2006) | | | Outputs | | |
| Category | Pro-forma Purchases | Output (Dollars) | Earnings (Dollars) | Empl't (Jobs) | New Sales (\$000's) | New Earnings (\$000's) | New Empl't (Jobs) |
| Power Generation and Supply | \$ 75,000 | 1.4621 | 0.2932 | 4.6239 | \$ 109,658 | \$ 21,990 | 0.3 |
| Retail Trade | \$ 25,000 | 1.7861 | 0.4784 | 16.5193 | \$ 44,653 | \$ 11,960 | 0.4 |
| Transit and Passenger Transportation | \$ 15,000 | 1.8764 | 0.6041 | 24.4446 | \$ 28,146 | \$ 9,062 | 0.4 |
| Postal Service | \$ 10,000 | 1.6894 | 0.6367 | 12.2136 | \$ 16,894 | \$ 6,367 | 0.1 |
| Couriers and Messengers | \$ 2,500 | 1.8991 | 0.5407 | 11.2058 | \$ 4,748 | \$ 1,352 | 0.0 |
| Sound Recording Industries | \$ 15,000 | 1.5085 | 0.2652 | 6.1126 | \$ 22,628 | \$ 3,978 | 0.1 |
| Telecommunications | \$ 20,000 | 1.6982 | 0.3666 | 6.9101 | \$ 33,964 | \$ 7,332 | 0.1 |
| Data Processing Services | \$ 10,000 | 1.7691 | 0.5804 | 10.7588 | \$ 17,691 | \$ 5,804 | 0.1 |
| Insurance Agencies/Brokerage | \$ 25,000 | 1.5941 | 0.4087 | 8.3052 | \$ 39,853 | \$ 10,218 | 0.2 |
| Funds, Trusts, other Financial Services | \$ 5,000 | 1.8391 | 0.3357 | 5.9515 | \$ 9,196 | \$ 1,679 | 0.0 |
| Equipment Rental | \$ 10,000 | 1.5045 | 0.2908 | 6.0799 | \$ 15,045 | \$ 2,908 | 0.1 |
| Legal Services | \$ 15,000 | 1.9128 | 0.7410 | 12.3583 | \$ 28,692 | \$ 11,115 | 0.2 |
| Accounting and Bookkeeping Services | \$ 25,000 | 1.8882 | 0.7440 | 19.1612 | \$ 47,205 | \$ 18,600 | 0.5 |
| Computer Related Services | \$ 10,000 | 1.8079 | 0.6435 | 8.1380 | \$ 18,079 | \$ 6,435 | 0.1 |
| Management Consulting Services | \$ - | 1.8860 | 0.7227 | 17.2724 | \$ - | \$ - | - |
| Advertising and Related Services | \$ 25,000 | 1.7836 | 0.5572 | 11.5626 | \$ 44,590 | \$ 13,930 | 0.3 |
| Travel Arrangements and Reservation | \$ 10,000 | 1.8955 | 0.5352 | 14.0398 | \$ 18,955 | \$ 5,352 | 0.1 |
| Office Administrative Services | \$ 25,000 | 1.7307 | 0.5560 | 11.5621 | \$ 43,268 | \$ 13,900 | 0.3 |
| Business Support Services | \$ 10,000 | 1.6448 | 0.4392 | 13.3714 | \$ 16,448 | \$ 4,392 | 0.1 |
| Security Services | \$ 10,000 | 1.6856 | 0.6017 | 22.4683 | \$ 16,856 | \$ 6,017 | 0.2 |
| Services to Building | \$ 12,500 | 1.8131 | 0.4986 | 20.7124 | \$ 22,664 | \$ 6,233 | 0.3 |
| Waste Management | \$ 10,000 | 1.8212 | 0.4352 | 9.8196 | \$ 18,212 | \$ 4,352 | 0.1 |
| Performing Arts Companies | \$ 75,000 | 1.9043 | 0.6313 | 34.3809 | \$ 142,823 | \$ 47,348 | 2.6 |
| Promoters of Performing Arts | \$ 50,000 | 1.7984 | 0.5481 | 27.2406 | \$ 89,920 | \$ 27,405 | 1.4 |
| Hotels and Motels | \$ 15,000 | 1.7003 | 0.5122 | 16.3269 | \$ 25,505 | \$ 7,683 | 0.2 |
| Food Services | \$ 7,500 | 1.7554 | 0.4881 | 24.5138 | \$ 13,166 | \$ 3,661 | 0.2 |
| Averages and Totals | \$ 512,500 | 1.7559 | 0.5175 | 14.4636 | \$ 888,854 | \$ 259,070 | 8.5 |

As a first step we estimate the non-personnel expenditures in the new facility. Then we apply the BEA regional multipliers for sales, earnings and jobs in order to show that the operation of the new facility annually yields new economic output of \$889,000, new annual earnings of \$259,000 and 9 new jobs in the region beyond those directly employed in the building.

In order to estimate the impacts of audiences and their expenditures in the three-county region, we first suggest that a component of the total market (taken from the pro-forma) is new (as opposed to being re-located) and coming from outside the region. It is important that we do NOT include existing or regional audiences in the calculation of spending, as these are expenditures that are simply moving around the defined economic region, as opposed to new economic activity in the region.

| Estimated Attendance at Regional CAC | | |
|---|-----|---------------|
| Total Projected Attendance (Base Year) | | 60,000 |
| Less Relocated Attendance | | 20,000 |
| Projected Incremental Attendance | | 40,000 |
| Three-County Region | 75% | 30,000 |
| Outside Attendance | 25% | 10,000 |

Now, we input those estimates into ancillary spending formulas, which are taken from two sources. First, we employ national per capita expenditure estimates taken from the Arts and Economic Prosperity Report just published by Americans for the Arts as a means to estimate what local residents spend when attending a performance. For visitors, we have estimated per capita expenditures based on research contained in the NLTRA 2005 report on the Economic Significance of Visitors. We finally apply our multipliers to these direct impacts and add the totals for each industry to arrive at total impacts associated with the expenditures of audiences.

| Ancillary Spending Impacts on Three-County Region | Per Capita Expenditure Estimate | Total Direct (Induced) Expenditures | Output Multiplier | Total New Outputs (Sales) | Earnings Multiplier | Total New Earnings | Job Creation Multiplier | Total New Jobs |
|---|--|-------------------------------------|-------------------|---------------------------|---------------------|--------------------|-------------------------|----------------|
| Resident (3-County) Attendance | | | | | | | | |
| Food Services | \$8.15 | \$244,500 | 1.7554 | \$429,195 | 0.4881 | \$119,340 | 24.5138 | 5.99 |
| Retail Trade | \$2.80 | \$84,000 | 1.7861 | \$150,032 | 0.4784 | \$40,186 | 16.5193 | 1.39 |
| Transportation | \$4.27 | \$128,100 | 1.8764 | \$240,367 | 0.6041 | \$77,385 | 24.4446 | 3.13 |
| Overnight Lodging | \$0.96 | \$28,800 | 1.7003 | \$48,969 | 0.5122 | \$14,751 | 16.3269 | 0.47 |
| Miscellaneous | \$0.60 | \$18,000 | 1.7559 | \$31,607 | 0.5175 | \$9,315 | 14.4636 | 0.26 |
| Sub-total | | \$503,400 | | \$900,170 | | \$260,977 | | 11.24 |
| Non-resident Attendance | | | | | | | | |
| Food Services | \$118.41 | \$1,184,100 | 1.7554 | \$2,078,569 | 0.4881 | \$577,959 | 24.5138 | 29.03 |
| Retail Trade | \$125.87 | \$1,258,700 | 1.7861 | \$2,248,164 | 0.4784 | \$602,162 | 16.5193 | 20.79 |
| Recreation | \$202.38 | \$2,023,800 | 1.8764 | \$3,797,458 | 0.6041 | \$1,222,578 | 24.4446 | 49.47 |
| Lodging | \$117.30 | \$1,173,000 | 1.7003 | \$1,994,452 | 0.5122 | \$600,811 | 16.3269 | 19.15 |
| Sub-total | | \$5,639,600 | | \$10,118,643 | | \$3,003,509 | | 118.44 |
| Total Impact of Ancillary Spending | Total | \$6,143,000 | | \$11,018,814 | | \$3,264,487 | | 129.69 |
| | Excluding Three-County Attendance | \$5,639,600 | | \$10,118,643 | | \$3,003,509 | | 118.44 |

At the bottom of the chart, we show these total impacts. We then highlight just those associated with audiences coming from outside the region. For that non-regional group, new expenditures of \$5.6 million in the base year lead to new annual outputs of \$10.1 million, another \$3 million in new earnings and 118 jobs created on an ongoing basis.

This final chart summarizes economic impacts by showing first the total impacts of construction and then total operating impacts. The construction project and the new organization spending new money in the three-county region (and also having new audiences bringing their expenditures into the region) suggest significant positive impacts over the life of the project.

| Summary of Economic Impacts of Regional PAC on Three-County Region | | |
|---|----------------------------------|---------------------|
| One-time Impacts | Input (Construction \$) | \$20,000,000 |
| Construction | Output (Sales) | \$39,058,000 |
| | Earnings | \$10,706,000 |
| | Person-years of Employment | 259 |
| | Ongoing Annual Impacts | |
| Operation | Input (Base year Expenditures) | \$512,500 |
| | Output (Sales) | \$888,854 |
| | Earnings | \$259,070 |
| | Jobs Created | 8.5 |
| Ancillary Spending (Excluding Three-County Attendance) | Input (Base Year Customer Spend) | \$5,639,600 |
| | Output (Sales) | \$10,118,643 |
| | Earnings | \$3,003,509 |
| | Jobs Created | 118.4 |
| Total Annual Operating Impacts | Output (Sales) | \$11,007,497 |
| | Earnings | \$3,262,579 |
| | Jobs Created | 127 |

6. the regional performing arts hall and amphitheater

Finally, we here describe the Regional Performing Arts Hall and Amphitheater, based on the concept for new facilities proposed at Northstar. Appended are more detailed descriptions of a couple of similar projects.

What is unique about this concept is a plan for indoor and outdoor facilities that are animated more by touring programs and are targeted more to second home and visiting segments of the regional market. Let's assume the development of the following spaces:

Indoor area: 55,000 gross square feet

Components:

- A 600-seat flexible performance space with an enclosed stage and backstage areas. There is a fly-tower (for raising and lowering lighting and scenery), an orchestra shell (that allows a music ensemble to perform on the stage) and an orchestra pit (that allows live music for dance or theater productions).
- A large lobby that includes a concession area/coffee bar.
- Backstage support, including dressing rooms, green room and production offices.
- An outdoor performance area with a large covered stage, fixed seating of 1,000 and additional lawn seating of 1,500.

New let's consider all of the various ways that the indoor and outdoor facilities come to life:

Presenting: The programming focus of this project is presenting - both in the indoor year-round facility and the outdoor amphitheater. The intent is to book and present a range of high-end arts and entertainment programs that attract audiences and visitors to the area, respond to the preferences of local residents and second homeowners, and build a profile and identity of the resort community.

Community Rentals: We would assume some level of rental activity by regional arts organizations able to fill these halls and afford the higher cost structure. The Lake Tahoe Shakespeare Festival and the Lake Tahoe Music Festival are possible users, amongst others.

Meeting and Special Events: These facilities will be particularly appropriate for meeting and special events such as weddings, corporate presentations and retreats. The

facilities should support the meeting and event business and also provide significant earned income to reduce the annual funding requirement.

Once again, the combination of these event types presents a series of challenges to facility managers.

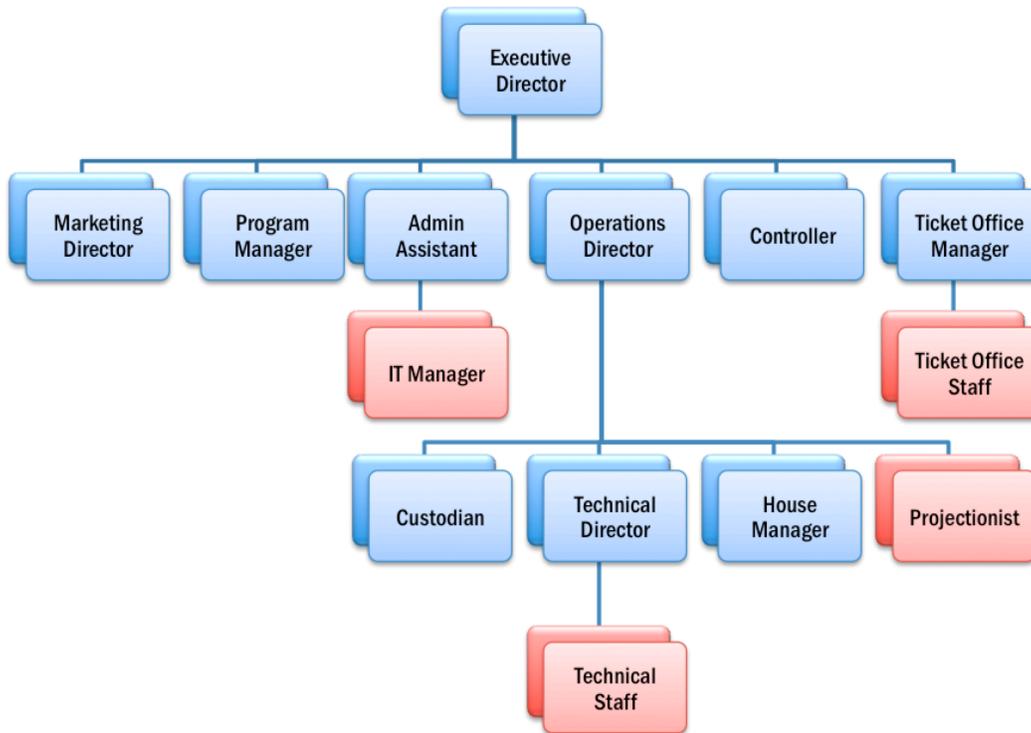
As to who would operate the Hall and Amphitheater, we would recommend that the Resort create a new nonprofit to manage both the indoor and outdoor facilities.

Here then is the beginning of operating policy for the Hall, considering how it should be operated on a day-to-day basis to serve the program described above:

- As with our other facilities, all types of activity to be supported must be recognized as important. The facility management team must do its best to balance access and demand among these groups.
- Explicit policies must be in place on how facilities are booked, including how far in advance dates can be secured, rental rates, scheduling priority, cancellation fees and other charges.
- User fees (for such services as use of the box office, technical staff and house staff) should be charged in addition to the base rental rates, both for campus and community users.
- We would recommend that several community-based organizations have the opportunity to seek classification as a resident organization at the Hall and/or Amphitheater. Resident groups gain preferred rental rates and status for booking in exchange for bringing a certain amount of activity and benefit to the venue. These groups can guarantee a relatively consistent level of activity to attract participants, audiences and tourists and build an image of the facility through ongoing use, supporting ongoing marketing and fundraising efforts. We generally favor a process where organizations qualify as residents through an open application process. In such a process, the criteria by which these organizations qualify should be published, and might include their level of programming, worthiness of mission, the quality of their work, their track record and level of organization and financial capacity.
- All arts facilities should embrace energy efficiency and sustainability, developing green operating practices in such areas as transportation, energy efficiency, consumables and community awareness of those practices.
- New facilities should take advantage of new technologies in ticketing, including online services, in order to serve users and audiences and to collect data with which to market the facility and its programs. The central box office for the facility should develop a web page with a ticketing function that sells tickets online both for presented programs and for outside renters. This is particularly critical with so many seasonal visitors and tourists who cannot always purchase advance tickets in person and often look to the internet for vacation planning.

- To the extent that space allows, the Hall should include food service capabilities, including concessions in conjunction with performances, catering for special events in the theater and amphitheater, backstage catering for artists and lobby of the building.

Here is an organizational chart that identifies staff required to run the Hall. The pink boxes denote part-time staff.



Here are job descriptions for key positions:

Executive Director: The manager of the Regional Performing Arts Hall and Amphitheater is responsible for administering the facility on a day-to-day basis, overseeing operations and staff, overseeing a professional presenting series, overseeing annual budgets and capital improvement plans, monitoring performance, overseeing all programs and rentals, negotiating supplier contracts and maintaining the physical plant. Marketing the facility to resort residents, hotel visitors and the public, users and other elements of community leadership will be a particularly important duty, as it relates to both audience development and fundraising. We would suggest that this position should be filled at least one year before the facility opens, to assist with planning, construction, commissioning and preparation for operations.

Marketing Director: Primarily responsible for the marketing and promotion of events and programs to be presented in the Hall and Amphitheater, including the implementing an audience development strategy, seasonal and event marketing

plans, promotional materials, media buying, public relations and publicity, and the use of various online marketing tools in collaboration with an outside web professional. The other part of the job is supporting the marketing efforts of outside renters. This is a critical function in order that these other users of the Hall and Amphitheater are able to find audiences and sell tickets, thus ensuring their ability to pay rent for access to these facilities. The position also reports to the Executive Director and should be in place at least six months before the renovation is complete.

Programming Manager: A full-time position responsible for the planning and delivery of programs in the Hall and Amphitheater, including the scheduling of all programmable spaces, the booking of presented programs and the coordination of rental events. Particularly important are those skills related to finding, negotiating and promoting the presenting program. This staff member should be in place at least nine months before the opening, reporting to the Executive Director.

Operations Director: In charge of all operations and the technical aspects of production in the Hall. He/she is charged with backstage maintenance, the safe and responsible use of stage equipment and facilities, scheduling all crew calls including load-ins, changeovers, show calls and load-outs, and coordinating with front of house activities. The position also supervises the Technical Director and crew, house operations and the projectionist. The position should be filled at least six months before the building opens.

Controller: This full-time position is responsible for fiscal compliance and day-to-day financial management. The Controller would assist the Executive Director in the preparation of annual and capital budgets, monitor cash flow, oversee the annual audit, develop cash receipts systems and more. This individual should have an understanding of best practices and procedures associated with operating a charitable organization.

Ticket Office Manager: This position runs the ticket office and is accountable for a high daily volume of cash and credit transactions, working closely with the Executive Director to prepare daily audit reports and maintain accurate records and account balances. The position also works closely with renting organizations to coordinate their ticketing needs. This staff member should be on the job at least three months before the Center opens.

Technical Director: A full-time position to manage backstage operations of the performance spaces. He/she is charged with backstage maintenance and the safe and responsible use of stage equipment and facilities. The position requires experience with stage, sound, lighting, mechanical rigging and electronics systems, as well as theatrical equipment set-up, operation and maintenance.

House Manager: This is full-time position recruits, trains and mobilizes ushers and ticket takers for events in the performance space or multipurpose room. This position

requires a strong orientation to customer service training, as well as the ability to train and motivate volunteer staff to deliver a high level of service at events.

IT Manager: This part-time position would be responsible for the development, implementation and maintenance of web based programs and computer technology. The position will work closely with the Box Office Manager, and requires a good understanding of ticketing systems, equipment and web interfacing. The IT Manager will also liaise with the Marketing Director to update and maintain the website. Finally, this individual is responsible for assisting administrative staff with computer maintenance and trouble shooting.

Appended to this report is a one-page pro-forma operating budget for the Hall and Amphitheater. Here is a description of the budget and its implications:

- Again, the key step in developing the pro-forma has been estimating activity in all programmable space. While the resulting program of events is not an exact forecast of activity, it does provide a basis for projecting earned revenues, expenses and attendance.
- This pro-forma should be considered a “live” model, one that can be adjusted based on changing circumstances and assumptions. It is fundamentally a tool to help prepare for the operation of these facilities.
- Rental rates for the Hall and Amphitheater have been established for nonprofit and commercial users. We then project levels of use for each space, including presented film and live events, rentals to nonprofit and commercial groups, private and corporate events.
- Attendance levels are forecasted for each event, which allows us to project additional revenue sources (e.g. concessions) on a per-capita basis. We have projected that either 75% or 67% of available seats will be sold on all events. This is an appropriately conservative attendance level given our experience with similar facilities. Gross revenues for specific events are based on the number of events, capacity sold, attendance and average ticket prices.
- Hospitality income in the facility could be significant. We project concessions at all theaters, as well as catering income from special events held in various spaces. Catering income is based on a net per capita and a net per event, which gives the operator the flexibility to contract an outside operator as long as those net targets can be achieved.
- Another unpopular but necessary revenue stream comes from ticket handling charges. We are assuming that the Center’s ticket office charges buyers for tickets sold online and by telephone.

- Finally, a facility surcharge is proposed to offset operating expenses, a frequent practice for performing arts facilities. The surcharge is a \$1.50 per ticket charge.
- Operating expenses come under the headings of personnel, administration and operations. Staffing costs have been set with reference to local salary levels, also applying 30% for full-time staff benefits and 15% for part-time staff benefits.
- Administrative costs include basic office services and systems, as well as resources for marketing and promotion of the Hall.
- Operating costs relate to the physical operation of the facility, starting with base occupancy costs, estimated on a cost per square foot basis given occupancy costs at comparable arts facilities. We also add direct program costs, including both teachers and related overheads.
- Operating expenses less earned income equal the annual funding requirement for each facility, which would then be supported through various means - both from the public and private sector.

As a final step in considering these facilities, we have estimated the various economic impacts associated with the development and operation of the new Hall and Amphitheater.

Economic impact means that something has happened to increase economic activity, which includes new sales, new earnings for workers and new jobs in the local economy. These impacts are caused by several things: first there are the impacts of construction of new facilities (which are counted as one-time impacts); then there are the ongoing impacts of the new or expanded operating organization (the entity making expenditures in the local economy), and finally there are the impacts of new audiences, who spend money in association with their attendance at events. These audience expenditures are often referred to as induced impacts.

All economic impacts are also split between direct and indirect impacts. Direct impacts (which also include the induced impacts of audience) are the measure of the economic effect of the initial expenditure within a community. Then there are the indirect impacts, which occur as people and businesses receive and then re-spend those initial direct expenditures locally. The indirect impact is the effect of this re-spending on sales, jobs and household earnings. It is often referred to as secondary spending or the dollars “rippling” through a community. When funds are spent outside the market area, they are considered to have “leaked out” of the community and therefore cease to have a local economic impact. Indirect impact is then the sum of the rounds of local spending after the initial expenditures.

The shift from direct impacts to indirect impacts is measured by employing multipliers developed by the Bureau of Economic Analysis (BEA), part of the Department of Commerce in Washington DC. Multipliers translate an input into an output: for example, a dollar spent on food (input) has an impact on the local economy by virtue of new sales in that industry, new earnings for people associated with that industry and new jobs created in that industry (output). There are three multipliers for each industry. The output multiplier is the estimate of total new sales associated with the initial expenditure. The earnings multiplier is the sum of

three components of personal income-wage and salary disbursements, supplements to wages and salaries, and proprietors' income. It is not a sub-category of the output estimate, but rather the resulting impact of sales on what is earned by local workers. Finally, there is the employment estimate, which forecasts the jobs created in each industry as a result of new expenditures.

Multipliers are purchased for a defined market area, with counties as the basic building block. For this analysis we have purchased multipliers for the area that combines Washoe County in Nevada and Placer and Nevada counties in California. This then means that we are measuring the impacts of expenditures on this three-county region.

The following chart shows the sum of construction expenditures and resulting impacts:

| One-time Impacts of Regional PAH & Amphitheater on Three-County Region | | |
|---|--------------------------|-----------------|
| | Construction Budget | \$40,000,000 |
| (Industry Code 230000) | Final Demand Multipliers | Project Outputs |
| Output | 1.9529 | \$78,116,000 |
| Earnings | 0.5353 | \$21,412,000 |
| Employment (Person-years of Employment) | 12.9481 | 518 |

Let's assume \$40,000,000 of construction costs for the new building. That amount, over the course of the construction project, will yield new economic activity (i.e. sales) of \$78 million and new earnings for regional workers totaling \$21 million, as well as 518 person-years of new employment in the three-county region.

The following chart shows how we calculate operating outputs based on a series of estimated expenditures by the organizations running the recommended cultural components. Wages are subtracted from the total operating budget. Then, this figure is divided among several categories, each of which represents some money spent by the organization: utilities, hotels, waste management, etc.

| Operating Impacts of Regional PAH & Amphitheater on Three-County Region | | | | | | | | |
|---|---------------------|------------------|-------------------------|----------------|---------------------|------------------------|---------------|--|
| Bill of Goods Approach (Base Year) | Inputs | | Multipliers (1997/2006) | | | Outputs | | |
| Category | Pro-forma Purchases | Output (Dollars) | Earnings (Dollars) | Empl't (Jobs) | New Sales (\$000's) | New Earnings (\$000's) | Empl't (Jobs) | |
| Power Generation and Supply | \$ 110,000 | 1.4621 | 0.2932 | 4.6239 | \$ 160,831 | \$ 32,252 | 0.5 | |
| Retail Trade | \$ 75,000 | 1.7861 | 0.4784 | 16.5193 | \$ 133,958 | \$ 35,880 | 1.2 | |
| Transit and Passenger Transportation | \$ 25,000 | 1.8764 | 0.6041 | 24.4446 | \$ 46,910 | \$ 15,103 | 0.6 | |
| Postal Service | \$ 15,000 | 1.6894 | 0.6367 | 12.2136 | \$ 25,341 | \$ 9,551 | 0.2 | |
| Couriers and Messengers | \$ 5,000 | 1.8991 | 0.5407 | 11.2058 | \$ 9,496 | \$ 2,704 | 0.1 | |
| Sound Recording Industries | \$ 75,000 | 1.5085 | 0.2652 | 6.1126 | \$ 113,138 | \$ 19,890 | 0.5 | |
| Telecommunications | \$ 30,000 | 1.6982 | 0.3666 | 6.9101 | \$ 50,946 | \$ 10,998 | 0.2 | |
| Data Processing Services | \$ 25,000 | 1.7691 | 0.5804 | 10.7588 | \$ 44,228 | \$ 14,510 | 0.3 | |
| Insurance Agencies/Brokerage | \$ 75,000 | 1.5941 | 0.4087 | 8.3052 | \$ 119,558 | \$ 30,653 | 0.6 | |
| Funds, Trusts, other Financial Services | \$ 15,000 | 1.8391 | 0.3357 | 5.9515 | \$ 27,587 | \$ 5,036 | 0.1 | |
| Equipment Rental | \$ 30,000 | 1.5045 | 0.2908 | 6.0799 | \$ 45,135 | \$ 8,724 | 0.2 | |
| Legal Services | \$ 50,000 | 1.9128 | 0.7410 | 12.3583 | \$ 95,640 | \$ 37,050 | 0.6 | |
| Accounting and Bookkeeping Services | \$ 35,000 | 1.8882 | 0.7440 | 19.1612 | \$ 66,087 | \$ 26,040 | 0.7 | |
| Computer Related Services | \$ 25,000 | 1.8079 | 0.6435 | 8.1380 | \$ 45,198 | \$ 16,088 | 0.2 | |
| Management Consulting Services | \$ 40,000 | 1.8860 | 0.7227 | 17.2724 | \$ 75,440 | \$ 28,908 | 0.7 | |
| Advertising and Related Services | \$ 250,000 | 1.7836 | 0.5572 | 11.5626 | \$ 445,900 | \$ 139,300 | 2.9 | |
| Travel Arrangements and Reservations | \$ 10,000 | 1.8955 | 0.5352 | 14.0398 | \$ 18,955 | \$ 5,352 | 0.1 | |
| Office Administrative Services | \$ 75,000 | 1.7307 | 0.5560 | 11.5621 | \$ 129,803 | \$ 41,700 | 0.9 | |
| Business Support Services | \$ 40,000 | 1.6448 | 0.4392 | 13.3714 | \$ 65,792 | \$ 17,568 | 0.5 | |
| Security Services | \$ 25,000 | 1.6856 | 0.6017 | 22.4683 | \$ 42,140 | \$ 15,043 | 0.6 | |
| Services to Building | \$ 175,000 | 1.8131 | 0.4986 | 20.7124 | \$ 317,293 | \$ 87,255 | 3.6 | |
| Waste Management | \$ 25,000 | 1.8212 | 0.4352 | 9.8196 | \$ 45,530 | \$ 10,880 | 0.2 | |
| Performing Arts Companies | \$ 750,000 | 1.9043 | 0.6313 | 34.3809 | \$ 1,428,225 | \$ 473,475 | 25.8 | |
| Promoters of Performing Arts | \$ 250,000 | 1.7984 | 0.5481 | 27.2406 | \$ 449,600 | \$ 137,025 | 6.8 | |
| Hotels and Motels | \$ 25,000 | 1.7003 | 0.5122 | 16.3269 | \$ 42,508 | \$ 12,805 | 0.4 | |
| Food Services | \$ 15,000 | 1.7554 | 0.4881 | 24.5138 | \$ 26,331 | \$ 7,322 | 0.4 | |
| Averages and Totals | \$ 2,270,000 | 1.7559 | 0.5175 | 14.4636 | \$ 4,071,565 | \$ 1,241,108 | 48.8 | |

As a first step we estimate the non-personnel expenditures in the new facility. Then we apply the BEA regional multipliers for sales, earnings and jobs in order to show that the operation of the new facility annually yields new economic output of \$4.1 million, new annual earnings of \$1.2 million and 49 new jobs in the region beyond those directly employed in the building.

In order to estimate the impacts of audiences and their expenditures in the three-county region, we first suggest that a component of the total market (taken from the pro-forma) is new (as opposed to being re-located) and coming from outside the region. It is important that we do NOT include existing or regional audiences in the calculation of spending, as these are expenditures that are simply moving around the defined economic region, as opposed to new economic activity in the region.

| Estimated Attendance at Regional PAH & Amphitheater | | |
|---|-----|---------------|
| Total Projected Attendance (Base Year) | | 140,000 |
| Less Relocated Attendance | | 46,667 |
| Projected Incremental Attendance | | 93,333 |
| Three-County Region | 67% | 62,533 |
| Outside Attendance | 33% | 30,800 |

Now, we input those estimates into ancillary spending formulas, which are taken from two sources. First, we employ national per capita expenditure estimates taken from the Arts and Economic Prosperity Report just published by Americans for the Arts as a means to estimate what local residents spend when attending a performance. For visitors, we have estimated per capita expenditures based on research contained in the NLTRA 2005 report on the Economic Significance of Visitors. We finally apply our multipliers to these direct impacts and add the totals for each industry to arrive at total impacts associated with the expenditures of audiences.

| Ancillary Spending Impacts on Three-County Region | Per Capita Expenditure Estimate | Total Direct (Induced) Expenditures | Output Multiplier | Total New Outputs (Sales) | Earnings Multiplier | Total New Earnings | Job Creation Multiplier | Total New Jobs |
|---|--|-------------------------------------|-------------------|---------------------------|---------------------|--------------------|-------------------------|----------------|
| Resident (3-County) Attendance | | | | | | | | |
| Food Services | \$8.15 | \$509,647 | 1.7554 | \$894,634 | 0.4881 | \$248,759 | 24.5138 | 12.49 |
| Retail Trade | \$2.80 | \$175,093 | 1.7861 | \$312,734 | 0.4784 | \$83,765 | 16.5193 | 2.89 |
| Transportation | \$4.27 | \$267,017 | 1.8764 | \$501,031 | 0.6041 | \$161,305 | 24.4446 | 6.53 |
| Overnight Lodging | \$0.96 | \$60,032 | 1.7003 | \$102,072 | 0.5122 | \$30,748 | 16.3269 | 0.98 |
| Miscellaneous | \$0.60 | \$37,520 | 1.7559 | \$65,883 | 0.5175 | \$19,416 | 14.4636 | 0.54 |
| <i>Sub-total</i> | | \$1,049,309 | | \$1,876,355 | | \$543,993 | | 23.44 |
| Non-resident Attendance | | | | | | | | |
| Food Services | \$118.41 | \$3,647,028 | 1.7554 | \$6,401,993 | 0.4881 | \$1,780,114 | 24.5138 | 89.40 |
| Retail Trade | \$125.87 | \$3,876,796 | 1.7861 | \$6,924,345 | 0.4784 | \$1,854,659 | 16.5193 | 64.04 |
| Recreation | \$202.38 | \$6,233,304 | 1.8764 | \$11,696,172 | 0.6041 | \$3,765,539 | 24.4446 | 152.37 |
| Lodging | \$117.30 | \$3,612,840 | 1.7003 | \$6,142,912 | 0.5122 | \$1,850,497 | 16.3269 | 58.99 |
| <i>Sub-total</i> | | \$17,369,968 | | \$31,165,422 | | \$9,250,809 | | 364.80 |
| Total Impact of Ancillary Spending | Total | \$18,419,277 | | \$33,041,776 | | \$9,794,802 | | 388.24 |
| | Excluding Three-County Attendance | \$17,369,968 | | \$31,165,422 | | \$9,250,809 | | 364.80 |

At the bottom of the chart, we show these total impacts. We then highlight just those associated with audiences coming from outside the region. For that non-regional group, new expenditures of \$17.4 million in the base year lead to new annual outputs of \$31.1 million, another \$9.2 million in new earnings and 365 jobs created on an ongoing basis.

This final chart summarizes economic impacts by showing first the total impacts of construction and then total operating impacts. The construction project and the new organization spending new money in the three-county region (and also having new audiences bringing their expenditures into the region) suggest significant positive impacts over the life of the project.

| Summary of Economic Impacts of Roadhouse and Amphitheater on Three-County Region | | |
|--|---------------------------------------|----------------------------------|
| One-time Impacts | Input (Construction \$) | \$40,000,000 |
| Construction | Output (Sales) | \$78,116,000 |
| | Earnings | \$21,412,000 |
| | Person-years of Employment | 518 |
| | Ongoing Annual Impacts | Input (Base year Expenditures) |
| Operation | Output (Sales) | \$4,071,565 |
| | Earnings | \$1,241,108 |
| | Jobs Created | 48.8 |
| | Ancillary Spending | Input (Base Year Customer Spend) |
| (Excluding Three-County Attendance) | Output (Sales) | \$31,165,422 |
| | Earnings | \$9,250,809 |
| | Jobs Created | 364.80 |
| | Total Annual Operating Impacts | Output (Sales) |
| | Earnings | \$10,491,917 |
| | Jobs Created | 414 |

appendix a:

needs assessment presentation

Truckee-North Lake Tahoe Plan for Arts & Culture

Needs Assessment

October 2008

Our Challenge

- ★ Evaluate, propose and plan for expanded, renovated and/or new cultural facilities in Truckee-North Lake Tahoe
- ★ Four issues:
 - ★ Audience demand
 - ★ User demand
 - ★ Other facilities
 - ★ Benefits and impacts
- ★ Recommendations based on those four questions

★ Today's challenges:

- ★ So many groups competing for audiences and funding given low barriers to entry, democratization of funding and lack of discrimination on the part of audiences.

★ Add tomorrow's challenges:

- ★ Baumol and Bowen's cost squeeze
- ★ The commercial entertainment sector, particularly given younger audiences

★ Keys to survival:

- ★ Customer relationship management
- ★ Weaving the arts into the fabric of the community
- ★ New opportunities for active participation
- ★ Cooperation, collaboration and consolidation



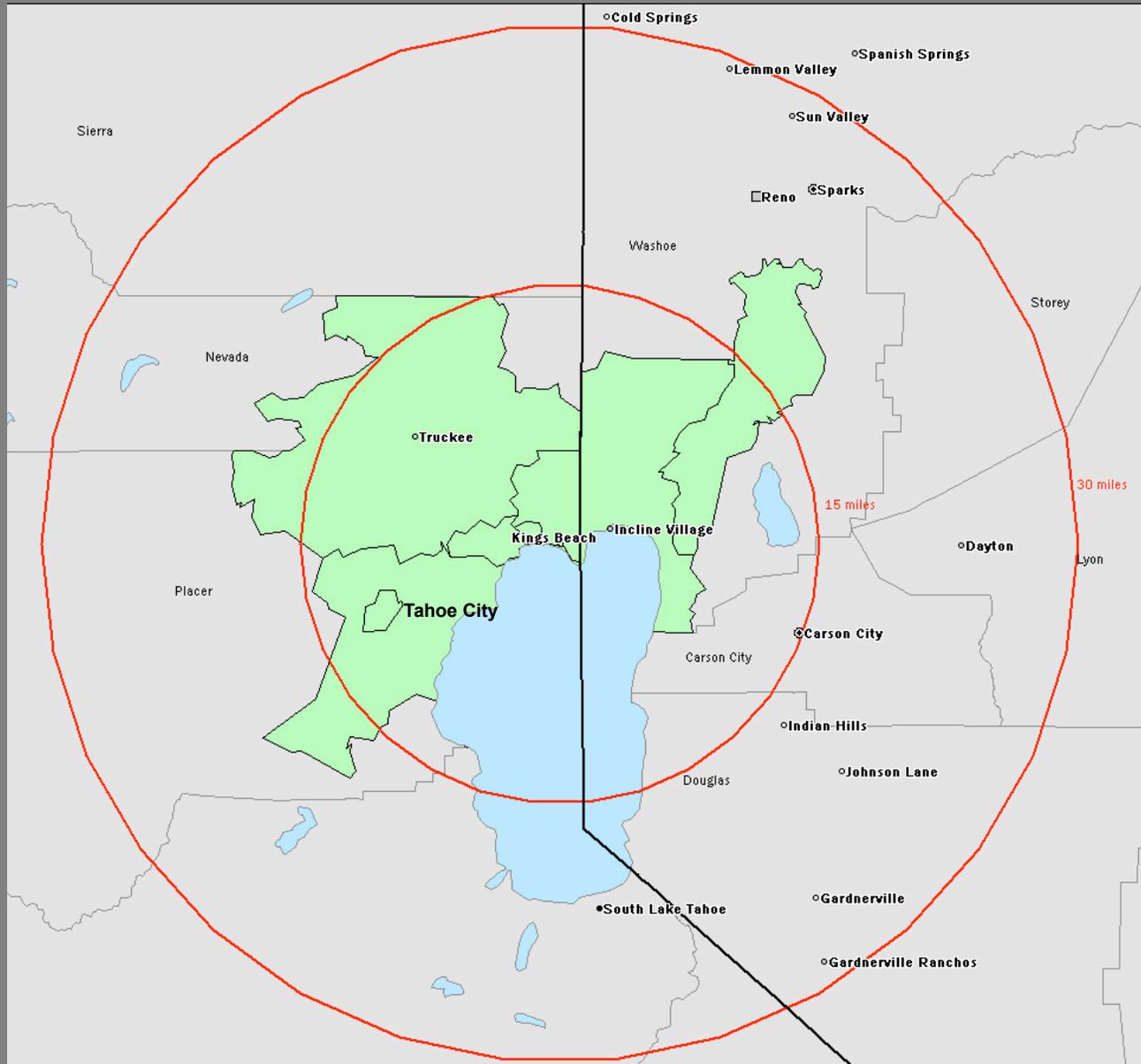
Facilities of the Future

- ★ More flexible, less permanent and less formal
- ★ One organization operating multiple facilities
- ★ Larger facilities for commercial, amplified performance
- ★ Smaller facilities for acoustic, intimate experience
- ★ Cheaper facilities for community participatory programs
- ★ More flexibility day to day and decade to decade
- ★ The importance of the urban location
- ★ The importance of the educational partner
- ★ Mixed-use development as a means to an end
- ★ Add pieces that drive earned income
- ★ Operating success depends on programming first, marketing second and fundraising third

- ★ Market area considered:
 - ★ North Lake Tahoe Region, defined as zip codes 96161, 96145, 96146, 96140, 96148, 96143, 89451 (includes 89450 and 89452), 89511
 - ★ The 30-mile radius surrounding Kings Beach

- ★ And in terms of three population segments:
 - ★ Permanent residents
 - ★ Part-time residents (second homeowners)
 - ★ Visitors

Market Definition

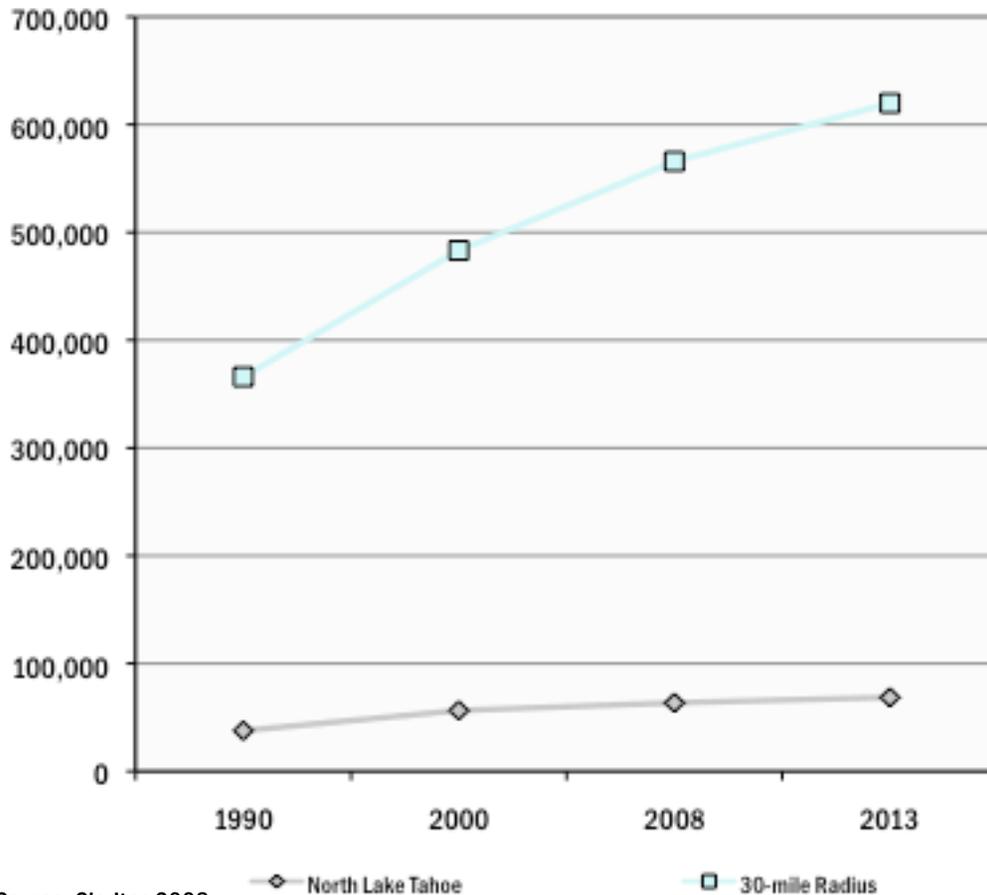


- ★ Green depicts boundary of North Lake Tahoe market area (zip codes)
- ★ Majority lies within a 15-mile ring

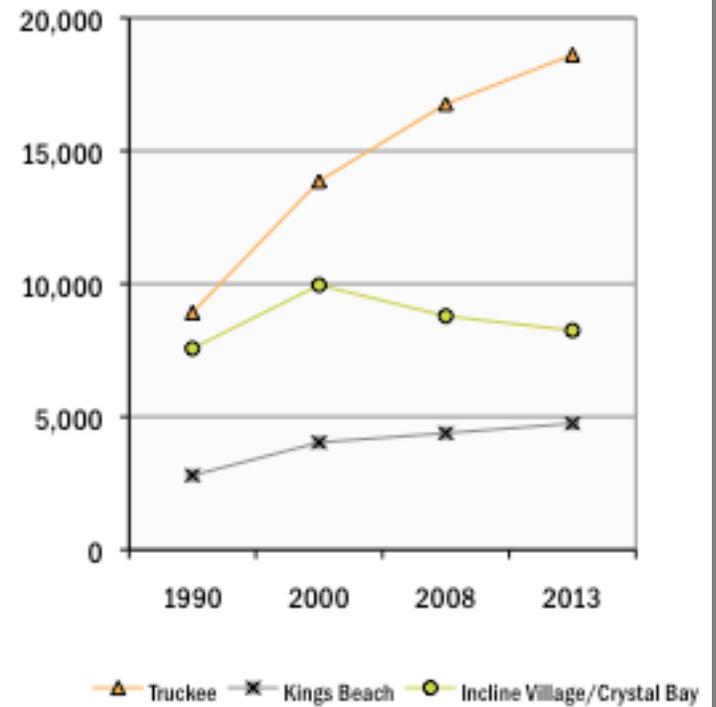
- ★ Community agencies working to collaborate; this study is an example
- ★ A few regional arts groups like Lake Tahoe Summer Music Festival and Lake Tahoe Shakespeare Festival
- ★ Tahoe Regional Planning Bi-state Compact since 1969
 - ★ TRPA created to think beyond political boundaries and plan for the region
- ★ Pathway 2007, a multi-agency long range planning effort addressing Tahoe's future
- ★ Even still, there is some sense of divisiveness between communities
 - ★ "We'll drive to Reno but we won't drive to Truckee"
 - ★ "We have lots of local self interests"
 - ★ "The pine cone curtain"

Market Size and Growth

Population Growth

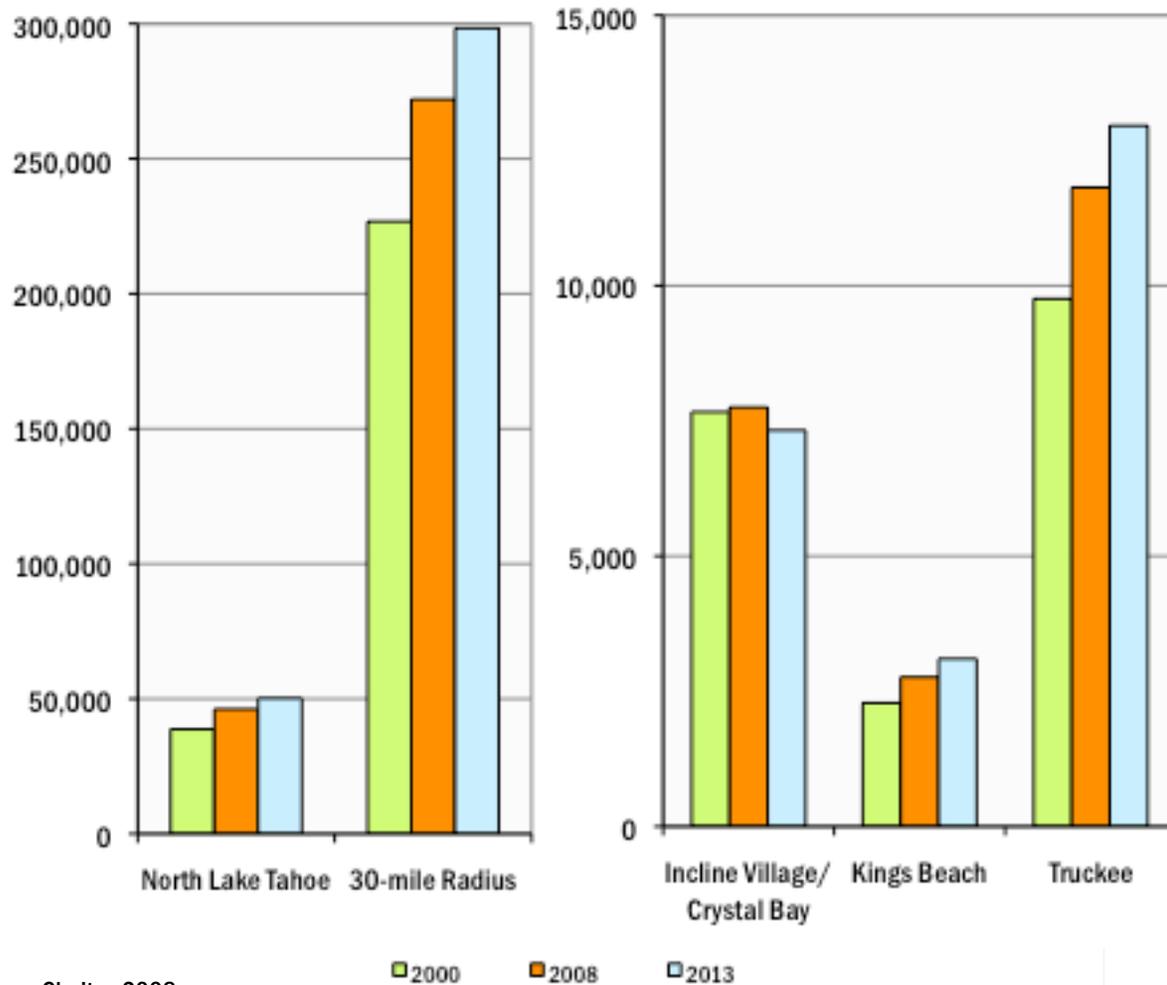


Source: Claritas 2008



Market Size and Growth

Housing Units

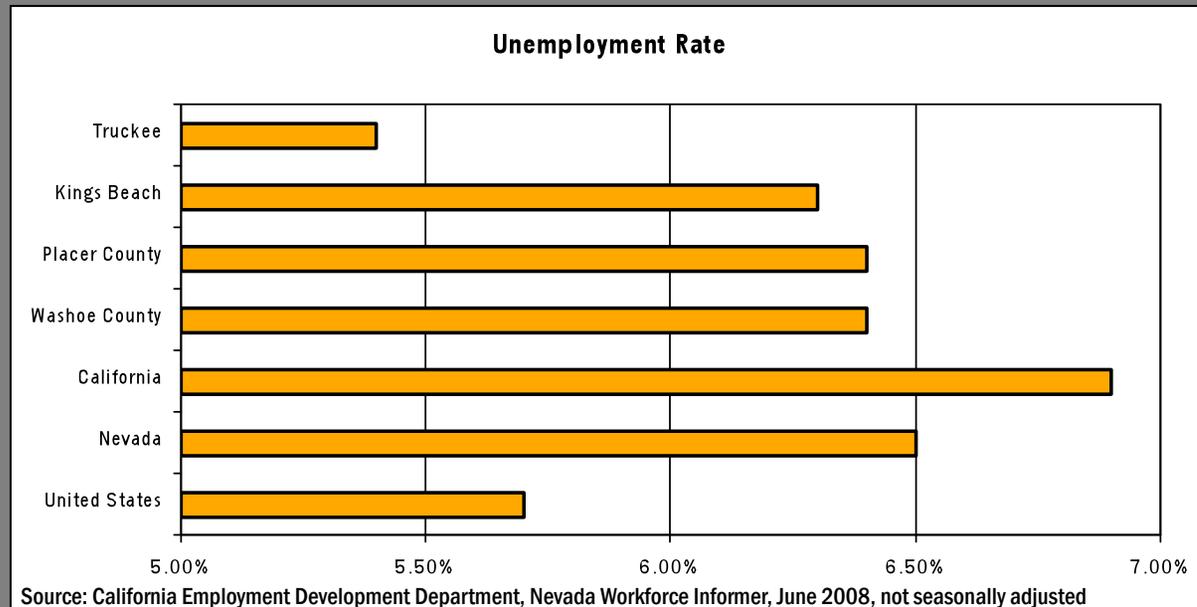


Source: Claritas 2008

- ★ New developments proposed in downtown Truckee and Kings Beach (affordable housing)

Industry and Job Growth

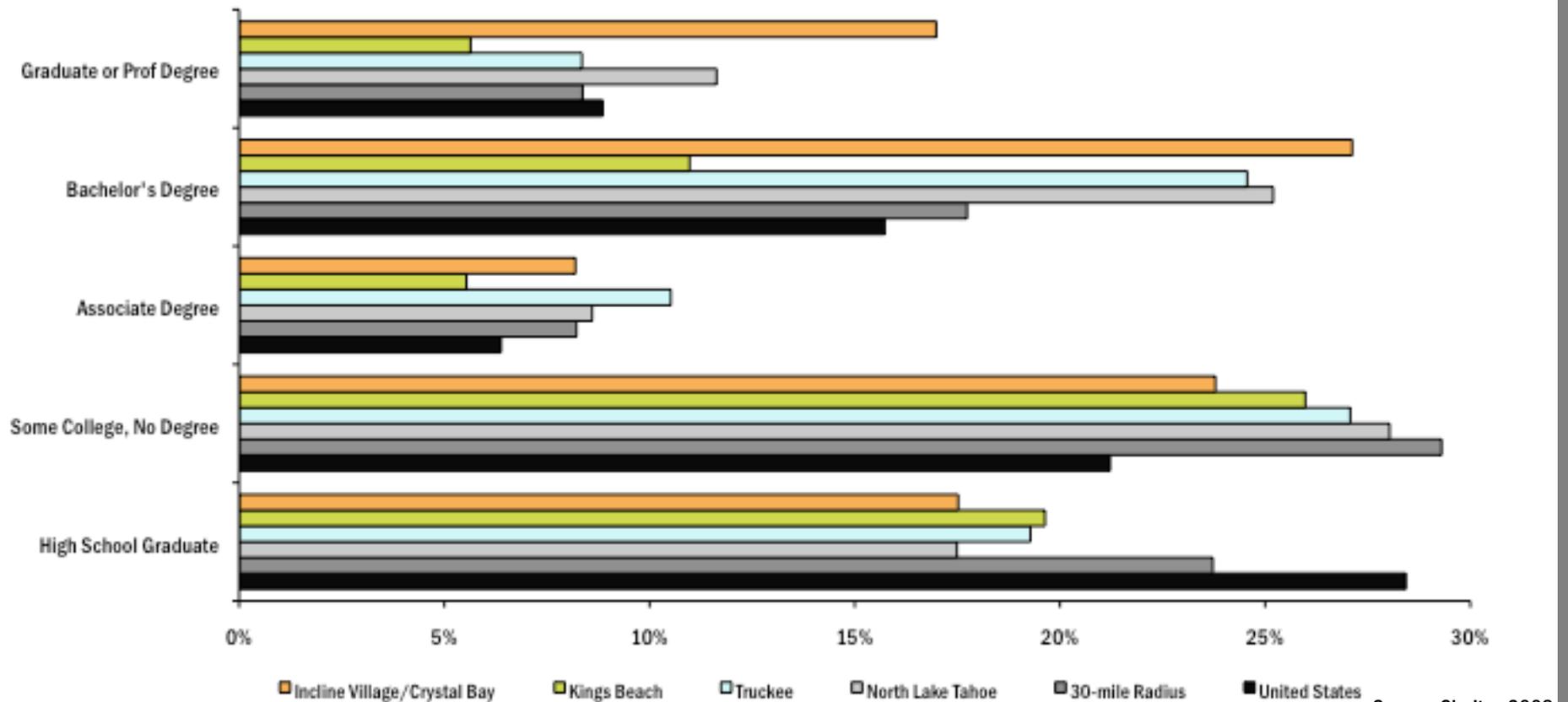
- ★ Sierra Business Council 2007 Report: State of the Sierra
 - ★ Regionally, tourism accounts for 10.4% of all jobs in the Sierra Nevada region
 - ★ 89% of business in North Central region are small businesses
 - ★ High percentage of jobs in construction and retail
 - ★ Decline in mining and manufacturing jobs due to depletion of natural resources
 - ★ Fastest growing sectors include local government, education, health services, finance, insurance, and real estate



- ★ Region has lower unemployment rate than state averages

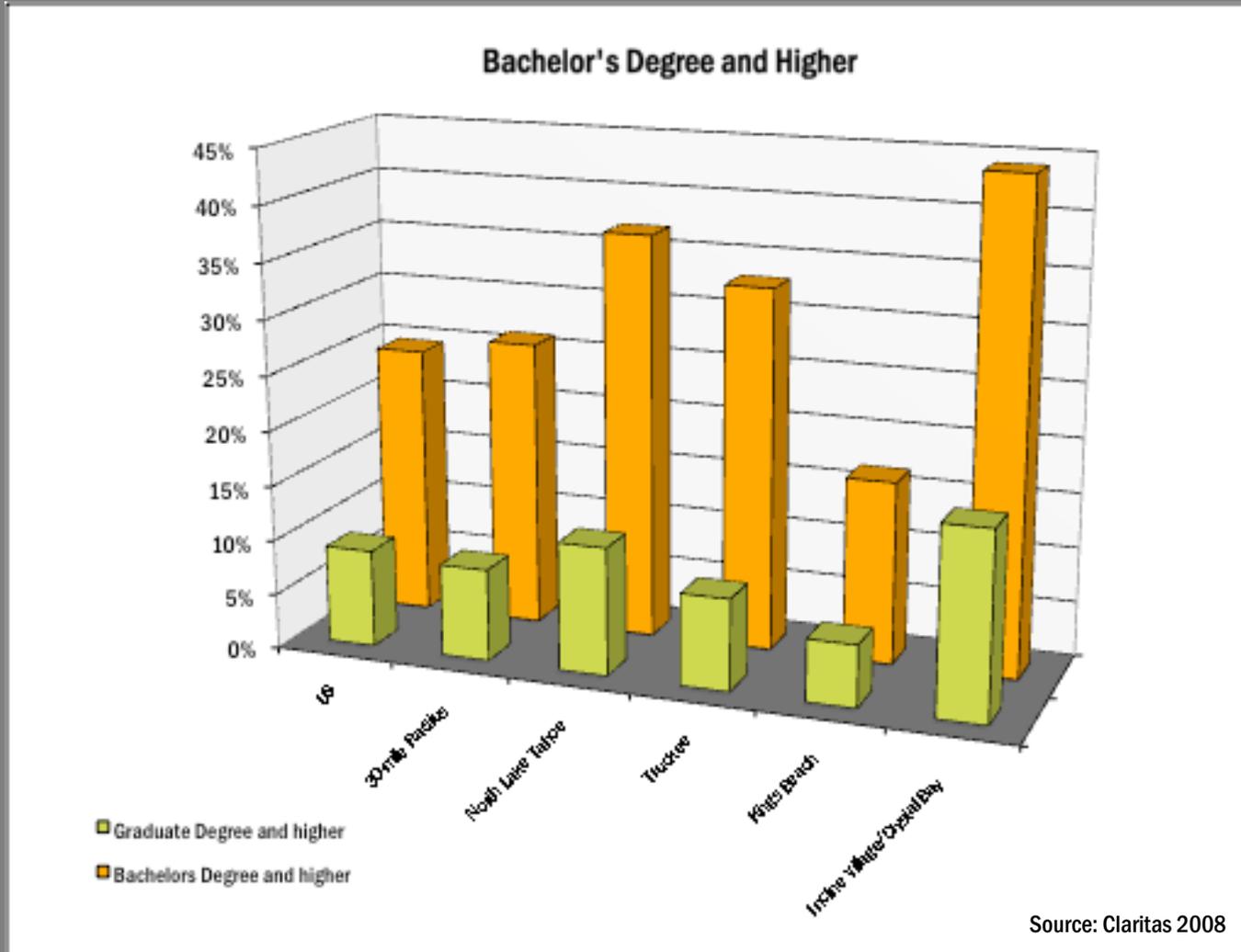
Market Characteristics

Educational Attainment

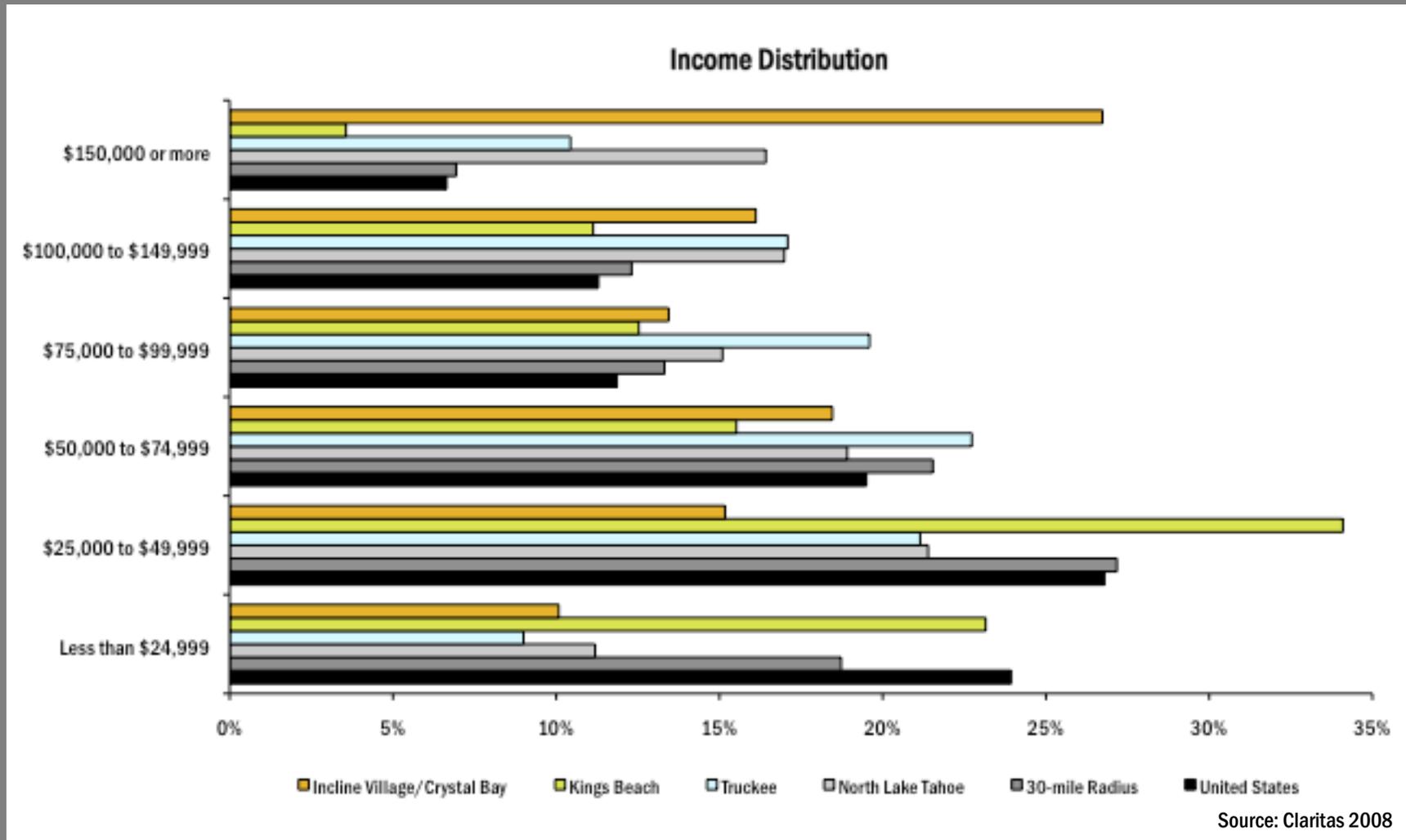


★ Each bar represents percent of total population in the region

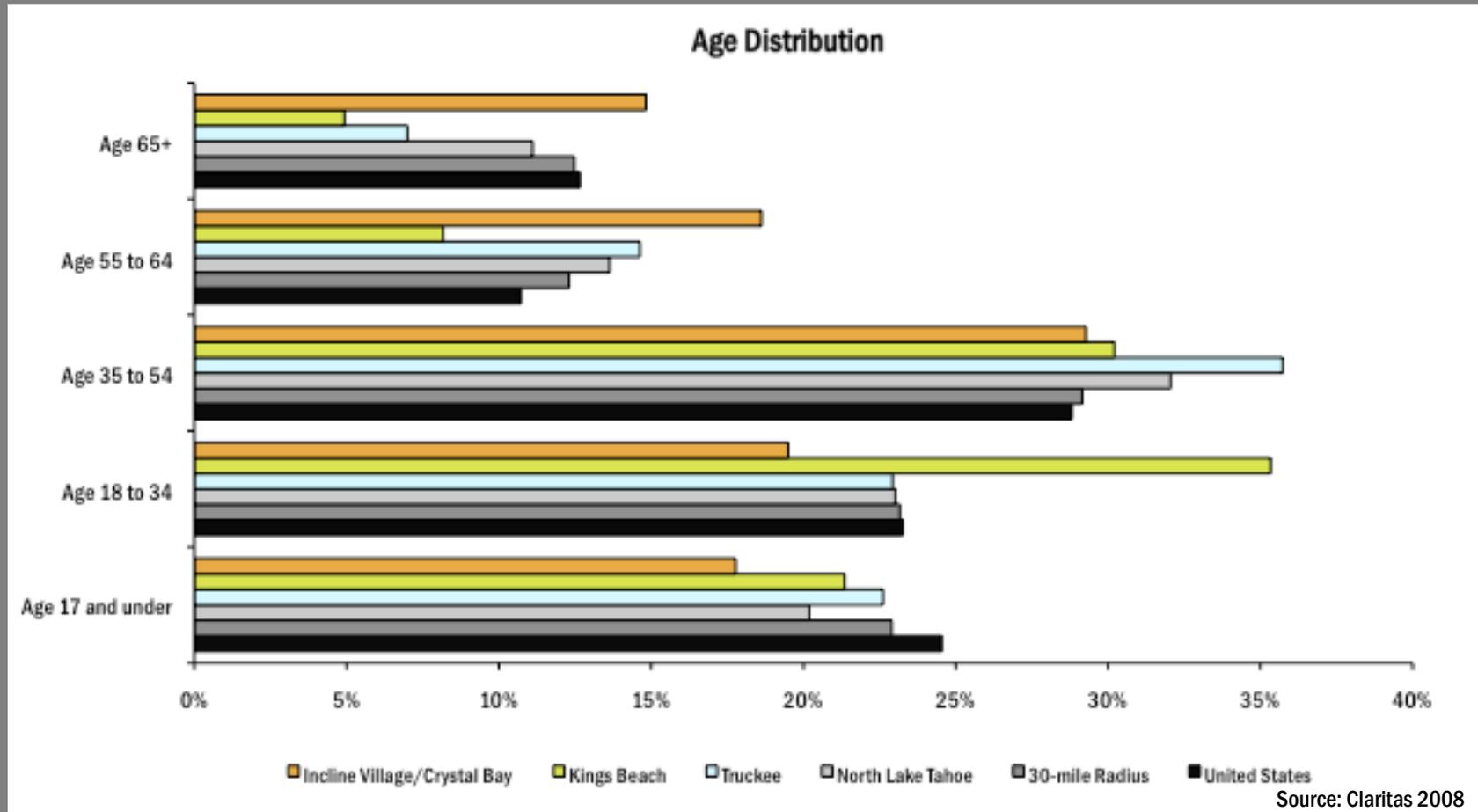
Market Characteristics



Market Characteristics

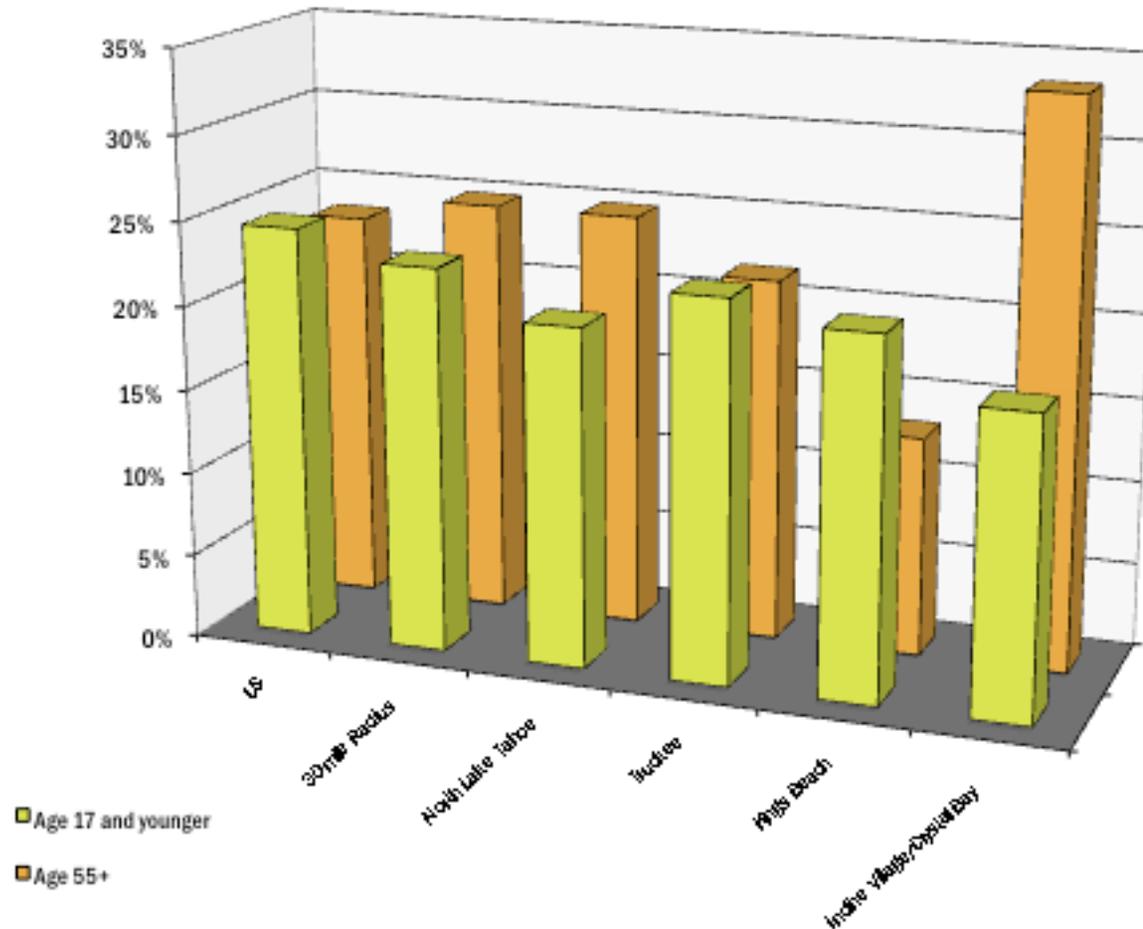


Market Characteristics

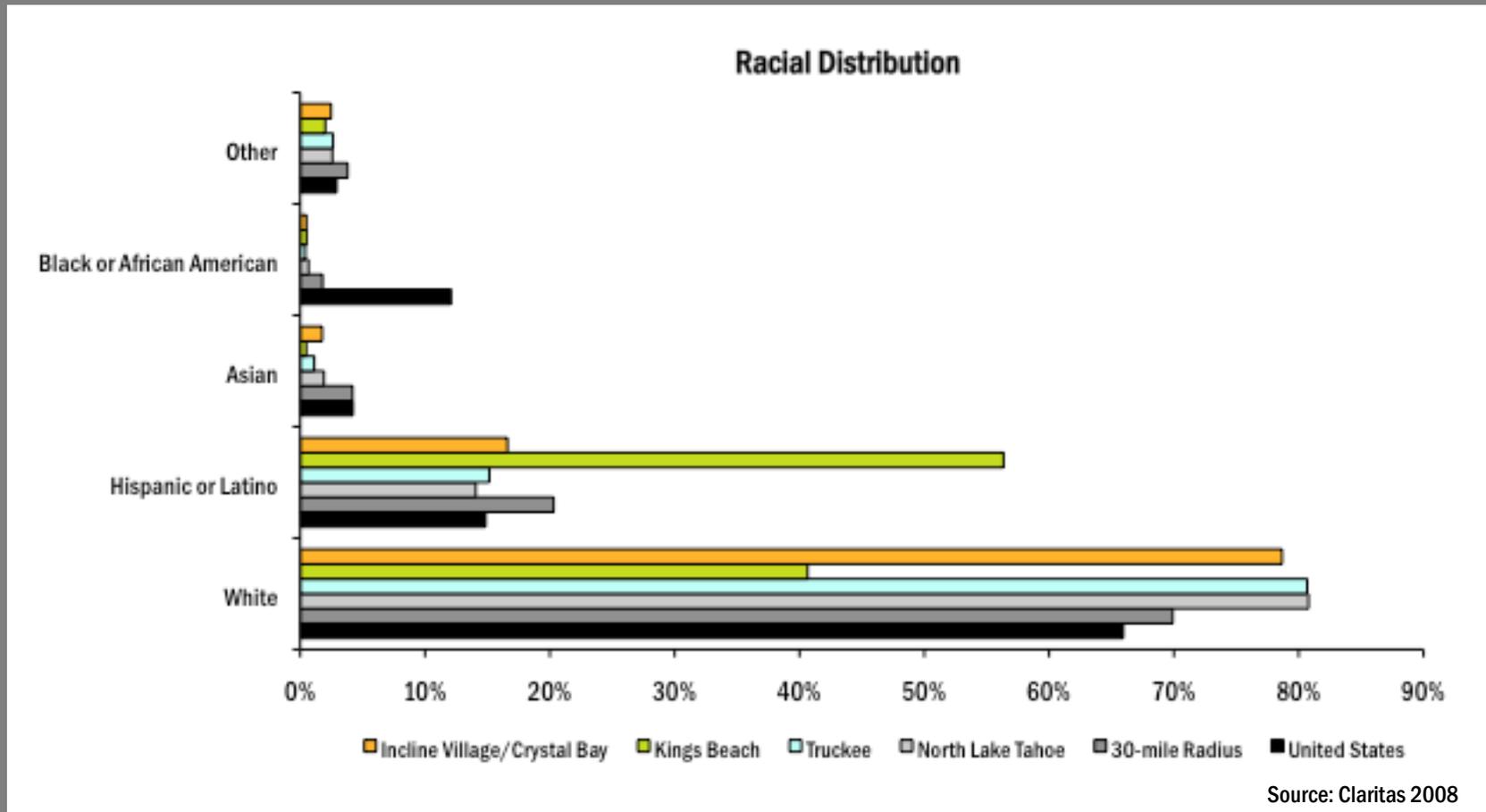


Market Characteristics

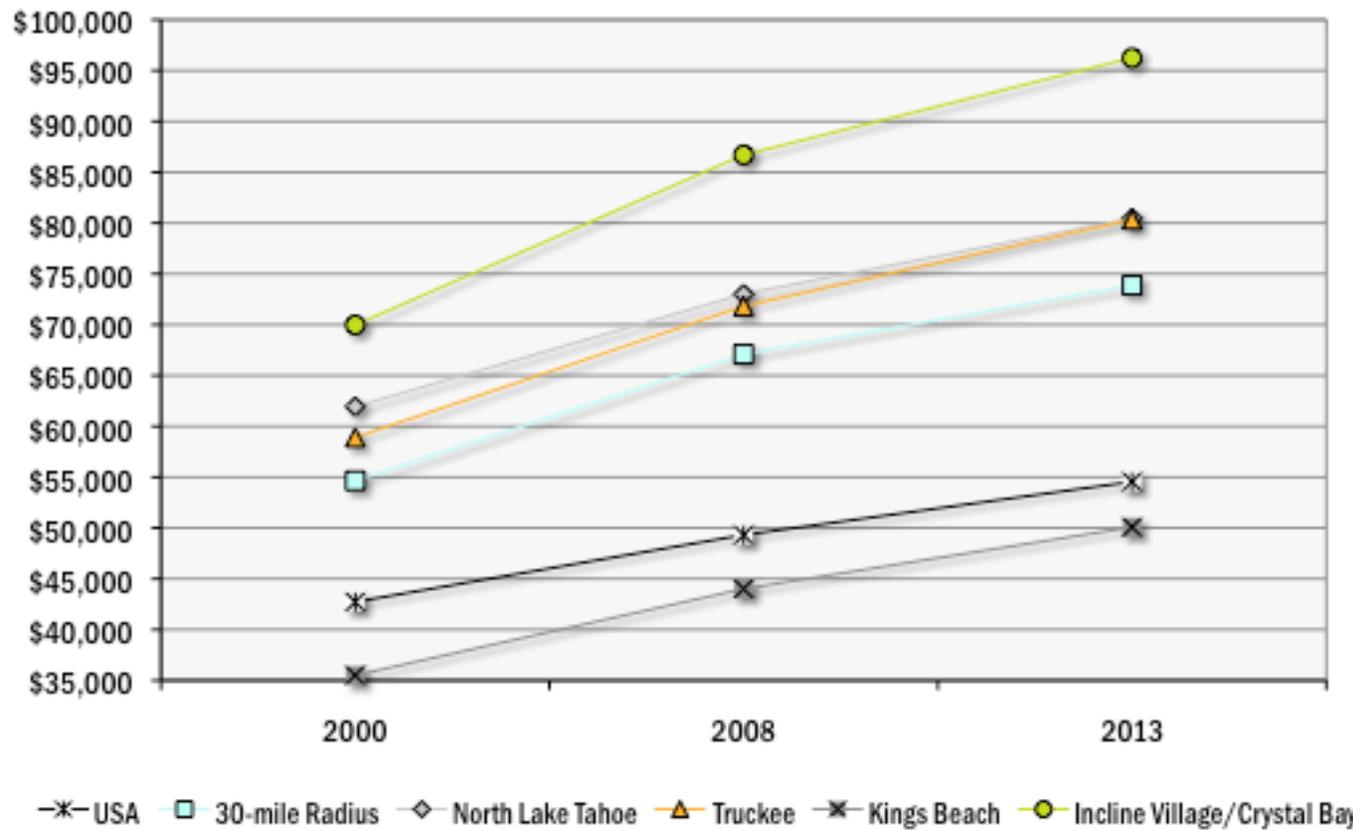
The Market Today: Young and Old Population Segments



Market Characteristics

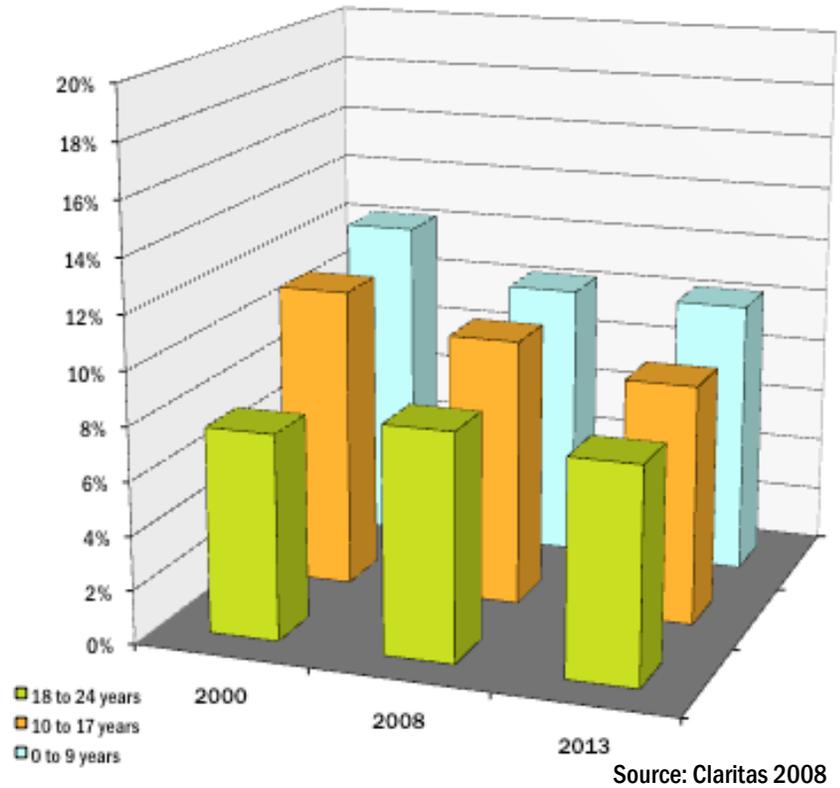


Median Household Income Trend

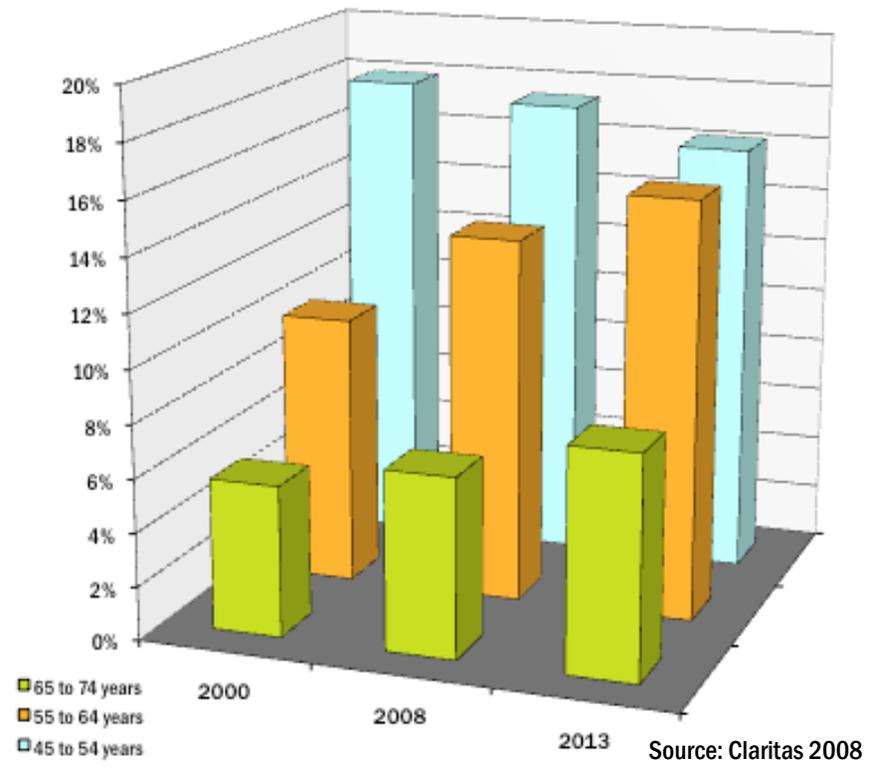


Source: Claritas 2008

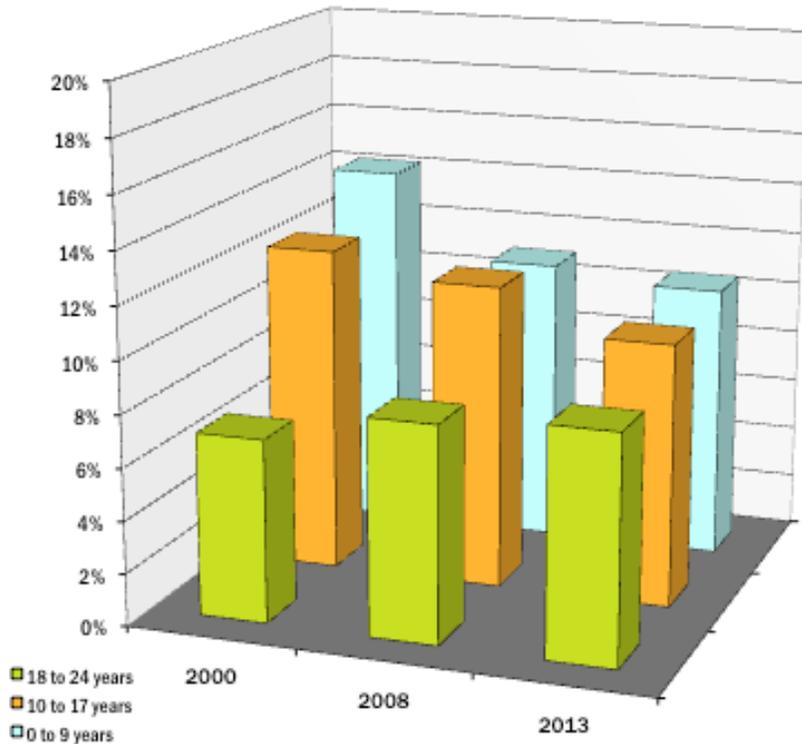
Young Population Trend: North Lake Tahoe



'Empty Nester' and 'Retiree' Population Trend: North Lake Tahoe

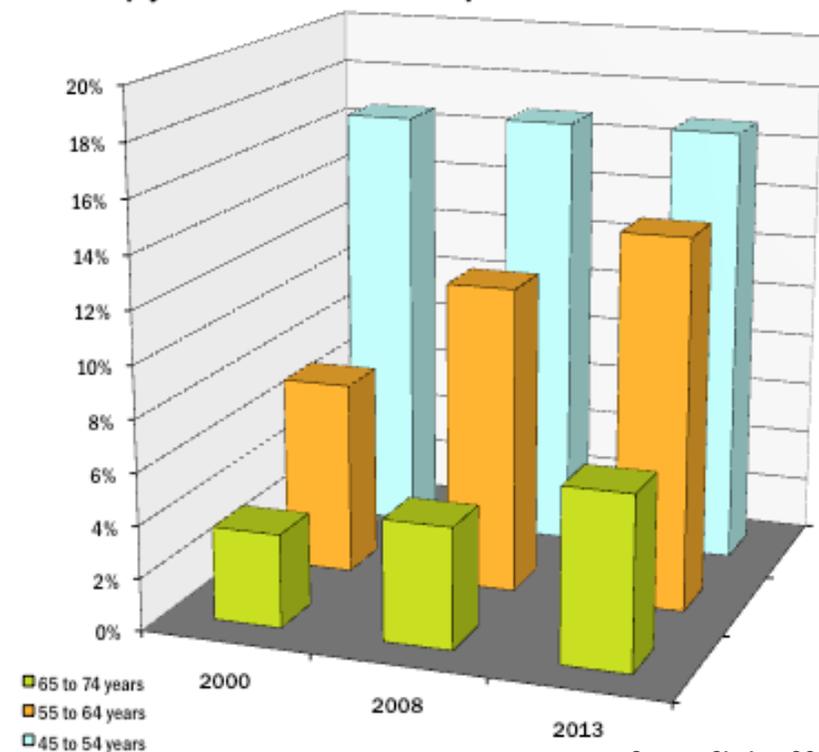


Young Population Trend: Truckee



Source: Claritas 2008

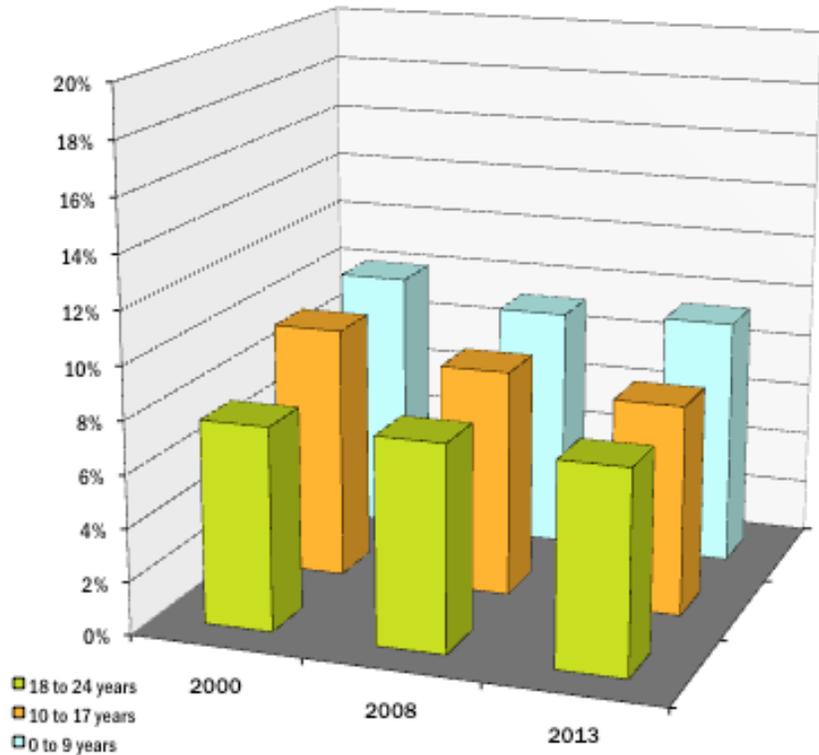
'Empty Nester' and 'Retiree' Population Trend: Truckee



Source: Claritas 2008

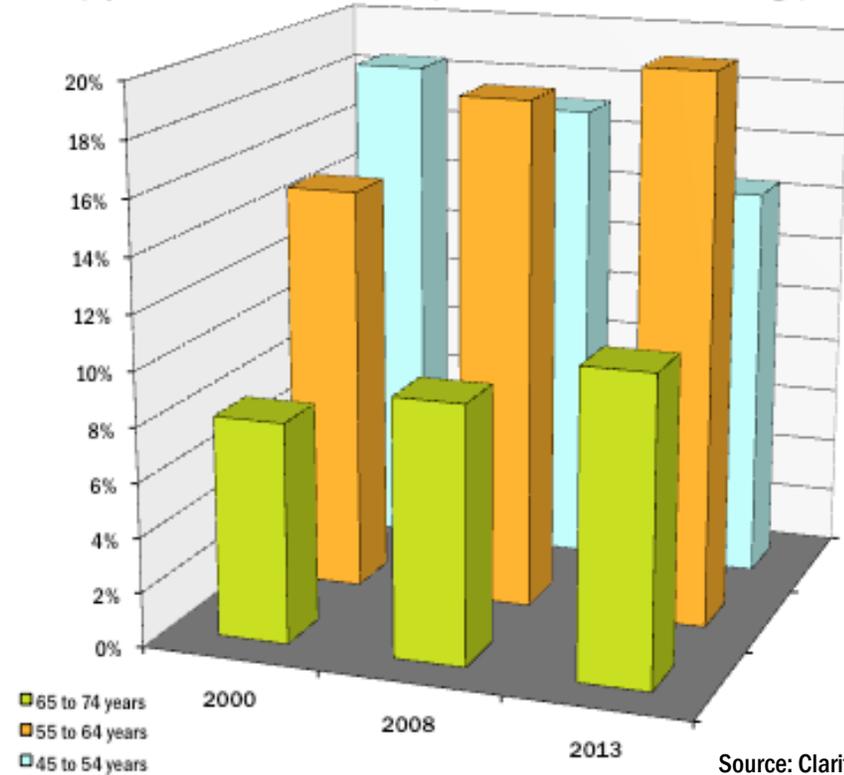
- ✦ Tahoe-Truckee Unified School District decreasing enrollment
- ✦ Increasing number of ESL students
- ✦ Increasing number of kids living at poverty level

Young Population Trend: Incline Village/Crystal Bay



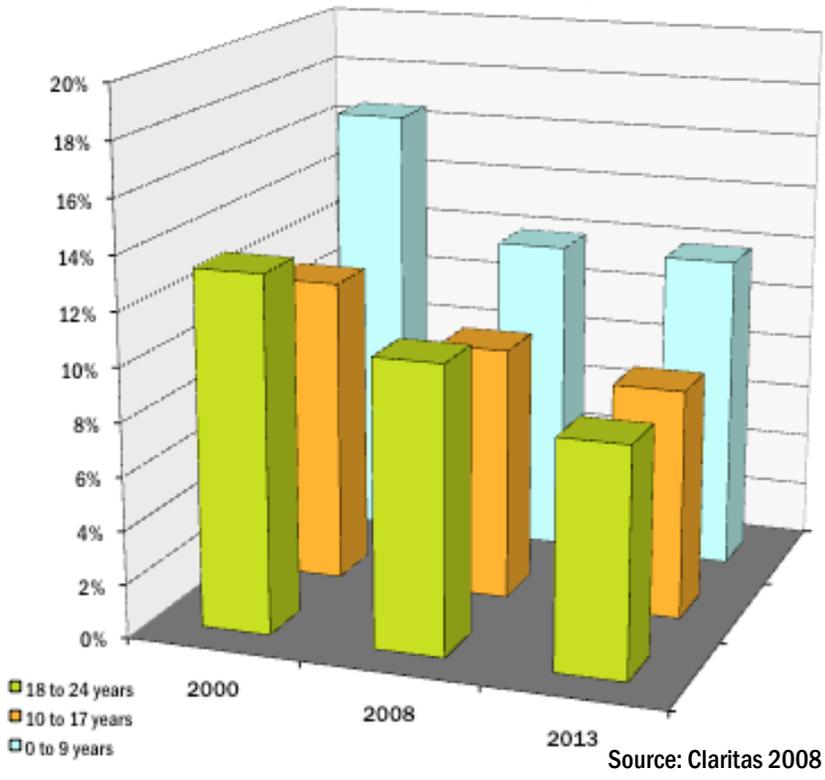
Source: Claritas 2008

'Empty Nester' and 'Retiree' Population Trend: Incline Village/Crystal Bay

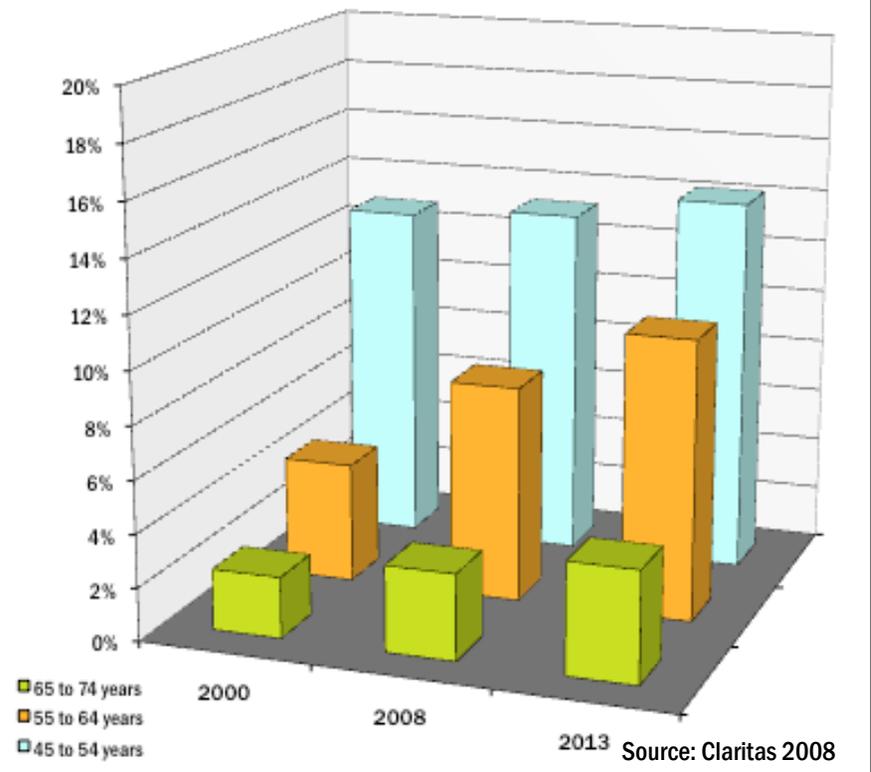


Source: Claritas 2008

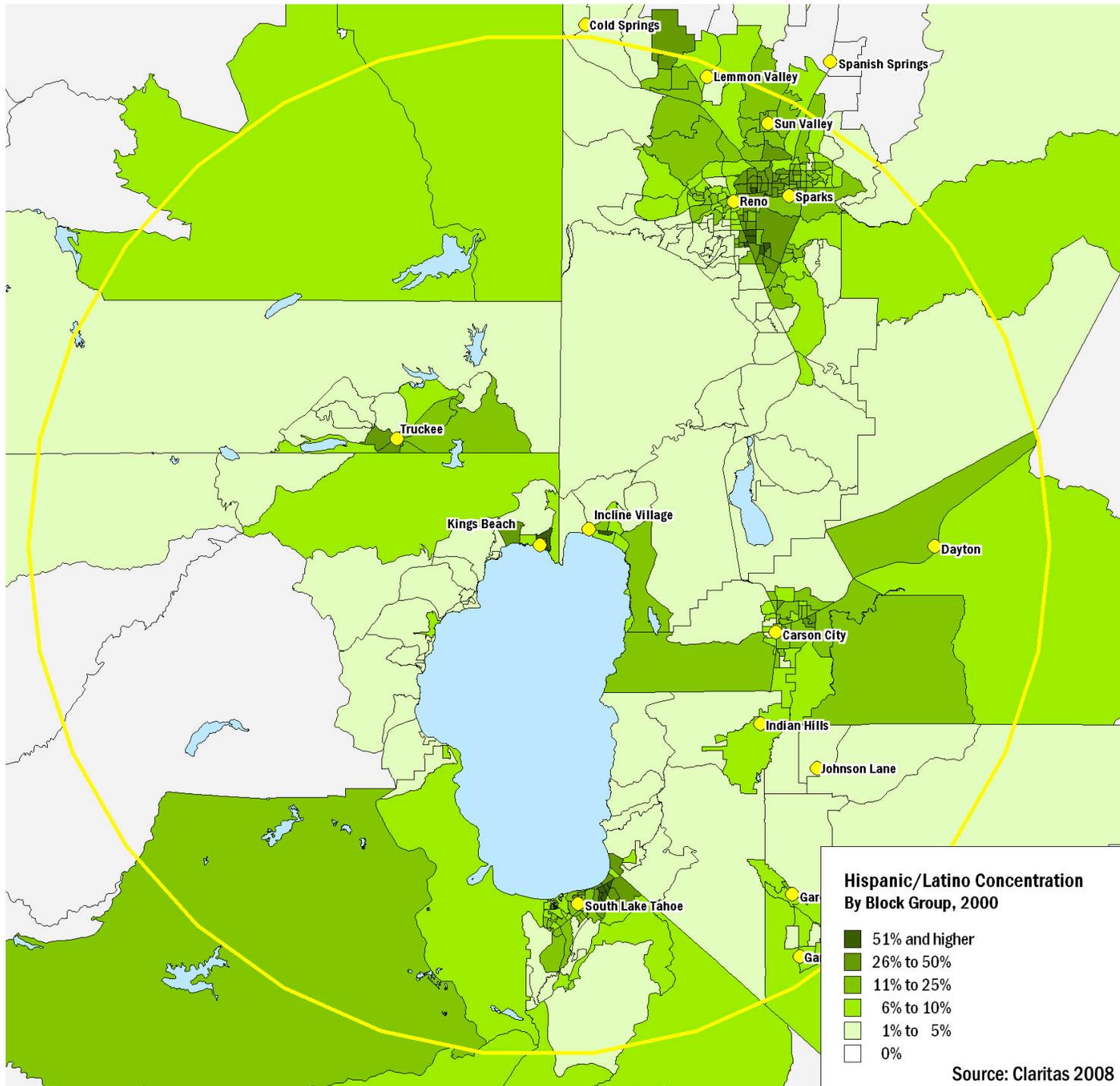
Young Population Trend: Kings Beach



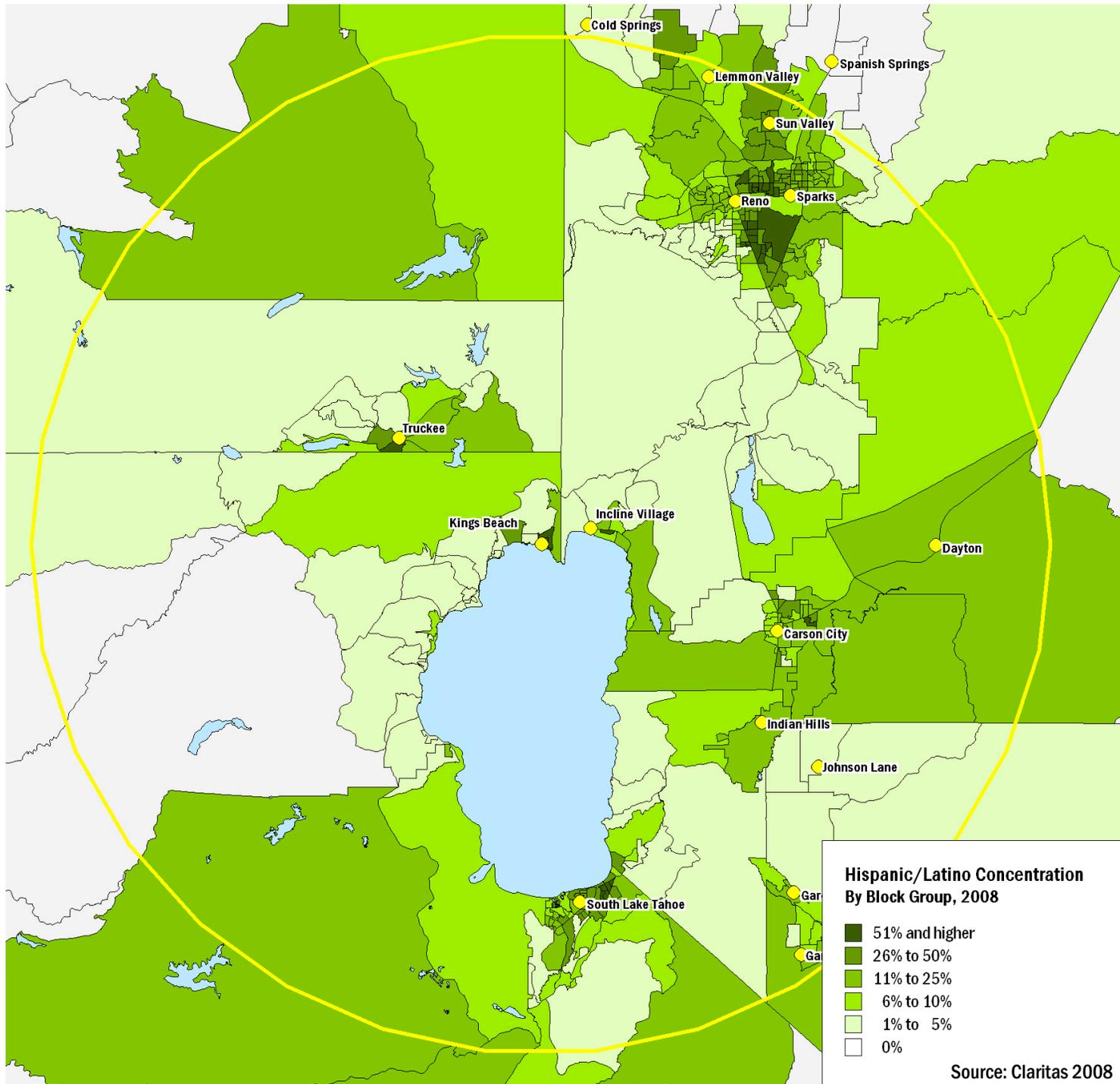
'Empty Nester' and 'Retiree' Population Trend: Kings Beach



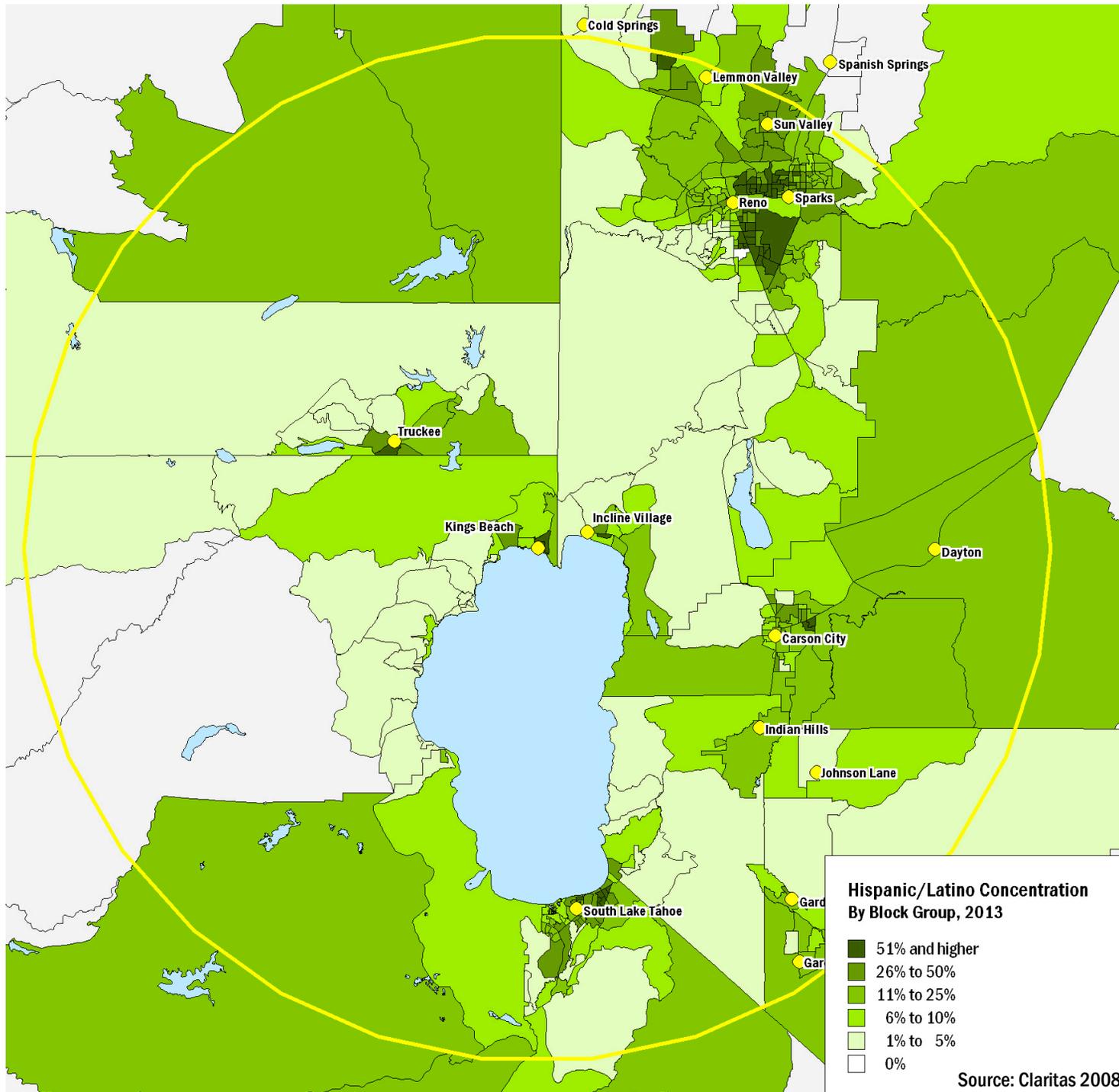
Market Trends



Market Trends

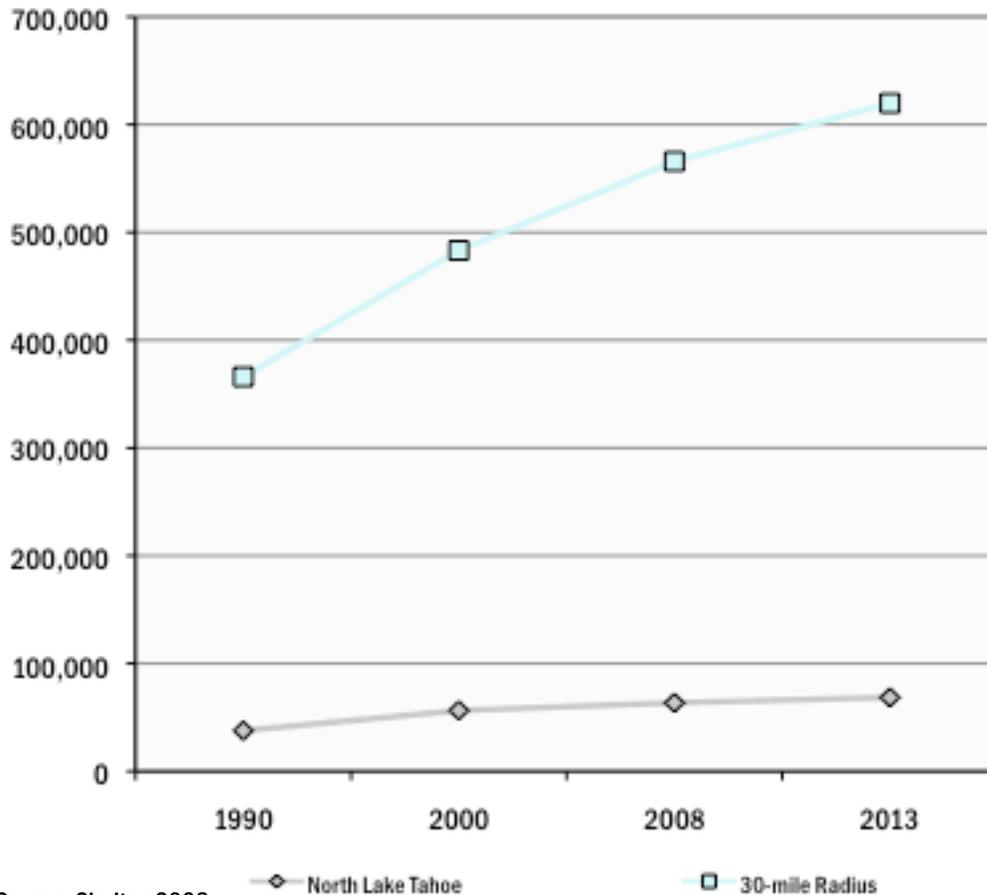


Market Trends

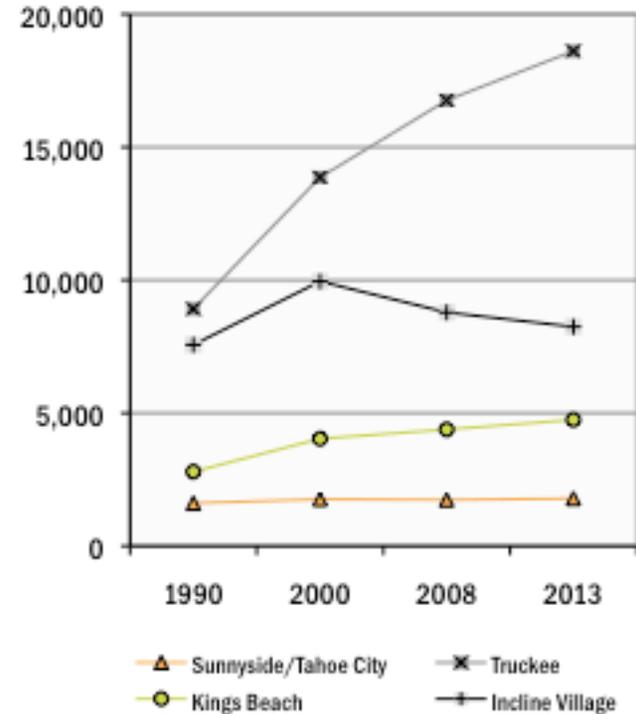


Market Size and Growth

Population Growth



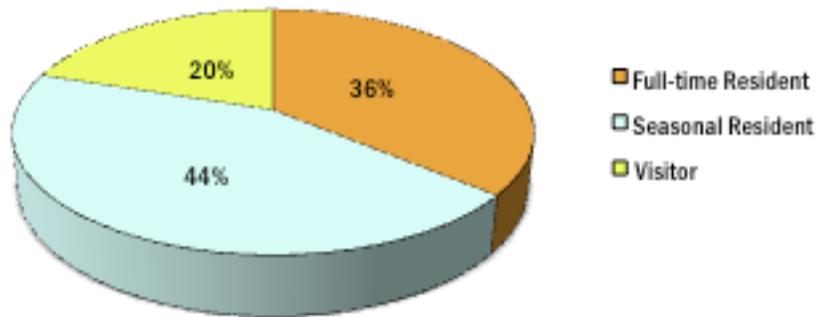
Source: Claritas 2008



- ★ The analysis shows distinct differences between various communities in the region:
 - ★ Truckee: Larger proportion of families
 - ★ Kings Beach: Significant Hispanic/Latino population, lower income levels
 - ★ Incline Village: Older population, higher income levels
 - ★ Tahoe City: Higher concentration of second homeowners

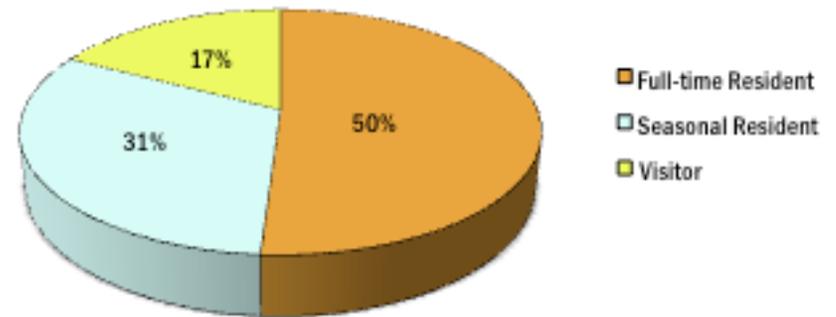
Local Arts Audiences

Lake Tahoe Music Festival
Audience Survey Repondents 2006



Source: Lake Tahoe Music Festival

Lake Tahoe Music Festival
Audience Survey Repondents 2007



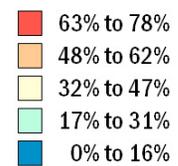
Source: Lake Tahoe Music Festival

- ★ The permanent population represents a growing proportion of LTMF audiences, but second homeowners and visitors are important segments too

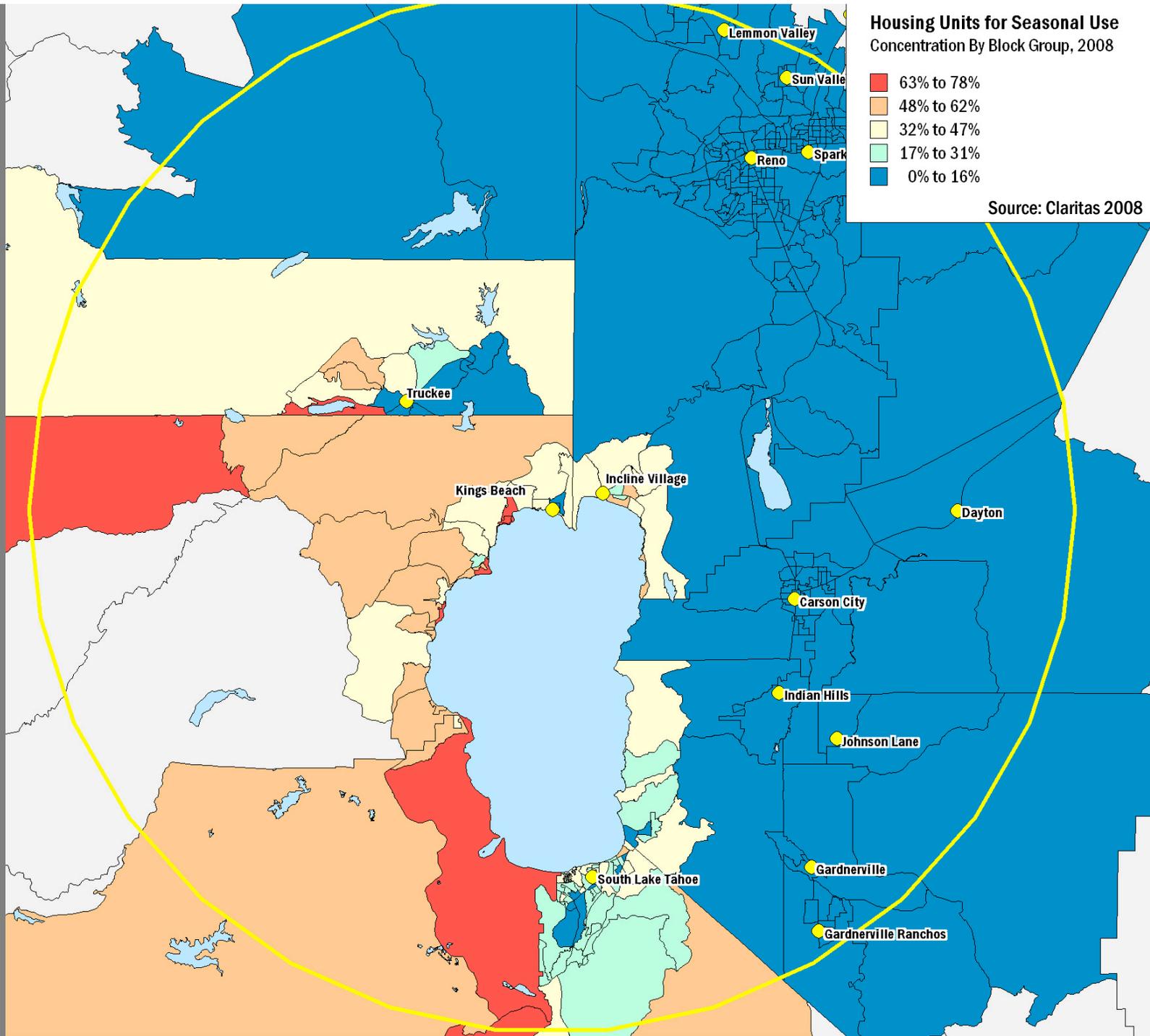
- ★ A number of sources offer varying details on local second homeowners:
 - ★ Incline Village General Improvement District:
 - ★ In a recent mailing, 43% of utility bills went outside of the area (presumed to have gone to second homeowners)
 - ★ The full-time occupancy rate for housing units in the off-season is 66% to 68%
 - ★ Town of Truckee: “Roughly half of the housing stock is seasonal”
 - ★ U.S. Census 2000: 44% of Truckee, 31% of Kings Beach and 39% of Incline Village/Crystal Bay housing units are seasonal
 - ★ U.S. Postal Service Regional Master Plan (1999):
 - ★ 14% of Incline Village/Crystal Bay and 9% of Kings Beach are seasonal residents

- ★ Local second homeowners:
 - ★ Incline Village General Improvement District:
 - ★ 43% of utility bills go outside of area (presumed to have gone to second homeowners)
 - ★ Town of Truckee: “Roughly half of the housing stock is seasonal”
 - ★ Census 2000: 44% of Truckee, 58% of Tahoe City, 31% of Kings Beach and 39% of Incline Village/Crystal Bay housing units are seasonal
 - ★ U.S. Postal Service Regional Master Plan (1999): 14% of Incline Village/Crystal Bay and 9% of Kings Beach total populations are seasonal
- ★ Considering all of this data, we can conservatively estimate that approximately 40% of housing units in the North Lake Tahoe region, or 18,463 units, are seasonal in 2008
- ★ $18,463 \text{ units} * \text{average household size of } 2.5 = 46,157 \text{ second homeowners}$
- ★ Additionally, the inventory of second homes is increasing

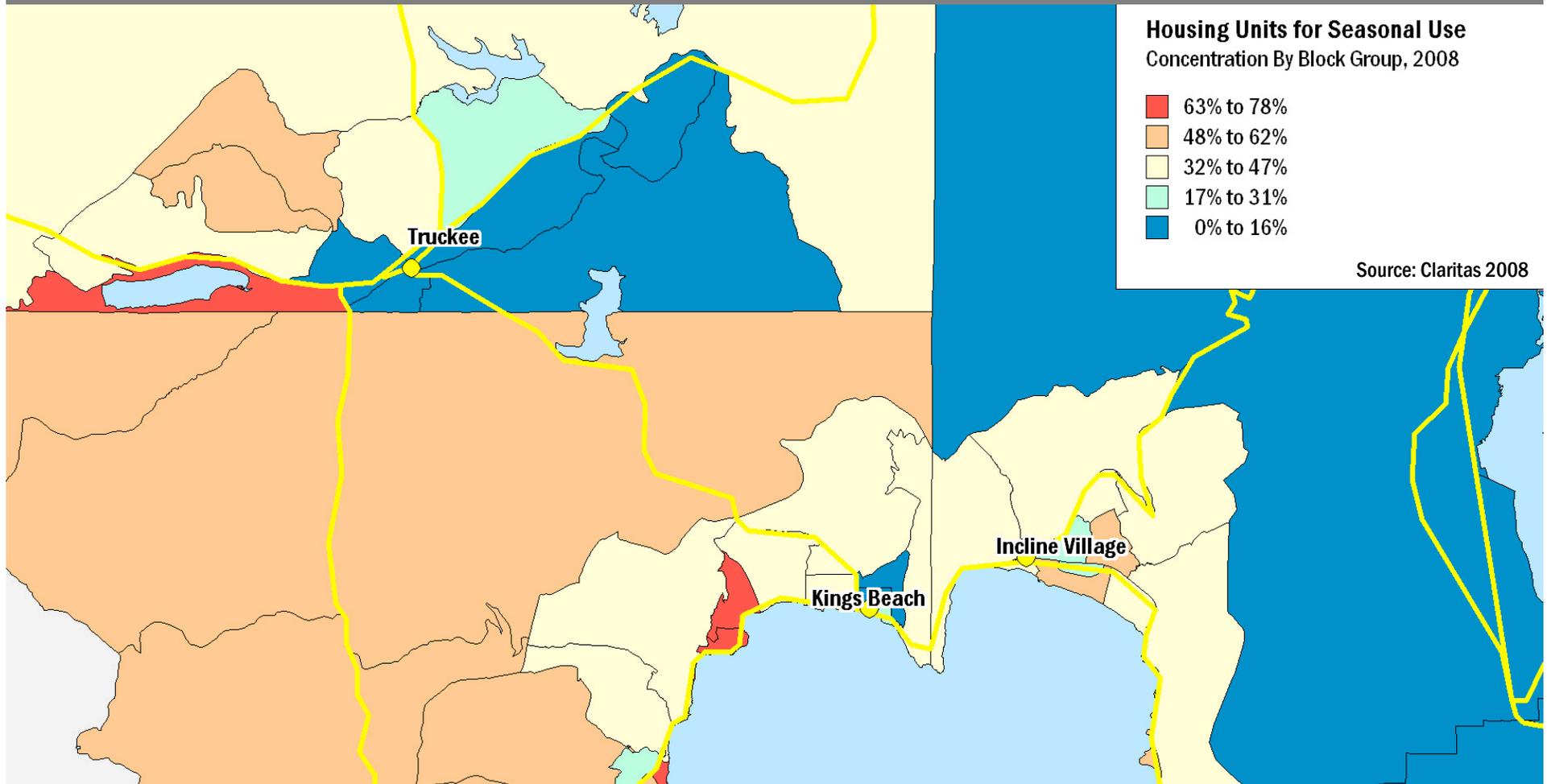
Housing Units for Seasonal Use Concentration By Block Group, 2008



Source: Claritas 2008



Second Homes



★ Lower concentration of second homes in parts of Truckee and most of Kings Beach

North Lake Tahoe Visitors

- ★ NLTRA report on the economic significance of travel (2002):
 - ★ 2.6 million visitor days; 823,000 visitor trips
 - ★ The study only included California areas of North Lake Tahoe
 - ★ 15% day trippers
 - ★ 22% overnight in hotel/motel/B&B
 - ★ 22% rented condo/home
 - ★ 13% visiting friends and relatives (VFRs)
 - ★ 5% camping
 - ★ 23% owned vacation home

- ★ Hotel and motel inventory within the basin currently limited by TRPA restrictions and land availability
- ★ Hotel and motel development that is planned and approved will provide higher quality accommodations with luxury amenities
- ★ TOT revenue (Placer County, District 5) projected 14% increase in 2007-2008 compared to previous year
- ★ NLTRA uses conservative 5% TOT growth rate in strategic plan

| Estimate of Annual Visitors | | | | | | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Year | 1999** | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Visitor Estimate | 1,200,000 | 1,260,000 | 1,323,000 | 1,389,150 | 1,458,608 | 1,531,538 | 1,608,115 | 1,688,521 | 1,772,947 | 1,861,594 |

*Assumes 5% annual increase, given that NLRTA projects a conservative 5% annual increase in TOT revenue

**Community Assessment of Northeast Lake Tahoe notes that the region welcomed 1.2 million visitors in 1999

Regional Philanthropy

- ★ Sierra Business Council 2007 Report: State of the Sierra
 - ★ Sierra Nevada Region received the fewest grants of any California Region
 - ★ Sierra Nevada Region has the fewest nonprofits of any California Region

- ★ Irvine Foundation 2006 Report: Foundation Giving in California
 - ★ Central Valley Region has lower giving levels, smaller assets and fewer foundations than other state regions

- ★ North East Lake Tahoe (NELT) Community Assessment Report: Community Contributions to Nonprofits
 - ★ Residents made substantial contributions to nonprofits, but majority went to organizations outside of the Lake Tahoe area:
 - ★ Donations made to ALL nonprofits: 85% of residents donated to a nonprofit in last 12 months with the most common level of giving between \$1,001 and \$10,000
 - ★ Donations made to LOCAL nonprofits: 73% donated to local organizations with most common level of giving between \$101 and \$500

Market Conclusions

- ★ The market for improved and added North Lake Tahoe cultural activity is good based on:
 - ★ A highly educated and affluent population base
 - ★ Large, involved and growing seasonal and visiting populations

- ★ Important audience segments include:
 - ★ Growing Hispanic/Latino population throughout the region
 - ★ Young adult and Hispanic/Latino residents in Kings Beach
 - ★ Family populations in Truckee
 - ★ Empty-nesters and retirees throughout North Lake Tahoe
 - ★ Cultural tourists
 - ★ Second home-owners shifting their attentions here

- ★ Challenges:
 - ★ Geographical isolation—and diversity—of population “pockets”
 - ★ Competitive nature of individual communities
 - ★ Majority of nonprofit contributions are going to organizations outside of the region

Performance Venues

- ★ 22 local facilities are currently used for public performance or presentation on a regular basis
- ★ 50% of indoor venues are affiliated with churches, schools or casinos
- ★ Few spaces developed to specifically and effectively serve community-oriented live performance
- ★ As a result, a large proportion of cultural activity occurs in non-traditional venues like event spaces at regional resorts, bars/lounges, backyards
- ★ 7 outdoor spaces currently used for live performance
 - ★ One (Truckee amphitheater) has permanent infrastructure but lacks lighting and sound
 - ★ Others involve portable stage, rented lighting, sound, etc.
- ★ Larger regional performance spaces in Reno and Carson City host more significant touring entertainment

North Lake Tahoe Facility Rating

Indoor Performance Facilities

| | | | | | | | | | | | |
|---|-----|---|---|---|---|---|---|---|---|---|-----|
| Truckee Elementary Multipurpose Room | 754 | 5 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1.3 |
| Glenshire Elementary School Auditorium | 706 | 5 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1.3 |
| Tahoe Biltmore - Breeze Bar | 700 | 4 | 2 | 3 | 3 | 3 | 4 | 2 | 2 | 2 | 2.6 |
| Resort at Squaw Creek Grand Ballroom | 625 | 2 | 3 | 2 | 1 | 1 | 3 | 2 | 2 | 2 | 2.1 |
| North Tahoe High School Auditorium | 552 | 5 | 4 | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 2 |
| Crystal Bay Club - Main Space | 500 | 3 | 4 | 3 | 2 | 2 | 3 | 1 | 2 | 2 | 2.6 |
| Kings Beach Elementary Gymnasium w/ Stage | 350 | 3 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 3 | 1.8 |
| St. Francis of Assisi | 350 | 2 | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 2 | 2.3 |
| Frank Sinatra Showroom at CalNeva | 320 | 4 | 1 | 3 | 2 | 3 | 3 | 2 | 2 | 2 | 2.2 |
| Truckee High School Auditorium | 310 | 3 | 2 | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 1.6 |
| PlumpJack Conference Center at Squaw Valley Inn | 300 | 2 | 3 | 2 | 1 | 1 | 4 | 1 | 1 | 2 | 2 |
| Incline High School Auditorium | 300 | 3 | 2 | 1 | 3 | 2 | 2 | 2 | 2 | 2 | 1.9 |
| Truckee Community Center | 260 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 2 | 1.2 |
| Bar One at Squaw Valley | 250 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 | 1.6 |
| St. Patricks Episcopal Church | 200 | 4 | 3 | 1 | 2 | 3 | 2 | 1 | 3 | 3 | 2.2 |
| Crystal Bay Club - Red Room | 200 | 6 | 4 | 3 | 2 | 2 | 3 | 1 | 2 | 2 | 2.6 |
| North Tahoe Conference Center | 200 | 4 | 1 | 2 | 1 | 1 | 1 | 1 | 2 | 2 | 1.4 |
| Parasol Foundation - Trepp Room | 150 | 4 | 4 | 2 | 1 | 1 | 2 | 1 | 2 | 3 | 2.2 |
| Lake Tahoe School | 125 | 4 | 2 | 2 | 1 | 1 | 2 | 1 | 1 | 1 | 1.5 |
| Alder Creek Middle School Cafeteria w/ Stage | 100 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1.3 |
| Tahoe Lake Elementary Auditorium | 80 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1.3 |
| Kidzone Museum | 60 | 4 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1.4 |

Outdoor Performance Facilities

| | | | | | | | | | | | |
|-------------------------------|-------|---|---|---|---|---|---|---|---|---|-----|
| Alpine Meadows Ski Resort | 5,000 | 3 | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 3 | 1.8 |
| Homewood Mountain Resort | 3,000 | 1 | 3 | 1 | 1 | 1 | 2 | 2 | 2 | 3 | 1.9 |
| Truckee Amphitheater | 2,000 | 8 | 2 | 1 | 1 | 1 | 1 | 1 | 2 | 3 | 1.5 |
| Commons Beach at Tahoe City | 2,000 | 1 | 4 | 1 | 1 | 1 | 1 | 1 | 4 | 3 | 2.1 |
| Tahoe Donner Golf Course | 2,000 | 1 | 4 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1.7 |
| Sand Harbor State Park | 1,200 | 2 | 4 | 1 | 1 | 1 | 2 | 2 | 4 | 3 | 2.3 |
| West End Beach at Donner Lake | 1,000 | 1 | 4 | 1 | 1 | 1 | 2 | 1 | 4 | 3 | 2.2 |
| Squaw Valley | 500 | 5 | 3 | 1 | 1 | 1 | 2 | 1 | 2 | 2 | 1.7 |

Types of Activity

Facility Condition

Staff and Support

Theatrical Functionality

Room Acoustics

Customer Amenities

Performer Amenities

Atmosphere/Character

Suitability for Users

Rating

Facility Rating

- Rating calculated for each facility using 8 variables
- Each variable is rated on scale of 1 to 4, higher being best
- Building condition and staff/support carry most weight
- Some facilities have been visited, most ratings self-reported or based on anecdotal information and interviews

Facility Rating

North Lake Tahoe Facility Rating

Regional Performing Arts Facilities

Reno (Over 1,000 seats)

| | | | | | | | | | | | |
|---|--------|---|---|---|---|---|---|---|---|---|-----|
| Lawler Events Center - University of Nevada | 12,000 | 4 | 3 | 3 | 1 | 2 | 4 | 3 | 2 | 2 | 2.6 |
| Reno Events Center | 7,000 | 3 | 3 | 3 | 2 | 2 | 4 | 2 | 2 | 2 | 2.6 |
| Reno-Sparks Convention Center Ballroom | 2,970 | 3 | 3 | 4 | 2 | 2 | 4 | 2 | 2 | 2 | 2.8 |
| Grand Theater at Grand Sierra Resort and Casino | 1,800 | 6 | 3 | 3 | 4 | 3 | 4 | 4 | 3 | 3 | 3.3 |
| Pioneer Center for the Performing Arts | 1,500 | 4 | 2 | 3 | 3 | 2 | 3 | 3 | 2 | 3 | 2.6 |

Other Facilities (Over 200 seats)

| | | | | | | | | | | | |
|--|-----|----|---|---|---|---|---|---|---|---|-----|
| Carson City - Boldrick Theater | 803 | 6 | 3 | 2 | 3 | 2 | 2 | 2 | 2 | 3 | 2.4 |
| Virginia City - Piper's Opera House | 350 | 8 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 2.9 |
| Nevada City - Miners Foundry - Great Hall | 300 | 4 | 3 | 2 | 2 | 2 | 2 | 1 | 4 | 2 | 2.3 |
| Carson City - Brewery Arts Center - Perf. Hall | 290 | 13 | 3 | 3 | 3 | 4 | 4 | 2 | 3 | 3 | 3.1 |
| Nevada City - Nevada Theatre | 240 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 2.9 |

Types of Activity

Facility Condition

Staff and Support

Theatrical Functionality

Room Acoustics

Customer Amenities

Performer Amenities

Atmosphere/Character

Suitability for Users

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North Lake Tahoe Facility Activity

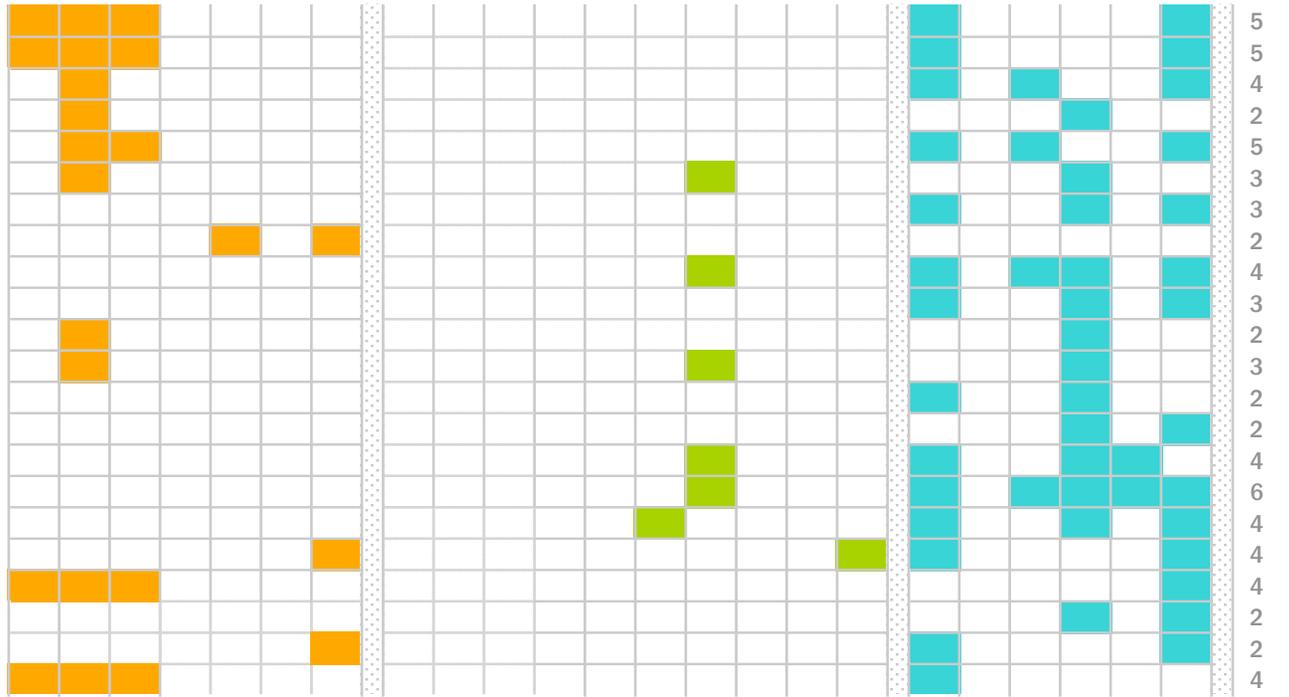
Producing Activity

Presenting Activity

Rental Activity

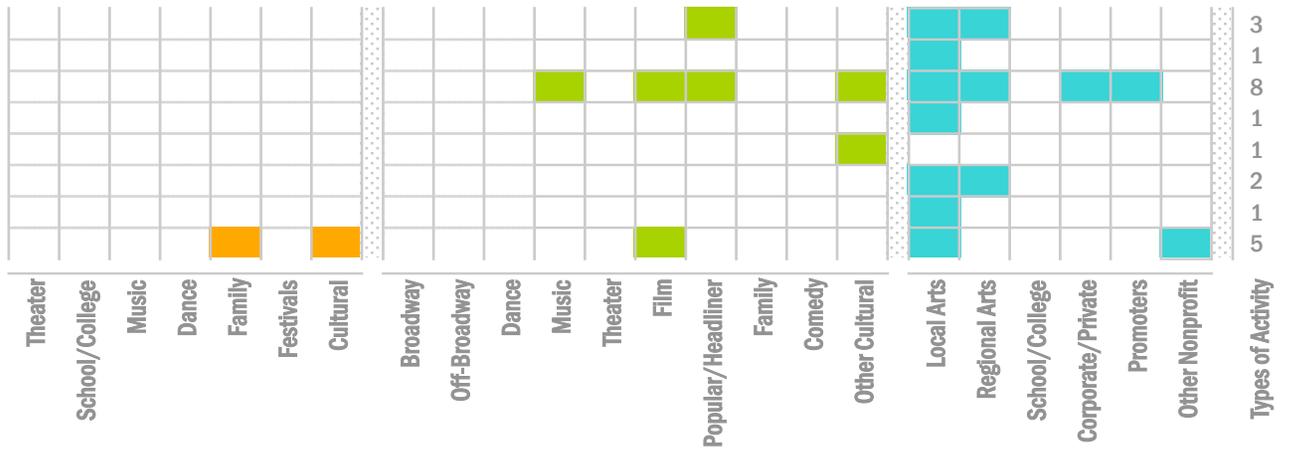
Indoor Performance Facilities

- Truckee Elementary Multipurpose Room
- Glenshire Elementary School Auditorium
- Tahoe Biltmore - Breeze Bar
- Resort at Squaw Creek Grand Ballroom
- North Tahoe High School Auditorium
- Crystal Bay Club - Main Space
- Kings Beach Elementary Gymnasium w/ Stage
- St. Francis of Assisi
- Frank Sinatra Showroom at CalNeva
- Truckee High School Auditorium
- PlumpJack Conference Center at Squaw Valley Inn
- Incline High School Auditorium
- Truckee Community Center
- Bar One at Squaw Valley
- St. Patricks Episcopal Church
- Crystal Bay Club - Red Room
- North Tahoe Conference Center
- Parasol Foundation - Trepp Room
- Lake Tahoe School
- Alder Creek Middle School Cafeteria w/ Stage
- Tahoe Lake Elementary Auditorium
- Kidzone Museum



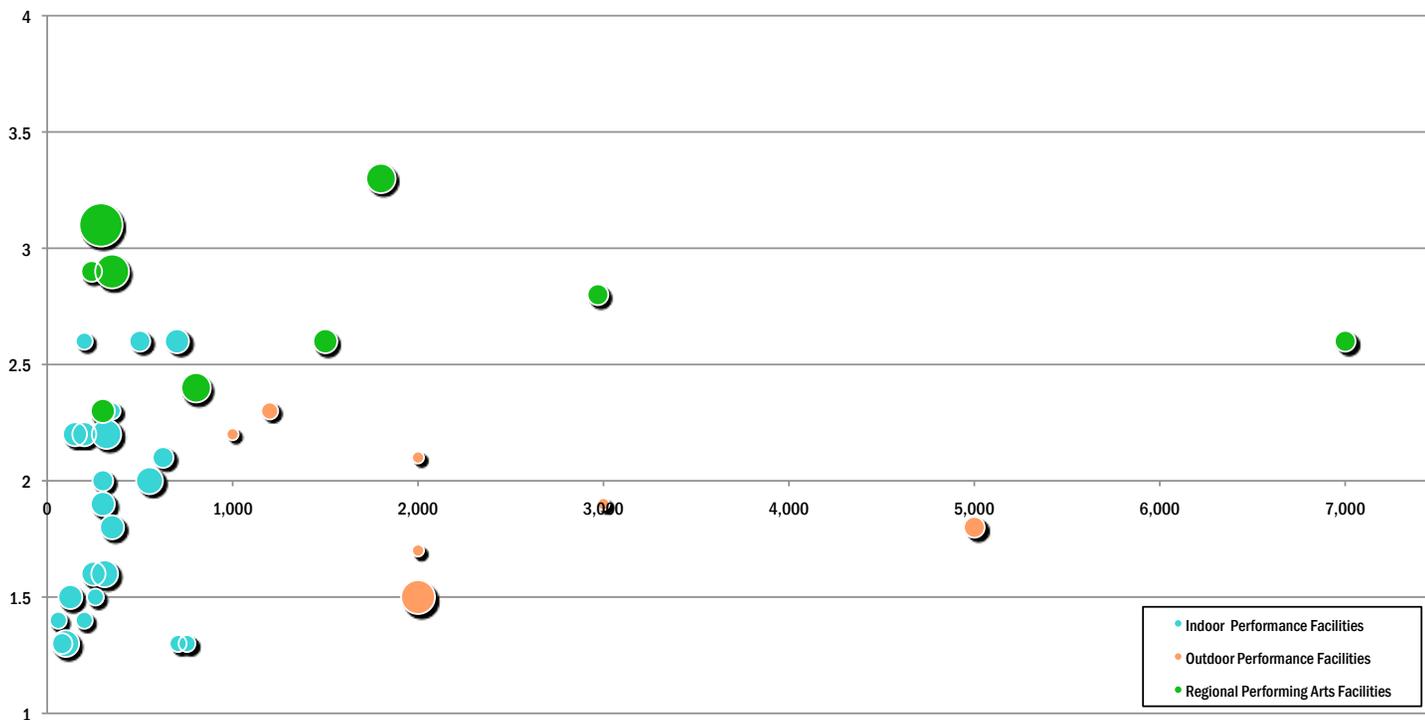
Outdoor Performance Facilities

- Alpine Meadows Ski Resort
- Homewood Mountain Resort
- Truckee Amphitheater
- Commons Beach at Tahoe City
- Tahoe Donner Golf Course
- Sand Harbor State Park
- West End Beach at Donner Lake
- Squaw Valley



Facility Matrix

North Lake Tahoe Facility Rating vs. Capacity



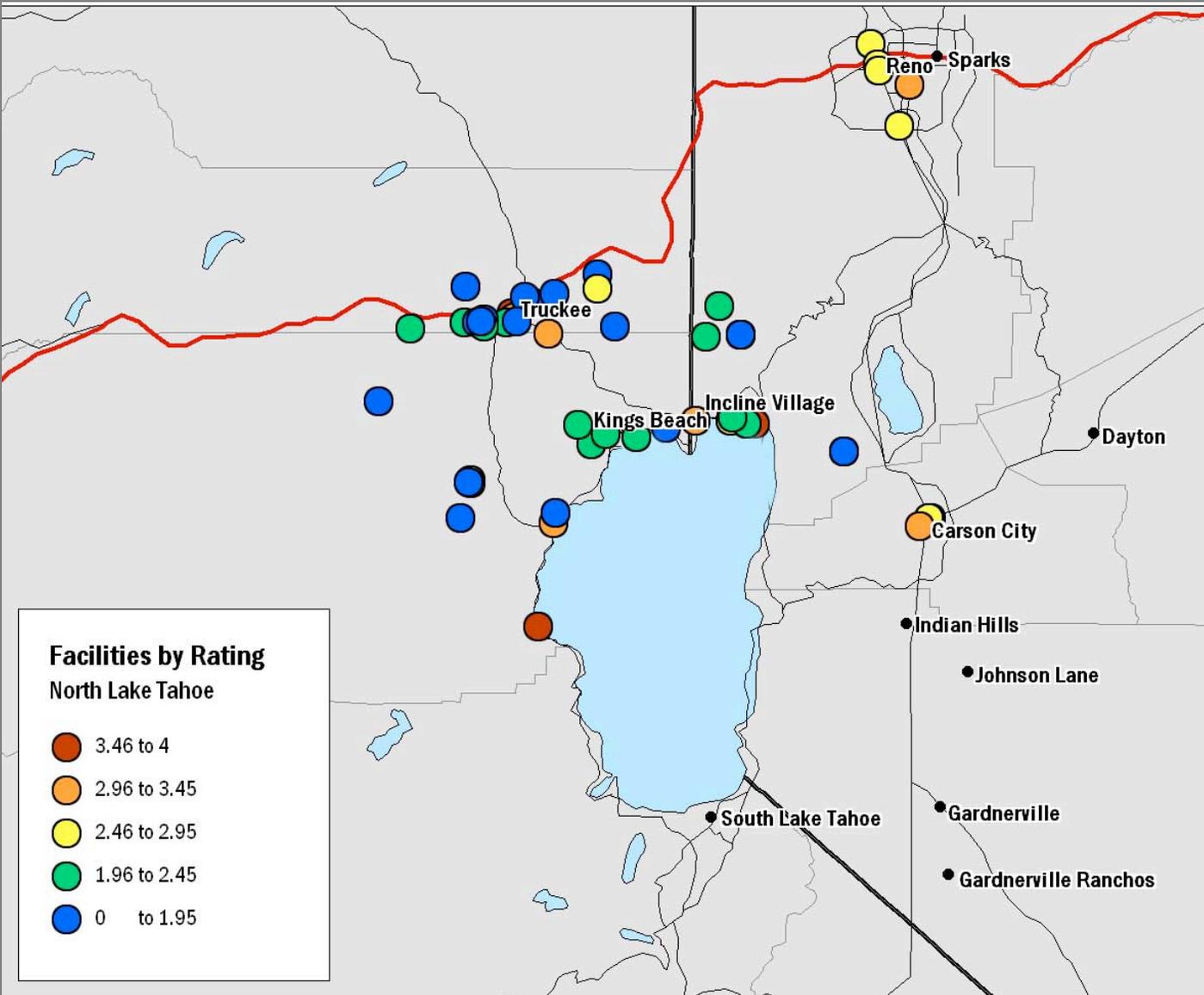
- ★ Bubble size indicates types of use/disciplines supported
- ★ Local facilities are low to average quality
- ★ Regional spaces are better with varied uses and capacities

Live Performance Facility Inventory in Comparable Communities

| | North Lake Tahoe | Pitkin County, CO | Santa Fe County, NM | Berkshire County, MA |
|---|------------------|-------------------|---------------------|----------------------|
| Permanent Population | 63,539 | 15,861 | 145,088 | 130,186 |
| Second Homeowners | 46,157 | 13,764 | 6,315 | 16,725 |
| Annual Visitors | 1,800,000 | 2,000,000 | 1,600,000 | 2,500,000 |
| Educational Attainment | 36.8% | 56.6% | 36.6% | 26.0% |
| Total Capacity of Facilities with 300 seats or less | | | | |
| | 720 | 250 | 840 | 1,617 |
| Total Capacity of Facilities with 300 to 700 seats | | | | |
| | 1,520 | 2,400 | 3,218 | 4,655 |
| Total Capacity of Indoor Facilities with 700 or more seats | | | | |
| | 700 | 1,000 | 821 | 3,500 |
| Total Capacity of Outdoor Facilities | | | | |
| | 2,000 | 15,200 | 5,132 | 7,200 |
| Permanent Population: Indoor Seats/Thousand | | | | |
| | 46.3 | 230.1 | 33.6 | 75.1 |
| Second Homeowners: Indoor Seats/Thousand | | | | |
| | 63.7 | 265.2 | 772.6 | 584.3 |
| Visiting Population: Indoor Seats/Thousand | | | | |
| | 1.6 | 1.8 | 3.0 | 3.9 |
| Permanent Population: Outdoor Seats/Thousand | | | | |
| | 31.5 | 958.3 | 35.4 | 55.3 |
| Second Homeowners: Outdoor Seats/Thousand | | | | |
| | 43.3 | 1,104.4 | 812.7 | 430.5 |
| Visiting Population: Outdoor Seats/Thousand | | | | |
| | 1.1 | 7.6 | 3.2 | 2.9 |

*Includes permanent facilities designed to accommodate public live performance; does not include high school and religious facilities

Facility Rating vs. Location



◆ Spaces with highest ratings are primarily regional, with a few located in Incline Village and Truckee and one in Tahoe City

- ✦ North East Lake Tahoe (NELT) Community Assessment Report:
 - ✦ Few safe areas for children to play, especially in winter months
- ✦ 2004 Eastern Placer County Community Mailback Survey (NLTRA):
 - ✦ Approximately half of locals feel that no additional facilities are needed
 - ✦ 25% feel more are needed (outdoor amphitheatre or indoor venue)
 - ✦ 28% are uncertain
- ✦ Visual arts:
 - ✦ Artists create in their living rooms and garages
 - ✦ Demand for teaching space as well as nonprofit gallery and retail space
 - ✦ Visual artists relocating because they can't support themselves
- ✦ Other community based organizations:
 - ✦ Anecdotal demand for shared admin space, storage space and appropriate rehearsal space
- ✦ Two facilities reorganizing:
 - ✦ Calneva is rumored to be closing
 - ✦ Kings Beach Conference Center may be repurposed

Facilities Conclusions

- ✦ Quality and quantity of local facilities limits program opportunities for artists, arts groups, schools, community organizations and permanent, seasonal and visiting audiences
- ✦ Majority of local performance spaces are poor to average quality and were not created to support quality live performance
- ✦ Many facilities are affiliated with schools and churches, with booking policies that are risky for outside users
- ✦ Venues in Carson City, Reno, etc. are of better quality and accommodate more touring programs
- ✦ Large and growing inventory of outdoor performance spaces
- ✦ Large number of facilities in development; many have concepts/capacities that could be altered based on the recommendations of this study

The Arts Community

- ✦ A number of festival and event-oriented organizations capitalize on seasonal nature of community
- ✦ Arts & Culture Council of Truckee-Tahoe has been gaining strength in support of local artists and arts organizations
- ✦ Arts organizations have been affected due to lack of facilities and challenges in audience development (TAMA, Truckee Actors Guild have folded)
- ✦ Regional arts communities are a draw for North Lake Tahoe residents
 - ✦ Some residents travel to Nevada City for 'artsy experiences'
- ✦ School arts programs declining
 - ✦ Truckee High School recently cut position that oversees technical training programs and manages community use of its auditorium
 - ✦ Arts in the Schools provides critical programming
- ✦ Few arts service organizations and professional development programs
 - ✦ North Tahoe Fine Arts Council defunct for many years
 - ✦ Parasol helps, but has other focus as well

Program Demand

- ★ Interviews:
 - ★ Visual artists see demand for more classes, particularly children's pottery
 - ★ Need for participatory programs for youth, particularly in Kings Beach
 - ★ Heritage is important
 - ★ Opportunity to present independent film

- ★ Limited presenting potential given proximity to Reno:
 - ★ Broadway is less likely; music and smaller-scale cultural programs more likely
 - ★ These could be co-presented with regional venues
 - ★ Also opportunity to present groups from Reno and other communities

Program Demand

- ★ 2004 Eastern Placer County Community Mailback Survey (NLTRA):
 - ★ 40% believe there are too few events
 - ★ There is support for expanded festivals/events as well as arts and humanities offerings
- ★ North East Lake Tahoe Community Assessment Report: Need for higher level and greater diversity of adult classes (particularly for older adults) that are affordable and accessible
- ★ 2000 North East Lake Tahoe Residents Survey:
 - ★ 50% think increased arts events are moderately/very important
 - ★ Hispanic, low-income families and Kings Beach residents showed strongest support
 - ★ More demand for increased theater, art, etc than music; Strongest came again from Hispanic households and young adults (ages 19 to 29)
 - ★ Survey recommendations:
 - ★ Indoor theater facilities and art center with child/adult classes and museum space
 - ★ Reduced cost/free events
 - ★ Increase use of Sand Harbor to include non-Shakespeare events
 - ★ Increase music education opportunities for all

User Demand
Truckee-North Lake Tahoe Plan for Arts & Culture

| Potential User | Performances | Rehearsals | Other Use | Use Days | Annual Uses | Ideal Capacity |
|---|--------------|------------|-------------|----------|-------------|----------------------------------|
| KidZone | 5 | 70 | 30 classes | 100 | 105 | 200 |
| TOCCATA | 10 | 20 | | 20 | 30 | 300 |
| Squaw Valley Institute | 6 | | | | 6 | 250 |
| Classical Guitar Festival | 6 | 6 | | 12 | 12 | 200 |
| Truckee Artists Guild/Community Theater | 12 | 40 | | 36 | 52 | 300 |
| Seasons of Martis | 1 | | | | 1 | 125 |
| Trails and Vistas | 2 | | | | 2 | 100 |
| Squaw Valley Community of Writers | - | - | 14 classes | 14 | 14 | 150 |
| Lake Tahoe School | 6 | 75 | 80 classes | 100 | 161 | 250 |
| Inner Rhythms* | - | - | 320 classes | 160 | 320 | 25 |
| ArtTown | 3 | 2 | | 4 | 5 | 200 |
| | | | | | 708 | up to 300 person capacity |
| Arts for the Schools | 10 | 10 | | 10 | 20 | 400 |
| Truckee Tahoe Youth Theater | 27 | 70 | | 97 | 97 | 500 |
| Tahoe Mountain Resorts Foundation (Indoor) | 50 | 100 | | 50 | 50 | 500 |
| Tahoe Dance School | 6 | 12 | | 12 | 18 | 325 |
| Tahoe Truckee Community Chorus | 6 | 34 | | 40 | 40 | 500 |
| ArtTown | 4 | 8 | | 8 | 8 | 400 |
| Carson City Symphony | 12 | 24 | | 12 | 12 | 500 |
| Mile High Jazz/ Jazz Festival | 10 | 20 | | 20 | 30 | 500 |
| Inner Rhythms* | 8 | 4 | | 6 | 12 | 400 |
| | | | | | 287 | 325 to 500 seat capacity |
| Lake Tahoe Shakespeare Festival | 40 | 30 | | 67 | 70 | 900 |
| Sierra Nevada Ballet | 15 | 40 | | 45 | 55 | 700 |
| Devil Dog Productions | 12 | | | 12 | 12 | 900 |
| | | | | | 137 | 700 to 900 seat capacity |
| Wild & Scenic Environmental Film Festival | 10 | | | 14 | 14 | 1,500 |
| Tahoe Players Association | 24 | 48 | | 68 | 72 | 2,000 |
| | | | | | 86 | 1,500+ seat capacity |
| Tahoe Arts Festival Italian Street Painting | 1 | | | | 1 | Plaza |
| Lake Tahoe Music Festival | 12 | 6 | | 12 | 18 | 3,000 |
| Tahoe Mountain Resorts Foundation | 30 | 25 | | 25 | 30 | 3,000 |
| Red White & Tahoe Blue | 3 | | | 3 | 3 | 7,000 |
| Beth Weber (Artist Fairs) | 5 | | | 5 | 5 | Plaza |
| Renegade Productions | 10 | | | 10 | 10 | 1,000 |
| Lake Tahoe Shakespeare Festival | 39 | 6 | | 42 | 45 | 1,200 |
| Backyard Film Festival | 5 | | | 5 | 5 | 100 |
| ArtTown | 3 | 3 | | 3 | 6 | 1,500 |
| | | | | | 123 | Outdoor Facilities |

Uses & Users Conclusions

- ★ Community demand for additional cultural programs
 - ★ Theatrical presentations and programs
 - ★ Participatory or “hands on” programs in music, visual arts for adults and children
 - ★ Family-oriented programs
 - ★ Programs geared toward older adults
 - ★ Free and/or very affordable offerings
 - ★ Programs should target Hispanic/Latino populations, children and young adults

- ★ Notable demand from local and regional arts groups for:
 - ★ Small to mid-sized high quality performance space
 - ★ Rehearsal facilities
 - ★ Classroom and teaching space
 - ★ Visual arts exhibition and studio space
 - ★ Outdoor event and performance space

Where is Truckee-NLT going?

- ★ TRPA: Regional plan for the Lake Tahoe Basin
 - ★ Focus on land use, affordable housing, environmental sustainability and conservation, quality of life
 - ★ Identify and preserve sites of historical, cultural and architectural significance

- ★ Local goals include:
 - ★ Support of Truckee Downtown Core, Kings Beach Commercial Core
 - ★ Protect and enhance quality of life and environment
 - ★ Economic development and workforce development
 - ★ Mitigate negative impacts to growth; address affordable housing
 - ★ Public communication and involvement
 - ★ Quality services and capital projects
 - ★ Collaboration with local and regional entities to address growth, planning, workforce housing and transportation; investment in Tahoe Basin

What Facilities Can Do

★ Cultural Development

- ★ Nonprofit organizations
- ★ Amateur sector
- ★ New opportunities for audiences

★ Economic development

- ★ Downtown development
- ★ Corporate recruitment
- ★ Cultural tourism

★ Community development

- ★ Educational opportunities
- ★ Identity and image

| Nonprofit Arts & Culture Attendees Spend \$27.79 per person | | | |
|--|---------------------|------------------------|----------------|
| Category of Expense | Resident Audiences* | Nonresident Audiences* | All Audiences |
| Meals/Refreshments | \$10.77 | \$16.35 | \$13.00 |
| Gifts/Souvenirs | \$3.32 | \$4.78 | \$3.90 |
| Lodging | \$1.08 | \$10.91 | \$5.01 |
| Child Care | \$0.34 | \$0.33 | \$0.34 |
| Transportation | \$1.62 | \$4.37 | \$2.72 |
| Other | \$2.40 | \$3.45 | \$2.82 |
| | \$19.53 | \$40.19 | \$27.79 |

*Residents are attendees who live within the county in which the cultural event occurred; nonresidents live outside of the county

Source: Arts & Economic Prosperity III; Americans for the Arts

Berkshire Creative Economy Project

- ✦ Berkshires Community and Region
 - ✦ Popular tourism destination
 - ✦ Network of insular towns and cities; isolated geography
 - ✦ Strong ties to heritage and landscape
 - ✦ Limited modes of transportation

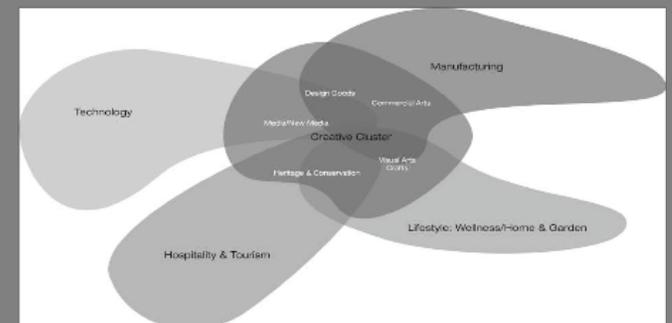
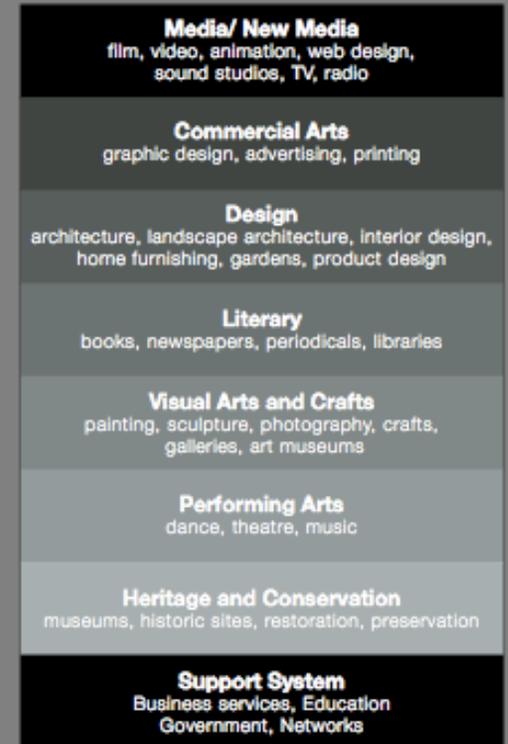
- ✦ The Project
 - ✦ Developed by the Berkshire Economic Development Corporation
 - ✦ Built on an understanding of the creative sector's impact on the regional economy
 - ✦ Focus on nonprofit institutions, individual artists, and commercial businesses
 - ✦ Programs grow and strengthen creative industries, weaving them with other geographies and industries
 - ✦ A broader creative strategy that goes beyond facilities to cultural development

- ✦ Focus is on attracting and developing portions of the creative sector via small business development programs, public art initiatives, attracting creative technology businesses and more

Berkshire Creative Economy Project

- ★ Use the creative economy to combat regional strains around:
 - ★ Pressures of land development
 - ★ Issues of affordable and market rate housing
 - ★ Disparate extremes of wealth of second homeowners and rural residents
 - ★ Lack of diversity
 - ★ Migration of youth and loss of population
 - ★ Will be implemented by eight Creative Economy Council working groups, a partnership between public and private sectors

- ★ Industry Economic Impact
 - ★ Total number of creative jobs grew 30% from 1997 to 2004
 - ★ 6,100 jobs generated by the creative economy sector
 - ★ In the last three years, capital projects have totaled more than \$10 million



- ✦ The market can support additional cultural activity
- ✦ Existing venues limit the quality and quantity of cultural activity and organizations
- ✦ There is notable demand for facilities and programs on the part of regional residents and organizations
- ✦ Investment within new cultural activity and facilities supports broader goals and initiatives and may offer an opportunity to further develop a unified sense of regionalism, particularly through the development of the creative economy

Policy Recommendation

- ★ Establish organization(s) to support cultural infrastructure and development
 - ★ Technical assistance for cultural organizations (potential for an incubator program)
 - ★ Professional development for artists and arts professionals
 - ★ Cultural promotion and ticketing
 - ★ Centralized marketing efforts
 - ★ Funding mechanism
 - ★ Oversight and implementation of Master Plan for Arts & Culture
 - ★ Potential investment in North Lake Tahoe's creative economy

- ★ Why?
 - ★ Quality and quantity of arts organizations is affected by limited resources, including facilities, funding, training, communications, etc
 - ★ This organization should have regional focus and support; it could be developed and/or housed by ACCTT, NLTRA or an independent nonprofit with strong community ties

Creative Santa Fe

- ★ Creative Santa Fe grew out of a larger economic development strategy in 2005
- ★ Mission is to promote the prosperity of Santa Fe's creative economy by elevating its creative industries in terms of status, opportunity, capability and economic potential
- ★ Worked to obtain UNESCO creative city designation
- ★ Other initiatives include:
 - ★ Tickets Santa Fe, enabling all organizations to sell tickets to events, saving on administrative and marketing expenses
 - ★ Santafeculture.org with a calendar of cultural events, links to Tickets Santa Fe, an online magazine, culture map, online marketplace for local-made arts and crafts, classifieds for cultural jobs, housing and studio space



Facility Recommendations

- ✦ There are three types of needs for cultural facilities in North Lake Tahoe
 1. Community-based facilities in Truckee, Tahoe City, Incline Village and Kings Beach
 - ✦ Each community needs functional space and accessible programs for permanent and seasonal residents
 2. Larger facilities to serve North Lake Tahoe as a whole
 - ✦ Facilities are needed to support regional artists, arts groups and touring programs
 3. Outdoor entertainment and events facilities
 - ✦ There is a need for appropriate and permanent outdoor facilities to accommodate touring entertainment and larger scale acts and artists

Community Arts Facilities

- ★ Small, flexible, community-oriented spaces that might include:
 - ★ Flexible and affordable performance space
 - ★ Rehearsal room(s)
 - ★ Wet, dry and media-oriented classrooms
 - ★ Dance studio(s)
 - ★ Gallery/exhibition space

- ★ Why?
 - ★ To provide a higher quantity and quality of “hands on” arts opportunities in various communities
 - ★ To accommodate demand for participatory programs for youth, young adults, older adults and Hispanic/Latino residents

Community Arts Facilities

- ◆ Roseville Arts! Roseville, CA
 - ◆ South Placer County
 - ◆ New 5,500 sf facility (formerly 2,000 sf)
 - ◆ Gallery space with moveable walls, flexible classroom/studio/exhibit space
 - ◆ Received donation of ground floor of adjacent parking garage
 - ◆ Free after-school programs for area students
 - ◆ Workshops and lecture-demonstrations
 - ◆ Adjacent to local theater; there are two theaters on the street

- ◆ Sangre de Cristo Arts & Conference Center, Pueblo, CO
 - ◆ Theaters, galleries, classrooms, dance school, conference spaces
 - ◆ Extensive education program with more than 100 classes offered per quarter
 - ◆ Both art classes and lifestyle classes (theatre, language arts, cooking, parenting, etc.)



Regional Arts Facilities

- ✦ Regional cultural arts center with:
 - ✦ 500-seat performance space with fly tower
 - ✦ 100-seat black box theater
 - ✦ Children's arts facilities
 - ✦ Dance studio/rehearsal space
 - ✦ Multi-media capabilities including film equipment
 - ✦ Administrative space for resident groups as well as shorter-term community access to administrative space for other arts groups and artists
 - ✦ Meeting space
 - ✦ Gallery/exhibition space

- ✦ Why?
 - ✦ To provide an expanded, improved and centralized home for regional arts groups
 - ✦ To accommodate demand for participatory programs for youth, young adults, older adults and Hispanic/Latino residents

Regional Arts Facilities

- ◆ Tempe Center for the Arts, Tempe, AZ
 - ◆ Opened September 2007
 - ◆ Development, construction and operation of the center funded by a .1% sales tax approved by voters
 - ◆ Total costs were \$63M for the Center and \$2.7M for adjacent artpark
 - ◆ Developed to provide home to resident arts groups; limited presenting
 - ◆ 600-seat proscenium theatre with full fly tower
 - ◆ 3,500 sq ft art gallery
 - ◆ 200-seat drama studio theatre
 - ◆ Banquet meeting room
 - ◆ 17-acre art park
 - ◆ Technical and administrative support spaces



Regional Arts Facilities

- ✦ State-of-the-art performing arts center with:
 - ✦ 800-seat 'jewel-box' performance space
 - ✦ Orchestra pit
 - ✦ Fly tower
 - ✦ Quality acoustics
 - ✦ Proper backstage amenities
 - ✦ Secure, climate-controlled gallery
 - ✦ High quality food service
 - ✦ Ability to convert (or partially convert) to flat floor for cabaret style events

- ✦ Why? To accommodate:
 - ✦ Year-round cultural presenting programs in music, opera, theater, dance and more
 - ✦ World class touring exhibitions of painting, photography, sculpture, mixed-media and more
 - ✦ To attract higher-end performers and cultural programs

Regional Arts Facilities

★ Vilar Center for the Arts, Beaver Creek, CO

- ★ Opened in 1998
- ★ Managed by the Vail Valley Foundation, financed by donors who are both full and part-time residents of the Vail Valley
- ★ State-of-the-art facility contains a 530-seat theatre, two 2,200 square-foot lobbies and a 2,000 square-foot May Gallery Patrons Lounge
- ★ Presents a variety of year-round performances, including jazz, comedy, dance, film, musicals, theatre and family shows.
- ★ Located directly beneath ice rink (lower level)



Regional Arts Facilities

★ Visual arts center with:

- ★ Space in which local artists can create and sell their work
- ★ Program space for artists to teach classes
- ★ Multi-purpose room for lectures, meetings and more
- ★ Nonprofit exhibition space
- ★ Food service for visitors and artists

★ Why?

- ★ Artists are working in low quality space
- ★ Few opportunities for artists to collaborate and connect
- ★ Artists are leaving town due to an inability to sell work and make a living
- ★ Builds image of artsy town
- ★ Drives tourism
- ★ Creates a destination and represents 'local flavor'

Regional Arts Facilities

- ◆ Torpedo Factory Art Center, Alexandria, VA
 - ◆ Opened in 1974; underwent renovation as part of the city's downtown revitalization plan in 1982
 - ◆ Artists work in view of the public, so that visitors can watch works of art being created and ask questions about the creative process
 - ◆ The Center is also home to a Museum and School
 - ◆ Located on Alexandria's revitalized downtown Potomac Waterfront; attracts over 500,000 visitors a year.
 - ◆ Administration of the facility is handled by a full-time Director and a part-time Assistant Director who are city employees
 - ◆ Owned by the City of Alexandria and Operated by the Torpedo Factory Artists Association
 - ◆ Also supported by a "Friends of" Foundation



Regional Arts Facilities

★ Heritage Facilities

- ★ We have no specific recommendations in this area but endorse a particular approach to developing these spaces
 - ★ Museum and heritage projects should be supported as long as they will not drain ongoing fundraising pools
 - ★ New projects should be developed in an entrepreneurial manner, that brings capital funding AND ongoing operating support

★ Why?

- ★ Regional goals focus on preserving heritage and history
- ★ Help to establish cultural identity
- ★ These facilities and programs are an important part of the overall cultural landscape
- ★ Offers an additional amenity that attracts residents and visitors

Outdoor Facilities

- ★ Study of comparable markets suggests that the region can support a limited number of seats in permanent, quality outdoor facilities
- ★ Because these facilities require limited capital investment and essentially no overhead, all proposed outdoor spaces can be developed
- ★ But spaces should be physically designed in such a way that they can be adapted or re-purposed if/when demand subsides
- ★ Minimize environmental impact and maximize environmental integration
- ★ Specific facility recommendations:
 - ★ A flexible outdoor plaza for local festivals, art fairs, and informal music
 - ★ One high-quality, mid-sized amphitheater with a spectacular setting
 - ★ One larger capacity amphitheater to meet the economics of commercial touring artists
- ★ Why?
 - ★ North Lake Tahoe is known for its landscape, festivals and outdoor events
 - ★ Outdoor cultural events also deserve high quality, permanent space with proper infrastructure (electrical, potable water, etc)
 - ★ The large inventory of outdoor spaces needs some distinction
 - ★ An opportunity to draw world-class performers to a notable outdoor setting

Outdoor Facilities

- ★ Red Rocks Amphitheater, Morrison, CO
 - ★ Opened in 1947
 - ★ 9,450 capacity
 - ★ Natural outdoor theater located in 868-acre Red Rocks Park
 - ★ Mix of commercial and cultural programming; pop artists adore the venue; Colorado Symphony performs each year
 - ★ 60' x 70' stage; Permanent sound towers, stage and lighting
 - ★ Six dressing rooms and sufficient support space
 - ★ Owned and operated by the City and County of Denver



Facilities in Development

- ✦ Homewood Amphitheater
 - ✦ 1,500 seats in partnership with Lake Tahoe Music Festival
- ✦ Truckee Community Center
 - ✦ 300 to 350 seat proscenium theater; 80-person black box space
 - ✦ Will accommodate a variety of community groups and programs
 - ✦ Subject to bond approval
- ✦ Northstar Amphitheater & Performing Arts Center
 - ✦ 2,500-seat outdoor venue (1,200 covered)
 - ✦ 500-seat performing arts center with full stage, fly space and support space
 - ✦ Programming will include presenting programs with opera, classical music, theater and more
- ✦ Martis Camp
 - ✦ Rumors that an amphitheater will be included in this development near Truckee; developer has not yet been reached for comment
- ✦ Boulder Bay
 - ✦ This Crystal Bay development is hoped to include a cultural component, potentially a heritage attraction

Facilities in Development

- ✦ ACCTT Regional Performing Arts Center
 - ✦ Vision for regional center to provide a home to a number of cultural groups include ACCTT, KidZone, Inner Rhythms
 - ✦ 500-seat performance space, black box, classrooms, admin space and gallery
- ✦ Downtown Truckee Cultural Facilities
 - ✦ Talks underway for a 4 to 6-screen Sundance outlet
 - ✦ Carmel Gallery planning 2,600 foot expansion for additional gallery space, studios and workshop/classroom that will be available to local artists
- ✦ Sierra Nevada College
 - ✦ Plans to build a 300 to 500 seat venue
 - ✦ Could be as large as 700 to 800 seats to accommodate Shakespeare Festival
 - ✦ May also include classrooms, rehearsal space and gallery
- ✦ Squaw Valley Ski Heritage Museum
 - ✦ Feasibility study will soon begin
 - ✦ Concept includes 5,000 sq ft of exhibit space along with 100 to 150 person meeting room and (potentially) admin space for local organizations
- ✦ Potential expansion of Gatekeepers Museum
 - ✦ Board has just begun talks about expansion
 - ✦ Could include additional space for exhibition, retail, storage and admin

What's Coming vs. What's Needed

Facilities in Development

1. Northstar Amphitheater (2,500 seats)
2. Homewood Amphitheater (1,500 seats)
3. Amphitheater at Martis Camp (capacity N/A)
4. Northstar Performing Arts Center (500 seats)
5. ACCTT Performing Arts Center (500 seats, 100 seats, Kidszone)
6. Truckee Community Center (300 seats, 80 seats)
7. Sierra Nevada College Performing Arts Center (300 to 500 seats plus rehearsal hall)
8. Downtown Truckee Six Screen Film Complex
9. Downtown Truckee Expanded Carmel Gallery
10. Squaw Valley Ski Heritage Museum
11. Expanded Gatekeepers Museum

Potential Upgrades/Expansions

1. Kings Beach Conference Center
2. Calneva
3. North Lake Tahoe High School
4. Truckee Parks and Recreation Building
5. Highlands Community Center, Tahoe City
6. Fairway Community Center, Tahoe City
7. Olympic Movie Theater, Squaw Valley
8. Truckee Library

Recommended Facilities

1. Outdoor Plaza Event Venue
2. Large Capacity Amphitheatre
3. High-Quality Amphitheatre with Distinct Setting
4. Visual Arts Center
5. State-of-the-Art Performing Arts Center (800-seats plus high-end gallery)
6. Regional Cultural Arts Center (500-seats, 100-seats plus add'l spaces)
7. Community Arts Facilities
 - Truckee
 - Tahoe City
 - Incline Village/Crystal Bay
 - Kings Beach

- ✦ Have we collected and presented the right information?
- ✦ Have we fairly characterized the community and region?
- ✦ Comments and concerns?
- ✦ How do we roll out these results?

- ✦ Phase Two and Three:
 - ✦ Site analysis
 - ✦ Business planning

appendix b: comparable projects

Crested Butte Center for the Arts, Crested Butte, CO

Construction 1987

- Physical Components** 7,000-sf facility
- 215-seat theater
 - 25' x 21' stage
 - Two dressing rooms
 - 762-sf lobby area
 - 435-sf exhibition gallery
 - 1,200-sf tented outdoor stage



- Operating Budget** \$540,652 operating budget in 2008
- 22% earned income
 - Ticket sales, rentals, bar sales, other sales
 - 77% contributed income
 - Special events, grants, contributions

Administrative Staff Center operations are managed by a 15-member Board of Directors and a small staff of five that consists of an Executive Director, Assistant Director, Development Officer, Development Assistant and Programs, Operations and Rentals Manager.

Programming & Utilization Center activity in 2008 consists of over 120 scheduled presented events, such as live music, theater, dance, musicals, summer music festivals, film, speakers, art exhibits, workshops, cooking classes and more. The 2008/2009 roster of events comprises performances by the Aspen Santa Fe Ballet and Booker T. Jones, among others. The Piper Gallery is a popular venue for both local and regional artists, and features rotating exhibitions and artist receptions throughout the year. Each summer, the Alpenglöw Concert Series is held from the end of June to the beginning of August every Monday night, and features free music on the outdoor stage. Tour de Forks, the Center's signature fundraiser, and features approximately 18 events and is offered in partnership with local chefs, hosts and volunteers. The Center offers summer art workshops and salons as well as a Kids Art Camp.

- Rental Rates** Schools and community service organizations
- Performance/event: \$50 when admission is free; \$100 when charged
 - Rehearsal: \$25/day
 - Outdoor Stage: \$150
- Nonprofit (must show certificate of status)
- Performance/event: 20% gross ticket sales or \$175/event, whichever is greater
 - Rehearsal: \$50/ day
 - Outdoor Stage: \$300; \$500 includes access to indoor spaces
- Local commercial entity
- Performance/event: \$350
 - Rehearsal: \$100/day
 - Outdoor Stage: \$500; \$1000 includes access to indoor space
- Out-of-area renter
- Performance/event: \$500 flat fee
 - Rehearsal: \$25/day
 - Outdoor Stage: \$1000; \$2000 includes access to indoor space

Arlington Center for the Arts, Arlington, MA

Construction 1988

Physical Components Housed in the Gibbs Center, a former junior high school

- Center is one of five resident organizations
- 170-seat theater
- 500-sf gallery
- 15 individual artist studios
- Classrooms



Operating Budget \$500,000 annual operating budget

- 85% earned income from tuition, rental, sales and membership dues
- Town charges low rent for use of facility

Administrative Staff Center staff consists of a full-time Executive Director and five part-time positions: an Education Director, Facilities Manager and Communication Director (32-hours a week), Registrar/ Office Assistant (15-hours a week) and Bookkeeper (6-hours a week). Additional staff is hired as needed during the summer for arts and drama programs. Volunteer support the Center's operations through work in the office, committees, Gibbs Gallery, literary/ theater programs, performances and special events.

Governance & Ownership The Center is owned by the City and managed by the Center. A nine-member Board of Directors oversees the Center.

Programming & Utilization Annually, over 250 programs are offered in visual, literary and performing arts, many of which are free to the community. The Performing Artist Series presents performances by local music, theater and dance groups. Arts education classes are offered throughout the year for daytime, after school and evening classes for youth and adults, School Vacation Arts Programs for youth and a Summer Arts and Drama Program. Studio artists in the Center rent space and are made up of a variety of visual artists, as well as the Arlington Children's Theater, Drumming Preparatory School, Monkeyhouse (dance and choreography) and DrumConnection.

Booking Priority

1. Arlington Center for the Arts
2. First come, first served basis

Rental Rates Nonprofit rental rates (for any space)

- \$50 flat fee for evening (or several hours)
- \$75 flat fee for performance evening (as part of performance run)

Commercial entity rental rates (for any space)

- \$30/hr
- Additional costs for projector and sound system are billed separately

Rochester Contemporary Art Center, Rochester, NY

Construction 1978

Physical Components

Two-story facility

- 4,000-sf main gallery
 - National/ international artist exhibitions
- 600-sf gallery
 - Collaborative projects and nonprofit events
- 100-sf exhibition space
 - Non-curated exhibition space available only to members
- 9-artist studios
- Office space
- 150-sf storage space



Operating Budget

Approximately \$275,000 operating budget

- 30% earned revenue
 - Rentals, membership dues
- 70% contributed
 - Contributions, grants, special events, program services
- Experiencing income growth

Administrative Staff

A full-time Executive Director runs the Center. Additional support staff consists of interns and volunteers that assist in research, planning and executing diverse programming. Most interns are graduate students receiving college credit for their work.

Ownership & Governance

The Center is a non-profit organization and is overseen by a nine-member Board of Directors.

Programming & Utilization

The Center is open year round and presents exhibitions in the main gallery of renowned and emerging artists from around the world. Each exhibition generally features one or two artist talks prior to the opening. Activity in the Para-Site Gallery involves collaborative projects with other arts organizations and artists. The LAB space is a non-curated exhibition space available only for Center members to display work. Lectures, workshops, and open drawing sessions are also offered, as well as internship programs and seminars. In the past year, attendance at the Center has grown from roughly 5,000 attendees a year to nearly 5,000 a month.

Relationship/ Deal with Artists

Nine artist studios are available to rent at the Center. Studios are located on the second floor of the East End Building, which is located in the heart of East End cultural district. Studios range from 150 to 400-sf each and have 24-hour private access, a common work sink and restrooms, and common area to display artwork. Rents range for each of these studios ranges from \$250 to \$575 a month and includes all utilities. Tenants are encouraged to participate in "Upstairs Open Studios" during gallery openings and "First Friday Events"; this gives artists the opportunity to meet gallery patrons, show and promote their work. Visitors should contact the Center in advance to set up appointments for artist studio viewing. Artists are able to meet with visitors at their studios to promote and sell their work; although, no formal selling space is offered.

Chicken Farm Art Center, San Angelo, TX

| | |
|--|---|
| Construction | 1971 |
| Physical Components | <p>Center is housed on two acres of land:</p> <ul style="list-style-type: none">• Two galleries<ul style="list-style-type: none">○ 750-sf permanent collection gallery○ 1,200-sf rotating artist gallery• 900-sf meeting room/ exhibit space• Pottery shop• 15 artist studios• Adjacent Bed and Breakfast and Silo House Restaurant |
| Operating Budget | <p>\$200,000 annual operating budget</p> <ul style="list-style-type: none">• 100% earned income• 18% from studio rentals• Remainder from art sales |
| Administrative Staff | Center operations are managed by a full-time Art Center Director, Roger Allen. A part-time Office Assistant helps with daily operations; however, the Director hopes to make this a full-time position in the near future. |
| Governance & Ownership | The Center is a small, for-profit business owned and managed by artist, Roger Allen. |
| Programming & Utilization | The Center is open year round and features a permanent pottery collection in the StarKeeper Gallery by artist Roger Allen and a rotating collection of artwork by local and national artists in the Gecko Gallery; both galleries are free and open to the public. The monthly <i>1st Saturdays</i> event is free and open to the public and involves artist demonstrations, live music, blacksmiths, free clay for kids, featured artists and open studios where the public can interact with and purchase work from studio artists. The San Angelo ceramic weekend in April, blacksmith fellowship in May and a three-day Thanksgiving Open House in November are all held annually at the Center. During Center business hours (Tuesday through Saturday) visitors have the opportunity to watch, interact with and purchase work from the 15 studio artists. |
| Relationship/ Deal with Artists | Fifteen artist studios are available to rent at the Center. Each studio functions as both a work-space and a showing space; therefore, artists are able to display and sell their work in the same location. Studios range from 600 to 900-sf and have a sink, storage space and working space. Rent for each of these studios ranges from \$150 to \$200 a month, without a minimum requirement, and include all utilities. Artists are allowed to remodel their studio space to fit their needs and most artists have rented space at the Center for many years. The Center is not run as an artist co-op and studio artists are not required to be in their studios during Center business hours. |



KJM Center for the Arts
South Puget Sound Community College, Olympia, WA

Construction 2005

Physical Components

- 500-seat main stage theater
 - Orchestra shell, orchestra pit, sprung floor
 - Backstage dressing rooms, green room, costume shop, scene shop
- 100-seat flexible black box
- 1,000-sf gallery, located off main stage lobby
- Catering kitchen
- 10 classrooms
 - Choir, instrumental and electronic music rooms
 - Class piano lab
 - General art, ceramics, drawing and printmaking labs
- Practice rooms



Operating Budget \$190,000 projected budgeted 2008/2009

- 95% earned revenue; 53% rental, 42% ticket sales
- 5% contributed; from two campus organizations for the World Stage Series

Administrative Staff The Center is run by a full-time Director and a part-time Technical Director. Recent funding cuts have downgraded the Technical Director position to part-time. Students work part-time as house managers and front of house staff, and earn school credit through work-study.

Programming & Utilization Activity at the Center is made up of an annual roster of concerts, productions and gallery exhibitions. During the academic year, the Center produces choral music concerts and theater productions by students at the College. The Center presents an annual variety of music concerts that includes a Jazz Artist Series that brings in national artists, as well as a World Stage Series, funded by two organizations within the College, that highlights music and dance of international artists and genres as well as indigenous art. . The Capital Playhouse runs a Summer Children’s Program at the Center that showcases seven musicals in seven weeks. Annually, the art gallery exhibits a variety of professional artists as well as a College and High School artwork. Rentals account for a majority of facility usage throughout the year and approximately 90 to 95% of renters are local nonprofits. Seventy percent of the year, the black box theater is used as a rental, while the main stage and the gallery are used 50% and 20% of the year in that capacity, respectively. Four local arts organizations partner with the Center to present a regular season of performances.

Development Scenario Prior to the development of the Center, the music, art and theater department was not housed in a permanent building. Classes and performances were held in various locations around campus, including temporary buildings, the student union building and downtown Olympia. The Center now provides a permanent home for these departments as well as a venue for presenting.

Operating Scenario The Center books and produces all public performance in the facilities. The Dean of the Division of Humanities, the Vice President of Instruction and the President of the College directly supervises operations. The Center supports marketing and ticketing for all College events that are presented in the facility.

Booking Priorities

1. College instruction and related events
2. Any other group – determined on an individual basis

Rental Rates All rates are based on an eight-hour/day usage:

- Main stage theater – nonprofit, \$500; commercial entity, \$1,000
- Black box theater – nonprofit, \$200; commercial entity, \$400
- Gallery – nonprofit, \$150; commercial entity, \$300
- Instrumental and vocal music rooms and classrooms, \$175
- Additional fees are incurred for front of house staff and other equipment

Maui Arts and Cultural Center, Kahului, HI

Construction 1994

Physical Components 12-acre campus in Central Maui consisting of 13 buildings/areas:
Administrative offices

Harry & Jeanette Weinberg Community Complex

- 5,000-seat flexible amphitheater
- 1,200-seat main stage theater
 - 50' x 90' proscenium stage, orchestra pit/shell, advanced sound/lighting systems
- 4,000-sf gallery with museum-quality exhibition space
- Outdoor courtyard
- Meeting rooms
- Box office

Educational Complex

- 250-seat black box flexible theater
- Two studios for classes/rehearsals



Operating Budget \$7.8 million in 2006

- 72% earned revenue
 - Rentals, ticket sales and endowment/investment income
- 28% contributed income
 - Government grants and contributions

Administrative Staff The Center's 18-member staff is led by a President/CEO. Key positions include an Executive Vice-President/GM, Technical Director, Events Director and staff, Program Directors and finance, marketing, fundraising and operations staff.

Programming & Utilization The Center draws more than 260,000 people annually, through approximately 1,800 events (sometimes seven per day) that include cultural performances, live concerts, rehearsals, meetings/events and classes. The Center is primarily animated by outside groups, as it is heavily utilized for meetings and special events. In addition, many public performances are offered by local theater, music and educational organizations that rent performance and rehearsal spaces. Promoters rent the Center's amphitheater for high-profile concerts, other popular performers are secured via block booking. Revenue earned from these concerts supports other Center-presented events, including touring artists and programs centered on the culture of the Hawaiian Islands. Educational programs consist of school-year performances, art exhibits, art immersion field trips and professional development workshops for teachers. Approximately 18,000 students and 200 teachers participate in these programs each year.

Development Scenario The development of the Maui Arts and Cultural Center was a 10-year process that began at a grassroots level, with the first funds raised for research and planning from street food sales. Public and corporate funding was garnered, and ultimately \$11 million of the \$32 million project was raised from Maui's (then) population of 92,000 residents. The Center has undertaken three expansions over the past several years. The first two phases were completed in 2003 and 2006 and included capital improvements and an endowment expansion. A third phase will consist of a pavilion, improved amphitheater stage, upgraded food and beverage service facilities, storage, landscaping, gallery improvements and additional parking. Construction is scheduled to be complete in February 2010 at a cost of \$12.8 million.

Ownership & Governance The Center is a nonprofit community arts organization incorporated in 1984 and governed by a 32-person Board of Directors. The Center owns its facility and the land it sits on.

Rental Rates As the Center primarily operates as a rental venue, rates are set using a sliding scale that considers the renter, event type and anticipated attendance. Agreements with concert promoters earn 5 to 10% of box office receipts for the Center. Non-profit rates are considerably lower.

Cultural Arts Center
SUNY Rockland Community College, Suffern, NY

Construction 1984

Physical Components

The Center is home to the College's Performing Arts and Art Department.

- 500-seat theater
 - 40' proscenium stage
 - Fixed stadium-style seats
 - Dressing rooms, green room and scene shop backstage
- Rehearsal rooms, classrooms, art studios, offices
- Cafeteria
- Glass atrium
- Display cabinets for artwork



Operating Budget

\$200,000 operating budget for theater

- For staffing, piano tuning, professional services, college events and supplies
- Rental income goes directly to College
- Facility maintenance costs covered by College

Administrative Staff

The Center is managed by two full-time staff, a Theater Director and a Production Manager, and one part-time staff, a Lighting Technician (21-hours a week). Additional personnel are hired as needed by the event, including theater technicians and crew. The Center does not operate a box office and currently does not provide ushers for rentals. Student volunteers are used as ushers for college events.

Programming & Utilization

Activity at the Center comprises college performances, classes and other use, public events and many community-based concerts and events. Each year the Center welcomes approximately 35,000 patrons and holds nearly 150 events (not including classes and rehearsals). During the academic year, the Performing Arts Department produces two fully-stage plays and the Dance Department presents 1 fully-staged dance recital. College-sponsored activities include lecture series, workshops, forums and ceremonies. During the summer, the College offers a camp called Kids College, in which students can take classes in theater that culminates in a public performance. External activity accounts for a majority of the facility's use, with community organizations such as the Rockland Opera and Choral Society presenting their concert series at the Center.

Booking Priorities

1. College Departments and student activities
2. Rockland County not-for-profit arts organizations and City of Rockland-sponsored official events
3. Rockland County public educational institutions
4. Rockland County-based private or commercial institutions
5. Other interested parties

Rental Rates

Rental rates for theater

- Nonprofit organizations, * \$1,000/day; \$600/half-day
- Commercial entities, \$1,350/day; \$1,000/half-day
- Additional fees are incurred for use of
 - Additional time, use of piano(s) for performances, orchestra pit, technical crew and security guard(s)

*Nonprofit organizations may apply for a waiver of fees of theater use only under certain conditions.

The Villages Amphitheater, Fayetteville, GA

| | | |
|--------------------------------------|---|--|
| Construction | 2002 | |
| Physical Components | <p>1,800-tiered seating sloping down to stage</p> <ul style="list-style-type: none">• Tables and chairs set up for each event• 55' stage• Two dressing rooms• Green room behind the stage• Concession stand• Storage building (can be used as second concession stand) |  |
| Operating Budget | <p>\$360,000 operating budget; primarily funded through City</p> <p>Additional funding sources:</p> <ul style="list-style-type: none">• Hotel and motel tax• Sponsorship• User fees (patrons, ticket sales and rental) | |
| Administrative Staff | <p>Staffing at the Amphitheater is provided by the Fayetteville Downtown Development Authority, which owns the facility, and is run by a Director of Downtown Development and an Administrative Assistant. Seasonal staff is hired as needed and includes 15 Ushers, 5 Security Guards, Box Office Attendant, Sound and Lighting Crew and Custodial (provided by Public Works Department). A 7-member board oversees the operation of the Amphitheater.</p> | |
| Programming & Utilization | <p>Activity at the Amphitheater occurs between April or May and September or October. The Amphitheater presents a Summer Concert Series of between 6 and 8 national music acts each season. Ticket holders are surveyed and acts are chosen accordingly and are made up of a varied line up of artists with the Atlanta Pops, legendary Country artists and local acts. Local community theater groups and the Fayette County High School Band rent the facility. Free Family Fun Film Nights are made possible through sponsorships.</p> | |
| Development Scenario | <p>The Amphitheater is located within a mixed-use development and was originally designated as a day care center. The Downtown Development Authority, with help from the City, purchased the property, and designed it to fit into the residential area. As a result, the Amphitheater is akin to a park and fits into the development without distraction from the natural setting. Located next to Fayette County High School, the Amphitheater capitalized on the parking by partnering with the board of education. The high school uses the facility for a small fee and in return, they are allowed to use the school parking lot outside of normal school hours.</p> | |
| Ownership & Governance | <p>The Villages Amphitheater is owned by the Downtown Development Authority (DDA) and managed by the Main Street Tourism Association.</p> | |
| Booking Priorities | <ol style="list-style-type: none">1. Summer Concert Series2. Nonprofits and High School (if dates are available) | <p>The Amphitheater does not allow for-profit or promoters to use the facility because the DDA doesn't want to compete for acts.</p> |
| Rental Rates | <p>The Amphitheater is available as rental for local nonprofits and the Fayette County High School.</p> <p>Nonprofit rental rates</p> <ul style="list-style-type: none">• 10% of ticket sales (minimum of \$1,000 in sales) <p>High School rental rate</p> <ul style="list-style-type: none">• \$100 flat fee | |

Vilar Center for the Arts, Beaver Creek, CO

Construction 1998

Physical Components

- State-of-the-art facility
- 530-seat theater
 - Variable acoustic hall
 - Intimate curved seating
 - Sprung floor
 - Proscenium stage
 - Four backstage dressing rooms and instrument storage
 - Two adjacent 2,200-sf lobbies
 - 2,000-sf visual arts gallery



Operating Budget

- \$4 million operating budget
- 49% earned income
 - Ticket sales
 - 44% contributed
 - Private donations
 - Local funding by Beaver Creek Resort and community

Administrative Staff

The Center's administrative staff of 15 is led by an Executive Director and includes an Executive Assistant, House Manager, Cultural Development Manager, Facilities Manager, Food & Beverage Manager, Technical Director, Box Office Manager, Assistant Technical Director, Master Electrician, VP of Finance, Director of Marketing and two Marketing and PR Managers.

Ownership & Governance

The Vail Valley Foundation nonprofit organization owns and operates the Center. The Foundation has a 34-member Board of Directors with a 20-member sub-committee that focus exclusively on the Center.

Programming & Utilization

Busy year round, the Center presents a variety of performance series including: touring and local theater, classical music, theatre/comedy, popular artists, dance and emerging artists. The 2008 roster has 129 scheduled events, including the Irish Tenors, the Academy of St. Martin in the Fields, Lilly Tomlin, and the Beach Boys, among others. Community programs are an important component of the Center. A community performance fund underwrites production costs for approximately ten local arts performances, a community use fund provides rentals at reduced costs for approximately 25 Eagle County nonprofits and free tickets are offered to local arts students that might not have the chance to see a live performance. The STARS (Support the Arts Reaching Students) performance series provides artistic, educational and cultural enrichment to local students through in-school workshops and daytime shows at the Center. Free transportation is also provided for the students.

Rental Rates

All rates are based on an eight/hr day usage:

- Overtime billed at \$350/hr
- Full auditorium
 - Film screenings and lectures/presentations, \$2,000
 - Performance, \$4,000
- Dinner on stage
 - Without performance, \$4,000
 - With performance, \$6,000

Additional charges:

- Labor including, Technical Director, House Manager and staff (4/hr minimum required)
- Cleaning fee, \$300/day
- Equipment rental, including piano, dance floor and more
- Food and beverage

appendix c:
pro-forma operating budgets

Community Arts Center Base Year Operating Pro-forma

| | | | | | | | | | | |
|---------------------------------|---------------------------------------|---------------------------|------------------------|-----------------------|------------------------------------|----------------------|-------------------|---------------------|----------------------|------------------|
| REVENUES | | | | | | | | | | |
| | Rental Income | | | | | | | | | \$99,900 |
| | User Fees | | | | | | | | | \$66,933 |
| | Program Revenue | | | | | | | | | \$9,000 |
| | Food Service | | | | | | | | | |
| | | Concessions | | | | | | | | \$10,176 |
| | | Public area sales | | | | | | | | \$18,750 |
| | | Catering | | | | | | | | \$2,500 |
| | Ticket Surcharge | | | | | | | | | \$20,351 |
| | Total | | | | | | | | | \$227,610 |
| EXPENSES | | | | | | | | | | |
| FT Personnel | | | | | | | | | | |
| | Facility Manager | | | | | | | | | \$50,000 |
| | Technical Director | | | | | | | | | \$45,000 |
| | sub-total | | | | | | | | | \$95,000 |
| | Benefits | 30% | | | | | | | | \$28,500 |
| | | | | | | | | | | \$123,500 |
| PT Personnel | | | | | | | | | | |
| | Ticket Office Manager | | | | | | | | | \$35,000 |
| | House Manager | | | | | | | | | \$25,000 |
| | Food and Beverage Mgr | | | | | | | | | \$35,000 |
| | Custodian | | | | | | | | | \$20,000 |
| | Technical Staff | | | | | | | | | \$20,000 |
| | sub-total | | | | | | | | | \$135,000 |
| | Benefits | 15% | | | | | | | | \$20,250 |
| | | | | | | | | | | \$155,250 |
| Administration | | | | | | | | | | |
| | Institutional Promotion/Advertising | | | | | | | | | \$16,750 |
| | Insurance | | | | | | | | | \$6,700 |
| | Legal/Accounting | | | | | | | | | \$16,750 |
| | Office Equipment/Systems | | | | | | | | | \$6,700 |
| | Office Supplies/Services | | | | | | | | | \$6,700 |
| | Printing & Publications | | | | | | | | | \$6,700 |
| | Professional Development/Conferences | | | | | | | | | \$5,025 |
| | Telephone | | | | | | | | | \$1,340 |
| | Travel and Entertainment | | | | | | | | | \$2,680 |
| | Volunteer Management | | | | | | | | | \$3,350 |
| | Miscellaneous | | | | | | | | | \$6,700 |
| | | | | | | | | | | \$79,395 |
| Operations | | | | | | | | | | |
| | | <u>Cost/sf</u> | | | | | | | | |
| | Utilities | \$1.90 | | | | | | | | \$28,500 |
| | Repairs and Maintenance | \$1.40 | | | | | | | | \$21,000 |
| | Service Contracts | \$0.05 | | | | | | | | \$750 |
| | Program Delivery | | | | | | | | | |
| | | Faculty | | | | | | | | \$2,700 |
| | | Overheads | | | | | | | | \$1,350 |
| | Food and Beverage Costs | | | | | | | | | \$8,678 |
| | Performance Equipment R&M | | | | | | | | | \$2,500 |
| | Trash Hauling | | | | | | | | | \$7,500 |
| | Cleaning/Building Supplies | | | | | | | | | \$7,500 |
| | Security System | | | | | | | | | \$10,000 |
| | | | | | | | | | | \$90,478 |
| | Total | | | | | | | | | \$448,623 |
| | Annual Funding Requirement | | | | | | | | | \$221,013 |
| | % of Budget Covered by Earned Income | | | | | | | | | 51% |
| Assumptions and Formulas | | | | | | | | | | |
| | Gross Square Footage: | 15,000 | <u>Capacity</u> | <u>Net Square Ft.</u> | Mentioned as 15,000 gsf in report | | | | | |
| Components | Theater | | 200 | | | | | | | |
| | MP Room | | 75 | 1,500 | | | | | | |
| | Gallery | | | 1,000 | | | | | | |
| | Classrooms (3) | | | 1,200 | | | | | | |
| Rental Activity | <u>Space</u> | <u>Type of Renter</u> | <u>Rental Duration</u> | <u>Rental Rate</u> | <u>Performances</u> | <u>Capacity Sold</u> | <u>Attendance</u> | <u># of Rentals</u> | <u>Rental Income</u> | |
| | Theater | Nonprofit | per day | \$300 | | 60 | 67% | 8,040 | 120 | \$36,000 |
| | | Commercial | per day | \$450 | | 30 | 67% | 4,020 | 60 | \$27,000 |
| | MP Room | Nonprofit | per four hours | \$50 | | 20 | 67% | 1,005 | 240 | \$12,000 |
| | | Commercial | per four hours | \$75 | | 10 | 67% | 503 | 120 | \$9,000 |
| | Gallery | Nonprofit | per week | \$600 | | | | | 8 | \$4,800 |
| | | Commercial | per week | \$900 | | | | | 4 | \$3,600 |
| | Classrooms | Nonprofit | per hour | \$10 | | | | | 600 | \$6,000 |
| | | Commercial | per hour | \$15 | | | | | 100 | \$1,500 |
| | | | | | | 120 | | 13,568 | | \$99,900 |
| User Fees as a % of Rent | | 67% | | | | | | | | |
| | | <u>Charge/Ticket sold</u> | | | | | | | | |
| Ticket Surcharge | | \$1.50 | | | | | | | | |
| Program Revenues | Number of Programs | | 15 | | Total Program Hours | | | | 270 | |
| | Number of Classes | | 12 | | Total Student Hours | | | | 2,700 | |
| | Average Class Duration (hours) | | 1.5 | | Faculty Cost as share of revenues | | | | 30% | |
| | Students/Program | | 10 | | Overhead Cost as share of revenues | | | | 15% | |
| | Tuition/Class | | \$5.00 | | | | | | | |
| Concession Income | Net/Performance Attendee | | \$0.75 | | Catered Events | | | 10 | | |
| | Additional Net Sales/Day | | \$75.00 | | Net/Catered Event | | | \$250 | | |
| | Food and Beverage Costs as % of Sales | | 30% | | | | | | | |

Visual Arts Center Operating Pro-forma

| | | | | | |
|----------------------------|--------------------------------------|-----|-----------------|----------|----------------------------------|
| REVENUES | | | | | |
| | Rental Income | | | \$35,000 | |
| | Commission on Items sold | | | \$45,000 | |
| | Café Sales | | | \$25,000 | |
| | Program Revenues | | | \$6,000 | |
| | Total | | | | \$111,000 |
| EXPENSES | | | | | |
| FT Personnel | Facility/Retail Manager | | | \$40,000 | |
| | Benefits | 30% | | \$12,000 | \$52,000 |
| PT Personnel | Custodian | | | \$25,000 | |
| | Café Manager | | | \$20,000 | |
| | sub-total | | | \$45,000 | |
| | Benefits | 15% | | \$6,750 | \$51,750 |
| Operations | Café Cost of Goods Sold | | | \$10,000 | |
| | Program Expense | | Teachers | \$1,800 | |
| | | | Materials | \$900 | \$12,700 |
| Administration | Institutional Promotion/Advertising | | | \$5,000 | |
| | Printing & Publications | | | \$2,500 | |
| | Insurance | | | \$5,000 | |
| | Office Equipment/Systems | | | \$2,500 | |
| | Office Supplies/Services | | | \$2,500 | |
| | Telephone | | | \$3,000 | |
| | Miscellaneous | | | \$1,500 | \$22,000 |
| Occupancy | | | <u>Cost/sf</u> | | |
| | Utilities | | \$1.00 | \$5,000 | |
| | Repairs and Maintenance | | \$0.25 | \$1,250 | |
| | Building Cleaning | | | \$2,500 | |
| | Trash Hauling | | | \$1,500 | |
| | Cleaning/Building Supplies | | | \$2,500 | |
| | Miscellaneous | | | \$1,000 | \$13,750 |
| | Total | | | | \$152,200 |
| | Annual Funding Requirement | | | | \$41,200 |
| | % of Budget Covered by Earned Income | | | | 73% |
| Space | Number | | Net Area | | Lobby/Café |
| Studios | 10 | | 1,000 | | Average Daily Sales \$100 |
| Lobby/Café | | | 1,000 | | COGS 40% |
| Classroom | | | 750 | | Annual Days of Operation 250 |
| Store/Gallery | | | 1,000 | | |
| Support Space | | | 750 | | |
| Total net Square Footage | | | 4,500 | | Program Revenue |
| Gross Square Footage | | | 5,000 | | Number of Programs 10 |
| Studios | | | | | Average Durations (weeks) 12 |
| Average Rent (\$/nsf/year) | | | \$35 | | Average Students/Program 10 |
| Gallery/Shop | | | | | Average Fee/Student/Program \$60 |
| Retail Sales/nsf/year | | | \$150 | | Techer Cost - % of Revenue 30% |
| Commission on Sales | | | 30% | | Overheads - % of Revenue 15% |

Regional Cultural Arts Center Base Year Operating Pro-forma

| | | | | |
|-----------------|------------------------------|----------------|----------|--|
| REVENUES | Rental Income | Theater | \$75,450 | |
| | | MP Room | \$14,250 | |
| | User Fees | | \$60,099 | |
| | Ticket Sales from Presenting | Live | \$60,000 | |
| | | Film | \$48,000 | |
| | Food Service | Concessions | \$21,900 | |
| | | Catered Events | \$5,000 | |
| | Ticketing Fees | | \$75,348 | |
| | Facility Surcharge | | \$71,760 | |
| | Total | | | |

| | | | | |
|--------------------------------------|--------------------------------------|---------------|-----------|------------------|
| EXPENSES | | | | |
| FT Personnel | Executive Director | | \$75,000 | |
| | Technical Director | | \$45,000 | |
| | Administrative Assistant | | \$30,000 | |
| | sub-total | | \$150,000 | |
| | Benefits | 30% | \$45,000 | \$195,000 |
| PT Personnel | Programming Manager | | \$20,000 | |
| | Technical Staff | | \$25,000 | |
| | Ticket Office Manager | | \$30,000 | |
| | Projectionist | | \$15,000 | |
| | House Manager | | \$25,000 | |
| | sub-total | | \$115,000 | |
| | Benefits | 15% | \$17,250 | \$132,250 |
| Theater Operations | Live Presenting | | \$54,000 | |
| | Film Presenting | | \$39,200 | |
| | Technical Labor | | \$30,816 | |
| | Event Cleaning | | \$22,752 | |
| | House Staff | | \$18,960 | \$165,728 |
| | | Cost/Attender | | |
| Ticket Office | Postage | \$ 0.05 | \$2,190 | |
| | Ticket Printing | \$ 0.05 | \$2,190 | |
| | Supplies | \$ 0.04 | \$1,752 | |
| | Credit Card Fees | \$ 0.10 | \$4,380 | |
| | Ticketing Service (net) | \$ 0.20 | \$8,760 | |
| | Network Maintenance | | \$10,000 | |
| | Miscellaneous | | \$1,000 | \$30,272 |
| | | | | |
| Administration | Institutional Promotion/Advertising | | \$17,500 | |
| | Insurance | | \$17,500 | |
| | Legal/Accounting Services | | \$25,000 | |
| | Office Equipment/Systems | | \$7,000 | |
| | Office Supplies/Services | | \$7,000 | |
| | Printing & Publications | | \$7,000 | |
| | Professional Development/Conferences | | \$1,400 | |
| | Technology Services | | \$7,500 | |
| | Telephone | | \$3,500 | |
| | Travel and Entertainment | | \$2,800 | |
| | Volunteer Management | | \$5,250 | |
| | Miscellaneous | | \$5,000 | \$106,450 |
| | | Cost/sf | | |
| Occupancy | Utilities | \$1.90 | \$76,000 | |
| | Repairs and Maintenance | \$1.40 | \$56,000 | |
| | Service Contracts | \$0.75 | \$30,000 | |
| | Performance Equipment R&M | | \$2,500 | |
| | Building Cleaning | | \$10,000 | |
| | Trash Hauling | | \$12,500 | |
| | Cleaning/Building Supplies | | \$5,000 | |
| | Security System | | \$10,000 | \$202,000 |
| | | | | |
| | Total | | | |
| Annual Funding Requirement | | | | \$399,893 |
| % of Budget Covered by Earned Income | | | | 52% |

Assumptions and Formulas

| | | | | | | | | | |
|----------------------|---------|----------|--------|----------------|----------|----------|------------|----------|----------|
| Gross Square Footage | 40,000 | Capacity | Net sf | Rent Nonprofit | Perf Day | Prep Day | Commercial | Perf Day | Prep Day |
| Components | Theater | | 400 | \$600 | \$300 | \$900 | \$450 | | |
| | MP Room | | 100 | 1,500 | \$30 | \$45 | | | |

| Theater | Performances | Event Days | Prep Days | Total | %Sold | Attendance | Ave Tix | Gross | Rental Income |
|-------------------------------|--------------|------------|-----------|------------|-------|---------------|---------|------------------|-----------------|
| Facility-presented Events | 8 | 6 | 0 | 6 | 75% | 2,400 | \$25 | \$60,000 | |
| Facility-presented Film | 20 | 10 | 0 | 10 | 75% | 6,000 | \$8 | \$48,000 | |
| College-based Programs | 30 | 25 | 60 | 85 | 75% | 9,000 | \$15 | \$135,000 | \$33,000 |
| Nonprofit Arts Rentals | 50 | 40 | 20 | 60 | 66% | 13,200 | \$20 | \$264,000 | \$30,000 |
| Community Events | 10 | 10 | 0 | 10 | 66% | 2,640 | | | \$9,000 |
| Private Events | 10 | 10 | 0 | 10 | 66% | 2,640 | | | \$9,000 |
| Corporate Events | 10 | 10 | 0 | 10 | 66% | 2,640 | | | \$9,000 |
| Commercial Arts Event Rentals | 20 | 18 | 5 | 23 | 66% | 5,280 | \$25 | \$132,000 | \$18,450 |
| Total | 158 | 129 | 85 | 214 | | 43,800 | | \$639,000 | \$75,450 |

| Other Space Rentals | Rental Period | Nonprofit Rentals | Nonprofit Rental Income | Commercial Rentals | Commercial Rental Income | Total Rentals | Total Rental Income |
|---------------------|---------------|-------------------|-------------------------|--------------------|--------------------------|---------------|---------------------|
| Multipurpose room | per hour | 250 | \$7,500 | 150 | \$6,750 | 400 | \$14,250 |

| | | | | | | |
|------------------------------|---------------------------------------|-------------------------------|---------|--|--------------------------------------|--------|
| User Fees as a % Rent | 67% | | | | Ticketing Fees | |
| Concession Income | Concessions Net/ Performance Attendee | \$0.50 | | | % of tickets sold online | 30% |
| | Net/ Catered Events | \$500 | | | Charge per ticket sold online | \$5.00 |
| | Number of Catered Events | 10 | | | % of tickets sold by telephone | 20% |
| Presenting Expenses | Live Presenting | Average Artist Fees | \$5,000 | | Charge per ticket sold by phone | \$3.00 |
| | | Marketing Costs | \$1,500 | | % of tickets sold at box office | 50% |
| | | Other Direct Presenting Costs | \$250 | | Charge per ticket sold at box office | \$0.00 |
| | Film Presenting | % of Revenues to Distributor | 40% | | | |
| | | Marketing Costs | \$750 | | Facility Surcharge | |
| | | Other Direct Presenting Costs | \$250 | | Charge per Ticket Sold | \$2.00 |

Regional Performing Arts Hall & Amphitheater Base Year Operating Pro-forma

| | | | | |
|-----------------|------------------------------|----------------|--------------------|--|
| REVENUES | Rental Income | Theater | \$120,150 | |
| | | Amphitheater | \$67,500 | |
| | User Fees | | \$125,726 | |
| | Ticket Sales from Presenting | Live Indoor | \$472,500 | |
| | | Live Outdoor | \$750,000 | |
| | | Film Indoor | \$144,000 | |
| | | Film Outdoor | \$240,000 | |
| | Food Service | Concessions | \$68,100 | |
| | | Catered Events | \$15,000 | |
| | Ticketing Fees | | \$108,960 | |
| Facility Fee | | \$204,300 | | |
| Total | | | \$2,316,236 | |

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|---------------------|-----------------------|-----------|-----------|--|
| EXPENSES | | | | |
| FT Personnel | Executive Director | | \$80,000 | |
| | Marketing Director | | \$55,000 | |
| | Programming Manager | | \$45,000 | |
| | Controller | | \$40,000 | |
| | Admin Assistant | | \$35,000 | |
| | Ticket Office Manager | | \$50,000 | |
| | Operations Director | | \$60,000 | |
| | Technical Director | | \$50,000 | |
| | Custodian | | \$40,000 | |
| | House Manager | | \$45,000 | |
| sub-total | | \$500,000 | | |
| Benefits | 30% | \$150,000 | \$650,000 | |

| | | | | |
|---------------------|---------------------|-----|-----------|-----------|
| PT Personnel | IT Manager | | \$20,000 | |
| | Ticket Office Staff | | \$50,000 | |
| | Technical Staff | | \$30,000 | |
| | Projectionist | | \$15,000 | |
| | sub-total | | \$115,000 | |
| | Benefits | 15% | \$17,250 | \$132,250 |

| | | | | |
|---------------------------|-----------------|---------|-----------|-------------|
| Theater Operations | Live Presenting | Indoor | \$644,999 | |
| | | Outdoor | \$859,998 | |
| | Film Presenting | Indoor | \$177,600 | |
| | | Outdoor | \$216,000 | |
| | Technical Labor | Indoor | \$50,976 | |
| | | Outdoor | \$20,304 | |
| | Event Cleaning | Indoor | \$27,840 | |
| | | Outdoor | \$14,976 | |
| | House Staff | Indoor | \$26,100 | |
| | | Outdoor | \$12,480 | \$2,051,273 |

| | | | | |
|----------------------|-------------------------|---------|----------|----------|
| Ticket Office | Postage | \$ 0.05 | \$6,810 | |
| | Ticket Printing | \$ 0.05 | \$6,810 | |
| | Supplies | \$ 0.04 | \$5,448 | |
| | Credit Card Fees | \$ 0.10 | \$13,620 | |
| | Ticketing Service (net) | \$ 0.20 | \$27,240 | |
| | Network Maintenance | | \$10,000 | |
| | Miscellaneous | | \$1,000 | \$70,928 |
| | Total | | | |

| | | | | |
|-----------------------|--------------------------------------|---------|-----------|--|
| Administration | Institutional Promotion/Advertising | | \$50,000 | |
| | Insurance | | \$40,000 | |
| | Legal/Accounting | | \$7,000 | |
| | Office Equipment/Systems | | \$7,000 | |
| | Office Supplies/Services | | \$7,000 | |
| | Printing & Publications | | \$7,000 | |
| | Professional Development/Conferences | | \$1,400 | |
| | Telephone | | \$3,500 | |
| | Travel and Entertainment | | \$2,800 | |
| | Volunteer Management | | \$5,250 | |
| Miscellaneous | | \$5,000 | \$135,950 | |

| | | | | |
|------------------|----------------------------|--------|-----------|--------------------|
| Occupancy | Utilities | \$1.90 | \$104,500 | |
| | Repairs and Maintenance | \$1.40 | \$77,000 | |
| | Service Contracts | \$0.25 | \$13,750 | |
| | Performance Equipment R&M | | \$2,500 | |
| | Building Cleaning | | \$10,000 | |
| | Trash Hauling | | \$12,500 | |
| | Cleaning/Building Supplies | | \$10,000 | |
| | Security System | | \$30,000 | \$260,250 |
| | Total | | | \$3,300,651 |

Annual Funding Requirement **\$984,415**

% of Budget Covered by Earned Income 70%

Assumptions and Formulas

| | | | | | | | | | |
|----------------------|--------------|------|--------|----------|-----|-----------|---------|------------|---------|
| Gross Square Footage | | Rent | 55,000 | Capacity | | Nonprofit | | Commercial | |
| Components | Theater | | | | 600 | Perf Day | \$900 | Perf Day | \$450 |
| | Amphitheater | | | 2,500 | | | \$3,750 | | \$1,875 |
| | | | | | | | | | \$1,350 |
| | | | | | | | | | \$675 |

| Theater | Performances | Event Days | Prep Days | Total | % Sold | Attendance | Ave Tix | Gross | Rental Income |
|-------------------------------|--------------|------------|-----------|------------|--------|---------------|---------|------------------|------------------|
| Facility-presented Events | 30 | 28 | 14 | 42 | 75% | 13,500 | \$35 | \$472,500 | |
| Facility-presented Film | 40 | 20 | 0 | 20 | 75% | 18,000 | \$8 | \$144,000 | |
| Nonprofit Arts Rentals | 20 | 20 | 20 | 40 | 66% | 7,920 | \$20 | \$158,400 | \$27,000 |
| Community Events | 5 | 5 | 0 | 5 | 66% | 1,980 | | \$- | \$6,750 |
| Private Events | 20 | 20 | 10 | 30 | 66% | 7,920 | | \$- | \$33,750 |
| Corporate Events | 20 | 20 | 0 | 20 | 66% | 7,920 | | \$- | \$27,000 |
| Commercial Arts Event Rentals | 10 | 18 | 2 | 20 | 66% | 3,960 | \$35 | \$138,600 | \$25,650 |
| Total | 145 | 131 | 46 | 177 | | 61,200 | | \$913,500 | \$120,150 |

| Amphitheater | Performances | Event Days | Prep Days | Total | % Sold | Attendance | Ave Tix | Gross | Rental Income |
|-------------------------------|--------------|------------|-----------|-----------|------------|---------------|---------|--------------------|-----------------|
| Facility-presented Events | 20 | 20 | 0 | 20 | 60% | 30,000 | \$25 | \$750,000 | |
| Facility-presented Film | 20 | 10 | 0 | 10 | 60% | 30,000 | \$8 | \$240,000 | |
| Nonprofit Arts Rentals | 5 | 5 | 5 | 10 | 50% | 6,250 | \$15 | \$93,750 | \$28,125 |
| Community Events | 2 | 2 | 0 | 2 | 50% | 2,500 | | \$- | \$11,250 |
| Commercial Arts Event Rentals | 5 | 5 | 0 | 5 | 50% | 6,250 | \$25 | \$156,250 | \$28,125 |
| Total | 52 | 42 | 5 | 47 | 50% | 75,000 | | \$1,240,000 | \$67,500 |

| | | | | | | | |
|----------------------------|--------------------------------------|-------------------------------|----------|---------------|----------------|---------------------------|---|
| User Fees as a % Rent | | 67% | | | 136,200 | Total Attendance | |
| Concession Income | Concessions Net/Performance Attendee | | \$0.50 | | | | |
| | Net/Catered Events | | \$1,000 | | | | Ticketing Fees |
| | Number of Catered Events | | 15 | | | | % of tickets sold online 30% |
| Presenting Expenses | Live Presenting | Average Artist Fees | | Indoor | Outdoor | | Charge per ticket sold online \$2.00 |
| | | Marketing Costs | \$15,000 | \$30,000 | | | % of tickets sold by telephone 20% |
| | | Other Direct Presenting Costs | \$1,500 | \$3,000 | | | Charge per ticket sold by phone \$1.00 |
| | Film Presenting | % of Revenues to Distributor | 40% | 40% | | | % of tickets sold at box office 50% |
| | | Marketing Costs | \$2,500 | \$5,000 | | | Charge per ticket sold at box office \$0.00 |
| | | Other Direct Presenting Costs | \$500 | \$1,000 | | | |
| Facility Operations | Stage Hands Charge | Cost/Use Day | \$288 | \$432 | | Facility Surcharge | |
| | Event Cleaning | Cost/Perf | \$192 | \$288 | | Charge per Ticket Sold | \$1.50 |
| | House Staff | Cost/Perf. | \$180 | \$240 | | | |