

In December 2009, Westlake Reed Leskosky (WRL) was commissioned by the City of Grand Junction to complete a master plan study for the Avalon Theatre in Grand Junction Colorado. From January 11th to the 14th 2010, a “SWAT” team of Architects, Engineers and Theatre Specialists conducted a visual assessment of the building to determine its condition and assess the potential for transforming the Avalon Theatre into a fully functional, multi-purpose performing arts facility with special emphasis on accommodations for symphony orchestra performances.



PROCESS:

Our process consists of four phases, IE: Data Gathering, Data Analysis and Synthesis, Draft Report and Final Report. The Westlake Reed Leskosky Team conducted the visual assessment of the building, studied existing drawings and other data in order to understand the costs of renovating the Avalon Theatre.

AMS and WRL conducted interviews with over 13 current and potential stakeholders to develop a program of space needs for the Avalon Theatre. AMS also conducted additional meetings with potential fund raisers and donors. Their report is also included here.

A draft version of this report was submitted for review by the staff and stakeholders of the City of Grand Junction. The draft report was reviewed at a meeting of the stakeholders the last week of March 2010 with Rich Sourbrine and Darrell Ziegler of WRL. This Final Report has been revised and updated as a result of that review meeting.

FINDING AND RECOMMENDATIONS

Individual findings and recommendation narratives are included in this study. These include Architectural, Mechanical, Plumbing and Electrical, Theatrical, Audio Visual and Acoustical.

Key Design Challenges include:

- Meeting the needs of the Grand Junction Symphony Orchestra
- Adding more Lobby, Restrooms, Stage Support and Storage.
- Adding a Multi-Purpose room
- Performer and Stage Support
- Upgrading Mechanical and Electrical Services
- Maintaining operations
- Code Compliance (including ADA)

SCHEDULE:

The following schedule is based on WRL's experience with similar facilities and scope of work:

- Field Measuring – 2 weeks including drawings
- Design and Construction Documents -- 8 to 9 months
- Bidding, City Plan Check and Permitting – 2 months
- Construction – 10 to 12 months

CONCEPT PLANS:

Conceptual plans indicate the understanding by the design team of the space needs and relationships to provide a functional facility.

Three Planning Options were developed and presented in the Draft Report and reviewed during the draft report presentation/review meeting. Consensus by the stakeholders attending the review meeting was that Options 1 and 2 should be combined and modified to create one Final Master Plan. However, due to current funding options and availability, it was requested that the Final Master Plan be separated into a minimum of three phases so the project could be started with a lower amount of funds than what would be required for the entire Master Plan to be completed. Each requires an addition in the East parking lot, in order to meet the program needs. Variable acoustics are also provided to meet the needs of a multi-use venue:

Phase I: The intent of phase I is to do the minimum required construction that would allow the Grand Junction Symphony Orchestra to move into the theatre as their primary venue. This phase would require expansion of the stagehouse into the alley, expansion of the loading area to the east, full renovation of the audience chamber including re-raking of the main level seating area and modifications to the mezzanine seating, removal of the ceiling within the audience chamber, and adding variable acoustics within the house. In addition to those requirements, we are also recommending adding an orchestra pit, upgrading the HVAC and lighting systems, upgrading the rigging system, upgrading the dimming system, upgrading the AV system and including two small dressing rooms in the basement. This phase, once completed, would allow both of the other two phases to be started and completed with minimal impact to the house, the stage and the loading area. Phases II and III could be constructed without closing the theatre.

Phase II: The intent of phase II is to expand and enhance the public functions of the theatre. This phase would expand the public lobbies, concessions and restrooms into an addition that completes the northeast corner of the property. This phase also provides full ADA accessibility throughout the theatre by adding fully accessible restrooms, a new public elevator to access all floors and a ramp to access the stage from the house. This phase also includes building the fully excavated basement under the addition and a multi-purpose space on the first floor, but to reduce costs of this phase, these spaces would not be fully completed.

Phase III: Phase III completes the master plan. There are no new additions or expansions in this phase, but merely builds out the remaining unfinished areas of phase II, such as the dressing rooms, green room, wardrobe room, and offices in the basement and the completion of the multi-purpose room into a fully functional screening room with telescoping seating risers.

COSTS:

A detailed cost estimate for each option is included in this study.
Costs include an estimated compounded yearly escalation factor.

Phase I: \$ 5,843,576 or \$332.78 per Square Foot
Phase II: \$ 3,457,694 or \$222.65 per Square Foot
Phase III: \$ 1,016,011 or \$199.41 per Square Foot

Total for all phases: \$ 10,317,281 or \$311.79 per Square Foot

Traditionally, one can assume that project costs, which include fees, permits, testing and other owner cost, will run approximately 25% to 30% of the construction costs.

Please see sections of the report for detailed findings, recommendations and analysis and for more information.

END OF EXECUTIVE SUMMARY



City of Grand Junction

Avalon Theatre Master Plan Study

Business Plan

March, 2010

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Background & Executive Summary

The City of Grand Junction, in cooperation with the Downtown Development Authority and Grand Junction Symphony Orchestra, engaged the architectural firm Westlake Reed Leskowsky in partnership with AMS Planning & Research to develop a technical and operating plan for a renovated and enlarged Avalon Theatre.

AMS engaged in a series of tasks to identify community and market interest in the project, assess potential use of a renovated theatre, study comparable facilities in the United States, and create an activity profile and operating plan based on input received.

A renovated and expanded Avalon Theatre can be a valuable asset to the community by providing a home for local performing groups, most notably the Grand Junction Symphony Orchestra. However, to ensure success the venue must accommodate a significant variety of uses and users. In addition, the Avalon Theatre should exercise greater control over marketing and patron relationships and proactively engage in limited programming to ensure product diversity and community engagement.

AMS recommends that the Avalon Theatre continue to be operated by the City of Grand Junction through the Two Rivers Convention Center; however, with a few dedicated staff members. In addition, we urge the formation or re-constitution of a non-profit board (Avalon Theatre Foundation or Advisory Board) to promote and enable diversity of programming and access by a large number of users. This entity should engage in annual fundraising and/or a membership campaign the proceeds from which can be used to sponsor education, family or outreach programming, or to subsidize rental expense for organizations that offer the same.

In this construct, the business plan shows a declining need for annual subsidy over time.

In subsequent discussions with the client it was decided to develop a phased approach to construction and operations. The Addendum to this report includes a revised activity profile and operating pro forma reflecting three discrete stages of investment in the facility.

Market Assessment and Community Input

Market Analysis

AMS conducted a market analysis of the Grand Junction area in order to determine the relative presence of market characteristics that typically engage in arts and cultural activities. A detailed analysis is provided in Appendix I.

Based on discussions with the client the primary market for the Avalon Theatre was defined as within a 30-mile radius of the theatre, and secondary market as within a 100-mile radius. The 2008 estimated total population in the primary market is 143,000 -- more than 40% of the secondary (100-mile radius) population of 346,000. Population growth from 2000 to 2008 was quite robust (increases of 24% and 21% respectively for the primary and secondary markets) and considerably ahead of the state (15.8%) and country (9%). While population growth is anticipated to slow through 2013, estimates indicate that both the primary and secondary markets will continue to outpace the state and country.

Both the primary and secondary markets are 90% white. The market has a slightly higher percentage of seniors and retirees than the state or country, as well as median age. Education level is a known predictor to arts consumption in the United States. While the state of Colorado surpasses the national average in percentage of the population with a Bachelor's Degree or higher, the secondary market is at the national average and the primary market below the national average.

Household income is also significant predictor of arts participation. The market area contains a higher proportion with annual income below \$75,000, while the percentage of the population with a median household income over \$100,000 is lower in both the primary and secondary markets than in the state or the U.S.

Beyond demographics, AMS reviewed consumer data that included family life cycle, purchasing patterns, financial behavior, and demands for products and services, including cultural activities (see Appendix I). Our review of the market data suggests that the Grand Junction area does not offer a robust market potential for arts participation. The consumer data indicate that household lifestyle attributes related to arts participation in both the primary and secondary markets fall below the national average in all areas.

The continued population growth and proportion of retirees and senior citizens provide a potential market for programs at the Avalon Theatre; however, the market analysis confirms the price sensitivity that was suggested by interview participants and the web survey. Program diversity and outreach efforts will be required to grow audiences for the Avalon Theatre.

Key Informant Interview and Web Survey Findings

AMS and Westlake Reed Leskosky conducted in-depth interviews with over 13 current and potential users to develop a program of space needs for the Avalon Theatre. Their

responses are reflected in the program portion of the WRL report, and the Activity Profile in a further section of this report. AMS conducted an additional 22 individual and small group meetings with stakeholders to gather feedback in regard to the renovation of the facility, vision for programming, thoughts on who would use the theater or attend events, and comments as to how the space might be managed. Finally, AMS conducted a web-based survey of potential users of the facility. A detailed Interview Report and Survey Report are included as Appendices II and III to this report.

Leadership Interviews

Those interviewed were generally supportive of the renovation effort. Most believe that the necessary capital funding should come from a mix of public and private sources, and that although Symphony leadership should actively participate, a private fundraising campaign should not be run exclusively by or for the Symphony. There is a desire that the capital investment be modest, and there is little support for anything considered to be a “premium item” to the renovation.

Respondents generally stress the importance of a diverse mix of programming for the Avalon Theatre, including both performance and non-performance activities and a mix of use by community groups as well as local and national professional talent. Therefore, the renovation should focus on making the facility functional for a variety of uses.

Finally, in terms of operations, the current management structure is deemed to be appropriate, as it is viewed as guaranteeing access to the venue by a variety of groups. However most respondents believe the facility should be more actively managed, including more aggressive marketing, programming, and box office support.

Web Survey Results

A link to a web survey was sent to 573 potential users as identified by the Two Rivers Convention Center. In addition a link to the survey was included in the Grand Junction Area Chamber of Commerce February membership newsletter.

The survey had 45 responses. Due to the self-selected response mechanism and sample size the data do not reflect statistical standards of reliability; however, the statistics and responses provided descriptive insights to potential additional uses of the facility.

Again respondents expressed general support for renovation of the Avalon Theatre, and preference for a variety of possible activities at a reasonable ticket price. A renovated Avalon Theatre provides a suitable venue for an array of non-performance and community uses. There are no comparable facilities available; therefore current activity takes place in a range of locations from parks to schools to church basements. Top priorities for facility investment expressed were lighting and sound equipment and an enlarged stage. Verbatim responses also indicated support for new audience seating and other patron amenities.

Comparable Facilities

AMS conducted benchmark studies of four relevant venues to provide comparisons for the Avalon Theatre’s proposed facility attributes, programs, attendance forecasts, staffing, and operating estimates. Criteria established to select theatres for study included market size, seat count, presence of an orchestra, recent renovation under \$10 million (preferably of an historic theatre), ownership and operating model, and other factors.

The theatres selected for study are the Bardavon Opera House in Poughkeepsie, New York; the Englert Civic Theatre in Iowa City, IA; the Jefferson Center Shaftman Performance Hall in Roanoke, VA; and the Yuma Art Center in Yuma, Arizona. Full reports on each of these facilities can be found in Appendix IV.

Venue	Location	Population	Capacity	Renovation
Bardavon Opera House	Poughkeepsie, NY	Local: 29,871; MSA*: 621,517	900 seats	2005/06; \$2.4 million
Englert Civic Theatre	Iowa City, IA	Local: 62,220; MSA: 149,437	725 seats	2004; \$5.2 million
Shaftman Performance Hall	Roanoke, VA	Local: 94,911 MSA: 235,932	925 seats	2001; \$9 million
Yuma Art Center	Yuma, AZ	Local: 77,515 MSA: 194,322	640 seats	2004; \$5.45million
Avalon Theatre	Grand Junction, CO	Local: 53,662 MSA: 139,137	900 seats	

* Metropolitan Statistical Area



Bardavon Opera House Poughkeepsie, New York

The mission of the Bardavon Opera House is “To present the highest quality music, dance, theater and film... [and] partner with schools offering arts-based learning experiences both inside and outside of the classroom.” From 1994 to 2006 this 944-seat historic theatre underwent continuous renovation projects (while remaining open); the aggregate cost is estimated at \$9 million. The theatre is owned and operated by Bardavon 1869 Opera House, Inc., a 501(c)(3) non-profit organization that has a 30-person board of trustees and full-

time staff of 20.

Bardavon Opera House Inc. also operates the Ulster Performing Arts Center (UPAC), located 20 miles upriver from Poughkeepsie in Kingston, New York; since 1999 has owned and operated the Hudson Valley Philharmonic orchestra; and is a “paid programming consultant” for the Mahaiwe Performing Arts Center in Great Barrington, Massachusetts. For the year ending June 30, 2009, the Bardavon Opera House had revenues of \$3,456,000 and expenses of \$3,463,000.

The 2008/09 season included 39 performances (36 programs) which included film screenings, Hudson Valley Philharmonic concerts, family presentations, jazz, theatre or drama, dance, folk music, hip hop, blues concerts, country music, world music, a lecture and a presentation of the Metropolitan Opera in live HD video. Rental use of the Bardavon constitutes an additional 30-40 events per year.



**Englert Civic Theatre
Iowa City, Iowa**

The Englert Civic Theatre’s mission statement is: “A national historic landmark, the Englert provides exceptional events.” The building’s \$5.2 million renovation proceeded in four distinct phases, according to fundraising success, between 2000 and 2004.

The Englert is operated by a 501(c)(3) non-profit entity which holds title to the building, employs the staff, and is governed by a 15-person Board of Directors (a separate holding company is in place due to the use of historic tax credits for the renovation). There is a full-time staff of four. 2009 operating revenues were \$800,000; expenses \$873,000.

In 2009 the Englert hosted 209 events, 120 of which were rentals. The programming presented by the Englert includes a wide variety of music, children’s programming, Sunday night screenings of classic films, and a program called “Community Spotlight,” which presents free shows by local performers.



**Jefferson Center
Shaftman Performance Hall
Roanoke, Virginia**

“The Jefferson Center is a nonprofit organization that enriches and educates diverse Western Virginia communities by producing high quality performing and visual arts programs.” Renovation of this 1922 former high school was completed in three phases and

concluded in 2001. Renovation work included converting the building’s classroom spaces into offices, creating an atrium available for receptions and events, and addressing necessary systems upgrades (\$5 million); converting the high school’s former automotive shop into “Fitzpatrick Hall,” a large banquet and event space with catering facilities (\$650,000); and finally, converting the old high school auditorium into the Shaftman Performance Hall (\$9 million).

The Jefferson Center building is owned by the city of Roanoke. The building is operated by the Jefferson Center Foundation, a 501(c)(3) non-profit organization which has a 22-person board of directors and a full-time staff of 10. For the year ending June 30, 2009, Jefferson Center Foundation had unrestricted revenues of \$2,030,000 and operating expenses of \$1,949,000, resulting in an operating gain of \$81,000.

“Jefferson Center Presents” offers three core subscription series of performing arts events: *Star City Series*, *Family Series*, and *Jazz Series*. In the current fiscal year/season, Jefferson Center Presents anticipates approximately 17 shows of its own in Shaftman Performance Hall, comprising roughly 25 percent of the hall’s activity. The balance of the calendar is filled by rental clients. Renters include the Roanoke Symphony, Opera Roanoke, local dance studios, concert promoters, local theatre companies, touring children’s theatre troupes and corporate clients.



Historic Yuma Theatre / Yuma Art Center Yuma, Arizona

The Historic Yuma Theatre/Yuma Art Center’s official mission is “to promote and support arts participation for the enhancement of the Yuma community.” Ground was broken in 2002 for a project to restore the (vacant) Historic Yuma Theatre, construct a new Yuma Art Center next door, and renovate the 1950s-era United Building on the opposite side of the Theatre. The combined 40,000-square-foot complex opened in February 2004. Restoration of the theatre is estimated to comprise \$1 million of the \$5.45 million project.

The Historic Yuma Theatre / Yuma Art Center is owned and operated by the City of Yuma as a unit of the Parks & Recreation department. The full-time staff of eight for the theatre/Art Center works with the City of Yuma’s Arts & Culture Commission, the members of which are appointed by the City Council, and which is charged with oversight of the mission of the theatre and Art Center. For the 2009-2010 fiscal year, the entire Historic Yuma Theatre/Yuma Art Center had operating expenses of approximately \$910,000, and earned revenue of approximately \$208,000, or roughly 20 percent of costs. The City of Yuma provides the balance of funding, or about \$702,000.

Approximately 175 public events took place at the Historic Yuma Theatre in the fiscal year ending June 30, 2009, of which 106 were rentals. The Theatre/Art Center’s guiding business plan prohibits any resident companies, mandating that the facility be as open as possible to community users. Approximately 70% of total activity takes place between early-October to mid-April, driven by the very large retiree/“snowbird” population which increases the city’s size almost two-fold.

Mission, Vision & Characteristics of Success

Based on the work completed in previous studies (City of Grand Junction Avalon Study 2005; Avalon Theatre Strategic Business Plan, July, 2007; Grand Junction Strategic Downtown Master Plan, 2009), key informant interviews and learnings from comparable facilities, AMS recommends the following mission, vision and characteristics of success:

Mission

The mission of the Avalon Theatre is to serve as the cultural hub for Grand Junction. We strive to serve the diverse tastes of our community with a balanced mix of cultural opportunities; to provide a supportive environment for local arts organizations and a welcoming experience for audiences; and to be an economic catalyst for Downtown Grand Junction.

Vision

The Avalon Theatre is active most evenings with a diversity of audiences enjoying performances by artistically and financially strong local cultural organizations as well as popular touring acts. Most area citizens are familiar with the venue and speak highly of the experience of attending an event at the Avalon Theatre.

Characteristics of Success

- Dependable and growing number of days utilization – with audiences.
- A balanced variety of programs – film, orchestra, popular acts, local musical, theatrical or dance organizations, programs for youth and families, educational, civic and business uses.
- Growth in number of audience numbers annually
- Recognition of quality facility by touring artists
- Declining operating subsidy requirement

Governance

AMS recommends that the Avalon Theatre operations remain under the umbrella of the Two Rivers Convention Center, but with dedicated staff and an Advisory Board, whose charge would be to ensure diversity of programming and to raise funds in support of access to the facility by a variety of users and audiences.

Activity Profile

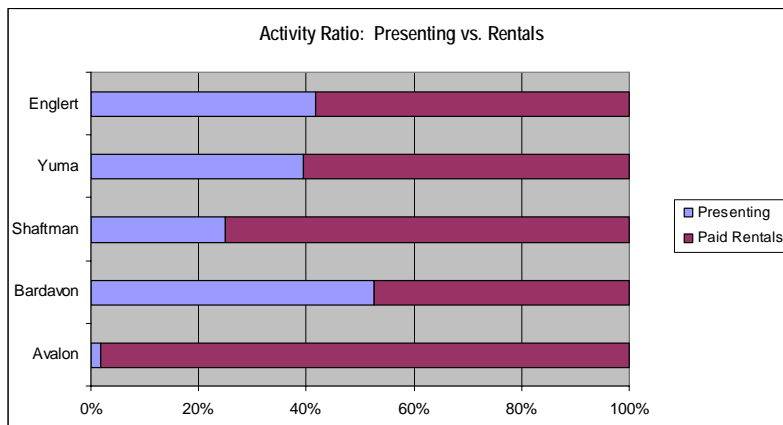
The activity profile for a renovated and expanded Avalon Theatre assumes relocation of the film series to the multi-purpose hall. The Grand Junction Symphony Orchestra makes the Avalon its primary performance venue (including rehearsals). In addition to Sandstone Entertainment and other promoters, the Avalon Theatre presents a small number of events at risk annually.

Based on responses by local area organizations and our estimates for additional outside groups, we calculate 154 use days, 95 (62%) of which are days with audiences:

Avalon Theatre: Activity Profile		
Presenting Organization	Total Days	Days with Audiences
Grand Junction Symphony Orchestra	68	27
High Desert Opera	13	4
Centennial Band	2	2
Messiah Choral Society	2	1
Mesa State College	12	6
Fruita Monument H.S.	4	2
Other Community Orgs	13	13
Western Slope Concert Series	7	7
Sandstone	15	15
Other Promoters	8	8
Avalon Presents	5	5
Non performance use (seminars, meetings, etc.)	5	5
<i>Total Days</i>	154	95

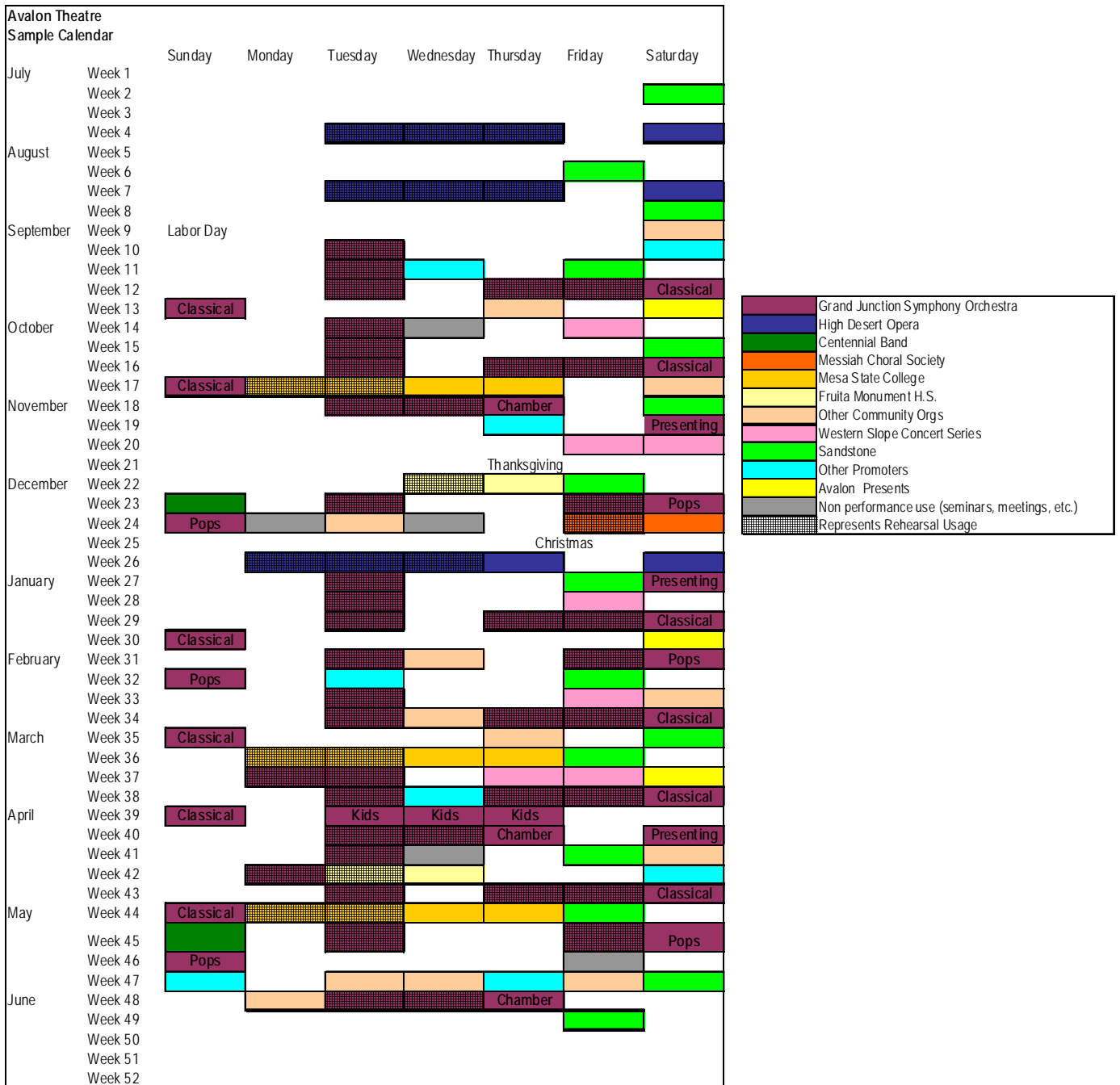
Avalon Presents

The Activity Profile includes a modest number of at-risk presentations by the Avalon Theatre. Over time the Avalon may consider growing this endeavor. In addition to the potential for financial benefit, presenting provides the opportunity to ensure a balance of presentation genres, and to cultivate program sponsorships, fundraising support and other beneficial patron relationships. The comparable facilities studied present anywhere from 25% to 50% of total activity in the building:



Comparable Facilities: Utilization	
	# Days Use
Avalon	152
Bardavon	75
Shaftman	68
Yuma	175
Englert	206

AMS “tested” the draft activity profile against a generic booking calendar:



Audience days are primarily Friday, Saturday and Sunday, while most rehearsals take place during the week. As in most communities, the performance season is largely focused September through May, with fewer public events over the summer.

Multi-purpose Room

Use of the multi-purpose room is dominated by film; however, we project limited community and general public use for banquets and receptions as follows:

Multi-Purpose Room Rentals	
	# Days Use
Avalon Film Series	220
Non-Profit Rentals	16
General Public Rentals	10

Operating Pro Forma

Based on the activity profile and current operating finances of the Avalon Theatre, AMS prepared the operating pro forma estimate found in Appendix V. As this report is being prepared in a time of economic uncertainty the financial estimates are purposely conservative.

Notes and Assumptions (Schedule 1)

The report is based on the square footage and capacity figures provided in Options 2 & 3 of the Westlake Reed Leskowsky architectural program.

The five-year model contains the following escalations and assumptions:

- Expenses escalate 3% annually; non-activity based revenues escalate 1.5% bi-annually.
- Rental rates increase 2% annually
- Salaries escalate 3% annually; fringe benefits rate for full-time employees is 25%; part-time 12%
- Activity level increases 10% annually
- At this level of planning AMS includes a 5% expense contingency
- All figures are rounded to the nearest \$10 or \$100, as appropriate

Summary

AMS looks at the third year post-reopening as a base, stable year of operation. In year 3 the Avalon Theatre has an operating budget of approximately \$600,000 (including contingency), with operating revenues of \$530,000, contributed income of \$40,000 and a required subsidy of (\$20,000):

Avalon Theatre					
SCHEDULE 2: SUMMARY PRO FORMA 2008	Year 1	Year 2	Year 3 (Base)	Year 4	Year 5
EARNED REVENUES					
Rental Income	\$124,000	\$134,000	\$146,000	\$158,000	\$172,000
Chargebacks & Cost Recovery	\$23,000	\$25,000	\$27,000	\$29,000	\$32,000
Retail (Net Revenues)	\$26,000	\$29,000	\$31,000	\$33,000	\$36,000
Box Office & Facility Fees	\$96,000	\$104,000	\$112,000	\$121,000	\$131,000
Presenting Revenue	\$183,000	\$200,000	\$216,000	\$236,000	\$256,000
TOTAL EARNED REVENUES	\$452,000	\$492,000	\$532,000	\$577,000	\$627,000
OPERATING EXPENSES					
Compensation	\$187,000	\$193,000	\$199,000	\$205,000	\$211,000
Programming & Marketing	\$138,000	\$137,000	\$141,000	\$145,000	\$150,000
Administrative Expenses	\$26,000	\$26,000	\$27,000	\$28,000	\$29,000
Building Operations	\$187,000	\$193,000	\$198,000	\$204,000	\$210,000
TOTAL OPERATING EXPENSES	\$538,000	\$549,000	\$565,000	\$582,000	\$600,000
OPERATING RESULT	\$(86,000)	\$(57,000)	\$(33,000)	\$(5,000)	\$27,000
SUPPORT & FUNDING					
Avalon Theatre Foundation	\$40,000	\$40,600	\$40,600	\$41,200	\$41,200
TOTAL FUNDING	\$40,000	\$40,600	\$40,600	\$41,200	\$41,200
NET RESULTS					
(Less Contingency)	(\$46,000)	(\$16,400)	\$7,600	\$36,200	\$68,200
	(\$26,900)	(\$27,400)	(\$28,300)	(\$29,100)	(\$30,000)
SURPLUS (DEFICIT)	\$(72,900)	\$(43,800)	\$(20,700)	\$7,100	\$38,200

Revenue

Operating revenue comes from facility rental and related charges (i.e. equipment rental, box office, etc.), concessions and food service, presenting activity (film and events) and a \$1.00 per-ticket facility fee.

Facility Rental

Performance day rental rates cover a 12-hour period, rehearsal rental rates are for a four-hour block. In keeping with current practice, preferred rates are offered to non-profit organizations, including the Grand Junction Symphony Orchestra.

In establishing recommended rental rates AMS took current rates into consideration, adjusted for a change in capacity. A “renovation premium” of 30% (for performances) and 50% (for rehearsals) was applied as well as a “weekend premium” of 25% for performances and 50% for rehearsals.

Multi-purpose room rental rates were established using the Two Rivers Convention Center as a basis for comparison.

The base year rental rates are as follows:

Avalon Theatre		
SCHEDULE 5A: THEATER RENTAL RATE SCHEDULE	Year 3 (Base)	
	Rates	
	Weekday (Mon-Thurs)	Weekend (Fri-Sun)
<i>Avalon Presents</i>	\$0	\$0
<i>Non Profit Rate</i>		
Performance (12 hr day)	\$580	\$710
Rehearsal (4 hours)	\$320	\$460
<i>General Public</i>		
Performance (12 hr day)	\$1,370	\$1,690
Rehearsal (4 hours)	\$790	\$1,170

Avalon Theatre		
SCHEDULE 5B: MULTI- PURPOSE ROOM RENTAL RATE	Year 3 (Base)	
	Rates	
	(Mon-Thurs)	(Fri-Sun)
<i>Avalon Film</i>	\$0	\$0
<i>Non Profit Rate</i>		
Auditorium Style	\$100	\$130
Banquet Style	\$210	\$310
Reception Style	\$210	\$310
<i>General Public</i>		
Auditorium Style	\$180	\$230
Banquet Style	\$260	\$360
Reception Style	\$260	\$360

Other Fees

In addition to facility rental expenses, users of the Avalon Theatre will periodically pay to rent equipment that is owned by the theatre. In addition, all users will pay a custodial fee. Part-time labor or other costs (security, ushers, etc.) associated with the rental would be passed on to the renter at cost.

Renters would have the option of using the Avalon box office; and patrons would pay a handling fee of \$1.50. In addition *all* patrons would be assessed a \$1.00 facility renovation fee (\$0.50 for film or tickets under \$10). Revenue from these sources in the base year is calculated as follows:

Avalon Theatre				
SCHEDULE 10A: HOUSE FEES & CHARGEBACKS				
Venue Charges	Transaction Average	Capture Rate	Year 3 (Base)	
			# Events	Total
Chargebacks				
Equipment Rentals	\$150.00	note	28	\$4,100
Custodial Fees	\$200.00	100% perf.	103	\$20,600
Multi-Purpose Room	\$75.00	Non-film	31	\$2,400
Total Chargebacks				\$27,100

Avalon Theatre				
SCHEDULE 10B: BOX OFFICE				
Venue Charges	Transaction Average	Capture Rate	Year 3 (Base)	
			# Tickets	Total
Box Office Fees				
Handling Fee	\$1.50	note	23,628	\$35,400
Facility Fee	\$1.00	100%	72,796	\$72,800
Multi-Purpose Room				
Handling Fee	\$0.00	Film Only		
Facility Fee	\$0.50	Film Only	7,125	\$3,600
Total Box Office Fees				\$111,800

Concessions & Catering

Estimates for concession sales vary according to type of facility use. Projections for banquet and reception catering uses of the multi-purpose room are modest, with financial estimates based on similar activity at the Convention Center:

Avalon Theatre					
SCHEDULE 11: CONCESSIONS & CATERING					
Venue Charges	Transaction Average	Capture Rate	Year 3 (Base)		
			Tickets	Gross Sales	Contribution
Concessions					
Grand Junction Symphony Orchestra					
Average Transaction	\$2.00	25%	17,500	\$8,800	\$1,800
Contribution Margin		20%			
Non Profit Events					
Average Transaction	\$3.00	35%	25,500	\$26,800	\$5,400
Contribution Margin		20%			
General Public Events					
Average Transaction	\$4.00	40%	25,100	\$40,200	\$8,000
Contribution Margin		20%			
Multi-Purpose - Auditorium					
Average Transaction	\$5.00	50%	7,800	\$19,500	\$3,900
Contribution Margin		20%			
Catering					
Banquet					
			Average Attendance		
Per Plate Average	\$25.00	80%	500	\$12,500	\$1,500
Total Commission		12%			
Receptions					
			Average Attendance		
Per Guest Average	\$12.00	80%	1200	\$14,400	\$1,700
Total Commission		12%			
Merchandise					
Average Transaction	\$15.00	15%	25,100	\$56,500	\$8,500
Contribution Margin		15%			
Total Concessions & Catering					\$30,800

Presenting

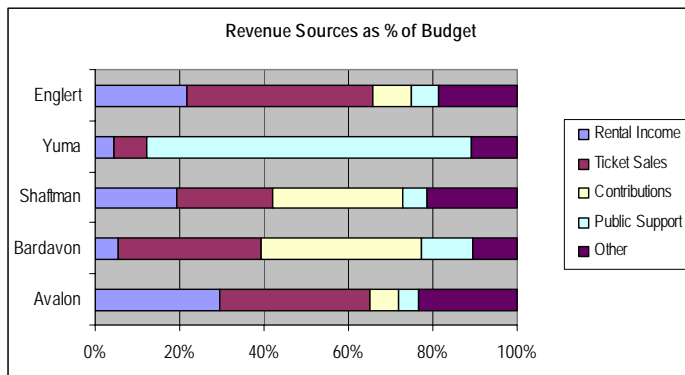
As noted in the Activity Profile, Avalon Theatre presents five performances at risk – four popular acts and one family program. The specifics of the presenting profile are as follows:

Avalon Theatre PRESENTING SERIES (Schedule 12)							
				Capacity Sold/ Ticket Revenue			
Event (examples only)	# of Perfs	Avg. ticket price	Program Cost	100%	Forecast	Projected Attendance	Net Contribution
Avalon Theatre (cap. 926)							
Children/Family	1	\$15.00	\$10,600	\$13,890	\$11,112	80%	\$512
Comedy	0						
Dance	0						
Jazz	0						
Lecture Series	0						
Popular Artists	4	\$35.00	\$99,200	\$129,640	\$110,194	85%	\$10,994
Multi-Purpose Room							
Film	220	\$5.50		\$91,500	\$40,100	44%	\$13,100
TOTAL/AVERAGE	225		\$109,800		\$161,406		\$24,606

It is envisioned that partial funding for the presenting series would come from corporate sponsorships as well as funds raised by the Advisory Board.

Comparable Facilities Benchmarking

In comparison to the other facilities studied, the Avalon relies more heavily on earned income (rentals, ticket sales) and less on contributions than most. The level of public support (subsidy) required as a percentage of budget is close to the standard of most of the peer group.



Total Revenue (\$000s)					
	Avalon	Bardavon	Shaftman	Yuma	Englert
Rental Income	\$174	\$173	\$358	\$41	\$173
Ticket Sales	\$216	\$1,017	\$415	\$69	\$352
Contributions	\$41	\$1,202	\$574	\$0	\$75
Public Support	\$28	\$379	\$107	\$702	\$50
Other	\$143	\$336	\$391	\$98	\$150
Total	\$593	\$3,161	\$1,845	\$910	\$800

Expenses

Expenses fall into four general categories: staff, building expense (occupancy), programming/marketing expense and administrative expense.

Staffing & Job Descriptions

As noted above, AMS recommends dedicated staff for the Avalon Theatre management, with the ability to draw part-time resources from the Convention Center as needed on a per-event basis. AMS further recommends that the Avalon Theatre engage in a volunteer recruitment program to assist with event needs such as ushering. The staffing complement for the Avalon Theatre model is as follows:

Avalon Theatre				
SCHEDULE 15: STAFFING AND COMPENSATION (Non-Program)	BASE SALARY	% Fringe	% Annual Escalation	Year 3 (Base)
Administration				
Director	\$60,000	25%	3%	\$79,600
Facility & Events				
Patron Services Manager (part-time)	\$20,000	12%	3%	\$23,800
House Manager (part-time)	\$24,000	12%	3%	\$28,500
Production Manager	\$36,000	25%	3%	\$47,700
Custodian (part-time)	\$16,000	12%	3%	\$19,000
TOTAL STAFFING	\$156,000			\$198,600

Job Descriptions

Summary job descriptions for recommended positions follow.

Director

The Director is responsible for leading the strategic and planning efforts of the theatre, and for providing fiscal leadership, which includes developing annual budgets, monitoring results and assisting with fundraising activities. This individual bears responsibility for all bookings and programming activity. An employee of the City, s/he reports and engages the Advisory Board, manages community relationships with key user groups, the DDA and other relevant stakeholders, and supervises theatre staff.

Patron Services Manager (part-time)

The Patron Services Manager is responsible for marketing of performances presented by the Avalon Theatre, as well as calendar listings, website presence and other efforts on behalf of events at the facility. S/he maintains and operates the ticketing system, produces ticket sales reports and responds to patron issues.

House Manager (part-time)

The House Manager schedules, coordinates and supervises ushers for performances, coordinates distribution of programs, supervises concessions and retail sales, assists patrons with special requirements, coordinates the start of performances with stage

personnel, and coordinates general emergency procedures (fire evacuation, severe weather and power outages, etc.).

Production Manager

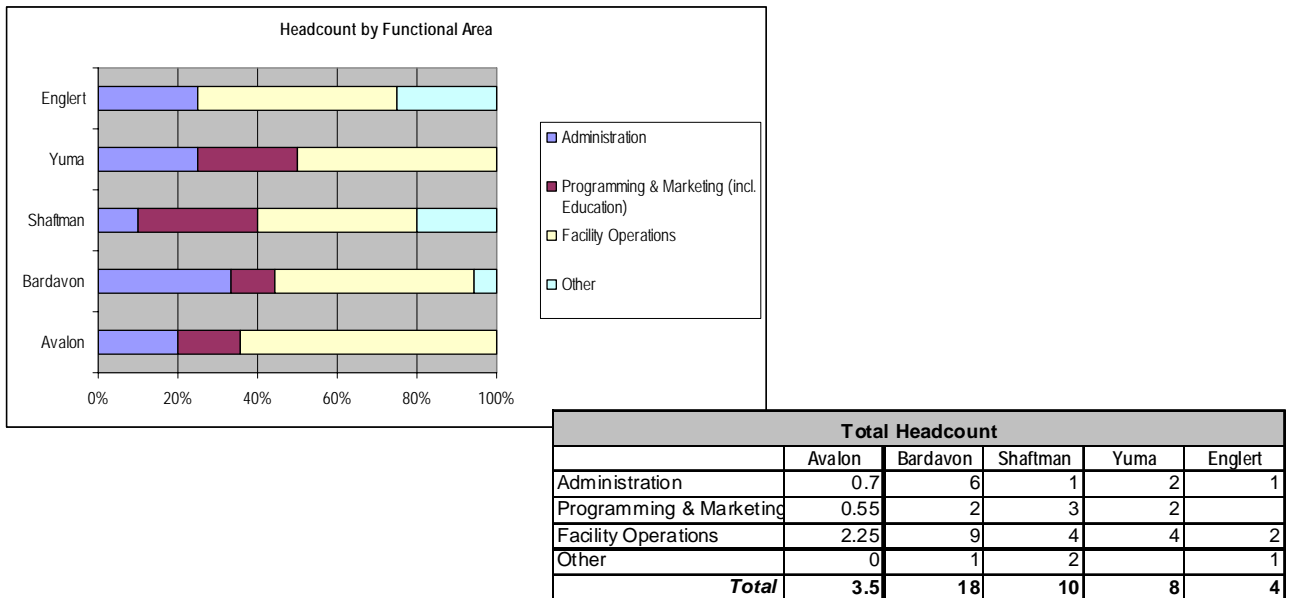
The Production Manager is responsible for the scheduling of the facility’s productions and events, and is the primary technical contact for all parties renting the facility. In addition to maintaining production budgets, this individual monitors the condition of the facility’s equipment and assists with facility maintenance.

Custodian (part-time)

The custodian is responsible for making sure that the facility is clean and maintained in a manner that ensures the safety of all building occupants, and for reporting needed maintenance and repairs to the appropriate parties.

Comparable Facilities Benchmarking

Absent dedicated staff to programming, marketing, education and development, the Avalon Theatre staff is divided between administration and facility operations. In benchmarking with the other facilities studied, AMS allocated 30% of the Director position and 25% of the Patron Services Manager to the Programming & Marketing function:



Building Expense (Occupancy)

AMS used current figures on a square foot basis for estimated occupancy costs, with a premium for building design considerations. Because the city is self-insured, there is a \$1,000 placeholder deductible figure for insurance.

Avalon Theatre		
SCHEDULE 13: BUILDING OPERATIONS EXPENSE BASIS	Total	Basis
Utilities (Gas, Electric, Water, Sewer)	\$80,828	\$ 2.50
Regular Cleaning & Maintenance	\$64,662	\$ 2.00
Insurance	\$1,000	\$ -
Security	\$16,166	\$ 0.50
General Administration	\$16,166	\$ 0.50
Annual Capital Improvements	\$8,083	\$ 0.25
Total	\$186,903	
<i>Per Square Foot</i>	<i>\$5.78</i>	

Programming & Marketing Expense

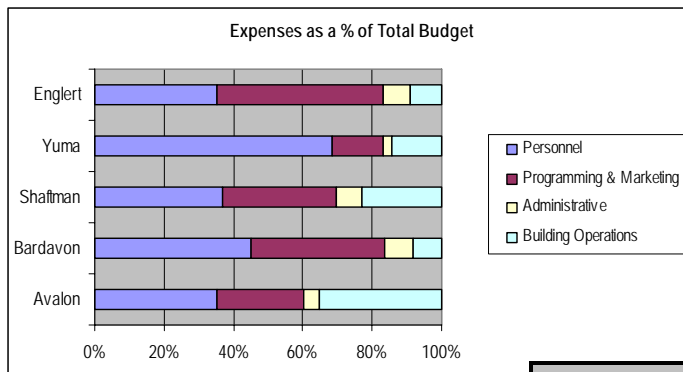
In addition to the expenses related to the presenting series described above, the pro forma estimate includes \$30,000 for facility advertising and website services.

Administrative Expense

AMS projects general non-staff administrative expenses of \$27,000 in the base year in support of general theater operations:

Avalon Theatre	
SCHEDULE 14: ADMINISTRATIVE EXPENSE SUMMARY	Year 3 (Base)
Overhead	
Telephone - (based on headcount)	\$5,600
Telephone - Maintenance/Equipment	\$5,300
Postage & Mailing - Gen'l	\$3,200
Printing & Copying, General	\$2,700
Travel, Meetings, Mileage	\$1,300
Bank Charges	\$1,300
Licenses/Fees/Permits	\$2,700
Office Supplies (based on headcount)	\$4,500
Professional Development/Recruitment	\$600
Total	\$ 27,200

Comparable Facilities Benchmarking

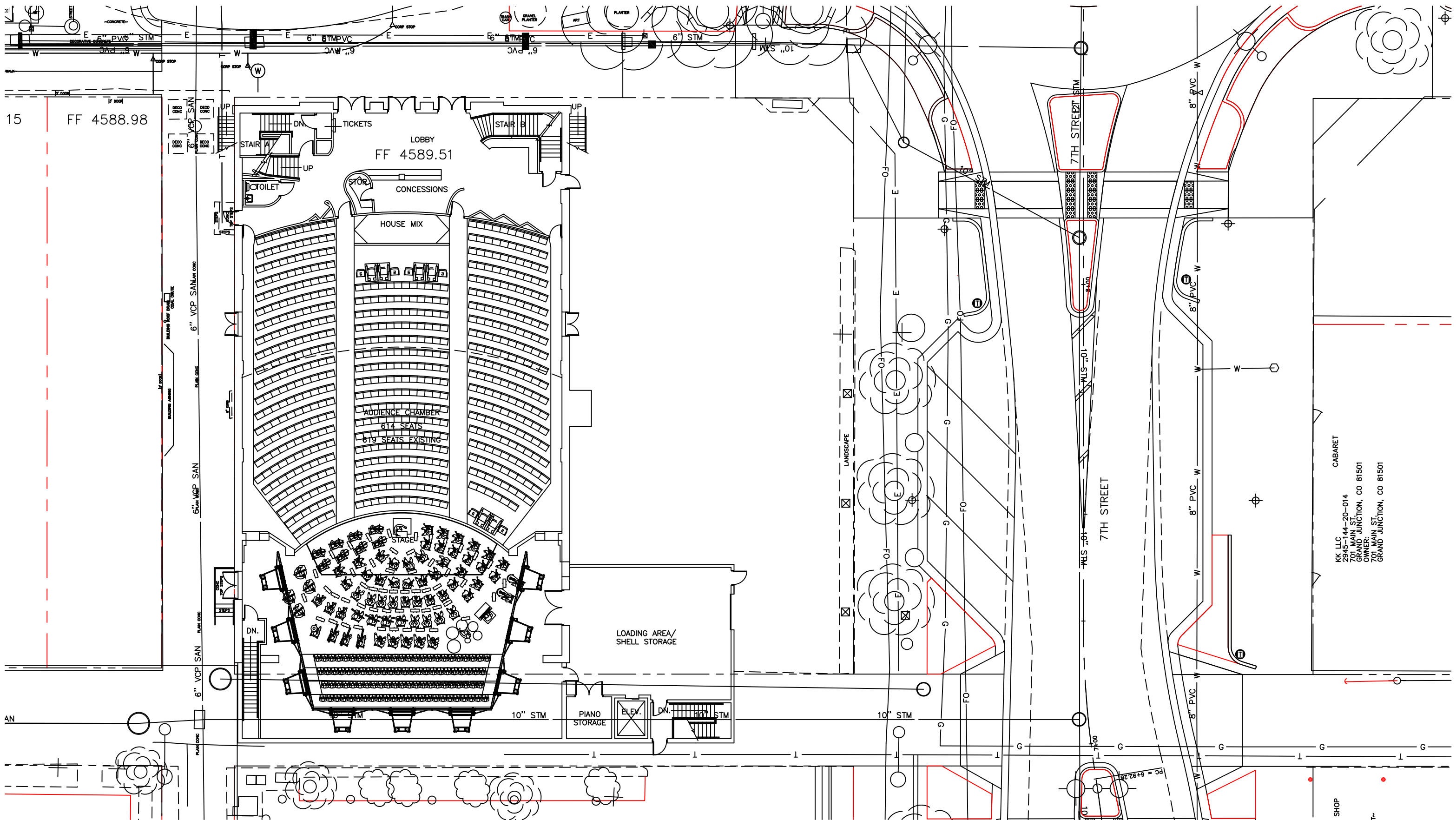


Total Expenses (\$000s)					
	Avalon	Bardavon	Shaftman	Yuma	Englert
Personnel	\$199	\$1,555	\$716	\$611	\$294
Programming & Marketing	\$141	\$1,337	\$644	\$132	\$399
Administrative	\$27	\$290	\$144	\$24	\$63
Building Operations	\$198	\$281	\$445	\$128	\$75
Total	\$593	\$3,463	\$1,949	\$910	\$873

Summary

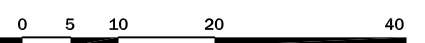
There is considerable support for a moderate capital investment for the Avalon Theatre to accommodate a variety of uses and patrons. The sustainable operating model recommended here contemplates sources of operating revenue beyond rental fees and concessions: most notably a per-ticket restoration charge; at-risk presenting (with sponsorship); and an annual fundraising or membership campaign. Together these activities represent significant revenue for the theatre, and provide diversification to mitigate risk.

The plan contemplates considerable presence by one user group: the Grand Junction Symphony Orchestra. At the projected rental rates rental expense in the base year would come to nearly ten times the \$3,500 annual fee the organization currently pays to the High School. As fundraising efforts develop in support of the theatre care must be taken to enhance institutional capacity of the orchestra as well as other planned users in order that all can be successful upon opening.



PHASE I - Site Plan

Avalon Theatre - Grand Junction, Colorado



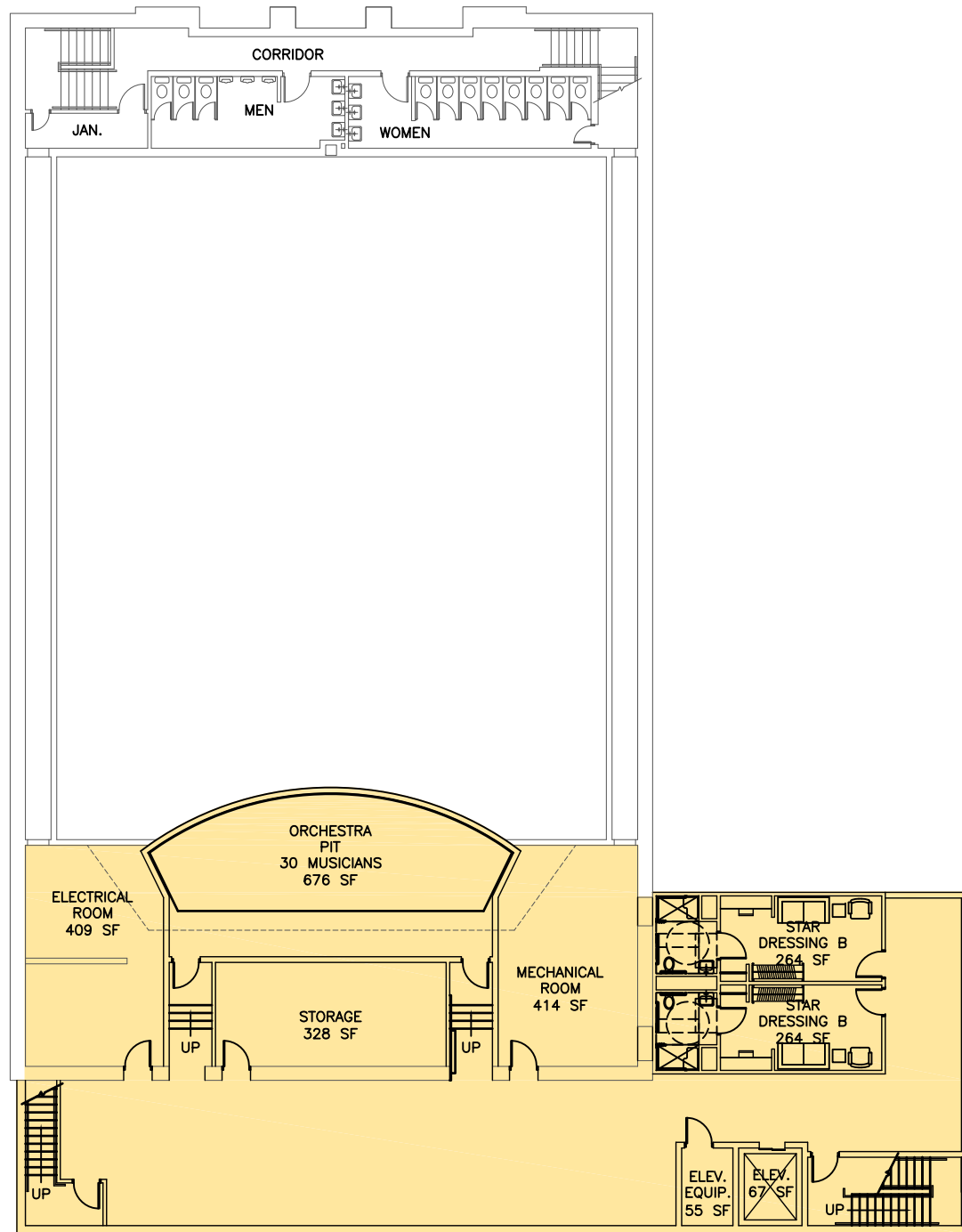
Westlake Reed Leskosky

May 20, 2010



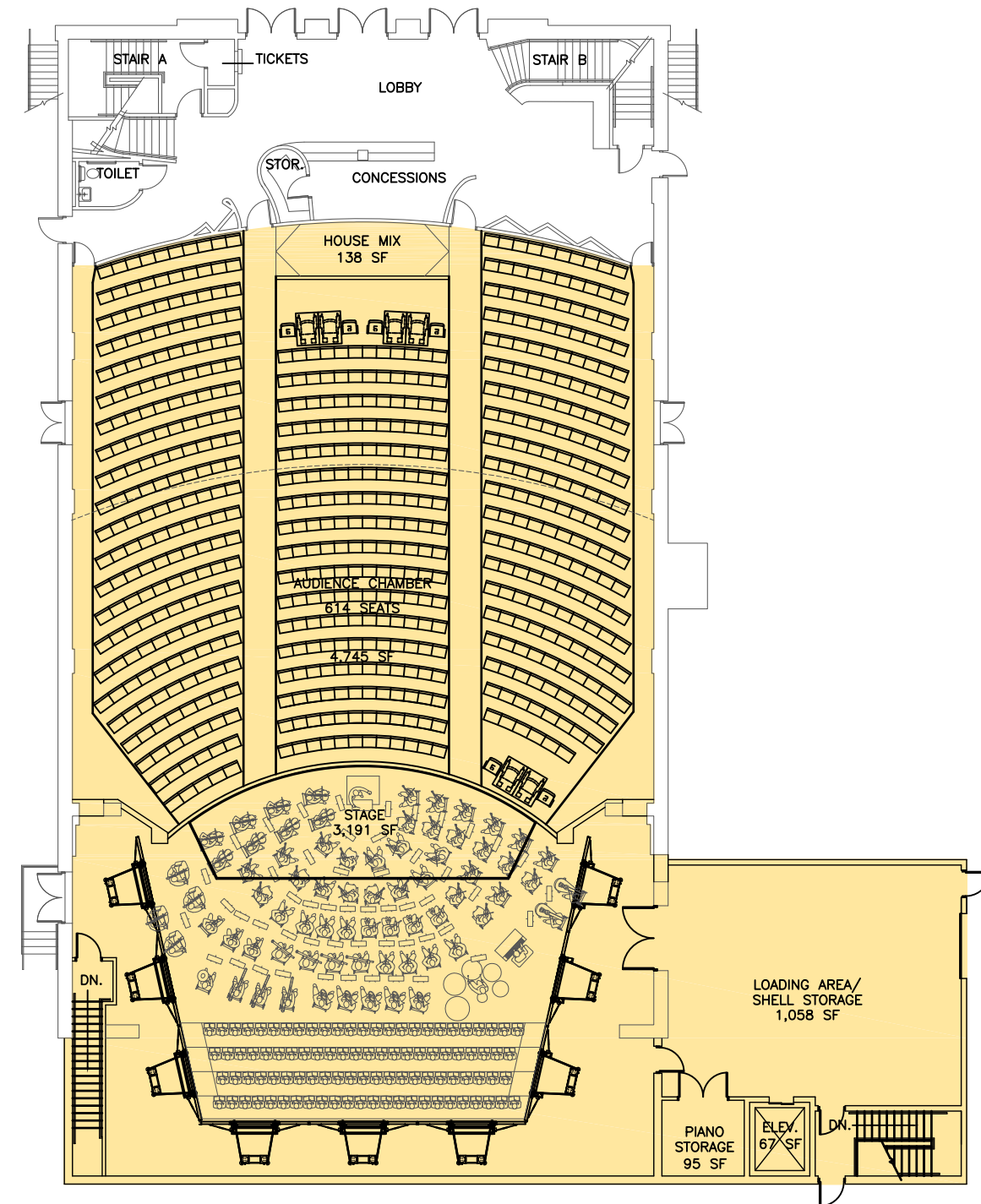
CABARET
 KK LLC
 2945-144-20-014
 701 MAIN ST
 GRAND JUNCTION, CO 81501
 OWNER:
 701 MAIN ST.
 GRAND JUNCTION, CO 81501

SHOP



PHASE I BASEMENT ADDITION
2,812 SF GROSS

PROPOSED
BASEMENT

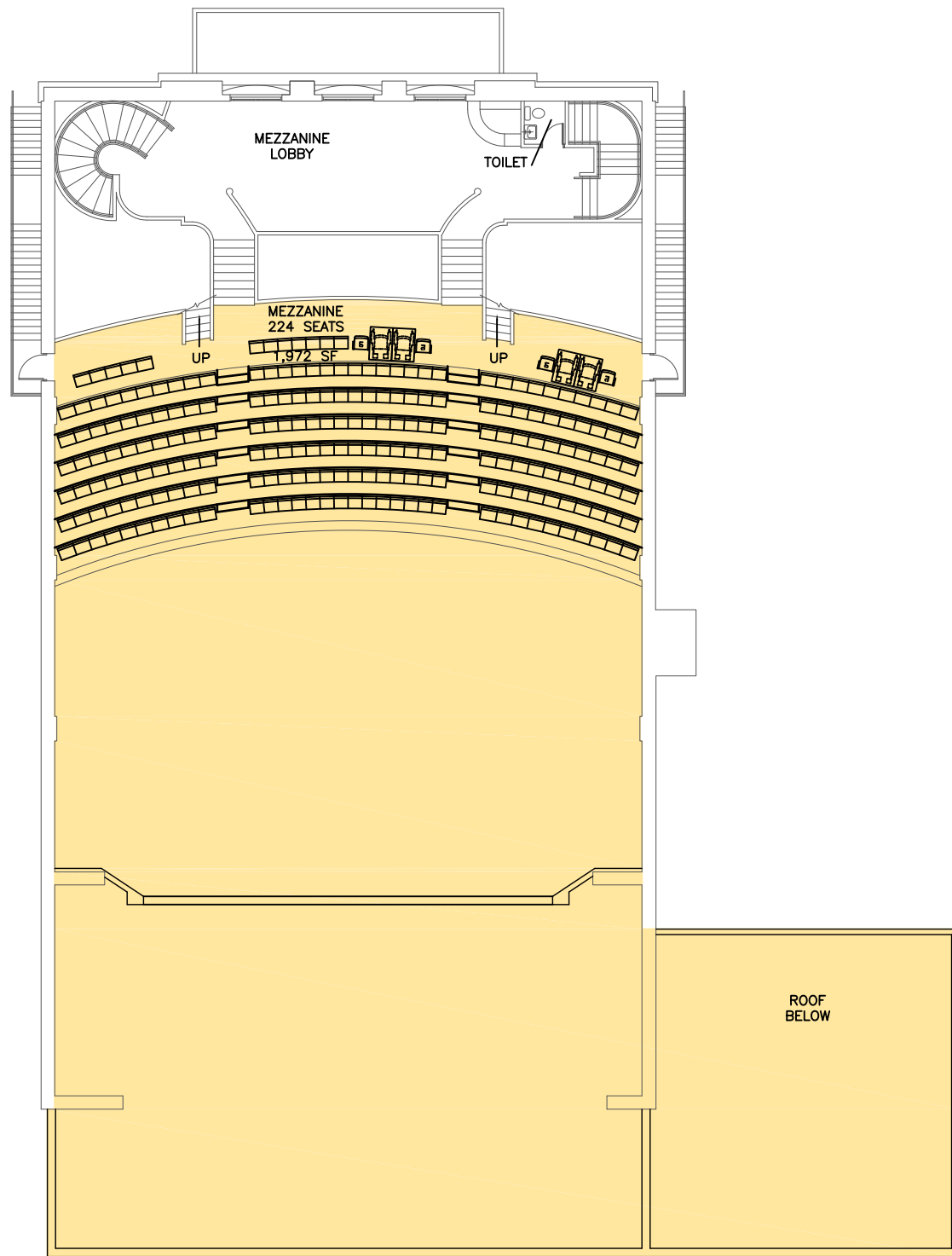


PHASE I MAIN LEVEL ADDITION
2,812 SF GROSS

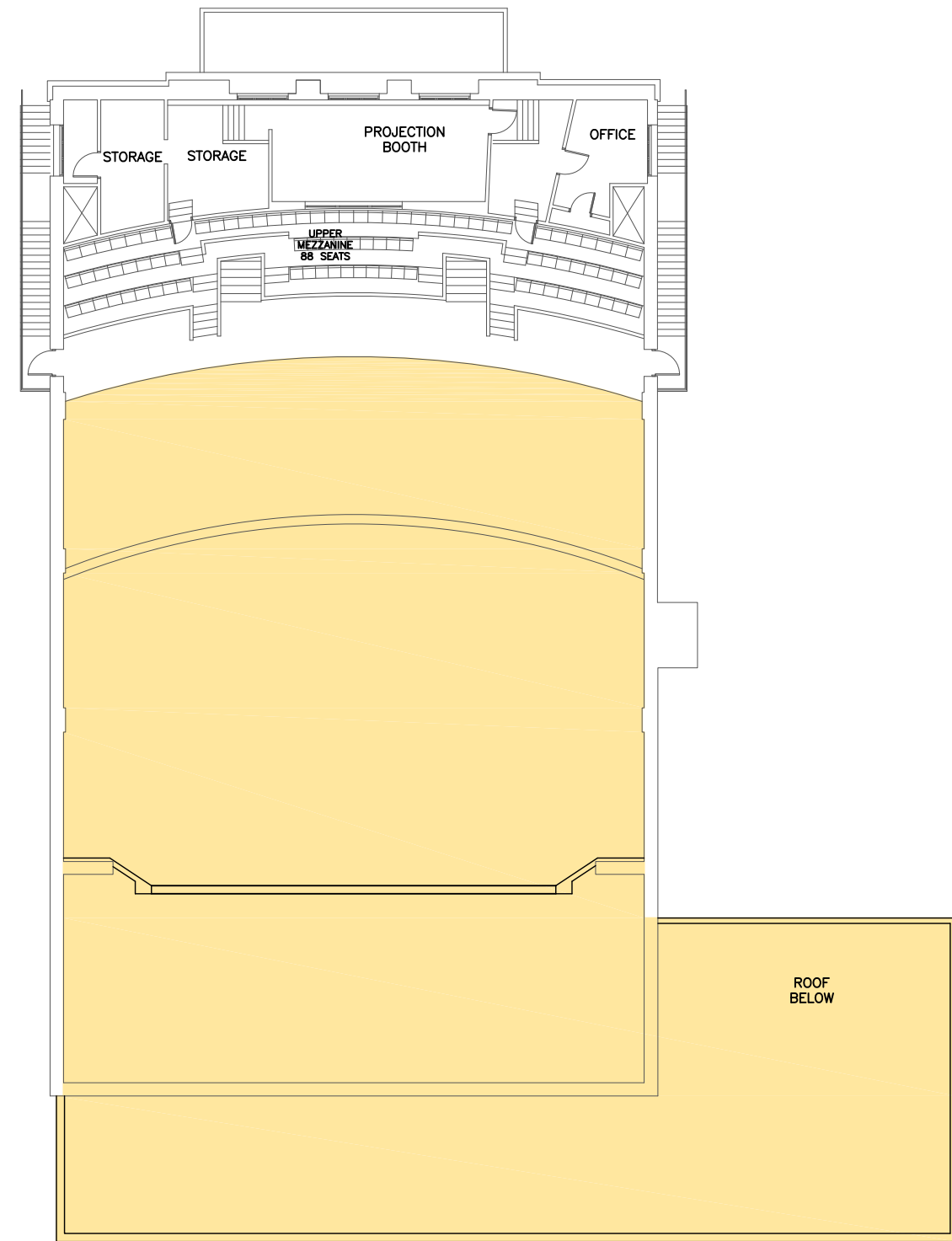
PROPOSED
MAIN LEVEL

PHASE I - Basement and Main Level Floor Plans





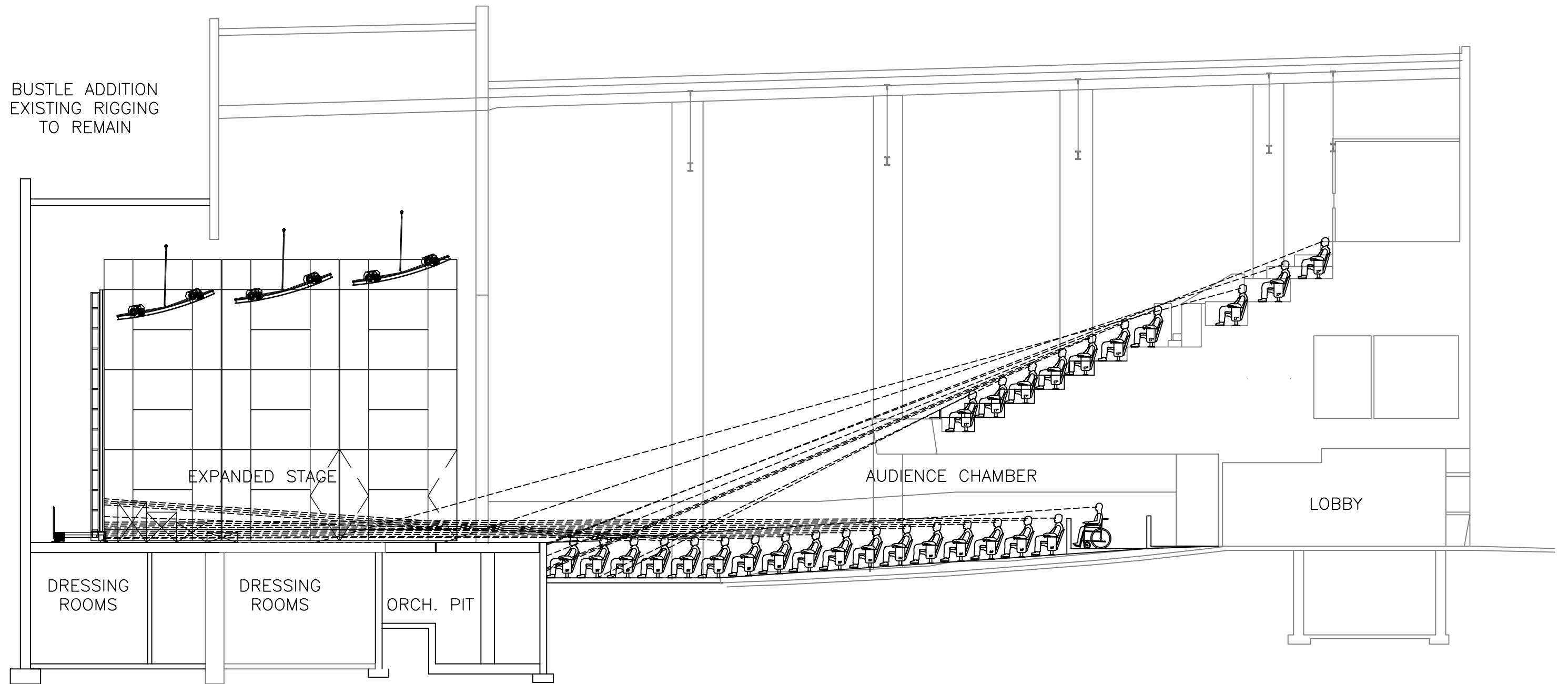
PROPOSED
MEZZANINE



PROPOSED
UPPER MEZZANINE

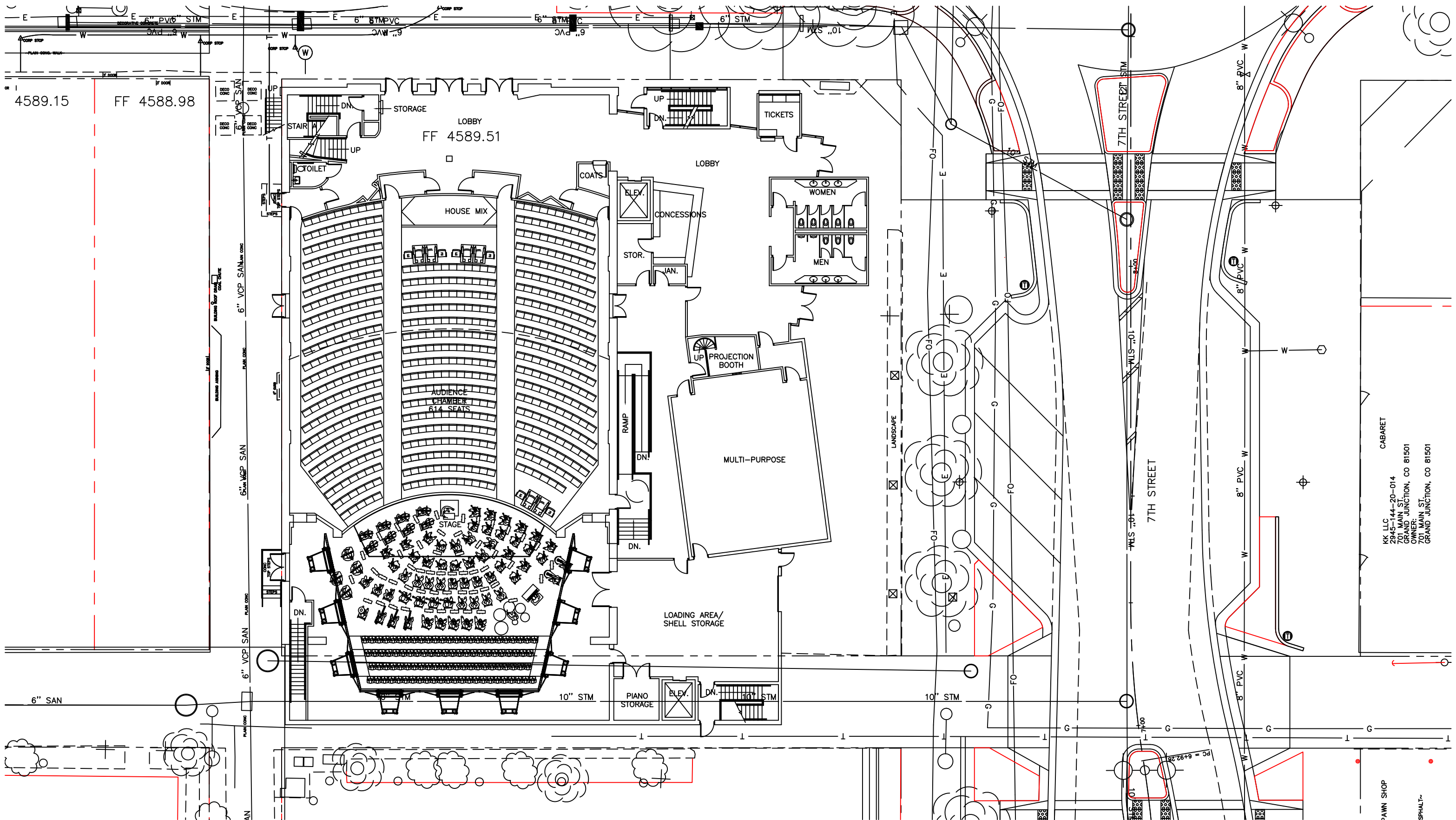
PHASE I - Mezzanine and Upper Mezzanine Floor Plans





Building Section - Bustle Addition at Stage House

0 2.5 5 10 20

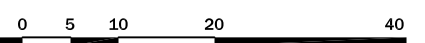


CABARET
 KK LLC 144-20-014
 2945 1/2
 701 MAIN ST.
 GRAND JUNCTION, CO 81501
 OWNER:
 701 MAIN ST.
 GRAND JUNCTION, CO 81501

?AWN SHOP
 SPHALT™

PHASE II - Site Plan

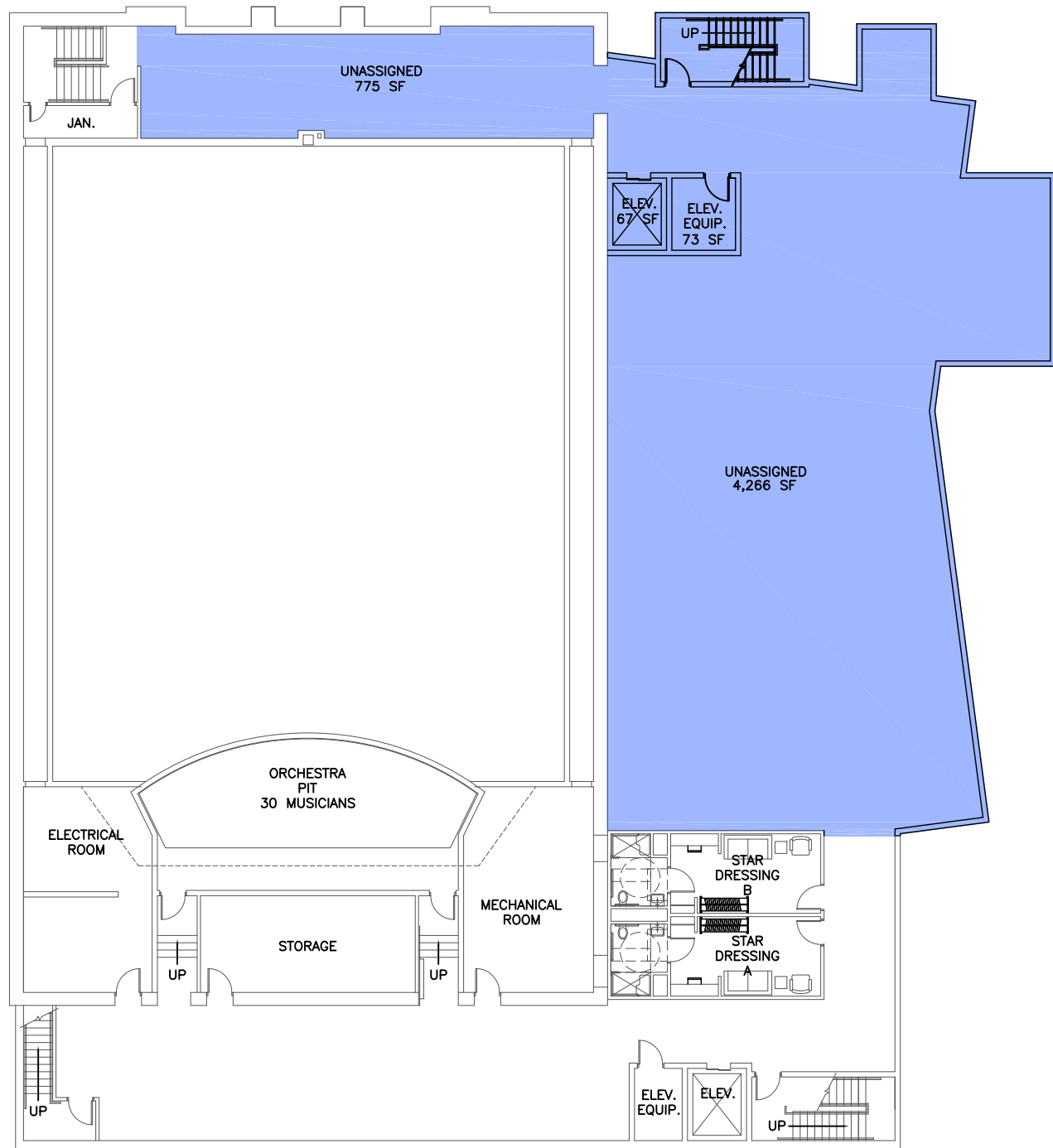
Avalon Theatre - Grand Junction, Colorado



Westlake Reed Leskosky

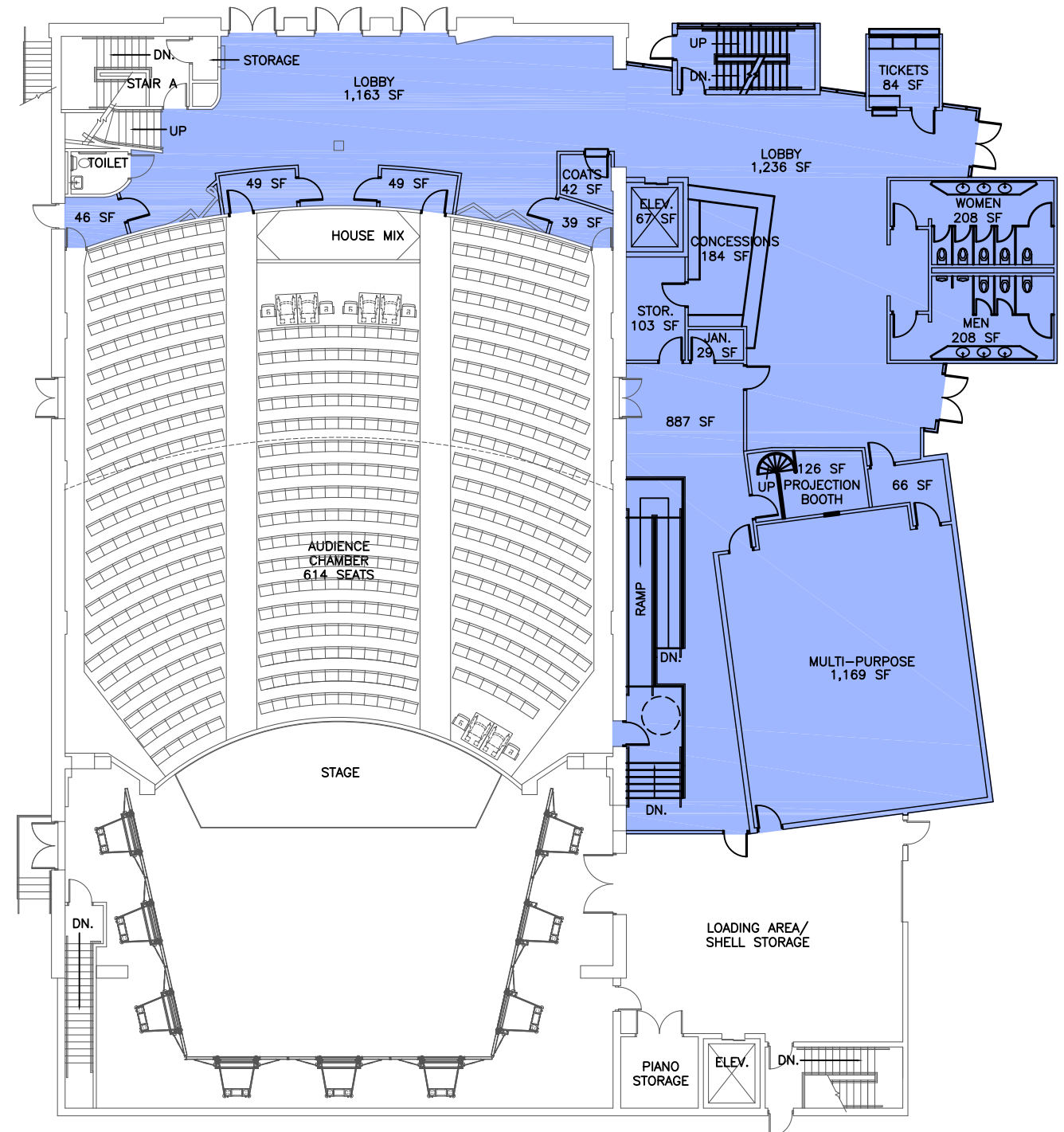
May 20, 2010





PHASE II BASEMENT ADDITION
4,811 SF GROSS

PROPOSED
BASEMENT

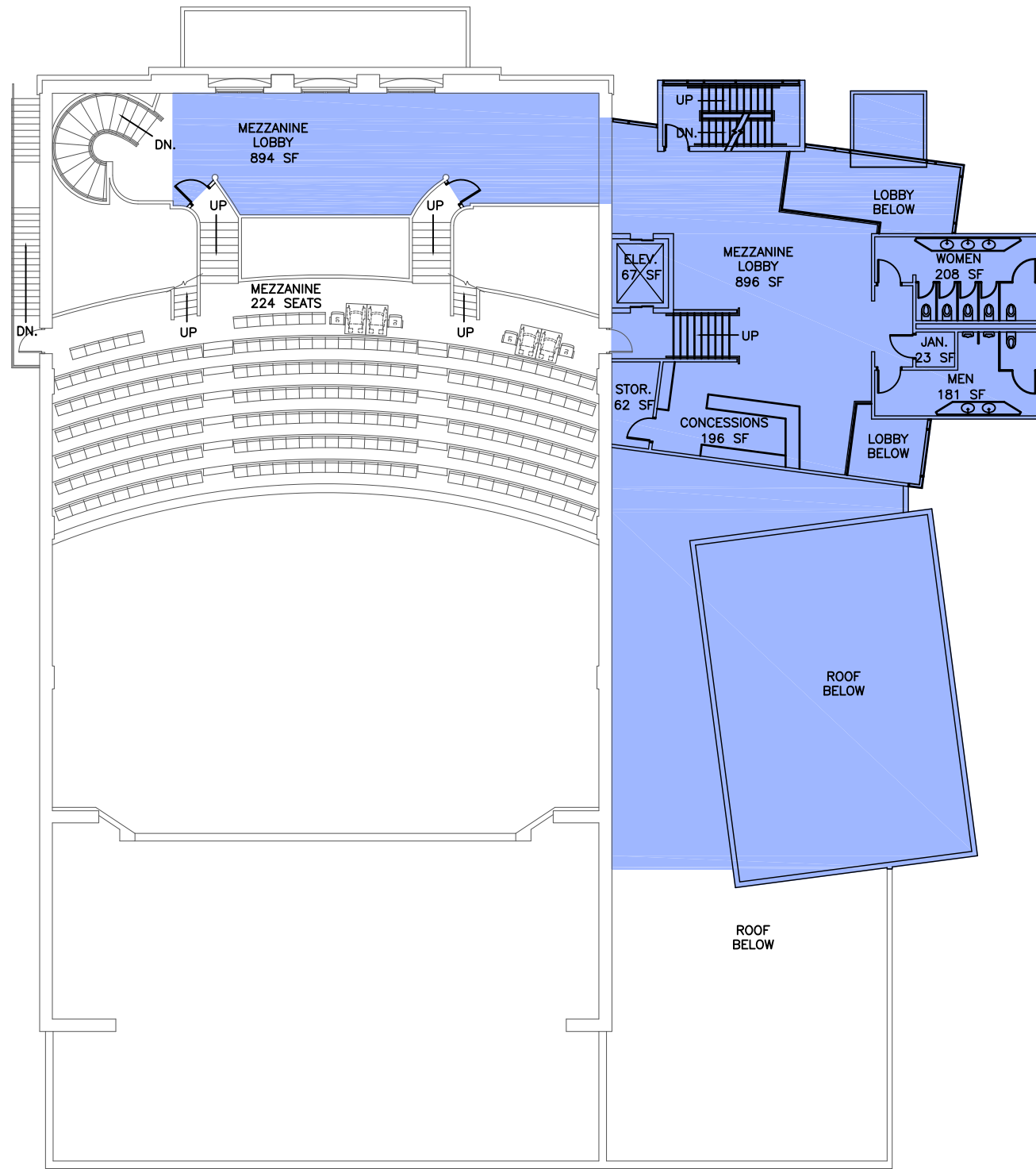


PHASE II MAIN LEVEL ADDITION
4,811 SF GROSS

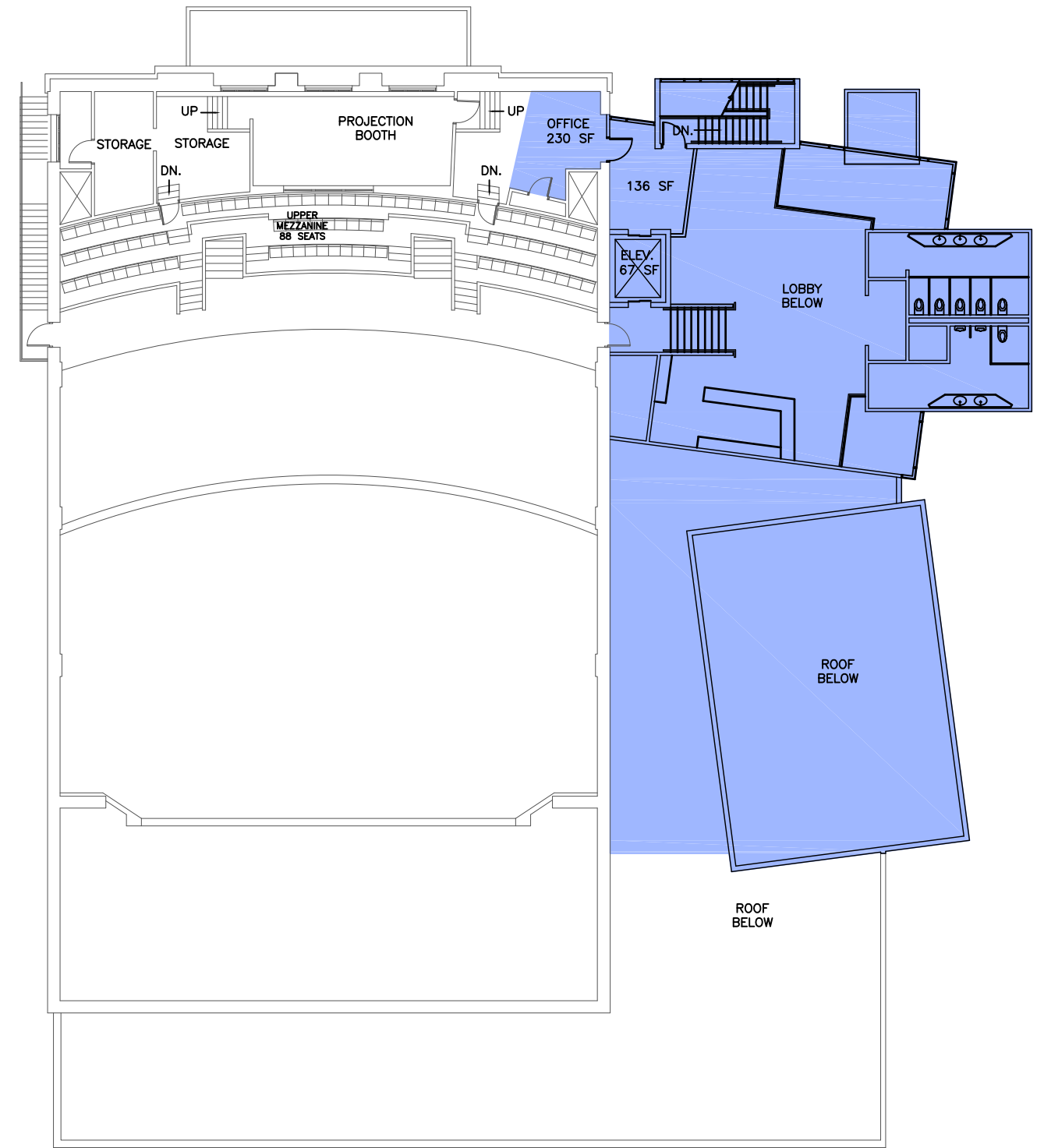
PROPOSED
MAIN LEVEL

PHASE II - Basement and Main Level Floor Plans





PHASE II MEZZANINE ADDITION
2,327 SF GROSS

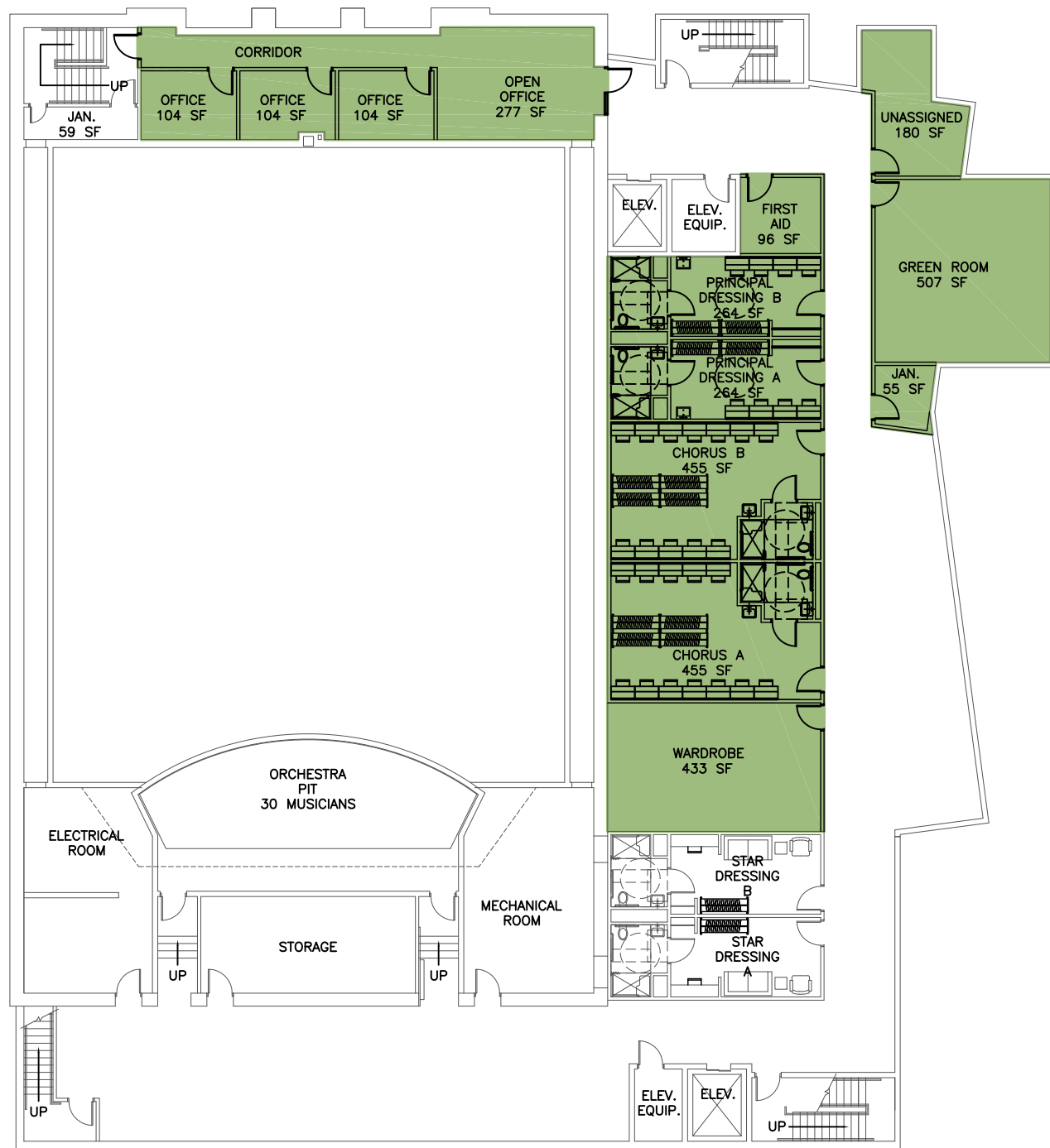


PROPOSED
UPPER MEZZANINE

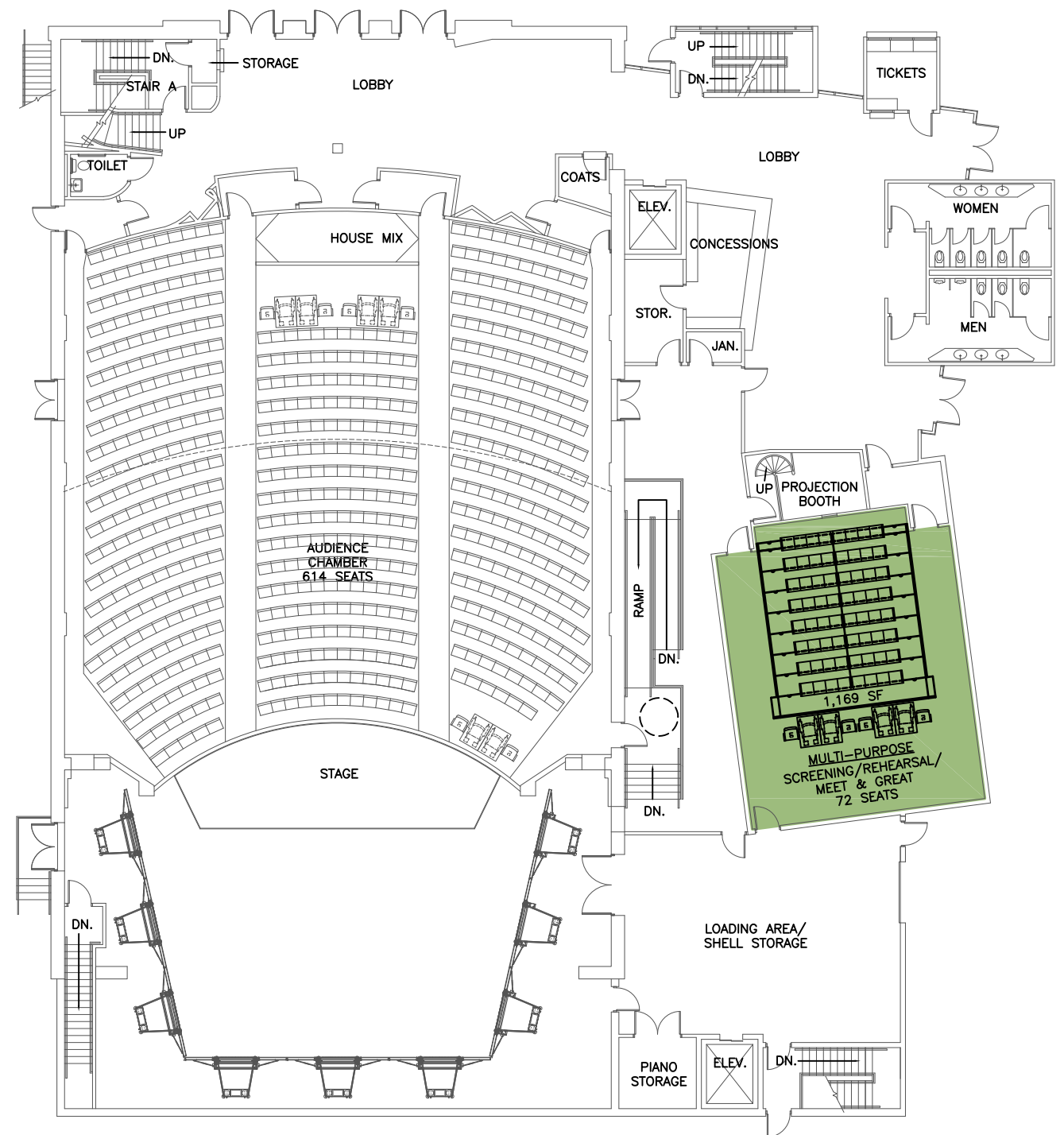
PROPOSED
MEZZANINE

PHASE II - Mezzanine and Upper Mezzanine Floor Plans





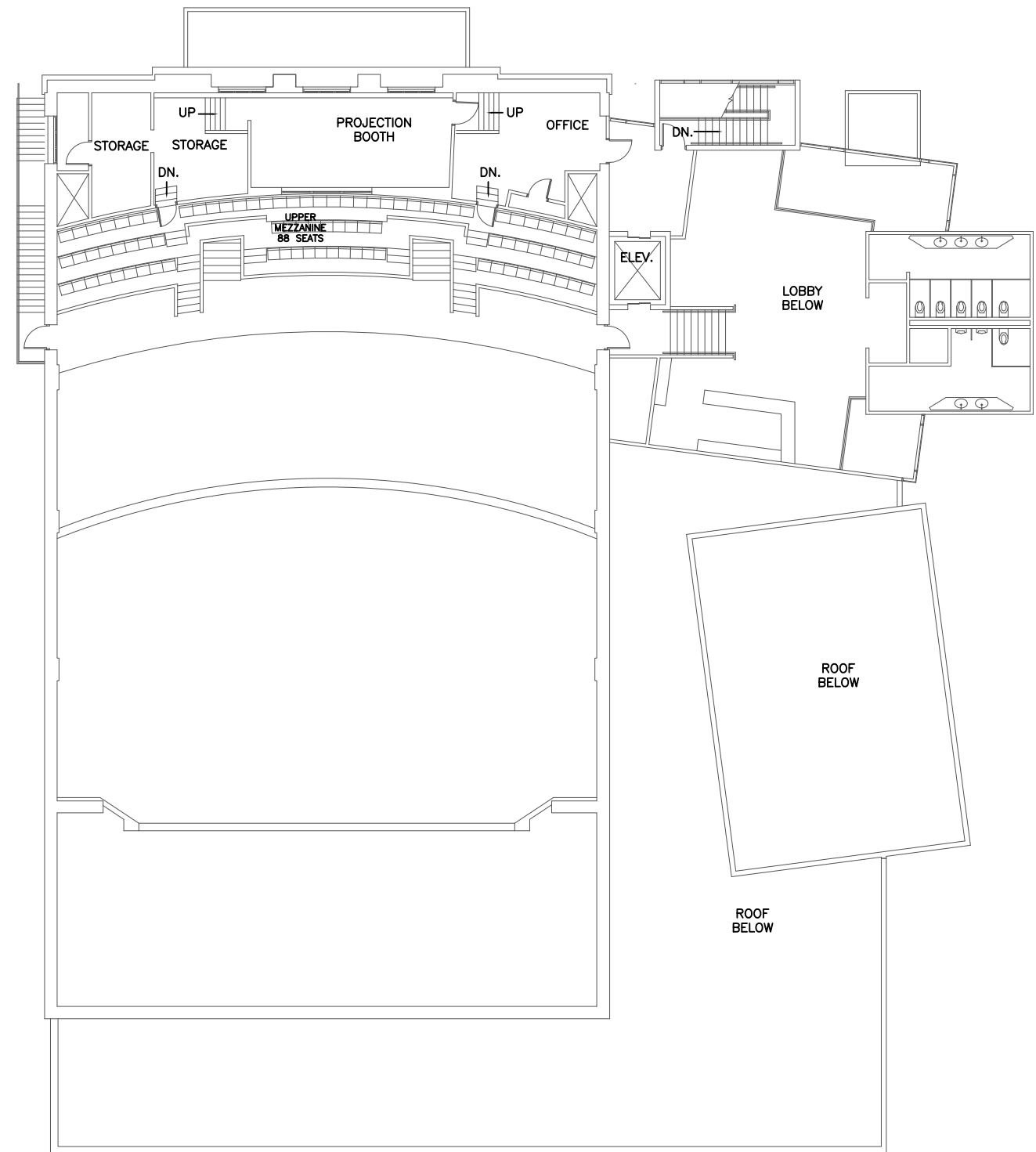
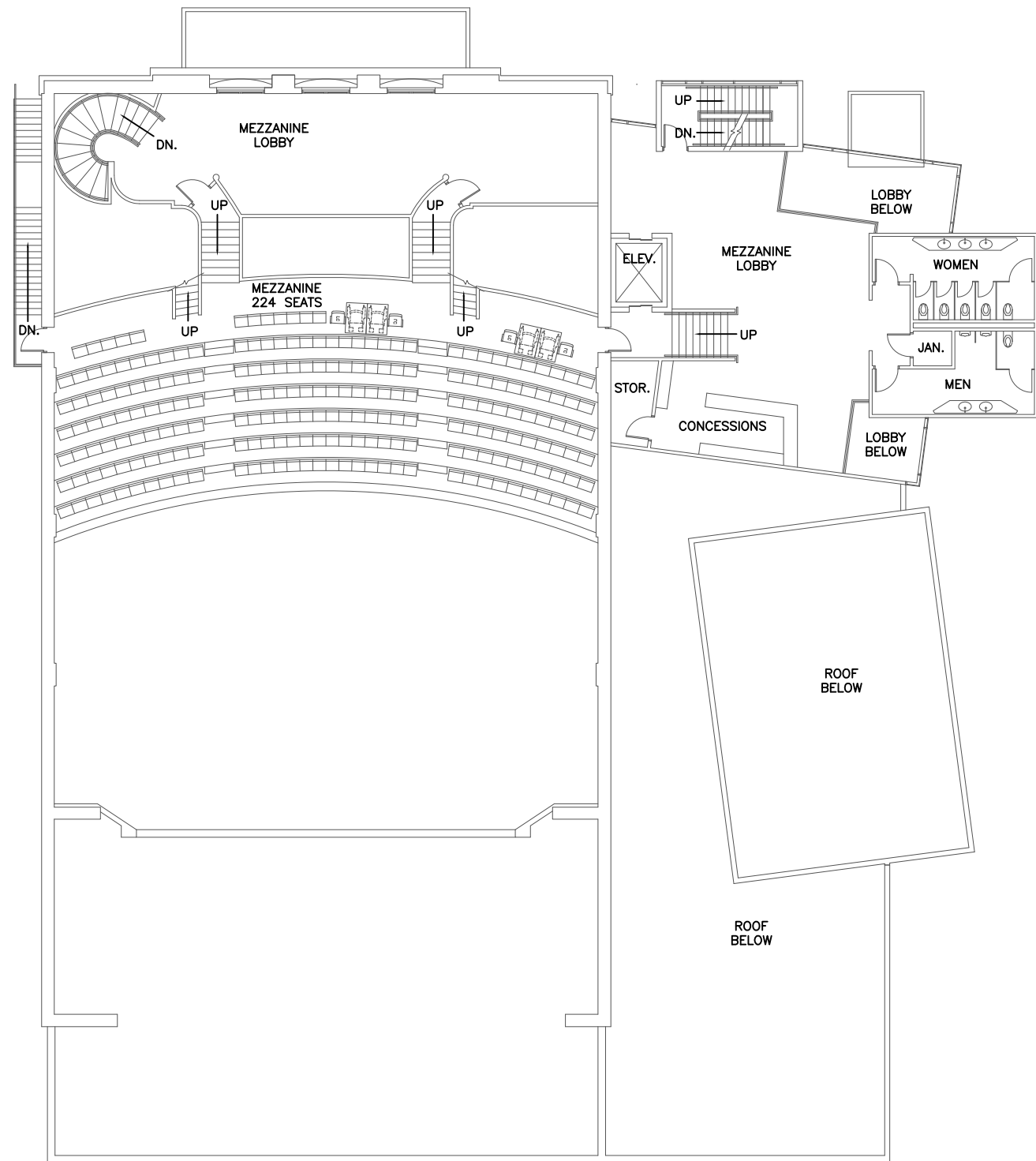
PROPOSED
BASEMENT



PROPOSED
MAIN LEVEL

PHASE III - Basement and Main Level Floor Plans





PROPOSED
MEZZANINE

PROPOSED
UPPER MEZZANINE

PHASE III - Mezzanine and Upper Mezzanine Floor Plans

