

PERFORMING ARTS CENTER
FEASIBILITY STUDY
**BLUE RIBBON PANEL
REVIEW**

October 24, 2018

THANK YOU FOR BEING HERE

Our goal today is to add information to the recently concluded Performing Arts Center Feasibility Study funded by IgniteCdA, Facilitated by CDA2030 and conducted by HVS Consultants.

This study, along with notes from the blue ribbon panel discussion, the Modern Theatre proposal, the survey conducted by CDA2030, the event center study conducted by North Idaho College and possibly others, will all be housed in the City of Cd'A Planning Department, and shared on the City website, for future use by any organization.

We appreciate your time to assure the data collected is as comprehensive and thorough as can be at this point in time, thus allowing the community to receive a greater value from the investment into these facility studies.

DISCUSSION

Questions raised by the community are included. Please add your own comment or additional information as we proceed.

Please remember to address from the specific perspective rather than a personal opinion. We've had great input from citizens and arts community individuals.

Feel free to leave any written comments, or send by email to Hilary Anderson or Kiki Miller.

Write in comments by those who couldn't attend are attached. A summary of comments will be added to the HVS study as an addendum.

ATTENDEES

Invited, * attended, organization, perspective

- [City Legal] Randy Adams – City Attorney*
- [HA] Hilary Anderson – City Planning Director*
- [Ignite] Tony Berns – Ignite Cd'A, study funder*
- [SB] Sandi Bloem– community consensus and Kroc Center facility experience
- [UofID] Charles Buck– University of Idaho, alignment with UofI growth plans, study opinion (via email)
- [KROC] Dillon Campbell– Kroc Center and Theatre plans and study opinion*
- [MofNI] Dorothy Dahlgren – North Idaho Museum, facility plans*
- [PF] Post Falls – Shelly Enderud – growth, facility plans or other (*via email)
- [JimF] Jim Faucher– Capital Campaign Management*
- [HREI/JL] Janette Laster– HREI facility and previous Performing Arts Center project committee member*
- [CBSR/Comm] Craig Hunter – study needs regarding commercial real estate values*
- [KM] Kiki Miller – original committee member, facilitator, city council*
- [JMac] Jimmy McAndrews – original committee member, banker*
- [CST] Callie McCabe – director, performer, theatre community liason*
- [HH] Bill Regan– Hagadone Hospitality/ Foundation involvement and considerations
- [NIC] Laura Rumpler– NIC facility planning and theatre public interface current and future*
- [CVB] Mark Robitaille– Convention and Visitors view*
- [HVS] Consultant Catherine Sarret HVS - Senior Director (*live via phone)
- [Cd'A R&C] Cd'A TRIBE – Laura Stensgar – entertainment venue promotor, neighbor*
- [JSD] John Stone– Developer input on study for greater value to potential supporters (*via email)
- [Aspire] Trigger Weddle (same)
- [271] Cd'A SD271 – TBD – user, facility plans
- [KC] Kootenai County – TBD – event center or fairgrounds expansion plans

OPENING COMMENTS

Via email [UofID] University of Idaho, Dr. Charles Buck 10/16/18

I'm not available on the 24th. I regret having to miss this session. I have reviewed the study and provide UICDA input on the agenda topics in line below. I am copying Christina Cox, UICDA Program Development. Christina is working with related community groups and our main campus to explore expanding art higher education training in CDA. If we are successful with this effort, interest and involvement of the University with this project would likely grow.

John Stone, Developer [JSD]

Thank you for sending the information on the Performing Arts Center. I will take the time to read and digest that to see what role that I might be able to play to help facilitate this grand idea. CDA is short on community gathering places and I would like to help in any way that I can to change that. Especially those we can be proud of in our community. Please put me down as a supporter and I will continue to stay involved.

Shelly Enderud, City of Post Falls [PF]

Notes to come from Post Falls

Is there currently an entity that could take the lead in operating, funding or owning a facility like this, other than the city?

[UofID] This is not a role that UI CDA would assume in the foreseeable future. With support, could the Arts and Culture Alliance take the lead?

[JMac] Form a strategic partnership of organizations to be housed under same roof, along with facility owner. Could be LLC or NonProfit or third party enterprise. Interest expressed at the CDA2030 meeting, Cd'A Summer Theatre indicated they had interest and experience. (Note: individual Jadd Davis, has since moved from the area.)

[HREI/Laster] In Thousand Oaks CA, where Jeanette worked, the city took the lead on building and running a performing arts facility due to equitability of groups. A facility project was completed, she was on committee. Used as a recreation, arts and community programs facility, which is very successfully. Incorporated Arts Commission into it.

Are there insurance advantages if the City owns the facility? unanswered.

[HVS] Whoever operates it will be closely tied to how it is funded and controlled. It is certainly possible that a non-profit or higher ed organization could operate the facility. There are lots of examples of that too.

Conclusion: There isn't an organization that has formed or accepted the leadership role yet in vetting out the next steps to the creation of the methods to move forward with a facility at this time.

Have seasonality, unique community character and the tourism culture of the area been adequately addressed?

[UofID] Yes, considering regional comparables, etc. The demographic information related to a community performing arts center is well-presented.

[JSD] The shoulder seasons (late fall through early spring) in this region need support in drawing tourism. Indoor pursuits and entertainment are lacking, and they are the foundation that local businesses need for long term success. Considering a performing arts and events center is a primary way to help resolve that problem. JS

[CVB] This would be an asset to help build shoulder season tourism. - Hotels do tracking via zip codes of guests. CVB does marketing to West (Seattle area) but we don't see many visitors coming from there, especially in winter. Missoula and Spokane are biggest users. Expanding the user area groups is better in a destination community. People are looking more and more for experiences, things to do, not necessarily where to stay, or even what town. The more variety of offerings we can provide, the more the community as a whole will benefit. - The increase in events has helped [increase travel to Cd'A) but there isn't a huge pool of people to draw from regionally.

[KM] The study doesn't address the largest age demographic of newcomers to the area being 55+ which is the largest group of theatre goers as well. However, a large percentage of that age group are snowbirds, so they wouldn't be residing here to assist with off-season ticket sales. More data may need to be gathered on that population. Further the winter drive time aspect vs mileage drive time is a consideration as well. That isn't addressed.

[JMac] Seasonality is a big deal. People, especially families, are looking for more of a variety of things to do.

[HH] [insert stats on Holiday Light Show](#)

[EDC] are there other stats about visitors going to concerts in our shoulder season? If so they'd be important to include.

[CDA C&R] The Cd'A Casino and Resort bring in buses in the winter seasons. Canadians come in December. They see more locals in the shoulder season and try not to have large events during this time. The slow time of year is better than it was historically and they've put a larger emphasis on buses for regional guests. They look at competitive activities carefully as they plan events, especially in the shoulder seasons.

[HREI/Laster] As a member of a civic arts committee, the multi-use and multi-function aspects of the facility are critical. The Thousand Oaks, CA facility had multiple theatre sizes and features that added to its sustainability. It had the ability to add an ice rink and shopping area with food vendors (i.e. ice cream) to make it family oriented and versatile. Cd'A is facility poor for indoor space for children. A project like this should have that mission in mind and be considered with a multi use aspect.

[HVS] there are examples of multi use facilities in the report, the Esplanade has art studio and classroom space

[MofNI] job seasonality may be a consideration that negatively affects the shoulder season as well.

[NICI] Community concerts are very much geared to locals. NIC doesn't even market to outside of the area for winter performances.

Have the funding options, capital campaign timing, and measurements for success required been addressed and adequately included?

[UofID] This is short on detail but the listing of specific next steps seems to track adequately and appropriately for a potential project.

[JIMF] What should be included in the study – cost of land, building, other entities that might be involved. There are probably already people in the community that could fund the project. What is needed to get them to be the lead gifter. Funding feasibility needed based on location. Preliminary drawing with event space components. There is a lot on the community's plate now with fundraising and more to come. People get donor fatigue. Can only go to the few large donors so often. Exploring new people that have moved here that may want their name on facility is necessary. A lot of questions need to be addressed before conversations of a capital campaign. Also need to address maintenance and creating an endowment fund for operations, if the plans move forward.

[JMac] was on a board when things went sideways in the arts. That is his concern. Concern if we only base this on 5–10 users. There isn't enough data gathered on users, obligation and expenses to move forward yet. He didn't see anyone's operating expenses included, if this were to be a shared space. People are concerned with donating money if the facility is not proven in advance to be sustainable.

[KM] Dave Berger – City Manager in Federal Way – they projected that city would subsidize about \$500K and first year ended up being \$1mill. More information available from him on errors made that created the scenario.

Note: Jim Faucher, Laura Rumpler, Jennifer Drake, Mark Robitaille, and Jeanette Laster all confirmed they've been involved in capital campaigns.

Is there an organization that is willing to take the lead to organize further work on evaluating the facility, including site selection, building facility needs, capital campaign, business aspects, and operation/maintenance of a facility?

[UofID] The University of Idaho may be able to contribute in this regard by creating relevant student project(s) guided by expert faculty from the College of Art and Architecture, College of Business and Economics, etc. Gauging and promoting interest in the project, and timing conforming to the academic year are significant challenges however.

University faculty could potentially also be engaged as expert consultants. We can pursue these possibilities if the group so wishes.

[KM] There are many discussions on options, but there is no "they" who are leading the development of the plan to create infrastructure and operating model or begin the discussion on a campaign or facility at this time.

Are expansion plans of other regional facilities noted?

[UofID] I don't recall seeing this in the report.

[NIC] NIC is doing an internal remodel of Schuler Auditorium with seating and other components from state monies. Not an expansion. Just update/upgrade. Other facilities, board of trustees are starting to study feasibility of a new gymnasium. Facility planning effort and capital campaign discussions will take place next Wednesday. – NIC has challenge with multiple events at same time, rehearsals, set space, performances, etc. There has been an identified need for a black box theater but that doesn't have any traction yet. It may be included in their 5–10 year facility plan. NIC could partner on a smaller scale theater.

[KM] NIC could sell alcohol and food on campus, if approved by the President (from trustee Christy Wood who wished to assure input by NIC board) but the biggest issue is that the facility priority is to be used for students first which doesn't leave openings for community events.

[Cd'A C&R] The Tribe is doing a remodel and expanding their stage, creating better seating, new restrooms, lounge and other upgrades by spring 2019. Recreational facility in Worley with focus on children and partnership with Boys & Girls Club. Wellness Center in Plumber will be for adults. Ongoing upgrade plans.

[EDC] Further expansion at the hospital is underway. May affect funding sources or facility needs. – We do have the growth stats, they need to be included and considered. Need for education, diversity, income and other demographics to be expanded into the study. They are important.

[Kroc] Is in planning stages of the next 10 years expansion. Performing arts is part of the discussion. More information available soon.

[HREI/JL] Silver Lake Mall was purchased recently. They are talking about remodel and have been in discussions with the arts community.

[CBSR/Comm] The K-Mart facility could be repurposed. Challenging to get people downtown, but parking, highway visibility and close proximity amenities could make this a viable consideration. Could be tax benefits and possibly a donor with low cost retrofitted building. More opportunities exist than what's been presented. The Davenport Grand remodel project and investment in Spokane has been successful.

What comments from other currently operating entertainment performance venues should be included?

[UofID] Input from local promoters (such as Tyler Davis) seems superficial.

[MofNI] Conversation regarding the Museum of North Idaho not being interested in expanding partnering beyond their mission. Indication is that it could be an option if conducive to their needs, programing and facility. Would like to keep conversation open. Museum needs a new facility, this might be a great opportunity for a state of the art location. Could add value to the community and preserve history and a sense of place.

Also, other items already discussed.

Are other outside funding sources fully considered and documented?

[UofID] The potential funding sources included in the analysis are realistic and predictable, though I am not sure how feasible they are with local political climate. I would not favor of including competitive sources like federal grants at this stage.

[City Legal] Idaho Code - if the population of an auditorium district is over 25,000 the district cannot levy and collect property taxes. If the population of a city is greater than 10,000, it cannot be a Resort City and cannot collect local-option nonproperty taxes. This requires clarification of the feasibility study, since the study refers to property taxes and a Resort Tax option. A new auditorium district could raise revenue through grants, hotel tax (not property tax), a bond issue, etc. When a district is created, the petition must specifically authorize the imposition of a sales tax on hotel and motel receipts. Auditorium Districts are governed by Title 67, Chapter 49, Idaho Code. A link to the code will be included in the final online report.

[ignite] Questions: An auditorium district does require political process of election and getting it on the ballot. Elected board is separate and apart from city board, council or commissions. Criteria for the governance is outlined in the code.

[JIMF] five cities in Idaho have Auditorium Districts. Have successfully managed projects and governance. Boise has done a great job and it has been a key component to its downtown success.

[ArtsComm] The City recently changed bylaws and arts ordinance. These changes have allowed more freedom to engage in multiple forms of art and support performing arts. This idea and facility concept is perfect for next 10 years of the commission. Commission could help support and fund people to use the facility or sponsor concerts, events or shows. [The arts commission code will be linked to this set of documents.]

Are current funding sources (taxing districts, grants, benefactors, etc.) considered and adequately addressed?

[UofID] Not much detail but it seems adequate.

[JSD] City and County entities need to work together to provide incentive, share expense and revenue and supply support for public facilities and projects. Especially these that benefit the entire region. All sources of revenue generation should be considered.

[JIMF] Defining through a study the price tag of a building, potential sites and this option of financing could lead to the ability to fish for a benefactor. Suggestion is taking the next steps.

[ArtsComm] "If you build it they will come" mentality is somewhat in play here. This community is used to going to Spokane and Missoula, and Sandpoint for performances. Those performers and their audience would likely come to CDA if we had a facility.

[HREI/JL] HREI is very limited in space and capabilities, restriction on space. We are missing the boat. Hopes HREI would be support to this venture and would help with grant writing. We need spaces for our kids, especially in the winter. Kroc can't serve everyone.

Other comments.

[UofID] The University of Idaho does have occasional need for a venue of this size in CDA. Just last weekend the Beijing Opera Company, secured via the U of I Confucius Institute, was unable to perform in CDA because no suitable venue was available.

The drawing power of the University campus in Moscow (12,000 students) might be considered in this analysis. This would include students traveling to CDA for performances and taking advantage of the opportunity to book performances on sequential nights at U of I Moscow and in CDA. U of I could be a significant user of a facility like this.

[JSD] From a developer perspective I believe Coeur d'Alene area is behind on providing public facilities like the performing arts center to the citizens of CDA.

[HH] Is \$3.9 million in value an inflated cost? Is that what study data showed as economic impact to community?

[HVS] \$3.9 (in today's dollars) is spending that will happen as a result. This revenue is only from people not residing in the city. (Answered HVS) The revenue is imported and comes from outside Coeur d'Alene. It is an annual number and includes revenue from the venue, plus anything other money spent in the community during their stay. Continued; Fiscal impact (over \$200K) is sales tax generated on that spending – what city collects. State and county would collect taxes on the spending, but HVS did not include these collections since they do not flow to the City.

[CBSR/Comm] A facility like this would stimulate all business and property around it for a positive fiscal impact.

[HVS] Food and Beverage revenue costs – were those inflated? – Based on evaluating per capita spending. Typical event – \$2.75–8/pp for food and beverage. Those are reasonable prices. Many venues double that price. Banquets would also generate food and beverage costs. Gross value not net. Net numbers is not that big of a number. Use gross for spending and taxes. \$209K taxes is a totally different calculation. Apply spending estimate using Longwood National and other data services who do spending surveys. “Multiplier effect” and applied tax rates. Per capita spending on food and beverage depends on the type of event. We used conservative estimates based on other venues’ operations. The costs of a food and beverage operation eat up a significant portion of gross revenues (again, based on industry averages). We needed the gross spending number so that we can properly apply sales taxes. We used national spending survey to estimate the average amount spent, so that we have spending that occurs both inside and outside the venue. The multiplier effect is what some people call the sum of the indirect and induced spending that ripples through the local economy as a result of direct spending. We applied the appropriate tax rates to all spending (direct, indirect, and induced) to calculate the fiscal impact.

– Cathy

