Why Do We Need the Performing Arts Center?

I. Economic Game-Changer for the Greater Crested Butte Area
   A. Grow convention business - 500 seats is the break-point for obtaining mid-level conventions and conferences.
   B. Elevate entertainment options - 500 seats is the break-point for attracting high caliber entertainment performances.
   C. Increased PAC patrons means increased business for shops, restaurants, lodging, etc.
   D. Protection of property values by supporting our tourist economy.
   E. The PAC will provide much-needed space for larger events (e.g., wedding receptions, fundraisers, etc.)
   F. Increased tax revenues from ticket sales and visitor spending.
   G. Increased tourism and convention business equates to increased airline traffic.
   H. The new PAC will be a huge “plus” to help elevate the image of the CB area.
   I. Multiplier advantage of increased spending and of jobs provided.
   J. Nonprofit arts already contribute $6,500,000 annually to the local economy; MCBPAC offers opportunity to dramatically increase that amount.

II. Significant Enhancement of Culture and Entertainment
   A. The CB Music Festival will be able to soar to new heights.
   B. Touring groups–singers, dance companies, country music, pop music, theater, etc.—will be drawn to the new venue.
   C. Residents and visitors will have more opportunities to explore cultural experiences.
   D. New PAC will enable local arts organizations to grow their capacities

III. More Arts and Educational Program Options for Youth
   A. Music
   B. Dance
   C. Theater

IV. Synergy With Center for the Arts (“CFTA”)
   A. CFTA has strongly endorsed the two-facility concept - the PAC’s size is complementary to the existing CFTA’s.
   B. CFTA needs the PAC for its programming during the rebuilding process of the existing 200 seat facility.
   C. CFTA would like to regain dates now reserved for the CB Music Festival.
   D. Common management synergies between the two facilities to coordinated schedules and control overhead expenses are being explored.
V. **Asset to the Greater Community**
   A. RMBL, WSCU, CBMF, RE1J School District, CB Film Festival, ASC have all indicated support and a need to use the facility.
   B. Comparisons to other Resort Communities have shown that two facilities of differing size are the norm and not the exception, with the larger facilities typically holding 500 seats or more.
   C. New space will be available for community organizations and events.

VI. **Enhancing Our Community Without Changing Its Character**
   A. Economic Game Changer – Economic Development compatible with the environment (economic development without a mine).
   B. Arts Game Changer – Arts and culture are well established elements of the community. This is a chance to take it to a higher level.
   C. Location of the PAC is in the least obtrusive spot in CB/Mt.CB with all the services immediately adjacent, i.e. mass transportation, parking, lodging, food service.
   D. We are not Aspen nor aspire to be; the PAC will not change that attitude.

VII. **Financial Support for the PAC**
   A. $6MM Tax Increment Financing cash commitment from the Mt. CB Downtown Development Authority – see Appendix A
   B. In 2009, the Mt. CB Downtown Development Authority amended their project priority from developing an aquatic recreation center to the creation of a performance facility.
   C. Land donations from Mt. CB and CBMR worth $2.4 MM
   D. A large lead naming gift for the facility has been received.

VIII. **Parking and Transportation**
   A. CBMR is building a parking garage adjacent to the site which will accommodate the PAC needs, with additional parking in close proximity.
   B. Mountain Express has a stated policy of meeting transportation requests that are economic development oriented or sponsored by the Town Government.

IX. **The Location is in Mt. CB for a reason**
   A. Several years of effort revealed there just is not enough room in CB for a PAC
   B. The proximity of the PAC to Mt. CB accommodations and attractions is an important ingredient for conventions and out-of-town patrons.
X. **Is the operation of MCBPAC sustainable?**
   A. MCBPAC’s Project Budget also includes a fund of $1 million to cover 3-4 years of operation until revenue stabilizes.
   B. The financial pro forma, designed by Franks and Associates, is based upon several fund raising and operating scenarios:
      - These scenarios contain assumptions for pricing, costs, staffing, and facility usage, which are benchmarked to other similar projects.
      - The scenarios predict a cash balance between $600K and $1MM, with accumulated deficits between $200K and $550K.
      - The financial pro forma indicate the facility can be fully operational and achieve a sustainable positive cash flow during its first 4 years when it is predicted to reach financial stability.

XI. **Management of MCBPAC**
   A. The MCBPAC is a 501(c)(3) tax exempt Colorado corporation. It was created by the CB Music Festival and the Town of Mt Crested Butte for the purpose of constructing a performing arts facility in Mt Crested Butte.
   B. MCBPAC and the Center for the Arts both strongly support the two-facility plan, as discussed in the Shared Interest Statement from 2011 (*Appendix B*).
   C. Leaders from CFTA, MCBPAC and CBMF continue to have open discussions regarding their potential impacts on each other, realizing that the duplication of overhead and operating expenses are to no one’s advantage.
   D. An independent feasibility study conducted in 2005 documented the need for two facilities: 1) an enhanced Center for the Arts as a more intimate performance venue, and 2) a 500-seat theater in Mt. Crested Butte which meets the needs of the CB Music Festival and other growing arts organizations.

XII. **The Time Is Now**
   A. The national economy is on the upswing.
   B. Construction costs only escalate.
   C. We have a $3-4 MM Challenge and a $3-4 MM Match to meet in 2013.

XIII. **Giving Back to the Crested Butte Community**
   A. Our souls are brightened every time we come to CB - it’s time to help it out.
   B. The PAC helps cement the future of keeping the CB area what it is now.
Appendix A: Tax Increment Financing

Tax Increment Financing (TIF) is a mechanism for funding development and redevelopment projects. The concept of TIF has been around since the early 1940s but California was the first state to adopt a TIF law in 1952. TIF was used as a financing mechanism to offset the reduced level of federal financing and allows cities to work within the private sector to “stimulate economic growth and employment. Colorado enacted its Urban Renewal Law in 1958.”

State Law in Colorado authorizes Urban Renewal Authorities (URAs) and Downtown Development Authorities (DDAs) to use TIF for projects to improve areas. TIF allows an authority to issue and repay redevelopment bonds by using the “increment” of increased taxes collected within the TIF district after improvements are made (section 31-25-101 et seq., C.R.S.). Tax increment revenue may be generated from property or sales taxes.

For TIF purposes, to determine the increment amount of property tax revenue, the base valuation must first be determined and certified by the county. Over time improvements add to the property tax base. The revenue that is attributed to the growing tax base, plus increases in sales tax become the incremental revenue that is used by the authority for the debt service on the bonds used to finance the project.

Under the Public School Finance Act of 1994, state aid to school districts is based on the assessed value of a district “excluding” the increase in the value of property in the DDA. The amount the state spends is estimated by calculating what the increase in the value of property in the DDA would generate in property taxes. “State aid to school districts offsets the increase in school operating property taxes on a dollar-for-dollar basis.”

In 1997 the Mt. Crested Butte Downtown Development Authority was approved by the Town Council. Subsequently the property and lease holders voted their approval authorizing $25 million in bond financing for future development. This authorization expires in 2026.

The current DDA debt is $2,000,000 and the annual debt services is ±$250,000. The projected 2012 year end reserve is $1.5 million.

There will be no diversion of revenue from the Gunnison Watershed School District. Indeed Jon Nelson, Superintendent of the Gunnison School District RE 1J endorses the Mt. Crested Butte Performing Arts Center.
Improvement of the Center for the Arts and Development of the Mt. Crested Butte Performing Arts Center

In recent months we have been asked many questions about what is happening in the arts community in terms of enhancement and expansion of existing facilities in Crested Butte and development of a new performing arts center in Mt. Crested Butte. We would like to take this opportunity to respond to the most frequently asked questions, especially now, as the 2010 summer season is underway. We also welcome your feedback and invite your participation in our efforts.

1. **What is the ARTS ALLIANCE OF THE EAST RIVER VALLEY? Who is involved? What is the intent of many arts related nonprofit organizations working together?**

The Arts Alliance of the East River Valley is a coalition of nonprofit visual and performing arts organizations located in the East River Valley including Gunnison, Crested Butte and Mt. Crested Butte.

Participating organizations include: Artists of the West Elks (AWE), The Center for the Arts, Crested Butte Arts Festival, Crested Butte Mountain Theatre, Crested Butte Music Festival, Crested Butte School of Dance, Gunnison Arts Center, Mt. Crested Butte Performing Arts Center and the Trailhead Discovery Museum. Representatives from the Towns of Crested Butte and Mt. Crested Butte also attend meetings of the Arts Alliance.

*The mission of the Arts Alliance is to promote and advance the arts to enrich, educate, and enhance the quality of life in the Upper East River Valley.*

During the past year, the members of the Arts Alliance reaffirmed their commitment to serving as an advocacy and coordinating arts organization. Initially formed in 2002, the Arts Alliance represents strong, independent arts organizations working together to expand and promote diverse cultural activities as well as promote the Gunnison Valley as a nationally recognized destination for the arts.

2. **What actually is envisioned in terms of enhancement and expansion of existing facilities? What is planned in terms of a new facility?**

**Center for the Arts:** Let’s start with enhancements and anticipated expansion of an existing facility -- The Center for the Arts in Crested Butte (CFTA). Begun nearly 25 years ago, CFTA serves as a home for arts and culture and offers engaging opportunities and educational experiences to enrich and expand the life of our mountain community. The programs and services provided by CFTA have grown tremendously over the past years -- thus creating the need for an expanded and improved facility for use by community organizations as well as visiting performers. Some of these improvements include updating the entire facility to be ADA accessible, a dance studio, an gallery with natural lighting, classrooms, meeting rooms, and multi-purpose space for enhanced learning experiences for children and adults.

In October 2009, the Town of Crested Butte adopted a resolution approving expansion of the existing facility at the present site. Shortly thereafter the CFTA Board established an ad hoc task force to guide the Board in a multi-year
process with specific goals and action plans for enhancement and expansion of The Center. Just recently the Board completed a $16,000 renovation to the lobby and restrooms within the current operating budget.

Mt. Crested Butte Performing Arts Center: In late fall of 2009, the Town of Mt. Crested Butte and Crested Butte Music Festival entered into a partnership to construct a new performing arts facility for the Gunnison Valley, the Mt. Crested Butte Performing Arts Center (MCPBAC). This facility will provide a 400-500 seat variable acoustic theater with fly tower. The reasons for locating the new facility in Mt. Crested Butte are three-fold:

1. Insufficient space/land in Crested Butte
2. Height of the fly tower would exceed building standards in Crested Butte
3. The partnership with Mt. Crested Butte included strong incentives to locate there

There isn’t sufficient land at the current site of CFTA to expand to a 400-500-seat theater. When it was determined that Gothic Field was no longer a viable site for a larger visual and performing arts facility, the Crested Butte Music Festival (CBMF), which had an immediate need for a larger venue, considered an alternative strategy and explored other possible sites. This decision allowed CBMF to pursue its vision while, at the same time, enabled CFTA to proceed with enhancements and expansion of the current facility while maintaining an intimate 215-seat theater.

The height of MCPBAC fly tower will be approximately 80 feet. This structure likely would not have been approved by the Crested Butte Board of Zoning and Architectural Review (BOZAR). The original conversations about building a larger, 400-500 seat performing arts facility in Crested Butte did not realize that a fly tower would be required or that it would be so high. Had people known this requirement in the beginning of these discussions some eight years ago, an alternative location, not in Crested Butte, might have been considered.

The Arts Alliance and the CFTA Board support the efforts of the Crested Butte Music Festival and the newly established Mt. Crested Butte Performing Arts Center (MCPBAC). Members of CFTA Board and staff communicate regularly with the MCPBAC Board about plans and progress. This collaboration entails meeting with architects and fundraising consultants to avoid duplication of services and functions as well as creating ways to maximize effectiveness of both nonprofit organizations on behalf of the local residents, second homeowners and visitors to the Upper East River Valley.

These two facilities will offer expanded rehearsal spaces and diversified performance venues for the many talented people who live in the Upper East River Valley as well as for the gifted performers who visit our community.

3. What is the history of these efforts to expand and improve facilities for the arts? Why are two performance venues or spaces needed for the arts in the Upper East River Valley?

You may be asking yourself, “When did all these efforts begin?” For nearly the past eight years, the arts community in the Upper East River Valley has met periodically to assess the need for space and to examine the amount and nature of the space required. Based on input from expert consultants, user surveys, and studies, the demand for increased and improved facilities was validated. The conclusion from all these efforts since 2002 validated the need for two performance spaces, (1) an expanded Center for the Arts with its more intimate performance venue and (2) a 400-500 seat theater which meets the needs of CBMF as well as other large groups and organizations.
It is interesting to note that at one point in time a single location was considered for the two theaters and at another point two separate locations were considered for the two facilities. Nonetheless, in both cases, two facilities always were contemplated. What we have now, after all the studies and conversations, is an expanded facility in Crested Butte (CFTA) and a new facility in Mt. Crested Butte (MCPAC).

Finally, the need for two performing spaces is based on this current reality: The demand for multiple performance and rehearsal spaces during the most active months of the year. There are very few alternatives and many of those used in previous years no longer are available; for example: Gothic Building, Club Med Theater, Crested Butte Academy, Crested Butte Community School, and Taylor Auditorium (Western State College) currently is under renovation until 2012. Other potential venues are no longer large enough to accommodate the growing and more demanding audiences for our very talented arts organizations in the Gunnison Valley or for traveling performers and shows that could come here.

4. When will all of this happen?

The CFTA Board is committed to a comprehensive, thorough and community-engaged development process. This is a multi-year planning process. The earliest date anticipated for a public capital campaign to support expansion of the existing facility is Summer 2012.

The MCPAC Board currently is moving forward in its efforts to construct a new performing arts facility in Mt. Crested Butte. Specifically, the conceptual design has been completed, a revised Planned Urban Development (PUD) is being considered by the governing bodies in Mt. Crested Butte and the capital campaign is being organized and will proceed shortly thereafter.

All members of the Arts Alliance fully support the implementation of these campaigns. In addition, the respective boards of the CFTA, CBMF, and MCPAC are committed to helping each other successfully complete these campaigns and ultimately contribute to the economic and cultural vitality of the valley.

5. How will The Center for the Arts and the Mt. Crested Butte Performing Arts Center complement each other and, together, add value to the entire Gunnison Valley?

A new performing arts center in Mt. Crested Butte and expansion of the current facility in Crested Butte will not be under construction at the same time. In fact, the phased timeline is a very positive feature. MCPAC may be in construction while CFTA initiates its capital campaign. When CFTA concludes its capital campaign and begins expansion, MCPAC will be available for use in the interim. Similarly, it will be vital for CFTA to house CBMF events while the facility in Mt. Crested Butte is under construction. Having each facility available to the other while under construction will allow each nonprofit organization to thrive and together benefit the Upper East River Valley.

6. How can local residents, second homeowners, and others support these projects?

First, become informed and knowledgeable about these efforts. It is the intent of the Arts Alliance to continue to provide the facts in order to diminish and eliminate confusion about which organization hosts which events or is building which facility. The arts community, through leadership by the Arts Alliance, is working cooperatively to address these concerns.

Second, ask questions and provide constructive feedback. There will be many opportunities in the coming months, especially during the summer season, to talk with board members from the various nonprofit art organizations as well as members of the Arts Alliance about these ideas and issues. Take advantage of these opportunities at Crested Butte.
Music Festival performances and soirees, Alpenglow Free Concerts, and Tour de Forks events to express your views and gather current, accurate information.

Third, be open to new ways of doing things. For example, a ticket system that allows tickets to be sold at any ticket office to any event regardless of the hosting organization is one way the Arts Alliance envisions building and sustaining a credible and practical partnership among all the arts organizations in Upper East River Valley.

Fourth, invest in the future of the visual and performing arts in the Upper East River Valley by contributing to the capital campaigns of the MCBPAC and CFTA in whatever amounts you feel capable.

Finally, recognize that the community benefits from the dedicated efforts of these nonprofit volunteer boards to continuously enliven and elevate the arts as well as impact the local and regional economy in positive ways. Local survey results and national studies indicate that the arts are a critical reason why people are attracted to and choose to live in the Gunnison Valley. Specifically, a study conducted in 2007 by the Americans for Arts reported that the overall economic impact of the arts in Gunnison County is $5.2 million. According to this study, supporting the arts is investing in the social and economic vitality of the region by bringing art, music and theater to our community, building social capital and a sense of belonging, attracting out-of-town visitors, generating sales for local businesses, jobs, and household income, as well as tax revenues for local and state government. Furthermore, construction and operation of these new and expanded facilities will be economic boons to our valley and its residents.

7. How can you obtain additional information and get involved?

The Arts Alliance is committed to growing visual and performing arts in the Gunnison Valley. Confident that both expanded and new facilities will provide the space and settings to expand the arts and make the valley an arts destination, we ask you to join us in this important investment for the future of our community.

Members of the Arts Alliance of the East River Valley
Artists of the West Elks (AWE)  
Center for the Arts  
Crested Butte Arts Festival  
Crested Butte Mountain Theatre  
Crested Butte Music Festival  
Crested Butte School of Dance  
Gunnison Art Center  
Mt. Crested Butte Performing Arts Center  
Trailhead Discovery Museum