



# The Chief Theater

813 Lincoln Ave. | Steamboat Springs, CO

January 10, 2013

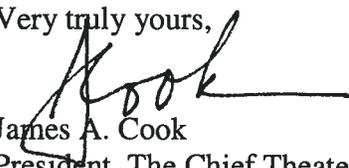
Accommodations Tax Committee  
City Of Steamboat Springs

RE: Application For Funding

Friends of the Chief Foundation, Inc., a Colorado 501(c)(3) not for profit corporation is pleased to submit our application for funding from the 2014 lodging tax funds. As a 30 year member of the Urban Land Institute, I learned long ago that cities who are re-inventing or re-energizing themselves must follow the tried and true formula for success. Most would believe that strong residential density in the downtown would drive the retail development and then the entertainment component would follow. Quite the opposite. The entertainment venues drive the residential and then the retail follows. A classic example is our own LoDo in Denver. Coors field, the Pepsi Center and the redevelopment of Sports Authority-Mile High stadium, along with exciting theater and performance venues made the area a place that folks young and old would want to live. Along with that growth came the overnight development of new hotels of every genre, shooting lodging numbers through the roof as a result of the downtown entertainment and the walking urbanity of Denver !

Steamboat Springs, in addition to the emergence of new development in the downtown area, is following the path of any city in the United States that has a river running through it in that the city grows towards the water. The emergence of the Yampa River Re-vitalization Committee and their plans for Yampa Street are not a surprise to those of us that understand the draw of live water. Fast forward four years out to the completely renovated Chief Theater as a Cultural and Performing Arts Center. Being located next to the city owned Steamboat Art Museum, a high profile cultural anchor will have been created for the city. At opening night, the 800 block of Lincoln will be blocked off for opening night with flood lights criss crossing the sky. People will arrive in their ride of choice from restored classic cars to pick-up trucks, shuttles and maybe even a horse or two. Dressed to the nines in Steamboat formal wear, some of the audience will reminisce about spooning the back of the theater, while those who were not fortunate enough to have that experience, will be entertained by a live production of theater, or music or dance or classic films. We are proud to have the opportunity to bring the scene to life !

Very truly yours,

  
James A. Cook

President, The Chief Theater

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*A Colorado Not-For-Profit Corporation*

PO Box 776121 • Steamboat Springs, CO 80477 • [www.chieftheater.org](http://www.chieftheater.org)



The Chief Theater  
813 Lincoln Ave. | Steamboat Springs, CO

## 1. Presented By:

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Friends of the Chief Foundation, Inc.  
813 Lincoln Avenue  
PO Box 776121  
Steamboat Springs, CO 80477

**Contact:**

Valerie Stafford (970.404.0442), Board Member  
Or  
Jim Cook, President (970.846.1746)

**Project Name:**

**The Chief Theater**

## 2A. Project Description:

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The Friend's of the Chief Foundation, Inc. 501(c)3, is a not-for-profit community-based organization committed to the historic rehabilitation and revitalization of the Chief Theater in downtown Steamboat Springs, Colorado. We seek to develop this historic building into a cultural center with state-of-the-art technology, diverse programming and educational opportunities to meet the needs of a vibrant and active arts community.

In this years SKI Magazine Reader Poll, the longest running poll in the industry, Steamboat fell from No.8 to No.13. "Skiers are demanding more from resorts, as **the traditional ski trip has evolved into a full-service winter vacation. The best resorts consistently update their programs, both on the mountain and off**, to meet the changing needs of today's winter traveler and skier" according to the magazines editor, Greg Ditrinco.

As a premier, year-round, destination resort community, Steamboat has always stood out as a unique, loveable place. More than just a resort, real people live and work here. However, Steamboat does have some areas of weakness and **has missed opportunities to capture the attention of tourists off the slopes or off the trails. A healthy arts and cultural entertainment scene would give visitors alternative ways to enjoy Steamboat with their whole family**; opportunities for all ages to experience live music and live theater, no longer reserved exclusively for the late night bar crowds.

On October 2, 2012, the Friends of the Chief Foundation, Inc. secured a private loan for \$1.25m and closed on the purchase of the historic Chief Theater. We initially started building this vision nearly 3 years ago, and we are excited to finally own the building and present this opportunity to the city of Steamboat Springs.

**We have divided the project into two phases.**

- **Phase I** – Complete immediate renovations to render the facility safe and functional as a multi-use facility. There is an immediate need for staging, sound and lighting that will **allow us to offer diverse programming** right away (see **Exhibit 2C**), and start contract negotiations with touring performances in the near future. After much deliberation, the Board, with input from the community, made a decision to maintain the vitality of downtown by not leaving the theater dark during the capital campaign. During this time, we also plan to establish and launch our capital fundraising campaign. We estimate this campaign will take at least 3 years to complete.
- **Phase II** – Begins after the capital fundraising needs of Phase I are met. The proposed plans (See **Exhibit 2A**) include a complete renovation of the theater. The renovations of Phase II will result in a state-of-the-art cultural and performing arts venue. The renovated theater will showcase one main theater with an upper level balcony, lower level rehearsal and green room space. The main theater will accommodate a seating capacity upwards of 475, however the savvy design of this convertible theater will also accommodate standing room attendance of up to 650 people. The final theater will also include a bar/lounge that will open onto Lincoln Ave as a full time business.

Last season, the ski area introduced its **new** promenade and an outdoor stage at the base area. They saw the need to keep visitors at the base area, encouraging them to spend more time there, visit the shops, eat at the restaurants and interact with the ski area. The same logic applies to keeping our tourists engaged in ~~town as well~~. in the downtown as well.

By operating as a non-profit, we believe we can keep costs down, and give the community a stake in the theater's survival. **Through local tax subsidies, sustained giving campaigns, fundraising events, grant writing, targeted programming and the diverse use of space, we envision the theater acting as another beacon for our community.**

**People travel for live music, live theater, and live shows; they will fill the pillows.** Those who come for the other amenities offered in Steamboat will now find more reason to get out and interact with the surrounding local businesses, especially before or after a show. Vacationers will discover that Steamboat values athletes and artists alike, that **a vacation in Steamboat is for the whole family, year round, and is truly a premier destination resort. community.**

**We would like to request \$150,000 per year for a period of 20 years to meet two specific needs:**

1. Costs for interim construction/equipment allowing the facility to be open and productive for three years preceding the restoration (Phase I).
2. To leverage the allocation as equity by advancing the purchase of a number of equipment and construction services for the restoration (Phase II). Example: \$150,000 per year for 20 years will leverage or handle debt service on \$2.0MM+, which is approximately the amount of equity required by USDA to fund \$4M in permanent financing, which will jump start the entire project.

Your long-term commitment to this venture will ensure success happens in a timely manner that is community supported and community constructive. We envision the theater as an important pillar in our community, not only for the vibrancy of downtown, but also for the **diversification** and expansion of our arts and culture scene.

Organizations like the Chief Theater such as Strings Music Festival, Steamboat Art Museum and Tread of Pioneers Museum; events such as MusicFest, All Arts/Wine Festival and Free Summer Concert Series increase the marketing power of Steamboat on a national level, thus driving foot traffic toward restaurants, retail and lodging.

This elevated **community identity** will enhance visitor's experiences and increase **economic vitality** in the long term. Thank you for considering this project as an important element in our community's future.

## 23. List of entities involved with the development

Leadership Team		Pay
<b>Tamara Beland, Executive Director, 2012</b>	Her strong performing arts & non-profit start up background will be invaluable during these start-up years. (See Exhibit 2B)	\$50k/yr
<b>James A. Cook, Board President, 2010</b>	Founder/Owner of Colorado Group Realty, Jim has been responsible for 3 major development projects in downtown Steamboat Springs and is currently active on the Main Street Design Review and Yampa Street Revitalization committees as well as a board member of Perry Mansfield Performing Arts School and Camp. He will be a key contributor to the <b>Finance</b> committee and <b>Facilities</b> team.	\$0
<b>Kevin Gilman, Secretary, 2010</b>	Accountant, with a strong financial logic helpful in budgeting and a keen awareness for tracking expenses. He is the accountant for The Grand HOA members and will be an integral part of the <b>Finance</b> committee.	\$0
<b>Melanie McDaniel, Treasurer, 2010</b>	As Operation Executive with Sleeping Giant Financial, she has an in depth understanding of financial planning and a love of live music, which brought her to the board and she will help steer our <b>Programming</b> team.	\$0
<b>Kim Haggarty, Board Member, 2010</b>	Owner and operator of Sweetwater Grill and All That Jazz, Kim was also a key figure in raising the roof at the Howelsen Ice Arena. She is also actively involved with the Summer Free Concert Series and is an integral part in our <b>Fundraising</b> efforts.	\$0
<b>Mike Lang, Board Member, 2010</b>	Manager of Harwig's Restaurant, he is supportive of live performances, an enriched cultural center and is an integral part in our <b>Fundraising</b> efforts.	\$0
<b>Tracy Barnett, Board Member, 2010</b>	Manager of Main Street Steamboat, active with the Yampa Street renewal project and a supporter of downtown local businesses in general. She sees the theater as an opportunity to create a cultural hub in downtown and champion the arts and culture scene in our city. She will help steer our <b>Marketing</b> efforts.	\$0
<b>Deb Olsen, 2010</b>	President of Ski Time Media, Inc., Deb has long appreciated the historic roots of the theater and looks forward to revitalizing the theater to a town hub as it once was in it's glory days. She will lead our <b>Marketing</b> team.	\$0
<b>Valerie Stafford, Board Member, 2010</b>	Partner & Principle Designer of Rumor Design, she is also a board member with Steamboat Dance Theater. She has a passion for live music, and live dance and will be an integral part of the <b>Facilities</b> and <b>Programming</b> teams.	\$0
<b>Alice Klauzer, Board Member, 2011</b>	Director of Alpine Bank, Active Rotarian, she is an integral part of our fundraising efforts. She is a supporter of live theater and hopes to bring back the best of Cabaret! She will champion our <b>Fundraising</b> committee.	\$0
<b>Mary McClurg, Board Member, 2011</b>	Manager and Owner of McClurg Century Investments. She has a strong background in facilities development and human resources. As a past theatrical performer, she supports live theater and musicals. She will be an integral part of the <b>Facilities</b> team.	\$0
<b>Bill Rangitsch, Ad Hoc Member, 2010</b>	Owner and Principal Architect of Steamboat Architectural. Bill designed the most recent Strings Facility and he is involved with several commercial and public service projects. His efforts have afforded us the current level of architectural design and planning presented here. He is a leader for our <b>Facilities</b> team.	\$0
<b>Erica Hewitt, Ad Hoc Member, 2010</b>	Architectural Designer with Steamboat Architectural; she is knowledgeable on building codes and the various planning processes. Her sharp writing skills continue to lead us through many grant-writing endeavors. With a passion for DJ music, and live theater, she will be an integral part of the facilities, <b>Programming</b> and <b>Financing</b> teams.	\$0

## 2C. Project Location

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The current site of this project is located at 813 Lincoln Avenue, contiguous to the Steamboat Art Museum, and a contributor to the cultural anchor of downtown. There is approximately 7,000SF of building area. The building was purchased on October 2, 2012 with funds received from a private lender for the amount of \$1.45m.

The former owner, dedicated to the success of this venture, donated \$200k back, bringing our total out-of-pocket costs to \$1.25m. Interest only payments are due quarterly.

Friends of the Chief Foundation, Inc. is the current owner and operator of the building. Currently two leases exist, Summit Shades, a sunglasses shop and Blossom, a Nepalese clothing and gift store.

Blossom's lease is set to expire in April 2013. At that time Blossom will have the opportunity to continue on a month-to-month basis, otherwise a replacement tenant will be found. We do not anticipate leasing will be an issue, due to the lack of retail space on Lincoln Ave.

Summit Shades lease was renewed on January 1<sup>st</sup> for a period of 3 years.

Once the project is completed, Friends of the Chief Foundation, Inc. will run and operate the ongoing activities of the theater.

## 2D. Estimated Overall Cost

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### **PHASE I COSTS/CAPITAL IMPROVEMENTS REQUIRED FOR FEBRUARY 8, 2013 OPENING**

**ACQUISTITON:** **\$1,250,000**

#### **CONSTRUCTION REQUIREMENTS:**

Enlargement of main auditorium	\$150,000
Improvement lounge area	\$25,000
Improvement small theater	\$10,000
2 additional bathrooms	\$16,000
Tap fees - sprinkler/restrooms	\$20,000
Electrical	\$30,000

**TOTAL CONSTRUCTION REQUIREMENTS:** **\$251,000**

#### **EQUIPMENT:**

Foldable seating for 300	\$30,000
Portable bars	\$3,000
Service equipment	\$3,500
Lighting/Staging/Sound	\$175,000
Risers	\$20,000

**TOTAL EQUIPMENT COSTS:** **\$231,500**

#### **SOFT COSTS:**

Architectural	\$5,000
Engineering	\$2,500
Legal/Accounting	\$2,500
Permitting	\$5,000
Interest During Build Out	\$14,000

**TOTAL SOFT COSTS:** **\$29,000**

**TOTAL PHASE I BUILD OUT  
COSTS TO PUT THEATER IN  
OPERATION:** **\$511,500**

**ROUNDED:** **\$550,000**

#### **FOOTNOTE:**

1. Cost analysis prepared by Bill Rangitsch/Steamboat Architectural, Jim Kohler/Calcon Constructors, Jim Cook/Developer, and various sound and equipment consultants.

**PHASE II - THE CHIEF CULTURAL & PERFORMING ARTS CENTER**  
**COST/DEBT ANALYSIS - JANUARY 1, 2013**

**PROJECT COSTS:**

**Building Acquisition** **\$1,250,000**

**Hard Costs**

General Construction \$3,260,000

Acoustical Equipment \$300,000

Lighting \$200,000

Stage Extension \$100,000

Extended Basement \$275,000

Builder's Risk Insurance \$15,000

**Total Hard Costs:** **\$4,150,000**

**Soft Costs**

Architectural \$190,000

Engineering \$33,000

Mechanical/Electrical Design \$39,000

Acoustical Engineer \$74,000

Planning Review \$4,000

Permits, Fees \$154,000

Tap Fees \$50,000

Testing \$5,000

Legal/Admin Costs \$100,000

Financing Costs \$50,000

Construction Interest \$400,000

First Year Operating Expense \$150,000

Marketing/Promotion \$100,000

Contingency @ 3% \$150,000

**Total Soft Costs:** **\$1,499,000**

**TOTAL ESTIMATED COSTS:** **\$6,899,000**

**ROUNDED: (1)** **\$7,000,000**

**FUNDING ANALYSIS:**

USDA/40 Years/4% **\$4,000,000**

**REQUIRED CONTRIBUTIONS  
AND ALTERNATIVE FUNDING:**

**\$3,000,000**

**FOOTNOTE:**

1. Cost analysis prepared by Bill Rangitsch/Steamboat Architectural, Jim Kohler/Calcon Constructors, Jim Cook/Developer, and various sound and equipment consultants.

## 2E. Timeline

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Phase I – February 2013 – January 1, 2016 (approximately 3 years)

Phase II – February 1, 2016 – April 2017 (approximately 14 months)

## 2F. Infrastructure Needed

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A new water tap is required for Phase II, which is included in construction costs. No additional infrastructure requirements are needed.

## 2G. Future Capital Needs

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Replacement Reserves are included in the Phase II Operating Budget (See **Section 2H**).

## 2H. Operational Revenue

<b>Phase I</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Revenues</b>			
<u>Leases</u>			
Blossom	30,000	31,200	32,448
Summit Shades	33,924	35,281	36,692
Total Leases	63,924	66,481	69,140
<u>Events</u>			
Receipts	75,500	94,375	117,969
Expenses	(75,500)	(70,781)	(88,477)
Net Events Income	-	23,594	29,492
<u>Space Rentals</u>	26,500	33,125	41,406
<u>Bar Sales (net)</u>	18,659	23,324	29,155
<u>Grants</u>			
Community Support	2,000	30,000	30,000
Misc. Grants	20,000	30,000	30,000
Total Grants	22,000	60,000	60,000
<u>Contributed Income</u>			
Memberships	19,862	24,827	31,034
General Fundraising	100,000	125,000	156,250
Sponsorship	25,000	30,000	35,000
Total Gifts	144,862	179,827	222,284
Total Revenues	275,945	386,351	451,477
<b>Expenses</b>			
Staffing - Events	3,648	4,560	5,700
Staffing - Admin	64,500	67,080	69,763
Equipment/Stage Rental	20,000	20,800	21,632
Fundraising Costs	21,729	26,974	33,343
Administration	12,000	12,480	12,979
Marketing	10,000	10,400	10,816
Facilities	31,560	32,822	34,135
Insurance	7,500	7,800	8,112
Interest Expense	100,007	100,007	100,007
Contingency	5,000	5,000	5,000
Total Expenses	275,944	287,923	301,487
Net Income	0	98,428	149,990

## PHASE II – See Exhibit 2H

# 2I. Elements That are Stand-alone.

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This is not a multi structure project, and the phasing described is related to one, cohesive element.

# 3. Maps of the Proposed Project Area

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See Exhibit 3

# 4. How Project Meets Ballot Criteria

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## A. How will this project promote tourism?

Traditionally, the Steamboat Ski Area has been our biggest tourist attraction. However, in recent years, many other attributes have surfaced as popular attractions. The Yampa River offers fishing and rafting, newly developed bike trails and road events related to the Bike Town USA movement offer new ways to feature Steamboat as an outdoor playground. Visitors are beginning to discover the golfing, hiking, and more. **Steamboat is truly transitioning from a ski resort to a premier year-round destination resort.**

**People will travel to see live music, theater or other types of live performances increasing the needs for restaurants, retail and lodging.** Consider MusicFest (aka Texas Week). For one week, the entire Knoll parking lot becomes “little Texas”. These events create organic marketing for our area. People unfamiliar with Steamboat Springs, may learn about us because a favorite entertainer will be performing here and noticed “*Steamboat Springs*” on their tour schedule. We envision collaborating with MusicFest to offer an alternate downtown venue in the future. Our Programming Committee is hard at work collaborating with other Colorado Venues to become a key performance stage on the live music circuit.

In addition, people who travel here for skiing, biking, softball, fishing, rafting or golfing will return year after year knowing that the community offers **excellent dining, nightlife and amenities that complete their total vacation experience.**

Overall, we think a centrally located, downtown theater will promote tourism by:

- *Providing much needed entertainment and nightlife*
- *Generating organic marketing for Steamboat Springs through exposure gained with traveling entertainers and their followers*
- *Increasing the arts and cultural content offered to visitors*
- *Engaging tourists to interact with the downtown community*

## **B. How does this project enrich the economic health of the community?**

In the December 2012 Denver Business Journal, a ranking of Denver Area Cultural Attractions noted that the Denver Performing Arts Center ranked number one (1) in 2011 for revenues generated by ticket sales bringing in over \$25 million in sales! Although, Denver is a much larger market than Steamboat, the numbers show that patrons will spend more than three (3) times the amounts they spend at the museum or zoological gardens (no.2 with \$7.4m, & no.3 with \$5.9m in the ranking). (See Exhibit 5C)

**Performing arts are in demand.** A May 2010 survey by the “*Steamboat Pilot*” newspaper indicated that 65% of respondents identified music and lives entertainment as key components to support our growing artistic culture and community.

Programming that introduces new or in-demand music, theater works, comedy and professional dance performances, encourages **destination travel, requiring lodging, and boosts downtown spending.** Visitors and locals are enticed to interact downtown, which **also drives foot traffic to the restaurants and shops before or after attending an event.**

By offering programming that relates to our **other local economic drivers (i.e. skiing, biking, fishing)** we can **naturally** engage those individuals to also embrace the performing arts movement. We would like to be able to offer the theater as a place to host after party receptions for athletic events to recognize achievements such as bike and ski races. There are many ways to involve the athletic community in the performing arts movement.

The City of Steamboat Springs offers a beautiful public library, a well-designed core trail system, reliable public transportation, and excellent road maintenance. We have a safe and functional city. There are many events that already attract people downtown (Pro Rodeo series, the Balloon Rodeo, The Mustang Rally, Art in the Park, Fourth of July fireworks, a thriving farmers market and a popular First Friday Art Walk...to name a few). We feel there are **unexplored economic opportunities that will benefit our community, when we look to the performing arts.**

Like other Colorado destination ski resorts, **we need to be a competitive market for traveling entertainment, music festivals and cultural events.** (i.e. Aspen – The Belly Up & Wheeler Theater, Telluride – The Sheridan Opera House, Vail – Vail Village)

The Mountain Film Festival event was held at The Chief Theater on November 16, 2012. They featured 3 ski films and captured the attention of over 200 local skiers who were excited to be a part of an artistic showcase related to the sport they love.

*Overall, we think the theater will contribute to the local economic vitality by:*

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- *Inspiring downtown interaction through diverse and targeted programming*
- *Providing a unique functional space for corporate and private events*
- *Creating a downtown treasure that will become a hub of performing arts and cultural activities, with the intention of supporting and promoting the surrounding local businesses (See attached letters of support from local business owners & other local arts organizations Exhibit 4A.)*
- *Building an essential performing arts component that will offer a well-balanced experience for locals and visitors alike. Overall, creating a livable and loveable Steamboat Springs*

## **C. How does this project contribute to the community identity of Steamboat Springs?**

Historically, **The Chief Theater has always been an important part of downtown Steamboat.** Constructed by local builder Arthur E. Gumprecht in 1926, the original single-story building had a seating capacity of 500 and was acclaimed as the largest theater in Northwest Colorado.

Our plans will not only **enhance the historic significance of the downtown district**, but will also provide a venue to support the **much-needed performing arts and nightlife identity** in the heart of downtown Steamboat Springs.

The central, main street location is a key component to the importance and potential prominence that the theater will generate in the community. **In close proximity to the proposed Yampa Street pedestrian development**, we can envision an urban landscape that inspires community engagement. We envision tourists and locals walking the shops and restaurants downtown before or after attending a show, which contributes to the vibrancy of Steamboat Springs.

A positive experience in a vibrant downtown, will solidify why visitors and locals **love Steamboat Springs**. “People who are in love with their cities become vital **community development assets**” (Peter Kageyama, *For the Love of Cities*). Those in love with the community generate exponential support in the most organic manner. We have initiated an outreach program with Comunidad Integrada, which included the Latino & West African Communities. We would like to serve as a “home base” to any of the local community, cultural and arts organizations.

*Overall, we think this project will contribute to the community identity by:*

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- *Developing a historical and emotional connection to downtown Steamboat Springs*
- *Forming a supportive environment for local non-profit performing arts groups and providing a common space for gathering, rehearsing and performing*
- *Expanding programs that are both entertaining and educational*
- *By offering programming and events for all ages, involvement with the performing arts could become a part of every household*

**Thank you** again for considering The Chief Theater as an important, pivotal cause that will help Steamboat move forward and transition into a premier year-round destination resort. We hope that you can share our vision of a renovated historic theater that will ultimately build community identity and contribute to the economic vitality of our valley.

## 5. Independent Supporting Data

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- **Exhibit 5A** Chief Feasibility Study, by AMS Planning & Research, performed April 2012
- **Exhibit 5B** Community Benefits of the Arts (White Paper) by Jane Blackstone Consulting January 2007, (Ranked by Official Attendance Figures)
- **Exhibit 5C** Denver Business Journal, December 21-27, 2012, Denver-Area Cultural Attractions
- **Exhibit 5D** League of Historic American Theaters (LHAT) 2012 Award for Outstanding Historic Theater – Video Weblink:  
[http://www.lhat.org/historictheatres/Outstanding\\_Theatre.aspx](http://www.lhat.org/historictheatres/Outstanding_Theatre.aspx)

### Other Supporting References:

- **Exhibit 2A** The Conceptual Drawings of the Chief Theater
- **Exhibit 2B** Executive Director Resume
- **Exhibit 2C** Immediate Programming Start Examples
- **Exhibit 2H** Phase II Operating Pro Forma
- **Exhibit 3** Map
- **Exhibit 4A** Letters of Support



The Chief Theater  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 5A

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Chief Feasibility Study, by AMS Planning & Research, performed April 2012

# Chief Theater Feasibility Study

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APRIL 2012



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***Appendices (separate cover)***

*Detailed Market Data*

*Detailed Operating Projections*

## I. Introduction and Executive Summary

### *Introduction*

AMS Planning & Research was retained by the Chief Theater Foundation, a community based non-profit organization, to prepare a feasibility analysis of restoring the Chief Theater as a performing arts center. Research conducted for the study included detailed analysis of the market for the performing arts in Steamboat Springs, surveys of local, regional and national performing arts producers and presenters, and discussions with community leaders regarding potential support for a restoration project. A management plan and operating forecasts have been prepared. Throughout the process AMS consultants worked closely with members of the Board of Directors, receiving invaluable guidance and feedback for our research and recommendations.

### *Community Context*

AMS interviewed over 30 individuals from Steamboat Springs representing business, education, government, human services, charitable foundations, and the arts to determine community opinions and expectations regarding the rehabilitation of the Chief Theater. The interviews revealed many challenges and opportunities associated with the project and confirmed a strong attachment to and support for development of the Chief and wide recognition and appreciation of the work of the Board of Directors for its dedication and hard work. There is an excellent opportunity to build on this community support for the rehabilitation of the theater. The prevailing opinion of Steamboat's leaders is that the market can absorb a performance venue to serve local performing arts groups and touring musical concerts. The region's continuing development as a bi-seasonal visitor destination is bringing important new audiences for the performing arts. Downtown Steamboat Springs is an attraction in itself with its historic buildings and extensive retail and entertainment venues. The Chief Theater, with its neighbor, the Steamboat Art Museum is seen as a cornerstone for a cultural arts magnet. The Chief Theater Board should continue efforts to work collaboratively with SAM to create a critical mass to enhance programming and marketing. The challenges of fund raising for the Chief Theater have been cited by several, however, the Board is acknowledged for its solid leadership and connections with the region's wealth and potential donors.

### *The Market*

The market for programs at the Chief Theater will comprise residents of Steamboat Springs the surrounding area of Routt County and visitors. The population of the local market area in 2012 is estimated at about 14,000, a 9% increase in population since 2000.

Potential arts attendance and interests are high when compared to other US markets, and new residents to the area have even higher indicated potential interest. Similarly, the demographic profile of visitors to Steamboat suggests high potential interest in arts and entertainment programs.

### ***Potential Usage***

Steamboat area arts and cultural organizations were surveyed to measure interest in utilizing the Chief Theater for performances, rehearsals, and educational programs. Many expressed interest in potential use the Chief for performances, indicating an annual usage of around 50 days if the theater can meet their staging, seating, and acoustical requirements. Several organizations indicated additional interest in the proposed rehearsal space.

Local commercial promoters, including operators of bars and restaurants in Steamboat who present programs, expressed interest in presenting concerts at the Chief. With a projected maximum capacity over 700 at the Chief, promoters envision booking larger regional and national acts that are currently unaffordable at existing indoor venues. Promoters identified interest in genres of music that appealed to an older crowd (i.e., 30+ yrs.) than that served by local bars and restaurants, and families, including, folk/traditional, bluegrass, blues, country, jazz and contemporary singer-songwriters. AMS estimates that there is currently demand from promoters to present an average of about one concert weekly in a typical year.

### ***Site Analysis and Restoration Plan***

Steamboat Architectural Associates surveyed the current conditions at the Chief and prepared a concept plan for rehabilitation and restoration as a live performance venue.

AMS has reviewed the concept plan in light of the research and interviews conducted with prospective users and, drawing on our experience with planning and programming performing arts facilities, we recommend further study of the plan, focusing on the following alternatives:

- Eliminating the proposed fly tower and associated scenery handling system;
- Configuring the orchestra floor level to enable it to be used with a stage placed anywhere in the room, raising the floor so as to incorporate a portion of the stage area;
- Providing a simple (tension) grid system over the entire orchestra level to enable multiple hanging positions for lighting, scenery, drapes, and other theater equipment;
- Providing a flexible seating system using telescoping risers with built-in theater seats; and
- Reconfiguring the loading dock with a recessed parking area for a small van.

Finally the potential for connecting the lobby with the Steamboat Art Museum should be reviewed. The proposed lobby space for the Chief is very small, especially for events with an intermission. (A minimum allowance would be about 5 square feet per patron.)

### ***Governance and Operations***

The Chief Theater will be owned and managed by an independent non-profit 501(c)(3) organization. Board of Directors comprising community leaders will oversee the operation.

A management team for operating the Theater will comprise three full time staff members, led by an Executive Director. Part time and contracted staff will oversee Box Office, House Management, Technical Theater, and Building Operations. Some administrative services may be outsourced (e.g., bookkeeping) and a volunteer corps may be used for ushering and other support services for non-profit and community events. Initially, at least, management will not present events but will operate the Theater as a rental venue for non-profit and commercial producers/presenters.

A forecast of the operating projection for the base year (three years after the opening) indicates annual expenses of \$473,100 and income from rentals and concessions of \$349,000. Loan service and capital reserve allowances will total \$294,600, leaving an annual funding requirement of \$418,700.

## **II. Community Context**

AMS interviewed over 35 individuals in Steamboat, representing business, education, government, and the arts. The purpose of the interviews was to gain an understanding of the expectations regarding the rehabilitation of the Chief Theatre and provide background and orientation to the issues, challenges and opportunities associated with the project. A variety of themes were addressed in these interviews including: the community, its challenges and future; the political climate; potential uses for the theater; the theater's role in downtown development; community and organization needs; funding; and the type of organization needed to successfully the Theater. The interviews were confidential and all respondents were candid in their assessment of the challenges and support for the concept of a restored Chief Theater. They view the Theater as an important component and key to the success of downtown Steamboat.

The following summary represents the themes that emerged over the course of these interviews. Given the broad group of interviewees, we were exposed to a wide range of opinions; nevertheless, general (if not unanimous) consensus did emerge around several key issues.

### *The Community*

The economic downturn of 2008 has had considerable impact on Steamboat Springs, depressing real estate values by a reported 40 percent and curtailing many commercial and residential projects. Downtown Steamboat however has realized some economic benefits as a consequence of the demolition of Ski Time square at the Steamboat Resort and its entertainment and retail venues. The result has been to drive skiers seeking these services to downtown. Fortunately, several mixed use retail and housing projects in downtown were largely completed by the onset of the crisis and are mostly occupied. Bar and restaurant owners interviewed reported no major declines in their business. Local gallery operators however report major weakening of their business and increasing price pressure.

As Steamboat has become increasingly a place for visitors and second homes, the character of downtown Steamboat Springs has changed from a local-serving retail base to a visitor-oriented market with shops and dining establishments directed to serving that market. Local-serving retail has relocated to malls east of downtown, a situation lamented by some; but others see the trend as an opportunity for downtown to enhance its attraction to visitors.

Efforts to create a tax district in downtown failed to pass a vote of business owners in 2008; a renewed campaign is in the planning stages and there is also discussion of creating a Business Improvement District (BID). Additional funds from these would be used to further enhance downtown with capital financing (e.g., façade improvement) and support for events. Designation of downtown as National Historic District is being considered. This would enable to Chief Theater to potentially qualify for designation as a contributing building and consequent tax benefits.

The City of Steamboat Springs remains in good financial condition with a reported \$14 million fund balance. The City does however, have a potential liability of \$7 million for a disputed real estate transaction.

Colorado Mountain College is completing a major expansion, celebrating its transformation into a four year college. Significant growth in enrolment is foreseen.

#### *The Arts in Steamboat*

Community leaders see arts and culture as an important component of the Steamboat's ecology. Almost all interviewees were positive regarding a new downtown performance venue at the Chief, citing the opportunity to offer quality entertainment to visitors and residents.

Steamboat Springs has a respectable record of supporting the arts, providing grants to local arts organizations. The City owns two major venues in the Art Depot and Steamboat Art Museum, leasing them at minimal cost to non-profit operators.

Arts and cultural life in Steamboat centers around venues that with the exception of Steamboat Art Museum, Tread of Pioneers, Library and the Artists' Gallery, are located outside downtown. All the community's performing arts venues, including, Colorado Mountain College, Steamboat Springs High School, Strings Music Festival, and the Steamboat Arts Council Depot are all located outside the downtown core. The opportunity to reinforce the visual arts (and literary) venues and enhance the downtown focus for arts activities with the Chief Theater, particularly considering its adjacency to the Art Museum location is seen as an important aspect of this project.

#### *Potential of Chief Theater*

All of our interviewees were very positive about the potential of Chief Theater and its potential contribution to the downtown economic development. Some consider it to be a potential anchor, along with the Art Museum, of a cultural destination, to provide the critical mass and add fuel to economic activity downtown.

#### *Community / Organization Needs*

There is a perception among some that the theaters at the High School and Strings in the Mountain provide adequate venues for local arts events. Most however, are aware of these venues' limitations. Audiences find the High School auditorium unappealing. String's theater is ill-suited for amplified music and lacks stage capability for theatrical programs.

#### *Fundraising*

In terms of raising funds needed to restore the Chief, there were a number of relevant perceptions including that there is considerable wealth in the community, particularly among second home owners. The success of Strings' campaign, the library and environmental causes were cited as examples of the potential to raise considerable funds locally.

*Developing an Organization to operate the Chief*

All of our interviewees viewed the existing Chief Theater Foundation favorably. In terms of a project of the size of the Chief, most feel the current Board is well positioned to access significant local contributions. Some respondents cited the need to share the vision more broadly and to increase collaboration with potential users and partners. Some believe that a key to success will require the engagement of a professional executive director who can, with the Board's support and energy, articulate the vision of the Chief and its role in the community and support fundraising efforts.

### III. Market Analysis

#### Summary

Steamboat Springs, Colorado has a total estimated population in 2011 of 10,533, which is a 7% increase over its population from the census in 2000. For Routt County, the estimated population is 13,859, an almost 9% increase from its population from the census in 2000. The growth for both areas was lower than the estimated population growth rate of the entire state of Colorado, which is estimated to be at 16%.

The city of Steamboat Springs has a relatively homogenous racial and ethnicity profile, with the majority of residents identifying themselves as being White. There is, however, some representation of those identifying themselves as Hispanic heritage. Routt County has a similar ethnic profile as the city of Steamboat Springs. The state of Colorado comparatively has a much larger representation of its population identifying themselves as Hispanic heritage at 22%.

Figure 1: Key Demographics

SUMMARY OF KEY DEMOGRAPHICS			
Variable	Steamboat Springs	Routt County	State of Colorado
2011 Estimated Population	10,533	13,859	4,140,378
2000 Census Population	9,815	12,741	3,556,187
Median Age	37.2	36.7	36.0
% Generation Y (9-23 yrs)	16.3%	17.4%	20.3%
% Generation X (24-44 yrs)	37.8%	35.5%	28.5%
% Baby Boomers (45-65 yrs)	29.3%	28.8%	25.8%
% Mature (65+ Yrs)	6.9%	7.4%	11.2%
Median Household Income	\$67,450	\$62,463	\$53,859
% over \$75,000	42.9%	38.2%	32.4%
% with College Degree	56.8%	49.3%	35.8%
Households with Children	25.8%	27.9%	32.3%
% Black	0.8%	0.8%	4.5%
% Asian	0.9%	0.9%	3.0%
% Hispanic (all races)	4.7%	5.0%	22.2%

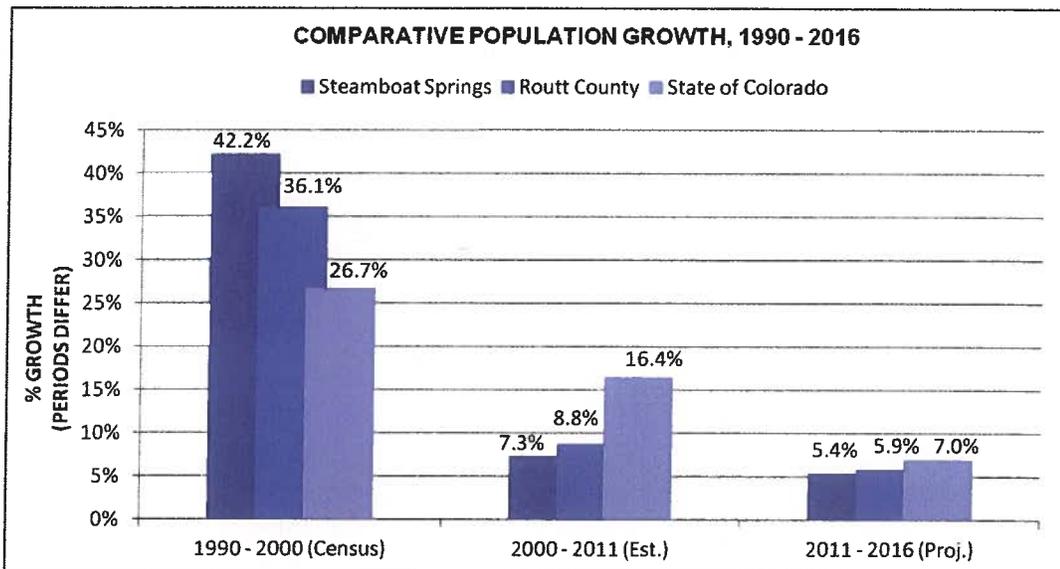
Over half of the population of the city of Steamboat Springs have a college degree. Routt County has close to half of its population with college degrees, while the state of Colorado has only about one-third of its population having college degrees. The presence of households with children is lower for both the city of Steamboat Springs and Routt County in comparison to the state of Colorado, but representative of a quarter of the population in these two places. The median age for the city of Steamboat Springs is slightly higher than both Routt County and the state of Colorado at 37.2 years. Median income levels are higher

in Steamboat Springs and Routt County is higher than the state of Colorado at \$67,450 and \$62,463 respectively.

### Population Growth

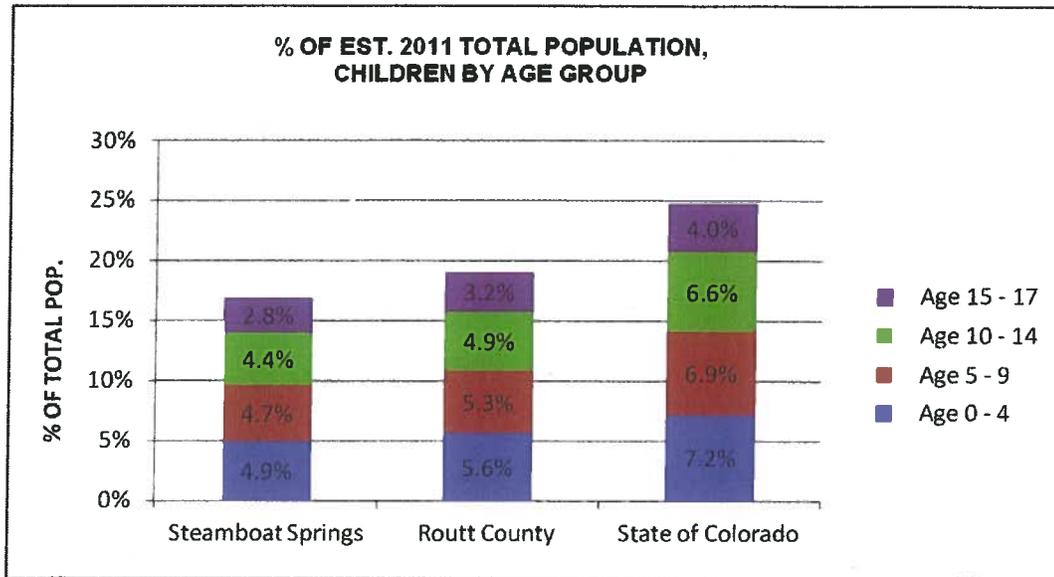
All three geographic areas of study are projected to see a decrease in the rate of population growth in the coming years. This is a fairly consistent trend across most places in the United States. This may provide some challenges as the growth of the market for potential audience members may be limited in the future.

Figure 2: Market Area Population Growth



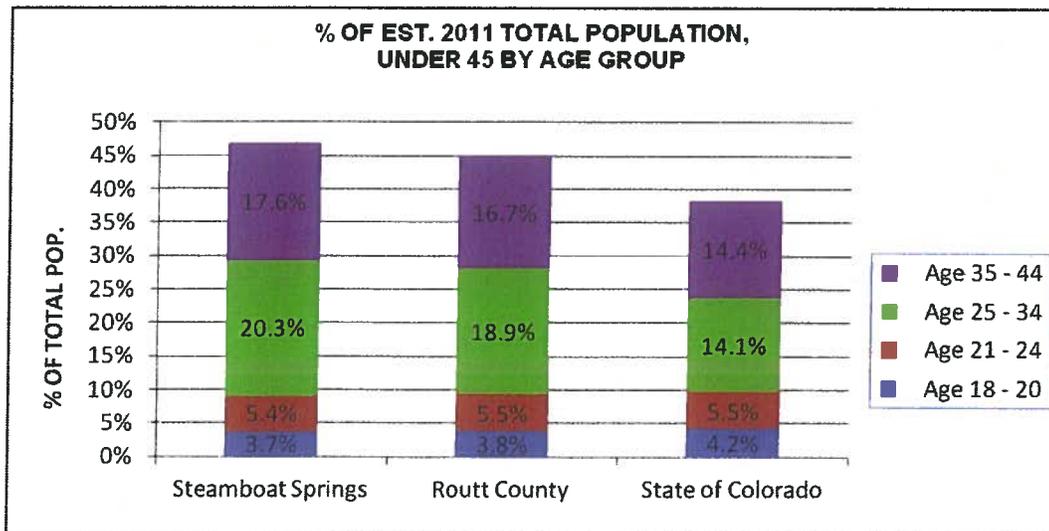
The percentage of children in the population is lower for the city of Steamboat Springs when compared to the state of Colorado at slightly over 15% of the city's population, versus 25% of the state's population. Routt County falls in between the city of Steamboat Springs and the state of Colorado at almost 20%.

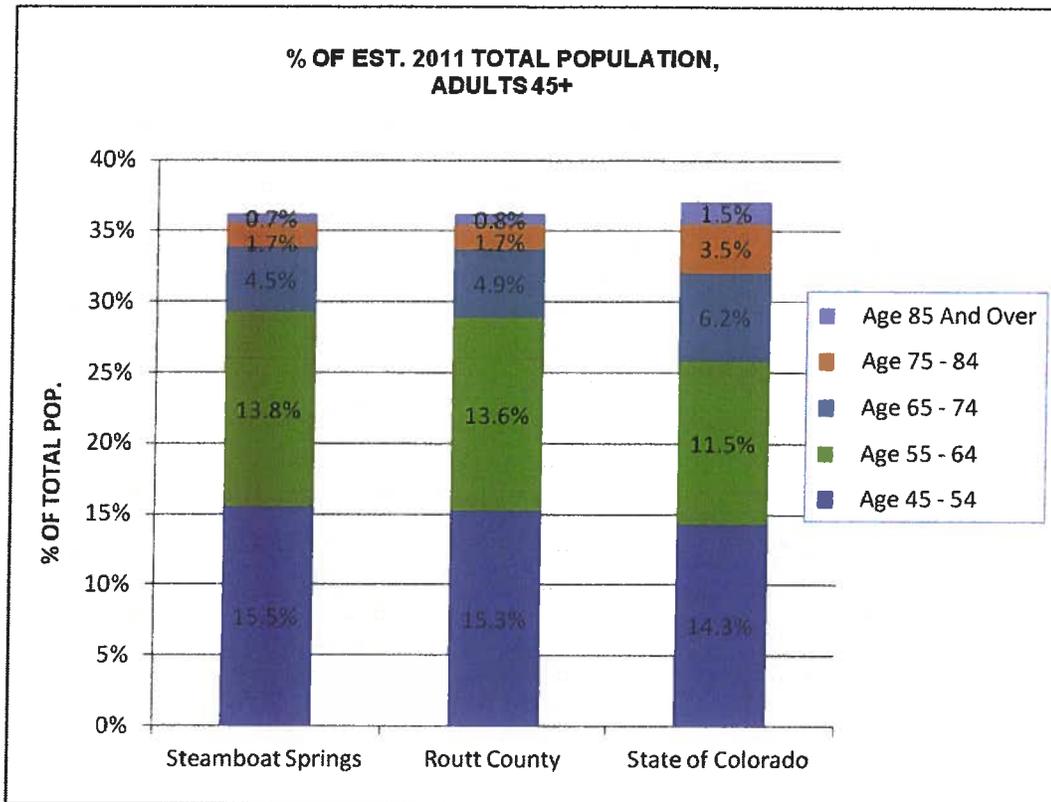
Figure 3: Population: Children by Age Group



The populations of the city of Steamboat Springs and Routt County both have a slightly higher percentage of 18 to 44 year olds in comparison with the state of Colorado. However, all three places possess a relatively consistent percentage of their population being 45 years and older.

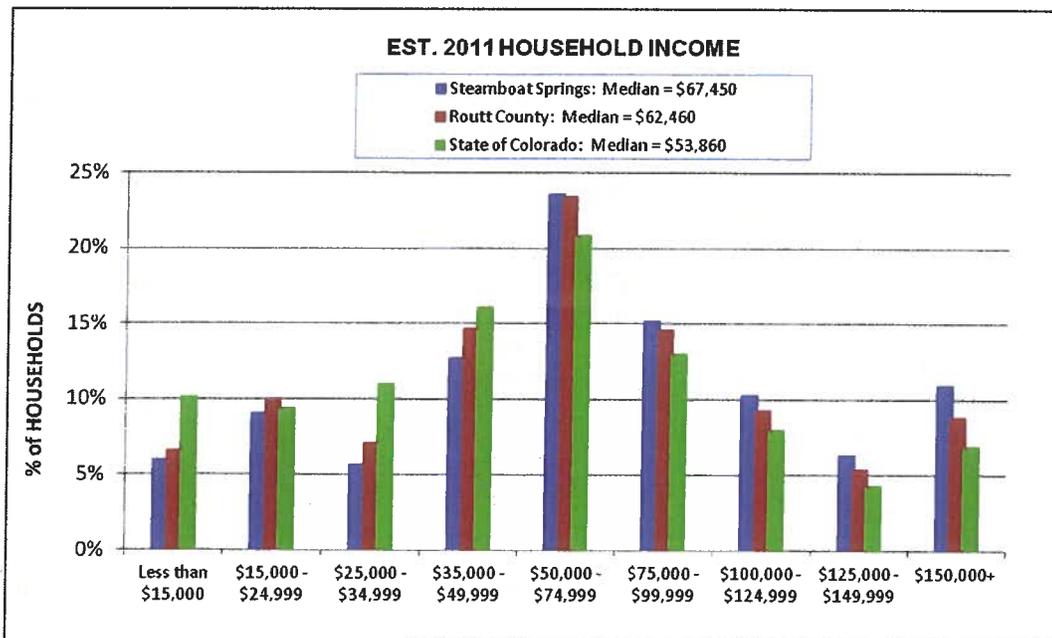
Figure 4: Population by Age Group





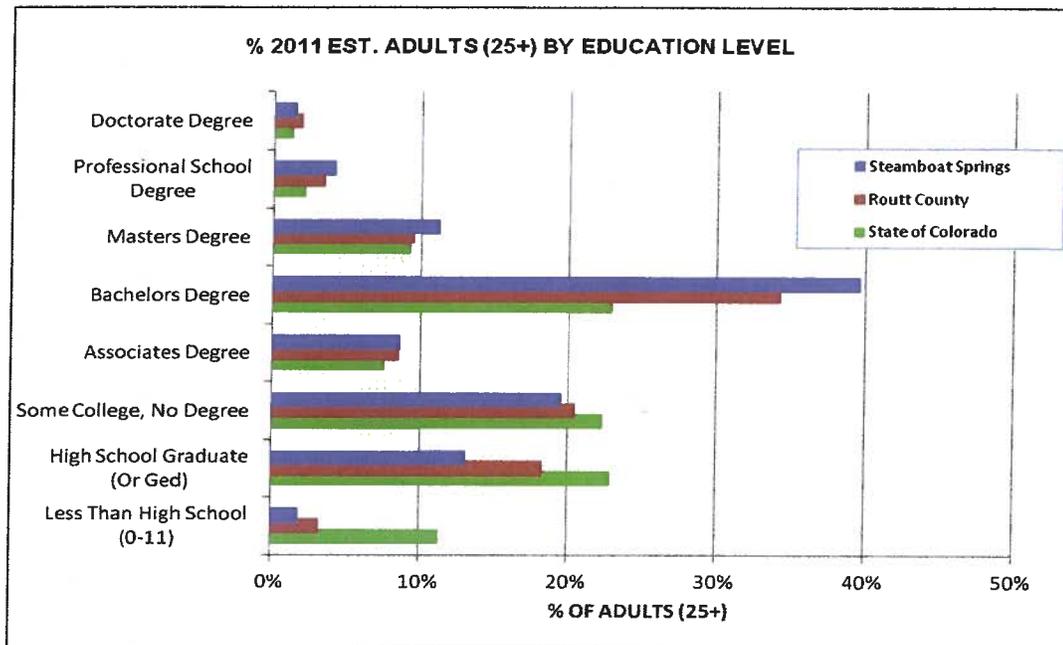
Both the city of Steamboat Springs and Routt County have higher median incomes than the state of Colorado, a reflection of educational achievement.

Figure 5: Household Income



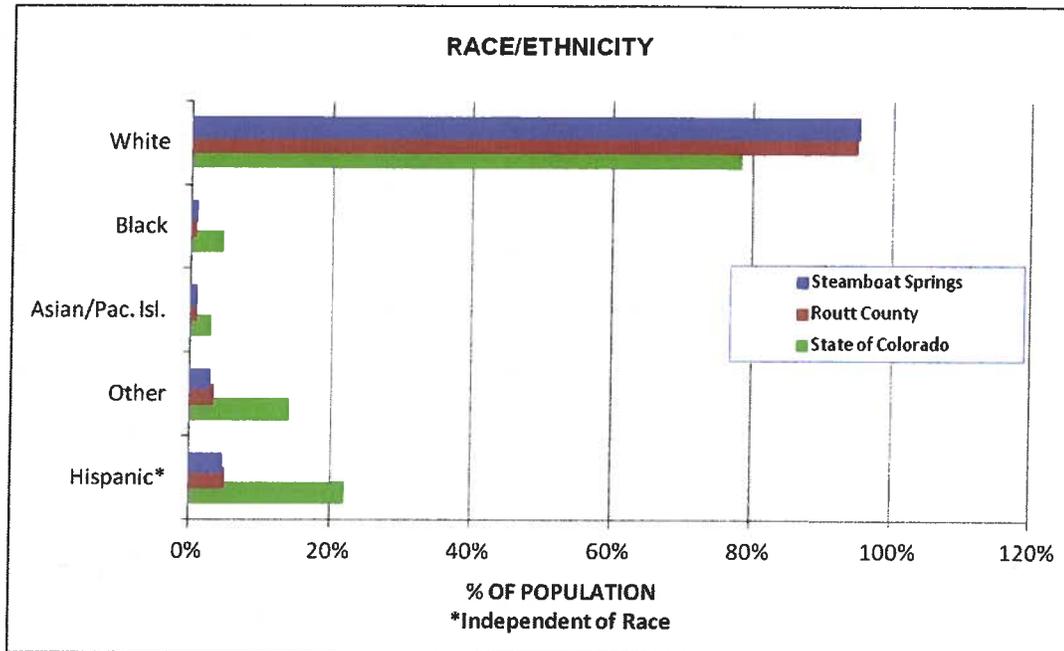
Educational achievement is an important predictor of participation in arts and cultural activities. The city of Steamboat Springs, as mentioned previously, has a higher percentage of its population possessing a college degree when compared to the state of Colorado. Routt County falls in between.

Figure 6: Education



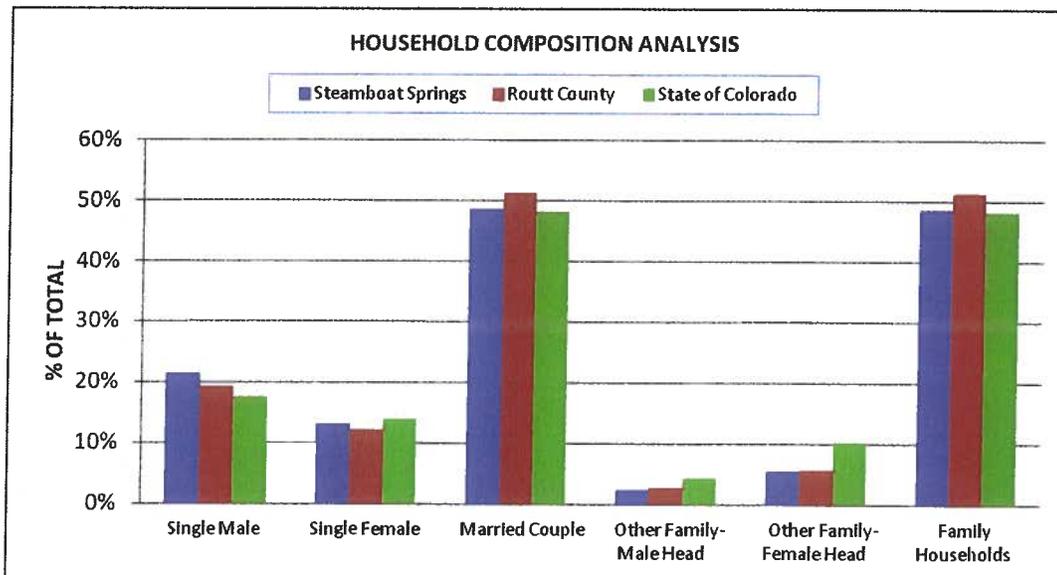
The city of Steamboat Springs and Routt County's population primarily identifies themselves as White. The state of Colorado possesses a higher percentage of ethnic diversity in comparison. This indicates that other races/ethnicities are more prevalent in other areas of the state.

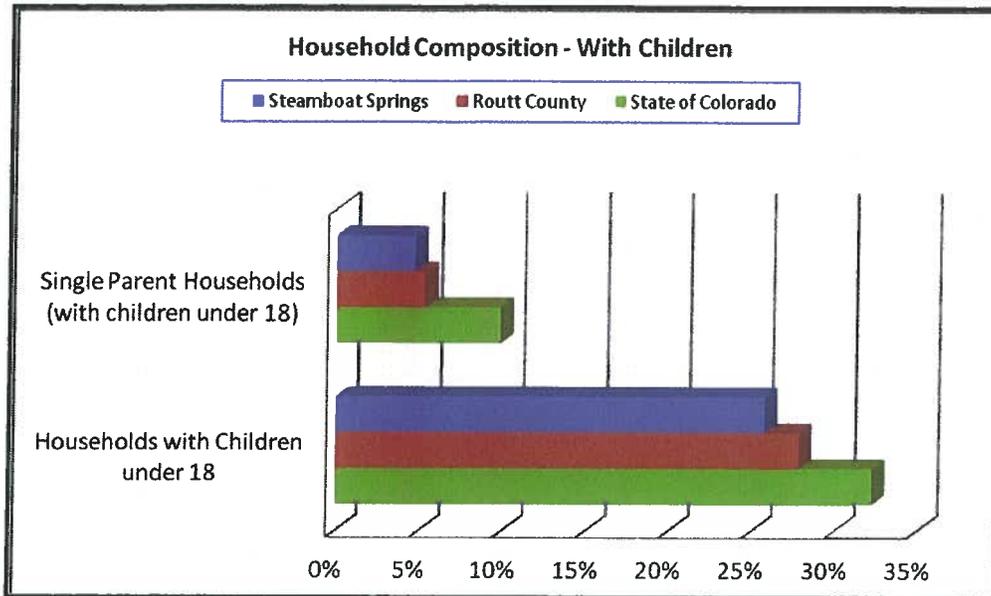
Figure 7: Race & Ethnicity



The city of Steamboat Springs has a larger percentage of single male households than both Routt County and the state of Colorado. Routt County has a larger percentage of married couple households, as well as family households.

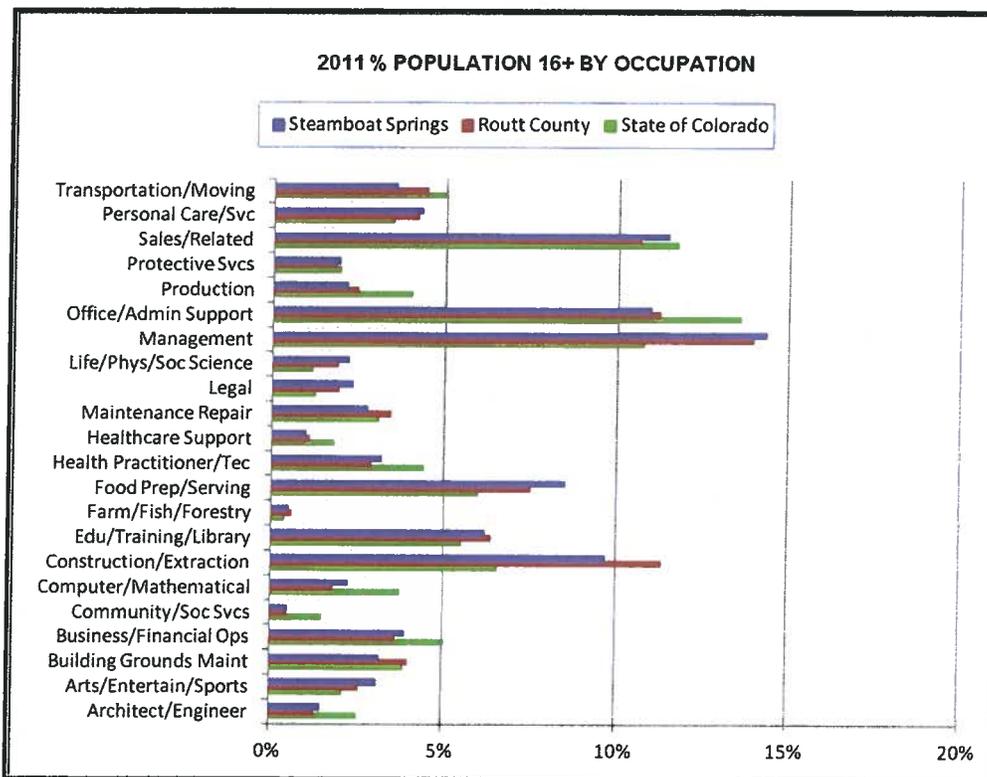
Figure 8: Household Composition





The city of Steamboat Springs and Routt County have larger percentages of their population in the occupations of management, construction/extraction and food services in comparison to the state of Colorado.

Figure 9: Occupation



**Lifestyles**

Beyond demographics, a useful approach to understanding a market is to look at its “lifestyles.” By identifying homogenous groups of households within a market area, it is possible to identify households who might be interested in arts and cultural programming. These homogenous groups, or “segments,” are determined by aggregating households with similar demographic and lifestyle characteristics.

PrizmNE™, a market segmentation system developed by The Nielsen Corporation, is a geographically-based market analysis system that augments demographic data with consumer information. The analysis system classifies every household in the United States into unique market segments. Each market segment consists of households that are at similar stages in their life cycle and share common interests, purchasing patterns, financial behavior and demands for products and services, including cultural activities.

The classification system was created by combining information from the Equifax Consumer Marketing Database with US Census demographic data. Over 100 unique characteristics for more than 160 million individual consumers are used, including financial and consumer activity, demographic, socioeconomic, leisure activity and housing data.

PRIZM groups are clusters of PRIZM segments. Social Groups are arranged into 14 categories based on urbanization and affluence (“SER” or socioeconomic rank). Lifestage Groups are arranged into eleven categories based on age, presence of children and SER (socioeconomic rank). PRIZM segments are the 66 unique lifestyle segments.

See the Appendix for details on the top unique PRIZMNE segments for the city of Steamboat Springs as well as the corresponding top Social and Lifestage Groups.

The top unique PRIZMNE segments, as well as the related Social Groups and Lifestage Groups for the city of Steamboat Springs, are as follows:

**Figure 10: Market Segmentation**

<b>Prizm<sub>NE</sub> Market Segmentation</b>				
<b>Steamboat Springs Top Ten Segments By Percent Composition</b>				
<b>Segment Title</b>	<b># of Households</b>	<b>% Composition</b>	<b>Social Group</b>	<b>Lifestage Group</b>
God's Country	2,766	62.64%	Landed Gentry	Midlife Success
Greenbelt Sports	643	14.56%	Country Comfort	Young Achievers
Blue Highways	285	6.45%	Middle America	Striving Singles
Big Fish, Small Pond	205	4.64%	Landed Gentry	Affluent Empty Nests
Big Sky Families	120	2.72%	Country Comfort	Mainstream Families
Country Squires	110	2.49%	Landed Gentry	Accumulated Wealth
Mayberry-ville	96	2.17%	Country Comfort	Midlife Success
Traditional Times	80	1.81%	Country Comfort	Conservative Classics
Heartlanders	29	0.66%	Middle America	Cautious Couples
Shotguns & Pickups	27	0.61%	Middle America	Mainstream Families
<b>Total % of Population</b>		<b>98.75%</b>		

Almost all the households that exist in the marketplace of Steamboat Springs fall into one of ten PRIZM<sub>NE</sub> segments. Specifically, 62.6% of the market is made up of households that fall into the segment *God's Country*. *God's Country* is a segment that is made up of upscale, middle-aged non-family households. They are found in rural urbanities and own larger, spacious homes. This segment indexes above the national average of having interest in the arts at 140 (national average is 100).

PRIZM<sub>NE</sub> profiles can be compared to the PRIZM<sub>NE</sub> profiles of consumers of other products and services to develop lifestyle attributes. These profiles index against the profiles of consumers of other products and services in the categories such as:

Automotive Products	Radio Media Usage
Cable & Network TV Media Usage	Retailers/Shopping
Electronics	Sports/Leisure
Finance/Insurance/Investments	Television Viewership
Magazines/Newspapers	Travel
Print Media Usage	Psychographics (personal interests)

Finally, the following are the top indexed lifestyle attributes by indices as it relates to arts and cultural interest and activities for all three places of examination:

Figure 11: Market Potential

Market Potential Indices (MPIs)			
(National Average = 100)	INDEX		
Lifestyle Attribute	Steamboat Springs	Routt County	State of Colorado
Go to Rock/Pop Concert, 1yr (A)	177	155	110
Go to Museum, 1yr (A)	159	145	108
Buy 60/70's Pop/Rock, 1yr (A)	156	152	103
Buy Jazz Music, 1yr (A)	150	147	112
Buy Classical Music, 1yr (A)	146	140	108
Make Charitable Contribution, 1yr (A)	141	135	102
Go to Live Theater, 1yr (A)	139	128	107
Go to Music/Dance Performance, 1yr (A)	136	124	105
Do Painting/Drawing/Sculpting, 1yr (A)	134	126	101
Belong to an Arts Association (A)	134	115	100
Interested in The Arts, Agr (A)	132	123	105
Take Education Course, 1yr (A)	131	126	107
Play Musical Instrument, 1yr (A)	131	126	105
Listen to Music, 1yr (A)	121	117	101
Internet Prime Source of Family's Entertainment, Agr (A)	121	113	109
Buy Country Music, 1yr (A)	120	131	95
Consider Myself a Creative Person, Agr (A)	116	112	101
Music Is an Important Part of My Life, Agr (A)	113	110	102
Buy Contemporary Pop Music, 1yr (A)	111	109	107
Internet Prime Source of My Entertainment, Agr (A)	105	101	107
Buy Rap/Hip Hop Music, 1yr (A)	96	95	107
Buy Religious/Gospel Music, 1yr (A)	86	87	98
Buy Latin Music, 1yr (A)	82	84	112

*Social Groups*

PRIZM<sub>NE</sub> Social Groups are based on urbanicity and affluence, two important variables used in the production of PRIZM<sub>NE</sub>. First, segments are placed in one of four urbanicity categories (Urban, Second Cities, Suburbs, Town and Rural). Urbanicity is determined by the population density of an area and its neighboring areas. A population density score ranging from one (low density) to 99 (high density) is assigned to each area.

Finally, within each category, all the segments are sorted into groups based on affluence, another powerful demographic predictor of consumer behavior. All of the 66 segments are grouped into these 14 Social Groups.

The top Social Groups for Steamboat Springs are as follows:

Figure 12: Market Segmentation: Social Groups

Prizm <sub>NE</sub> Market Segmentation		
Steamboat Springs Social Groups		
Social Group	# of Households	% Composition
Landed Gentry	3,092	70.0%
Country Comfort	939	21.3%
Middle America	365	8.3%
Rustic Living	20	0.5%
Urban Uptown	0	0.0%
Midtown Mix	0	0.0%
Urban Cores	0	0.0%
Elite Suburbs	0	0.0%
The Affluentials	0	0.0%
Middleburbs	0	0.0%
Inner Suburbs	0	0.0%
Second City Society	0	0.0%
City Centers	0	0.0%
Micro-City Blues	0	0.0%
<b>Total % of Population</b>		<b>100.0%</b>

### Landed Gentry

The Landed Gentry social group consist of wealthy Americans in smaller towns beyond the nation's beltways. Many of the households contain Boomer families and couples with college degrees, expansive homes, and professional jobs--they're twice as likely as average Americans to telecommute. With their upscale incomes, they can afford to spend heavily on consumer electronics, wireless and computer technology, luxury cars, powerboats, books and magazines, children's toys, and exercise equipment.

### Country Comfort

The five segments in Country Comfort are predominantly white, upper-middle-class homeowners who trend to be married, mostly between the ages of 25 and 54, with or without children. They enjoy comfortable upscale lifestyles, exhibiting high indices for barbecuing, bar-hopping, and playing golf as well as home-based activities such as gardening, woodworking, and crafts. Reflecting a rural, family environment, they prefer trucks, SUVs, and minivans to cars.

### Middle America

The six segments in Middle America tend to be lower-middle-class homeowners living in small towns and remote exurbs. Typically found in scenic settings throughout the nation's heartland, Middle Americans tend to be white, high school educated, living as couples or larger families, and ranging in age from under 25 to over 65. Like many residents of remote

communities, these conservative consumers tend to prefer traditional rural pursuits: fishing, hunting, making crafts, antique collecting, watching television, and meeting at civic and veterans clubs for recreation and companionship.

*Lifestage Groups*

PRIZM<sub>NE</sub> Lifestage Groups are based on the age of each segment’s residents and the presence of children, two powerful predictors of consumer behavior. There are three classes which include: Younger Years, Family Life and Mature Years. Within each class, all the segments are sorted into groups based on affluence, another powerful demographic predictor of consumer behavior. What the three Lifestage Groups that comprise “Younger Years” share is that all of these households are, for the most part, young and childless.

The top Lifestage Groups for Steamboat Springs are as follows:

**Figure 13: Market Segmentation: Lifestage Groups**

<b>Prizm<sub>NE</sub> Market Segmentation</b>		
<b>Steamboat Springs Lifestage Groups</b>		
<b>Lifestage Group</b>	<b># of Households</b>	<b>% Composition</b>
Midlife Success	2,866	64.9%
Young Achievers	643	14.6%
Striving Singles	305	6.9%
Affluent Empty Nests	205	4.6%
Mainstream Families	147	3.3%
Accumulated Wealth	110	2.5%
Conservative Classics	80	1.8%
Cautious Couples	53	1.2%
Young Accumulators	7	0.2%
Sustaining Families	0	0.0%
Sustaining Seniors	0	0.0%
<b>Total % of Population</b>		<b>100.0%</b>

**Midlife Success**

The eight segments in Midlife Success typically are childless singles and couples in their thirties and forties. The wealthiest of the Younger Years class, this group comprises many white, college-educated persons who make six-figure incomes at executive and professional jobs but also includes more middle class segments. Most of these segments are big fans of the latest technology, financial products, aerobic exercise, and travel.

**Young Achievers**

Young, hip singles are the prime residents of Young Achievers, a lifestage group of twentysomethings. Their incomes range from working-class to well-to-do, but most

residents are still renting apartments in cities or close-in suburbs. These seven segments have a decidedly progressive sensibility in their tastes as reflected in the group's liberal politics, alternative music, and lively nightlife.

### **Striving Singles**

The seven segments in Striving Singles make up the most downscale of the Younger Years class. These twenty-something singles typically have low incomes--often under \$30,000 a year--from service jobs or part-time work they take on while going to college. As consumers, the residents in these segments score high for outdoor sports, movies and music, fast food, and inexpensive cars.

### ***Tourism Potential***

There is a lack of available and accurate data with regard to the number of and demographics of visitors to Steamboat Springs, particularly their cultural interests and experiences. Winter tourism, of course, largely comprises skiers, and Steamboat Ski resort reports annual skier-days of about 1 million. Indications are that the annual visitation has been flat for several years. Steamboat skiers are drawn from a wide array of markets. The majority of skiers are drawn from the Front Range. About one-third of their visitors represent a wide geography and no individual market accounts for more than 10 percent of the total, with the strongest domestic being the Southwest (Texas) and the Midwest. The operators of the resort indicate that they are focusing on family markets and that the average age and income levels of their skiers are increasing. Skiers are also reportedly seeking a greater variety of activities during their vacations and are more likely to take a day off to enjoy local shopping, entertainment, and culture.

A survey<sup>1</sup> of 857 summer visitors in 2010 indicates that summer visitation growth has also been flat or experiencing "small increases." Summer-winter crossover is estimated at 40 percent and again, visitors are drawn from a widely diverse geography. Texas is a major source but also California. Affluent families and empty nesters are the "core market" and comprise 75 percent of summer visitors. Considering visitors' experiences, "the town" and "friendly people" were highly rated but "nightlife" was relatively low in the ratings.

Importantly, almost one half of visitors reported that a "special event" was important to their decision to visit Steamboat, suggesting that programs at the Chief Theater could be successful.

Sports are important motivators for summer travel to Steamboat and the Triple Crown baseball championship attracts thousands every summer. There are other tourneys that serve both youngsters and adults. Other frequent pursuits are hiking, biking, fishing, kayaking and golf. Of course, a significant cultural attraction is the Strings Music Festival which claims to draw a large proportion of visitors (and second home owners).

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<sup>1</sup> *Steamboat Springs Chamber Resort Association, Summer Visitor Research, Final Results, February 2011*, RRC Associates, Boulder CO.

Prospects for visitors' attendance at programs at the Chief will be closely related to the types of performances and events. Summer programs geared to families would be appropriate. For the winter visitor, at many ski resorts in the US the skier has proven to be elusive for cultural organizations and events and a popular music focus may be successful. The location of the Theater with its marquee on Main Street will be beneficial in raising awareness of events.

#### IV. Potential Usage

Utilizing lists provided by the Chief Theater Foundation, potential users of the theater based in Steamboat Springs were identified. In-person and telephone surveys of the organizations were conducted by AMS staff. Responses from sixteen organizations were received.

The survey measured interest in utilizing the theater and other spaces at the Chief for performances, rehearsals, social events and educational programs. Desired seating capacities for performances, the number of programs to be presented, technical requirements, and estimated rental charges were determined.

Following is a summary of the research.

##### Steamboat Orchestra

The orchestra is a much praised community-based orchestra offering three concerts a year at the Strings Music Pavilion and numerous outreach music programs including recitals at Library Hall and the Community Center. The current annual operating budget is \$187,000.

Attendance at the concerts is about 400-450, almost filling the pavilion.

The Orchestra indicated potential interest in Chief Theater as a performance venue if appropriate acoustic conditions were met. Flexible seating would be advantageous for fundraising events. They would envision the Chief not as a replacement for the pavilion, but an additional venue.

##### Strings Music Festival

The Strings Music Festival presents classical and popular contemporary music in its 550-seat Pavilion which opened in 2010 after 20-plus years operating in a tent. The Strings Music Pavilion is located at the corner of Mt. Werner and Pine Grove Road, about 3 miles from downtown Steamboat Springs.

Over 85 performances of classical music, jazz, rock, country, bluegrass, world rhythms and many other genres are presented, primarily during a ten week summer season. Over one-half of performances are free, many of which are outreach to local schools. Occasional concerts are presented during the rest of the year and management indicates they may increase their off-season offerings slightly.

Strings raised an estimated \$4 million to build the Pavilion, primarily large contributions from residents (both full- and part-time) of Steamboat. The organization enjoys a strong commitment from local leaders and, with a \$1.6 million operating budget is considered the strongest arts organization in the region. Some 65% of their annual operating revenues are contributed. Strings representatives foresee no potential utilization of the Chief Theater for their programs.

### Steamboat Arts Council

The Arts Council has a forty year history of promoting arts and culture in the Yampa Valley, and producing arts and humanities programs, including curated and touring visual arts exhibits, films and lectures. The former baggage room at the Depot seats up to 100 using collapsible chairs and a portable stage. The Arts Council foresees potential use of the Chief for a fundraising event.

### Local Dance Organizations

Steamboat Springs boasts several dance organizations, including Elevation Dance Studio, Danceworks, Steamboat African Dance and Drumworks, Jasmir Belly Dance Group, and the Bennett School of Irish Dance. An annual dance showcase is presented by Steamboat Dance Theater at the High School. While the auditorium there adequately meets their needs, the sightlines and aesthetics come in for criticism. Discussion with a representative of these groups indicates potential interest in utilizing the Chief Theater if adequate staging with a dance floor is provided as well as dressing rooms.

### Pirate Theatre

The Pirate Theatre is a local production company that has been producing original comedic musicals for 11 years in Steamboat Springs. They present one or two shows a year for three performances each in a cabaret setting using the ballroom at the Steamboat Grand Hotel. Performances are usually a sell-out and the Grand offers a discounted rent, taking all beverage revenue. Ticket price is \$20.

The Pirate Theater's productions would be ideal for the Chief Theater, according to its Director. The downtown location would provide a strong marketing advantage and the proposed design for the theater provides for improved staging and seating compared to the Grand. The availability of food and alcohol service on the premises will be advantageous along with the ability to control ticketing and seating.

### Emerald City Opera

Every August, the Emerald City Opera runs the Opera Artist Institute at Perry Mansfield, a three-week, intensive performance program for aspiring singers held in August. Participants, selected through an adjudication process, are young adults who are studying voice at a master's level.

The Opera offers performances is part of the All Arts Festival schedule that takes place every August. As well, there are other smaller events during the year both for community outreach and fundraising. The main concert venue used is the Strings Music Pavilion. Performances are kept simple; the stage at Strings does not enable elaborate sets and lacks an orchestra pit. The seating capacity of the pavilion is adequate since a single performance will usually attract about 400 people.

The Opera Artist Institute uses the Julie Harris Theatre at Perry Mansfield. This venue, while rustic and in need of updating, serves the Opera well, as it was designed as a performing arts venue and allows for a small orchestra and some props and sets. Other performances during the year are primarily recitals and have used private homes, the library, and the Ghost Ranch Saloon.

The Opera has also considered using the High School performance space if they are in need of a venue for a large, fully staged. While sightlines and acoustics are not very good, it does have some room for sets, props, rehearsal and staging.

The Opera's full stage productions run between \$30-\$40 dollars a ticket; smaller stage productions at Perry Mansfield are \$20-\$25 and recital and community outreach at places like the library are \$10-\$15. They will pay about \$200 to \$400 daily rate fee for use of performance spaces; but this will include access to rehearsal and class room areas and includes the extra time for setting up for performances. Overall costs will usually range around \$1,000 in total.

According to the Opera their ideal performance space would seat about 400 and be fully equipped with theatrical lighting, scenery handling capability, an orchestra pit, and projection for subtitles. They would need a space for a minimum of two days for rehearsal and set-up for a two performance event.

#### Great American Laughing Stock

The Great American Laughing Stock Company (GALSCO) is a professional theatre company offering a 17 day outdoor theatre festival during the month of July at Yampa River Botanic Park and the outdoor area on the east side of the Bud Werner Memorial Library. Admission is free with picnic-style seating. Annual attendance is estimated at 2,000, reportedly drawing audiences from throughout the Front Range. At this time, the Great American Laughing Stock Company is happy with their summer programming and has no future plans for expanding their season.

GALSC does not see a need in using the renovated Chief Theater as it is currently proposed. A larger stage with wing space would be required accommodate for theatrical performances that would accommodate 200 to 300 person in flexible seating arrangement.

#### Perry Mansfield Performing Arts School

Celebrating their 100<sup>th</sup> year of operation on 2013, Perry Mansfield is nationally recognized and has many distinguished alumni performing throughout the world. With 68 buildings on 80 acres located about ten miles from downtown, P-M attracts some 300 masters-level students to its summer camps. The camp a largely self-contained and there is a small performance venue on site (see facility assessment in Architectural Feasibility Study), thus they foresee little need for the Chief. They may envision an annual showcase of their students and/or faculty that would be appropriate for the venue.

### Steamboat Springs Library

Library Hall was created from the former stacks area when the library expanded in 2009. The multipurpose room seats up to 125. A kitchenette is available. This facility hosts many community events, including piano recitals using the grand piano on site. Rental fees are very low (free for non-profits). The room is most appropriate for meetings due to its acoustic, sightline and staging limitations.

### Commercial Promoters

Interviews were conducted with local promoters and booking managers at Steamboat venues who present rock, country, folk, jazz, bluegrass and other musical events.

Local music promoters indicated strong interest in a restored Chief Theater. They cite a lack of a venue over 250 seats in Steamboat Springs. Their use of the Chief they suggested would necessitate dressing rooms, especially 'star' dressing rooms, expanded restrooms for patrons, and adequate systems for concert lighting and sound reinforcement.

We estimate that there is currently demand from promoters who would present about one concert weekly.

### Social Events

Discussions with local organizers of social events, weddings, and fundraisers indicate strong interest in using the Chief Theater with its proposed capacity of over 300 for a banquet and more than 400 for a social event. Steamboat is a popular location for weddings; the town's major wedding planner alone organizes over 40 weddings annually. Current sites include the Grand and Sheraton Hotels and Thunderhead Restaurant at the top of the Gondola, all at the Resort; Perry Mansfield (summer only), Catamount Ranch, and occasionally the Community Center or Library Hall. Limitations of each of these were cited, including availability, attractiveness, amenities and cost. A limitation of the Chief Theater is a lack of windows and suggestions were made to develop the rooftop as a gathering place. Availability of a catering kitchen with easy loading access is critical. Most equipment, such as tables and chairs are readily available for rental from local suppliers. Indicated rental fees were upwards of \$1,500 for a wedding and as much as \$1,000 for a rehearsal dinner.

### ***Conclusions***

AMS believes that potential use of the Theater from local arts organizations is currently about 25 events annually provided there is an adequate stage, theatrical lighting and sound systems, and acoustical conditions are met.

These needs were clearly expressed by representatives of local performing arts organizations such as Pirate Theater, Great American Laughing Stock, Emerald City Opera and the Steamboat Orchestra. Rental fees for the theater for local users are in the range of \$200 to \$500 plus costs. The user survey suggests that there is considerable interest in using the proposed rehearsal space but rental fees must be low.

We believe there is significant potential demand from commercial promoters for concerts. To achieve high use by promoters the theater will require appropriate lighting and sound equipment, incorporating a flexible truss system to hang lights and speakers. Plentiful beverage points of sale throughout the theater will be important. A flexible seating or standing arrangement would be suitable, allowing maximum capacity.

Finally, our research into the potential for social events indicates that there will be demand from wedding organizers, local non-profit organizations and the business sector for the facilities at the Chief. Weddings, social events, fundraisers, and meetings for 300 or more could result in 30 or more rentals annually.

## V. Operating Plan

Following is a description of a management and operating plan for the Chief Theater. A base year operating estimate has been forecast is based on the operation of the Theater for the third year of operation when revenues and expenses are stabilized. A five year projection from year one has been developed around this base year.

### *Operating Assumptions*

The following is a list of general assumptions that accompany the operating plan:

- The theater will be owned and managed by an independent non-profit organization.
- Pre-opening costs that will be required during the planning, fundraising, and construction have not been included in the estimates.
- Estimates do not include any include programming costs for in-house presenting or co-presenting of performing arts programs.
- A debt totaling \$4 million representing a prospective loan from the USDA is assumed.
- All operating cost and revenue estimates are in 2012 dollars.

It should be noted that the projections represent a forecast of the most likely results of operation and are based on current conditions and forecasts of use. It must be recognized that the program of activities presented below is not an exact forecast, given that the building will not be fully operational for several years.

### *Operational Goals*

The plan has been prepared with the following goals for operating the theater in mind:

- Providing a facility for use by community-based performing arts organizations, popular music concerts, and social events;
- Appealing to a broad cross-section of the market;
- Operating in a financially sustainable manner;
- Minimizing operating risks of the Chief Theater Foundation;
- Maximizing the economic benefit to the community, attracting local, regional and visitors, and working with local businesses.

Balancing these goals will be an ongoing challenge for the Foundation, particularly the trade-offs between community service and financial sustainability. To reflect the needs and

opportunities identified in this report, AMS has prepared an operating plan that provides for community performing arts programs, popular commercial concerts, and social events.

At this time, it is envisioned that the Chief Theater Foundation will not undertake to present performing arts events but will rent the venue to community organizations and commercial and non-profit producers and promoters. While not be directly involved in programming, management will promote the theater and ensure that the quality and variety of performances are consistent with the mission.

The following provides a summary of projections of use, revenues, staffing requirements, operating costs, and other aspects of the facility's operation. Detailed forecasts of expenses and revenues are provided in the appendices to this report.

### ***Governance, Management and Staffing***

The theater will be governed by the Board of Directors of the Chief Theater Foundation who will oversee the operation and be responsible for fundraising.

A full time management staff comprised of three full time staff members will be led by the **Executive Director**. A full time **Marketing / Development Manager** will have responsibility for promoting the Theater to prospective renters, assisting them with their marketing, managing a database and the website. In addition, this position will provide support for fundraising activities of the Director and Board, including maintaining a funding database, event promotion and grant research. An **Operations Coordinator** will oversee all aspects of the building operations and work with the Executive Director and in contracting and preparing financial settlements with renters and coordinating front of house activities (e.g., concessions, house management, ushers, security, box office).

A part time **Facilities Manager/Technical Coordinator**, will oversee backstage activities and stage personnel and theatrical systems; a part time **Box Office Coordinator** will manage ticketing services.

Hourly personnel will be employed as required; their cost will be partially offset by fees charged to renters.

### ***Operating Estimate***

#### *Utilization*

Based on AMS's local research and analysis, a total of 143 use days has been projected for the theater in the base stable year of operation. The total comprises 108 performance days plus 35 prep (rehearsal) days. Commercial programs will make up three quarters of the schedule, composed of popular music concerts and social events. Local non-profit organizations make up the balance of the projected use and an allowance for their preparation and rehearsal days has been made. The stage of the main theater is not expected to be suitable for large-scale theatrical productions, although smaller shows, children's theater, and concert-scale productions may be booked.

The projected utilization is a conservative estimate. Utilization of similar theaters in like communities, such as Beaver Creek (Vilar Theater), Aspen (Wheeler Theater), and Telluride is often greater than this estimate. With strong management and effective promotion of the theater, the Chief should easily be able to exceed the estimate.

Figure 14: Use Projection (Base Year)

<b>Use Summary (Base Year)</b>			
<u>Theater*</u>	Non-Performance Days	Performance Days	Total Use Days
Non-Profit Org.	25	25	50
Commercial - concerts	10	48	58
Commercial - events	0	35	35
<b>TOTAL</b>	<b>35</b>	<b>108</b>	<b>143</b>
<u>Rehearsal Room</u>			<u>Total</u>
Non-Profit Org.			150
Commercial			20
<b>TOTAL</b>			<b>170</b>
<b>GRAND TOTAL</b>			<b>313</b>

*Rehearsal Space*

The rehearsal space will be an attractive facility for local performing arts groups and organizations seeking larger meeting facilities. It is estimated that there will be 170 rentals during the base year.

*Revenue Forecast*

Theater Rentals

The majority of revenue for operations will be derived from the rental of the theater, which ranges from \$500 for a performance by a non-profit organization to \$2,500 for a commercial event rental. It is anticipated that the theater will be used by non-profit organizations for dress rehearsals and consequently an inexpensive prep day rental fee of \$100 (weekday) is offered.

Figure 15: Rental Revenue Forecast (Base Year)

Rental Revenue Detail						
Theater*	Non-Performance Days	Non-Performance Revenue	Performance Days	Performance Revenue	Total Use Days	Total Revenue
Non-Profit Org.	25	\$2,500	25	\$12,500	50	\$15,000
Commercial - concerts	10	\$5,000	48	\$72,000	58	\$77,000
Commercial - events	0	\$0	35	\$70,000	35	\$70,000
<b>SUBTOTALS</b>	<b>35</b>	<b>\$7,500</b>	<b>108</b>	<b>\$154,500</b>	<b>143</b>	<b>\$162,000</b>
					Total	
<u>Rehearsal Room</u>					Event Days	Revenue
Non-Profit Org.					150	\$7,500
Commercial					20	\$2,000
<b>SUBTOTALS</b>					<b>170</b>	<b>\$9,500</b>
<b>GRAND TOTAL</b>						<b>\$171,500</b>

**Chargeback Services**

In addition to base rental charges, most renters will require services including: house staff (ushers, front of house manager), security, day of event box office, technical staff, and equipment (sound and lights) as well as custodial services. Typically, rental theaters charge the presenter for these services, and mark up the cost of these services to cover administrative costs; we have used an hourly labor rate of \$15 to \$25 and a 30% mark up. A “window charge” for purchasing tickets at the on-site box office on the day of performance of \$1 per ticket is projected for an estimated 10% of all tickets sold.

Hours required for each type of event and attendance has been estimated resulting in a base year projection of a contribution of \$51,300.

Figure 16: Chargeback Detail (Base Year)

Chargeback & Ticket Revenue Detail																	
	Assumptions		Box Office - Advance Sale				Box Office - Day Of			Technical			Custodial			GRAND TOTAL	
	Average Paid Capacity # Events	Attendance	Fee per ticket	Total Fee	Frequency	TOTAL	Fee per event	Frequency	TOTAL	Fee per event	Frequency	TOTAL	Fee per event	Frequency	TOTAL		
<b>Theater*</b>																	
Non-Profit Org.	60%	25	6,750	\$1	\$270	50%	\$3,375	\$50	100%	\$1,250	\$220	75%	\$4,125	\$40	75%	\$750	\$9,500
Commercial - concerts	75%	48	16,200	\$1	\$338	75%	\$12,150	\$50	100%	\$2,400	\$330	75%	\$11,880	\$330	100%	\$15,840	\$42,300
Commercial - events	100%	35	15,750	\$0	-	0%	\$0	\$0	0%	\$0	\$120	75%	\$3,150	\$350	100%	\$12,250	\$15,400
<b>TOTALS</b>			<b>38,700</b>				<b>\$15,525</b>			<b>\$3,650</b>			<b>\$19,155</b>			<b>\$28,840</b>	<b>\$67,200</b>
<b>Chargeback Cost Breakdown</b>																	
				Average # of staff per event	Average # of hours per event	Average hourly rate (inc. fringe)	Materials Fee	Markup	Total								
<b>Non Profit</b>																	
Box Office - Day Of				1	2	\$15	\$10	30%	\$50.00								
Technical				1.5	4	\$20	\$50	30%	\$220.00								
Custodial / Setup				1	2	\$15	\$0	30%	\$40.00								
<b>Commercial</b>																	
Box Office - Day Of				1	2	\$15	\$10	30%	\$50.00								
Technical				2.5	4	\$20	\$50	30%	\$330.00								
Custodial / Setup				2	4	\$15	\$0	30%	\$160.00								
<b>Event</b>																	
Box Office - Day Of				0	0	\$15	\$0	30%	\$0.00								
Technical				1	2	\$20	\$50	30%	\$120.00								
Custodial / Setup				3	6	\$15	\$0	30%	\$350.00								

**Concession Revenue**

Utilizing national standards for concession capture rates and sales projections, \$71,550 in concession revenue is projected.

**Facility Surcharge**

Following contemporary practice at similar theaters a “facility surcharge” paid by patrons of \$1 per ticket is forecast for non-profit organizations and \$2 per ticket for commercial concerts. Based on the forecast attendance, the projection results in \$39,150 in revenue during the base year.

Figure 17: Other Revenue Detail (Base Year)

Other Revenue Detail			
<u>Concessions &amp; Merchandise</u>	<u>Patrons /</u>	<u>Net</u>	<u>Total</u>
Non-Profit Org.	6,750	\$1.00	\$6,750
Commercial - concerts	16,200	\$4.00	\$64,800
Commercial - events	15,750	\$0.00	\$0
<b>TOTAL Concessions</b>			<b>\$71,550</b>
<u>Facility Fee</u>			
Non-Profit Org.	6,750	\$1.00	\$6,750
Commercial	16,200	\$2.00	\$32,400
<b>TOTAL Facility Fee</b>			<b>\$39,150</b>

*Expenses*

Personnel

As stated above, we project a full time staff of three plus part-time technical, facility, and administrative personnel. The expenses of additional contracted staff (front of house, technical, custodial) will be partly compensated through chargebacks to users of the facility.

Figure 18: Staff Detail (Base Year)

Staff Expense Detail						
<u>Salaried Staff</u>	<u># FTE</u>	<u>Base Salary</u>	<u>Total Salary</u>	<u>Fringe</u>	<u>Total Cost</u>	
Executive Director	1.0	\$80,000	\$80,000	\$16,000	\$96,000	
Marketing/Development	1.0	\$65,000	\$65,000	\$13,000	\$78,000	
Operations Coordinator	1.0	\$40,000	\$40,000	\$8,000	\$48,000	
Technical Director	0.5	\$45,000	\$22,500	\$4,500	\$27,000	
Receptionist / Box Office Coordinator	0.5	\$20,000	\$10,000	\$2,000	\$12,000	
<b>SUBTOTALS</b>	<b>4.00</b>		<b>\$217,500</b>	<b>\$43,500</b>	<b>\$261,000</b>	
<u>Hourly Staff</u>	<u>Hours / Week</u>	<u>Weeks / Year</u>	<u>Hourly Rate</u>	<u>Total Wages</u>	<u>Fringe</u>	<u>Total Cost</u>
Sound Technician	10	50	\$12	\$6,000	\$450	\$6,500
Light Technician	10	50	\$12	\$6,000	\$450	\$6,500
House Manager	12	50	\$12	\$7,200	\$540	\$7,800
Box Office	12	50	\$10	\$6,000	\$450	\$6,500
<b>SUBTOTALS</b>				<b>\$25,200</b>	<b>\$1,890</b>	<b>\$27,300</b>
<b>GRAND TOTAL</b>						<b>\$288,300</b>

**Administrative Costs**

We project approximately \$148,500 in administrative costs, including professional services, office operations, travel & meeting, IT and website, and an allowance for general promotion of the facility, as well as fundraising costs.

**Figure 19: Administration Overhead Detail (Base Year)**

Expense Summary	
<u>Administration</u>	
Professional Services	
Accounting/Bookkeeping/Payroll	\$7,500
Legal	\$5,000
Janitorial	\$8,000
Marketing	\$25,000
Office Supplies	\$5,000
Postage	\$7,500
Fundraising Expenses	\$40,000
Telecom & Internet	\$7,500
Website and Database Design & Maintenance	\$3,000
D&O / Liability Insurance	\$25,000
Dues, Subscriptions, Training, Travel, Board	\$5,000
Computer Maintenance (incl. Box Office)	\$10,000
<b>TOTAL ADMINISTRATION</b>	<b>\$148,500</b>

**Building Operation and Maintenance**

Utility costs for heating, ventilation, trash and water have been estimated based on review of comparable facilities and local operating costs and are projected to be \$36,300 annually for the Base Year.

Expense Summary	
<u>Occupancy</u>	
Utilities	\$30,000
Systems Maintenance & Repair	\$4,800
Custodial Supplies	\$1,500
<b>TOTAL OCCUPANCY</b>	<b>\$36,300</b>

The expense projections include costs for regular repairs and maintenance. In addition, an allowance has been estimated to pay for equipment replacement and long term maintenance of the building, mechanical and electrical systems, theater equipment, fixtures, and furnishings. The expected life of the building, roofing, and exterior walls, doors and windows is assumed to be forty years, the life of the anticipated USDA loan.

A simple straight-line depreciation allowance for the cost of replacement is assumed to be 2.5 percent annually for a forty year life expectancy.

The concept plan cost estimate indicates a total hard construction cost of \$4 million including building construction, mechanical and electrical systems, interior finishes, furnishings, and theater and kitchen equipment, but excluding site work and fees. Applying a straight-line depreciation to these costs years suggests that an annual set-aside of 2.5 percent would be \$100,000 to adequately fund long-term replacement and major repairs.

### ***Loan Interest***

The estimated loan from the USDA is \$4 million at a rate of 3.75 percent and an amortization period of forty years. The annual cost of interest and principal is estimated at \$194,600.

### ***Summary***

A summary statement of the operating projection for the Base Year (three years after the opening) indicates expenses of \$473,100 and income of \$349,000, leaving an operating loss of \$124,100 annually. Adding capital reserve allowances and loan payments of \$294,600 results in a total annual funding requirement of \$418,700.

### ***Endowment and Fundraising***

Fundraising and program sponsorships will be required to offset the annual operating shortfall. Accordingly, fundraising personnel and related expenses have been included in the estimates, amounting to about 10 percent of funding requirements.

Figure 20: Operating Estimate Summary (Base Year)

Summary	
<b>EARNED REVENUE</b>	
Rentals, Fees & Chargebacks	\$277,400
Concessions & Merchandise (net)	\$71,600
<b>TOTAL</b>	<u>\$349,000</u>
<b>EXPENSE</b>	
Staff	\$288,300
Administration	\$148,500
Occupancy	\$36,300
<b>TOTAL</b>	<u>\$473,100</u>
<b>OPERATING PROFIT / (LOSS)</b>	<u>(\$124,100)</u>
Loan Interest (\$4 million @ 3.75% Per annum)	\$194,600
Capital Replacement Reserve (2.5%)	\$100,000
<b>CONTRIBUTED REVENUE</b>	
Fundraising, Sponsorships, Events	\$418,700
<b>TOTAL</b>	<u>\$418,700</u>
<b>PROFIT / (LOSS)</b>	<u>\$0</u>

**Five Year Projection**

An estimate of costs and revenues for the five year period following opening has been made. The revenue forecast from rentals and concessions assumes that upon opening there will be “pent up” demand following a pre-opening marketing campaign and base year utilization will be achieved. An allowance for slightly higher administrative and occupancy expenses during opening year has been made based on an analysis of experience with similar venues and a “learning curve” effect. Following the Base Year, a gradual increase (about 10 percent) in attendance and associated revenue is forecast in accordance with market growth. Expenses are assumed to rise with inflation (assumed at 2 percent annually) and salary increases.

Figure 21: Five Year Attendance Forecast

Attendance Growth					
	<u>Year 1</u>		<u>Year 3</u>		
	<u>Opening</u>	<u>Year 2</u>	<u>Base yr</u>	<u>Year 4</u>	<u>Year 5</u>
Non-Profit Org.	6,750	6,750	6,750	7,400	8,100
Commercial - concerts	16,200	16,200	16,200	17,800	19,600
Commercial - events	15,750	15,750	15,750	17,300	19,000
<b>TOTALS</b>	<b>38,700</b>	<b>38,700</b>	<b>38,700</b>	<b>42,500</b>	<b>46,700</b>

Figure 22: Five Year Operating Forecast

Five Year Projection					
<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	
<u>Opening</u>		<u>Base yr</u>			
\$277,400	\$277,400	\$277,400	\$304,638	\$334,744	
\$71,600	\$71,600	\$71,600	\$78,630	\$86,401	
\$349,000	\$349,000	\$349,000	\$383,269	\$421,145	
\$375,000	\$340,000	\$288,300	\$294,066	\$323,127	
\$196,500	\$150,500	\$148,500	\$151,700	\$155,000	
\$39,000	\$37,000	\$36,300	\$37,000	\$37,700	
\$610,500	\$527,500	\$473,100	\$482,766	\$515,827	
(\$261,500)	(\$178,500)	(\$124,100)	(\$99,497)	(\$94,682)	
\$194,600	\$194,600	\$194,600	\$194,600	\$194,600	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
\$556,100	\$473,100	\$418,700	\$394,097	\$389,282	
\$556,100	\$473,100	\$418,700	\$394,097	\$389,282	
\$0	\$0	\$0	\$0	\$0	



**The Chief Theater**  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 5B

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Community Benefits of the Arts (White Paper) by Jane Blackstone Consulting  
January 2007, (Ranked by Official Attendance Figures)

# **Community Benefits of the Arts**

***A Review of Selected Economic Impact Reports and Case Studies***

***Jane Blackstone Consulting  
Steamboat Springs, CO***

**January 2007**

## Overview

This report provides information about demonstrated community benefits of the arts in order to stimulate community discussion of cultural planning and arts initiatives for Steamboat Springs, Colorado. It includes:

- A review of data on the economic impacts of the arts, nationally and in selected Colorado communities;
- A summary of other generally acknowledged and documented community benefits of the arts;
- An overview of successful arts initiatives in smaller communities;
- A list of cultural planning resources outlining best planning practices from nationally recognized community development and arts organizations; and
- A conclusion that the arts contribute in a myriad of ways to the economic and social well-being of communities – warranting consideration of new and expanded cultural initiatives for Steamboat Springs.

## Background

Listed as one of the 100 best art towns in America,<sup>1</sup> Steamboat Springs has an active cultural community. The Steamboat Springs Arts Council has 30 affiliate arts organizations and artist members creating visual and performing arts and cultural programming in the Yampa Valley. Strings in the Mountains, the Emerald City Opera, Northwest Ballet, Artists' Gallery of Steamboat, Steamboat Dance Theatre, Perry-Mansfield Performing Arts School and Camp, Mountain Theater Company, Tread of Pioneers Museum and Steamboat Springs Chamber Orchestra are among the diverse organizations that contribute to Steamboat's cultural capital. Individual member artists and non-affiliated artists add to the mix, and new initiatives, such as the Steamboat Art Museum, hold promise for further enrichment of the local arts scene.

While Steamboat benefits greatly from its current cultural programs, interviews with a small group of community members indicate belief that the arts could play a stronger role in Steamboat's economy and community environment. The growing influx of affluent retirees and second home owners, the Steamboat Art Museum project, current and potential downtown redevelopment, particularly along Yampa Street, prompt consideration of an update to the 1991 *Master Plan for Culture and Livability* and/or additional specific arts initiatives that would build on and complement current arts programs. A downtown arts district, housing and studio space for artists, more and better cultural venues, juried festivals and events, supporting boutique hotels and restaurants, additional marketing, and a creative "buzz" are among suggested changes to enhance local quality of life and elevate Steamboat's standing as an arts center and cultural travel destination.

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<sup>1</sup> Villani, John. The 100 Best Art Towns in America. The Countryman Press, 2001.

## **Economic Impacts of the Arts**

Throughout the country, arts advocacy organizations and governmental entities are tracking the economic impacts of the arts, recognizing the significant and growing role of the arts in the economic life of communities. This section presents an overview of national data, arts-related economic trends, and selected impact data from non-profit arts and event spending in smaller communities.

### ***National Data and Trends***

- In the United States, the non-profit arts industry generates \$134 billion in annual total economic activity -- \$53.2 billion in spending by arts organizations and \$80.8 billion in event-related audience spending. This activity supports 4.85 million jobs (more than U.S. employment of accountants, lawyers, physicians or computer programmers) and \$24.4 billion of government revenues – a return on public investment in the arts of more than 8:1. This impact data, released by Americans for the Arts in 2002, is based on surveys of 3,000 nonprofit arts organizations and more than 40,000 attendees of arts events in 91 cities of varying sizes in 33 states and the District of Columbia.<sup>2</sup>
- The National Governors Association Center for Best Practices calls the non-profit arts industry “a potent force in economic development nationwide,” citing economic impact studies in Virginia, Louisiana, Michigan, Oregon, and New England, and noting that the performing arts now outdraw sporting events and movie houses.<sup>3</sup>
- On average, cultural travelers spend more than other travelers. Research in 2001 by the Travel Industry Association of America and Partners in Tourism shows that U.S. travelers who include cultural events in their trips spend \$631 per trip v. \$457 by all other U.S. travelers. In addition, they are older, more educated, and more likely to: use a hotel, motel or B&B (62% v. 56%), spend more than \$1,000 (18% v. 12%), travel longer (5.2 nights v. 4.1 nights), and shop (44% v. 33%).<sup>4</sup>
- Nationally, visitors spend more than locals on arts events. The 2002 Americans for the Arts survey of 91 communities shows that out-of-towners spend 75 percent more than locals on arts events (\$38.05 per event v. \$21.75 by locals).<sup>5</sup>
- Arts and culture are important drivers of the New Economy. There is growing recognition that creative environments attract a creative workforce and the knowledge-based businesses now driving the U.S. economy. Cited often in

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<sup>2</sup> “Arts and Economic Prosperity,” published by Americans for the Arts, 2002. Available at [www.artsusa.org/information\\_resources/economic\\_impact](http://www.artsusa.org/information_resources/economic_impact)

<sup>3</sup> “The Role of the Arts in Economic Development,” published by the National Governors Association Center for Best Practices, June, 2001. Available at [www.nga](http://www.nga)

<sup>4</sup> “The Historic/Cultural Traveler 2001,” (Travelscope Survey), Travel Industry Association of America, 2001.

<sup>5</sup> “Arts and Economic Prosperity,” published by Americans for the Arts,

studies of arts impacts, Richard Florida, in "The Rise of the Creative Class," posits that the creative class (those who work in knowledge-based industries) is an economic force that will flourish in places that value creativity and have tolerant environments and diverse populations.<sup>6</sup> In a practical application of this thinking, Michigan developed the Cool Cities initiative to foster economic development through arts and community development.<sup>7</sup>

- "Rural communities are ripe for growing creative economies." Rural areas often have distinctive cultural attributes and existing arts programs that can be nurtured to strengthen local economies.<sup>8</sup> Large cities are no longer the exclusive domain of the creative class as advances in technology and communication create virtual workplaces in small towns across America – especially in desirable communities with strong natural attractions and quality of life.
- Demographic shifts in resort communities, including Steamboat Springs, are creating a new "lifestyle economy" that is not driven by tourism alone. Jonathan Schechter, Executive Director of the Cherture Institute, has documented economic indicators of this trend, including population growth, growth in per capita income, higher education levels, and higher home values as demand grows exponentially for residence (and related services) in "places of ecological and aesthetic significance." Schechter notes that the implications of this trend are not fully understood, but that lifestyle economy communities are challenged to develop ways to maintain quality of life and respond to new local demographics.<sup>9</sup> Demand and support for the arts should be studied as part of this new economic dynamic.

### ***Local Economic Impacts – Selected References***

Although Steamboat has not produced a comprehensive study of arts-related economic impacts, twenty arts organizations report budgets totaling \$3 million, with 20 full-time employees, and 95 seasonal employees. The Steamboat Springs Arts Council estimates that every dollar of non-profit arts spending returns three dollars to the local economy.<sup>10</sup> The following economic impact data focuses on the experience of communities of comparable size to Steamboat Springs, with particular attention to western communities.

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<sup>6</sup> Richard Florida. *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*. Basic Books, 2002.

<sup>7</sup> [www.coolcities.com](http://www.coolcities.com)

<sup>8</sup> "Strengthening Rural Economies through the Arts," published by the National Governors Association Center for Best Practices, August, 2005. Available at [www.nga.org](http://www.nga.org)

<sup>9</sup> Presentation by Jonathan Schechter, Steamboat Springs, CO, December 4, 2006.

<sup>10</sup> Presentation by Nancy Kramer, Executive Director, Steamboat Springs Arts Council, to the Culture-Community-Commerce (C3) Conference, May, 2005.

- **Elko, Nevada** (pop. 16,700): The annual week-long Cowboy Poetry Gathering in the remote community of Elko attracts 8,000 visitors and adds approximately \$6 million to Elko's economy.<sup>11</sup>
- **Jackson, Wyoming** (pop. 9,000): The Jackson Hole Chamber of Commerce started the Fall Arts Festival in 1985 to create economic activity in Jackson during the fall shoulder season. Building on Jackson's strong arts scene, the festival brings an estimated 10,000 visitors to Jackson in mid-September for a diverse offering of visual, culinary, and performing arts events, including annual arts fundraising events. The Chamber reports a 71% increase in September sales tax revenue between 1997 and 2006, even though approximately 80% of art sales are shipped out of town and do not generate local sales tax.<sup>12</sup>
- **Aspen/Snowmass, Colorado** (pop. 7,800): Based on financial data from arts organizations and audience surveys, the Business Research Division of the Leeds School of Business calculated that 16 selected arts events/organizations in the Aspen/Snowmass area generate 209 full-time and 596 part-time jobs and an annual economic impact of \$84.9 million (\$27.2 million of direct and secondary expenditures by the events/organizations and \$57.7 million of audience expenditures.) Audiences spend \$232 per person per event day in the summer and \$213 in the winter. Lodging, food and drink and other arts/cultural activities were the largest expenditure categories, with more focus on shopping in the summer and sports and nightlife in the winter.<sup>13</sup>
- **Creede, Colorado** (pop. 400): The Creede Repertory Theatre has an annual economic impact of \$2.1 million, representing \$.26 of every tourism dollar spent in Mineral County. The theater is the town's largest summer employer, providing 116 jobs.<sup>14</sup>
- **Chaffee County, Colorado** (pop. 16,242): The Colorado Arts Council reports that seven non-profit and nine for-profit arts related businesses in Salida and Buena Vista are diversifying the area's tourism economy. They generated over \$500,000 in direct and event-related spending in 2002.<sup>15</sup>

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<sup>11</sup> "The Role of the Arts in Economic Development," published by the National Governor's Association Center for Best Practices, Washington, D.C., 2001. See also [www.westernfolklife.org](http://www.westernfolklife.org).

<sup>12</sup> Heather Falk, Jackson Hole Chamber of Commerce, December 2006.

<sup>13</sup> "The Economic Impact of the Arts on Aspen and Snowmass," prepared for the Red Brick Center for the Arts by the Business Research Division, Leeds School of Business, University of Colorado at Boulder, July, 2004. Executive Summary available at [http://leeds.colorado.edu/uploadedFiles/Faculty and Research/Research Centers/Business Research Division/Exec%20Summ%20for%20Web.pdf](http://leeds.colorado.edu/uploadedFiles/Faculty_and_Research/Research_Centers/Business_Research_Division/Exec%20Summ%20for%20Web.pdf)

<sup>14</sup> "The Creede Repertory Theatre and its Economic Impacts," San Luis Valley Development Resources Group, 2004. See also [www.creederep.org](http://www.creederep.org).

<sup>15</sup> [www.coloarts.org](http://www.coloarts.org)

## Other Community Benefits

In addition to their economic impacts, the arts have intrinsic value as creative expression and contribute to many aspects of quality of life. This section provides a brief summary of these benefits.

- **Participant perceptions:** A 2002 survey of ten communities by the Performing Arts Research Coalition indicates that performing arts attendees believe that the arts “improve the quality of life and are a source of community pride, promote understanding of other people and different ways of life, help preserve and share cultural heritage, provide opportunities to socialize, contribute to lifelong learning in adults, and contribute to the education and development of children.” A majority of non-attendees also shared these views.<sup>16</sup>
- **Community building:** “Strengthening Communities through Culture,” an issue paper prepared for the Center for Arts and Culture, reviews case studies and the academic literature related to the impacts of culture on civic life and concludes that while arts and culture cannot be viewed as a panacea for community problems, clear community benefits accrue from focused attention to this element. The author documents benefits including economic development and tourism, higher levels of educational achievement and lower involvement in criminal activity among youth engaged in the arts, civic engagement, historic preservation and community revitalization.<sup>17</sup>
- **Historic preservation:** Examples abound of communities that have restored historic buildings in response to demand for arts centers and performance venues. In an article titled “Art-related Economic Development Strategies in Small Art Towns,” John Villani cites the successful adaptive reuse of high schools and warehouses, a power plant, car dealership building, firehouse, and department store into arts facilities.<sup>18</sup>
- **Downtown vitality:** A study prepared for the City of Austin, Texas includes arts, cultural, and entertainment districts among best practices for public cultural arts funding, noting that they “boost urban revitalization in many ways: beautify and animate cities, provide employment, attract residents and tourists to the city, complement adjacent business, enhance property values, expand the tax base, attract well-educated employees and contribute to a creative

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<sup>16</sup> “The Value of the Performing Arts in Ten Communities,” published by the Performing Arts Research Coalition, June 2004.

<sup>17</sup> Elizabeth Strom, “Strengthening Communities through Culture,” Center for Arts and Culture, November, 2001.

<sup>18</sup> John Villani. “Art-related Economic Development Strategies in Small Art Towns: Impacts on Downtown Economic Revitalization.” Presentation to 1999 Montana Governor’s Conference on Tourism and Recreation at [www.travelmontana.org/conference/presentationarchive/jvillani.htm](http://www.travelmontana.org/conference/presentationarchive/jvillani.htm)

innovative environment.”<sup>19</sup> Charles B. Zucker, in “Places as Art,” reinforces the value of art and related activities in reshaping downtowns and town centers.<sup>20</sup>

## Case Studies

There are scores of case studies that illustrate a broad range of innovative arts facilities and programming across the country. The following section touches on selected efforts in smaller cities.

- **Idaho Falls Cultural District** – The Idaho Falls Cultural District won the Idaho Governor’s “Take Pride in Idaho Award” for its impact on the revitalization of downtown Idaho Falls (pop. 51,000). The district encompasses a number of cultural facilities including the Willard Arts Center/Colonial Theater, the Museum of Idaho, the Eagle Rock Art Museum, Actors Repertory Theatre of Idaho, and the public library, as well as art galleries, glass and ceramic studios, dance studios, a movie house showing independent films, antique stores, retail shops and restaurants. The district hosts a farmers market and events and is marked by public art and framed by the Snake River and falls. The district has revitalized a downtown that was suffering from the flight of big retailers to suburban malls. Of particular note is the Willard Arts Center, including two art galleries, classrooms, conference space and the 988-seat Colonial Theater. The theater was built in 1919 as a vaudeville theater and began showing movies in 1929, with live performances declining after World War II. It closed in the late 1980’s and reopened in 1997 after a successful arts council fundraising effort and \$4.2 million renovation. It is a venue for popular music concerts and performances by local school and non-profit orchestra, chamber music, theater, opera and dance groups. The Arts Center galleries exhibit touring shows by nationally known artists as well as young artists’ work.<sup>21</sup>
- **Arts District of Breckenridge** – Breckenridge, CO (pop. 3,300 year-round) began its Arts District in 2001 with the Town’s purchase and subsequent renovation of a downtown structure into the Town-owned Breckenridge Theater. In 2002, the Town acquired additional nearby properties with the goal of creating an arts district and began an arts district master planning effort. The resulting 2004 plan defines key objectives: strengthening the town’s image, stimulating community interest in the arts, contributing to economic development, and creating a “vibrant downtown focal point which is an integral extension of the existing downtown fabric including the retail spine along main street and civic recreational spine along the riverwalk.” The Town has invested more than \$3 million in property acquisition, parking, and infrastructure improvements related to arts district development. Additional funding has

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<sup>19</sup> Dabney & Associates, “Identification of Public Cultural Arts Funding Best Practices and Benchmarks,” prepared for the City of Austin, 2002.

<sup>20</sup> Charles B. Zucker, “Places as Art,” *Urban Land*, May 2004.

<sup>21</sup> Cited in “Strengthening Rural Economies through the Arts,” National Governors Association, 2005. See also [http://www.idahofallsarts.org/cultural\\_district.html](http://www.idahofallsarts.org/cultural_district.html)

come from state grants, private donations, and program revenues. In addition to the Breckenridge Theater, current Arts District amenities include the historic Tin Shop – renovated into an apartment and studio space for a popular guest artist program, galleries, and the 770-seat town-owned Riverwalk Center, linking the arts to the new Blue River Walk and public park space. Educational and arts programming, festivals, and events are coordinated through the Town’s Arts District coordinator.<sup>22</sup>

- **Cumberland, Maryland Arts and Entertainment District** – Building on its Main Street Maryland program, Cumberland (pop. 21,500) got state designation as an arts district, thus qualifying for state and local rehabilitation tax credits and tax exemptions for artists and arts events. The district includes museums, artist cooperatives and theaters, and hosts events like Fridays after Five (eclectic downtown entertainment), murder mystery railroad tours, and arts festivals.<sup>23</sup> A combination of the Main Street approach and an arts and entertainment focus is credited for a reduction of downtown vacancies from 80% to 10% in the 1990s.<sup>24</sup>
- **The Center for the Arts, Jackson, Wyoming** -- The Town of Jackson (pop. 9,000) has a thriving arts culture and art economy, with 33 galleries, the National Museum of Wildlife Art, Grand Teton Music Festival, Dancers’ Workshop, and other visual, literary, and performing arts organizations. Located at the gateway to Grand Teton National Park, Jackson and Teton County see tremendous summer tourist traffic and ski tourism in the winter. One of the lifestyle economy communities identified by Jonathan Schechter of the Charture Institute, the arts in Jackson are supported by significant philanthropy.

In 1991, with a \$1000 grant from the Community Foundation of Jackson Hole as seed money, local artists and arts supporters began planning for a shared arts center as a way to address increasing rents and inadequate local facilities for the arts. After a successful \$35 million fundraising effort, The Center for the Arts became a reality. Through a public-private collaboration, the 41,000 square foot Arts and Education Pavilion, located on land jointly owned by the Town of Jackson and Teton County, opened in December 2004. A 525-seat theater is under construction and scheduled for completion in 2007. As indicated in the attached article from the Jackson Hole News & Guide, the first year of the non-profit 501(c)(3)Center was a financial and operational success. It is home to 20 organizations and is debt-free and able to deliver rents half the cost of new commercial space elsewhere in town.<sup>25</sup>

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<sup>22</sup> [www.townofbreckenridge.com](http://www.townofbreckenridge.com) and Jennifer Cram, Arts District Coordinator.

<sup>23</sup> Lynda McDaniel, “The Main Street Approach to Revitalizing Communities.” *Appalachia*, January-December 2002. Available at [www.arc.gov/index.do/nodeId=1559](http://www.arc.gov/index.do/nodeId=1559)>

<sup>24</sup> Eileen Lockwood, “The Mountain Side of Maryland,” in *Unique Opportunities: The Physician’s Resource*, January-February 2005. Available at [www.uoworks.com/articles/city.cumberland2.html](http://www.uoworks.com/articles/city.cumberland2.html)

<sup>25</sup> [www.jhcenterforthearts.org](http://www.jhcenterforthearts.org)

## Conclusion

The literature on the economic impacts and other community benefits of the arts presents compelling arguments for supporting and integrating the arts into community life and the physical environment. This conclusion supports community consideration of a downtown Steamboat arts district, expanded arts programming, new arts events, and an updated cultural plan, all building on and complementing Steamboat's current arts programs.

## Planning Resources

Much can be learned from case studies and research from other communities about how to strengthen art and culture in Steamboat, but a consistent message from cultural planners and analysts is that successful cultural development must be locally driven, building on a community's strengths and will for change.

The following resources may be helpful if the Steamboat community decides to explore the feasibility of a downtown arts district or other cultural planning initiative.

- "Ten Tips for Building Successful Arts and Cultural Districts" – The attached checklist, presented at the Urban Land Institute Fall 2006 meeting in Denver, stresses inclusive community planning and public-private partnerships to define and achieve a cultural plan derived from local assets.
- "Cultural Economic Development: A Practical Guide for Communities"<sup>26</sup> -- This publication, prepared for the Office of the Governor in Michigan, is a helpful resource outlining step-by-step best practices for integrating economic development and cultural planning efforts.
- "Excerpts from The Community Cultural Planning Handbook: A guide for community leaders"<sup>27</sup> – This summary describes nine categories of cultural plans, examples of each, and cultural planning steps.
- "Best Practices in Cultural Economic Development"<sup>28</sup> -- This report prepared for Creative Santa Fe in 2005 offers case studies and model programs in cultural development, to inform a strategic planning effort in Santa Fe, New Mexico – already regarded as one of America's leading art towns.

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<sup>26</sup> Neeta Delaney with contributions by Ric Geyer, "Cultural Economic Development: A Practical Guide for Communities," prepared for the Office of Michigan Governor Jennifer Granholm, June, 2004. Available at <http://www.macaa.com/pdffiles/Neeta's%20article.doc>

<sup>27</sup> Craig Dreeszen, Ph.D., "Excerpts from The Community Cultural Planning Handbook: A guide for community leaders," at [www.nea.gov/resources/Lessons/Dreeszen.html](http://www.nea.gov/resources/Lessons/Dreeszen.html)

<sup>28</sup> McCollum Consulting LLC, "Best Practices in Cultural Economic Development: A Report for Creative Santa Fe, April, 2005. Available at <http://www.creativesantafe.org/download/BestPracticesReport.pdf>

# Arts center's 1st year a financial success

**Nonprofit facility has  
operating surplus,  
benefiting valley arts.**

*By Melanie White*

Following an annual review, the Center for the Arts is celebrating its first year with a debt-free slate and a thriving stable of arts organizations.

The arts center's finance committee announced Friday that the first phase of the Center for the Arts, the Arts and Education Pavilion, has surpassed its financial goals. The 20 organizations lodged in the arts center have covered building expenses with rental fees, and building operations have required no subsidy or additional fund-raising.

In fact, the nonprofit facility has generated a slight surplus in its first year, said Chris Hansen, communications director for the center.

The center has paid off its construction loan and all outstanding debt for the Arts and Education Pavilion, leaving the organization debt-free as construction continues on the second phase, the Performing Arts Pavilion.

Such success will continue to benefit

arts in the valley. Rents at the center cost half those of other new commercial spaces in Jackson, and the building has been designed to address the need for affordable, dedicated space for nonprofit art and higher education organizations in Teton County.

"Our philosophy has been to provide the highest quality of services to our resident organizations and do so on a break-even basis," said John Tozzi, Center for the Arts board chairman. "We're proud to have achieved our goals within the first year of operation."

Karen Stewart, executive director of the Art Association said her organization has seen significant growth in the past year, due in large part to its new home at the center. Since the center opened in December 2004, the Art Association has held 190 different classes for more than 2,000 students and hosted 14 exhibitions viewed by about 7,500 visitors. Art Association memberships are up 40 percent this year over the previous year.

"We are quite pleased with the growth we've experienced and the services we've been able to provide in our first year at the Center for the Arts," Stewart said. "It has exceeded our expectations."

## Ten Tips For Building Successful Arts and Cultural Districts

- 1. Capitalize on your community's assets to create a destination.**  
Cultivate authenticity by identifying locations where artists currently congregate, places of historical, cultural or architectural significance and natural features like rivers and greenbelts. Make sure that your location choice is accessible to residents and visitors.
- 2. Involve all members of your community in planning and implementation.**  
Add to the dynamic and original content of your plans by drawing on the expertise and enthusiasm of residents, community leaders and business owners. Garner the support of local politicians.
- 3. Cultivate leadership.**  
Identify a leadership organization that can spearhead the master plan process, drive development forward and eventually take responsibility for managing the district.
- 4. Create a strong vision for the future and adopt a master plan to achieve it.**  
Develop a strong and positive vision for your district, and a coherent master plan to achieve this vision.
- 5. Design a vibrant place.**  
Encourage distinctive urban design, preserve beautiful historic elements and façades, create unifying streetscapes, and promote a coherent mix of uses, places, programs and activities.
- 6. Develop a sustainable funding plan.**  
Garner public and private support through a coherent plan to attract private donors, create dedicated sources of public revenues and produce events that will create ongoing revenues for the district.
- 7. Nurture public-private partnerships.**  
Cultivate strong partnerships between the private development community and the public sector to stimulate new development and encourage the renovation and reuse of existing buildings.
- 8. Integrate all these elements into a coherent strategy.**  
Bring together a strong master plan, effective funding resources, community support, political leadership, stellar design, and robust infrastructure into a coherent strategy. Learn from other communities' successes.
- 9. Celebrate your district's achievements.**  
Tell everyone how the district improves your community's quality of life, stimulates new ideas and creativity, attracts new visitors, creates new jobs, brings people from all walks of life together etc.
- 10. Continually reinvigorate your district.**  
Encourage innovation among your cultural, arts and historic preservation groups and stimulate them to create new offerings, events and developments each year.





The Chief Theater  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 5C

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Denver Business Journal, December 21-27, 2012, Denver-Area Cultural Attractions

# Denver-Area Cultural Attractions

Ranked by official attendance figures<sup>1</sup>

Rank/ Prior	Venue Address	Phone/ Website	2011 Official attendance <sup>2</sup> / total people serviced <sup>3</sup>	2011 Revenue: ticket sales/ grants	2011 Contributions: corporate/ individual/other	Executive(s)
1	Denver Zoological Gardens 2900 Steele St., City Park Denver, Colo. 80205	720-337-1400 www.denverzoo.org	1,209,020 1,899,299	\$6,650,545 \$2,640,964	\$2,334,943 \$1,820,283 \$9,510,558	Craig B. Pipes, president, CEO
2	Anythink / Bergener Library District <sup>4</sup> 5877 E. 120th Ave., Thornton, Colo. 80602	303-405-3200 www.anythinklibraries.org	1,377,320 1,398,329	n/a n/a	n/a n/a	Pam Sandilini Smith, library director (psmith@anythinklibraries.org)
3	Denver Museum of Nature & Science 2001 Colorado Blvd., Denver, Colo. 80202	303-770-6000 www.dnmns.org	1,319,610 1,437,600	\$745,188 \$6,042,625	\$1,664,437 \$3,660,094 n/a	George Sparks, president, CEO (george.sparks@dmns.org)
4	Denver Botanic Gardens 1007 York St., Denver, Colo. 80206	720-865-3500 www.botanicgardens.org	801,276 945,036	\$3,002,445 \$1,531,064	\$166,228 \$2,127,397 n/a	Brian Vogt, CEO (vogtb@botanicgardens.org)
5	Denver Art Museum <sup>5</sup> 100 W. 14th Avenue Parkway, Denver, Colo. 80202	720-865-5000 www.denverartmuseum.org	669,437 731,484	\$1,171,92 \$919,039	\$1,149,838 \$4,119,867 \$158,964	Frederic C. Hamilton, chairman Christoph Reinick, Frederick and Jan Mayer Director
6	Downtown Aquarium 700 Water St., Denver, Colo. 80211	303-561-4450 www.downtownaquarium.com	600,000 600,000	n/a n/a	n/a n/a	A. Scott Hutgan, regional director (shutgan@city.com)
7	Denver Center for the Performing Arts 1101 13th St., Denver, Colo. 80204	303-853-9000 www.denvercenter.org	514,855 567,137	\$25,482,227 \$2,637,297	\$9,219,246 \$2,613,478 \$6,994,035	Bartel Fitchie, CEO
8	Arvada Center for the Arts and Humanities 6901 Wadsworth Blvd., Arvada, Colo. 80003	720-698-7200 www.arvadacenter.org	340,000 643,895	\$3,963,437 \$66,714	\$26,526 \$235,000 \$4,522,495	Clark Johnson, interim executive director, CEO (cjohnson@arvadacenter.org)
9	Denver Oktoberfest 1111 South St., Louisville, Colo. 80027	720-859-6475 www.oktoberfestdenver.com	316,000 841,000	n/a n/a	n/a n/a	Jeff Suffolk, CEO (jeff_s@oktoberfest.com)
10	Children's Museum of Denver 2121 Children's Museum Drive, Denver, Colo. 80211	303-433-7444 www.mychildmuseum.org	297,303 308,162	\$1,572,077 \$905,973	\$183,771 \$263,970 \$260,234	Mike Yankovich, president, CEO
11	Butterfly Pavilion 6252 W. 104th Ave., Westminster, Colo. 80020	303-429-5441 www.butterflies.org	252,231 328,869	\$1,276,625 \$9,434	\$18,183 \$44,138 \$592,676	Patrick Tenneyson, president, CEO (ptennyson@butterflies.org)
12	Colorado Renaissance Festival 409 S. Wilcox St., Castle Rock, Colo. 80104	303-688-6010 www.coloradorennaissances.com	212,000 212,000	n/a n/a	n/a n/a	Jim Paradise, president, CEO
13	Denver Film Society 1510 York St., Third Floor Denver, Colo. 80202	303-595-9456 www.denverfilm.org	177,701 197,869	\$1,612,895 \$116,749	\$293,462 \$525,111 \$468,722	Tom Bohlho, executive director (tom@denverfilm.org)
14	Colorado Symphony Boettcher Concert Hall - Denver Performing Arts Complex, 1000 14th St., Denver, Colo. 80202	303-623-7876 www.coloradosymphony.org	168,501 215,575	\$5,938,233 \$842,229	\$12,793 \$1,943,621 \$10,000	Gene Soboczak, president, CEO (gsoboczak@coloradosymphony.org)
15	The Wildlife Experience Museum 10035 Beards St., Parker, Colo. 80134	720-488-8300 www.thewildlifeexperience.org	156,436 216,215	\$910,952 \$4,006,782	\$129,947 \$25,204 \$319,654	Gary Debus, president, CEO (gdebus@twexp.org)
16	Colorado Ballet 1278 Lincoln St., Denver, Colo. 80203	303-637-6888 www.coloradoballet.org	145,708 226,689	\$76,099 \$151,715	\$93,981 \$836,438 n/a	Marie Belen Wheatley, executive director (marie.wheatley@coloradoballet.org)
17	Dinosaur Ridge 10321 W. Alameda Parkway, Morrison, Colo. 80465	303-697-3466 www.dinosaurridge.org	109,000 180,400	\$91,000 \$1,500	\$9,000 \$91,000 \$99,000	Joe Tempel, executive director (joe.tempel@dinosaurridge.org)
18	Colorado Railroad Museum 17155 W. 44th Ave., Golden, Colo. 80403	303-279-4591 www.coloradorailroadmuseum.org	96,685 98,412	\$408,949 \$286,225	n/a \$313,273 \$14,771	Donald J. Tallman, executive director (donald@crmm.org)
19	Buffalo Bill Museum 987-1/2 Lookout Mountain Road, Golden, Colo. 80401	303-626-0744 www.buffalobill.org	62,776 870,266	\$62,776 n/a	n/a n/a	Steve Hines, executive director (Steve.Hines@denvergov.org)
20	United States Mint 320 W. Colfax Ave., Denver, Colo. 80204	303-405-4761 www.usmint.gov	54,372 66,252	n/a n/a	n/a n/a	David Croft, plant manager
21	Museum of Outdoor Arts - MOA Main Gallery Indoor Outdoor 1000 Englewood Parkway, Englewood, Colo. 80110	303-696-0344 www.moaonline.org	45,000 245,000	n/a n/a	n/a n/a	Cymbia Madden Leiber, president, executive director
22	Four Mile Historic Park 715 S. Forest St., Denver, Colo. 80246	720-865-0800 www.fourmilepark.org	41,038 41,038	\$202,177 \$15,300	\$3,250 \$32,159 \$107,100	Mackenzie Pacheco, director of development and marketing (mackenzie@fourmilepark.org)
23	Loganmont Museum & Cultural Center 400 Quail Road, Loganmont, Colo. 80501	303-651-8374 www.loganmontculturalmuseum.org	38,072 50,007	\$29,380 \$5,400	\$2,642 \$14,727 \$76,079	Wesley Jessup, museum director (wesley.jessup@loganmont.co.us)
24	Denver Firefighters Museum 1326 Trumbull Place, Denver, Colo. 80204	303-892-1436 www.denverfirefightersmuseum.org	37,547 130,967	n/a n/a	n/a n/a	Winifred Ferris, executive director (win@denverfirefightersmuseum.org)
25	Molly Brown House Museum 1340 Pennsylvania St., Denver, Colo. 80203	303-632-4092 www.mollybrown.org	36,193 46,808	\$416,201 \$42,899	\$69,450 \$90,937 \$68,979	Annie L. Levisky, executive director, Historic Denver (annie.levisky@historicaldenver.org)



Craig B. Pipes, president, CEO

Ranked by 2011 ticket sales

Name	2011 Ticket Sales
Denver Center for the Performing Arts	\$25,482,227
Denver Museum of Nature & Science	\$7,451,188
Denver Zoological Gardens	\$6,650,545
Colorado Symphony	\$5,938,233
Arvada Center for the Arts and Humanities	\$3,963,437
Denver Botanic Gardens	\$3,002,445
Children's Museum of Denver	\$1,572,077
Denver Film Society	\$1,500,000
Butterfly Pavilion	\$1,276,625
Denver Art Museum	\$1,171,920
The Wildlife Experience Museum	\$910,952
Molly Brown House Museum	\$416,201
Colorado Railroad Museum	\$408,949
MOA Art and Culture Center	\$400,000
Four Mile Historic Park	\$202,177
Colorado Ballet	\$183,771

**NOTES:**

Source: DBJ research

n/a: Not ranked last year.  
n/a: Not available

Footnotes: 1. Where official attendance records are not available, we ranked by other attendance figures. 2. Official attendance figures are those that are collected by ticket receipts, manual turn styles and/or electronically. 3. Total people served includes official attendance, outreach, unpaid/unaudited attendance. 4. Includes Bennett/Brighton/Commercial City/Hurban Street/Peri Mack/Washington Street/Wright Farm locations. 5. If location provided for the Denver Art Museum is for fiscal year 1-Sept-30/2011.

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The Chief Theater  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 5D

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League of Historic American Theaters (LHAT) 2012 Award for Outstanding Historic Exhibit 5E Theater – Video Weblink:

[http://www.lhat.org/historictheatres/Outstanding\\_Theatre.aspx](http://www.lhat.org/historictheatres/Outstanding_Theatre.aspx)

*\*You Must Go Online to Fully Enjoy This Exhibit 5D*



Tennessee Theatre, Knoxville, TN  
 Courtesy: Westlake Feed, Lashofsky

*A professional network dedicated to sustaining America's historic theatres for the benefit of their communities and future generations.*

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[37<sup>th</sup> Annual Conference  
July 17-20, 2013  
Minneapolis, MN](#)

[Contact Us](#)

## CURRENT DISCUSSIONS

### LHAT Members are Talking . . . on the LHAT-CHAT Network

Here's just a small overview of what LHAT members are discussing on LHAT's cutting-edge, customized online community:

- TV as advertising medium
- Volunteers & Worker's Comp
- Vintage panic bars
- Booking flat vs. percentage deals
- Install cup holders in theatre or not?
- Impact of Hurricane Sandy
- Pre-show announcements re: fire safety
- Showing older movies
- Necessary to convert to digital if showing classic films?
- Cabaret Seating
- Revenue from concessions
- Naming rights for theater seats
- Complimentary tickets for promoters
- Launching membership/friends programs
- Christmas movies
- Decibel limits policies

[Read more about the LHAT-CHAT Network](#)

## NEWS & EVENTS

### Look Who Just Joined LHAT!

January 05, 2013

### RFP: 2013 LHAT Conference Education Sessions. Deadline: Jan. 23, 2013

January 04, 2013

### USITT: Theatre Projects Consultants Founder Richard Pilbrow to Receive USITT "Golden Pen" Award

January 04, 2013

### SAVE THE DATES: 2013 LHAT Annual Conference in Minneapolis

November 20, 2012

[All News](#)





**The Chief Theater**  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 2A

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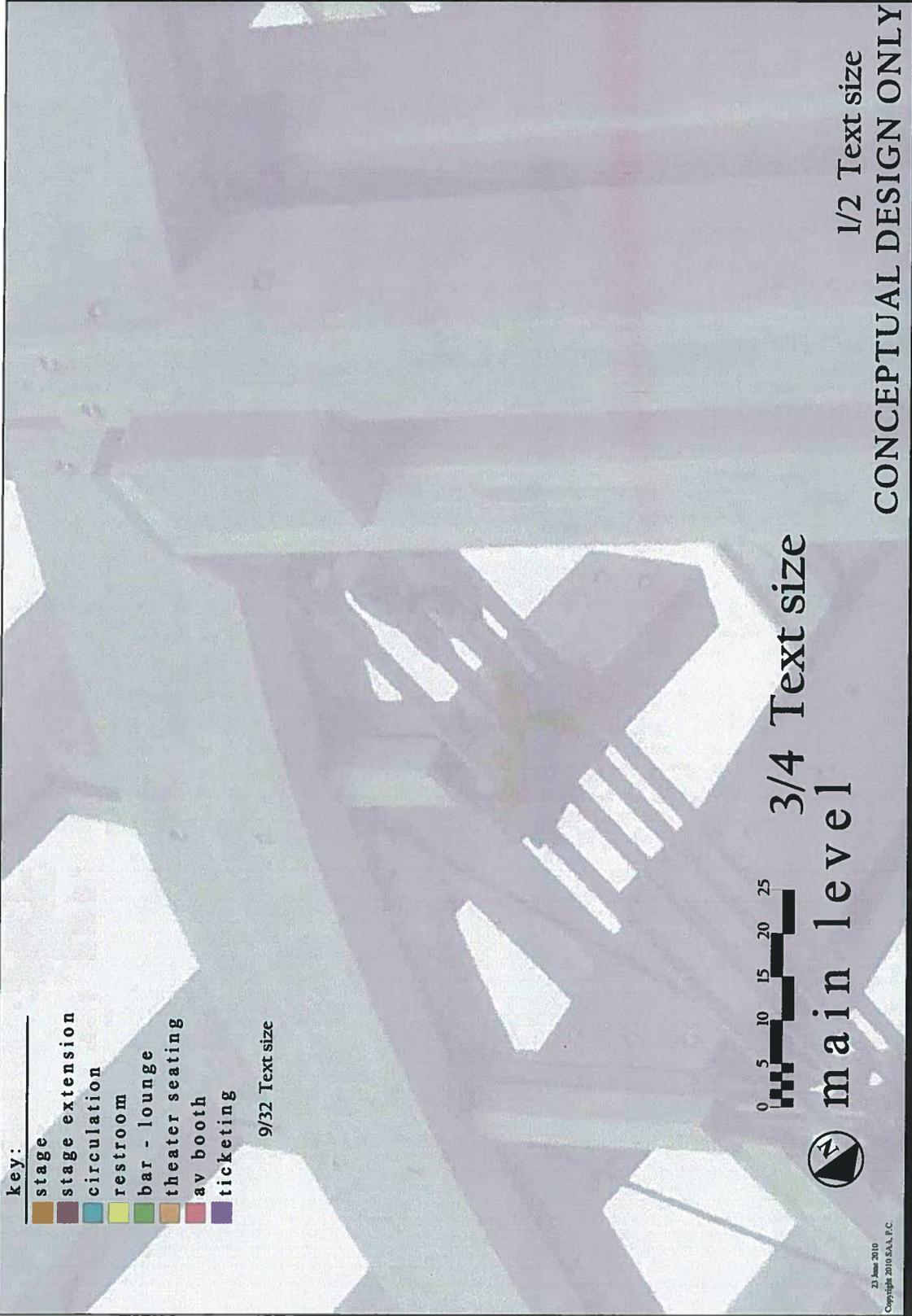
The Conceptual Drawings of the Chief Theater

key:

-  stage extension
-  stage extension
-  circulation
-  restroom
-  bar - lounge
-  theater seating
-  av booth
-  ticketing

9/32 Text size

7/32 Text size  
 1/4 Text size  
 3/8 Text size  
 1/2 Text size



3/4 Text size



main level

1/2 Text size

CONCEPTUAL DESIGN ONLY

23 June 2010  
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# The Chief - A New Cultural Center



STEAMBOAT  
 ARCHITECTURAL  
 ASSOCIATES



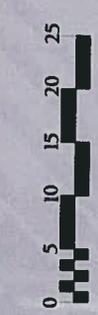
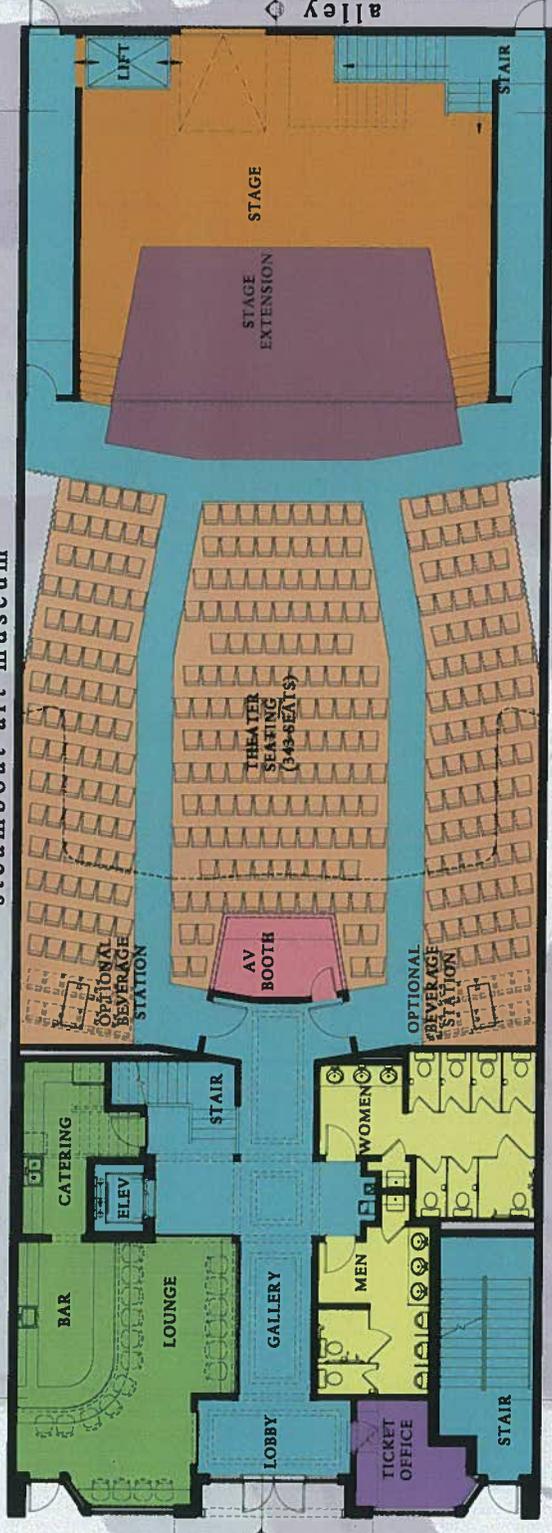
- key:**
- stage
  - stage extension
  - circulation
  - restroom
  - bar - lounge
  - theater seating
  - av booth
  - ticketing

<b>MAIN LEVEL SQUARE FOOTAGE</b>	
Theater Seating	1,920 s.f.
Stage	792 s.f.
Stage Extension	596 s.f.
AV Booth	92 s.f.
Ticket Office	90 s.f.
Bar / Lounges / Catering	600 s.f.
Restroom	422 s.f.
Circulation / Gallery	2,369 s.f.
<b>TOTAL Main Level SF</b>	<b>6,885 s.f.</b>

**CONCEPTUAL DESIGN ONLY**

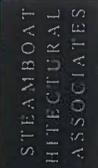
**CONCEPTUAL DESIGN ONLY**

**CONCEPTUAL DESIGN ONLY**



**main level**

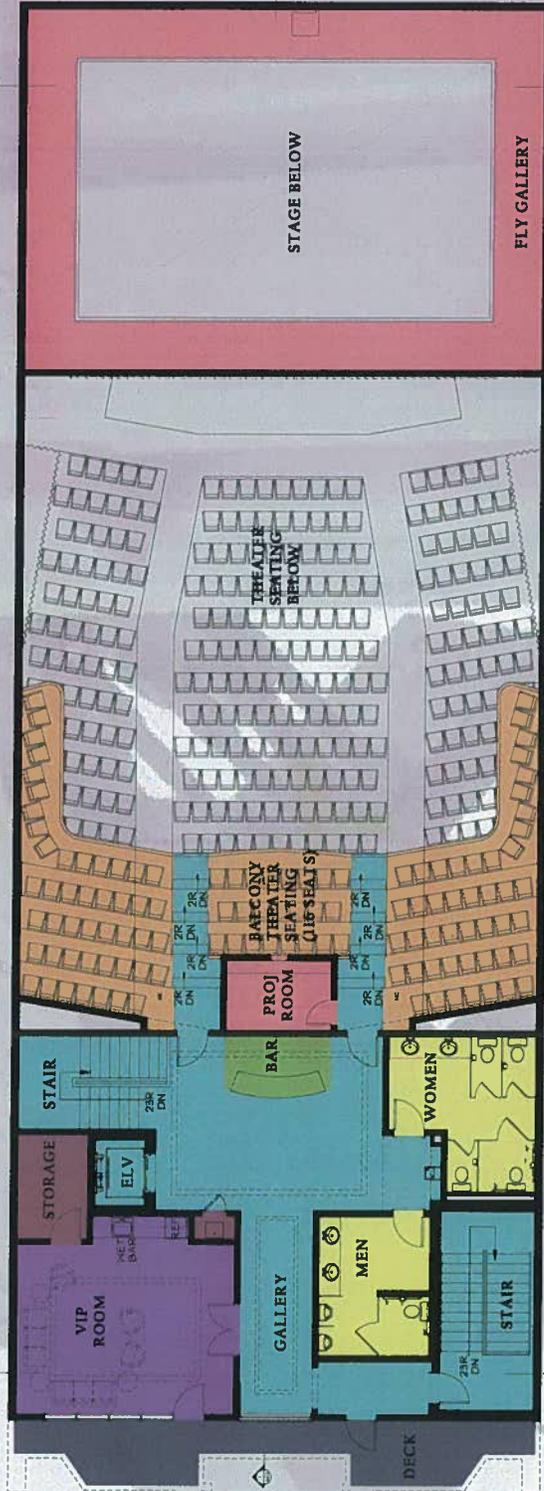
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**STEAMBOAT  
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**The Chief - A New Cultural Center**

- key:
- bar
  - balcony seating
  - circulation
  - deck
  - projector room
  - fly gallery
  - storage
  - vip room



upper level

CONCEPTUAL DESIGN ONLY

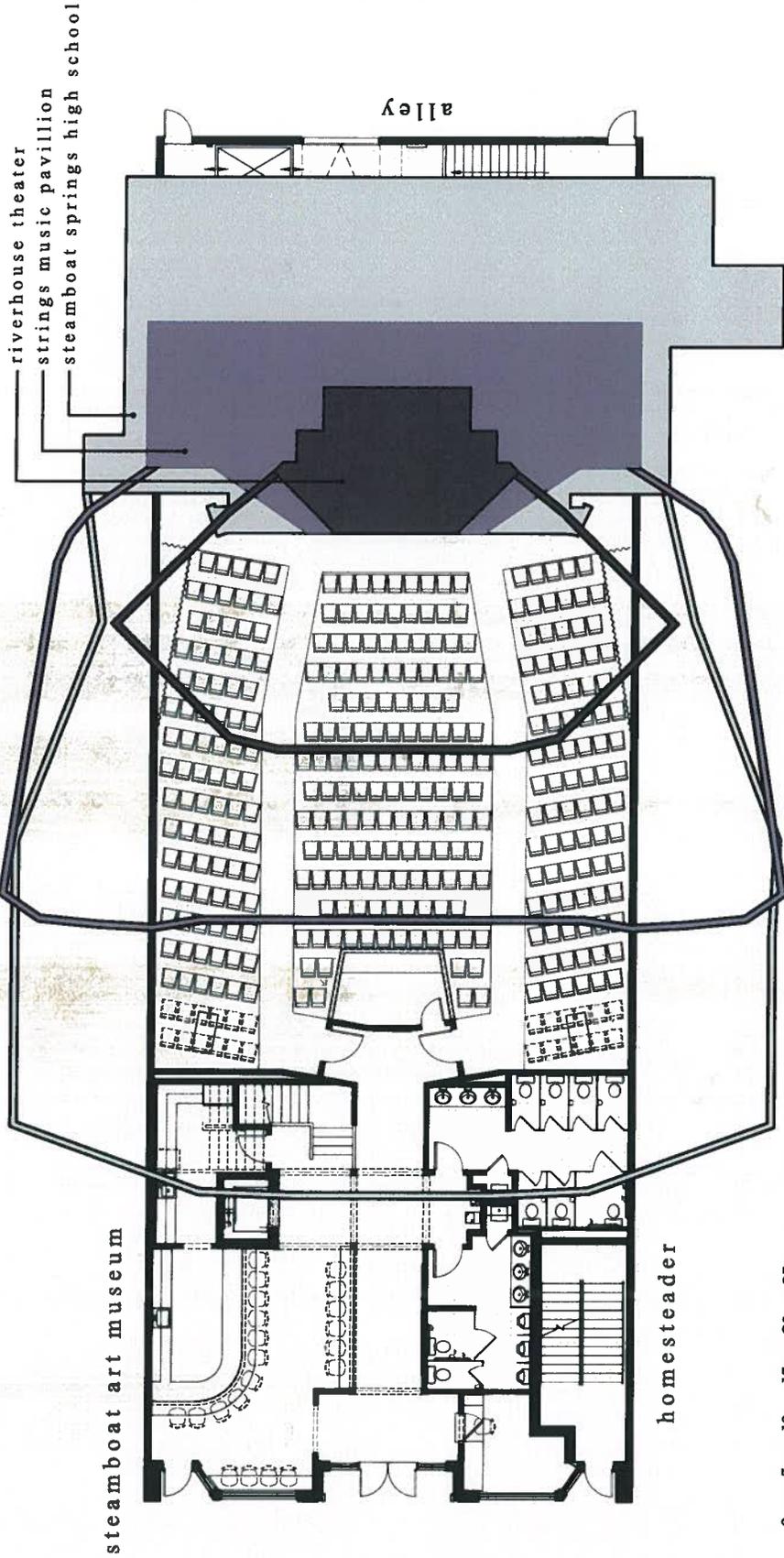
UPPER LEVEL SQUARE FOOTAGE	
Mechanics Area	740 s.f.
VIP Room	344 s.f.
Bar	148 s.f.
Projector Room	66 s.f.
Gallery/Circulation	1126 s.f.
Restrooms	30 s.f.
Storage	86 s.f.
<b>TOTAL Upper Level SF</b>	<b>2,820 s.f.</b>

The Chief - A New Cultural Center



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stage overlays

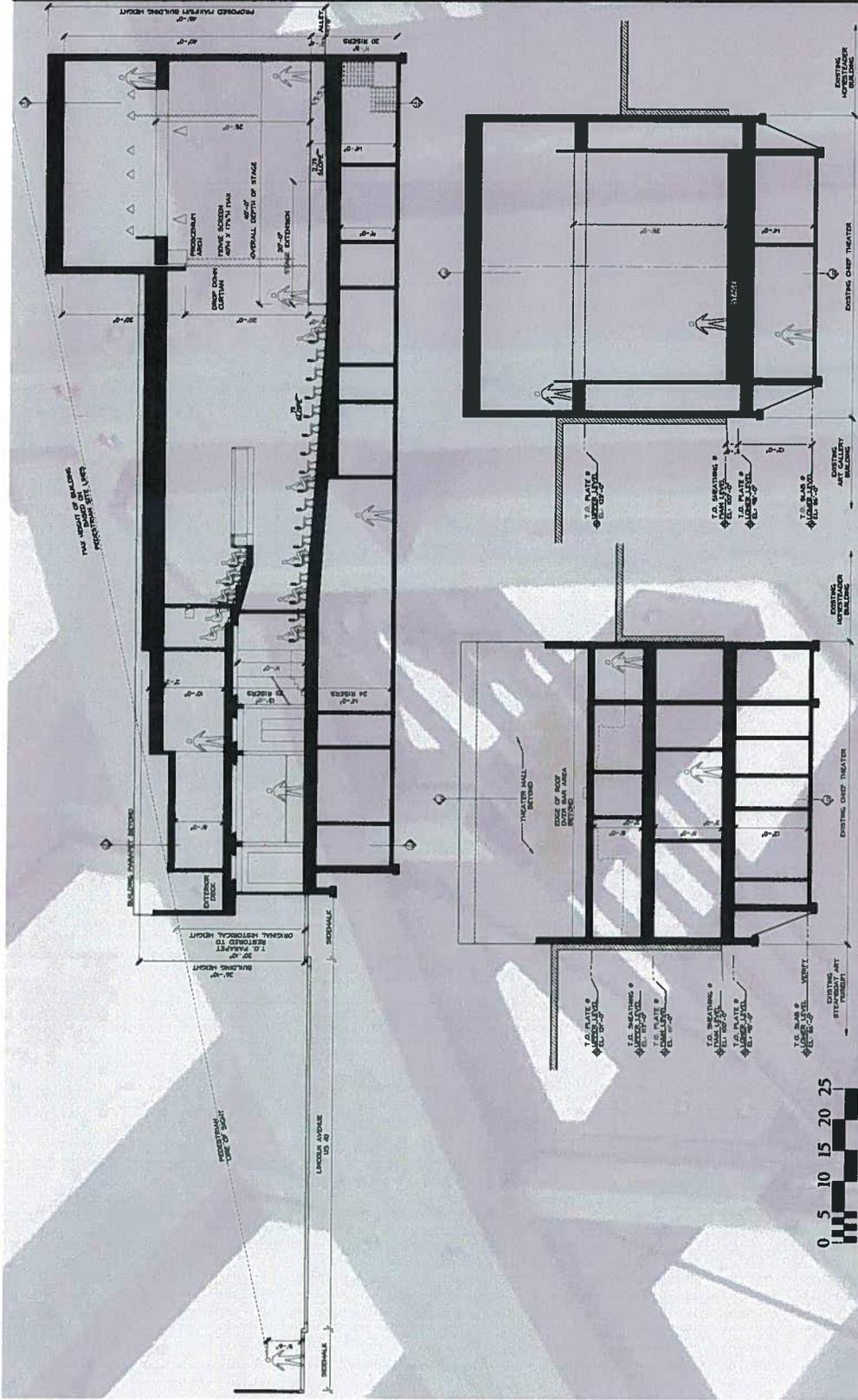
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building sections

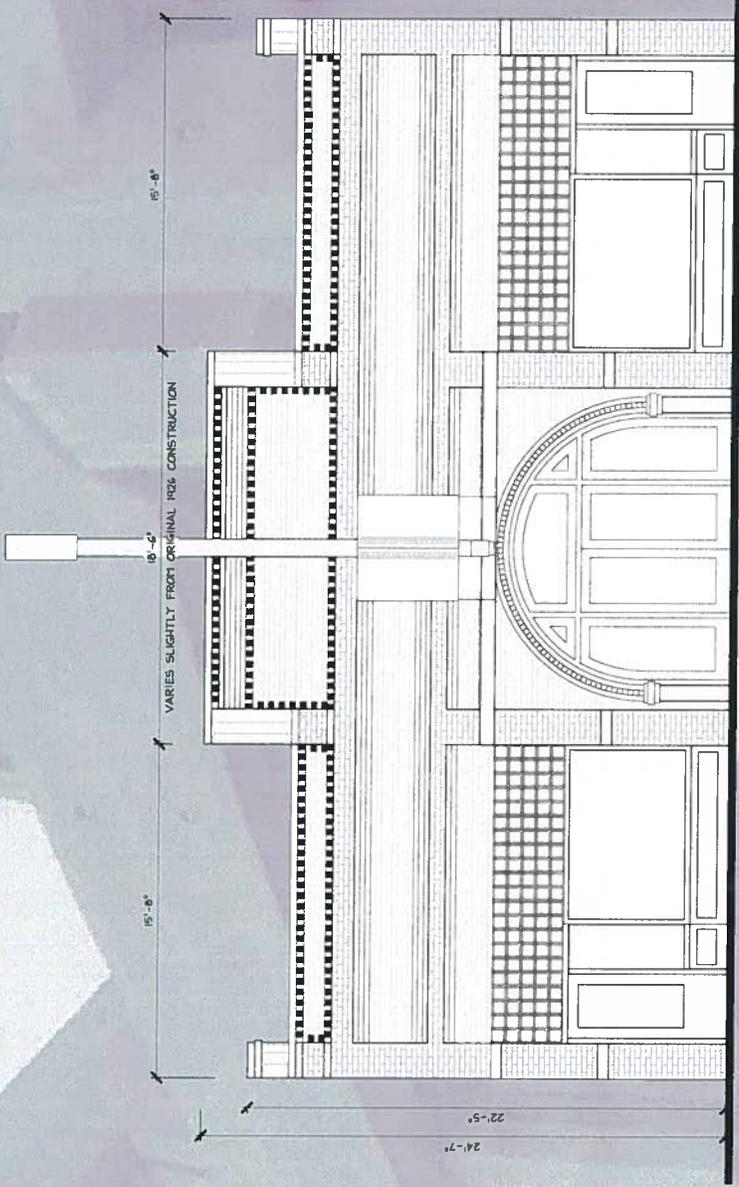
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elevation

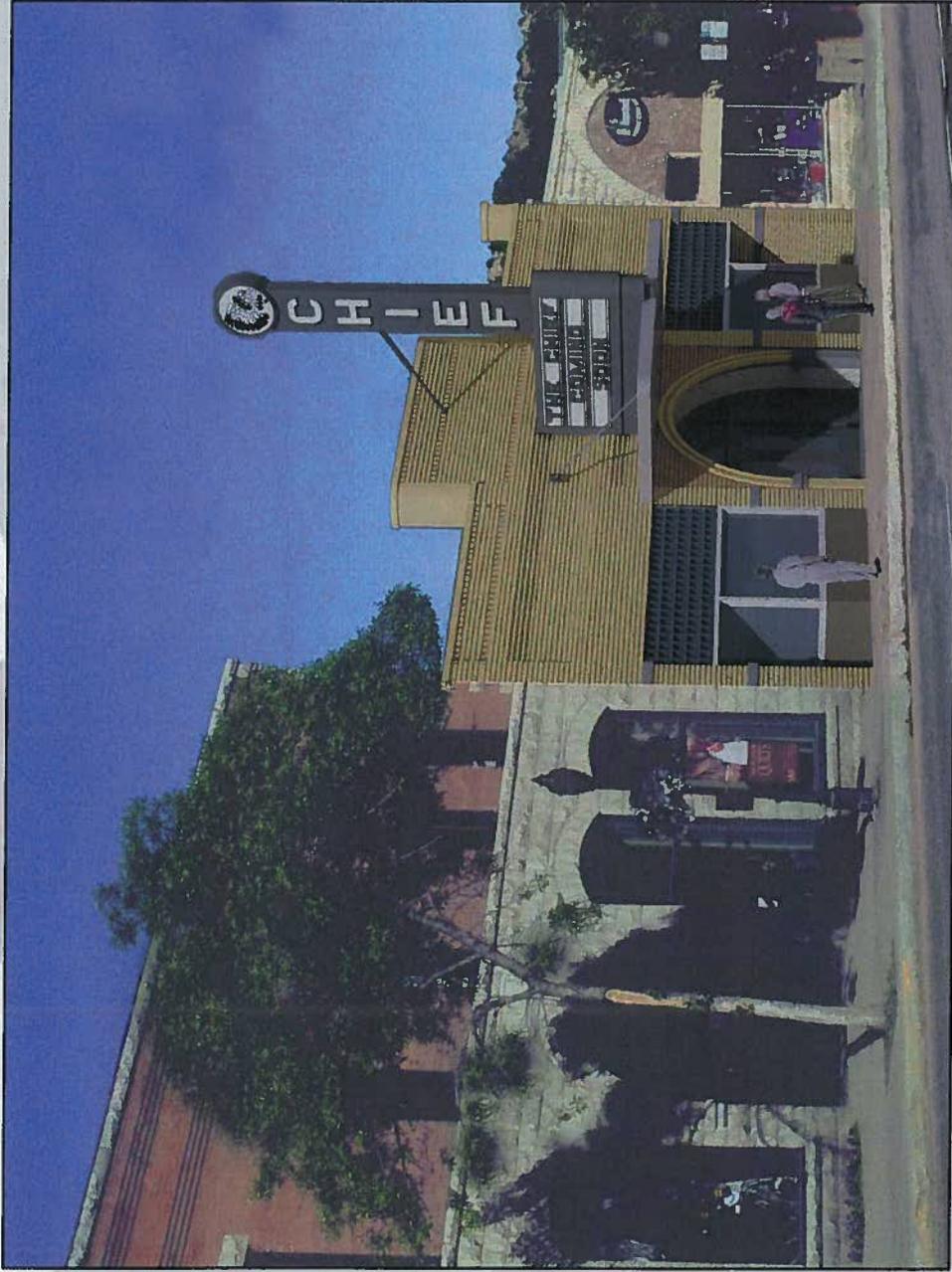
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# The Chief - A New Cultural Center



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The Chief Theater

813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 2B

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Executive Director Resume

# Tamara Lee Beland

[tamaraleebeland@hotmail.com](mailto:tamaraleebeland@hotmail.com) \* 720-425-0522

**Hair:** Auburn **Height:** 5'7" **Eyes:** Hazel **Vocal:** Alto-Tenor/Belt

## **Other** (more information provided upon request)

Radio Co-Host (Dudley & Bob Morning Show)	KLBJ (Austin)
Public Speaker/Public Relations	Nationwide
Jazz/Blues Singer	Nationwide (including SXSW)
Producer/Booker	Texas and Colorado
Board Member	Blue Theatre, Working Stages (Austin, NY)
Judge	American Idol judge-Local auditions (Austin)

## **Theatre**

State the Truth	Joan Marks	5280 Players The Down Under/Denver
Desdemona	Emilia*	Iron Belly Muses The Vortex/Austin
American Arcana	Mom	Refraction Arts Blue Theater/Austin
A Christmas Carol	Belle/Variou	Second Theatre Helms Fine Arts/Austin
Be It As It May	Joni	Slide Theatre Company Zachary Scott/Austin
Talk Cooks No Rice	Various	Script Works Blue Theater/Austin
Remembering	Writer/Narrator	Frontera Fest Hyde Park/Austin
Various	Various	Working Stages** Various/NY
<b><u>Musical/Comedy</u></b>		
Big Mama Red	Emcee/Songstress	Various/Nationwide
Esther's Follies	Troupe Member/PR	Esther's Pool/Austin
Hooked on Symphonics	Singer/PR	Esther's Pool/Austin
Catfight/All-Girl Improv	Director/Producer	Bad Dog/Austin
Two Red Heads	Singer/Songwriter Duet	Various/Austin (including ACL)
Inflatable Egos Improv	Performer	Velveeta Room/Austin
Little Shop of Horrors	Audrey	Biggest Lil'Theatre, Tx
Big River	Mary Jane	Biggest Lil'Theatre, Tx

## **Training**

Zachary Scott	Austin, Texas
The New School/American Musical and Dramatics Academy	NY, NY
Alley Theatre	Houston, Texas

\*Austin Theater Critics Table Award

\*\*All works written, produced and performed by company members

**Tamara Lee Beland**  
1360 Skyview Lane #2 Steamboat Springs, Co. 80487  
(720)-425-0522 or [tamaraleebeland@hotmail.com](mailto:tamaraleebeland@hotmail.com)

### **Strengths**

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- Comprehensive management experience with a focus on arts and human services.
- People person skilled at relationship development in a vast array of situations.
- Problem solver, adept at providing exemplary leadership focused on staff development and support.
- Multi-tasker with an ability to thrive in fast-paced and changing environments.
- Well rounded, passionate and creative individual with a unique ability to inspire others.
- Gifted at seeing the "Big Picture" while being able to map out the necessary steps and details required.
- Innovator with a focus on systems design and budgetary controls.

### **Experience (Full-Time)**

---

- 2008-2012      *Eating Recovery Center (ERC)*      *Director of Facilities and Housing*
- As a member of ERC's senior management team played an integral role in the opening and growth of a start-up hospital recognized as the 2<sup>nd</sup> fastest growing company in Colorado in 2010. Responsible for various tasks including: HR, space programming/planning, interior design and FFE procurement, construction project management, real estate planning, patient advocacy, IT/PBX, maintenance, EVS, EOC, vendor contracts/relations and administrative team supervision. Oversaw all facilities management for 6 locations and 100k+ square feet. Wrote, edited and educated staff on Environment of Care policies which in turn passed four Joint Commission Accreditation and State Licensing reviews. Acted as consultant on operations planning and integration for newly acquired practices outside of Colorado.
- 2004-2008      *Austin Arts and Music Project*      *Founder/Executive Director*
- Solely founded Austin Arts and Music Project in order to provide much needed arts enrichment to abused children and children of battered women in shelters. The program grew to serve over 140 children per week through classes in music, theater and art. Established "Feedback", a youth volunteer program giving high school students the opportunity to earn community service hours while planning, executing and performing for live music events. Oversaw all marketing, grant writing and creation and execution of programming.
- 1999-2004      *Austin School of Music*      *Director of Operations*
- Grew the Austin School of Music from under 300k per year to a multi-million dollar business by expanding enrollment in private lessons and camps serving 2 locations and over 1000 students. Created ASM's marketing campaign allowing me to do numerous media interviews on radio, TV and in print which in turn branded ASM state-wide. Coordinated all aspects of summer and spring break camps including enrollment, programming, performance events and media appearances. Booked rehearsal space for usage by local non-profits, bands radio events including KLBJ's "Local Licks Live". Served as Project Manager for facilities growth including interior, FFE and IT/PBX design.
- 1995-1999      *Austin Children's Shelter*      *Community Relations Director*
- Established Austin Children's Shelter volunteer and in-kind donation programs to support a 10 million dollar budget by creating strong relationships with individuals, businesses and organizations. Spoke statewide at conventions and for small private events to bring child abuse awareness to the community. Researched, planned and executed events ranging from fundraisers netting over \$600,000 to live music concerts and intimate dinner parties. Coordinated volunteers, board members, staff and vendors to ensure successful and memorable events. Oversaw all aspects of marketing, grant writing and publications.
- 1993-1995      *Lucy's Retired Surfer's Restaurant*      *Event/Floor Manager*
- Helped open a NY and NOLA staple on historic 6<sup>th</sup> Street in Austin. Responsible for hiring and training wait and host staff. Coordinated catering and events as well as booking bands nightly and coordinating week long events for SXSW music festival. Provided public relations assistance and booked publicity for hired bands on radio and television.

***Additional contract/consulting (done in conjunction with full-time positions)***

---

2005-2007	Martin House Design	Interior Design/Sales
2004-2007	Architects and Heroes	Product Design/Sales
1996-1999	Food Heads Culinary	Specialty Sales/Marketing
1989-1992	Boulevard Restaurant	Event planning/Catering/Server

***Additional performance related experience (also see attached performer resume)***

---

Radio Co-Host (Dudley & Bob Morning Show)	KLBJ (Austin, Texas)
Jazz/Blues Singer	Nationwide
Actress/Emcee	Nationwide
Producer/Booker	Texas and Colorado
Board Member	Blue Theatre, Working Stages (Austin, NY)

***Specific Professional Experience/Training***

• ***Operations***

- Marketing/Media
- Public Relations
- Human Resources/Training
- Travel Arrangements
- Strategic/Financial Planning
- Mail/Filing Systems
- IT/PBX
- Research/Data Management
- Expense Reporting
- Physical Plant/Space planning
- Interior Design
- Help Desk Support/Software Implementation
- Department Relations/Awards
- Sales (Retail /Catering / Home)
- Accounts Payable/Receivable
- Customer/Vendor Relations
- Medical Billing/Records
- Microsoft Office/Raisers Edge
- Real estate planning/procurement
- Maintenance/Housekeeping
- Project /Contractor Coordination

• ***Non-profit***

- Fundraising/Grant Writing
- Volunteer Recruitment
- Volunteer Trainer/Manager
- Event /Meeting Planning
- In-kind Donation Coordination
- Programming/Evaluation
- Client Relations/Assessment
- High Risk/Diverse Clientele
- Outing/Activities Coordinator
- Capital Campaign Coordination
- Expansion Design/Build-Out
- Database Design/Maintenance
- Direct Care Staff/Patient Advocacy
- Public Speaking/ Speakers Bureau
- Ticket sales/coordination
- Publications/Social Media
- Community Relations
- Board Member

• ***Education/Arts***

- Instruction/Mentoring
- Camp/Class Development
- Scheduling/Coordination
- Enrollment/Registration
- Tutoring/Substitute Teacher
- Alumni Relations
- Director/Producer/Actress/Singer
- Prop coordinator/designer

***Education***

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New School	1990-1992	NY, New York
American Musical and Dramatics Academy	1988-1990	NY, New York

***References and Salary requirements attached***

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**The Chief Theater**  
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## Exhibit 2C

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### Immediate Programming Start Examples

- Fundraising - Stars (Steamboat Adaptive Recreational Sports)
- Film Festival (Michael Martin Productions)
- Literary Arts (New Works via Perry Mansfield)
- Theater (Steamboat Follies and Pirate Theater)
- Live Music (The Voice Finalist - Suzanna Choffel & Uncle Lucious)
- Events - First Friday Art Walk & Winter Carnival Reception
- In our Bar Lounge - Jazz, Acoustic & Blues Music (tentatively weekly)
- Dance – San Francisco Keith Terry
- Youth – Battle Of The Bands



**The Chief Theater**  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 2H

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Phase II Operating Pro Forma

PROFORMA OF INCOME & EXPENSE  
 THE CHIEF CULTURAL & PERFORMING ARTS CENTER  
 October 1, 2012  
 REVENUE ASSUMPTIONS FROM OPERATIONS  
 BEGINNING JANUARY 1, 2015

2015      2016      2017      2018      2019

Seats Available	470	470	470	470	470
Cultural Events - No Charge	4	4	4	4	4
Shows - Booked In-House (1)	51	68	68	68	68
Percent of Seats Sold for In-House Bookings	60%	60%	60%	60%	60%
Shows - Outside Bookings (2)	50	50	50	50	50
Percent of Seats Sold for Outside Bookings	65%	65%	65%	65%	65%
Ticket/Insurance Fees for Outside Bookings	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Daily Rental Fee for Outside Bookings	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Space Rentals (Day &/or Night), Days	15	15	15	15	15
Daily Rental Fee for Conferences, Weddings Etc	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
Average Ticket Price for In-House Bookings	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Average Ticket Price for Outside Bookings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Concession Percentage/ Patron / Show Night	75%	75%	75%	75%	75%
Concession Sales/Patron/Show Night	3.00	3.00	3.00	3.00	3.00
Average Concession Price	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Non-Show Nights - Concession Only	124	107	107	107	107
Number of Patrons/Non-Show Night	846	846	846	846	846
Concession Sales/Person/Non-Show Night	2.50	2.50	2.50	2.50	2.50

**CONTRIBUTED INCOME - FROM MEMBERSHIPS**

Friends - Up To \$249	20,000	20,000	20,000	20,000	20,000
Emmy Winners \$250 to \$999	15,000	15,000	15,000	15,000	15,000
Golden Globe Winner \$1,000 - \$2,499	40,000	40,000	40,000	40,000	40,000
Grammy Winner \$2,500 - \$4,999	50,000	50,000	50,000	50,000	50,000
Director - \$5,000 - \$9,999	50,000	50,000	50,000	50,000	50,000
Producer - \$10,000 - \$19,999	50,000	50,000	50,000	50,000	50,000
Oscar Winner - \$20,000 and above	40,000	40,000	40,000	40,000	40,000

Construction Fund Raising

-      -      -      -      -

**Total Membership Income:**

265,000      265,000      265,000      265,000      265,000

Estimated Membership At EOY 5:

-      -      -      -      -

**CONTRIBUTED INCOME - FROM EVENTS**

3 Events Annually @ \$ 10,000 Per Event	30,000	30,000	30,000	30,000	30,000
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Total Events Income:

**COMMUNITY SUPPORT REQUEST - TWO YEARS**

City Of Steamboat Springs @ \$30,000 Per Year	30,000	30,000	30,000	30,000	30,000
---	--------	--------	--------	--------	--------

**TOTAL CONTRIBUTED INCOME:**

345,000      345,000      345,000      345,000      345,000

**IN-KIND DONATIONS**

Architectural	-	-	-	-	-
Legal Counsel	6,000	6,000	6,000	6,000	6,000
Accounting & Admin Services	3,600	3,600	3,600	3,600	3,600

**OPERATING INCOME**

Box Office Receipts from In-House Events	266,490	355,320	355,320	355,320	355,320
Box Office Receipts from Outside Events	466,710	466,710	466,710	466,710	466,710
Rental Income from Outside Bookings	100,000	100,000	100,000	100,000	100,000
Space Rentals (conferences, weddings)	30,000	30,000	30,000	30,000	30,000

PROFORMA OF INCOME & EXPENSE THE CHIEF CULTURAL & PERFORMING ARTS CENTER October 1, 2012	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Ticket Fees Income from Outside Bookings	31,114	31,114	31,114	31,114	31,114
Concession Sales from In-House Events	194,157	172,584	258,876	258,876	258,876
Concession Sales from Outside Bookings	210,020	140,013	210,020	210,020	210,020
Stage Door Revenues - Non-Event Related (3)	131,130	113,153	113,153	113,153	113,153
<b>Total Operating Income:</b>	<b>1,429,621</b>	<b>1,408,894</b>	<b>1,565,192</b>	<b>1,565,192</b>	<b>1,565,192</b>

<b>Total Income All Sources:</b>	<b>1,784,221</b>	<b>1,763,494</b>	<b>1,919,792</b>	<b>1,919,792</b>	<b>1,919,792</b>
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**OPERATING EXPENSE:**

Executive Director	77,250	79,568	81,955	84,413	86,946
Development Director	61,800	63,654	65,564	67,531	69,557
Production Staff Costs, Show Nights	202,000	236,000	236,000	236,000	236,000
Staffing Costs, Tipped Employees	37,760	40,480	40,480	40,480	40,480
Legal & Accounting	18,000	18,000	18,000	18,000	18,000
Talent Costs, In-House Bookings	111,192	178,520	178,520	178,520	178,520
Promoter Fees, Outside Bookings	466,710	466,710	466,710	466,710	466,710
Marketing Costs, In-House Bookings	53,298	40,800	40,800	40,800	40,800
Concession Costs (1/3 Sales)	178,436	141,917	194,016	194,016	194,016
Utilities (Incl. Trash, Office Supplies, Repairs & Maint.)	26,400	26,400	26,400	26,400	26,400
Bldg, Liability, Emp, D&O Insurance	10,800	10,800	10,800	10,800	10,800
Contingency 10%	120,645	126,565	132,204	132,647	133,103
Repairs & Maintenance	12,000	12,000	12,000	12,000	12,000
Allocation for Replacement Reserves	24,000	24,000	24,000	24,000	24,000

**IN-KIND DONATIONS**

Architectural Design	-	-	-	-	-
Legal Advice	6,000	6,000	6,000	6,000	6,000
Accounting & Admin	3,600	3,600	3,600	3,600	3,600

**INTEREST EXPENSE**

Acquisition Loan Int	-	-	-	-	-
Constr Loan & Mortgage Int	159,247	157,562	155,808	153,983	152,083

<b>Total Costs - All Sources</b>	<b>1,569,137</b>	<b>1,632,575</b>	<b>1,692,857</b>	<b>1,695,900</b>	<b>1,699,014</b>
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<b>Net Income(Loss)</b>	<b>215,083</b>	<b>130,919</b>	<b>226,935</b>	<b>223,892</b>	<b>220,778</b>
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**FOOTNOTES:**

1. Strings In The Mountains Festival currently books 85 events in a 10 week period. 50% of these performances are of a different genre from a musical perspective and there are no performances of dance or theatre.
2. Up until approximately 5 years ago, there were two venues in the base area of the mountain that was specific to live entertainment. Both of those venues were closed, not because of lack of business, but because their leases were not renewed. With exception of Ghost Ranch Saloon, which was C & W, there has been nothing established to pick up the lack of live entertainment in doors.
3. While impossible at this time to project gross revenues from the "Stage Door Bar", which will be a 7 per week business operation, comparable annual sales in the area would put the gross at a minimum of \$550,000 +/- per year. The net to operations would most likely be in the 15 - 20% range, and has been shown in the proforma at that level.

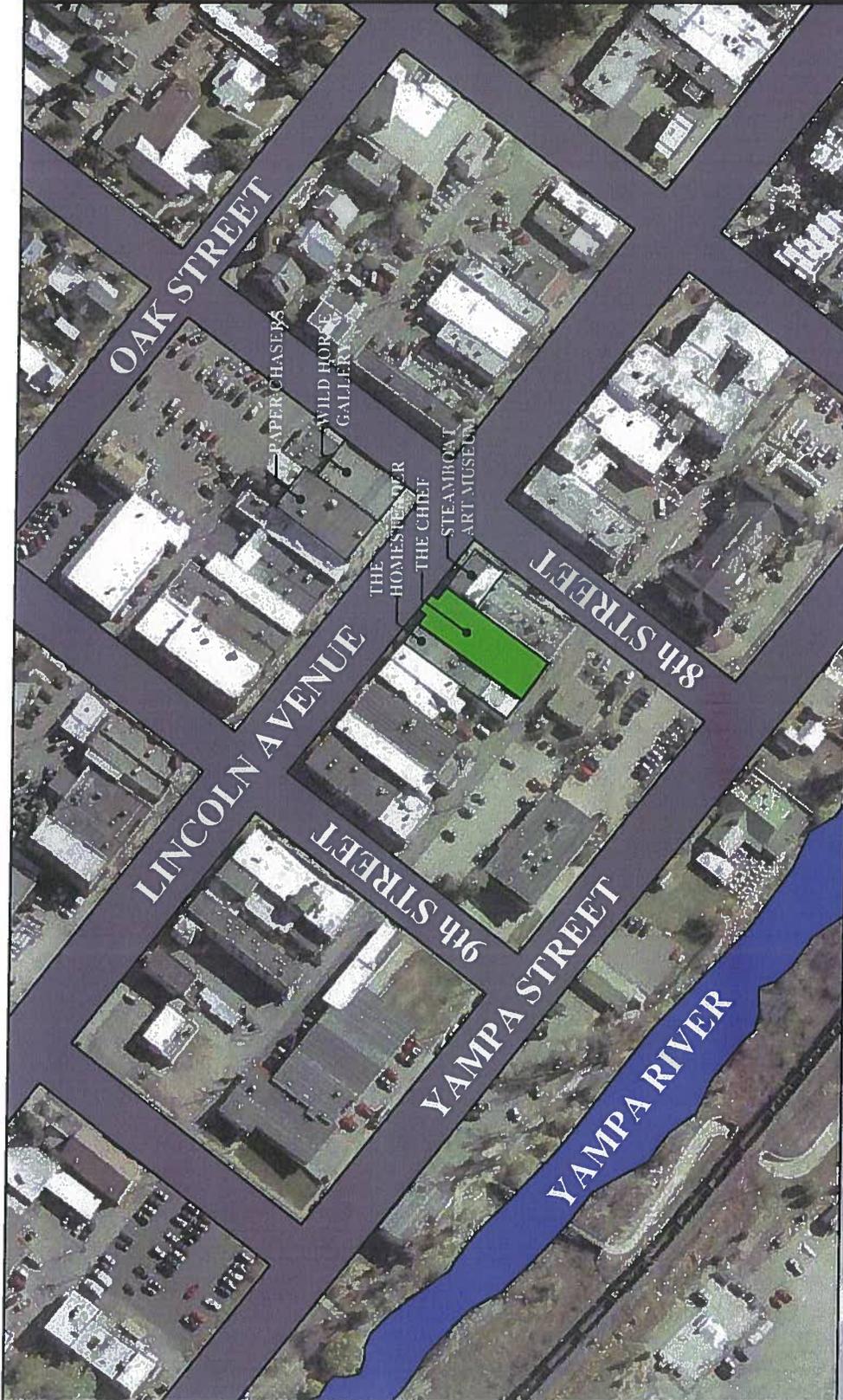


**The Chief Theater**  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 3

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Location Map



site plan

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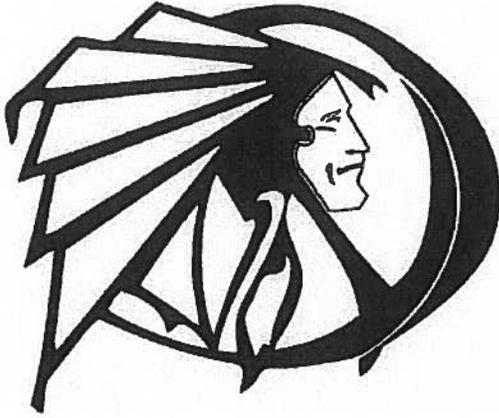


The Chief Theater  
813 Lincoln Ave. | Steamboat Springs, CO

## Exhibit 4A

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Letters of Support



*In support of The Chief Theater*

Attention: Steamboat Springs Accommodations Tax Committee, Steamboat Springs City Council and other funding sources for The Chief Theater as requested,

Please accept this letter as recognition of our support for The Chief Theater and its non-profit corporation, Friends of The Chief. We understand their mission and vision and look forward to The Chief's continued presence in downtown Steamboat. We will partner with The Chief to assist in bringing year round business and tax revenue to the city. We look forward to this partnership and the benefits it will provide us and our neighbors. We also believe keeping the doors open to this historic building will provide an additional economic driver to Lincoln Avenue and will fill the pillows for local lodging establishments. The Chief is an iconic and valued piece of Steamboat history and the dream of turning it into a state of the art center for performance will increase Steamboats national visibility. In turn we believe it will help create jobs and opportunities for those throughout Routt County. The diverse programming opportunities will allow Steamboat a venue for music of all genres, theater, comedy, dance, visual arts, film and more filling a unique and desired need for everyone. The draw caused by this endeavor will allow both Downtown and Yampa Street the chance to thrive while also engaging those on the mountain to put heads in beds throughout the city.

We pledge our support of the Chief and look forward to the future through both Phase I and Phase II of this project. We encourage you to also support The Chief by granting funds for this endeavor.

Sincerely,

Name

*Jesse Murphy*

Business/Organization

*Creative Bearings*

In support of The Chief Theater and

*Friends of The Chief, A Colorado Not-For-Profit Corporation*

P. O. Box 776121 \* Steamboat Springs, CO 80477 \* [www.chieftheater.org](http://www.chieftheater.org)



January 4, 2013

Accommodations Tax Committee:

As a board member for the Friends of the Chief Theater and the Executive Director of MainStreet Steamboat Springs, I would like to offer my support of the proposal by the Friends for a portion of the accommodations tax funds coming available in 2014.

The proposed Chief Theater Performing Arts and Cultural Center, located in the center of Downtown Steamboat Springs, would be an additional amenity to both draw new visitors to Steamboat, as well as to satisfy those who are already here. The varied programming and special event opportunities in this venue would not only help to fill beds in the community, but would also help to elevate the tourism scores when it comes to nightlife in the community, something that has been a problem with numerous ski and travel magazine/website surveys over the years.

Historic theaters across the country have been renovated and used as a catalyst to spur further development in numerous communities which, in turn, helps make the destination more desirable as a place to visit. The arts are becoming an ever growing economic force as can be seen by governmental support for Colorado Creative Industries and the establishment of Colorado Creative Districts throughout the state, making these districts eligible for government grants and funding. The addition of the theater will also help to bolster the restaurants with before and after diners, and perhaps some retail sales. It's a chicken and egg situation where you must invest before you see beneficial return.

Please consider the Chief Theater worthy of serious consideration when it comes to the use of the upcoming Accommodations Tax funds for the next several years to come.

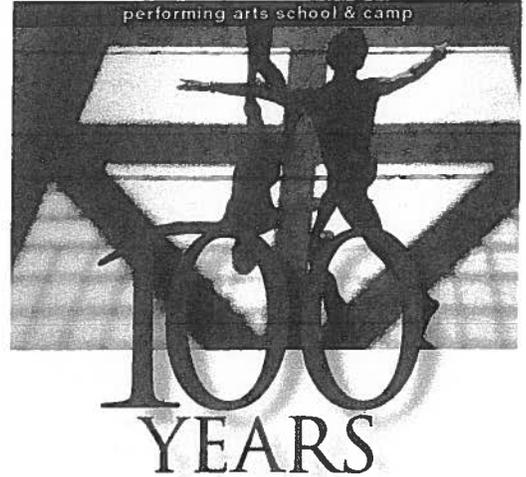
Sincerely,

A handwritten signature in cursive script that reads "Tracy Barnett".

Tracy Barnett  
Executive Directore

# PERRY-MANSFIELD

performing arts school & camp



Date: 9 January 2013

To: City of Steamboat Springs  
Accommodations Tax Review Panel

From: Joan Lazarus  
Executive Director

Re: The Chief Theater

Please accept this letter as in support of the funding request from The Chief Theater and its non-profit corporation, Friends of The Chief. Perry-Mansfield is completely aligned with The Chief's mission to bring the performing arts downtown, and we hope to collaborate with them often, as co-presenters and partners in providing arts experiences for the region.

The Chief is an iconic and valued piece of Steamboat history and the dream of turning it into a state of the art center for performance will increase Steamboat's national visibility and make it clear to visitors and locals alike that life in Steamboat includes dinner out and then the theater. The Chief's diverse programming vision will allow Steamboat a venue for music of all genres, theater, comedy, dance, visual arts, film and more — filling a unique and desired need for arts-loving individuals and their families.

We pledge our support of The Chief and look forward to the future — the arts community in Steamboat is eager for choice and excellence. I think The Chief Theater can supply both!

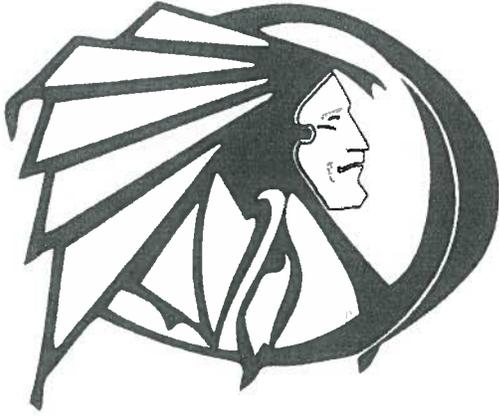
Best regards,

A handwritten signature in cursive script that reads 'Joan Lazarus'.

Joan Lazarus

Kathleen Wasserman, President . Jim Cook, Vice President . Lore Marvin, Treasurer . Don Kaplan, Secretary  
Linda May Morrison . Sue Neville . Faye Morgenstern . Jeff Tarnoff . Pat Walsh . Joan Lazarus . Jim Steinberg, Past President

40755 COUNTY ROAD 36 . STEAMBOAT SPRINGS, CO 80487-9202 . 970-879-7125 . WWW.PERRY-MANSFIELD.ORG



*In support of The Chief Theater*

Dear Steamboat Springs Accommodations Tax Committee, Steamboat Springs City Council and other funding sources for The Chief Theater as requested,

Collectively, the undersigned restaurant owners of Downtown Steamboat Springs are writing in support of the request by The Chief. As businesses that generate a significant amount of employment and sales tax revenues for the city, it is vitally important that we find ways to enhance opportunities for nightlife through planned events. The Chief offers us the opportunity to provide pre and post show dinners and promotions to those in attendance at events being held at the facility. The Chief will be a mixed use facility offering a venue not only for arts performances, but for conferences, weddings, and other events requiring food service. The Board of Directors of The Chief made a conscious decision to not provide a full kitchen in favor of using local restaurants to handle any catering needs, which offers our businesses yet another opportunity.

We pledge our support of the Chief and look forward to the future of this project. We encourage you to also support The Chief by granting funds for this endeavor.

Sincerely,

Name

Business/Organization

Sharon Mitchell

Winn's

Jim Tuck

Sweetwater Grill

Paul McComiskey

8<sup>th</sup> Street Steakhouse

David C. Orr

Sunpie's

Sydney Lowe

Ciao Gelato

Stacy S

Carl's Tavern

Michelle W. WJ

Ghost Ranch

David Burt

Brathouse Pub



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Sincerely,

Name

Business/Organization

Kathleen C. DeBell

Steaming Bean

Eric Pyle

Noodle & More

Lindsay Balgouyen

Smokehouse

~~Wendy~~

Tap House

Janie Roberts

Mambo Italianos

Erin Cristan

5th St. Deli + Bar

Brian Vaughn

Bistro CV.



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Sincerely,

Name

Business/Organization

*[Handwritten signature]*

*OTIP (OLD TOWN PUB)*

*[Handwritten signature]*

*THE STACK CAFE*

*[Handwritten signature]*

*SRG - Laundry*

*[Handwritten signature]*

*RET.*

*Cesar Harms*

*Canton*

*Anda Rumpof*

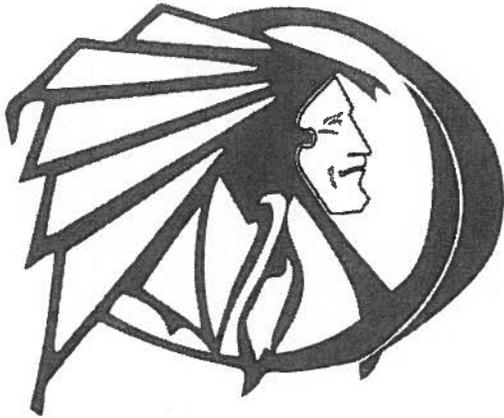
*Supporter*

*Bradley Ser*

*Hungry Dog*

*[Handwritten signature]*

*BCP - BACK COUNTRY PROVISIONS*



*In support of The Chief Theater*

Attention: Steamboat Springs Accommodations Tax Committee, Steamboat Springs City Council and other funding sources for The Chief Theater as requested,

Please accept this letter as recognition of our support for The Chief Theater and its non-profit corporation, Friends of The Chief. We understand their mission and vision and look forward to The Chief's continued presence in downtown Steamboat. We will partner with The Chief to assist in bringing year round business and tax revenue to the city. We look forward to this partnership and the benefits it will provide us and our neighbors. We also believe keeping the doors open to this historic building will provide an additional economic driver to Lincoln Avenue and will fill the pillows for local lodging establishments. The Chief is an iconic and valued piece of Steamboat history and the dream of turning it into a state of the art center for performance will increase Steamboats national visibility. In turn we believe it will help create jobs and opportunities for those throughout Routt County. The diverse programming opportunities will allow Steamboat a venue for music of all genres, theater, comedy, dance, visual arts, film and more filling a unique and desired need for everyone. The draw caused by this endeavor will allow both Downtown and Yampa Street the chance to thrive while also engaging those on the mountain to put heads in beds throughout the city.

We pledge our support of the Chief and look forward to the future through both Phase I and Phase II of this project. We encourage you to also support The Chief by granting funds for this endeavor.

Sincerely,

Name

Business/Organization

Clark L Davidson

In support of The Chief Theater and

*Friends of The Chief, A Colorado Not-For-Profit Corporation*

P. O. Box 776121 \* Steamboat Springs, CO 80477 \* [www.chieftheater.org](http://www.chieftheater.org)



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Sincerely,

Name

CANDICE  
BANMISTER

Business/Organization

TREAD OF PIONEERS  
MUSEUM

In support of The Chief Theater and

*Friends of The Chief, A Colorado Not-For-Profit Corporation*

P. O. Box 776121 \* Steamboat Springs, CO 80477 \* [www.chieftheater.org](http://www.chieftheater.org)



*In support of The Chief Theater*

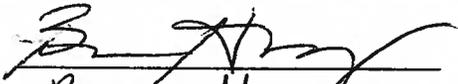
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Sincerely,

Name

  
Brian Harvey

Business/Organization

  
SKI TOWN TOWN PRODUCTIONS  
PIRATE THEATRE

In support of The Chief Theater and

*Friends of The Chief, A Colorado Not-For-Profit Corporation*

P. O. Box 776121 \* Steamboat Springs, CO 80477 \* [www.chieftheater.org](http://www.chieftheater.org)



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Sincerely,

Name

Todd Davidson  
TODD D =

Business/Organization

Pirate Theatre

In support of The Chief Theater and

*Friends of The Chief, A Colorado Not-For-Profit Corporation*

P. O. Box 776121 \* Steamboat Springs, CO 80477 \* [www.chieftheater.org](http://www.chieftheater.org)



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Sincerely,

Name

*Kristen Jespersen*

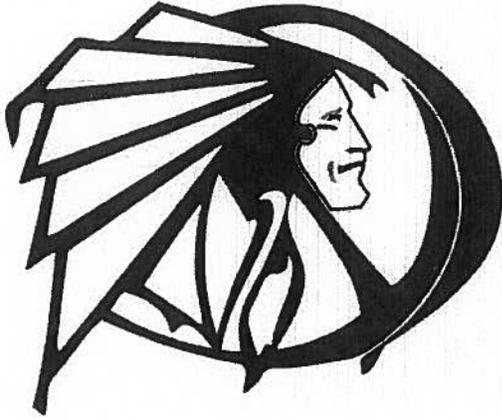
Business/Organization

*Steamboat Dance Theatre*

In support of The Chief Theater and

*Friends of The Chief, A Colorado Not-For-Profit Corporation*

P. O. Box 776121 \* Steamboat Springs, CO 80477 \* [www.chieftheater.org](http://www.chieftheater.org)



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Sincerely,

Name

Business/Organization

[Signature]  
[Signature]  
[Signature]  
Bue Krace  
[Signature]  
[Signature]  
Kelly Landers  
[Signature]

HARNIGS  
JAWHNY B GOODS DINER  
City Cafe  
off the Beaten Path  
Milk Run  
Tommy Domingo/Brooklynns  
Kelly Landers/Creekside Cafe  
Bill Hamil Steamboat Meat & Seafood Co

DO NOT  
MAKE PUBLIC

~~4/2/2014~~  
James M. Bahrt

CANTINA  
Azteca Tequileria

In support of The Chief Theater and

*Friends of The Chief, A Colorado Not-For-Profit Corporation*

P. O. Box 776121 \* Steamboat Springs, CO 80477 \* [www.chieftheater.org](http://www.chieftheater.org)



**811 Yampa St. - PO Box 774424  
Steamboat Springs, CO 80477  
Ph. 970-879-9500**

December 28, 2012

To Whom It May Concern:

This letter is to express my opinion about the impact that the Chief Theater will have on our restaurant once the renovation is completed.

The Chief Theater is going to be a huge asset for Steamboat Springs and especially for downtown. I believe that the Chief Theater will be the cultural center for downtown by providing a much needed venue for many user groups that have either outgrown where they are currently holding their events or are capable of so much more in such an excellent setting.

One of the most overlooked groups in Steamboat Springs is youths. This could become a safe, fun place where teens are welcome on certain nights leaving parents free to shop or dine in town.

I see the Chief Theater bringing business downtown year round and not just seasonally. As a restaurant operator within a few blocks of the theater, this will definitely bring more business to us. I foresee going to an event at the Chief Theater as an entire evening out which could include dinner at Sweetwater Grill.

Of course, as the success of the Chief Theater grows, so does the amount of people that it will employ and the sales tax revenue that it will generate. We see at Sweetwater Grill all of the additional local businesses that are supported by us by providing goods and services for our restaurant. The Chief Theater will provide this same support of local vendors creating more residual jobs and revenue.

The first event held at the Theater was very successful. As the reputation of the Chief Theater as a high quality "hot spot" continues, it will become an actual destination like other similar places in ski towns around the country. As stated above, everyone will benefit from their success including Sweetwater Grill and other surrounding restaurants.

Those are my opinions. Please feel free to call me to discuss this topic further.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Walker", written over a horizontal line.

Joe Walker

General Manager - Sweetwater Grill