



Warren County Port Authority

Arts & Culture Center Feasibility Study

Phase 3 Findings
September 8, 2008

Contents/Agenda

- Review Phase 2
 - ◆ Public Survey
 - ◆ Model Case Studies
- Phase 3
 - ◆ Building Program
 - ◆ Capital Cost Estimate
 - ◆ Operating Cost Estimate
 - ◆ Management & Governance
- Next Steps

Phase 2 Key Findings

● Public Survey

- ◆ Two-Thirds report arts play a “minor role”
 - Potential latent interest by busy child-raising families
- ◆ Festivals and fairs most often attended
- ◆ 76% attended at least one live professional performance last year
 - 8% higher, and more frequent, south of 63
- ◆ Where attended pattern mirrors place of residence
- ◆ Geography not a deterrent to more frequent attendance
 - Time and money #1 and #2 barriers

Phase 2 Key Findings (cont'd.)

- Public Survey (cont'd.)
 - ◆ Across-the-board strong approval ratings for CAC
 - ◆ Nearly 80% “very or somewhat likely” to attend
 - ◆ Modest indicated demand for arts/crafts classes
 - Highest mean rankings only 2.5 out of 5-point scale
 - ◆ Very little expressed preference for location
- Case Studies
 - ◆ Fargo-Moorhead, 372-seats, community theater company owns and operates
 - 8 full-time staff, \$600,000 budget, 45% earned income

Phase 2 Key Findings (cont'd.)

- Case Studies (cont'd.)
 - ◆ Amarillo, 453-seats plus 180-seat black box, community theater company owned and operated
 - 6 full-time staff, \$900,000 budget, 80% earned income (includes tuition from extensive education program)
 - ◆ Racine, 385-seats, community theater company owned and operated
 - 3 FT, 4 PT staff, \$600,000 annual budget, 85% earned
 - ◆ Peoria, 280-seats, 80-seat black box, city-owned, resident company operated
 - 12 FT and PT staff, \$680,000 annual budget, 39% earned

Building Program Notes

Feature	Description
Stage	Stage dimensions at least 36 x 38 feet; Orchestra pit for up to 20 musicians; scenery flying system, traps.
Audience Chamber	Maximum capacity 350; able to be reduced in apparent capacity to 250 or less while maintaining a sense of intimacy and retaining acoustical quality; some flexible seating to be used with tables and chairs for cabaret performances, social and corporate events
Lobby	Allow minimum 5 sq. ft. per person; suitable for informal performances, meetings, receptions, wall hanging system for art exhibits
Dressing Rooms	2 rooms for 12, 1 for 8, include showers and toilets, green room.
Set/Costume Shops	Included as well as scene/costume storage and backstage restroom.
Offices	Accommodate management staff of 4
Storage	Plentiful "live" storage and permanent storage for theater equipment, chairs, supplies and instruments
Box Office	One window, manager's desk
Concessions	2 built-in beverage service bars in lobby
Food Service	Might consider as an option small catering service kitchen for receptions, social events, meetings, etc. (off site food preparation)
Sound System	Reinforcement, stage monitor, intercom, sound effects, assisted listening system
Stage lighting	High-end system for theater and concerts
Acoustics	Adjustable acoustics for music and speech using retractable drapes and reflectors (to adjust reflection and reverberation); acoustical separation of rooms to enable spaces to be used simultaneously. Very low ambient noise.
Handicapped access	Required throughout building for performers, technicians, staff and public
Restrooms	To serve maximum audiences in lobby and front of house (one fixture per 70 men, 30 women. Restrooms to serve administrative and technical staff offices and rehearsal rooms.

Building Program

Rm. No.	Space Name / Type / Description	No. Units	Unit Type	SQ FT/ Unit	Net Sq. Ft. (NSF)	Notes / Comments
PUBLIC SPACES						
	Lobby					
	Main Lobby				2,000	
	Subtotal				2,000	
PUBLIC SPACE / FRONT OF HOUSE SUPPORT						
	Ticketing					
	Box Office (ticketing windows)	1	pay points	80	80	
	Concessions / Catering					
	Concessions	2	pay point	60	120	2 bartenders or paypoints plus local storage
	Food and Beverage Storage				200	ice maker, refrigerator, freezer, 3 compartment sink, bag in box system
	Restrooms					
	Washrooms - Male (provide 1/70 seats)	4	fixtures	45	180	
	Washrooms - Female (provide 1/30 seats)	6	fixtures	45	270	
	Offices					
	House Manager	1	person	100	100	
	Box Office Manager	1	person	100	100	
	Subtotal				1,050	
PERFORMANCE SPACES						
	Audience Chamber					
	Orchestra Level	350	seats	9.5	3,325	including 6 HC spaces + adjacent companion seat
	Stage / Proscenium					
	Main Stage				1,368	36-ft deep x 38-ft wide
	Stage Left Wing				504	36-ft deep x 14-ft wide
	Stage Right Wing				504	36-ft deep x 14-ft wide
	Orchestra Pit Under Stage Area	20	musicians	18	360	
	Sound / Light Lock 1				120	
	Sound / Light Lock 2				120	
	** Fly Gallery 1				200	
	** Fly Gallery 2				200	
	Control Rooms / stage support					
	Booth Mix Position	1	person	80	80	Sound board
	Follow Spot	2	spots	80	160	enclosed and ventelated
	Lighting	2	person	80	160	Lighting and show control
	Dimmer Room				120	
	Subtotal				7,221	

Building Program (cont'd.)

Rm. No.	Space Name / Type / Description	No. Units	Unit Type	SQ FT/ Unit	Net Sq. Ft. (NSF)	Notes / Comments
STAGE SUPPORT						
Scene Shop / Storage						
	Scene Shop				1,000	
	Misc. Backstage Storage				300	
Costume Shop / Storage						
	Costume Storage				120	
Offices						
	Theater Manager Office				100	
Restrooms						
	Backstage Uni-sex ADA Restroom	1	toilet		80	Toilet / Shower
Equipments Storage						
	Audio / Video Equipment				140	
	Lighting / Sound Storage				180	
	Subtotal				1,920	
PERFORMER SUPPORT						
Dressing Rooms						
	Dressing Room #1- Chorus	12	seats	30	360	sink in room
	Dressing Room #2 - Chorus	12	seats	30	360	sink in room
	Dressing Room #3 - Chorus	8	seats	30	240	sink in room
Restrooms						
	Toilet / Shower - Uni-sex ADA Restroom	1	toilet		80	
	Toilet / Shower - Uni-sex ADA Restroom	1	toilet		80	
Wardrobe						
	Laundry				100	
	Costume and makup	3	stations	30	90	
Common						
	Green Room				300	
	Subtotal				1,610	
Practice / Multi-Purpose						
Practice / Multi-Purpose room						
	Classroom 1				1,500	
Storage / Repair						
	Storage / Equipment				200	
	Subtotal				1,700	

Building Program (cont'd.)

Rm. No.	Space Name / Type / Description	No. Units	Unit Type	SQ FT/ Unit	Net Sq. Ft. (NSF)	Notes / Comments
COMMON - BUILDING SERVICES						
BOH Services						
	Stage Door Security/Reception				50	
Building Services						
	Janitorial Storage	2		50	100	
	General Building Storage				400	
	Loading Dock	1	door		400	
Electrical / Communication						
	Teledata Room	2		50	100	
	Electrical Room				200	
	Electrical Closets	2		50	100	
HVAC - Mechanical						
	Mechanical Room				500	
	** Trash Enclosure				300	
	** Transformer Enclosure				200	
	Electrical Equipment				500	
	Generator				300	
Subtotal					3,150	

Total Building Net Square Footage (NSF)				18,651	
Gross Multiplier (TBD)				1.400	<i>circulation</i>
Total Building Gross Square Footage (GSF)				26,111	

Estimated Construction Cost based on cost per square foot method

Range	cost/sf	Const costs
Low	\$ 320	\$ 8,355,520
Medium	\$ 340	\$ 8,877,740
High	\$ 360	\$ 9,399,960

costs are for 2008 and are not escalated and do not contain a contingency

Capital Cost Estimate

- Construction Costs (2008 \$)
 - ◆ Per Westlake Reed Leskosky (WRL), range from \$320 (low) to \$360 (high) per square foot
 - ◆ Includes FF&E, excludes land, site development, soft costs, parking, inflation
 - Low = \$8.35 Million
 - Medium = \$8.87 Million
 - High = \$9.4 Million
 - ◆ Plus Fees and contingencies
 - Design fees and expenses @ 13%
 - Owner's other soft costs (excluding fundraising) @ 20%
 - Owner's construction and soft cost contingency @ 5%
 - Inflation to 2010 @ 7.5%

Capital Cost Estimate (cont'd.)

- Estimated Project Cost

- ◆ Project cost including soft costs and inflation, excluding parking and site development

- Low option @ \$320/SF = \$12.1 million
- Medium option @ \$340/SF = \$12.9 million
- High option @ \$360/SF = \$13.7 million

- ◆ Site development \$200/acre, including parking

- Site Issues

- ◆ Selection should consider opportunities for future expansion with 1,200-seat theater

- Additional 2-3 acres plus parking options

Operating Cost Estimate

Warren County, Ohio - Cultural Arts Center

SCHEDULE 1: KEY ASSUMPTIONS

PERFORMANCE SPACE ASSUMPTIONS

Theater Seating Capacity	350
Theater Rental Rates	
Resident Companies Per-Seat Rent	\$1.00
Non-Profit Per-Seat Rent	\$1.50
Commercial Performance Per-Seat Rent	\$2.50
Non-Performance (Corporate) Per-Seat Rent	\$3.00

ECONOMIC ASSUMPTIONS

Fringe Benefits Rate	25%
Average Concession Transaction	\$4.00
Concession Capture Rate	50%
Concession Contribution Margin	55%

BUILDING ASSUMPTIONS

Square Footage	26,111
Occupancy Costs per Sq. Ft., calculated	\$6.44

Operating Cost Estimate (cont'd.)

Warren County, Ohio - Cultural Arts Center

SCHEDULE 5: THEATER RENTAL RATE SCHEDULE

Rate Code	Description	Capacity	Per-Seat Charge	Amount
1	Resident Companies - Performance Rate	350	\$1.00	\$350
2	Resident Companies - Non-Perf./Tech/Rehearsal	350	\$0.50	\$175
3	Non-Profit - Performance Rate	350	\$1.50	\$525
4	Non-Profit - Tech/Rehearsal Rate	350	\$0.75	\$263
5	Commercial Rentals - Performance Rate	350	\$2.50	\$875
6	Commercial Rentals - Tech/Rehearsal/Non-Perf.	350	\$1.25	\$438
7	Convention Meetings/Lectures/Non-Perf. Uses	350	\$3.00	\$1,050

SCHEDULE 5B: OTHER SPACE RENTAL RATE SCHEDULE

Rate Code	Description	Amount
8	Rehearsal Hall/Meeting Room Non-Profit Rate (3 hours)	\$75
9	Rehearsal Hall/Meeting Room Commercial Rate (3 hours)	\$150
10	Rehearsal Hall/Meeting Room Hourly Rehearsal Rate	\$35

Operating Cost Estimate (cont'd.)

Warren County, Ohio - Cultural Arts Center			
SCHEDULE 13: STAFFING AND COMPENSATION	BASE SALARY	% Taxes & Benefits	Stable Year
	Cultural Arts Center Director	\$75,000	25%
Receptionist / Admin. Assistant	\$25,000	25%	\$31,250
Box Office & Marketing	\$40,000	25%	\$50,000
Operations/ Technical Director	\$50,000	25%	\$62,500
TOTALS	\$190,000		\$237,500

Warren County, Ohio - Cultural Arts Center	
SCHEDULE 12: ADMINISTRATIVE EXPENSE DETAIL	Stable Year
Admin Personnel	
Compensation	\$237,500
Stagehands & House Managers	\$32,850
Part-Time, Overtime, & Temps	\$15,000
Sub Total, Personnel	\$285,350
Overhead	
Telephone - (based on headcount)	\$4,800
Postage & Mailing - Gen'l	\$2,500
Printing & Copying, General	\$2,500
Travel, Meetings, Mileage	\$3,500
Publications & Subscriptions	\$750
Memberships & Dues	\$1,500
Licenses/Fees/Permits	\$500
Office Supplies (based on headcount)	\$2,400
Equipment Repair/Maint./Support	\$3,500
Subtotal, Overhead	\$21,950
TOTAL ADMIN. & FIN.	\$307,300

Operating Cost Estimate (cont'd.)

Warren County, Ohio - Cultural Arts Center				
SCHEDULE 8: THEATER UTILIZATION PROJECTIONS		Stable Year		
	Rental Rate Code	Uses	Rental Rate	Rental Charge
Resident Companies - Performance	1	45	\$350	\$15,750
Resident Companies - Tech/Rehearsal	2	45	\$175	\$7,875
Local Non-Profit - Performance	3	70	\$525	\$36,750
Local Non-Profit - Tech/Rehearsal	4	40	\$263	\$10,500
TOTAL NON-PROFIT		200		\$70,875
Presented Series	n/a	10	n/a	\$0
Commercial Rentals - Performance	5	12	\$875	\$10,500
Commercial Rentals - Tech/Rehearsal	6	4	\$438	\$1,750
Convention Meetings/Non-Perf.	7	5	\$1,050	\$5,250
TOTAL OTHER USES		31		\$17,500
TOTAL PERFORMANCE DAYS		127		
TOTAL EVENT DAYS		241		\$88,375

Operating Cost Estimate (cont'd.)

SCHEDULE 9: THEATER ATTENDANCE PROJECTIONS	Stable Year				
	Avg. Ticket Price (2008 \$\$\$)	Avg. % Sold	Adjusted Avg. Ticket Price	Projected Attendance	Projected Ticket Sales
Resident Companies Performance	\$15	60%	\$12.00	9,450	\$113,400
Non-Profit Performances	\$15	65%	\$12.00	15,925	\$191,100
Presented Series	\$20	70%	\$15.00	2,450	\$36,750
Other - Performance	\$25	70%	\$18.00	2,940	\$52,920
TOTALS				30,765	\$394,170

Warren County, Ohio - Cultural Arts Center

SCHEDULE 10: OTHER SPACE UTILIZATION PROJECTIONS	Stable Year			
	Rental Rate Code	Uses	Rental Rate	Rental Charge
REHEARSAL HALL/MEETING ROOM RENTALS				
Non-Profit Reception / Meeting / Rehearsal	8	175	\$75	\$13,125
Commercial Reception / Meeting	9	50	\$150	\$7,500
TOTAL RENTALS (NOT HOURLY)		225		
Rehearsals (Hourly)	10	400	\$35	\$14,000
TOTAL REHEARSAL HALL/MEETING ROOM REVENUE				\$34,625

Operating Cost Estimate (cont'd.)

Warren County, Ohio - Cultural Arts Center		
SCHEDULE 7: RENTAL UTILIZATION SUMMARY	Stable Year	
	USES	Rental Charge
Theater Performance Rentals		
Resident Companies and Non-Profits	115	\$70,875
Presented Series and Commercial Rentals	31	\$17,500
TOTAL - Theater	146	\$88,375
Rehearsal Hall/Meeting Room Rentals		
Non-Profit Reception / Meeting / Rehearsal	90	\$13,125
Commercial Reception / Meeting	36	\$7,500
Rehearsals (Hourly)	400	\$14,000
TOTAL - Rehearsal Hall/Meeting Room (excluding hourly)	126	\$34,625
TOTAL RENTAL EVENTS / RENT	272	\$123,000

Operating Cost Estimate (cont'd.)

Warren County, Ohio - Cultural Arts Center				
SCHEDULE 11: CONCESSION SALES & BOX OFFICE REVENUE			Stable Year	
	TICKETS SOLD		Tickets	Sales
			30,765	\$394,170
	Transaction Average	Capture Rate	Concession Sales	
Food & Beverage				
Theater Patron Sales	\$4.00	50%	\$61,530	
Contribution Margin		55%	\$33,842	
	Tickets	Box Office Share	Per-Ticket Charge	Revenue
Box Office	30,765	100%	\$1.00	\$30,765

Warren County, Ohio - Cultural Arts Center					
SCHEDULE 6: RENTAL ADDITIONS / CHARGEBACKS			Stable Year		
	Fee	Frequency	# of Events	Fee	Amount
Labor Chargebacks	\$150	75%	146	\$150	\$16,425
	Fee	Frequency	# of Events	Fee	Amount
Custodial Fees	\$75	100%	146	\$75	\$10,950
	Avg. Charge Per Event	Frequency	# of Events	Fee	Amount
Equipment Rental	\$75	50%	146	\$75	\$5,475
TOTAL RENTAL ADDITIONALS					\$32,850

Operating Cost Estimate (cont'd.)

Warren County, Ohio - Cultural Arts Center		
SCHEDULE 3: REVENUE SUMMARY		
	Reference	Stable Year
Facility Rental		
Theater	Utilization	\$88,375
Rehearsal Hall/Meeting Room	Utilization	\$34,625
Costs Recovered from Renters	Chargebacks	\$32,850
<i>Sub-Total, Facility Rental</i>		<i>\$155,850</i>
Programming		
Presented Series Ticket Sales	Attendance-Theater	\$36,750
<i>Sub-Total, Programming Revenue</i>		<i>\$36,750</i>
Other Operating Revenue		
Food/Beverage, Net	Concession/Box Office	\$33,842
Box Office Ticket Charges	Concession/Box Office	\$30,765
<i>Sub-Total, Other Operating Revenue</i>		<i>\$64,607</i>
TOTAL OPERATING REVENUES		\$257,207

Warren County, Ohio - Cultural Arts Center		
SCHEDULE 4: EXPENSE SUMMARY		Stable Year
Personnel	Reference	
Compensation - Staff	Staffing	\$237,500
Stagehands, House Managers	Admin Exp.	\$32,850
Part-Time, Overtime, & Temps	Admin Exp.	\$15,000
<i>Sub Total, Personnel</i>		<i>\$285,350</i>
Administrative Overhead		
Printing Fees	Staffing	\$2,500
Postage & Mailing	Admin Exp.	\$2,500
Public Relations/Special Events		\$4,000
Equipment/Supplies	Admin Exp.	\$5,900
Travel, Subscriptions, Licenses	Admin Exp.	\$6,250
Telephone	Admin Exp.	\$4,800
<i>Sub Total, Admin. Overhead</i>		<i>\$25,950</i>
Programming & Marketing		
Presenting Series Artist Costs		\$20,000
Persenting Series Production Costs		\$7,500
Exhibit Installation		\$5,000
Marketing		\$50,000
<i>Sub Total, Programming</i>		<i>\$82,500</i>
Occupancy		
Janitorial Services		\$40,994
Utilities		\$49,089
Maintenance Contracts		\$31,333
Grounds and Security		\$15,667
Insurances and Bonding		\$31,072
<i>Sub-Total, Occupancy</i>		<i>\$168,155</i>
TOTAL OPERATING EXPENSES		\$561,955

Operating Cost Estimate (cont'd.)

Warren County, Ohio - Cultural Arts Center	
SCHEDULE 2: SUMMARY PRO FORMA	Stable Year
OPERATING REVENUES	
Rental Income	\$123,000
Chargebacks & Cost Recovery	\$32,850
Presented Series Ticket Sales	\$36,750
Concessions (Net Revenue)	\$33,842
Box Office Ticket Charges	\$30,765
TOTAL OPERATING REVENUES	\$257,207
OPERATING EXPENSES	
Personnel	\$285,350
Programming & Marketing	\$82,500
Administrative Overhead	\$25,950
Occupancy	\$168,155
TOTAL OPERATING EXPENSES	\$561,955
Operating Revenue as % of Expenses	45.77%
OPERATING DEFICIT	\$304,748

Management & Governance

- Three Primary Models
 - ◆ Government Own & Operate
 - ◆ Non-Profit Own & Operate
 - ◆ Hybrid Approaches
 - Government Own, Non-Profit Operate
 - Government Own, Non-Profit Operate Backstage
- Recommendation
 - ◆ Independent Non-Profit Board to Operate
 - Ownership by County Government?
 - Non-Profit can raise funds
 - Create “Friends Of Warren Co. CAC” organization

Management & Governance (cont'd.)

- Expectations of Resident Company
 - ◆ Provision of on-going (sustainable) programming
 - ◆ Ensure “accessible” performances
 - Free or reduced ticket prices on occasion
 - ◆ Participate in fundraising, sponsorship development
- Resident Company Benefits
 - ◆ Priority scheduling
 - ◆ Reduced rental rates
 - ◆ Access to production spaces, storage

Estimated Potential Economic Impact

Direct Spending

<u>Component</u>	<u>Multiplier</u>	<u>Expenditure</u>	<u>Impact</u>
Salaries (FT & PT)	2.00	\$285,000	\$570,000
Local Purchases	1.75	\$170,000	\$297,500
Non-Local Purchases	0.25	\$20,000	\$5,000
Subtotal		\$475,000	\$872,500

Audience Expenditures

<u>Component</u>	<u>Attendance</u>	<u>Spending</u>	<u>Impact</u>
Local	31,000	\$27.79	\$861,490
Subtotal	31,000		\$861,490

Total Potential Impact

<u>Component</u>	<u>Impact</u>
Direct Spending	\$872,500
Audience Spending	\$861,490
Total	\$1,733,990

Summary of Key Figures

- Building

- ◆ 350-seat Theater, Multi-purpose Rehearsal room/classroom, production support
 - 26,111 square feet

- Construction Costs

- ◆ \$320 to \$360 per square foot (plus fees)
 - Low = \$8.35 Million
 - Medium = \$8.87 Million
 - High = \$9.4 Million

- Estimated Project Cost

- ◆ Project cost including soft costs and inflation, excluding parking and site development
 - Low option @ \$320/SF = \$12.1 million
 - Medium option @ \$340/SF = \$12.9 million
 - High option @ \$360/SF = \$13.7 million

Summary of Key Figures (cont'd.)

- Operating Costs

- ◆ 127 performance days, 241 event days
 - Plus rehearsal/meeting room uses
- ◆ 31,000 annual attendance
- ◆ Minimal staffing (4 full-time)
- ◆ \$562,000 expenses, \$257,000 revenues = \$305,000 shortfall
 - Revenues cover 46% of expenses

- Economic Impact

- ◆ \$475,000 Direct, \$861,000 audience spending
 - \$1.73 million estimated total potential economic impact

Next Steps

- Roll-Out of Study Findings
 - ◆ Present to media, community, business associations, civic clubs
 - ◆ Solicit feedback, support, formal letters, funding commitments
- Further explore partnerships
- Research capital and operating funding sources
 - ◆ Bond issue
 - ◆ Formation of Special District
- Design & Cost Estimating
 - ◆ Hire an architect, project management team, contractor and necessary specialists
 - Lighting, environmental testing, code and zoning compliance
 - Acoustician, theater consultant
 - ◆ Site Selection
 - ◆ Develop comprehensive capital cost estimate for the project

Next Steps (cont'd.)

- Funding

- ◆ Seed funding to assist with continued planning and project development
- ◆ Discussions with Warren County, State of Ohio, regarding inclusion in capital funding priorities
 - Professional assistance with design, site master planning, real estate, legal matters, fundraising and financial planning may require \$250,000 in 6-12 months

- Fundraising

- ◆ Leadership group solicits major gifts from key donors
- ◆ Conceptual plans (to be developed by architects) as fundraising materials
 - Color brochures, renderings and video presentations

Next Steps (cont'd.)

- Continue Fundraising and Planning
 - ◆ Architectural planning through design development and construction documents
- Design and Construction
 - ◆ After 2/3 of funds secured, with positive funding prognosis, can commence construction
- Hire Staff
 - ◆ Recruit and retain Executive Director