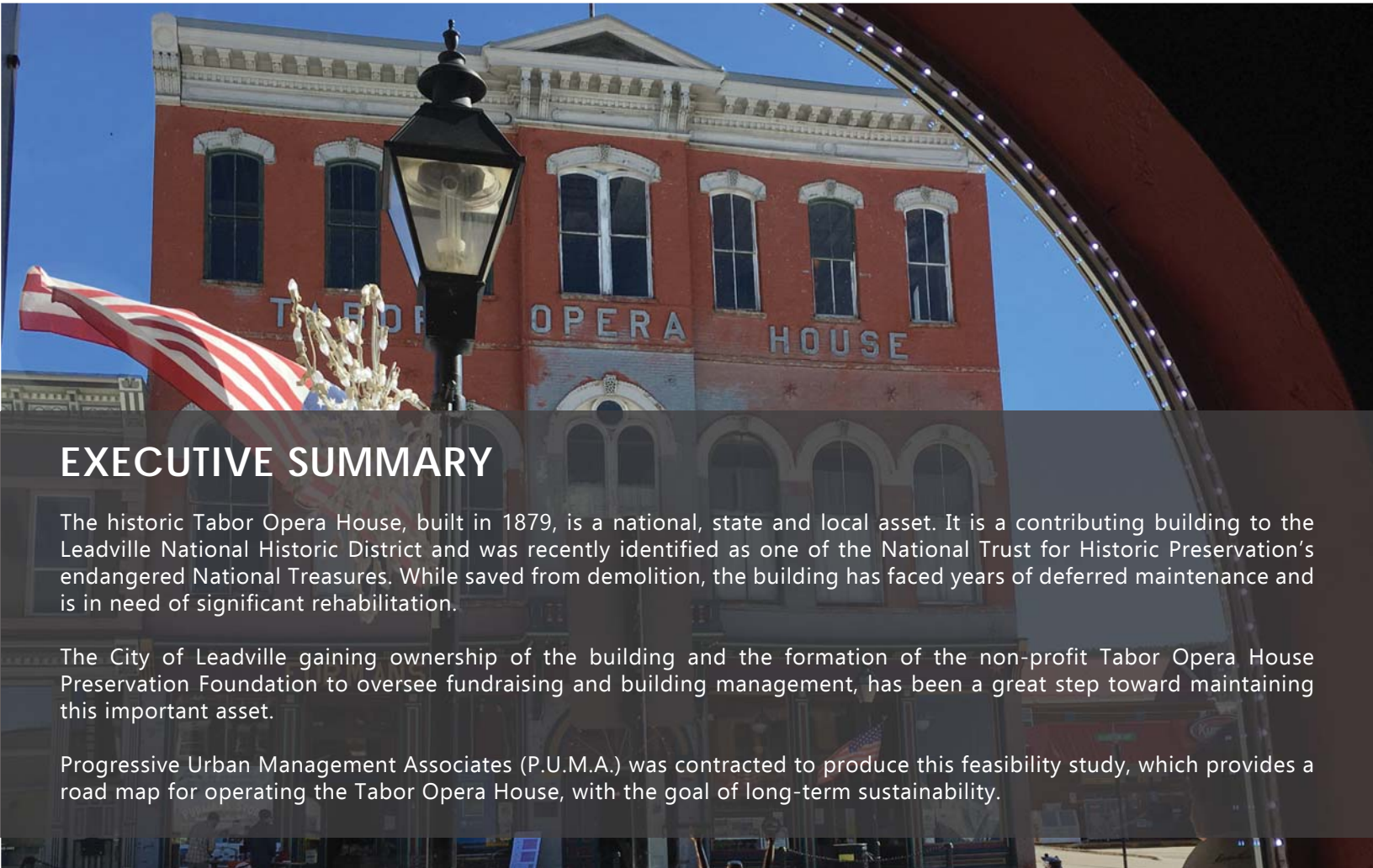


Tabor Opera House

FEASIBILITY STUDY



EXECUTIVE SUMMARY

The historic Tabor Opera House, built in 1879, is a national, state and local asset. It is a contributing building to the Leadville National Historic District and was recently identified as one of the National Trust for Historic Preservation's endangered National Treasures. While saved from demolition, the building has faced years of deferred maintenance and is in need of significant rehabilitation.

The City of Leadville gaining ownership of the building and the formation of the non-profit Tabor Opera House Preservation Foundation to oversee fundraising and building management, has been a great step toward maintaining this important asset.

Progressive Urban Management Associates (P.U.M.A.) was contracted to produce this feasibility study, which provides a road map for operating the Tabor Opera House, with the goal of long-term sustainability.

VALUE PROPOSITION

- » A restored Tabor Opera House will be a key cultural attraction and economic generator for the City of Leadville, Lake County and the region.
- » The cachet of the Tabor name and the size of the theater has potential to draw thousands to Leadville's downtown.
- » 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.
- » Valued historic buildings like the Tabor tend to increase real estate values of the surrounding area.
- » The Tabor Opera House will create additional value and vitality through its spaces outside of the theater, including the storefronts, second floor suites and ballroom.

30%

Nearly 30% of Colorado visitors list an interest in **historic places** as a reason for their trip.

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

STUDY HIGHLIGHTS

MARKET DATA

To inform this study, data was collected for two market areas:

- 1) Lake County is considered the market area for the off-peak season.
- 2) A one-hour drive time from the Tabor Opera House is considered the market area for the peak (summer) season.

Market Data | Key Findings:

- » Significant second homeownership.
- » Wealth in the summer market.
- » Growing visitor market.
- » Diversity of Lake County.
- » Retail, food and drink leakage in Lake County.
- » Increasing real estate prices in Lake County.
- » Growing potential for remote workers.
- » Limited facilities for events in Lake County.

CASE STUDIES

To learn from successful theaters throughout the region, P.U.M.A. conducted six case studies. The three with the most relevance and similarity to the Tabor Opera House were brought to Leadville for a panel presentation and discussion with the City, Foundation and other interested stakeholders.

Case Studies:



Wright Opera House
Ouray, CO



Rialto Community Theater
Deer Lodge, MT



C.L. Hoover Opera House
Junction City, KS



Creede Repertory Theater
Creede, CO



Homestake Opera House
Lead, SD



McPherson Opera House
McPherson, KS

Case Studies | Key Findings:

- » Ticket sales alone are not enough to cover operating costs; ongoing fundraising and other sources of income are needed.
- » Phasing is necessary to acquire sufficient funds for rehabilitation.
- » Most theaters generate some earned income by renting their facilities and/or housing rent paying tenants.

COMMUNITY OUTREACH

P.U.M.A. collected input from a variety of community stakeholders on desired programming and uses for the Tabor Opera House. The ideas that received the most community interest are listed below.

723 people participated in outreach at the Tabor Opera House during Ski Joring weekend.

Dozens more participated through small focus groups or one-on-one interviews.

Programming:

- » Comedy
- » Bands/Concerts
- » Film/Movies

Building Uses:

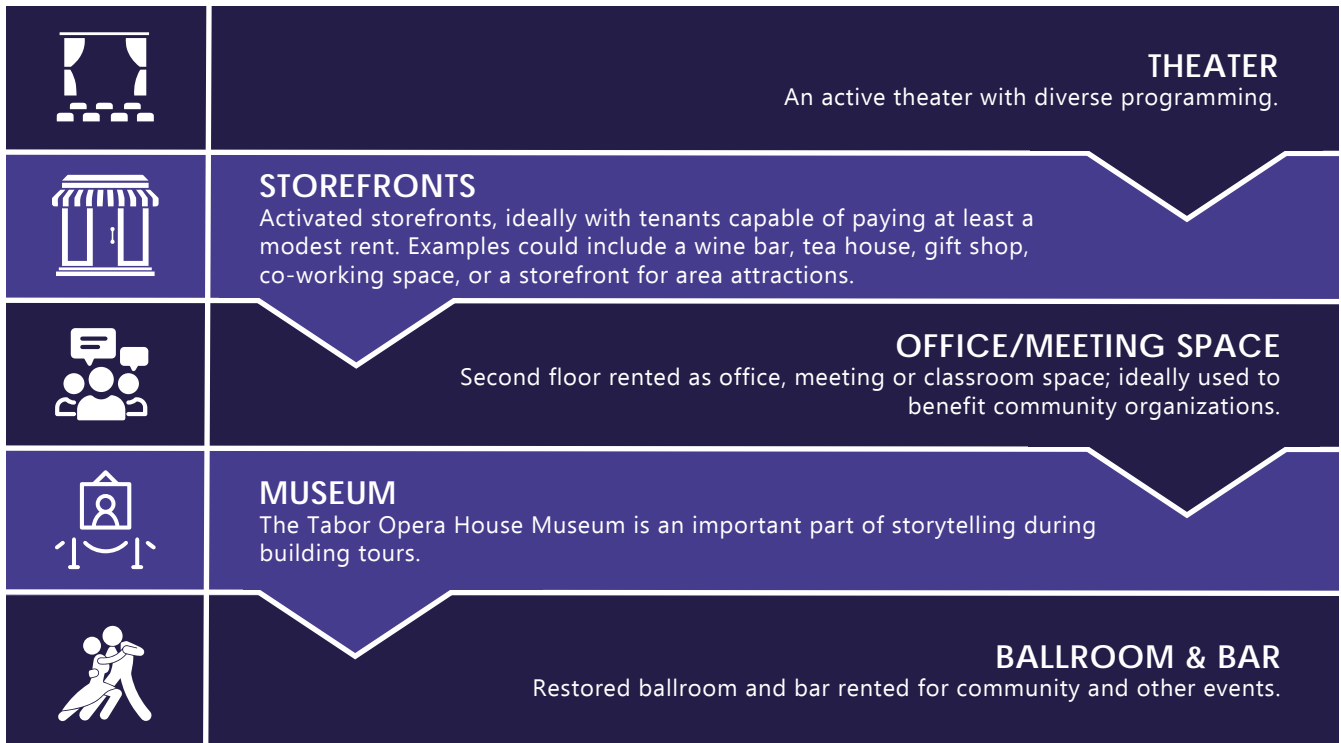
- » Ballroom for events
- » Co-working space
- » Office for non-profits
- » Food and drink venues
- » Spaces to sell art
- » Artist studios or apartments



USE OPTIONS

The Tabor Opera House is fortunate to have many spaces in addition to the theater that can accommodate a variety of uses, which together can create a sustainable operating model. The uses suggested below have demonstrated demand but are not meant to be prescriptive. As new opportunities arise, they should be given consideration.

Optimal Use Mix:



REHABILITATION COST ESTIMATE

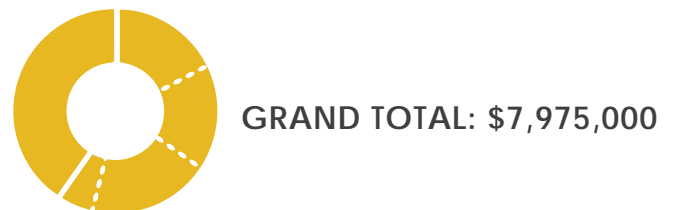
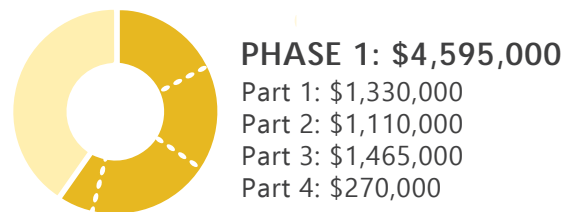
Based on estimates from Hoehn Architects PC and Sprung Construction, total cost for rehabilitation of the Tabor Opera House is estimated at approximately \$8 million.

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
GRAND TOTAL	\$7,975,000

Given the total cost, phasing is recommended.

Strategic objectives for Phase 1 include:

- » Life safety.
- » Increasing theater performance quality and patronage.
- » Building confidence in the project.
- » Creating revenue generating opportunities for sustainable operations.
- » Achievable price point.



PARTNERSHIPS & MANAGEMENT

A diverse array of partnerships will be needed to support the Tabor Opera House in marketing, programming, fundraising, volunteer support and guidance.

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.

The Foundation Board will need stamina for the years of renovation ahead. Once a steady source of funding is identified, the Foundation should hire staff support.



EXPANSION OF LAKE COUNTY LODGER'S TAX

- 1 Clear connection between this source of revenue and the tourism Tabor Opera House will generate.
- 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.

SOURCES OF FUNDING

Capital

Priority sources include:

- » Historic preservation grants.
- » Historic preservation tax credits.
- » Other government and foundation grants.
- » Private donors.

Operations

Priority sources include:

- » Earned income: ticket sales, tours, rental income, concessions.
- » Non-earned income: expansion of local lodger's tax and/or other local government support, corporate and foundation grants, and individual giving.



OPERATING PROJECTIONS

The projected operating budget after Phase 1 renovations:

\$412,000

A break-even operating scenario is considered possible with the right mix of earned income, fundraising and non-earned income operational subsidies.