



TABOR OPERA HOUSE FEASIBILITY STUDY



Prepared by Progressive Urban Management Associates (P.U.M.A.)
In Association with STARBOARD Realty
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1. INTRODUCTION

The historic Tabor Opera House was built in Leadville in 1879 by the famous silver mining tycoon Horace Tabor. Following the loss of his fortune during the Silver Crash of 1893, the opera house transitioned between several private owners. While fortunately saved from demolition, the building faced years of deferred maintenance and is in need of significant rehabilitation.

In early 2017, the Tabor Opera House transitioned from private to public ownership when the City of Leadville purchased the building from the Bland family for \$600,000, money raised entirely through grants. The Tabor Opera House Preservation Foundation, a nonprofit 501(c)(3), was formed to raise funds for rehabilitation and oversee the building's management.

The Tabor Opera House is a contributing building to the Leadville National Historic Landmark District, the highest designation a historic site can receive in the United States. It has also been named one of the National Trust for Historic Preservation's endangered National Treasures¹. The 25,000-sq. ft. building contains a 650-seat theater in addition to three floors with spaces that are suitable for a variety of uses.

Progressive Urban Management Associates (P.U.M.A.), a Denver-based economic development and planning firm, was contracted by the City of Leadville to produce a feasibility study that identifies the most desirable alternatives for the revitalization and long-term sustainability of the Tabor Opera House.



Historic Tabor Opera House, Leadville, CO

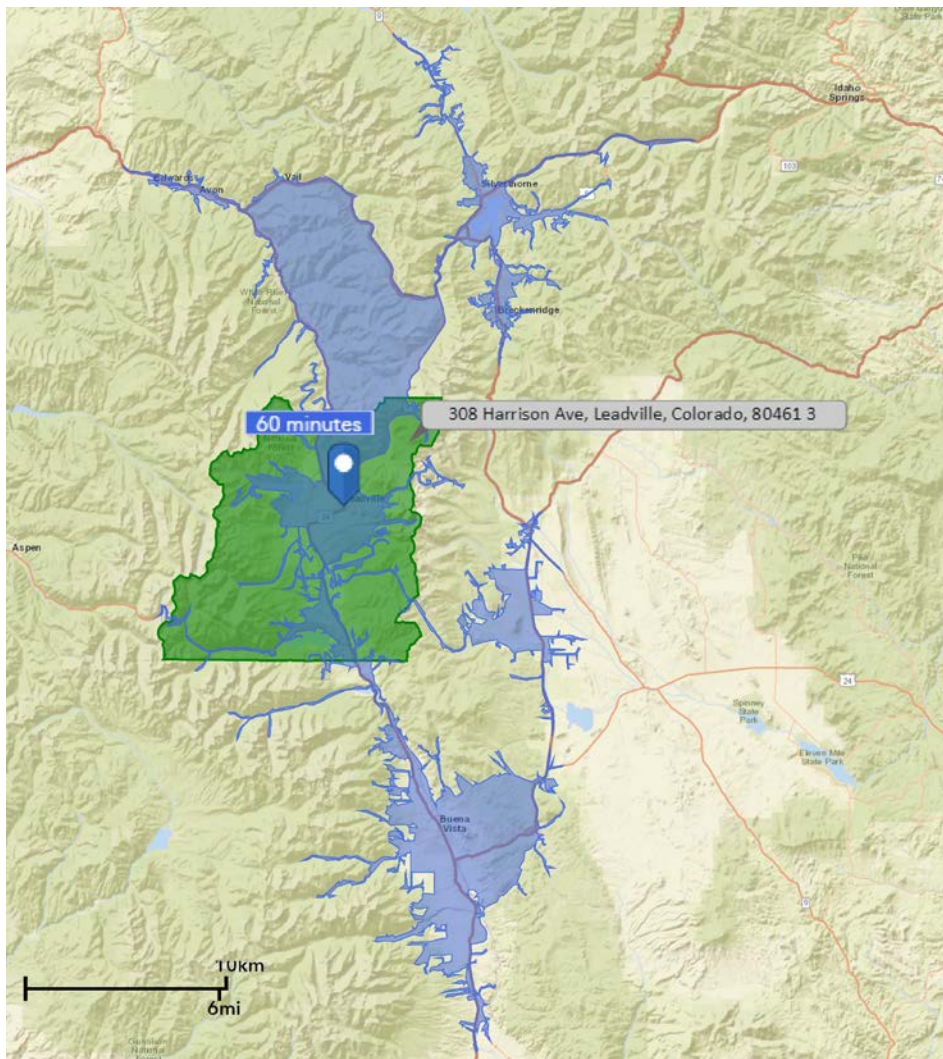
¹ Savingplaces.org

2. MARKET SUMMARY

To inform uses for the Tabor Opera House, data was collected for two market areas. Due to the seasonality of Leadville, Lake County was identified as the market area for winter and off-peak months, when visitors are less likely to travel longer distances. A larger area, based on a one-hour drive time from the Tabor Opera House, was used to capture the potential summer market and will be referred to throughout this report as the Summer Market. These boundaries estimate the *primary* market areas for the Tabor Opera House. There will, of course, be visitors that come from outside of these boundaries, both nationally and internationally. A full Market Assessment can be found in **Appendix B**.

MARKET AREA BOUNDARIES

The map below depicts the two market areas. Lake County is shown in dark green and the Summer Market is shown in blue. The Summer Market includes all or part of the following towns: Silverthorne, Dillon, Frisco, Breckenridge, Buena Vista, Nathrop, Edwards, Avon and Vail.



Tabor Opera House Market Areas, ESRI

DATA SUMMARY

The table below highlights a variety of data points for Lake County and the larger Summer Market area. Data for the State of Colorado is included for comparison. The data comes from ESRI Business Analyst Online 2016 estimates, unless otherwise noted.

2016 MARKET DATA SNAPSHOT			
Data Point	Lake County	Summer Market	Colorado
Residents			
Population	7,657	54,131	5.4M
Growth since 2010	5%	2%	8%
Number of Households	3,133	22,590	2.1M
Average Household Size	2.40	2.33	2.51
Median Age	35.9	37.7	36.9
Gender	53% (M) 47% (F)	55% (M) 45% (F)	54% (M) 46% (F)
Ethnicity	37.8% Hispanic Origin	20.9% Hispanic Origin	20.7% Hispanic Origin
Median Household Income	\$44,947	\$61,453	\$60,903
Education (Associate's Degree or higher)	42.9%	53.20%	46.9%
Housing			
Owner/Renter Occupied	44% /25%	28% / 19%	56% / 34%
Vacant Housing Units (includes seasonal homes)	31%	53%	10%
Median Home Value	\$172, 432	\$399,561	\$287,773
Employees			
Number of Workers	2,145	57,796	2.9M
Prominent sectors (based on number of employees)	<ul style="list-style-type: none"> • Mining and oil/gas* • Educational services* • Arts, entertainment and recreation* • Government* 	<ul style="list-style-type: none"> • Accommodation and food services • Retail trade • Real Estate, rental and leasing • Public administration • Construction 	<ul style="list-style-type: none"> • Retail trade • Health care and social assistance • Accommodation and food services • Educational services • Public Administration
Retail Marketplace			
Retail Trade Leakage	\$53.1M	-	-
Food & Drink Leakage	\$927,000	-	-
Retail Trade Surplus	-	\$304M	-
Food & Drink Surplus	-	\$180M	-

*Lake County Economic Development Strategic

KEY FINDINGS

Significant Second Homeownership

A notable share of the market in both Lake County and the Summer Market is made up of second homeowners. Vacancy rates, which account for seasonal homes, are three-to-five times greater in these two markets than they are in the State of Colorado. According to the 2015 City of Leadville Comprehensive Plan, seasonal occupancy was 18% in 2012, up from 15% in 2000. Second homeowners are a market segment that should be considered for theater patronage and financial or in-kind support. According to the Wright Opera House in Ouray, CO approximately 20% of their fundraising to date has come from second homeowners in their area.

Wealth in the Summer Market

The median household income in the Summer Market is 36% greater than the median household income in Lake County and is slightly higher than the State of Colorado, \$61,453 compared to \$60,903. Approximately 13% of the Summer Market's full-time residents earn more than \$150,000 per year compared to just 3% of full time residents in Lake County.

Growing Number of Visitors

In addition to the 54,000 full time residents in the Summer Market, the population swells with tourists that could be attracted to the Tabor Opera House during the summer months. The Town of Vail, for example, estimates 35,000 to 45,000 visitors on a summer weekend. The Town of Buena Vista says it can exceed 34,000 visitors on a busy day. Colorado as a whole continues to experience growth in tourism, and broke the record for number of visitors and spending for the fifth year in a row in 2016².



Summer Tourists Visiting a Historic Downtown

Lake County Diversity

Nearly 40% of Lake County's population is of Hispanic Origin, compared to just 20% of the population in both the Summer Market and the State of Colorado. According to stakeholder interviews and past planning efforts, Hispanic residents in Lake County have historically been disengaged from the community. This is a missed opportunity both from a social perspective as well as a market perspective.

Lake County Leakage

Demand exceeds supply for many retail categories in Lake County resulting in total leakage of \$54 million. Specific categories with the greatest leakage include, "food and beverage", "electronics and appliances", "building materials", "clothing and accessories", "sporting goods, books, hobby, music", and "home furnishings". If more of the spending potential could be captured locally, more dollars could be kept in Lake County.

² Longwoods International, Colorado Breaks Tourism Record

Remote Work Opportunity

The recent Lake County Economic Development Strategic Plan identified remote workers as a growing market segment and an opportunity for Lake County. In addition to attracting new or homegrown entrepreneurs, a remote work environment could also appeal to the area's second homeowners and those traveling outside the County for work. According to 2014 Census data, approximately 72% of the employed population living in Lake County works outside of the County.

Increasing Real Estate Prices

Lake County has historically been the more affordable County among its neighboring mountain communities. However, a tight housing market and significantly increasing home prices in the past few years, has many stakeholders concerned about affordability. Between 2015 and 2016, the median sales price for a home in Lake County rose 12%³, compared to 9.8% for the State of Colorado⁴. Home sale prices through April 2017, the latest month available, have continued this trend.

Event and Meeting Facilities

Stakeholder interviews revealed unmet demand for event space in Lake County. There are a limited number of facilities that can accommodate larger events such as weddings, Quinceañeras and conferences, and the recent closure of the conference center at the National Mining Hall of Fame and Museum has further limited the supply. By not having the facilities to accommodate more events, Lake County is losing business and revenue to nearby counties.



Event Rental Space at the C.L. Hoover Opera House

³ Realtors of Central Colorado

⁴ Zillow

3. COMMUNITY ENGAGEMENT



Voting on programming options for the Tabor Opera

As a community asset, it was essential for P.U.M.A. to solicit input from a variety of community members on desired programming and uses for the Tabor Opera House. To gather input, P.U.M.A. engaged in wide-reaching public outreach and targeted focus groups.

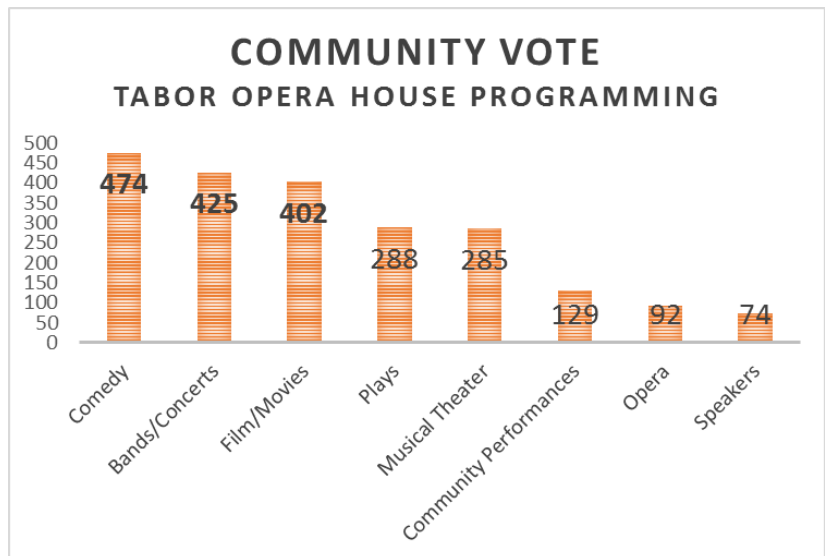
PUBLIC OUTREACH

To reach a cross section of the population, P.U.M.A. organized outreach activities outside of the Tabor Opera during Leadville’s Ski Joring weekend, March 4th and 5th, 2017. The event attracts hundreds of residents and visitors to the City’s main street, Harrison Avenue. As people passed the Tabor Opera House, they were asked to participate in two activities.

1. Theater Programming

To gauge community interest in different programming for the theater, each participant was given three votes (plastic silver coins) and was asked to place them in the jars labeled with the program type they would most like to see. There were eight suggested programming ideas, plus the opportunity to provide other suggestions.

In total, there were **723 participants and 2,169 votes**. The three programs with the most community interest were **comedy, bands/concerts** and **film/movies**. One of the other suggestions mentioned with some regularity was dancing.



Although participants were not required to say where they were from, anecdotal evidence suggests that the majority was from Lake County.

2. Building Uses

Open-ended ideas were solicited from participants on what uses they would like to see in the Tabor Opera House, in addition to the theater. The most commonly suggested uses were: special events (such as weddings, graduations and birthday parties), food and drink venues, and places to showcase and sell local art.



Community members offer suggestions for new uses at the Tabor Opera House



Community ideas for uses of the Tabor Opera House, in addition to the theater

FOCUS GROUPS

To hold in-depth conversations about uses and programming for the Tabor Opera House, P.U.M.A. convened a series of focus groups and one-on-one interviews. Focus groups were organized by area of interest or expertise and included: economic development, schools, arts & culture and Hispanic community connectors. In addition, P.U.M.A. attended the community coffee on Wednesday, April 26th, 2017, to gather input from the variety of community members and organizations present.

Theater Programming

Across focus groups the resounding theme was to make programming diverse and appealing to many different segments of the population. A specific program type of interest was movies/films, particularly since there is not a movie theater in Lake County. Another common suggestion was to have programming that engages youth. Lake County's youth are a bridge between members of the community and youth programs would make the Tabor Opera House feel welcoming to the whole community.

Building Uses

There was keen interest in the Tabor Opera House ballroom among all stakeholder groups. Given the cachet of the opera house and its unique character, stakeholders felt that if it was restored and available for rent at a reasonable price point, it would be highly utilized for a variety of functions. Other uses that were commonly suggested included: a restaurant, apartments, artist studios and a co-working space or office space for a group of like-minded non-profits. It was recommended that any new space be created with the flexibility to accommodate multiple uses.

In talking with stakeholders, it was clear that the Tabor Opera House is a valued community asset and holds great potential.

If the Tabor Opera House is successful, the whole community will benefit.

Open House

Throughout outreach efforts it became clear that many people, even those who had lived in Leadville most of their lives, had never been inside the opera house. Following the Tabor Opera House resource panel on June 8th, 2017, a community open house was advertised to allow people to come experience the storefronts and the theater, and as a way to generate greater community awareness of this important asset.



Tabor Opera House Open House, June 8th 2017

4. CASE STUDIES & RESOURCE PANEL

P.U.M.A. researched six comparable case studies throughout Colorado and the region to learn from other theaters that have undergone restoration and reuse. While no one example is an exact match for the Tabor Opera House, when taken together these examples provide insights into rehabilitation, funding, programming, operations and management that help inform the reuse and rehabilitation of the Tabor Opera House. The full case studies are included as **Appendix C**.

1. Wright Opera House, Ouray, CO
2. Rialto Community Theater, Deer Lodge, MT
3. C.L. Hoover Opera House, Junction City, KS
4. Homestake Opera House, Lead, SD
5. Creede Repertory Theater, Creede, CO
6. McPherson Opera House, McPherson, KS

Representatives from three of the six theaters were invited to Leadville for a Tabor Opera House resource panel on June 8, 2017. The panel included theater Co-Directors from the C.L. Hoover Opera House in Junction City, KS, a board member from the non-profit Friends of the Wright Opera House in Ouray, CO and a board member from the Historic Opera House Society that manages the Homestake Opera House in Lead, SD. The panelists shared their experiences with the Tabor Opera House Preservation Foundation Board, City of Leadville representatives, and other interested stakeholders.



From Top to Bottom: C.L. Hoover Opera House; Wright Opera House; Homestake Opera

KEY FINDINGS

Rehabilitation

Each theater’s story is unique. Some had fire, others had flood, and others simply faced neglect. Depending on how extensive the need, total costs for rehabilitation among the six theaters ranged from \$2M to \$10M. Phasing renovations was deemed necessary to acquire the funding for these projects.

Funding

Fundraising does not end after rehabilitation. In fact, funding capital can in some ways be easier than funding ongoing operations. In all examples, ticket sales alone are not enough to cover operating costs. Programs are lucky to break-even, but more often need sponsorships to underwrite the costs of production.

Sources of Funding for Capital Can Include:

- State historical grant funds
- State and federal historic tax credits

- Private or foundation grants (in the areas of education, economic development and preservation)
- Private individuals or corporate donors
- Naming rights (seats, dressing rooms etc.)
- Fundraising events
- In-kind services

Sources of Funding for Operations Can Include:

- Ticket sales
- Concessions
- Gift shop
- Building tours
- Rent from tenants
- Facility rentals (events, meetings, etc.)
- Membership programs
- City and county contributions
- Individual or corporate donors
- Grants (government and foundation)
- Naming rights (seats, dressing rooms etc.)
- Fundraising events
- Lodgers tax

In many cases, theaters were creative in finding used or non-traditional materials for interior furnishing. For example, the Rialto Community Theater in Deer Lodge, MT was able to acquire donated theater seats from a nearby theater that was no longer in use. The Homestake Opera House in Lead, SD created a chandelier out of hula hoops.

Programming

All theaters offer a variety of programming. The two most common program types of the examples considered are musical events/concerts and theater. Other common offerings include movies/films, dance, comedy, lectures/educational series, community events/performances and youth programming. Unique offerings at the C.L. Hoover Opera House include magic acts and acrobats. Theater representatives stressed the importance of community outreach and being in touch with what the community wants to see.

Outside of the Creede Repertory Theater, which has its own professional theater company, most of the theaters utilize partnerships with other arts entities to provide their programming.

Building Uses

In five out of the six case studies, the opera houses had other uses in addition to the theater, such as retail, office and/or housing. Specific examples include: art centers/art agencies, a bakery, barbershop, gift shop, internet company, staff offices, professional service



Event Rental | Credit: Homestake Opera House

offices, a set building workshop, apartments, storage rental and even a Rifle and Pistol Club indoor shooting range in the basement of the Homestake Opera House in Lead, SD.

In addition, most of the theaters offer spaces for rent. This includes meeting rooms, reception areas for events, and rental of the theater itself.

Management & Operations

Depending on the size and scope of the theater, operating budgets ranged from \$75,000 for a theater with no paid staff to \$1.4M for a theater with a year-round staff of eight and a theater company of 90. Most theaters have working boards, between nine and fifteen members, who are highly involved in operations and fundraising. Board members need stamina, particularly in the early stages when hiring staff may not be financially feasible.

Volunteers are a critical component of any theater. Volunteer appreciation events can help acknowledge their value and keep them motivated.

It is important to keep good financial records and to be transparent with how the money is being utilized. Donors and grantees want to know where their money is going. It is a best practice to have a capital reserve, or endowment, for unexpected expenses or changes in levels of support.

5. USE OPTIONS

The Tabor Opera House is fortunate to have many spaces that, in addition to the theater, can accommodate a variety of uses. This not only helps to activate the space, it also creates opportunities for partnerships, support and revenue generation that are essential to the long-term sustainability of the Tabor Opera House. With any of the uses described in this section, the intention is to preserve the historic character of the space as much as possible, while making the changes necessary for it to function with a new use.



Tabor Opera House Theater | Courtesy Stacy Holbert PhotoArt, stacyholbert.com/NationalTrust



Tabor Opera House South Retail Storefront

SECTION SUMMARY

This section examines the pros and cons of a variety of uses for the Tabor Opera House. It is not meant to be prescriptive, but rather to suggest uses that have indicated community and market demand. As new opportunities arise, they should be given consideration.

There is great promise for the Tabor Opera House to become a multi-faceted community building, supporting a variety of uses.

An **optimal use mix** would include:

- An active theater with diverse programming.
- A restored ballroom and bar rented for community events, weddings, birthday parties, Quinceañeras and more.
- Activated storefronts. One, if not both, house tenants that can pay at least a modest rent. Examples could include:
 - Co-working space
 - Local attraction/institution storefront
 - Wine, tea & gifts
- Tabor Opera House Museum, with artifacts that are important to the history of the building and building tours.
- Second floor (Tabor Suites) rented as office (co-working or other), meeting space or classroom space. Ideally, benefiting arts or other community organizations.

THEATER

As the marquee feature of the Tabor Opera House, the theater will remain a vital and active use. Programming should consider community input to date [see *community engagement section*]. As a best practice, efforts should continue to be made to connect with the community and seek their input. Continual refinement will be needed as it is determined what programs generate the best response.

While more robust programming will occur in the summer months, lower impact programs such as “Wednesday Movie Nights”, school performances, and/or community theater should be considered for the off season as a way to continually to activate the space.



Courtesy Stacy Holbert PhotoArt, [stacyholbert.com/National Trust for Historic Preservation](http://stacyholbert.com/National%20Trust%20for%20Historic%20Preservation)

STOREFRONTS

The first floor of the Tabor Opera House contains two storefronts, the North Retail storefront with 1,235 sq. ft. and the South Retail storefront with 1,225 sq. ft. The spaces have modest use at present, displaying Tabor Opera House artifacts and a small number of items related to the history of the building, such as books available for purchase.

The storefronts hold great potential. As prominent spaces on Leadville’s main street, in a historic building such as the Tabor Opera House, these spaces have the ability to attract tenants and generate rental income for the Tabor Opera House Preservation Foundation.

Ideally both storefronts would be rented to tenants who add vibrancy and activation to Harrison Ave. and have the ability to pay at least a modest rent. Possible storefront uses, based on market research and stakeholder interviews, are described below.

Co-working Space

According to the Lake County Economic Development Strategic Plan, Lake County has an entrepreneurial population, with an average of 50 businesses starting up every year since 2003. There is currently one co-working space in Leadville but according to stakeholder interviews there is additional demand, particularly for a space that provides good visibility and desirable tenant amenities. A Tabor Opera House storefront would provide great visibility and would bring more workers to Leadville’s downtown. While a co-working office may prefer the visibility of a storefront, the second-floor Tabor Suites are another viable location for this type of use.

CO-WORKING SPACE	
Pros	Cons
<ul style="list-style-type: none"> • Brings workers downtown, generating additional demand for downtown businesses. • Growing number of remote workers who could be attracted to Leadville. • Increasing number of second homeowners in Lake County and beyond who could utilize such space. • Good visibility and cachet for tenants. • Indicated market demand/support. • Supports Leadville’s entrepreneurial culture. • Rental income for the Tabor Opera House operations. 	<ul style="list-style-type: none"> • One co-working space already exists in Leadville. • Evaluate the cost and compatibility of potentially desired amenities (such as high-speed internet, kitchen facility, pet friendly, etc.) • Does not necessarily activate the building on nights/weekends.

Local Attraction/Institution Storefront

There are local attractions or institutions that may be interested in storefront space at the Tabor Opera House either to increase their presence in Leadville’s downtown or to expand their organizational capacity. Ski Cooper, for example, may be interested in having an office presence on Harrison Ave. in a prominent location such as the Tabor Opera House to increase their visibility. The Lake County Public Library is reportedly pressed for space and may be interested in housing their research arm at the Tabor Opera House. This would be similar to the historic Georgetown School in Georgetown, CO that provides historical research space for the library. Such storefront uses would bring greater awareness to local attractions and, in turn, generate additional visitation to the Tabor Opera House.

Wine, Tea & Gifts

The Tabor Opera House Preservation Foundation is currently using the North Retail storefront as a place to sell Tabor Opera House merchandise. Without extensive renovation, this space could be reconfigured to be a tea house during the day and a wine bar by night, while maintaining and enhancing its appeal as a gift shop. Food and drink venues were a consistently desired use among stakeholders. There is not a wine bar in Leadville, and such an offering would pair well with theater entertainment. A wine bar would be less intensive than a restaurant use, while still providing a festive atmosphere for patrons



Example of a tea house

before and after a show, or on nights and weekends without a planned program. Providing a tea offering as well could help activate this space during all hours of the day. Additionally, this space could be utilized as a reception area for theater productions.

WINE, TEA & GIFTS	
Pros	Cons
<ul style="list-style-type: none"> • Indicated community demand. • Active use, less intensive than a restaurant. • A wine bar does not exist in Leadville. • Pairs well with the theater. • Could offer later hours to activate the street and capture audiences after a show. • Combing wine, tea, and gifts provides multiple reasons to visit the storefront. • Rental income for the Tabor Opera House operations 	<ul style="list-style-type: none"> • Possibly takes away some alcohol sales from the Tabor Opera House. • Limited food options.

Restaurant

A commonly cited use that stakeholders desired was a restaurant. While there are some great restaurants in Leadville, including a recently opened higher-end restaurant, dining variety bodes well for tourists and residents alike. A restaurant could pair well with theater, and present opportunities for dinner and a show packages.

However, some stakeholders expressed concern that renovation requirements for a restaurant would be too extensive. In addition, a commercial kitchen could pose concern for fire safety.



Re-use restaurant concept

RESTAURANT	
Pros	Cons
<ul style="list-style-type: none"> • Additional dining variety benefits visitors and residents. • Indicated community demand. • Active use, day and night. • Complimentary with the theater; promote dinner/show packages. • Rental income for Tabor Opera House operations. 	<ul style="list-style-type: none"> • Restaurant use would have greater renovation requirements than other uses. • Kitchen could cause concern about fire. • Potential competition with existing restaurants.

Endurance Museum

Leadville is the only incorporated city that can claim an elevation of 10,152 ft., the highest in the country. Its altitude and terrain make Leadville one of the most challenging locations for endurance sports, which has helped to grow its reputation for elite races such as the Leadville Trail 100, one of the oldest and most popular 100-milers. Adjacent to the Tabor Opera House is the Leadville Race Series apparel store. The company has expressed interest in opening a museum but does not have the space in its current facility. Utilizing a Tabor Opera House storefront for such use could present an interesting opportunity. It would offer visitors a unique experience and would provide an opportunity to bring together Leadville’s two main tourist segments: heritage tourists and outdoors recreationalists.

ENDURANCE MUSEUM	
Pros	Cons
<ul style="list-style-type: none"> • Champion, Leadville Race Series, located next door. • Unique concept. • Builds on local assets, Leadville is known for its endurance races. • Lake County draws the outdoor crowd. • Activates the storefront during the day. 	<ul style="list-style-type: none"> • Rent generation may be less than other uses. • May not activate the space at night; unless nighttime programming was offered.

SECOND FLOOR TABOR SUITES

On the second floor of the Tabor Opera House are the North and South Tabor Suites totaling 2,521 sq. ft. A variety of potential uses for these spaces are described below.

Tabor Opera House Museum

The South Suite is currently being used as the Tabor Opera House Museum, with many historic artifacts donated by the Bland family.

While use as a museum does not generate revenue directly, it does help to tell the Tabor story and is an important part of the building tours, which are a source of revenue for the Tabor Opera House Preservation Foundation. The Foundation is modeling the Tabor Opera House tours after the successful Molly Brown House tours in Denver. Through Tabor Opera House restoration, promotion and programming it is expected that tour revenue could double.

It is envisioned that a museum component of the Tabor Opera House will remain in some form. It could continue to be located on the second floor, or alternatively the artifacts could be dispersed throughout the building, freeing the South Suite for another use.



Tammy Tabor guiding a tour of the Tabor Opera House

Office/Meeting Space

While the office market in Leadville is modest, the Tabor Opera House’s unique second floor space could be attractive to small businesses or individual offices, perhaps for professionals who currently work remotely. The co-working space described as a possibility for one of the Tabor Opera House storefronts could alternatively be located in a Tabor Suite. If or when a Director is hired for the Tabor Opera House Preservation Foundation, a portion of this suite could be used as an executive office.

Offering a meeting space as part of the suite configuration creates a multifunctional space that provides another opportunity for the Foundation to generate operating income. Current meeting spaces in Leadville are rented for between \$30 and \$50/hr. and the majority of these meeting spaces are located at Colorado Mountain College. A rental venue on Harrison Ave., offered at a moderate price point, would be attractive to many professionals and organizations. It could also be utilized free of charge on a reservation basis by building tenants.



View from the North Suite

OFFICE/MEETING SPACE	
Pros	Cons
<ul style="list-style-type: none"> • Brings workers downtown, generating additional demand for downtown businesses. • Potentially low impact use. • Opportunity to align with arts or other non-profits. • Multi-use space. • Indicated demand for meeting space. • Unique space for office tenants and meetings. • Rental income to support Tabor Opera House operations 	<ul style="list-style-type: none"> • A meeting room would require some form of management for booking, cleaning etc. • Rent potential will fluctuate based on tenant. • Demand for office space is modest.

Classroom/Arts Production

Tying into the arts community would be a logical fit for the Tabor Opera House and artistic production could take place either through art studios, classroom or workshop space. This also would provide another opportunity to engage with Leadville’s youth and inspire creativity through teaching a variety of arts. In several of the case studies, arts agencies that offered curriculum were located within the opera houses. However, through outreach to date, a champion has not emerged that would lead such an effort.

CLASSROOM/ARTS PRODUCTION	
Pros	Cons
<ul style="list-style-type: none"> • Engages youth. • Community serving. • Could tie into theater operations (e.g. stage set work) 	<ul style="list-style-type: none"> • Champion to lead the effort has not been identified. • Less rent generation potential for Tabor Opera House than other uses.

BALLROOM & BAR

Arguably one of the spaces with the greatest revenue potential is the Tabor Opera House ballroom on the third floor. There was significant demand for this space evidenced by a variety of community members. Hispanic community connectors, for example, thought this space could be utilized for Quinceañeras. Other stakeholders were excited about the possibility of using the Tabor Opera House ballroom for occasions like weddings, graduations, birthday parties, reunions and other community events. The adjacent bar area could be refurbished and utilized in conjunction with larger events, or rented as a separate venue for smaller events. In considering a useable event space, it is desirable to have a kitchen prep/staging area for caterers; however, a full commercial kitchen is not necessarily advised.



Mountain wedding venue



Tabor Opera House Ballroom May 2017

BALLROOM/BAR	
Pros	Cons
<ul style="list-style-type: none"> • Abundant community demand; could serve the community broadly for events from conferences to Quinceañeras. • Advantageous for hotels in marketing to conferences and other events. • Rental income for Tabor Opera House operations. • Limited facilities exist in Lake County for larger events. • The cachet of the Tabor Opera House lends itself to special events. 	<ul style="list-style-type: none"> • Would require management to coordinate bookings, clean up, marketing etc. • Pent up demand for such a facility may spur additional competition.

UPPER 3RD FLOOR

The upper third floor was formerly hotel rooms that connected to the adjacent Clarendon Hotel via passageway. As the condition of this space is in the greatest state of disrepair, it is advised that it should be the last space to be renovated. While in the short term it is envisioned that this space can be used for storage, in the long term it could be considered for artist studios or temporary housing for visiting theater cast and crew members. This may be particularly desirable if real estate prices in Leadville continue to escalate as they have over the past few years.

6. COST ESTIMATES AND PHASING

A scope of work summary and rehabilitation cost estimates were provided by Tom Sprung with Sprung Construction and Kris and Tim Hoehn with Hoehn Architects PC, who are on the board of the Tabor Opera House Preservation Foundation. Kris and Tim Hoehn have deep knowledge of the Tabor Opera House having completed a Historic Structure Assessment of the building in 2003.

Following the Secretary of the Interior's Standards for the Treatment of Historic Properties, rehabilitation work on the Tabor Opera House "assumes that some repair or alteration of the historic building will be needed in order to provide for an efficient contemporary use; however, these repairs and alterations must not damage or destroy materials, features or finishes that are important in defining the building's historic character."

SCOPE OF WORK SUMMARY

The preparation of architect/engineer (A/E) documents will be the first step in rehabilitation of the Tabor Opera House. This will more clearly define the scope of work and cost estimates that are outlined below.

First Floor

North Retail Space

1,235 sq. ft. (retail space) + 506 sq. ft. (storage space at the east end) = 1,742 sq. ft. x \$200/sq. ft. = **\$348,400**

Remove existing floor, which is believed to be wood framed, laid on sleepers over earth; provide utility trench below floor for entry of new utilities into building; replace floor with concrete slab (finishes to be determined); remove and replace ceiling; reinforce structure above for future assembly occupancy in North Tabor Suite; rehabilitate plaster walls; provide new accessible restrooms (separate budget for restrooms is listed below); provide appropriate finishes (paint, etc.); and provide necessary mechanical, electrical and life safety. Investigate locating new heating plant in existing east storage space.

South Retail Space

1,225 sq. ft. x \$220/sq. ft. = **\$269,500**

Patch existing historic tile floor; remove and replace ceiling; reinforce structure above for future assembly occupancy in South Tabor Suite; rehabilitate beaded board wainscoting and plaster walls; provide appropriate finishes (paint, etc.); provide new elevator (separate budget for elevator is listed below); and provide necessary mechanical, electrical, and life safety. Investigate locating new elevator at east end of space.

SECTION SUMMARY

This section summarizes a scope of work, estimated rehabilitation costs, and a two-tiered phasing strategy.

With the total rehabilitation **cost estimated at \$8 million**, phasing is recommended.

Strategic objectives for Phase 1:

- Life safety
- Increase theater performance quality and patronage
- Build confidence in the project
- Create revenue generating opportunities to support operations
- Achievable price point

Opera House

3,600 sq. ft. x \$100/sq. ft. = \$360,000 + \$50,000 (seats) + \$50,000 (fabric ceiling) = **\$460,000**

Replace loose and damaged wood flooring; remove linoleum from mezzanine and replace loose and damaged wood flooring; restore or replace fabric ceiling; rehabilitate plaster walls; provide appropriate finishes (paint, etc.); repair existing seats; and provide necessary mechanical, electrical, and life safety.

Stage/Fly Gallery

AC Stage Power (\$100,000) + fly system (\$265,000) + soft goods & drapery (\$75,000) + lighting (\$233,200) + sound (\$50,000) + acoustics (\$100,000) + misc. supplies (\$35,000) = **\$1,038,200⁵**

Dressing Rooms

1,593 sq. ft. x \$100/sq. ft. = **\$159,300**

Replace loose and missing wood flooring; rehabilitate beaded board partitions; provide a single occupant unisex toilet room; provide appropriate finishes (paint, etc.); and provide necessary mechanical, electrical, and life safety.

Main Entry Hall, Ticket Booth & Stairway; New North Interior Exit Stair from Mezzanine

\$300,000

Remove existing sheet vinyl flooring and metal stair nosings; rehabilitate wood flooring and wood steps; rehabilitate plaster walls and ceilings; provide appropriate finishes (paint, etc.); and provide necessary mechanical, electrical and life safety.

New Public Restrooms

\$100,000

Plumbing fixture count may need to be revised from the 2003 Historic Structure Assessment if some spaces are used differently than originally anticipated in the assessment and the plumbing code has been revised.

New Elevator

\$250,000

Includes construction of elevator shaft and necessary mechanical, electrical and life safety.

Second Floor

Tabor Suites

2,521 sq. ft. x \$220/sq. ft. = **\$554,620**

North Suite (to be initially used for temporary storage): Remove and replace ceiling; reinforce structure above for assembly occupancy in Ballroom on Third Floor; remove non-original wall, oriented N/S; remove VAT and rehabilitate wood flooring; rehabilitate plaster walls; provide appropriate finishes (paint, etc.); and provide necessary mechanical, electrical, life safety.

South Suite (to be used for VIP Lounge, rental space for small gatherings): Remove and replace ceiling; reinforce structure above for assembly occupancy in Bar on Third Floor; remove sheet vinyl/linoleum and rehabilitate wood flooring; rehabilitate plaster walls; replace missing doors; provide appropriate finishes (paint, etc.); and provide necessary mechanical, electrical, life safety.

⁵ Todd Howe, THD Productions, Inc.

Third Floor

Ballroom

1,884 sq. ft. x \$250/sq. ft. = **\$471,000**

Remove and replace ceiling; reinforce structure above (if found to be necessary); rehabilitate wood flooring; rehabilitate beaded board wainscoting and plaster walls; replace missing doors; provide appropriate finishes (paint, etc.); and provide necessary mechanical, electrical, life safety.

Ballroom Bar

734 sq. ft. x \$300/sq. ft. = **\$220,200**

Remove and replace ceiling; reinforce structure above (if found to be necessary); remove existing linoleum and rehabilitate wood flooring; rehabilitate beaded board wainscoting and plaster walls; replace missing doors, if required; reconfigure east end for two accessible single occupant restrooms and small catering kitchen; provide appropriate finishes (paint, etc.); and provide necessary mechanical, electrical, life safety.

Upper Third Floor

3,500 sq. ft. x \$25/sq. ft. = **\$87,500**

Clean space to utilize for storage, stage set conservation space, and mechanical space (possible location for make-up air unit); and provide necessary mechanical, electrical, life safety.

Exterior Envelope

West Elevation

\$676,991

Masonry restoration; heritage window restoration; window and door frame rehabilitation and painting; and miscellaneous work on storefronts, balcony and cornice.

South Elevation

\$671,798

Masonry restoration; heritage window restoration; and window and door frame rehabilitation and painting.

East Elevation

\$169,481

Masonry restoration.

North Elevation

\$409,061

Masonry restoration; heritage window restoration; and window and door frame rehabilitation and painting.

Basement

\$37,159

Masonry restoration.

Miscellaneous

Utilities

\$85,000

Stub 5' into building (North Retail Space): electrical, gas, water, sewer, sprinkler system line.

Make-up Air System

\$175,000

Two New Fire Escapes (on south elevation)

\$100,000

Heating

\$250,000

COST ESTIMATE SUMMARY

The table to the right summarizes the costs for complete rehabilitation of the Tabor Opera House, including all three floors, the exterior envelope of the building and miscellaneous costs such as utilities, heating, ventilation and life safety.

The total cost is estimated at approximately **\$8 million**.

Tabor Opera House Rehabilitation Cost Estimates (Rounded)	
A/E Fees	\$400,000
First Floor	\$3,180,000
Second Floor	\$550,000
Third Floor	\$780,000
Exterior Envelope	\$1,975,000
Utilities	\$85,000
Make-up Air System	\$175,000
Fire Escapes	\$100,000
Heating	\$250,000
Contingency (10%)	\$730,000
TOTAL COST	\$7,975,000

Hoehn Architects PC & Sprung Construction

REHABILITATION PHASING

With the total cost of rehabilitation estimated at \$8 million, it is critical that the Tabor Opera House Preservation Foundation identify and follow a phasing plan that meets strategic objectives and is financially feasible. To prioritize which capital projects should be accomplished in the first phase of work, the following objectives were considered.

Phase One Objectives

Life Safety

Basic life safety issues need to be addressed to protect patrons and staff, and to provide a more comfortable theater experience. This includes emergency lighting, a fire sprinkler system, utility upgrades, restrooms and an elevator to maximize access for *all* people.

Increase Theater Performance Quality and Patronage

Essential theater improvements needed for enhanced performance quality, include stage power and improvements to the fly system for safety and the hanging of soft goods (drapery, drops etc.). Safety measures above, such as emergency lighting, will enable use of the balcony, which nearly doubles the theater's seating capacity.

Build Confidence in the Project

Visible process is important for building confidence within the community and among current and future funders. Restoration of the west elevation (front façade,) would be an excellent, highly visible step to instill confidence and generate excitement.

Revenue Generating Potential

Ticket sales alone will not be enough to cover operating costs. From the start, the Tabor Opera House Preservation Foundation will need to look for additional sources of operating revenue. Community outreach signaled great interest in the ballroom. Restoring the ballroom could be a marketable asset and revenue-generating opportunity. Additionally, renovated storefronts could attract tenants and generate rental income that supports operation of the building.

Achievable Price Point

The cost of the first phase of rehabilitation, as well as subsequent phases, needs to be attainable. While many capital projects are desired, limiting the first phase to essential items helps to keep the price point feasible.

Two-Phase Approach

Based on the strategic objectives outlined for Phase 1, the following two-phased approach to rehabilitation was created.

Phase 1, with an anticipated cost of \$4.6 million, is broken down into four parts. Part 1 includes construction documents, which are needed before any work can begin, as well as heating which is critical to keeping the building operational past the summer. Additionally, restoration of the west elevation, or front façade, is included as a way to demonstrate visible progress and build confidence in the project. Part 2 includes life safety and access improvements, as well as essential theater improvements needed for performance quality and increased patronage. Part 3 restores the ballroom and bar on the third floor, creating another revenue stream for the Tabor Opera House Preservation Foundation to operate the building and providing an asset that is much desired by the



Tabor Opera House Front Facade

community. Two fire escapes are needed on the south elevation for the ballroom to be operational. For cost efficiency, restoration of the south elevation should be completed at the same time that the fire escapes are installed. Finally, part 4 renovates one of the two storefronts to create another stream of operating revenue for the Foundation. The storefront also shows visible progress and contributes to the activation of Harrison Ave.

Phase 2 completes the remainder of the renovation work on the theater and exterior elevations and restores the second storefront, the second-floor suites and lastly the upper 3rd floor.

PHASING SEQUENCE	COST
Phase 1	
Part 1	\$1,330,000
A/E fees for construction documents for the entire project	\$ 400,000
Heating	\$250,000
Exterior Restoration – West Elevation (front façade)	\$680,000
Part 2	\$1,110,000
Life safety and access improvements, such as: Utilities (\$85K), Public Restrooms (\$100K), Elevator (\$250K), Building Ventilation (\$175K)	\$610,000
Theater Improvements – partial (power, fly system, safety)	\$500,000
Part 3	\$1,465,000
Ballroom (\$470K) + Bar (\$220K) + Fire Escapes (\$100K)	\$790,000
Exterior Restoration – South Elevation	\$675,000
Part 4	\$270,000
Storefront (South Retail)	\$270,000
PHASE 1 Contingency (10%)	\$420,000
Total cost phase 1	\$ 4,595,000
Phase 2	
Remainder of Theater Improvements (includes entry hall)	\$1,460,000
Remainder of Exterior Restoration (East Elevation, North Elevation, Basement)	\$620,000
Storefront (North Retail)	\$350,000
Second Floor Improvements (Tabor Suites)	\$550,000
Upper 3 rd Floor	\$90,000
PHASE 2 Contingency (10%)	\$310,000
Total cost phase 2	\$ 3,380,000
GRAND TOTAL	\$7,975,000

7. PARTNERSHIPS AND MANAGEMENT

TABOR OPERA HOUSE VALUE PROPOSITION

- ✓ The Tabor Opera House is a local, State, and National asset.
- ✓ The cachet of the Tabor and size of the theater has potential to draw thousands to Leadville’s downtown.
- ✓ Surveys show that nearly 30% of Colorado visitors list an interest in historic places as a reason for their trip.
- ✓ The Tabor Opera House is one of the most important and well-known historical buildings in Colorado.
- ✓ According to the National Trust for Historic Preservation, heritage tourists stay longer and spend more money than other types of tourists.
- ✓ Theater patrons are likely to spend additional dollars while in town on food, drink, retail or other entertainment, creating spin-off benefits for the City and County.
- ✓ The Tabor Opera House will create additional value and vitality through its spaces outside of the theater, including the storefronts, Tabor suites and ballroom.
- ✓ Tabor Opera House storefronts can attract new businesses that generate additional sales tax for local government.
- ✓ The ballroom will keep more events in Lake County, which support local businesses, such as catering, florists, etc.
- ✓ Valued historic buildings like the Tabor tend to increase real estate values of the surrounding area⁶.
- ✓ The Tabor Opera House creates local employment opportunities.

SECTION SUMMARY

This section begins with an overview of Tabor Opera House’s value proposition and then looks at responsibilities, partnerships, and organizational structure of the Tabor Opera House Preservation Foundation.

- The Tabor Opera House can become an economic driver for the City of Leadville and Lake County.
- While the majority of responsibility will be carried by the Foundation, modest City and County involvement will go a long way in signaling the importance of this asset and securing financial support from other entities.
- Diverse partnerships will be needed to support the Tabor Opera House in marketing, programming, and fundraising.
- The Tabor Opera House Preservation Foundation board needs stamina for the renovation work ahead; once a steady source of funding is identified, the Foundation should hire staff support.

⁶ Visit Denver

FOUNDATION & CITY ROLES

The City of Leadville leased the Tabor Opera House to the Tabor Opera House Preservation Foundation. As the leasee, Tabor Opera House Preservation Foundation carries the primary responsibility for:

- Fundraising;
- Overseeing building rehabilitation;
- Programming; and
- Operations and maintenance of the Tabor Opera House.

The City of Leadville, as the owner of the building and a partner poised to benefit from its success, should support the Tabor Opera House Preservation Foundation in the following ways:

- Provide a steady source of funding, even if small, to signify support and contribute to building's ongoing operating expenses.
- While the Foundation would take the lead on developing grant applications, the City should provide their stamp of approval for grants that require municipal support.
- Act as an authority on insurance.
- Provide use of City services, such as fire and police, for Tabor Opera House events.
- Seek ways to leverage the success of the Tabor Opera House into additional Main Street improvements.

The City's contribution could be put toward hiring a part time grant writer.

PARTNERS

Partnerships will be key for the Tabor Opera House to be as successful as possible. Partners can support the Tabor Opera House Preservation Foundation with marketing, programming, volunteer hours, fundraising, advice and lessons learned.

Potential Partners Include:

- Lake County
- Lake County Economic Development Corporation
- Lake County Tourism Board
- Lake County School District
- Colorado Mountain College and High Mountain Institute
- Ski Cooper & other area attractions
- Arts & cultural organizations
- Other civic partners (e.g. library, Main Street)
- Colorado Tourism Office
- Local and regional chambers and visitor centers
- Other historic theaters

BOARD & STAFF

It is recommended that the Tabor Opera House Preservation Foundation maintain a board of 13-to-17 members, representing diverse interests. Board members will need to bring ongoing passion, skills and resources to the property. The building's success will require stamina and long-term dedication, analogous to other community-based assets, such as the Ski Cooper Board, which has benefited from decades of local support and champions.

It is envisioned that the Tabor Opera House Preservation Foundation will ultimately want to hire staff, and will have the means to do so. Hiring staff will only make sense, however, once a steady source of operating income, such as lodging tax revenue [*described in the Funding Sources and Uses section below*] is secured.

The table below provides suggested staff and contract positions and outlines their basic responsibilities and proposed salaries.

TABOR OPERA HOUSE (<i>future</i>) STAFF POSITIONS	SALARY
Executive Director (full time) <ul style="list-style-type: none"> • Fundraising/development • Strategic planning • Oversight of Tabor Opera House restoration • Budgeting • Promotion (media, speaking engagements) 	\$50,000
Artistic Director (part time) <ul style="list-style-type: none"> • Booking and marketing of shows/programs • Theater management & operations • Community engagement 	\$25,000
Coordinator (part time) <ul style="list-style-type: none"> • Coordinate volunteers • Handle relationships with vendors, tenants, and visitors • Manage rental spaces & contracts • Assist with marketing • Provide basic office support 	\$25,000
Contract Positions <ul style="list-style-type: none"> • Grant writing • Facilities maintenance • Technical crew for productions 	\$50,000
TOTAL STAFF BUDGET	\$150,000

8. FUNDING SOURCES & USES

As discussed previously in this report and noted in the Case Studies & Resource Panel section, lessons learned from similar historic theaters indicate that the Tabor Opera House cannot expect to break even from operating revenues alone. Operations at comparable facilities are subsidized. This reality, especially in such a seasonal economy as Leadville, warrants two important findings regarding funding for the Tabor Opera House:

1. Capital investment for rehabilitation should not include any forms of debt. Debt service payments over time would place an extraordinary burden on operations and would not be sustainable. This means that the City of Leadville and the Tabor Opera House Preservation Foundation should (i), cooperate and jointly find ways to fund capital expenditures with cash; and (ii), identify a capital projects phasing plan and budgets that allow for the renovation of the building to occur in strategic phases that meet the Foundations mission and are economically viable.
2. The programming of the various spaces in the building needs to optimize operational revenue opportunities and, to cover projected operational revenue shortfalls, additional revenue streams need to be identified and utilized to supplement the Tabor Opera House’s annual operating budgets.

CAPITAL INVESTMENT

Rehabilitation of the Tabor Opera House is expected to cost approximately \$8 million. As debt is not advised, grant funding should be a top priority and applied to discrete phases and projects over time, as outlined in the Cost Estimates and Phasing section, as it is unlikely the Tabor Opera House Preservation Foundation will receive sufficient grant revenue to complete the building renovation in a single phase. Multiple grants should be pursued simultaneously and the same grants should be applied for annually. An efficient grant writing system should be established that streamlines the process and enhances the likelihood of success.

SECTION SUMMARY

This section discusses (i) the sources of funding for capital improvements with a list of sources that could fund Phase 1 renovations and (ii) sources of funding for operations with a hypothetical operating projection.

- The Tabor Opera House is not expected to break even from operating revenues alone; ongoing fundraising and outside revenue sources will be needed.
- Capital investment for rehabilitation should not include any form of debt, unless there is a guaranteed source for repayment (i.e. historic tax credits).
- Capital funding priority sources include: historic preservation grants and tax credits, grantors who contributed to the Tabor Opera House acquisition, and private/corporate donors.
- An increase in the Lake County lodger’s tax as a dedicated stream of income for Tabor Opera House operations could be a critical component to long-term sustainability.
- A break-even operating scenario is considered possible with the right mix of earned revenue, fundraising and non-earned income operational subsidies.

Recommended Grant Funding Priorities:

Both nationally and in Colorado, significant funding sources are available in the form of government and institutional grants that support historic preservation and rehabilitation of historic buildings. As a contributing building to the Leadville National Historic Landmark District and identified as an asset at risk, a top priority for financing capital investment for the Tabor Opera House should be grants intended to preserve historic buildings. Priority should be given to the **National Parks Service Save America's Treasures** and the Colorado **State Historical Fund (SHF)** annual grants.

Another early priority should be to pursue additional funding through the Colorado based funders that contributed to the purchase of the Tabor Opera House. These funders, that include **Department of Local Affairs (DOLA)**, **SHF**, **the Boettcher Foundation**, **the Gates Family Foundation** and **the El Pomar Foundation**, have expressed interest in further support for the Tabor Opera House following the completion of a feasibility study.

DOLA, for example, has several different grant programs that could be applicable to capital funding for Tabor Opera House. The potentially most lucrative opportunity is through the Energy/Mineral Impact Assistance Funds, which can award up to \$1 million. "Readiness to go" is weighted heavily with this grant application, so a discrete project with other funding sources confirmed, would be an ideal candidate. Additional DOLA grants include the Infrastructure REDI Grant and Community Development Block Grants. DOLA is likely to only fund one project per municipality at a time. Therefore, the Foundation should coordinate their ask with the City of Leadville or other partners who may also be seeking DOLA funds.

Appendix A identifies a wide variety of Colorado governmental entities, private foundations and non-profit funding sources, with grant opportunities related to not only historic preservation but also economic development, education and arts & culture. Exhausting this list and going beyond to find other sources should be a constant priority for the Foundation.

State of Colorado Historic Preservation Tax Credits

State of Colorado Historic Preservation Tax Credits are an excellent funding tool and should also be a top priority for renovating the Tabor Opera House. The State awards tax credits for up to 25% of eligible preservation costs, up to \$1 million per year per project. This revenue source should be applied for every year, or at least each time a renovation phase is underway. For example, if Phase 1 has \$4 million of qualified expenses (see Appendix A for information on qualified expenses), up to \$1 million in tax credits may be awarded. The Foundation could sell these credits to generate cash. Today, such credits are typically selling for 85 cents on the dollar net to the seller (Foundation) so it could be expected that approximately \$850,000 could be raised by selling State of Colorado Historic Preservation Tax Credits.

Tax credits are not issued until a project is completed, which potentially creates a cash flow issue. As such, the Foundation would have a choice on how to manage its cash flow.

1. The Foundation could pay for the entire \$1 million of improvements in cash from other sources, most likely grants. Once the tax credits are issued and monetized by the Foundation, the Foundation would have \$850,000 in the bank to help pay for future phases of renovation.
2. Alternatively, the Foundation could pursue bridge funding. Once the tax credits are approved, the Foundation could take out a short-term loan that is secured by a pledge that the loan will be paid off

once the tax credits are issued and monetized. **Colorado Historical Foundation** has a revolving loan fund⁷ that may lend to the Foundation on very attractive terms for the short loan term of a construction phase knowing that their loan would be paid off in full upon issuance of the State tax credits.

More information on the State of Colorado Historic Preservation Tax Credits program can be found here: <http://www.historycolorado.org/grants/preservation-tax-credits>. Contact information for experts and resources to help the Foundation monetize State of Colorado Historic Preservation Tax Credits can be found in Appendix A. The Foundation should pursue State of Colorado Historic Preservation Tax Credits and establish relationships with these resources as soon as Phase 1 budgets are approved.

Federal Historic Preservation Tax Credits⁸

Working with the National Park Service and Department of Interior to secure Federal Historic Preservation Tax Credits may also be an excellent source of capital for the Tabor Opera House renovation. As with State Historic Tax Credits, Federal Historic Tax Credits can be applied for and used for distinct phases or projects, which is ideal for the Tabor Opera House. Federal Historic Tax Credits are available for up to 20% of qualified expenses for the renovation. The Federal Historic Tax Credits involve a four-step process:

Part 1: Determination of Eligibility

Part 1 is complete in that the Tabor Opera House is a contributing building to the Leadville National Historic Landmark District.

Part 2: Make an Application

The Foundation can apply via www.nps.gov/tps. The application will provide a detailed description of the proposed renovation including budgets and identification of qualified expenses. Once the Department of Interior has approved the application, renovation work can begin in anticipation of receiving the tax credits upon completion of the phase or project.

Part 3: Proof of Completion

When a project or phase is completed, the Foundation will have to provide evidence to the Department of the Interior including photographs documenting the completed project. Phased projects, such as the Tabor Opera House, will require a Phased Advisory Letter.

Part 4: Place in Service

The last step required to receive the Federal Historic Tax Credits is for the building or project to be ready for occupancy and utilization for its intended purpose. At this point the Department of the Interior will award the tax credits, pursuant the terms of the approved application from Part 2. For the Foundation to sell the tax credits a tax credit buyer/ partner needs to be on board prior to the building (or portion thereof) being placed in service.

⁷ <http://www.cohf.org/revolvingloanfund.html>

⁸ <https://www.nps.gov/tps/tax-incentives/taxdocs/about-tax-incentives-2012.pdf>

It is important to reiterate that, for both the State and Federal Tax Credit programs, the tax credits are only awarded upon completion of a phase or project. This means that the Foundation will have to pay for the

The combination of State and Federal Tax Credits may be able to pay for 35% to 40% of total renovation costs, making tax credit financing a high priority for the Foundation.

rehabilitation expenses and get reimbursed at completion, at which time the tax credits can also be monetized. As previously mentioned, the Foundation may be able to find loans to cover this cash flow timing gap and use the proceeds generated from the eventual sale of the tax credits to repay short term loans.

Additional Capital Improvement Funding Sources

Another important source of funding for building renovation is private donations from companies, institutions and individuals. Raising money through donations demonstrates local grassroots and regional support for the future programming of the Tabor Opera House and is symbolic of community pride. Showing this commitment will be helpful in pursuing grants and tax credits. In addition, this funding can add up to be a significant source of funds that need to be raised to pay for improvements. Strategies for securing private donations can include capital campaigns, selling memberships and creating a general donations system. A newer funding mechanism that is enjoying success is Internet based crowd funding. It would be easy to set up on the Tabor Opera House web page and can be a part of a capital campaign, as well as, an ongoing effort in the Foundation’s general donation system. Additionally, the Tabor Opera House is designated an Enterprise Zone, meaning donors are eligible for a lucrative tax credit. The Foundation should make sure potential donors are aware of this benefit. To make the processing requirements worth the effort, a minimum contribution of \$250 should be required for those looking to receive a tax credit.

Sources of Funding for Phase 1 Capital

The conceptual table below represents an approach the Foundation could take to secure funding for Phase 1 capital renovations.

FUNDS FOR CAPITAL – PHASE 1	AMOUNT	% OF TOTAL
Foundation Grants (first priority) may include:	\$835,000	18%
Boettcher Foundation; El Pomar Foundation; Gates Family Foundation; AV Hunter Trust		
Foundation Grants (second priority) may include:	\$430,000	9%
J. Landis and Sharon Martin Family Foundation; Anschutz Foundation; Summit Foundation; Freeport McMoran Foundation; Lake County Community Foundation; TBD Grant Providers*		
Government Grants may include:	\$1,060,000	23%
Colorado State Historical Fund (SHF); Department of Local Affairs (DOLA); NPS Save America’s Treasures; National Trust Preservation Fund; TBD Grant Providers*		
Local Capital Campaign & Donations	\$570,000	13%
Historic Preservation Tax Credits**	\$1,700,000	37%
Net proceeds of sale of State historic tax credits (\$965,000) and Federal historic tax credits (\$735,000)		
TOTAL	\$4,595,000	100%

*See Appendix A and www.preservationdirectory.com for additional grant resources and strategies.

**All tax credits are received after project completion. Therefore, a bridge lending solution is likely to solve the resulting cash flow issue. State Historic Tax Credits assume projects or phases are each under \$2 million, thereby receiving 25% tax credit eligibility and selling at 85% of par. Federal Historic Tax Credits assume 20% qualified expenses are sold at 80% of par.

OPERATIONAL FUNDING SOURCES

Earned Income

The most important source of operations revenue will be from fees and revenue generated within the Tabor Opera House from programming, events and day-to-day operations. Examples of such earned income that is consistent with building programming recommendations are:

Building Tours and Tabor Opera House Gift Shop Sales

The Tabor Opera House Foundation is already providing tours of the building and selling a modest amount of merchandise. It is expected that through the rehabilitation, new programming, and greater awareness of the Tabor Opera House, that this revenue stream can be increased further.

Storefronts Rental Income

The two storefronts can be rented to retail, commercial, or non-profit institutions on long-term leases.

Tabor Suites Rental Income

The second-floor Tabor Suites could be converted into commercial office space and leased to local businesses and/or rented as meeting venues or classroom space.

Ballroom Rental Income

The ballroom can be rented out as short-term event space for conferences, family events such as weddings and Quinceañeras and other private events such as high school reunions. The Leadville area lacks a similar space and as stakeholder interviews noted, people are leaving Leadville and holding such events in other markets. Local hotel operators could market and help rent the ballroom, which would help increase hotel business, tourism and support the Leadville economy in general.

Catering and Concessions

The Foundation should explore entering into a master concession agreement with an events catering company to provide food and beverage service for all types of events, especially ballroom and performance events. The Foundation could earn a small percentage of gross revenues to contribute to building operating expenses. Related to this, the Tabor Opera House should obtain a liquor license so it can control and benefit from the on-premises sales of beer, wine and alcohol.

Ticket Sales

All performances in the theatre should generate ticket sales revenue. The Foundation could add a nominal fee -- as some theaters call it, a **Preservation Fee** -- that goes toward maintaining and operating the building.

Non-Earned Income Operational Subsidies

As research and case studies have indicated, it should be expected that earned income operating revenues generated from Tabor Opera House programs will not cover operating costs, and that additional funding will have to be identified to subsidize operating shortfalls and allow the Tabor Opera House to be economically sustainable. A variety of funding sources to support operations are described below.

Expansion of the Local Lodger's Tax

The best thing about a lodger's tax is that out of town visitors, rather than local businesses and residents, pay this tax. A renovated Tabor Opera House will be an economic generator for Leadville, driving demand for tourism, retail sales, dining in restaurants and especially increased demand for hotel rooms. As such, there is a nexus for increasing the lodger's tax for the purpose of generating operating revenue for the Tabor Opera House. There are approximately 250 hotel rooms in and around Leadville whose businesses could benefit from the conversion of the Tabor Opera House ballroom into a meeting, conference and events space. This report estimates that doubling the lodger's tax from the current 1.9% to 3.8% and using the additional 1.9% to benefit the Tabor Opera House could create approximately \$125,000 annually in operating cost support.

To accomplish this a campaign will have to be organized to persuade the citizens of Lake County to approve the increased lodger's tax, with the goal of a vote in November 2018. The campaign should focus on the renovated Tabor Opera House being an economic development opportunity for the County.

Lodger's Tax Rationale:

- 1) Clear connection between this source of revenue and the tourism the Tabor Opera House will generate, which supports local hotels and restaurants.
- 2) Primarily paid by visitors, not residents.
- 3) Acts as a critical demonstration of local support that will be key to attracting capital grants.
- 4) Provides a steady stream of operating revenue, reducing risk for the City of Leadville, the owner of the Tabor Opera House.

Local Operating Support from Lake County and the City of Leadville

Both the City and the County should, subject to annual appropriation, make long-term funding commitments to contribute to Tabor Opera House operations. These investments in economic and cultural development will help keep the Tabor Opera House relevant and vital in Leadville. In addition, by making such investments, it will demonstrate that the City and County deem the Tabor Opera House and its mission to be important for the region. This will help with attracting other donors and especially with grant proposals and tax credit requests.

The ultimate showing of local government support could come from an increase in the lodger's tax as described above. In addition, the Foundation should apply annually for an appropriation of the City's Conservation Trust Funds, which are provided by DOLA and intended to be spent on recreation.

Foundation, Corporate Grants & Sponsorships and Individual Giving

The Foundation will continually need to seek grants and donations from companies, institutions and individuals to help close the operating gap. In many of the case studies, opera house boards established **annual membership programs** as a way to solicit donations. While modest perks, such as discounted tickets, were offered to members,

staff of the opera houses generally felt that members were primarily interested in contributing to the success of the opera house vs. receiving special benefits. Additionally, the studied opera houses reported seeking corporate sponsorships for theater programs to help them break even. Naming rights to seats, dressing rooms, the ballroom, and so forth can be another way to solicit donations. As mentioned under sources of capital funding, the Tabor Opera House is designated an Enterprise Zone, so donors should be made aware of their eligibility for a lucrative tax credit. While some grants only support capital, others can support general operations. Appendix A provides more detail on such grants.

Urban Renewal & Tax Increment Financing (TIF)

In utilizing its Urban Renewal Authority and creating Urban Renewal Areas, the City of Leadville should explore including the Tabor Opera House and neighboring properties in its TIF strategies so that tax increment can flow to the Tabor Opera House to help fund operations. Both property tax increment and retail sales tax increment from all Leadville Urban Renewal Areas should be made available to fund the Tabor Opera House. In addition, if the Tabor Opera House is included in an Urban Renewal Area, retail sales taxes generated on site from storefronts and catering can flow directly to the opera house to help fund operational shortfalls.

Other Cost Reduction and Lease Revenue Ideas

Creative solutions to smaller-scale building opportunities that would help offset operating costs should be explored. While creative, these solutions should still complement the historic character of the building and follow the Secretary of Interior's Standards.

EXAMPLES INCLUDE:

- Rooftop solar. The rooftop may be able to be leased to a solar energy provider who would install a solar array at no cost to the Tabor Opera House. The Foundation could collect rent for the rooftop lease and/or reduce its electric utility bill.
- Amazon Locker. The Foundation could lease a small ground floor space to Amazon for an Amazon Locker to activate an underutilized portion of the building, collect rent and drive traffic and customers to visit the Tabor Opera House. Amazon Locker is a self-service parcel delivery service offered by the online retailer. Amazon customers can select a locker as their delivery address and retrieve their orders at that location by entering a unique pick-up code.

Rooftop Solar Lease:
Carmine Iadarola
AquaSan Network, Inc.
Denver, CO 80246
303-437-4063
carmine@aquasan.biz

OPERATING PROJECTION

To provide the Foundation with an idea of how various sources of revenue can be used to pay for ongoing operations, an operating projection has been prepared on the following page. The projection aims to capture operating sources and uses of funds following the completion of Phase 1 renovations. As demonstrated in this table, a **break-even scenario is possible** with the right mix of earned income and non-earned income operational subsidies. It is important to recognize that this table is conceptual and is intended to outline an *approach* for how the Foundation can operate the Tabor Opera House in a financially sustainable manner.

TABOR OPERA HOUSE OPERATING PROJECTION (est. 2020)

SOURCES OF FUNDS	AMOUNT	NOTES/ASSUMPTIONS
Earned Income		
Building Tours & Gift Shop Sales	\$40,000	Doubles existing revenue
Storefront Rental Income	\$12,000	\$1,000 per month per storefront
Ballroom Income	\$36,000	4 events per month with average rental fee of \$750. (local & non-local rates)
Concessions (food & drink)	\$12,000	
Ticket Sales	\$75,000	15 performances per year filling 250 seats at \$20 per ticket.
Preservation Fee	\$7,500	\$2 fee added to ticket price.
Earned Income Total	\$182,500	
Non-Earned Income Operational Subsidies		
Lake County Lodger's Tax	\$125,000	Increase lodger's tax from 1.9% to 3.8%. The 1.9% increase going to Tabor Opera House.
Local Government Operating Support	\$30,000	City of Leadville \$10,000 and Lake County \$20,000 subject to annual appropriation.
Foundation, Corporate Grants & Sponsorships and Individual Giving	\$50,000	
Tabor Opera House Membership Program	\$19,500	Three tiers: \$100; \$250; \$500. Est. 75 annual memberships. Target locals & second homeowners
Tax Increment Financing	\$5,000	URA pledge to Tabor Opera House for annual funding.
Non-Earned Income Total	\$229,500	
TOTAL, ALL SOURCES	\$412,000	
USES OF FUNDS		
Payroll	\$100,000	
Outsourced Contract Labor	\$50,000	
Professional Fees	\$9,500	Legal: \$6,000; Accounting: \$3,500
Insurance	\$25,000	Property: \$10,000; Liability: \$15,000
Heating	\$50,000	
Electricity	\$20,000	
Misc. Utilities	\$18,500	Phone: \$3,500; Water: \$5,000; Sewer: \$5,000; Trash: \$5,000
Marketing, Advertising & Promotion	\$24,000	\$2,000/month
Payments to Performers in Theatre	\$30,000	15 shows costing \$2,000 each to book
Other Performance Costs	\$30,000	
Contingency/Reserve	\$50,000	
TOTAL, ALL USES	\$412,000	
ENDING BALANCE	\$0	

ENDOWMENT

The Tabor Opera House Preservation Foundation should seek to create an endowment for the Tabor Opera House that will (i) act as a capital reserve for unexpected expenses, (ii) generate a rate of return (interest) that provides a cushion for operating expenses and (iii) demonstrate strength to potential funders, thereby maintaining long-term fundraising potential. An ideal endowment of \$2 million would generate an additional \$100,000 a year (assuming 5% interest) that the Foundation could use to provide cover for any unexpected outlays in capital or operations.

Building the endowment should begin in earnest following the completion of Phase 1 renovations. While sources may include similar grant providers to those sought for capital improvements, one of the best sources may be individuals who are estate planning and interested in leaving part of their legacy with the Tabor Opera House. The area’s second homeowners would also be a good source from which to seek funds for an endowment.

KEY ACTIONS THROUGH PHASE 1

The table below outlines key actions over the next two and a half years that will bring the Foundation through the completion of Phase 1 renovations. While there are ongoing actions such as fundraising and theater programming, there are also discrete milestones associated with the proposed lodger’s tax increase, hiring staff, and preparing for a significant renovation effort that may require the theater to close for a few months during the summer/fall of 2019.

TIMELINE	KEY ACTIONS
July – December, 2017	<ul style="list-style-type: none"> Secure funding for - and complete - A & E Finalize Phase 1 renovation scope and budget Begin fundraising for Phase 1 renovations Run summer 2017 theater season Prepare for summer 2018 theater season
January – June, 2018	<ul style="list-style-type: none"> Continue fundraising for Phase 1 renovations Begin Phase 1 renovations Prepare for summer 2018 theater season Begin lodger's tax educational campaign
July – December, 2018	<ul style="list-style-type: none"> Continue Phase 1 renovations Continue fundraising for Phase 1 renovations Visible progress should be seen by the community (i.e. restored front façade) Nov. 2018 Lodger's Tax Increase Referendum Run summer 2018 season
January – June, 2019	<ul style="list-style-type: none"> Hire staff Continue fundraising for Phase 1 renovations Prepare for substantial Phase 1 renovations Prepare for limited summer 2019 theater season
July – December, 2019	<ul style="list-style-type: none"> Run limited summer 2019 season Late summer/early fall Tabor Opera House is closed for significant & final Phase 1 renovations <i>Begin fundraising for Phase 2 renovations</i>

APPENDIX A. FUNDING SOURCES TABLES

The information in Appendix A was compiled with assistance from Jenny Buddenborg with the National Trust for Historic Preservation.

PRIVATE/NON-PROFIT FUNDING

Grantor	Type	Requirement	Max amount	Deadline	Notes
AV Hunter Trust	General operating	501(c)3	\$20K	Rolling	Leadville specific
Anschutz Family Foundation	General operating	501(c)3 or government entity	\$5K - \$10K (typical award)	Jan 15, Aug 1	
Anschutz Foundation	Capital	510(c)3 or government entity	Unknown	Jul 15	Primarily fund Denver-based projects
Boettcher Foundation	Community Enrichment Capital	Colorado 501(c)3 or government entity	\$20K - \$75K (typical award)	Apr 1 (pre-qualification form)	
El Pomar Foundation		501(c)3 or government entity; cannot cover debt repayment	\$100K	Rolling; reviewed at Trustees meetings (5-6/year); application due 6-8 weeks in advance	Three-year wait before awardee can return with another ask/one year wait period if ask unfunded
Freeport McMoran Foundation	Community Investment Funds	501(c)3 or government entity	Unknown	Sep 15 – Dec 15	Other Foundation funding programs could be a fit for this project
Gates Family Foundation	Capital	Need 30% of project cost committed; non-profit status, some exceptions for government entities	Six figures	Jan 15, Jul 1, Oct 1	Reducing capital grant expenditures moving forward
J. Landis and Sharon Martin Family Foundation		Must be a pre-selected organization	Unknown	Unknown	Denver-based; Fields of interest: historic preservation, arts and culture, museums, opera,

					and performing arts
Lake County Community Foundation	Capital General Operating	Lake County non-profits or organizations partnered with Lake County non-profits	>\$20,000	May 1	Must benefit the Lake County community: arts & culture, community and economic development, education etc.
National Trust Preservation Fund	Peter Grant Fund	501(c)3 or government entity; 1:1 cash match	\$10K	Feb 1, Jun 1, Oct 1	Can cover hard and soft costs related to rehabilitation
Summit Foundation		501(c)3 or government entity	\$10K	Apr and Oct	Serves Summit, Lake, Park, and Grand Counties
Shubert Foundation	Arts-related grants for organizations; general operating	Based principally on an assessment of their work, as demonstrated by past and current performance. Impact, administrative strength and fiscal stability are factored into each evaluation	Range from \$10,000 to \$150,000	August-December	Specifically, for non-profit theaters and related arts throughout the U.S.
National Endowment for the Arts (NEA)	Art Works Grant	Nonprofit, tax-exempt 501(c)(3), U.S. organizations; units of state or local government may apply	Range from \$10,000 to \$100,000	April-May	Areas of focus include: Arts Education, Dance, Design, Folk & Traditional Arts, Media Arts, Museums, Music, Musical Theater, Opera, Presenting & Multidisciplinary Works, Theater, Visual Arts, etc.
Kresge Foundation	Arts and culture related grants; fund operations, specific projects and planning	Non-profit organizations	Range from \$10,000 to \$1 million +	Rolling	Grants for arts and culture, education, environment, health, human services and

					community development.
Colorado Creative Industries	Colorado Creates Grant; general operating support for organizations and communities to produce arts and cultural activities	Colorado-based 501 (c) 3 arts organizations; minimum cash operating budget of \$25,000; 3-year history of public programming	Two-year grant funding period, \$4,000 to \$10,000	June	Efforts are made to ensure distribution of funds throughout the state, with a specific goal of increasing investment in rural communities.
Community First Foundation	Incentive Grant Program that helps nonprofits build their endowment	Nonprofit	Incentives: 25 cents for every dollar up to \$10,000; \$50,000 grant for contribution of \$500,000+; \$100,000 grant for contribution of \$1M +	Unknown	This program provides incentives for nonprofit organizations to help engage donors, board members and others to secure the nonprofit's future.
Rural Philanthropy Days	Funding opportunities to nonprofits and community organizations	Nonprofits	N/A	N/A	Two regional conferences are held each year for different parts of Colorado; aimed at connecting organizations with resources.
Colorado Gives Day	\$1 million incentive fund presented by Community First Foundation and FirstBank to strengthen Colorado's nonprofits through online giving	Nonprofit organizations	Varies	December 5, 2017	If a nonprofit organization receives 10 percent of the total amount of money raised on Colorado Gives Day, that same nonprofit receives 10 percent of the \$1 Million Incentive Fund. Coloradogives.org is a year-round online giving

					website featuring more than 2,000 Colorado nonprofits.
Quick Foundation	Grants for operating funds, program funds, and capital projects	Charitable Entities	Unknown	April 15th	Target areas include youth programs and historic preservation; 30% of their grants are made to rural Colorado.
John G. Duncan Charitable Trust	Supports a variety of charitable, benevolent, educational, and religious purposes within the state of Colorado.	501(c)(3)	\$5,000 to \$10,000	January 1 - March 31	Arts, culture, humanities, education
U.S. Bank	Community Possible Grant Program; offers project grants, operating grants, and capital grants	501(c)(3)	Unknown	February 1- March 15	Programs that provide access to cultural activities, visual and performing arts for individuals and families living in underserved communities. Funding for local arts organizations that enhance the economic vitality of the community.
Kinder Morgan	Art education program support	Nonprofits, schools	\$1,000 and \$5,000	10 th of every month beginning in January	

GOVERNMENT FUNDING

Grantor	Type	Requirement	Max amount	Deadline	Notes
CO Department of Local Affairs (DOLA)	Energy/Mineral Impact Assistance Funds	50% match of total project cost; adequate project planning	Tier 1 - \$200K Tier 2 - \$1M	Apr 1, Aug 1, Dec 1	"Readiness to go" is weighted heavily
CO Department of Local Affairs (DOLA)	Infrastructure REDI grant	Projects must be completed within the fiscal year, so they need to be well defined and ready to go.	Approx. \$150k	May 31	Need to demonstrate how the project helps diversify the economy.
CO Department of Local Affairs	Conservation Trust Funds; non-competitive – distributed to local governments			Apply through City of Leadville or Lake County	Used toward recreation.
Colorado State Historical Fund (SHF)	Competitive Grant	25% match of project total for properties owned by eligible applicants; 50% of project total for properties owned by private individuals and for profit businesses	\$200,000	Apr 1, Oct 1	Can fund multiple phases of rehabilitation.
National Park Service	Save America's Treasures				\$5M allocation to fund program via federal FY17 Omnibus spending bill; awaiting application instructions

US Department of Commerce	Economic Development Assistance Program	50% match of total project cost; meet per capita income or unemployment requirements; City is applicant	\$100K - \$3M	Rolling	Must make strong argument for job creation and economic growth
USDA Rural Development	Community Facilities Direct Loan & Grant Program	City is applicant	\$10K; loan is real option	Rolling	More of an opportunity for a loan versus grant as max grant ask is \$10K

TAX CREDIT FINANCING

- Colorado State Rehabilitation Tax Credit
- Federal Rehabilitation Tax Credit
- New Markets Tax Credit
- National Trust Community Investment Corporation - Main Street Small Deal Fund

Qualified Expenses⁹

Typically, expenses that qualify for Historic Preservation Tax Credits and most grant funding must meet the Secretary of Interior’s Standards and Guidelines. In addition, only Qualified Expenses are eligible for tax credit and grant funding. Not every expense associated with a rehabilitation project is a Qualified Expense. Generally, only costs directly related to the repair or improvement of structural and architectural features of an historic building are Qualified Expenses.

Any expenditure for a structural component of a building will qualify for the rehabilitation tax credit. Treasury Regulation 1.48-1(e)(2) defines structural components to include walls, partitions, floors, ceilings, permanent coverings such as paneling or tiling, windows and doors, components of central air conditioning or heating systems, plumbing and plumbing fixtures, electrical wiring and lighting fixtures, chimneys, stairs, escalators, elevators, sprinkling systems, fire escapes, and other components related to the operation or maintenance of the building. In addition to the above named "hard costs", there are "soft costs" which also qualify. These include construction period interest and taxes, architect fees, engineering fees, construction management costs, reasonable developer fees, and any other fees paid that would normally be charged to a capital account.

⁹ National Park Service Department of the Interior – Technical Preservation Services, www.nps.gov/tps

Generally Eligible	Not Eligible
<ul style="list-style-type: none"> • Walls • Partitions • Floors • Ceilings • Permanent coverings, such as paneling or tiles • Windows and doors • Components of central air conditioning or heating systems • Plumbing and plumbing fixtures • Electrical wiring and lighting fixtures • Chimneys • Stairs • Escalators, elevators, sprinkler systems, fire escapes • Other components related to the operation or maintenance of the building 	<ul style="list-style-type: none"> • Acquisition costs • Appliances • Cabinets • Carpeting (if tacked in place and not glued) • Decks (not part of original building) • Demolition costs (removal of a building on property site) • Fencing • Feasibility studies • Financing fees • Furniture • Landscaping • Leasing Expenses • Moving (building) costs (if part of acquisitions) • New construction costs or enlargement costs (increase in total volume) • Outdoor lighting remote from building • Parking lot • Paving • Planters • Porches and Porticos (not part of original building) • Retaining walls • Sidewalks • Signage • Storm sewer construction costs • Window treatments

Contact for monetizing Historic Preservation Tax Credits

Ariel Steele

Tax Credit Connection, Inc.

2919 W. 17th Ave, Ste 201

Longmont, CO 80503

ariel@taxcreditconnection.com

303-774-8127 (Phone)

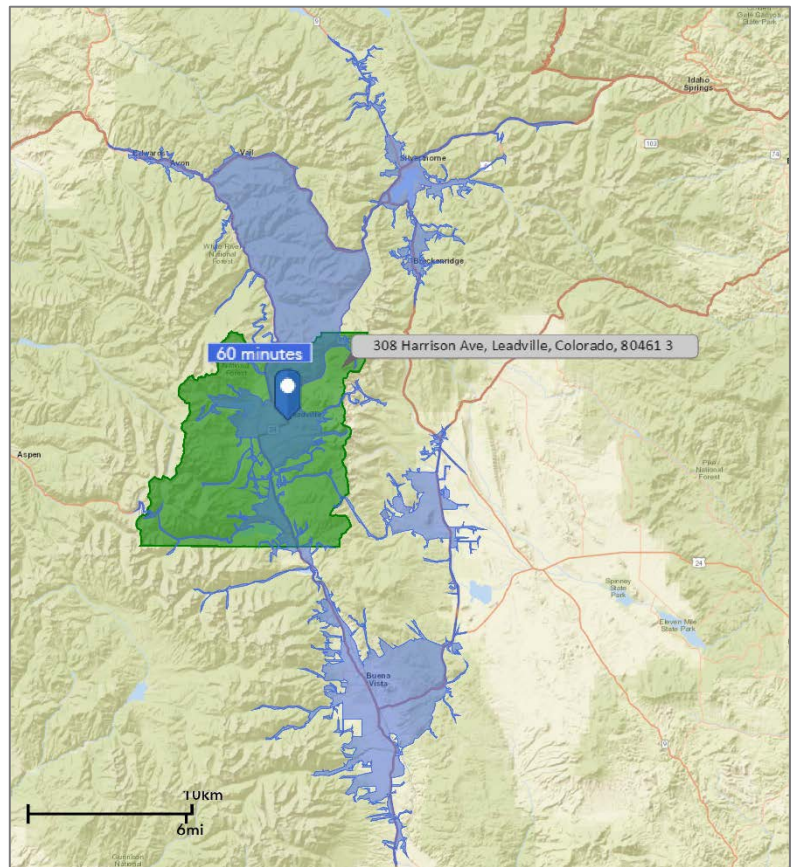
720-302-0447 (Fax)

APPENDIX B. MARKET ASSESSMENT

The following market information is relevant to potential uses for the Tabor Opera House in Leadville, CO. The data comes primarily from ESRI Business Analyst Online 2016, unless otherwise noted. The data is organized in the context of Live, Work, Shop, and Play for two market areas described below. When appropriate, comparisons are included for the State of Colorado and neighboring counties.

MARKET AREAS

Data was collected for two market areas to account for seasonality. Lake County, shown in green, on the map to the right, was used as the market area for the winter and off-peak months, where visitors are less likely to travel longer distances. The larger area, shown in blue, is based on a 1-hour drive time from the Tabor Opera House and was used to capture the potential summer market. It will be referred to throughout this report as the Summer Market. It includes all or part of the following towns: Silverthorne, Dillion, Frisco, Breckenridge, Buena Vista, Nathrop, Edwards, Avon and Vail.



Source: ESRI

1. LIVE

RESIDENTS

Population

The population of Lake County was 7,657 in 2016, growing at a rate of just under 5% since 2010. Over 70% of the County's population resides in Leadville area, which includes the City of Leadville, Leadville North Census Designated Place (CDP), and Stringtown. With the exception of the small CDP Twin Lakes, the remainder of the population resides in unincorporated Lake County. The full time resident population of the Summer Market is about seven times greater than the Lake County market, at 54,131.

Age & Gender

The median age in Lake County is 36, slightly lower than Colorado's median age of 37. The median age in the Summer Market is slightly greater than the State average at 38. The two most prevalent age cohorts in both Lake County and the Summer Market are 25-to-34 and 35-to-44. Both markets skew male. Lake County has 13% more males than females and the Summer Market has 22% more males than females.

Race/Ethnicity

In both markets the large majority of the population is White. In Lake County, however, there is also a significant population of Hispanic Origin. Nearly 40% of Lake County's population is Hispanic compared to just 20% in the Summer Market and the State of Colorado.

According to the recent Lake County Economic Development Strategic Plan, Hispanic households in Lake County earn more than the State average for Hispanic households as well as White Alone households. This is contrary to state and national trends, which show Hispanic households earning less-than-median incomes. According to the stakeholder interviews and past planning efforts, Hispanic residents in Lake County have historically been disengaged from the community, which is a missed opportunity from both a social and a market perspective.

RACE/ETHNICITY			
	Lake County	Summer Market	Colorado
White	80.0%	86.7%	79.9%
Black	0.5%	1.4%	4.2%
American Indian	1.7%	0.9%	1.1%
Asian	0.6%	1.0%	3.1%
Pacific Islander	0.1%	0.1%	0.2%
Other Race	13.2%	7.8%	7.6%
Two or More Races	3.9%	2.1%	3.8%
Hispanic Origin	37.8%	20.9%	21.6%

Source: ESRI

Income

The median household income for Lake County is \$44,947, approximately 26% lower than Colorado's median household income of \$60,903. The Summer Market has a median household income slightly above the State average at \$61,453. Approximately 13% of the full-time residents earn over \$150,000 per year in the Summer Market compared to just 3% in Lake County.

Median income in Lake County has grown from just under \$40,000 in 2009 to \$44,947 in 2016. With the exception of Chaffee County, Lake County continues to have a median income below neighboring counties.

MEDIAN HOUSEHOLD INCOME	
Lake County	\$44,947
Summer Market	\$61,453
Colorado	\$60,903
Neighboring Counties	
Eagle County	\$77,035
Pitkin County	\$75,009
Summit County	\$70,825
Park County	\$64,229
Chaffee County	\$43,109

Source: ESRI

HOUSING MARKET

Housing Characteristics

Lake County has a total of 3,133 households, with an average household size of 2.4. The Summer Market has 22,590 households, with a similar but slightly smaller household size of 2.3. Based on 2010 ESRI data, 32% of Lake County households have children, compared to just 25% of households in the Summer Market.

Vacancy rates, which include second/seasonal ownership, are indicative of the strong second home market in both Lake County and the Summer Market. Vacancy rates are approximately three times greater in Lake County and five times greater in the Summer Market than they are in the State of Colorado.

HOUSING UNITS BY OCCUPANCY TYPE			
	Lake County	Summer Market	Colorado
Owner-Occupied	44%	28%	56%
Renter-Occupied	25%	19%	34%
Vacant	31%	53%	10%

Source: ESRI

Housing Affordability

According to the 2016 Lake County Housing Feasibility Study, the County’s housing supply has not kept pace with demand, leading to a tight housing market. Recent stakeholder interviews suggest the growing interest in Colorado combined with the relative affordability of Lake County compared to neighboring counties has driven more second homeowners to the area. This in turn is driving up home prices.

Recent data shows evidence of increasing home prices and a declining number of days that homes are on the market.

However, Lake County’s home values are still significantly lower than neighboring counties. The median home value in the Summer Market is \$399,561 and the median home values of neighboring counties range from \$278,478 to \$648,217.

Lake County Home Sales			
Key Metrics	2015	2016	2017 (through Apr.)
Median Sales Price	\$174,750	\$195,000	\$242,500
Avg. Days on the Market	161	74	79

Source: Realtors of Central Colorado

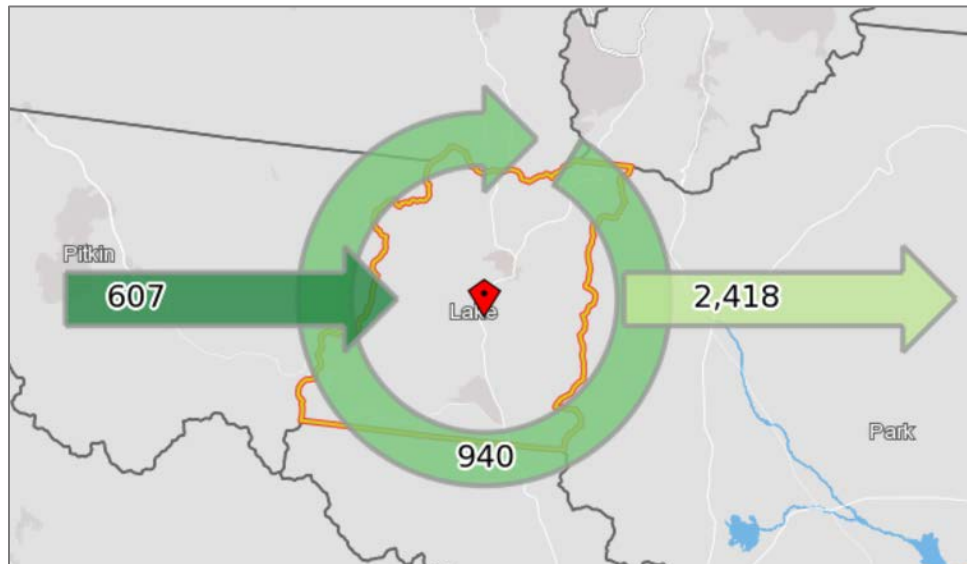
2. WORK

EMPLOYEE CHARACTERISTICS

Lake County has approximately 4,500 workers. An estimated 17% of these workers are employed in the Mining, Quarrying, and Oil and Gas Extraction industries. Compared to nearby counties, Lake County has a far larger percentage of its workers in lower-wage industries, such as arts and entertainment, education, accommodation and food service, and a smaller percentage in higher wage sectors such as manufacturing and transportation¹⁰.

Inflow/Outflow

Census data from 2014, shows that Lake County has a significant outflow of workers. 72% of the population living in Lake County is employed outside of the County; only 28% of those living in the County are employed in the County. A relatively small number of workers commute into the County, presumably in large part, for work at the Climax Mine.



Source: Census OnTheMap 2014

Educational Attainment

42.9% of Lake County's population has an Associate's degree or higher. This is 8.5% fewer than the State of Colorado, where 46.9% of the population has an Associate's degree or higher. The Summer Market has strong education attainment with 53% of the population earning an Associate's degree or higher.

The Lake County School District has just over 1,000 students enrolled from pre-school through 12th grade. The student population is considered "highly impacted" with 75% receiving free and reduced lunch; 70% minorities and 40% English language learners¹¹. The District has a strong focus on improving academic achievement and

¹⁰ Lake County Economic Development Strategic Plan

¹¹ Lake County School District Administration

places value in their art, music and theater programs. The high school has a recently renovated 500-seat auditorium, which is shared with the middle and elementary schools. Lake County is home to a branch of the Colorado Mountain College (CMC), which offers Bachelor and Associate degree programs as well as many certificate programs. Approximately 150 students are enrolled at CMC each year¹². The High Mountain Institute (HMI) teaches students of various ages about academics and the natural world. Each year HMI has approximately 200 students enrolled in their programs¹³.

Industry Clusters & Opportunities

The most prominent industries in Lake County are mining and oil/gas, educational services, arts, entertainment and recreation, and government. The reopening of the Climax Mine in 2012, which employs approximately 400

Lake County		Summer Market	
Total Businesses	Total Employees	Total Businesses	Total Employees
413	2,145	5,847	57,796

Source: ESRI

people, has helped to improve economic conditions in Lake County. However, the mine is not nearly the prominent employer it once was when it employed over 3,000 workers. Lake County should continue to focus on economic diversification. The Lake County Economic Development Strategic Plan, identified the following industries as having a niche and potential for expansion in Lake County: Recreation/Adventure Tourism, High Altitude Testing, Outdoor Education, Health & Wellness, and Film Production.

The most prominent industries in the Summer Market, based on the number of employees are: Accommodation and Food Services (36%), Retail Trade (12%), Real Estate, Rental & Leasing (8%), and Construction (5%)¹⁴.

OFFICE MARKET

Increasingly, in markets across the country, the factor that characterizes top-leasing office space is whether the space offers an open, flexible format that fits the work style preferences of younger talent. Many small firms now prefer lower-level space in refurbished buildings with distinctive character. While Lake County does not have a robust office market, the commercial blocks on Harrison Ave., including the storefronts at the Tabor Opera House, are best poised to attract new office tenants based on these preferences.

The Lake County Economic Development Strategic Plan noted the potential for Lake County to attract location neutral (remote) workers. This is a growing trend nationally. A recent Gallup poll citing one in eleven workers are working remote from their company’s office. Additionally, Lake County has an entrepreneurial culture. The Plan said that approximately 50 new businesses have started in Lake County every year since 2003. The Tabor Opera House storefronts, if restored, could be an attractive location for collaborative, flexible office space.

¹² Colorado Mountain College

¹³ High Mountain Institute

¹⁴ ESRI Business Summary

3. SHOP

RETAIL

Lake County has \$54M in total retail trade and food and drink leakage, meaning demand is greater than supply and consumers are leaving the County to make certain purchases. In contrast, the Summer Market has a \$484M surplus, indicative of a robust market that supplies retail, food and drink, beyond their local population.

Specific categories with the greatest leakage in Lake County, include:

- General Merchandise: \$10.7M
- Food & beverage: \$9.9M
- Electronics & Appliances: \$4.3M
- Building materials & supplies: \$3.3M
- Clothing & Accessories: \$3.0M
- Misc. Retailers: \$2.5M
- Sporting goods, hobby, book and music: \$2.0M
- Home furnishings: \$1.9M

As the recognition of Lake County and Leadville continues to grow, the retail environment appears to be responding. Sales tax growth for the City of Leadville, pictured right, shows a trend indicative of an improving retail climate.

According to a local real estate agent, rents on Harrison Ave. vary considerably but average approximately \$1/sq. ft. Newly renovated buildings can receive closer to \$2/sq. ft.

City of Leadville	
Year	Net Sales Tax Revenue
2010	\$ 569,223
2011	\$ 738,199
2012	\$ 653,393
2013	\$ 666,956
2014	\$ 658,026
2015	\$ 728,773

Source: Colorado Department of Revenue

4. PLAY

HOSPITALITY

Lake County has a strong summer season but much less demand the rest of the year, which puts a strain on the hospitality industry. Average daily room rates and occupancy fluctuate significantly by season, from very modest rates and low occupancy in off peak months to near 100% capacity in the summer.

- Off-peak Season
 - **Rates:** \$50 to \$60/night
 - **Occupancy:** 20% to 50%
- Peak Season
 - **Rates:** \$100 to \$110/night
 - **Occupancy:** 85% to 100%

The total number of hotel rooms in Lake County are estimated between 250 and 300¹⁵. Approximately half of these rooms are in Leadville, while the remainder are just outside the City limits. A new resort hotel is being proposed as part of the Evergreen Development near junction U.S. 24 and Colo. 9. This development would bring a higher-end product to the Leadville market and double the number of hotel rooms. However, it is unclear if or when this development will come to fruition.

Lake County has a lodging tax of 1.9%, which according to the Lake County Tourism Panel raised \$136,000 in 2016. As seen in the chart to the right, this tax rate is slightly lower than other nearby municipalities. There is currently no lodging tax for the City of Leadville.

2017 Lodging Tax	
Municipality or County	Rate
Avon	4.00%
Breckenridge	3.40%
Frisco	2.35%
Silverthorne	2.00%
Aspen	2.00%
Chaffee County	1.90%
Lake County	1.90%
Vail	1.40%

Source: Municipal & County Websites

Visitors

Colorado continues to break records for visitor numbers and spending. The Colorado Tourism Office reported 77.7M visitors spent an all-time high of \$19.1 billion in 2015¹⁶. According to the Lake County Tourism Panel, Leadville and Lake County primarily attract recreational visitors and heritage tourists.

The visitor market is an important audience for the Tabor Opera House, particularly during the summer when it can expect to draw from the larger region. Based on

Summer Visitors:

Buena Vista exceeds **34,000** visitors on a busy day.

Vail estimates **35,000 to 45,000** visitors on weekends during the

Source: Buena Vista Planning Department; Vail Economic Development Department

¹⁵ Lake County Tourism Panel

¹⁶ Longwoods-intl.com

visitor estimates from several towns included in the Summer Market, the visitor population during summer weekends can increase the population by seven-to-nine times. Using this calculation, the Summer Market could grow to over 300,000 people during summer weekends.

ARTS & ENTERTAINMENT

Stakeholder interviews suggest unmet demand for event space in Lake County for larger events such as weddings, conferences, and Quinceaneras. The Convention Center at the National Mining Hall of Fame and Museum was closed in 2015 with no plans to re-open as an events facility. Leadville’s Elk Lodge is the venue most stakeholders referred to as an option for larger events up to about 250 people. The Lake County Six Street Gym is another option that can accommodate large groups, and at a reasonable rate, however this facility does not provide the character that many seek for their special functions. Lake County loses potential business by not having the facilities to accommodate more events. According to one community organization, many Hispanic families travel to facilities outside of the county to hold Quinceaneras.

The chart below shows a sample of facilities in the region ranging from approximately \$100 for rental of a community center facility, to \$1,000 or less for a mid-tier facility depending on the day and time and up to several thousand for peak season rentals and/or rentals with more unique offerings such as the Loft Theater in Buena Vista. The Lake County market appears prime for an events facility that offers a unique experience at a mid-tier price point.

EVENT FACILITY	LOCATION	CAPACITY (# of ppl)	FEES
Silverthorne Recreation Center	Silverthorne	88	\$50/hr.; two hour minimum
Buena Vista Community Center	Buena Vista	426	\$50 to \$100
Lake County Sixth Street Gym	Leadville	500	\$100/day non-profit; \$500/day for profit
Elks Lodge	Leadville	250	<i>Unknown</i>
Hennebach Wing, Mining Museum	Leadville	150	\$75/hr.
EagleVail Pavilion	Avon	200	\$350 to \$1,300 depending on day/time
Silverthorne Pavilion	Silverthorne	250	\$650 to \$4,000 depending on day/time
The Loft Theater	Buena Vista	350	\$2,750 to \$7,500 depending on amenities

Source: direct venue outreach

APPENDIX C. CASE STUDIES

To inform the Tabor Opera House feasibility study, P.U.M.A. compiled best practice research from the following comparable theater re-use projects. While no one example is an exact comparable, taken together these examples provide insights into programming, rehabilitation, management, governance and other lessons learned that can inform the reuse and rehabilitation of the Tabor Opera House.

The following six case studies were considered for their location, population size, historic nature and rehabilitation efforts. Case studies conducted, include:

- Wright Opera House, Ouray, CO
- Rialto Theater, Deer Lodge, MT
- C.L. Hoover Opera House, Junction City, KS
- Homestake Opera House, Lead, SD
- McPherson Opera House, McPherson, KS
- Creede Repertory Theatre, Creede, CO

THE WRIGHT OPERA HOUSE | OURAY, CO

Background

In 2011, the Friends of the Wright Opera House completed the acquisition of the Opera House thanks to the generosity of the local community and the various foundations that came together and recognized the historical significance of the facility.

The previous owner of the Opera House was looking to sell the building and convert it to condos. This instigated the Save the Wright campaign and the formation of the Friends of the Wright Opera House non-profit, which raised \$750,000 to purchase the building. They now have an economic driver for the town that was not weather/season related.

Theater Programming

Programming includes theater, music, movies, and lectures.

They rely heavily on partnerships with other organizations to bring in performances. (Some music events the board will book themselves, e.g. singer songwriters, jazz groups).

- Ouray County Performing Arts Guide holds about 90% of their events at the Wright.
- Ouray County Players theater group.
- Upstart theater group.
- Movies every Wednesday night year-round; funded by a local couple.

Case Study Interview:

Nancy Nixon
Board of Directors, Chair
Friends of the Wright Opera House
nixonouray@gmail.com
Cell: 913-209-8049

Dee Williams
Board of Directors, Past Chair
Friends of the Wright Opera House
swap17@mindspring.com
Cell: 970 318 1278

<https://thewrightoperahouse.org/>

- Ouray Historic Society lecture series - 10-12 weeks in the summer, draws 100 to 150 people.
- Geology classes; they are trying to do more with community education.
- Dance lessons three times a week.
- Ouray County Artists Association provides ongoing art exhibits in the lobby (a way to decorate without having to buy art!)

Melodramas are one of the most popular events; tourists and kids love it.

They don't charge most of these groups to use the space; they are just seeking the visibility the shows bring to the theater and ways to contribute to the community. They do make a little money on concessions and alcohol sales at the events.

Their best seasons are summer and winter (ice climbing is a big draw). However, the locals still support the theater fairly well in the shoulder season. Generally, their visitor draw is within a 50-mile radius of Ouray. However, they also get visitors from Grand Junction, Montrose, Silverton, and Durango.

Other Building Uses

- Two storefronts are home to a bakery and an internet company.
- Basement storage units available for rent.
- Two apartments in the back of the building (will be going away with the remodel; they did not want to be in the residential businesses)
- After the renovation, there will be a catering area and more appropriate space for events.

Rehabilitation Efforts

The Wright Opera House was in decent condition when the non-profit purchased it, so they were able to function mostly as is for 6 or 7 years before deciding to do any major renovations. They did put in approximately \$350,000 for initial renovations that included an elevator.

After operating the Wright as a performance center for several years, the board recently decided they needed to have the capability to host more (and larger) events. They wanted the ability to bring in weddings, conferences etc. They are currently in the fundraising stage for these renovations, which are expected to cost approximately \$1.5M. Planned renovations include:

- A catering area
- Expanded street level lobby
- ADA bathrooms on the main level
- Creating a more substantial bar area
- Expansion to the backstage area to create more wing space for performers
- Repair foundation
- Electrical updates
- Finish fire retardation system

Only the front of the building is of concern to the historical society, so they are mostly free to expand in the back.

Sources of funding for renovations:

- State Historical Grant Funds
- High-end donors (they encourage 3-yr. pledges vs. a one-time donation) since it is a phased project. A lot of donors are second home owners in the area.

So far, they have raised almost \$700,000.

They have plans to finish renovations by 2020. They have a building subcommittee of the board that is working with an architect to plan the phases of renovations.

Operations

Annual operating budget is between \$65k and \$75k.

Theater ticket sales alone do not cover the cost of the performance let alone other operation costs, so ongoing donations are needed. They seek sponsorships for each show to try and at least break even.

Sources of funding for operations:

- Box office sales. Ticket prices according to the board members are “horribly cheap”; they said they could probably charge more.
 - Theater tickets are around \$15/\$20
 - Movies are \$7
- Fundraising appeals via mail twice a year
- Rental of the Wright- \$300/day.
- After purchasing the Opera House, the board approached the City about getting a portion of the lodging tax. The city agreed and they now get about \$1,700/yr. from the lodging tax. This is the primary way the City has contributed financially.

Governance

9-person volunteer (working) board. They would like to have more of a managing board vs. a working board but it has been too difficult to fund staff. About five years ago, they hired an Executive Director. He was very helpful but it was hard to ensure his salary, while also raising money for renovations and ongoing operations. Knowing this, the Executive Director willingly resigned and now sits on the board.

Advice/Lessons Learned

- Having significant in-kind donations from volunteers is helpful when applying for grants.
- An alliance was formed with all of the arts groups in the County, it is called Alpenglow. They meet once a month to talk about programming. They may hire for a shared position.
- There is another theater in a town approximately 10-miles away. They worked together to complement one another, not cannibalize one another.
- They utilize a CRM database management system to better manage donations.
- Organize your renovation into phases!
- It is a challenge to move forward with renovations while still keeping the theater open for events, but they think it is important to not shut down completely.

RIALTO COMMUNITY THEATER | DEER LODGE, MT

Case Study Interview:

Steve Owens
Board President
Rialto Community Theater, Inc.
Phone: [406-846-3413](tel:406-846-3413)
Email: sowens48@hotmail.com

<http://www.deerlodgerialto.com/>

Background

Steve has been involved with the Rialto Theater since the non-profit Rialto Community Theater Inc. was formed in 1995. With his previous grant writing experience, Steve helped to raise the \$87,000 needed to purchase the theater. The family who had owned it for 3 generations wanted to sell to an entity that would preserve the theater as a community venue.

Theater Programming

The 500-seat Rialto Community Theater is the only real auditorium in the City or County. The Rialto Community Theater, Inc. Board works to bring in current movies and a variety of quality performers at affordable prices.

- Movies are shown every weekend – Fri/Sat/Sun.
 - Average 145-165 attendees
 - Also show “sensory movies” for children with autism, draws families from 50 + miles.
 - They keep the ticket costs as low as possible (\$5 for adults; \$3 for kids)
- Concert series
 - Held the first one last year, working with concert promoters in Butte and Helena. It was successful.
- Community events (school concerts, etc.)
- Other live events

December through May is the busiest times of the year.

- This past December they had events 24 days of the month.
- May is popular for end of the school year activities.

Other Building Uses

None, solely the theater.

Rehabilitation Efforts

When Rialto Community Theater, Inc. purchased the building in 1995, it was structurally fairly sound. Over 10-years, \$300,000 was spent on:

- A new electrical system
- ADA bathrooms
- Emergency lighting

- Insulation
- A sound system

In 2006, there was a fire, of unknown origin, that devastated the theater. An additional \$3.5M was raised for its reconstruction, which was broken into four phases:

- Phase 1 - clean out debris, stabilize walls, replace roof
- Phase 2 – plumbing
- Phase 3 - bathrooms, framing, new flooring
- Phase 4 - wood trim, plaster, wall & floor finishes, emergency doors, and theater seats

They were able to stay on budget. The only unexpected costs included 1) hitting ground water while putting in utilities and 2) learning that they needed to upgrade to a digital projector (\$80k), which was more expensive than the older model they believed they could purchase.

The theater re-opened in 2012.

Sources of funding for renovations

- Grants (educational, historic preservation, economic development). Steve applied for 680 grants over the 6 years and received about 75. Examples include:
 - Murdock Charitable Trust (serves only Pacific Northwest)
 - Wiegand Foundation in Reno for the sound system
 - Goodie Two Shoes in Florida
 - Community Transportation Enhancement Program (MT Department of Transportation)
- Fundraisers. They have one big fundraiser a year, a 5-course meal for \$100. At first, they weren't sure if the community would pay this much but it sold out in a day. Periodically they host smaller fundraisers of dinner and a movie in the theater.
- Donations. The fire received national media attention, which helped solicit donors. Approximately 4,000 people contributed, many locals but also throughout MT and 40 other states. One large donation of \$500,000 came from a rancher outside of town (he was impressed by the kids who were helping to raise money for the theater). The rest were smaller donations.
- Volunteer labor
- Theater seats were donated from a former theater that was no longer in use.

The City and County have not provided any funding support directly, however, the City has been willing to sponsor grants when needed.

Operations

Annual operating budget of approximately \$100,000. In 2016, they operated with a surplus of \$14,000.

Sources of funding for operations

They are raising money all the time and always looking for new revenue sources.

2016 Operating Income:

- Concessions: \$48,000
- Event Income: \$16,700

- Grants: \$10,000
- Donations: \$9,500
- Theater Rental Income: \$9,400
 - E.g. school concert pays \$250 to use the theater and equipment
- (Movie) Screen Ads: \$4,100
- Fundraising: \$4,000
- Memorials: \$700
- Interest: \$20

In general, concessions and event income, donations, memorials, screen ads and theater (stage) rental pay for the operating expenses, while grants and fundraisers pay for improvements and major projects.

Governance

Volunteer (working) board. No staff other than a part time janitor. Would like to have staff but do not have the budget for it.

They rely heavily on volunteers to run concessions, sell tickets etc. One board member has to be at the theater every night that a function is taking place.

Advice/Lessons Learned

- The general rule of thumb with grant writing, is if you get 6-to-7% of the grants you apply for, then you are doing well.
- Who you hire for a general contractor is really important. Martel Construction was great about working with volunteers and taking breaks from work when additional fundraising was needed.
- Utility bills were lowered by working on the boilers and adding significant insulation. In floor heat in the auditorium and bathrooms has worked well [note another theater said the opposite].
- When renovating after the fire, leg room was added to each row to make people more comfortable.
- A successful way to seek out-of-town donors is through class reunion lists.
- Movies that have been out for three or four weeks are less expensive to show.

C.L. HOOVER OPERA HOUSE | JUNCTION CITY, KS

Case Study Interview:

Joe Markley
Director
Junction City Opera House Inc.
Cell: 785.479.0321
director@jcoperahouse.org

<https://www.jcoperahouse.org/>



Credit: C.L. Hoover Opera House

Background

The theater was originally constructed in 1882. It has been through many iterations, as a public hall, a movie theater, and a performance theater. Today after extensive renovations, it is a performing arts and civic center.

Joe has been the Executive Director for three years and has done a lot to improve operations since coming on board. The theater is now running successfully and has a positive image in the community. Joe is also the President of Kansas Historic Theaters Association.

Theater Programming

Music, dance, theatre, musical theatre, magic, acrobats, comedy, classic and independent films, and children's programming.

Theater seats 416. Season runs from September to May.

Other Building Uses

- Event rentals
- Office for the Arts Council (all of Junction City and Geary County's arts agencies).
- Art gallery in the second-floor lobby.

Rehabilitation Effort

Completed renovation in 2008.

Total cost: \$7M.

The state of the interior was in such disrepair that a lot had to be redone completely but they were mindful of trying to recreate the history where they could. They made the seats bigger and wider to accommodate today's population and their desires. The exterior is still the original.

For more detail on funding and phasing, contact Sheryl Baddy with the City of Junction City.

Operations

Annual operating budget for 2017 is approximately \$400,000. This is an increase from their 2016 operating budget of \$372,000, which reflects the higher quality talent they've been able to secure for this season.

Sources of funding for operations

- Business sponsors for shows - \$70k to \$80K per season.
- Yearly donations from local foundations.
 - KS Arts Industry Commission is a go-to for one-off projects.
- Facility rentals
 - Theater rental - \$1,000/day
 - Box office fee of \$2/ticket for all shows
- Tenant rent - \$600/mo. from the Arts Council
- City donation - \$160,000/year.
- County donation - \$55,000/year.
- In kind services
- Friends of the Opera House membership program commitments of \$100 to \$1000/yr. There are about 50 individual members, which raise about \$20k to \$30K/year.

Governance

11-person board, more advisory not as much a working board or involved in raising money. 5 part-time staff.

The City owns the opera house and has a management agreement with the non-profit 501 c 6, Junction City Opera House Inc.

As part of the arrangement, the City gets to use the theater's rental facilities, free of charge, as needed.

Advice/Lessons Learned

- Make the programming as diverse as possible: music shows, children's theater, etc.
- Children and family programming creates a really positive image for the community.
- Collaboration is key; listen to everybody's input.
- Different skill sets are needed for financial budgeting vs. booking artistic talent.
- Foundations are interested in giving us even more money now that we are successful.
- Shows never make enough money; need ongoing donations.
- Need to have someone on staff who really knows the community and what they want to see.
- Show people who donate where their money is going.
- They maintain an account reserve by conservatively estimating the budget every year. When there is a surplus in some area, they put that money into a buffer account.
- They typically go to the same banks/businesses for sponsorships each year.

- The theater doesn't have a liquor license so as a non-profit they can only give away alcohol. However, they ask for donations, which helps to compensate.

HISTORIC HOMESTAKE OPERA HOUSE | LEAD, SD

Case Study Interview:

Sarah Carlson
 Executive Director
 Historic Homestake Opera House
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 mobile: 605-920-0717
homestakeoperahouse@gmail.com

<http://www.homestakeoperahouse.org/>



Historic Homestake Opera House
 Photo from: <http://www.homestakeoperahouse.org/>

Background

Sarah was previously the Creative Director for an advertising agency. She is also an actress and singer. Previously from Sioux Falls SD, she started as a Board Member for the Historic Homestake Opera House Society and was later hired as the Executive Director in 2011.

Theater Programming

- Theatre, dance, concerts, presentations
- Gold Camp Players Community Theatre group (five performances per year)

Sarah is responsible for the booking and marketing of programs. Programming discussion happens with the board and staff each September.

The theater has programming year-round but Q1 is their slowest time of year, a good time for community theatre. Fall is their busiest season. Bus tours in Sept./Oct. have helped to bring in patrons. They avoid programming during holidays (since they utilize so many volunteers) and during times when free events are offered in Deadwood, SD.

Other Building Uses

- The non-profit Lead Deadwood Arts Center operates an art gallery and gift shop.
- The Lead Rifle and Pistol Club manages an indoor shooting range in the basement (which used to be a bowling alley).

- Rental facilities for conferences and weddings.

Rehabilitation Efforts

After a fire in 1984, the theater sat empty for 11 years. A Homestake gold mining engineer bought the building from the City of Lead for \$1 in 1995. The non-profit Historic Homestake Opera House Society purchased the building from this private owner in 2005.

They raised \$3M over 4 years for initial restoration and stabilization work, which included: the lobbies, floor, box seats, electrical, windows and exterior. The thought was that if the initial impression was good (i.e. lobby looked impressive upon entrance) it would encourage more support for the actual theater restoration, which was a much larger project.

In 2013, a consultant was hired and estimated the cost of the theater rehabilitation to be \$7.5M. Theater restoration has been on-going for the past several years. The theater has stayed open during the renovations, which Sarah thought this was necessary for their community to maintain trust and interest.

Sources of funding for renovations/improvements

- Federal, state and local grants for historic preservation
- Local donations

Operations

Annual operating budget of \$350,000.

Electrical costs are really high. Electric bill is \$2,000/mo.

Sources of funding for operations

- Tenant rent
- Annual memberships (approximately 200 members)
- Theater tours Sept. through Apr. (7,800 people went on a tour last year)
- Box office ticket sales
- Facility rentals (conferences, weddings)
- Two fundraisers (June and December that generate approx. \$15k each)
- Grants (about \$100,000)
 - E.g. South Dakota Arts Council (funded by National Endowment for the Arts) help with programming

Governance

Owned and operated by the Historic Homestake Opera House Society, a 501(c)3 nonprofit corporation.

- 13- member working board.
- 1 full time Executive Director (Sarah) plus, three part-time staff (office manager, facility manager, and janitor)
- Volunteers

Advice/Lessons Learned

- Removable seating in the front of the theater is good for fundraisers, concerts etc.
- Hire a fundraising manager or grant writer; someone who has done it before.
- Have a coffee station.
- Have a gift shop for small items that are specific to the opera house.
- "Share the glory, there will be plenty".
- Build trust. People want to know where their money is going.
- National Trust has a great blog – share these stories and inspire people!
- There are economic development grants available if the City is involved – e.g. USDA Rural Facilities Grant.
- Count the number of people attending programs etc. – granting orgs want to see numbers.
- In floor heating does not work well in a theater with high (65 ft.) ceilings. It did work well in the sidewalk out front.
- The benefits of the membership program are largely intangible, they offer some discounted tickets but really it is more just about supporting the theater.
- If you can offer bus tour operators a package deal (dinner/theater) at a reasonable price, operators may be willing to incorporate the theater into their tours).
- Hosting weddings are a lot of work. Set strict parameters and charge enough to make it worth it. The Homestake charges \$5,000 for a wedding party to rent the venue for the weekend.

MCPHERSON OPERA HOUSE | MCPHERSON, KS

Background

The McPherson Opera House was built in 1888. It is operated today by the McPherson Opera House Company. Diane is responsible for marketing and the business side of operations. Jordan is responsible for the theater, bookings, ticketing etc.

Theater Programming

Most shows are touring music acts, only once or twice a year do they put on theatrical shows. They aren't able to book the "big names" because of the cost (there are only so many seats and they feel that can't charge a lot for a ticket). They book a lot of shows that have some name recognition (names that used to be big back in the day) - popular among an older, retired audience.

They typically don't pay more than \$10,000 for a show. Tickets are in three price tiers: \$25, \$30, and \$35. For a really special show they might charge in the low \$40s.

Case Study Interview:

Diane Fallis
Business Director
McPherson Opera House Company
620-241-1952, ext. 200
diane.fallis@mcphersonoperahouse.org

Jordan Bandy
Director of Theatre Operations
McPherson Opera House Company
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<http://www.mcphersonoperahouse.org>

E.g. My Sunny Valentine

- \$7,500 for the act
- \$200 in backline (bringing in equip)
- \$500 for crew
- \$300 in hospitality
- \$120 in lodging
- \$1,700 in marketing
- Total Cost Approx. \$10,000

Ticket sales alone don't cover the cost of the show, so all shows have to have sponsorships. Sponsors include local business, community members etc. Sponsorships start at \$1,000 and go up to \$5,000. They try to get as many sponsors per show as possible to make the break-even point as low as possible.

The season runs from September to May. Typically, June/July are dark months as people are gone traveling or want to be outside. The local community theater takes over the space during June.

Other Building Uses

- 6 different rental facilities (ballroom, meetings rooms etc.)
 - Market heavily for weddings via bridal magazines, Facebook, website. Typically host 4 to 5 weddings a year.
- Barber shop (main floor)
- Art Gallery (main floor)
- Financial advisor office (2nd floor)
- The Mary Anderson Arts Center (basement)
- Shared office space for McPherson Opera House Company & the Arts Alliance (basement)

A staff person has to be at the opera house if it is being rented. They have an hourly crew to contract for such task.

Rehabilitation Efforts

Total project cost was \$8.5M, and included:

1. Stabilizing and replacing roof trusses.
2. Façade improvements; important for increasing public support as the building was an eye sore.
3. Completed the professional part of the building (i.e. office spaces) to start generating income.
4. Purchased the Annex next to the existing building and created a lobby and ADA compliant restrooms.
5. The theater was the last to be completed and the most expensive (close to half of the total project cost)

Sources of funding for renovations:

- Individual donors (largest donation was \$1M)
- Grants (government, foundations, private)
- State and Federal Historic Tax Credits.
- A one-half percent special-use sales tax.

The City had started this tax to complete the library and it went to vote to see if it could be continued for the funding of the opera house. This was controversial since the opera house was a private entity but they were technically eligible for it as a historic entity and the vote passed by a narrow margin.

Operations

Since re-opening after renovations were completed in January 2010, the McPherson Opera House Company has been operating at a deficit. They had a \$1M reserve account to get started but continue to have to draw it down and are still trying to figure out sustainability.

Annual operating budget is approximately \$410k/yr.

They think about their operations in two buckets 1) the theater and 2) operating costs to keep the building running. Jordan's salary is included in the theater part of the budget; Diane's salary is included in the operations part of the budget.

Their goal for the theater is to at least break even, so that shows are able to support themselves. Donations, fundraisers and membership programs and other income sources are used for operating costs.

Largest expenses are utilities and staff:

- \$36,000/yr. on electric bill.
- \$180k/yr. on full time & contracted staff.

Sources of funding for operations

- Grants
 - E.g. visitor and convention bureau grants for marketing costs
- Donations/named gifts (plaques for meeting rooms, dressing rooms, seats etc.)
 - Seats range from \$250 to \$1,000.
- Special use one-half percent sales tax
- Rents from tenants
- Box office sales.
 - The McPherson Opera House Company provides the ticketing services and takes 20% of ticket sales plus a \$3 ticketing fee.
 - A "preservation fee" of \$4 is added to each ticket. These proceeds are set aside (not taxed) and used to pay for the theater upkeep - \$14,000/yr.
- Bar - \$12,000; Concessions - \$7,000
- Facility rentals
 - Theater rental - \$1,200
 - Meeting/lecture space - \$800-\$900
 - Wedding rental contract – \$150/hr. with a 3-hr. minimum
- Membership program – \$25,000 to 30,000/yr.
- A community thrift shop benefitting opera house is run next door - \$48k/yr.
- A 1% increase in lodging tax was passed. 0.5% is going to the opera house - \$22,000/yr.

Governance

The McPherson Opera House Company, a 501 c 3 nonprofit, owns and operates the building.

- 15-person volunteer board.
- 3 full time staff plus a subcontracted custodial staff.

Although the City never had any ownership of the building, the Mayor has been very supportive.

Advice/Lessons Learned

- They sign 5-yr leases with their tenants but put in a clause that says utilities will be assessed each year so that the sur charge can be adjusted if needed.
- If possible during renovations, put in separate utility meters for each of the spaces that will be rented so you can tell how much power tenants are using.
- A bar and concessions stand is good source of revenue.
- Get connected with the visitors' bureau.
- Become a member of the League of Historic American Theatres.
- The theater shows will likely never be money makers but the theater draws people to town and is an anchor for the community.
- Raising money for the renovations wasn't the hard part. The struggle is operating the facility once renovations are completed. The building is expensive to run and we need ongoing donations to make it work.

CREEDE REPERTORY THEATER (CRT) | CREEDE, CO

Background

Case Study Interview:

Catherine (Cat) Augur
 Executive Director
 Creede Repertory Theater
 Phone: 719-658 -2540 Ext: 226
 Email: cat@creederep.com

<http://creederep.org/>

In 1966 as silver mining was dwindling, the Junior Chamber of Commerce along with other community champions reached out to university students for assistance building a summer theatre program in Creede's old opera/movie house. Students came from the University of Kansas to put on the first performance. At this time the Chamber was underwriting the theater operations. 7 or 8 years later the CRT non-profit was formed. Since the beginning, the theater concept was founded on the grounds of economic development and the belief that the theater could revitalize the community.

Cat has been with CRT for ten years and the Executive Director for five years. She has a background in non-profits.

Theater Programming

- 7-to-10 plays in rotating repertory each season
- Musical events and concerts
- Improv comedy
- New works developed through the Headwaters New Play Program
- Educational programming

The rotating repertory schedule allows a visitor to see five or six different plays in a week. Such programming is difficult to master but was done as an economic model – they were looking to get tourists in the door two or three times during a visit vs. just once. This model has served them well.

Their season runs May through September. From September through Thanksgiving, CRT brings their theater on the road to serve youth in underserved communities across the southwest. Around the holiday, they do year-end fundraising. January through April they prep for the following season.

CRT has two venues. The Mainstage (original theater) seats 230 people. It is not heated year-round except for the offices. The newer Ruth Humphreys Brown Theater, completed in 2011, is 1.5 blocks away. This theater is heated year-round so they can host community events during the off-season. It can seat 199 people. It also was the first theater company in the state to utilize solar to help offset heating and cooling costs.

CRT is a big draw for Creede. More people go to the theater than the visitor center. Last year CRT had 20,000 people through its doors, the visitor center had 10,000. People use the theater as their point of entry to the Town. They ask for where to stay, where to eat etc.

Of CRT's theater patrons, 9% are from Creede/Mineral County, 50% from Colorado and 50% from out of state (TX, OK, KS, NM)

Other Building Uses

- Scene shop to build sets (sometimes rented to people who need shop space)
- 4 housing units that accommodate 40 people. Primarily used for housing company members, who pay a small weekly fee. However, they want to start renting these in the off-season to bring in some revenue.
- Staff offices
- Gift shop

Rehabilitation Efforts

CRT Mainstage has been through fires, floods, and renovations.

The Ruth Humphreys Brown Theater was constructed with funds from Ruth's family, along with numerous private donors, foundations, and state and federal support.

Operations

Annual operating budget of \$1.4M. 50% of income comes through earned revenue (primarily ticket sales); the other 50% comes from donations, sponsorships, grants, and local government support.

Largest expense is personnel. \$1M of the \$1.4M budget is spent on personnel.

Sources of funding for operations

- Ticket sales (\$35 to \$45 for adults; \$20 for students, and \$12 for kids)
- Gift shop and concessions
- Town of Creede - 5,000/yr.
- Mineral County - \$1,500/yr. [via lodging tax]
- Colorado Creative Industries - \$10,000/yr.

- Board member contributions
- Every other year CRT hosts a fundraising gala that raises between \$50,000 and \$100,000
- Grants
 - Aspen Community Foundation
 - Bieber Family Foundation
 - Colorado First Foundation
 - Clarence V. Laguardia Foundation
 - El Pomar Foundation
 - The Hitchcock Foundation
 - The Hoglund Foundation
 - The Kerr Foundation
 - Krueger Charitable Foundation
 - National Endowment for the Arts
 - RLC Foundation
 - Ruth H. Brown Foundation
 - Schramm Foundation
 - Shelia Fortune Foundation
 - The Shubert Foundation
 - Virginia Christensen Trust

The Town and County have both been instrumental in securing grants that require a government entity, such as DOLA and U.S. Department of Commerce grants. They sign off on these grants.

Governance

CRT is a 501 c 3 non-profit.

- Year-round staff of 8
- Seasonal theater company of 90 (the Town’s largest summer employer)
- 15-person board. The Board has shifted over the years from a working board to more of an advisory/fundraising board.

CRT relies on more than 1,000 hours of volunteer time each year. Mainly for taking tickets and seating patrons.

Lessons Learned/Advice

- Community engagement is huge! Be aware of what the community wants.
- Most things we try take three years to catch on (or not), so we give ourselves this time to evaluate.
- Worked with San Luis Valley Development Resource Group to quantify the economic benefit of the theater. “CRT has an annual economic impact of \$2,749,000 locally and \$4,114,000 to the state of Colorado”.
- Received Enterprise Zone status so Colorado people who donate to the theater receive a 25% tax credit.
- CRT’s traveling theater to underserved youth throughout the southwest is bilingual. This has helped a little in terms of getting more interest from the Hispanic community.
- Most successful fundraiser is participating in Colorado Gives Day.
- Each Board member personally committed some amount of funding before the organization sought money from other funders; it showed they had some skin in the game.