

# Estes Park Performing Arts Center SOPA Board

*Updated Operating Projection*  
December 9, 2008



# User Needs Analysis

- Groups Indicating No Interest in Venue
  - ◆ Park R-3 School District, Choral Music
    - Remodeled High School Auditorium is sufficient
  - ◆ Rocky Ridge Music Center
    - Own performance space
  - ◆ Center Stage School of Dance
    - Not big enough – require 500-600 seats
  - ◆ Town of Estes Park Special Events Dept
    - Prefer to use own, primarily outdoor venues
  - ◆ Estes Park Area Music Teacher's Association
    - Too large for recitals, assume it will be too costly
  - ◆ Estes Valley Chamber Singers
    - Have access to free venues

# User Needs Analysis (cont'd.)

- Groups with No Interest (cont'd.)
  - ◆ Others – No Specific Reason Given
    - Art Center of Estes Park
    - Estes Park Hospital Foundation
    - Friends of Folk
  - ◆ Did not respond
    - Estes Park Women's Club
    - Hidden Leopard Productions
    - Karen Crislip Designs
    - The Steiner Gallery
    - Estes Park Library
    - Cultural Arts Council
    - Estes Park Museum Board
    - Mountain Song Enterprises
    - Riverside Ramblers

# User Needs Analysis (cont'd.)

- Local Non-Profit Groups Interested in Using
  - ◆ Estes Park Music Festival
    - 3-4 concerts annually, average 230 attendance per concert
    - Concert series on Monday nights in June/July
    - Winter concert series would remain at smaller capacity Stanley Hotel
  - ◆ Estes Park Repertoire Theater
    - Will depend on management, and usage policies
    - Have access to free or low-cost venues
  - ◆ Oratorio Society, Mountain Men, MountainAires, Estes Park Chorale
    - 2-3 performances annual for each group
  - ◆ Scottish Highland Festival
    - 4 day festival with concerts 2-3 nights
    - Usage will depend on affordability

# User Needs Analysis (cont'd.)

- Local Non-Profit Groups (cont'd.)
  - ◆ Oratorio Society
    - 3-6 concerts/year plus rehearsals before each
  - ◆ Earthwood Galleries
    - 1-10 times per year
    - Most interested in using lobby space for visual arts events
  - ◆ Chamber Music of Estes Park
    - 2 concerts annually of Takács String Quartet
    - Usage will depend on affordability
  - ◆ Estes Park Sings
    - Up to 20 days/year, including rehearsals
    - Usage will depend on affordability
  - ◆ Preludio Music
    - Concerts 2-3 times/year plus 1-3 rehearsals before each

# User Needs Analysis (cont'd.)

- Local Non-Profit Groups (cont'd.)
  - ◆ Fine Arts Guild of the Rockies
    - 4-6 shows, 3-4 performances of each
- Regional Universities
  - ◆ University of Colorado Boulder
    - Dance Program
      - Interest in 1-2 week residency with public performances
    - Theater
      - Small cast popular production, 1-3 weeks
      - CO Shakespeare Festival touring production

# User Needs Analysis (cont'd.)

- Regional Universities (cont'd.)

- ◆ University of Northern Colorado

- Have long history of performing in EP since 1930s
- UNC owns a cabin that sleeps 11, would consider use as housing for performers
- Little Theater of the Rockies (Summerstock program)
  - Musical revue and musical theater productions (2 shows)
  - 6-8 weeks, up to 8 shows/week
- School of Music
  - Weekly during July concert series, 3-4 professional groups, 1 student group
  - Up to 16 faculty ensembles and recitals during academic year
  - Interest in co-developing Summer Music Festival

# User Needs Analysis (cont'd.)

- Other

- ◆ Mickey Burdick

- Operates 186-seat Butte Opera House in Cripple Creek
  - **Contract through 2009, option for 3-year extension**
- Park Village Playhouse
  - **Seats 150-180 with tables**
  - **Professional actors, revue-style show, 7-9 shows/week**
  - **Reports tremendous growth in EP, up 80% from year 1 to 2**
- (These uses not factored in given unknown factors in Cripple Creek, etc.)

# User Needs Analysis (cont'd.)

- Projected Schedule of Use
  - ◆ Non-profit rentals only
  - ◆ Does not include commercial or presented events

| Group  | Low        | High       |
|--|------------|------------|
| <b>Local Users</b>                                     |            |            |
| Chamber Music of Estes Park                            | 2          | 2          |
| Earthwood Galleries                                    | 1          | 10         |
| Estes Park Chorale                                     | 2          | 2          |
| Estes Park Music Festival                              | 3          | 4          |
| Estes Park Repertoire Theater                          | 8          | 16         |
| Estes Park Sings                                       | 5          | 10         |
| Fine Arts Guild of the Rockies                         | 18         | 24         |
| Mountain Aires   | 2          | 2          |
| Mountain Men   | 2          | 2          |
| Oratorio Society                                       | 3          | 6          |
| Preludio Music/Barbara Berber                          | 3          | 6          |
| Scottish Highland Festival                             | 2          | 3          |
| <b>Subtotal Local Users</b>                            | <b>51</b>  | <b>87</b>  |
| <b>Regional Universities (Primarily Summer Months)</b> |            |            |
| UNC Theater  | 36         | 64         |
| UNC Music  | 4          | 16         |
| CU Theater   | 14         | 28         |
| CU Dance   | 7          | 14         |
| <b>Subtotal University Users</b>                       | <b>61</b>  | <b>122</b> |
| <b>TOTAL PROSPECTIVE USES</b>                          | <b>112</b> | <b>209</b> |

# Operating Projection

- Assumptions

- ◆ Stable year, likely Year 3
- ◆ Will require additional subsidy in start-up years

| Estes Park Performing Arts Center         |        |
|---|--------|
| SCHEDULE 1: KEY ASSUMPTIONS               |        |
| PERFORMANCE SPACE ASSUMPTIONS             |        |
| All 2008 \$, Stable Year of Operation     |        |
| Theater Seating Capacity                  | 433    |
| Theater Performance Rental Rates          |        |
| Local Non-Profit Per-Seat Rent            | \$0.75 |
| Other Non-Profit Per-Seat Rent            | \$1.25 |
| Commercial Performance Per-Seat Rent      | \$2.00 |
| Non-Performance (Corporate) Per-Seat Rent | \$2.50 |
| ECONOMIC ASSUMPTIONS                      |        |
| Fringe Benefits Rate                      | 30%    |
| Contingency % of Operating Expenses       | 5%     |
| Average Concession Transaction            | \$4.00 |
| Concession Capture Rate                   | 50%    |
| Concession Contribution Margin            | 35%    |
| BUILDING ASSUMPTIONS                      |        |
| Square Footage                            | 18,600 |
| Occupancy Costs per Sq. Ft., calculated   | \$5.19 |

# Operating Projection (cont'd.)

- Rental Rates

## Estes Park Performing Arts Center

### Schedule 5: Rental Rate Schedule

| Rate Code | Description                                   | Capacity | Per-Seat Charge | Amount  |
|-----------|---|----------|-----------------|---------|
| 1         | Local Non-Profit - Performance Rate           | 433      | \$0.75          | \$325   |
| 2         | Local Non-Profit - Non-Perf./Tech/Rehearsal   | 433      | \$0.38          | \$162   |
| 3         | Other Non-Profit - Performance Rate           | 433      | \$1.25          | \$541   |
| 4         | Other Non-Profit - Non-Perf./Tech/Rehearsal   | 433      | \$0.63          | \$271   |
| 5         | Commercial Rentals - Performance Rate         | 433      | \$2.00          | \$866   |
| 6         | Commercial Rentals - Tech/Rehearsal/Non-Perf. | 433      | \$1.00          | \$433   |
| 7         | Convention Meetings/Lectures/Non-Perf. Uses   | 433      | \$2.50          | \$1,083 |

# Operating Projection (cont'd.)

- Usage

| Estes Park Performing Arts Center          |                  |            |             |                  |
|--|------------------|------------|-------------|------------------|
| Schedule 8: Utilization Projections        | Rental Rate Code | Uses       | Stable Year |                  |
|  |                  |            | Rental Rate | Rental Charge    |
| Estes Park Presentations - Performance     | n/a              | 9          | \$0         | \$0              |
| Estes Park Presentations - Rehearsals/Tech | n/a              | 9          | \$0         | \$0              |
| <b>TOTAL TOWN-SPONSORED</b>                |                  | <b>18</b>  |             | <b>\$0</b>       |
| Local Non-Profit - Performance             | 1                | 69         | \$325       | \$22,408         |
| Local Non-Profit - Tech/Rehearsal          | 2                | 25         | \$162       | \$4,059          |
| <b>TOTAL LOCAL NON-PROFIT</b>              |                  | <b>94</b>  |             | <b>\$26,467</b>  |
| Other Non-Profit - Performance             | 3                | 90         | \$541       | \$48,713         |
| Other Non-Profit - Tech/Rehearsal          | 4                | 20         | \$271       | \$5,413          |
| <b>TOTAL OTHER NON-PROFIT</b>              |                  | <b>110</b> |             | <b>\$54,125</b>  |
| Commercial Rentals - Performance           | 5                | 15         | \$866       | \$12,990         |
| Commercial Rentals - Tech/Rehearsal        | 6                | 10         | \$433       | \$4,330          |
| Convention Meetings/Non-Perf.              | 7                | 9          | \$1,083     | \$9,743          |
| <b>TOTAL OTHER USES</b>                    |                  | <b>34</b>  |             | <b>\$27,063</b>  |
| <b>TOTAL PERFORMANCE DAYS</b>              |                  | <b>183</b> |             |                  |
| <b>TOTAL EVENT DAYS</b>                    |                  | <b>256</b> |             | <b>\$107,655</b> |

# Operating Projection (cont'd.)

- Attendance Estimates

| Estes Park Performing Arts Center  |                                 |             |                            |                      |                        |
|------------------------------------|---------------------------------|-------------|----------------------------|----------------------|------------------------|
| Schedule 9: Attendance Projections |                                 |             | Stable Year                |                      |                        |
|                                    | Avg. Ticket Price (2008 \$\$\$) | Avg. % Sold | Adjusted Avg. Ticket Price | Projected Attendance | Projected Ticket Sales |
| Town-Sponsored - Performance       | \$18                            | 70%         | \$12.00                    | 2,728                | \$32,735               |
| Local Non-Profit - Performance     |                                 | 55%         |                            | 16,432               |                        |
| Other Non-Profit - Performance     |                                 | 60%         |                            | 24,421               |                        |
| Commercial - Performance           |                                 | 80%         |                            | 5,196                |                        |
| <b>TOTALS</b>                      |                                 |             |                            | <b>48,777</b>        | <b>\$32,735</b>        |

# Operating Projection (cont'd.)

- Utilization Summary

| Estes Park Performing Arts Center |             |               |
|-----------------------------------|-------------|---------------|
| Schedule 7: Utilization Summary   | Stable Year |               |
|                                   | USES        | Rental Charge |
|                                   |             |               |
| Theater                           |             |               |
| TOTAL ESTES PARK PRESENTATIONS    | 18          | \$0           |
| TOTAL LOCAL NON-PROFIT USES       | 94          | \$26,467      |
| TOTAL OTHER NON-PROFIT USES       | 110         | \$54,125      |
| TOTAL OTHER USES                  | 34          | \$27,063      |
| TOTAL - Theater                   | 256         | \$107,655     |
| TOTAL EVENTS                      | 256         |               |
| TOTAL RENTAL EVENTS / RENT        | 256         | \$107,655     |

# Operating Projection (cont'd.)

- Concessions and Box Office

| Estes Park Performing Arts Center                           |                     |                  |                   |                  |
|---|---------------------|------------------|-------------------|------------------|
| Schedule 10:<br>Concessions Sales and<br>Box Office Charges |                     |                  | Stable Year       |                  |
|   | TICKETS SOLD        |                  | Tickets           | Sales            |
|   |                     |                  |                   | 48,777           |
|   | Transaction Average | Capture Rate     |                   | Concession Sales |
| Food & Beverage   |                     |                  |                   |                  |
| Theater Patron Sales  | \$4.00              | 50%              |                   | \$97,555         |
| <b>Contribution Margin</b>                                  |                     | <b>35%</b>       |                   | <b>\$34,144</b>  |
|   | Tickets             | Box Office Share | Per-Ticket Charge | Revenue          |
| <b>Box Office</b>   | <b>48,777</b>       | <b>65%</b>       | <b>\$1.00</b>     | <b>\$31,705</b>  |

# Operating Projection (cont'd.)

- Chargebacks

| Estes Park Performing Arts Center        |                          |           |             |       |                 |
|--|--------------------------|-----------|-------------|-------|-----------------|
| Schedule 6: Rental Additions/Chargebacks |                          |           | Stable Year |       |                 |
|  | Fee                      | Frequency | # of Events | Fee   | Amount          |
| Labor Chargebacks                        | \$125                    | 50%       | 256         | \$125 | \$16,000        |
|  |                          |           |             |       |                 |
|  | Fee                      | Frequency | # of Events | Fee   | Amount          |
| Custodial Fees                           | \$50                     | 100%      | 256         | \$50  | \$12,800        |
|  |                          |           |             |       |                 |
|  | Avg. Charge<br>Per Event | Frequency | # of Events | Fee   | Amount          |
| Equipment Rental                         | \$35                     | 50%       | 256         | \$35  | \$4,480         |
|  |                          |           |             |       |                 |
| <b>TOTAL RENTAL ADDITIONALS</b>          |                          |           |             |       | <b>\$33,280</b> |

# Operating Projection (cont'd.)

- Staffing

| Estes Park Performing Arts Center          |                                  |                    |                  |
|--|----------------------------------|--------------------|------------------|
| Schedule 12: Staffing                      | BASE SALARY                      | % Taxes & Benefits | Stable Year      |
|  | Cultural Arts Center Manger (FT) | \$65,000           | 30%              |
| Operations/ Technical Director (FT)        | \$48,000                         | 30%                | \$62,400         |
| Admin. Assistant/Reception/Box Office (FT) | \$28,000                         | 30%                | \$36,400         |
| Bookkeeper (PT)                            | \$12,500                         | 10%                | \$13,750         |
| Marketing Manager (PT)                     | \$12,500                         | 10%                | \$13,750         |
| <b>TOTALS</b>                              | <b>\$166,000</b>                 |                    | <b>\$210,800</b> |

# Operating Projection (cont'd.)

- Administrative Expenses

| Estes Park Performing Arts Center          |                  |
|--|------------------|
| Schedule 11: Administrative Expense Detail | Stable Year      |
| <b>Admin Personnel</b>                     |                  |
| Full and Part-Time Staff                   | \$210,800        |
| Stagehands, Stage and FOH Managers         | \$33,280         |
| Other Part-Time (Production Assistants)    | \$18,000         |
| <b>Sub Total, Personnel</b>                | <b>\$262,080</b> |
| <b>Overhead</b>                            |                  |
| Telephone - (based on headcount)           | \$3,600          |
| Postage & Mailing - Gen'l                  | \$2,000          |
| Printing & Copying, General                | \$2,500          |
| Travel, Meetings, Mileage                  | \$2,500          |
| Publications & Subscriptions               | \$1,000          |
| Memberships & Dues                         | \$625            |
| Licenses/Fees/Permits                      | \$500            |
| Office Supplies (based on headcount)       | \$3,600          |
| Equipment Repair/Maint./Support            | \$3,600          |
| <b>Subtotal, Overhead</b>                  | <b>\$19,925</b>  |
| <b>TOTAL ADMIN. &amp; FIN.</b>             | <b>\$282,005</b> |

# Operating Projection (cont'd.)

- Revenues

| Estes Park Performing Arts Center         |                       |                  |
|---|-----------------------|------------------|
| Schedule 3: Revenue Summary               |                       |                  |
|   | Reference             | Stable Year      |
| <b>Facility Rental</b>                    |                       |                  |
| Theater                                   | Utilization           | \$107,655        |
| Costs Recovered from Renters              | Chargebacks           | \$33,280         |
| <i>Sub-Total, Facility Rental</i>         |                       | <i>\$140,935</i> |
| <b>Other Operating Revenue</b>            |                       |                  |
| Town-Sponsored Ticket Sales               | Attendance            | \$32,735         |
| Food/Beverage, Net                        | Concession/Box Office | \$34,144         |
| Box Office Ticket Charges                 | Concession/Box Office | \$31,705         |
| <i>Sub-Total, Other Operating Revenue</i> |                       | <i>\$98,584</i>  |
| <b>TOTAL OPERATING REVENUES</b>           |                       | <b>\$239,519</b> |

# Operating Projection (cont'd.)

- Expenses

| Estes Park Performing Arts Center       |            |                  |
|---|------------|------------------|
| Schedule 4: Expense Summary             |            | Stable Year      |
|   |            |                  |
| <b>Personnel</b>                        | Reference  |                  |
| Compensation - Staff                    | Staffing   | \$210,800        |
| Stagehands, Stage Managers              | Admin Exp. | \$33,280         |
| Other Part-Time (Production Assistants) | Admin Exp. | \$18,000         |
| <i>Sub Total, Personnel</i>             |            | <i>\$262,080</i> |
|   |            |                  |
| <b>Administrative Overhead</b>          |            |                  |
| Printing Fees                           | Staffing   | \$2,500          |
| Postage & Mailing                       | Admin Exp. | \$2,000          |
| Public Relations/Special Events         |            | \$6,000          |
| Equipment/Supplies                      | Admin Exp. | \$7,200          |
| Travel, Subscriptions, Licenses         | Admin Exp. | \$4,625          |
| Telephone                               | Admin Exp. | \$3,600          |
| <i>Sub Total, Admin. Overhead</i>       |            | <i>\$25,925</i>  |
|   |            |                  |
| <b>Programming</b>                      |            |                  |
| Artist Fees                             |            | \$36,000         |
| Production Costs                        |            | \$4,500          |
| Marketing                               |            | \$8,100          |
| <i>Sub Total, Admin. Overhead</i>       |            | <i>\$48,600</i>  |
|   |            |                  |
| <b>Occupancy</b>                        |            |                  |
| Janitorial Services                     |            | \$23,250         |
| Utilities                               |            | \$32,550         |
| Maintenance Contracts                   |            | \$18,600         |
| Insurances and Bonding                  |            | \$22,134         |
| <i>Sub-Total, Occupancy</i>             |            | <i>\$96,534</i>  |
|   |            |                  |
| <b>TOTAL OPERATING EXPENSES</b>         |            | <b>\$433,139</b> |
|   |            |                  |
| Expense Contingency @ 5%                |            | \$21,657         |

# Operating Projection (cont'd.)

- Summary

| Estes Park Performing Arts Center  |                  |
|------------------------------------|------------------|
| Schedule 2: Summary Pro Forma      | Stable Year      |
| <b>OPERATING REVENUES</b>          |                  |
| Rental Income                      | \$107,655        |
| Chargebacks & Cost Recovery        | \$33,280         |
| Ticket Sales                       | \$32,735         |
| Concessions (Net Revenue)          | \$34,144         |
| Box Office Ticket Charges          | \$31,705         |
| <b>TOTAL OPERATING REVENUES</b>    | <b>\$239,519</b> |
|                                    |                  |
| <b>OPERATING EXPENSES</b>          |                  |
| Personnel                          | \$262,080        |
| Administrative Overhead            | \$25,925         |
| Programming                        | \$48,600         |
| Occupancy                          | \$96,534         |
| Expense Contingency @ 5%           | \$21,657         |
| <b>TOTAL OPERATING EXPENSES</b>    | <b>\$454,796</b> |
|                                    |                  |
| Operating Revenue as % of Expenses | 52.67%           |
| <b>OPERATING DEFICIT</b>           | <b>\$215,277</b> |

# Potential Economic Impact

## Direct Spending

| <u>Component</u>    | <u>Multiplier</u> | <u>Expenditure</u> | <u>Impact</u>    |
|---------------------|-------------------|--------------------|------------------|
| Salaries (FT & PT)  | 2.00              | \$262,080          | \$524,160        |
| Local Purchases     | 1.75              | \$156,716          | \$274,253        |
| Non-Local Purchases | 0.25              | \$36,000           | \$9,000          |
| <b>Subtotal</b>     |                   | <b>\$454,796</b>   | <b>\$807,413</b> |

## Audience Expenditures

| <u>Component</u> | <u>Attendance</u> | <u>Spending</u> | <u>Impact</u>      |
|------------------|-------------------|-----------------|--------------------|
| All Attendances  | 48,777            | \$27.79         | \$1,355,513        |
| <b>Subtotal</b>  | <b>48,777</b>     |                 | <b>\$1,355,513</b> |

## Total Potential Impact

| <u>Component</u>  | <u>Impact</u>      |
|-------------------|--------------------|
| Direct Spending   | \$807,413          |
| Audience Spending | \$1,355,513        |
| <b>Total</b>      | <b>\$2,162,926</b> |

## Potential Tax Revenues

| <u>Component</u>    | <u>Impact</u>    |
|---------------------|------------------|
| Local Gov't (4%)    | \$86,517         |
| County Gov't (.08%) | \$17,303         |
| <b>Total</b>        | <b>\$103,820</b> |

# Conclusions

- Significant interest from area universities
  - ◆ Extensive potential for summer arts programs
    - Music, theater, dance, residencies
- Operating shortfall is smaller than original projection in 2004
  - ◆ From \$315-380,000 in 300-seat theater, to \$215,000 in 433-seat theater
    - More seats yield more ticket and rental income
    - More interest from potential renters (upside potential)
- Economic impact potential
  - ◆ \$2.1 million from PAC and audience spending
    - \$100,000+ in local and county sales taxes

# Next Steps/Considerations

- “Access Grant Program”
  - ◆ Many concerns expressed about affordability
  - ◆ Strong consideration should be given to establishing endowment or other fund to subsidize rentals by local non-profit groups
    - Variety of models, many sponsored by Local or Regional Arts Councils