



ARTS & EVENT CENTER FEASIBILITY STUDY LONGMONT, CO



SUBMITTED TO

City of Longmont
Longmont Performing Arts Initiative
Visit Longmont

SUBMITTED BY

Johnson Consulting
MIG
DLR Group

DATE

March 2021

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SECTION 1
TRANSMITTAL LETTER

March 2021

Re: Arts Center, Events Center, & Hotel Feasibility Study & Market Analysis

Dear Mr. Harold Dominguez:

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this report to you regarding the market analysis and feasibility study for the proposed Arts Center & Events Center in Longmont, Colorado. Pursuant to our engagement, this report provides an analysis of the economic, demographic, and market characteristics of Longmont, as well as the broader region; outlines current trends within the conference and performing arts industries; identifies and analyzes key characteristics of regional and comparable venues; summarizes key observations from interviews with stakeholders; and provides preliminary facility programming recommendations.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. As the scale of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

DRAFT

C.H. Johnson Consulting, Inc

SECTION 2

INTRODUCTION & EXECUTIVE SUMMARY

INTRODUCTION & EXECUTIVE SUMMARY

INTRODUCTION

Johnson Consulting was retained by the City of Longmont, Visit Longmont, the Longmont Performing Arts Initiative (“LPAI”), and a number of other partnering organizations (“project partners”) to conduct a comprehensive market analysis and feasibility study for the development of an arts and event center in Longmont, Colorado. MIG and DLR group were retained by Johnson Consulting as subconsultants to bolster the study’s urban planning and architectural components. Johnson Consulting, MIG, and DLR are referred to as “the Consulting Team” throughout the remainder of this report.

The study aims to foster the ability of the project partners to make informed decisions about the viability and sustainability of both the development and continuing operation of the proposed facility. The concept of the arts and event center arose from the following problems facing the community of Longmont, which were specifically called out in the study’s Request for Proposals (“RFP”): “1) Longmont lacks adequate facilities to accommodate its performing arts organizations and attract external performing organizations, and 2) Longmont has a lack of facilities to respond to RFPs for conferences and convention requests of over 100 people.” The RFP also outlines a scope of services for the study, within which the Consulting Team developed a set of objectives as well as a methodology for addressing these objectives.

OBJECTIVES

The objective of this study is to provide observations, analysis, and conclusions that answer the following questions:

- **Market & Industry:**

- What is the market potential for the Longmont community to support a new facility of this type from an economic and demographic perspective?
- How does Longmont compare to other communities that have developed and supported similar facilities successfully?
- What relevant facilities already exist within Longmont and the greater Front Range that could potentially compete with or complement a new facility in Longmont?
- Which individuals and organizations in the Longmont community have unmet needs that could be accommodated by a new facility, and what are their desires and expectations for a new facility?
- What are the recent trends in the arts, performing arts, conference, convention, and meetings industries, as well as the facilities that these activities occur within, and how does this impact the potential for a new facility in Longmont?

- **Development:**

- What size should the new facility be, and what physical and technical attributes should it have?
- What is the facility's optimal configuration that will allow it to capitalize on market trends and ensure the flexibility and scalability of space?
- What supporting infrastructure is necessary to support the facility, such as parking, connectivity, adjacent land uses, and other conveniences, amenities, and services?
- Where should the facility be located, and should the various components of the project be co-located or independent structures?
- What funding mechanisms are available to support the development of the proposed facility, and how has the development of other similar facilities been funded?

- **Operations:**

- How will the facility operate from a demand perspective? What policies and procedures will be needed in order to regulate and balance the facilities utilization by different users?
- How will the facility operate from a financial perspective? What will the facility's rental rate structure look like? What types of ancillary revenue generating opportunities are there for these types of facilities?
- What funding mechanisms are available to support the ongoing operation of the facility once it has been developed, and how have the operations of other similar facilities been funded?

METHODOLOGY

In order to answer the questions presented in the study's objectives, the Consulting Team developed and executed a comprehensive methodology for the study, which will be presented throughout the remaining sections of this report. The observations, analysis, and conclusions for each section of this report are summarized in the forthcoming Executive Summary.

- | | |
|--|--------------------------------------|
| ▪ Economic, Demographic, & Market Analysis | ▪ Strategic Recommendations |
| ▪ Industry Trends | ▪ Operational Analysis & Projections |
| ▪ Facility Inventory & Case Studies | ▪ Economic & Fiscal Impacts |

EXECUTIVE SUMMARY

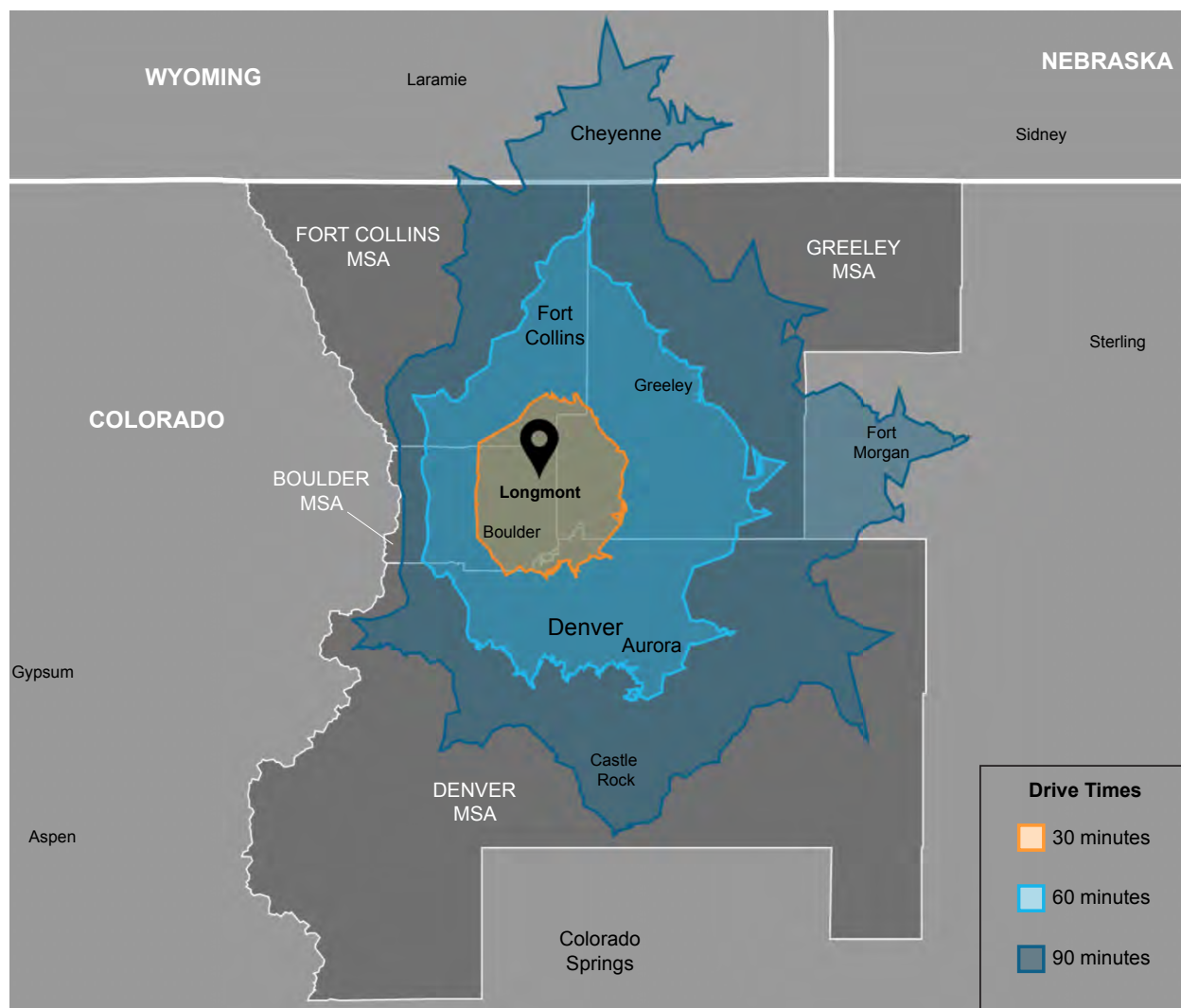
ECONOMIC, DEMOGRAPHIC, & MARKET ANALYSIS

In order to analyze the opportunities for an arts center and events center in Longmont, Johnson Consulting conducted a detailed analysis of the demographic and economic conditions in Longmont; the four metropolitan statistical areas (MSAs) which conveniently converge near Longmont, including Denver-Aurora-Lakewood, Boulder, Fort Collins, and Greeley; and state and national averages. While characteristics such as population, employment, education, and income are not the only predictors of performance for arts or event facilities, they provide insight into the capacity of a market to provide ongoing support for such facilities and activities. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, and the location of competing and/or complementary attractions, directly influence the scale and quality of new, expanded, or renovated facilities that can be supported within that particular market.

Longmont, Colorado is situated between Interstate 25 and Rocky Mountain National Park, approximately 33 miles north of Denver, 16 miles northeast of Boulder, and 30 miles south of Fort Collins. The city of Longmont occupies portions of eastern Boulder County and western Weld County, and also occupies portions of both the Boulder and Greeley MSAs.

Figure 2-1 presents a map of Longmont in relation to adjacent metropolitan areas, as well as 30, 60, and 90-minute drive time radii.

Longmont exhibits favorable economic, demographic, and market indicators across the board in terms of evaluating the potential for a community's ability to support an arts and events center, as well as to attract business to such a facility. There is a substantial and rapidly-growing population base in Longmont, the adjacent metropolitan areas of Boulder, Denver, Greeley, and Fort Collins, and within the 30, 60, and 90-minute drive time areas. Longmont has a high concentration of young families relative to state and national averages, indicating that it is attracting these households from around the country, and lending support to the demand that exists for family-oriented programming in the community. The Longmont area is very well educated and has high household incomes that are expected to increase faster than state and national averages. There is a significant corporate presence in the Longmont and Boulder area, which is expected to continue to accelerate in the near future. This will contribute to the area's robust, resilient, and diverse economic base that is home to healthy industry clusters. All of these factors are indicative of a market with a high affinity for participation in arts-related programming as well as solid demand for meetings, conferences, and other types of events.

Figure 2-1

INDUSTRY TRENDS

This section provides insight into the meetings, events, & performing arts industry, including an industry overview along with research and trends, such as historical statistics, the current state of the industry, and future market trends. This section focuses on the impact of broader economic conditions, as well as the overall health of these industries, and will address the temporary but dramatic impact of COVID-19.

The meetings and events industry, like any, is subject to the expansion and contraction of the national and global economies. While the industry suffered during the most recent economic recession at the end of the last decade, it has since rebounded to pre-recession levels and in many respects, has served as a catalyst for economic recovery and growth. In order to gauge likely future conditions in the marketplace, it is

important to consider the current position in the business cycle and the broader outlook for the economy. Of the 4 stages of the business cycle – 1) Recession; 2) Trough; 3) Expansion; and 4) Peak – the Federal Reserve indicated that the U.S. economy started 2020 in the expansion stage, but the pandemic caused a major economic disruption. Following a sudden decline in March and April, economic activity gained momentum and while the outlook remains uncertain, there are positive signs of recovery, albeit along an elongated curve – most likely a “U” shape meaning that the Trough stage of the business cycle is projected to be elongated, especially in the meetings, events, and performing arts industries.

Indeed, the convention, meetings and exhibition industry plays a critical role in providing stability and propelling economies forward even as business and economic cycles fluctuate. The industry is a driver of global innovation with an enormous economic impact and convention centers will continue to serve as venues for the exchange of knowledge, culture, and capital – a defining component of economic innovation. Accordingly, convention centers and other types of meeting and event venues should be viewed as strategic investments in the future of our communities.

There are millions of events and performances happening annually throughout North America and around the world in the meetings, events, and performing arts industries. Despite being mature industries, these markets have enjoyed stability and modest growth over the past decade, which is evidenced by the data published by PCMA, CEIR, Pollstar, and Americans for the Arts. This data indicates long-term stability across many indicators that measure events, event budgets, ticket sales, attendance, and revenue, and forecasts rebounds to be made once the COVID-19 pandemic subsides. While it is difficult to forecast when this could occur, the facilities recommended within this report would not be opening their doors within the next 2 years at a minimum, given the significant time that would be required to navigate the financing, planning, design, and construction phases of development.

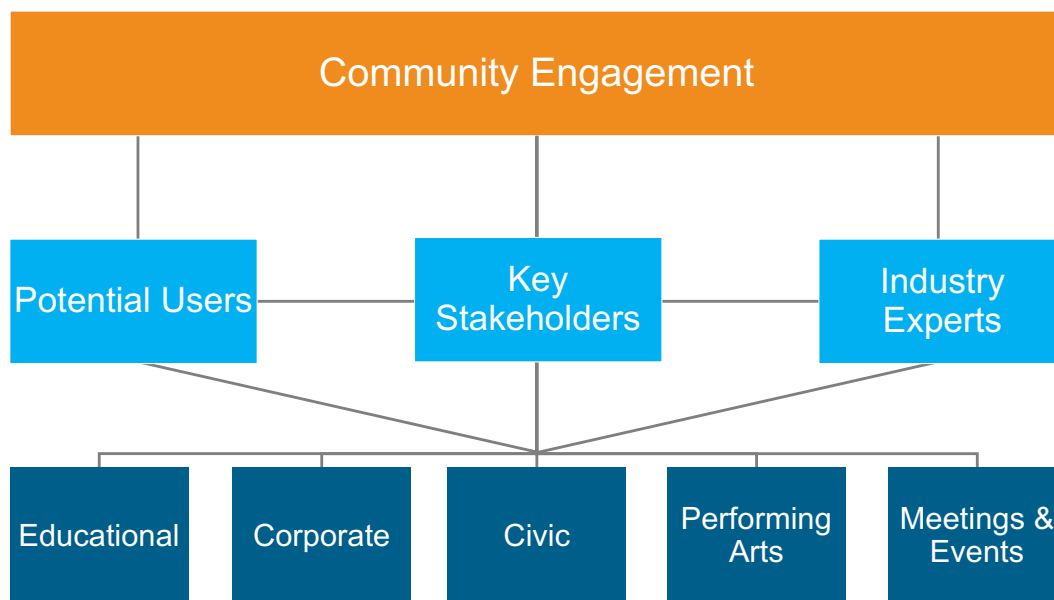
Longmont is well-positioned to capitalize on the long-term health of these industries by making strategic investments in facilities to host these activities. These facilities would certainly provide a public amenity to the existing Longmont community, and could also attract regional and national activity, generate significant economic and fiscal impacts, and catalyze future growth in the community.

COMMUNITY ENGAGEMENT OVERVIEW

The engagement of the community of Longmont was emphasized as a priority of this study from the outset. As with any project of this magnitude, it is crucially important to engage with a wide variety of individuals and organizations throughout the community in order to foster a sense of buy-in and inform the study's observations, conclusions, and recommendations. The Consulting Team engaged the community via two methods: individual interviews conducted in person or via phone and online surveys. The following subsections will expand on these methods of engagement and outline the findings of each.

Beginning at the Kickoff Meeting on October 1 and 2, 2019 and continuing throughout the duration of the project's completion, the Consulting Team conducted more than 50 interviews and focus groups with a variety of potential users of the proposed facility, key stakeholders in the Longmont community, and industry experts in the respective fields. These engagements helped us to understand the performing arts and meeting and events demand that exists in Longmont, the facilities that currently serving that demand, and the market opportunities that exist for the proposed facility. Figure 2-2 outlines the scope of the community engagement effort, including the types of entities that were targeted.

Figure 2-2



These entities represent a broad spectrum of community leaders and representatives of the educational, corporate, civic, performing arts, and meetings and events sectors that are familiar with Longmont and its demand, infrastructure, and local culture. A complete list of the entities engaged in this process, as well as a summary of the observations and conclusions drawn from this engagement, is presented on in Section 5 of this report.

In order to engage a wider segment of the Longmont community, the Consulting Team conducted a pair of surveys – one pertaining to the Arts Center and one pertaining to the Events Center. Both surveys were developed and distributed in collaboration with input from community leaders. Both surveys launched on December 10th, 2019, and both surveys were closed on January 10th, 2020. Each survey had a unique target audience, which will be expanded upon below.

The arts center survey was distributed to the Longmont community as a whole – any and all individuals in the community were invited to respond. This survey generated 1,005 responses. It is unknown how many

individuals received the invitation to participate in the survey, so it is not possible to calculate a response rate, but this is a healthy number of responses for a community-wide survey in the Consulting Team's experience.

The events center survey was not designed for the Longmont community as a whole due to the lack of understanding of the meetings and events industry among members of the general public. This survey was distributed to representatives of organizations who regularly hold meetings and events in the area and was intended to have each of these organizations submit one response. As a result, this survey generated 119 responses – again, although a response rate could not be calculated due to the number of survey recipients being unknown, this is a healthy sample size in the Consulting Team's judgement.

The general sentiment in virtually all of the Consulting Team's engagements with individuals and organizations throughout the Longmont community supported the merits of the concept of an arts and events center in Longmont. Many believed that Longmont lacks facilities that are attractive for hosting certain types of arts events, as well as facilities that are adequately sized to host multipurpose events for more than a couple hundred attendees. Interviewees and survey respondents alike believed that the development of a new facility to host these events would be an asset to the Longmont community.

That being said, many of contacts also emphasized a message of practicality. There is a strong desire to establish a case for feasibility – from a market, demand, and financial perspective – before moving forward with a large-scale project of this nature. Longmont community leaders and residents are committed to the financial sustainability of this project and expect in-depth considerations for both the capital and operational components of a new facility.

FACILITY INVENTORY & CASE STUDIES

As the proposed arts and event center is further considered, it is important to understand the dynamics that exist between the demand for arts and event activity and the supply of facilities to host these events in Longmont. This type of analysis advises the concept and program for a new facility. The new facility should aim to fill gaps that exist within Longmont's inventory of facilities and to meet the needs of the community without replicating offerings that already exist, which could result in the cannibalization of demand and facility redundancy. It is also informative to conduct case studies that examine communities similar to Longmont with facilities that resemble what has been imagined for Longmont's arts and event center. This section details and maps the inventory of arts and event facilities, as well as the hotel market that supports these facilities, and presents comparative profiles of selected case studies.

Considering the geographic size of the Longmont area and the greater Front Range, its population base, and strong economic profile, there are a number of arts and event facilities in the region. Each facility serves a subset of the marketplace. All facilities serve the areas proximate to them most directly, while only a few facilities serve the entire Front Range region for the largest, most prominent events. This section

establishes the entire supply of facilities that serve residents in the Longmont area and opines on the degree to which some of these facilities could compete with the proposed arts and event center in Longmont.

Another crucial consideration for the proposed arts and event center in Longmont is the supply and performance of the hotel market. Hotels are necessary in order to attract touring and commercial performances and events, both arts-related and non-arts-related. Touring arts events and performances will often need accommodations for performers, crew members, and other personnel. Events like conventions, conferences, meetings, and exhibitions will often require hotel rooms for non-local attendees and may even require a room block if sufficiently sized. These factors make a strong case for locating the proposed arts and events center near existing hotel supply or considering stimulating the development of a hotel adjacent to the facility in the future. Ideally, a new arts and event center in Longmont would be located near the higher quality select service hotels. If sufficient parking infrastructure is in place at the new facility, driving would be an acceptable option for some patrons. However, a facility that is adjacent to or within walking distance from hotel(s) is always preferable. The Consulting Team's analysis shows that Longmont's current hotel market performance is not sufficiently robust to make a hotel feasible in the short-term.

The facility inventories for arts facilities, event facilities, and hotels in the northern Front Range area reveals that, in line with the anecdotal evidence that was gathered in the community engagement process, there is a market opportunity for both an arts center facility and an event center facility in Longmont. Although there are a significant number of arts and event facilities across the region, the size and growth trajectory of the northern Front Range is sufficient to support these facilities. In addition, there is a notable shortage of arts and event facilities within the Longmont community itself. The magnitude of this shortage will impact the size recommendation for the new facilities, which will be addressed in the later sections of this report. Although a hotel is not feasible in the short-term, it should be considered in the long-term due to the attractiveness an adjacent hotel can provide to arts and event center facilities. The arts and event center could provide a boost to the existing hotel market in Longmont over time and could be leveraged to recruit a hotel developer once the facility has proven to be effective in generating demand for hotel accommodations.

In order to understand the potential operating characteristics for the proposed arts and events center in Longmont, this section presents case study profiles of a set of regional and national comparable facilities, as well as the markets within which they operate. The key characteristics of these case studies are provided in the following profiles, and include:

- Location, size, character, and attributes of the market and the areas adjacent to the facility
- Location, size, character, and attributes of the facility
- Ownership, operations, and management structure of the facility













- A demand profile, including the number of events, type of events, and total attendance, as available
- A financial profile, including operating revenues and expenses as well as supplementary non-operating revenues such as public subsidy, grants, and private contributions, as available

This information provides insight into the scale of facility that could be realistically feasible in Longmont, as well as some general parameters within which the proposed facility could reasonably expect to operate in terms of demand and financial performance. These venues were selected for a variety of reasons such as the program of spaces, operation and management structure, market similarities, geographic proximity, and key lessons to be learned about how to optimize demand potential and financial sustainability. The following table summarizes the key attributes of the facilities identified as part of this analysis:

- Arvada Center for the Arts & Humanities – Arvada, CO
- Durham Convention Center & Carolina Theater – Durham, NC
- Federal Way Performing Arts & Event Center – Federal Way, WA
- Meydenbauer Convention Center – Bellevue, WA
- Parker Arts Culture & Events Center – Parker, CO
- Sandy Springs Performing Arts Center & Conference Center – Sandy Springs, GA
- St. Charles Convention Center – St. Charles, MO
- The Ames Center – Burnsville, MN
- The Lincoln Center – Ft. Collins, CO
- Union Colony Civic Center – Greeley, CO
- Utah Valley Convention Center – Provo, UT

This section summarizes the key insights from each of these case studies, which can be used to contextualize the potential for a new facility in Longmont. This is summarized in Figure 2-3.

Figure 2-3

Case Studies Summary												
	Arts Center & Events Center in Longmont	Arvada Center for the Arts & Humanities	Durham Convention Center & Carolina Theatre	Federal Way Performing Arts & Event Center	Meydenbauer Convention Center	Parker Arts Culture & Events Center	Sandy Springs Performing Arts & Conference Center	St. Charles Convention Center	The Ames Center	The Lincoln Center	Union Colony Civic Center	Utah Valley Convention Center
												
OVERVIEW												
Location	Longmont, CO	Arvada, CO	Durham, NC	Federal Way, WA	Bellevue, WA	Parker, CO	Sandy Springs, GA	St. Charles, MO	Burnsville, MN	Ft. Collins, CO	Greeley, CO	Provo, UT
Ownership	TBD	Arvada Center	Durham Convention Center Authority	City of Federal Way	Bellevue Convention Center Authority	Town of Parker	City of Sandy Springs	City of St. Charles	City of Burnsville	City of Ft. Collins	City of Greeley	Utah County
Management & Operation	TBD		Spectra	Spectra				Spectra	VenuWorks			Spectra
FACILITY												
Year Built (Renovated)	TBD	1976 (2006)	1988	2017	1993	2011	2018	2005	2009	1978 (2010)	1988	2012
Event Space (Square Feet)												
Exhibit / Ballroom Space	TBD	9,300	26,996	-	36,000	-	5,000	49,825	-	5,082	-	36,514
Meeting Space	TBD	6,000	4,766	3,200	13,290	6,700	9,171	8,032	7,650	3,685	-	9,924
Lobby / Gallery Space	TBD	13,000	-	4,800	2,240	2,474	8,830	-	6,000	1,408	-	-
Total Event Space	TBD	28,300	31,762	8,000	51,530	9,174	23,001	57,857	13,650	10,175	0	46,438
Arts Venues (Capacity)												
Primary Venue	TBD	526	1,048	716	410	542	1,070	-	1,014	1,187	1,661	-
Secondary Venue	TBD	226	226	-	-	200	350	-	150	226	214	-
Tertiary Venue	TBD	-	49	-	-	-	-	-	-	-	-	-
Total Venue Capacity	TBD	752	1,323	716	410	742	1,420	0	1,164	1,413	1,875	-
DEMAND												
# of Events	TBD	462	270	-	413	239	500	224	732	412	311	211
Total Attendance	TBD	150,275	97,853	-	169,083	64,500	-	312,872	173,687	240,000	-	117,870
FINANCIALS												
Operating Revenue	TBD	\$5,917,506	\$3,078,572	\$767,617	\$10,326,078	\$2,924,377	\$918,800	\$8,243,600	\$1,935,258	\$2,410,607	\$1,045,194	\$3,108,450
Operating Expenses	TBD	\$11,373,419	\$3,043,097	\$1,871,986	\$9,425,720	\$6,248,689	\$3,619,800	\$7,575,459	\$1,994,565	\$4,847,674	\$2,315,747	\$3,136,068
Net Operating Income (Deficit)	TBD	(\$5,455,913)	\$35,475	(\$1,104,369)	\$900,358	(\$3,324,312)	(\$2,701,000)	\$668,141	(\$59,307)	(\$2,437,067)	(\$1,270,553)	(\$27,618)
Public Subsidy	TBD	\$3,776,546	-	\$735,985	-	\$2,110,255	\$2,701,000	-	-	\$2,342,685	\$1,270,553	\$27,618
Grants	TBD	\$1,125,429	-	-	-	\$473,858	-	-	-	-	-	-
Private Contributions	TBD	\$790,529	-	\$195,000	-	\$160,560	-	-	\$50,000	-	-	-
Net Income	TBD	\$236,591	\$35,475	(\$173,384)	\$900,358	(\$579,639)	\$0	\$668,141	(\$9,307)	(\$94,382)	\$0	\$0
* National Average = 100												
Source: Relevant Facilities, GuideStar, Esri, Johnson Consulting												

The case studies demonstrate the various models that can be pursued among arts and event center facilities. In terms of the program of these facilities, some are more arts-focused, some are more event-focused, while many offer a hybrid of the two facility types. Each facility was conceptualized in order to serve the needs of the community and market area within which they operate, providing arts and event spaces without replicating or cannibalizing demand from the other existing facilities in the market. These facilities host hundreds of events that draw tens or even hundreds of thousands of attendees each year and have a wide array of financial models that are employed to fund capital and operational expenses. These facilities do not typically generate large

operating profits – in fact, many require non-operating revenue to balance their operating budgets, which can come in the form of public subsidy, grants, or private contributions. There are economies to be gained by co-locating the art and event center facilities, and with a well-thought-out rental rate structure, robust sales and marketing operation, and additional ancillary revenue streams, the need for operating subsidy can be minimized. Overall, the case study facilities provide examples of where these types of facilities have been developed in other similar markets and provide a window within which Longmont's proposed arts and event center could expect to operate.

STRATEGIC RECOMMENDATIONS

In this section, the Consulting Team details its strategic recommendations for the proposed arts and events center in Longmont as they pertain to the concept of the facility overall, the detailed program of spaces within the facility, the potential sites on which the facility could be located, and the rationale that supports the project's feasibility from a market and demand perspective. These recommendations are based on the observations, analysis, and conclusions in this report, which will be summarized in order to provide a coherent rationale for the facility-related recommendations. These recommendations will also be used as the basis for the operational and financial projections, as well as the economic and fiscal impacts, that will be calculated later in this report.

The Consulting Team recommends that the proposed arts and event center in Longmont consist of one highly sophisticated, purpose-built facility that serves as the community's venue for two distinct realms of public activity, one being arts-related events and programming and the other being multipurpose events and programming. This facility should represent the junction of these two worlds, which have differentiated facility needs, and that would both benefit from being co-located in a highly integrated facility that allows both functions to achieve maximum flexibility, scalability, and economies of scale.

As a result of dialogue and feedback from partner organizations and stakeholders, very high cost estimates for building all recommended facilities at once, and also in response to ongoing economic uncertainty due to the COVID-19 pandemic, the Consulting Team proposes a phased development approach to the facility, detailed as follows:

PHASE I:

The recommended Phase I facility, in the judgement of the Consulting Team, is currently supportable in Longmont. The Phase I facility is conceptualized as the "bare minimum," or as the most cost-conscious facility that still makes sense from a market and demand perspective. It is intended to serve the majority of the arts-related demand generated by the LPAI organizations and the local demand that exists for an event center, while also allowing for commercial and touring activity in the arts center and the attraction of regional, state, and national events to the event center. The Phase I facility should be designed in a way that allows for future expansion to Phase II.

Multipurpose Hall

- 25,000 square feet of mid to high quality space as described in Section 6
- Ability to accommodate a wide variety of users and event types, including conventions, trade shows, exhibitions, banquets, consumer shows, and conferences, by being highly divisible with flexible configurations such as theater, classroom, reception, and banquet
- Can accommodate events with lower attendances that have socially distanced configurations in the near-term, while allowing for events with higher attendances in the long-term as the pandemic subsides, the economic recovery continues, and Longmont continues to build its profile as a destination for meetings and events
- Easy access to loading docks for load in and load out of events with exhibits or other event types with significant loading requirements

Auditorium

- 1,000-1,500 seats, depending on cost implications and the needs of the community at the time of addition, as both size ranges have the potential to attract commercial and touring acts to supplement demand generated by the LPAI organizations and other local and regional activity
- Proscenium stage with wing space that is sufficient to accommodate individual LPAI organizations, industry standards for commercial and touring acts, and collaborations between multiple organizations that require larger stages for more performers
- Removable seats in the first tier to allow for standing audiences or flat-floor events when desired
- Lighting & A/V grid
- Orchestra pit which can be lowered and raised to extend the stage or seating capacity
- Trap and Fly Loft
- Sprung dance floor
- Multi-purpose infrastructure for both amplified and non-amplified acts
- Direct access to the backstage area with a loading dock
- Similar capacity to Multipurpose Hall to allow for seamless transitions when used in tandem
- Adequate ventilation/air exchange/filtration to ensure the health, safety, and wellness of patrons and performing artists
- Any other arts-related infrastructure that is required to reasonably meet the needs of the LPAI organizations and/or industry standards for commercial and touring acts, including but not limited to an electric or pipe organ

- We agree with LPAI in emphasizing the importance of developing the larger hall as the Phase I priority to meet its strategic objectives. The larger hall also presents an increased opportunity for more and larger touring and commercial programming.

Meeting Rooms / Classrooms / Rehearsal Rooms

- 10,000 square feet in total
- 8-10 rooms of varying sizes and technical/infrastructure capabilities, ensuring that the individual needs of the LPAI organizations are met while still allowing for flexibility and utilization by other non-arts related users
- At least one of the rooms should be specifically geared toward dance, and at least one of the rooms should be specifically geared toward music

Back of House & Support

- Adequate lobby and pre-function space to accommodate socially distanced programming and to allow multiple events to occur throughout the facility simultaneously when business ramps up
- Catering kitchen and bar to allow for beverage service and for outside caterers to be brought in, designed in a way that allows for potential future opportunities to expand to a commercial grade kitchen, which could be operated in conjunction with a full-service hotel
- Highly sophisticated digital display, presentation, and streaming technologies for virtual, hybrid, and socially distanced in-person events, which are likely to be common formats moving forward
- Appropriate control, office, storage spaces, green rooms, dressing rooms, and restrooms
- Loading docks that are located in a way that allows accessibility from the multipurpose hall and the back-of-house performing arts areas – 2 to 3 truck bays are appropriate
- Adequate parking and transportation infrastructure within walking distance of the facility

PHASE II:

The Phase II recommendations are conceptualized as the “aspirational” future possibilities for this type of facility in Longmont. These facility components, in the judgement of the Consulting Team, cannot be confirmed to be supportable from a development cost perspective at the present time, but will likely become viable as the economic recovery trajectory becomes clearer, fundraising efforts can begin, and the Longmont community and greater Northern Colorado region continue to grow rapidly. Phase II elements are a menu of possible opportunities that could be added all at once or one at a time as the Phase I facility’s performance is evaluated in conjunction with market, demand, and financial considerations.

Recital Hall

- 500 seats

- Purpose-built, acoustically sound performing arts theater with ample stage size, wing space, lighting & A/V grid, and any other performing arts infrastructure needed to meet the needs of the LPAI organizations that are not cost-prohibitive
- Adequate ventilation/air exchange/filtration to ensure the health, safety, and wellness of patrons and performing artists
- Will mostly serve the smaller audience generating members of LPAI that also have more technical performance requirements. In the interim, these LPAI users will be able to use the larger hall in a half house format and the Stewart Auditorium at the Longmont Museum.
- Integrated into back-of-house spaces, such as dressing rooms, green rooms, restrooms, and storage spaces, and configured in a way that allows for the addition of the larger 1,000+ seat auditorium in Phase II.

Ballroom

- 10,000 square feet of high-quality space as described in Section 6
- Serves in tandem with the Multipurpose Hall, allowing for larger conventions and exhibitions to have exhibits in the Multipurpose Hall with seated banquet functions or general sessions in the ballroom, as well as for banquet-only type events

Meeting Rooms

- 10,000 square feet
- Serves in tandem with the Multipurpose Hall and Ballroom, allowing for larger conventions and exhibitions to have sufficient breakout spaces, as well as allowing for the booking of smaller meetings and events that may require just a few meeting rooms
- Relieves booking congestion that is likely to occur in the Phase I Meeting Rooms / Classrooms / Rehearsal rooms, allowing those rooms to better serve arts center-related demand

Back of House & Supporting Spaces

- Additional lobby and pre-function space as needed to accommodate multiple events occurring throughout the facility simultaneously
- Commercial grade kitchen upgrade, which could be operated in conjunction with a full-service hotel
- Additional control, office, and storage spaces
- Additional green rooms, dressing rooms, and restrooms to serve the Auditorium and Recital Hall
- Loading docks that are located in a way that allows accessibility from the multipurpose hall and the back-of-house performing arts areas – one or two truck bays in addition to the two to three recommended in Phase I are appropriate

- Additional parking and transportation infrastructure within walking distance of the facility

Hotel

- 200-room, full-service hotel
- Increases the attractiveness of the event center to larger conventions, conferences, and exhibitions dramatically, as well as the attractiveness of the larger auditorium to commercial and touring acts
- Could be highly integrated, both physically and operationally, with the full-service commercial kitchen, as well as with the Phase II Ballroom and Meeting Rooms – all of these elements serve as incentives to hotel developers that could be critical in attracting them to Longmont
- Could be an attractive facility for future partnerships with hospitality and culinary programs at area colleges and universities
- Feasibility is contingent upon the hotel market performance improving in Longmont over the course of the next few years, as the market is not currently robust enough to support such a development – for this reason, the hotel is not included in the forthcoming site recommendations, facility program, or cost estimate

Amphitheater

- Could design the Arts & Event Center facilities to leave space for a potential addition of an amphitheater venue in the future
- There have been talks by private businesses in the community of developing an amphitheater in Longmont, but none of these ideas have come to fruition
- Amphitheater feasibility is outside the scope of this study, but many Arts Center facilities have amphitheater venues on campus that complement indoor venues and increase commercial/touring viability in the summer months

During the initial phase of engagement with the project partner organizations and external stakeholders, five potential project sites were selected for further review.

- A. Boulder County Fairgrounds (BCF)
- B. Former Plaza Convention Center (PCC, currently Flatirons Community Church)
- C. Building STEAM
- D. Quail Campus (site of Longmont Museum)
- E. Old Sugar Mill Site

Figure 2-4: Site Analysis presents a comprehensive review of the various considerations that impact site selection from a site planning perspective, as well as how each of these considerations impact each site's viability. As shown, there are several criteria that, while not disqualifying a particular site, were important to

consider in weighing the risks and benefits of each site. This high-level review for the five potential site locations resulted in recommendation of a more detailed analysis of a singular site.

Figure 2-4: Site Analysis

	A. Boulder County Fairgrounds	B. Former Plaza Convention Center	C. Building STEAM	D. Quail Campus	E. Old Sugar Mill
Proximity to Main Street					
Proximity to I-25					
Transit Accessibility					
Traffic Flow & Parking					
Walkability & Bikeability					
Existing & Future Land Use					
Incentive Zone Potential					
Floodplain & Environmental					
Proximity to Existing Hotels					
Land & Facility Massing					
Within City Limits					
Train Noise					
OVERALL					

Legend:

Not Favorable
Neutral
Favorable

Source: MIG, DLR, Johnson Consulting

In review of the potential site locations through a site planning lens, as well as with the input of a variety of stakeholders, it was determined that the Building STEAM site offered the most land use benefits and amenities, and that it was appropriate to conduct a more detailed analysis to analyze the final site selection. A more in-depth analysis of the Building STEAM site is presented in Section 7.

There are a multitude of ways to finance these types of facilities, including issuing municipal bonds, redirecting a portion of general fund revenues, increasing or imposing additional local taxes (sales taxes, lodging taxes, food and beverage taxes, or property taxes), creating a special taxing district around the facility (TIF, BID, etc.), and public private partnerships, among others. This section focuses on potential funding strategies that are specific to this project, and the location of the proposed facility, in particular.

There are four existing types of development incentives at play in the area for this type of project, which could offer varying types of support in the form of capital and/or operational funding: Qualified Opportunity Zones (QOZ), an Urban Renewal Areas (URA), Colorado Enterprise Zones (EZ), and the Scientific & Cultural Facilities District (SCFD). This section summarizes each of these potential funding sources and how they could be leveraged in the development of the proposed Arts & Event Center.

Figure 2-5 summarizes the facility program, in square feet, for the Phase I facility, as well as the Phase I + II facility at full build out. The detailed facility program, which breaks down each type of space room by room, can be referenced in the Appendix of this report.

Figure 2-5

Longmont Project Facility Program				
	Phase I Facility		Phase I + II Facility	
	Net Area (SF)	Gross Area (SF)	Net Area (SF)	Gross Area (SF)
Arts Center				
Public Spaces	9,018	-	13,704	-
Front of House	19,630	-	29,855	-
Back of House	10,625	-	14,060	-
Total	39,273	58,909	57,619	86,428
Event Center				
Public Spaces	7,940	-	11,090	-
Event Spaces	25,000	-	35,000	-
Support Spaces	2,650	-	5,250	-
Total	35,590	51,606	51,340	74,444
Shared Spaces				
Rehearsal/Meeting Rooms	10,000	-	20,000	-
Total	10,000	15,000	20,000	29,500
Other				
Administration / Support	1,560	-	3,520	-
Building Services	7,735	-	15,618	-
Total	9,295	12,239	19,138	25,231
TOTAL	94,158	137,754	148,097	215,603

Source: DLR, Johnson Consulting

As shown, the Phase I facility is expected to comprise nearly 138,000 square feet of space, while the fully built out Phase II facility is expected to account for nearly 216,000 square feet. These numbers serve as the basis for the massing diagrams, which are presented in Section 7 of this report and show the proposed Phase I + Phase II facility within the context of the Building STEAM site.

Arriving at cost figures for venues such as this is an art as well as a science. The construction costs presented herein assume a high-quality venue, not state-of-the-art, but a high-quality venue that fits Longmont's current and future role in the Denver Metro area. Funding for this project has not yet been defined. As costs are reviewed, recall that many of these projects are associated with a capital campaign where municipal funds are joined with private dollars to make these projects a reality. If the capital campaign's yield is not sufficient, there are cost reductions regarding finish levels and building elements that can be phased, sponsored or not included.

Figure 2-6 presents a preliminary cost-estimate for the Phase I and Phase I + II facilities. These cost estimates were developed using the aforementioned facility programs, developed by DLR Group, for each

of the facilities. By applying a cost assumption per square foot of gross building area, an approximate figure is produced. These cost assumptions are industry standards derived from actual projects of similar types: the Arts Center is assumed at \$918 per square foot, the Event Center and Shared Spaces are assumed at \$640 per square foot, and the Other spaces are assumed at \$512 per square foot. This cost estimate includes hard (construction) costs, soft costs (assumed at 20% of hard costs), and furniture, fixtures, and equipment (FFE) (assumed at 8% of hard costs). *It should be noted that these cost estimates do not involve any significant development costs that may be unique to the site, such as any environmental remediation, utility or infrastructure improvements, or flood protection measures that may be necessary, or land acquisition, which can be substantial depending on location and negotiations with the current landowner. These costs could be reduced by as much as 25% by cost-cutting in FFE, technical infrastructure for the arts center, and a reduction in public/support spaces.*

As shown, the Phase I facility is estimated at a total cost of approximately \$104 million and the Phase I + II facility, at full build out, is estimated at approximately \$159 million.

Figure 2-6

Longmont Project Recommended Facility Program & Cost Estimate					
	Net Area (SF)	Gross Area (SF)	Cost Assumption	per Unit	Cost Estimate
Phase I					
Arts Center	39,273	58,909	\$918	per Gross Area (SF)	\$54,078,462
Event Center	35,590	51,606	\$640	per Gross Area (SF)	\$33,027,840
Shared Spaces	10,000	15,000	\$640	per Gross Area (SF)	\$9,600,000
Other	11,387	14,959	\$512	per Gross Area (SF)	\$7,659,008
Total	96,250	140,474			\$104,365,310
Phase II					
Arts Center	18,346	27,519	\$918	per Gross Area (SF)	\$25,262,442
Event Center	15,750	22,838	\$640	per Gross Area (SF)	\$14,616,320
Shared Spaces	10,000	14,500	\$640	per Gross Area (SF)	\$9,280,000
Other	7,751	10,272	\$512	per Gross Area (SF)	\$5,259,264
Total	51,847	75,129			\$54,418,026
Phase I + II					
Arts Center	57,619	86,428	\$918	per Gross Area (SF)	\$79,340,904
Event Center	51,340	74,444	\$640	per Gross Area (SF)	\$47,644,160
Shared Spaces	20,000	29,500	\$640	per Gross Area (SF)	\$18,880,000
Other	19,138	25,231	\$512	per Gross Area (SF)	\$12,918,272
Total	148,097	215,603			\$158,783,336

"Cost Estimate" includes construction (hard) costs, FFE, and soft costs, but does not include site development costs

These costs could be reduced by as much as 25% by cost-cutting in FFE, technical infrastructure, and reduction in public/support spaces

Source: DLR Group, Johnson Consulting

DEMAND & FINANCIAL PROJECTIONS

This section provides demand and financial projections for the proposed Arts and Events Center in Longmont, Colorado (Longmont Arts and Events Center or LAEC) based on the facility recommendations as outlined in Section 7 of this report.

Phase I Facility

For the Phase I facility, the Arts Center is expected to host LPAL and other non-profit events including performances, rehearsals, and other types of events, as well as commercial and touring events including both performances and other types of events. The Event Center is expected to host a variety of event types that can be broken down into exhibit events, including conventions/trade shows and consumer shows/public events, and non-exhibit events, including meetings/conferences, banquets/social events, sports events, and other types of events. In Year 1, the proposed Phase I LAEC is projected to accommodate 425 Arts Center Events and 128 Event Center Events, totaling to 553 events. By Year 5, these numbers are expected to increase to 457 Arts Center Events and 163 Event Center Events, equating to 620 events in total. It is noted that a large number of the Arts Center Events are Rehearsal/Meeting Room Events, which are comprised of LPAL's robust rehearsal schedule, board meetings, and other miscellaneous smaller events. It is likely that these types of events would not be reported in the data for the case study facilities, which typically only report ticketed or more formalized events.

The projected number of total visitors for the Arts Center is 78,935 in Year 1, which is expected to grow to 106,425 in Year 5 and 117,796 by Year 10. The Event Center is projected to draw 34,150 visitors in Year 1, 52,983 visitors in Year 5, and 63,220 visitors in Year 10. In total, the Phase I LAEC is projected to attract 113,085 visitors in Year 1, which can be expected to grow to 159,408 in Year 5 and 178,545 by Year 10.

In Year 1, the proposed Phase I LAEC is projected to start off with approximately \$2.0 million in operating revenues and \$3.2 million in expenses, resulting in a net operating deficit of approximately \$1.3 million before reserve for replacement. In Year 5, the Phase I LAEC is projected to generate \$3.0 million in operating revenues and \$3.8 million in expenses, hence decreasing the net operating deficit to \$853,000 before reserve for replacement. The net operating deficit is projected to slowly decrease in the years that follow as operational efficiencies are achieved, Longmont's reputation as a destination for arts programming and multipurpose events is solidified, and the community and greater region continue to grow.

Phase I + II Facility

The Phase II Arts Center is expected to host the same types of events as the Phase I facility, with the addition of the 500-seat recital hall that can accommodate LPAL events that are too small for the Auditorium, more intimate Commercial / Touring events, and other smaller events that require a theater-style configuration. Likewise, the Event Center is expected to host similar types of events as the Phase I facility,

with the addition of a 10,000 square foot ballroom and 10,000 square feet of additional meeting space that allow the facility to accommodate larger events that require a wider array of configurations, as well as additional events that can occur simultaneously. In Year 1, the proposed Phase II LAEC is projected to accommodate 555 Arts Center Events and 175 Event Center Events, totaling to 730 events. By Year 5, these numbers are expected to increase to 619 Arts Center Events and 217 Event Center Events, equating to 836 events in total. After Year 5, event demand can be expected to experience slow growth as the sales and marketing operation matures and the community and region as a whole continue to grow.

The projected number of visitors for the Phase II Arts Center is 112,769 in Year 1, which is expected to grow to 153,541 in Year 5 and 168,410 by Year 10. The Event Center is projected to draw 46,500 visitors in Year 1, 68,334 visitors in Year 5, and 79,118 visitors by Year 10. In total, the Phase II LAEC is projected to attract 159,269 visitors in Year 1, which can be expected to grow to 221,875 in Year 5 and 247,528 by Year 10.

In Year 1, the proposed Phase II LAEC is projected to generate approximately \$2.8 million in operating revenues and \$4.3 million in expenses, resulting in a net operating deficit of approximately \$1.6 million before reserve for replacement. In Year 5, the Phase II LAEC is projected to generate \$4.1 million in operating revenues and \$5.1 million in expenses, hence decreasing the net operating deficit to \$1.0 million before reserve for replacement. The net operating deficit is projected to slowly decrease in the years that follow as operational efficiencies are achieved, Longmont's reputation as a destination for arts programming and multipurpose events is solidified, and the community and greater region continue to grow.

This section details the revenue and expense assumptions that were employed to arrive at the projected financial statements. A more detailed description of proposed rental rates and other revenue and expense assumptions can be found in Section 8.

This section also discusses the estimated debt service payments for the capital expenses for the development of the proposed Longmont Arts and Events Center. They are based on the cost estimates as presented in Section 7 of this report. As summarized in Figure 7-18, such costs are estimated at approximately \$104 million for Phase I facility only and approximately \$159 million, combined, for Phase I + II facilities at full build-out. These cost estimates include hard (construction) costs, soft costs (assumed at 20 percent of hard costs), and furniture, fixtures, and equipment (FFE) (assumed at 8 percent of hard costs).

The analysis does not reflect a capital campaign or local regional, national and international grant sourcing by the public and private sector, which should occur, reducing the capital responsibility for the project by the public sector. As this capital campaign ensues, it should develop a fund for both capital and operational/program support as well.

Figure 2-7 presents the key debt service assumptions for the Phase I facility and the full build-out facility development. As shown, the annual debt service payment for the Phase I facility is projected to be approximately \$5.8 million, while that of the facility at full build-out would be estimated at \$8.9 million, without phasing.

Figure 2-7

Longmont Arts and Event Center Key Financing Assumptions*		
	Phase I	Full Build-Out
Estimated Opening	Year 1	Year 1**
Total Development Cost, excl. Land and Site Improvements	\$104,365,310	\$158,783,336
Financing/Closing Costs (% of Development Cost)	3.0%	3.0%
Loan-to-Value Ratio	100%	100.0%
Equity/Fundraising	\$0	\$0
Debt	\$107,496,269	\$163,546,836
Debt Service Interest Rate	3.5%	3.5%
Term (# of years)	30	30
Annual Payment	\$5,844,715	\$8,892,259
<i>*All amounts are in today's dollar.</i>		
<i>**Assuming it is built without phases.</i>		
<i>Source: Johnson Consulting</i>		

The remainder of the section presents a more detailed analysis that incorporates both the projected net operating deficit and debt service payments. Combined, these obligations total \$7.2 million in Year 1, \$6.8 million in Year 5, and \$6.7 million in Year 10 for the Phase I facility, and \$10.5 million, \$9.9 million, and \$9.8 million, respectively, for the Phase I + II facility at full build-out.

ECONOMIC & FISCAL IMPACTS

This report section analyzes total economic and fiscal benefit that is being generated by the proposed Arts and Events Center in Longmont, Colorado (Longmont Arts and Events Center or LAEC). There are all kinds of economic, social, economic development, image, and social benefits that happen as the result of the presence and operation of the facility. This analysis quantifies the effect of the spending of visitors to this facility, which also represent lost benefits if the facility is not built. Additionally, Johnson Consulting's prior development of economic analyses for other performing arts facilities and specific knowledge of the marketplace of Longmont, Boulder County, and State of Colorado contributed into the analysis.

While these are mathematical calculations, which are based on experience seen in numerous other settings, perhaps the most important thing to visualize is what will happen to Longmont as a community. The development of LAEC will allow the facility to keep offering an affordable meeting and entertainment

activity in the local area as well as spur economic growth via ancillary private sector development. By developing the facility, investments are made that will continue to attract people from outside the region to Longmont, increase the identity of the market by promoting to those visitors, and develop an ever-expanding portfolio of repeat of events. Such a venue will continue to play host to tens of thousands of residents and visitors in the region annually.

The estimated economic and fiscal impact of the proposed Phase I LAEC in its opening year is expected to include over \$10.1 million in total spending, 104 full-time equivalent (FTE) jobs accounting for nearly \$2.6 million in increased earnings, and \$637,000 in sales tax and hotel occupancy tax revenues, combined. In its stabilized year (Year 5), the facility's impact is expected to include over \$16.7 million in total spending, 153 FTE jobs accounting for \$4.3 million in increased earnings, and nearly \$1.1 million in sales tax and hotel occupancy tax revenues, combined.

From an operating perspective, the estimated tax revenues from sales tax and hotel occupancy tax alone will be greater than the projected net loss of the proposed facility, beginning in Year 4 for the Phase II facility and in Year 5 for the Phase I facility. Additionally, these sales tax and hotel occupancy tax revenues represent only a fraction of the overall fiscal impact to the economy, as they are only the public sector's increase in tax revenue resulting from the overall increased visitors spending in the economy. The presence of the proposed LAEC would increase values of commercial establishments in areas surrounding the new facility and beyond, which result in increased property tax supported by the project. In addition, the construction of the facility would result in a one-time impact of millions of dollars of spending, primarily affecting the construction industry.

That being said, the capital cost of planning, designing, and constructing the proposed facilities is substantial. With cost estimates in the ballpark of \$104 million for the Phase I facility and \$159 million for the Phase I + II facility at full build-out, the debt service will be demanding. Johnson Consulting's financing assumptions described in Section 8 estimate a debt service payment of more than \$5.8 million annually for 30 years for the Phase I facility, or just under \$8.9 million annually for the Phase I + II facility at full build-out. When these capital costs are factored in with net operating deficit and projected sales and hotel occupancy tax revenues, it is evident that a significant annual deficit will be required to support the development and operation of the proposed facilities.

Figure 2-8 compares the sales tax and hotel occupancy tax revenues in comparison to net operating deficit after reserve and debt service payments.

Figure 2-8

Longmont Arts and Event Center Implications										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Phase I Facility										
Net Operating Income (Deficit) after Reserve	(\$1,337)	(\$1,216)	(\$1,109)	(\$1,021)	(\$942)	(\$905)	(\$864)	(\$855)	(\$845)	(\$833)
Debt Service Payment	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)
Sales and Hotel Occupancy Tax Revenues	\$637	\$752	\$864	\$966	\$1,056	\$1,131	\$1,209	\$1,267	\$1,327	\$1,391
	(\$6,545)	(\$6,308)	(\$6,090)	(\$5,900)	(\$5,730)	(\$5,619)	(\$5,500)	(\$5,433)	(\$5,362)	(\$5,287)
Phase I + II Facility										
Net Operating Income (Deficit) after Reserve	(\$1,636)	(\$1,469)	(\$1,322)	(\$1,192)	(\$1,090)	(\$1,041)	(\$987)	(\$958)	(\$926)	(\$891)
Debt Service Payment	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)
Sales and Hotel Occupancy Tax Revenues	\$927	\$1,073	\$1,219	\$1,362	\$1,476	\$1,572	\$1,672	\$1,765	\$1,863	\$1,966
	(\$9,602)	(\$9,287)	(\$8,995)	(\$8,722)	(\$8,506)	(\$8,361)	(\$8,207)	(\$8,085)	(\$7,955)	(\$7,818)

Source: Johnson Consulting

There are a number of possibilities that could partially alleviate the high costs of developing and operating this type of facility, including robust capital campaigns, ongoing fundraising efforts, leveraging economic development incentives like those discussed in Section 7, tapping into regional funding sources like the Scientific and Cultural Facilities District, sponsorships and naming rights agreements with businesses in the area, and recruiting additional participants to the project such as educational institutions, school districts, and other local governments. Although these opportunities are promising and have paved the way for similar projects across the nation, it is difficult to accurately estimate how much they could remediate the operating or capital deficits that are projected for these facilities under baseline circumstances.

There are also a number of non-financial benefits that are provided by these types of facilities, which have been described throughout the course of this report. Event centers build relationships between businesses, governments, and other institutions, and foster thought-sharing and innovation. Arts centers can help to attract new residents and employers to the community and provide a boost to quality of life. These factors are difficult to measure but are crucial components of decision making for these types of projects. Ultimately, a balance will need to be established that includes some of these benefits without placing an excessive financial burden on the community.

SECTION 3

ECONOMIC, DEMOGRAPHIC, & MARKET ANALYSIS

ECONOMIC, DEMOGRAPHIC, & MARKET ANALYSIS

In order to analyze the opportunities for an arts center and events center in Longmont, Johnson Consulting conducted a detailed analysis of the demographic and economic conditions in Longmont; the four metropolitan statistical areas (MSAs) which conveniently converge near Longmont, including Denver-Aurora-Lakewood, Boulder, Fort Collins, and Greeley; and state and national averages. While characteristics such as population, employment, education, and income are not the only predictors of performance for arts or event facilities, they provide insight into the capacity of a market to provide ongoing support for such facilities and activities. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, and the location of competing and/or complementary attractions, directly influence the scale and quality of new, expanded, or renovated facilities that can be supported within that particular market.

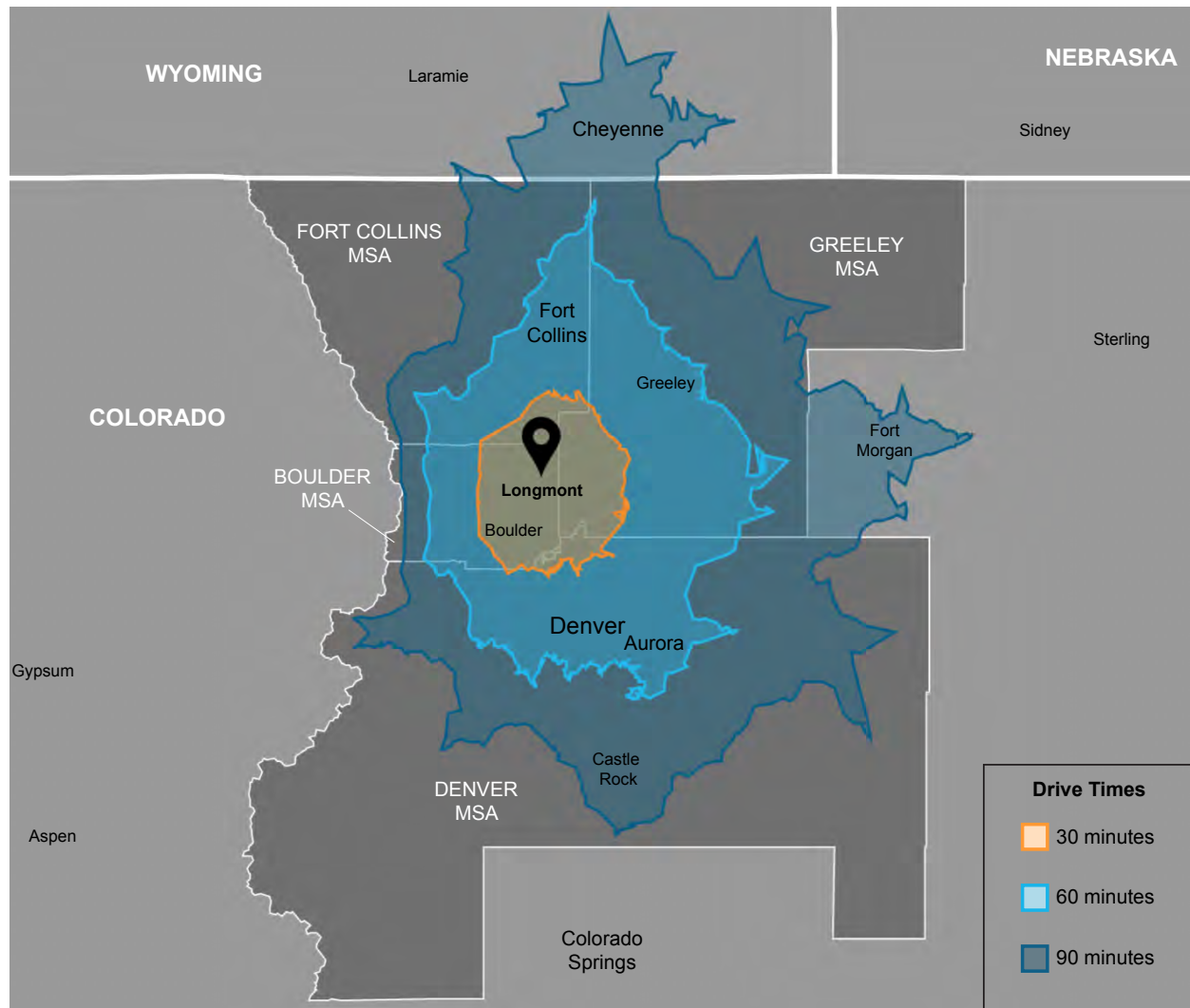
OVERVIEW

Longmont, Colorado is situated between Interstate 25 and Rocky Mountain National Park, approximately 33 miles north of Denver, 16 miles northeast of Boulder, and 30 miles south of Fort Collins. The city of Longmont occupies portions of eastern Boulder County and western Weld County, and also occupies portions of both the Boulder and Greeley MSAs.

Longmont was established in 1871. The city's name is derived from Longs Peak, an iconic mountain that can be viewed on the city's northwest horizon. Longmont was the first planned community in Boulder County, which is reflected in its grid system and its Main Street district, which has undergone revitalization in recent years. The city has grown rapidly in recent years along with the surrounding metro areas, and has attracted economic concentrations of the technology, bioscience, culinary and craft beer, and professional service industries.

Longmont is within the Regional Transportation District (RTD), which operates various local and regional bus routes that connect Longmont to cities throughout the area. Longmont is also on the FLEX bus route, which operates during peak commuting times and connects Fort Collins, Loveland, Berthoud, Longmont, and Boulder. Denver International Airport is located 43 miles southeast of Longmont – approximately a 1-hour drive.

Figure 3-1 presents a map of Longmont in relation to adjacent metropolitan areas, as well as 30, 60, and 90-minute drive time radii.

Figure 3-1

POPULATION

In 2019, the population of Longmont was 98,347. The Boulder, Fort Collins, and Greeley MSAs have similar populations, all falling between 300,000 and 400,000, while the Denver MSA is much larger, with a population of 2.96 million. Longmont's population is estimated to grow by an average rate of 1.49% between 2000 and 2024, which is on pace with the annual growth rates for the Denver MSA (1.56%), Boulder MSA (1.10%), and Fort Collins MSA (1.79%), but significantly lower than that of the Greeley MSA (2.81%). Longmont's 1.49% growth trajectory is average compared to the state of Colorado (1.50%), and significantly higher than the national average (0.82%). Large population bases in various trade area measurements are crucial in supporting both performing arts and conference facilities, and healthy growth rates are beneficial for ensuring future success. Figure 3-2 presents population data for these geographies for 2000 – 2024.

Figure 3-2

Longmont, CO Population (2000-2024)					
	2000	2010	2019	2024	CAGR
United States	281,421,906	308,745,538	332,417,793	345,487,602	0.82%
Colorado	4,301,261	5,029,196	5,793,770	6,239,361	1.50%
Greeley, CO MSA	180,798	252,825	317,997	361,562	2.81%
Fort Collins, CO MSA	251,494	299,630	359,259	391,552	1.79%
Boulder, CO MSA	269,713	294,567	333,887	354,370	1.10%
Denver-Aurora-Lakewood, CO MSA	2,179,469	2,543,482	2,960,386	3,209,389	1.56%
Longmont, CO	72,312	86,174	98,347	104,689	1.49%
30-Minute Drive Time	364,722	452,544	549,318	608,422	2.07%
60-Minute Drive Time	2,300,550	2,665,637	3,139,624	3,414,917	1.59%
90-Minute Drive Time	2,955,989	3,470,851	4,058,235	4,405,142	1.61%

Sources: Esri, Johnson Consulting

AGE

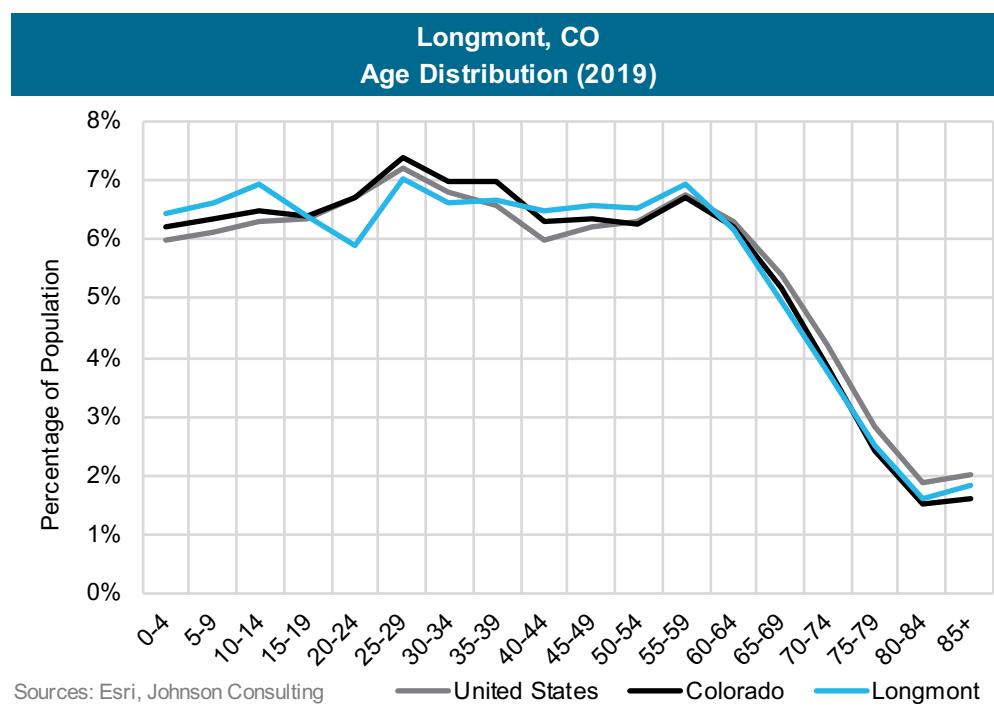
Longmont residents are older, on average, compared to residents of the four neighboring MSAs and the state of Colorado as a whole, but still younger than the national average. The median age of Longmont residents was 38.0 in 2019, while that of the MSAs ranges from 34.7 in the Greeley MSA to 37.2 in the Denver MSA. The median age in Colorado overall is 37.5, and nationally, it is 38.5. However, between 2010 and 2024, Longmont's median age is projected to increase by an annual rate of 0.29%, which is lower than all other comparative geographies.

Figure 3-3

Longmont, CO Median Age (2010-2024)				
	2010	2019	2024	CAGR
United States	37.1	38.5	39.2	0.42%
Colorado	36.1	37.5	37.9	0.37%
Greeley, CO MSA	33.1	34.7	35.3	0.50%
Fort Collins, CO MSA	35.5	37.1	37.8	0.48%
Boulder, CO MSA	35.8	36.9	37.2	0.30%
Denver-Aurora-Lakewood, CO MSA	35.7	37.2	37.5	0.38%
Longmont, CO	36.6	38.0	38.0	0.29%
30-Minute Drive Time	35.9	37.1	37.5	0.34%
60-Minute Drive Time	34.5	36.0	36.4	0.41%
90-Minute Drive Time	35.4	36.9	37.3	0.40%

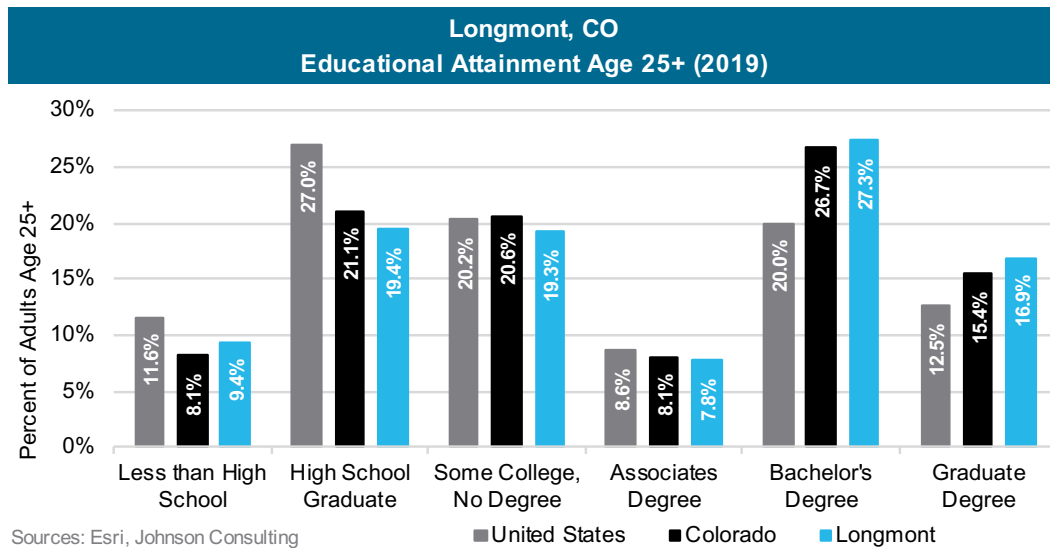
Sources: Esri, Johnson Consulting

Figure 3-4 expands upon the insights on the age of Longmont residents by analyzing its age distribution in five-year increments, relative to state and national averages. As shown, Longmont has a notable lack of individuals aged 20-24, which is not surprising given that there is not a large college or university present in Longmont. Longmont has a higher concentration of families with young and school-aged children, evidenced by higher percentages of individuals aged 0-14 (children) and 40-54 (parents). This is an important consideration for the proposed performing arts and conference facility's programming and advertising.

Figure 3-4

EDUCATION

Longmont is well-educated relative to the national average. 44.2% of Longmont residents have a bachelor's degree or higher, compared to 42.1% of Coloradans and just 32.5% of all Americans. The share of Longmont residents who have not completed high school is 9.4%, which is slightly higher than the state average of 8.1%, but lower than the national average of 11.6%. Figure 3-5 illustrates educational attainment among residents of Longmont aged 25+, relative to state and national averages. Well-educated communities tend to generate more demand for conference facilities and are more likely to participate in and attend arts events.

Figure 3-5

INCOME

As shown in Figure 3-6, Longmont residents have higher-than-average incomes. In 2019, the median household income in Longmont is \$74,730, which is higher than that of Colorado (\$70,141) and significantly higher than that of the U.S. as a whole (\$60,548). The medians for the MSAs range from \$69,519 in the Greeley MSA to \$84,419 in the Boulder MSA. By 2024, Longmont's median household income is projected to increase to \$92,121, equating to an average annual growth rate of 4.27%. This growth rate is significantly higher than that of any of the comparative geographies – meaning that Longmont is attracting high-income residents. Residents with higher incomes are more likely to attend events at the proposed performing arts and conference facility and will have more money to spend at these events. That being said, it is important to make programming affordable and accessible to residents of all income levels.

Figure 3-6

Longmont, CO			
Median Household Income (2019-2024)			
	2019	2024	CAGR
United States	\$60,548	\$69,180	2.70%
Colorado	\$70,141	\$80,967	2.91%
Greeley, CO MSA	\$69,519	\$79,207	2.64%
Fort Collins, CO MSA	\$71,240	\$83,677	3.27%
Boulder, CO MSA	\$84,419	\$102,093	3.88%
Denver-Aurora-Lakewood, CO MSA	\$78,436	\$90,394	2.88%
Longmont, CO	\$74,730	\$92,121	4.27%
30-Minute Drive Time	\$86,075	\$100,977	3.25%
60-Minute Drive Time	\$72,017	\$83,510	3.01%
90-Minute Drive Time	\$77,070	\$88,395	2.78%

Sources: Esri, Johnson Consulting

RACE & ETHNICITY

In 2019, 82.6% of Longmont residents identify as White, 24.2% as Hispanic, 3.7% as Asian, 1.1% as Black / African American, 1.0% as American Indian / Alaska Native, 0.0% as Pacific Islander, 8.4% as Other Race, and 3.3% as Two or More Races. Compared to Colorado and the United States as a whole, Longmont has a higher percentage of residents that identify as White or Hispanic, and a lower percentage of residents that identify as Black / African American. These identities are an important consideration for the types of programming that could be in demand in Longmont, as well as for marketing strategies at a proposed performing arts or conference center. Figure 3-7 presents race and ethnicity data for Longmont and its comparative geographies.

Figure 3-7

Longmont, CO Race & Ethnicity (2019)								
	White	Hispanic	Asian	Black / African American	American Indian / Alaska Native	Pacific Islander	Other Race	Two or More Races
United States	69.6%	18.6%	5.8%	12.9%	1.0%	0.2%	7.0%	3.5%
Colorado	79.5%	21.8%	3.3%	4.3%	1.1%	0.2%	7.7%	4.0%
Greeley, CO MSA	81.7%	29.0%	1.7%	1.3%	0.9%	0.1%	11.0%	3.3%
Fort Collins, CO MSA	89.2%	11.4%	2.3%	1.1%	0.7%	0.1%	3.5%	3.2%
Boulder, CO MSA	86.0%	13.8%	4.6%	1.0%	0.6%	0.1%	4.6%	3.1%
Denver-Aurora-Lakewood, CO MSA	75.7%	23.8%	4.5%	5.9%	1.0%	0.2%	8.5%	4.2%
Longmont, CO	82.6%	24.2%	3.7%	1.1%	1.0%	0.0%	8.4%	3.3%
30-Minute Drive Time	85.3%	14.7%	4.6%	1.1%	0.7%	0.1%	4.9%	3.3%
60-Minute Drive Time	75.8%	25.6%	4.0%	5.5%	1.0%	0.2%	9.4%	4.1%
90-Minute Drive Time	78.3%	22.3%	4.0%	4.7%	0.9%	0.1%	7.9%	3.9%

Sources: Esri, Johnson Consulting

ECONOMY

In 2019, 36,431 people are employed by employers in Longmont. The top 5 industries with the highest number of employees in Longmont include healthcare and social assistance, retail, accommodation and food services, manufacturing, and professional, scientific, and technical. Relative to the distribution of industries in the U.S. as a whole, Longmont has higher concentrations of the following industries: administration, support, and remediation, utilities, accommodation and food services, healthcare and social assistance, and real estate and leasing. Longmont has a lower relative concentration of industries such as management of companies and enterprises, mining, and transportation and warehousing. These findings are presented in Figure 3-8. Location quotients of 1 indicate similar relative concentration of that industry in Longmont, while values higher than 1 indicate higher concentrations, and values lower than 1 indicate lower concentrations.

Figure 3-8

Longmont, CO Employment Industry Location Quotient (2019)			
Sector	Longmont, CO Employment	United States Employment	Location Quotient
Health Care and Social Assistance	7,188	22,216,731	1.33
Retail	5,355	19,586,073	1.13
Accommodation and Food Services	4,873	13,869,519	1.45
Manufacturing	2,320	12,206,279	0.78
Professional, Scientific, and Technical	2,250	10,225,935	0.91
Education	2,211	12,836,307	0.71
Other Services	1,861	8,649,541	0.89
Public Administration	1,532	9,206,951	0.69
Administration, Support, and Remediation	1,499	3,959,393	1.56
Construction	1,378	6,791,202	0.84
Real Estate and Leasing	1,224	4,097,137	1.23
Wholesale	1,212	6,219,071	0.80
Finance and Insurance	1,193	6,009,992	0.82
Arts, Entertainment, and Recreation	647	3,869,040	0.69
Information	597	4,000,530	0.62
Transportation and Warehousing	345	3,773,746	0.38
Unclassified	341	683,536	2.06
Utilities	243	645,809	1.55
Agriculture, Forestry, Fishing, and Hunting	140	685,236	0.84
Mining	18	382,073	0.19
Management of Companies and Enterprises	4	357,574	0.05
Total	36,431	150,271,675	

Source: Esri, Johnson Consulting

Figure 3-9 presents a more specific snapshot of Longmont's economy by listing the top 30 employers in Longmont. As shown, the largest employers are St. Vrain Valley Schools, the City of Longmont, Seagate Technology, West Safety Services, and the two largest hospitals in Longmont. This list represents potential opportunities for partnerships, sponsorships, and advertising at the proposed performing arts center and conference facility.

Figure 3-9

Longmont, CO Major Employers			
Employer	Employment	Employer	Employment
St. Vrain Valley Schools	3,543	Lucky's Market	206
City of Longmont	1,625	Micron Technology	205
Seagate Technology	1,436	Nite Ize	200
West Safety Services	750	Measured Progress	190
Longmont United Hospital/Centura	671	PharMerica	182
UCHealth Longs Peak Hospital	540	Intel Corporation	165
Federal Aviation Administration	484	Woodley's Fine Furniture	159
McLane Western	460	Western Digital	153
Circle Graphics	400	NEOTech	150
Crocs	345	The J.M. Smucker Company	143
GE Oil & Gas	232	Current, powered by GE	125
BC Services, Inc.	220	Sun Construction & Design Services	122
Wiland	220	Golden Triangle Construction	115
Xilinx	215	Mentor Graphics	112
DigitalGlobe	206	Sparkfun Electronics	112

Source: Johnson Consulting, Longmont Economic Development Partnership

These industries and employers represent a diverse, well-balanced, and stable economic base in Longmont. This stability is evidenced in Figure 3-10, which shows the average annual unemployment rate in Longmont, relative to state and national averages. As shown, Longmont's unemployment rate tracked below that of Colorado and the U.S. as a whole every year for the past 10 years. Following the economic recession that occurred early in this decade, Longmont's unemployment rate peaked at 8.1% in 2010, compared to 8.7% in Colorado and 9.3% in the U.S. overall. In 2018, Longmont's unemployment rate was 3.2%. High unemployment rates are indicative of economic and social distress, while communities with extremely low unemployment rates can have trouble filling jobs due to undersized or underqualified labor pools. Longmont does not appear to be at risk for either of these issues.

Figure 3-10

Longmont, CO Unemployment Rate* (2008-2018)			
Year	United States	Colorado	Longmont
2008	4.6%	4.8%	4.3%
2009	5.8%	7.3%	6.4%
2010	9.3%	8.7%	8.1%
2011	9.6%	8.4%	7.9%
2012	8.9%	7.9%	7.6%
2013	8.1%	6.9%	6.4%
2014	7.4%	5.0%	4.7%
2015	6.2%	3.9%	3.7%
2016	5.3%	3.2%	3.1%
2017	4.9%	2.7%	2.7%
2018	4.4%	3.3%	3.2%

*Average Annual Rate (seasonally unadjusted)

Sources: US Bureau of Labor Statistics, Johnson Consulting

CONSUMER SPENDING & BEHAVIOR

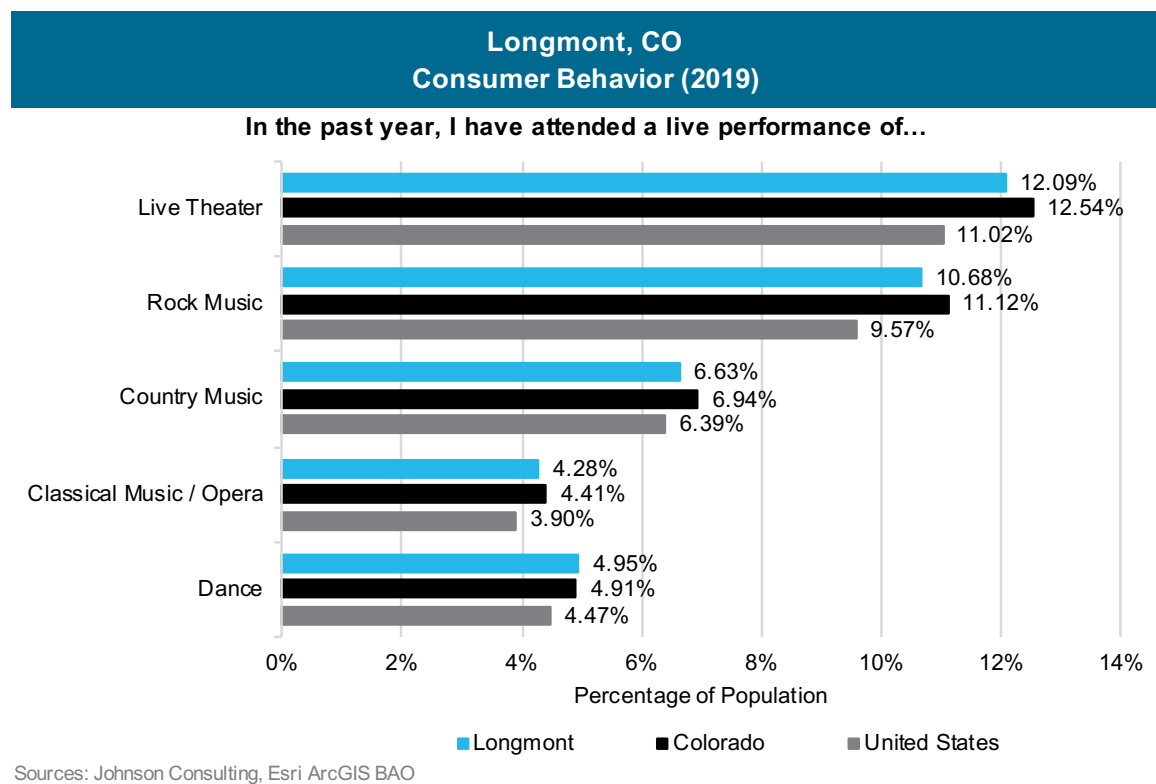
Consumer spending and behavior metrics related to performing arts type activities can be used to gauge the market's capacity to support a performing arts facility. In 2019, Longmont residents spent an average of \$87 on tickets to theatre / opera / concerts. This is higher than the spend per person for Colorado (\$83) and the United States as a whole (\$75), and approximately average relative to the adjacent metropolitan areas and drive time radii. These spending metrics are presented in Figure 3-11. Longmont residents also attended these events at higher rates compared to Americans as a whole across a number of genres, although these rates were slightly below the average for Colorado in many cases. These metrics are presented in Figure 3-12.

Figure 3-11

Longmont, CO Consumer Spending (2019)	
Tickets to Theatre / Operas / Concerts	
Avg. Per Person Per Year	
United States	\$75
Colorado	\$83
Greeley, CO MSA	\$72
Fort Collins, CO MSA	\$83
Boulder, CO MSA	\$108
Denver-Aurora-Lakewood, CO	\$93
Longmont, CO	\$87
30-Minute Drive Time	\$103
60-Minute Drive Time	\$85
90-Minute Drive Time	\$91

Sources: Esri, Johnson Consulting

Figure 3-12



IMPLICATIONS

Longmont exhibits favorable economic, demographic, and market indicators across the board in terms of evaluating the potential for a community's ability to support an arts and events center, as well as to attract business to such a facility. There is a substantial and rapidly-growing population base in Longmont, the adjacent metropolitan areas of Boulder, Denver, Greeley, and Fort Collins, and within the 30, 60, and 90-minute drive time areas. Longmont has a high concentration of young families relative to state and national averages, indicating that it is attracting these households from around the country, and lending support to the demand that exists for family-oriented programming in the community. The Longmont area is very well educated and has high household incomes that are expected to increase faster than state and national averages. There is a significant corporate presence in the Longmont and Boulder area, which is expected to continue to accelerate in the near future. This will contribute to the area's robust, resilient, and diverse economic base that is home to healthy industry clusters. All of these factors are indicative of a market with a high affinity for participation in arts-related programming as well as solid demand for meetings, conferences, and other types of events.

SECTION 4
INDUSTRY TRENDS

INDUSTRY TRENDS

This section provides insight into the meetings, events, & performing arts industry, including an industry overview along with research and trends, such as historical statistics, the current state of the industry, and future market trends. This section focuses on the impact of broader economic conditions, as well as the overall health of these industries, and will address the temporary but dramatic impact of COVID-19.

MEETINGS & EVENTS INDUSTRY

The purpose of this section is to elaborate on the many dimensions of the meetings and events industry and to establish a standardized terminology that will be used throughout the rest of this report. The following subsections will outline the various types of facilities, types of events, and event sponsors that are present within the industry.

TYPES OF FACILITIES

Each event type has unique facility needs. Certain events require large amounts of contiguous space, while others require many smaller meeting rooms. Often a single meeting will use many different types of spaces, such as large exhibit halls, banquet facilities, breakout meeting rooms, and theater seating. The diverse nature of this industry and the characteristics of various event types necessitate a variety of facility types. The main types of public assembly facilities are summarized as follows:

- **Hotel and Meeting Room Facilities:** Many markets have developed a multipurpose or small convention or conference center complex within or adjacent to a hotel, as a means of improving the lure of the hotel and subsidizing its operations. These facilities, which have been undertaken in markets of varying sizes, are frequently developed through public-private partnerships whereby the public sector may assemble land, build parking, and fund meeting space components as a way to execute a project. Often the various project elements are developed as a joint project, in terms of timing, but in some markets, the public elements have been built first with the hotel coming later.
- **Conference Centers:** Conference centers provide a specialized combination of meeting spaces, high-tech amenities, and services in support of training and education initiatives. Most conference centers are operated in conjunction with a hotel, although some are part of a university and a small number operate as stand-alone venues.
- **Convention Centers:** On a larger scale, convention centers combine the meeting capabilities of a conference center with exhibit space. These facilities are designed to meet the broad needs of the Meetings, Incentive, Convention, and Exhibition (M.I.C.E.) industry and primarily serve as economic development enterprises for the community. Their mission is to bring outside visitors and associated spending into the community, although they may also host large locally oriented consumer events.

- **Exposition Halls:** These facilities focus exclusively on product and consumer shows that require little meeting space. Pure exposition halls generally exist in markets that have other convention and/or meeting venues available or in situations where the private sector has responded to a lack of supply by developing an inexpensive facility. Fairgrounds also offer facilities that are exposition-oriented.
- **Trademarts:** Trademarts or merchandise marts typically combine an exhibit facility, permanent display space that is occupied by businesses under long-term lease agreements, and specialized office space. These facilities provide space for the wholesale distribution of products in specific industries, including furniture, clothing, sporting goods, and computers. These facilities occur in large cities that serve as regional wholesale and marketing centers.
- **Fairgrounds:** Fairgrounds combine a number of assembly and exposition elements on a large campus. Facilities may include one or more exhibition halls, along with arena and meeting hall functions, although little meeting space is usually offered on the property. Typically located away from downtown areas, fairgrounds provide acres of parking for large events.
- **Events Centers:** Events centers, or arenas, are used as multi-purpose facilities to host a wide range of events, from small to mid-size conventions, and trade shows, to sporting events, concerts, and banquets. These facilities typically host many more locally oriented events than dedicated exhibit and ballroom space within convention centers. Events centers also incorporate breakout and meeting rooms, and often have a full commercial kitchen to cater banquet events.

TYPES OF EVENTS

As outlined above, the events industry is comprised of various different types of events, including:

- **Conventions or Congresses:** These are privately held meetings of professional groups and associations that commonly take place in hotels, convention centers, or civic centers. These meetings attract association members and/or affiliates wishing to meet similar professionals and share ideas.

A convention can consist of a single meeting or a number of concurrent meetings during the event period, and are increasingly featuring exhibits to communicate ideas. These types of conventions are known as “conventions with exhibits.”

Conventions are generally “high-impact” events since attendees normally stay several nights in the host city, generating hotel room nights. In addition to hotel expenditures, attendees purchase other goods and services while in the city such as food and beverage, souvenirs, and transportation that not only contribute to local business but also increase local and state tax revenues.

- **Temporary Expositions and Tradeshow:** These events are designed to bring buyers and sellers of industry-specific products together. Trade shows usually cater to a specific industry, however, multi-industry “trade fairs” also occur. Most trade show events are not open to the public.

Like conventions, trade shows offer a forum for exchanging industry ideas. They differ from conventions, however, because they are more product and sales-oriented. Tradeshows are exhibit-intensive, and exhibitors prefer column-free, single-story, open-space facilities in which they construct temporary custom booths for product display. Tradeshows typically attract a large number of attendees, who originate from outside the host city but tend to have a shorter average stay than convention attendees.

The event programs run for a period of three to six days, with equal or slightly less time allocated to setting up and tearing down the event booths. Therefore, individual attendees may have less impact on the host city's economy than a convention attendee.

- **Assemblies:** These are largely association, fraternal, or religious events that require a large plenary hall, arena, or stadium. Similar to conventions, they are characterized by large numbers of attendees originating from outside the host city.
- **Conferences:** These are smaller convention-type events and are typically held in meeting rooms and ballrooms or in formal conference centers. Like conventions and congresses, they are often sponsored by associations and corporations, and address current issues and information. Attendees and users typically demand high-quality facilities and most originate from out of town.
- **Incentive Meetings:** The corporate market uses incentive meetings as a way to reward employees, combine recreation and business meetings, or to mix employees and clients in a business and recreational setting. Product launches, key account conferences, and award events are all-important aspects of this type of event.
- **Consumer Shows:** These are public, ticketed events featuring exhibitions of merchandise, such as clothing, food, and antiques. These events are typically held in public assembly facilities such as hotels, convention centers, and exposition centers. They normally attract large numbers of attendees, and depending upon the size, location, and type of merchandise being displayed, these shows normally attract primarily local residents.
- **Entertainment Events:** Including performing arts, concerts, sporting events, and circuses that can be accommodated by a variety of facilities. Although entertainment facilities will typically be dedicated to one or more specific uses, multipurpose venues, such as convention centers, can accommodate a large variety of events, especially if they are designed appropriately. Entertainment event promoters require unobstructed space to arrange the performance and to allow attendees to view the show.
- **Permanent Expositions:** Permanent expositions are designed to promote commerce by establishing permanent exhibit areas for manufacturers. Although these facilities cater primarily to businesses, the general public is usually allowed to enter. Show promoters, however, discourage public attendance, as the primary intent of the exhibition is to promote wholesale trade.

EVENT SPONSORS

The meetings industry includes a wide variety of event types that are sponsored by different types of businesses and organizations, including:

- **Corporations:** Business meetings are an integral part of the meetings industry. They represent the majority of meetings held throughout the world, and topics can be as wide-ranging as the industries themselves. For the purposes of this report, corporate meetings will refer to off-site conferences, sales, and incentive meetings, such as the events that are often held at hotels.
- **Associations:** Trade and business associations represent certain industries and strive to keep members informed about current issues related to their industry. Associations sponsor meetings and conventions to serve this educational and informational purpose, and also assist in marketing efforts by holding trade shows where members can display and sell their products.
- **Educational Institutions:** Universities are increasingly recognizing that more continuing education occurs at meetings, rather than in classroom settings, and are becoming an important player in developing and sponsoring continuing education activities and conferences.
- **Government:** All levels of government hold meetings for the purpose of education, discussion of issues, and policy deliberation. In many countries, governments also create and sponsor trade shows in order to support sectors of the economy.
- **Independent Show Organizers, Incentive Houses, and Publishing Companies:** The meetings industry has grown so large that it now supports a growing number of organizations that specialize in the business of producing meeting events. These businesses may work on behalf of corporations and associations, and handle all aspects of a meeting, from booking attendees to event operations. Many publishing companies have trade show and convention management divisions, while incentive houses not only work for their corporate and association clientele but may also develop programs and conferences as moneymaking ventures.
- **Social, Military, Education, Religious, Fraternal, and Ethnic (SMERFE) Organizations:** These organizations typically sponsor convention or assembly events that are not always business-related and tend to be geared more towards social networking and discussion of issues.

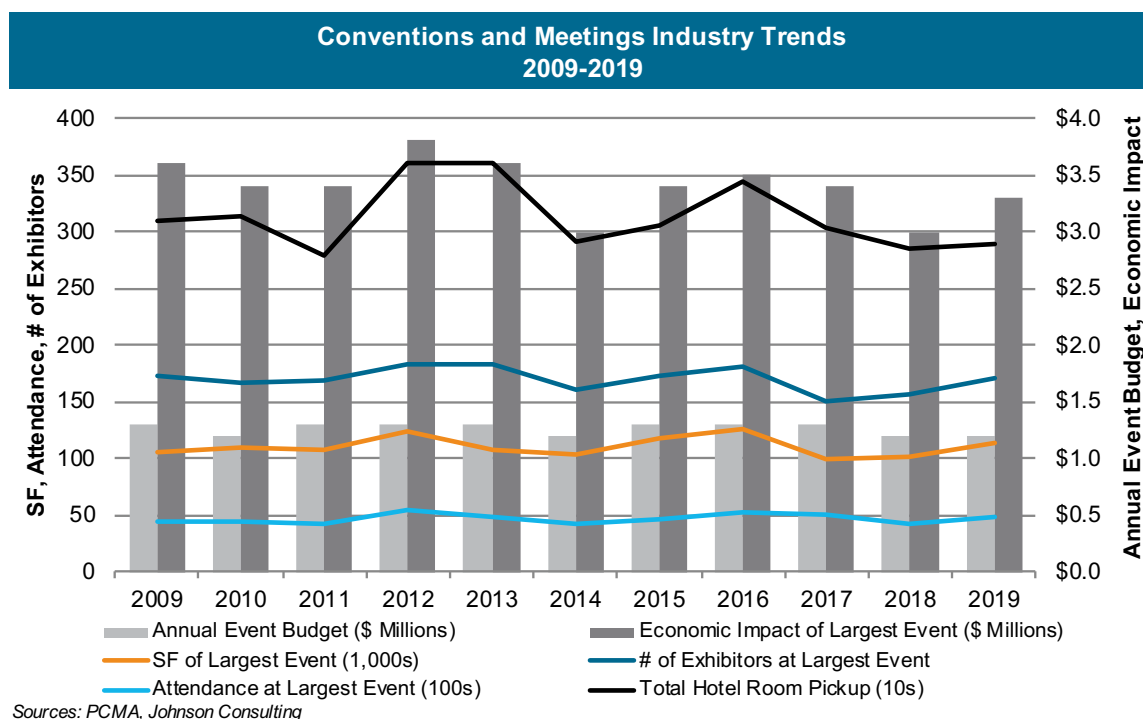
RESEARCH & TRENDS

This section provides insight into the convention, meetings, and exhibition industry, based upon two sources of published data that are widely respected in the industry – 1). Professional Convention Management Association (PCMA), whose members represent conventions, meetings and exhibitions across a range of industries, and 2) Center for Exhibition Industry Research (CEIR), which tracks exhibition events involving at least 3,000 SF (net) of exhibit space and 10 or more exhibitors.

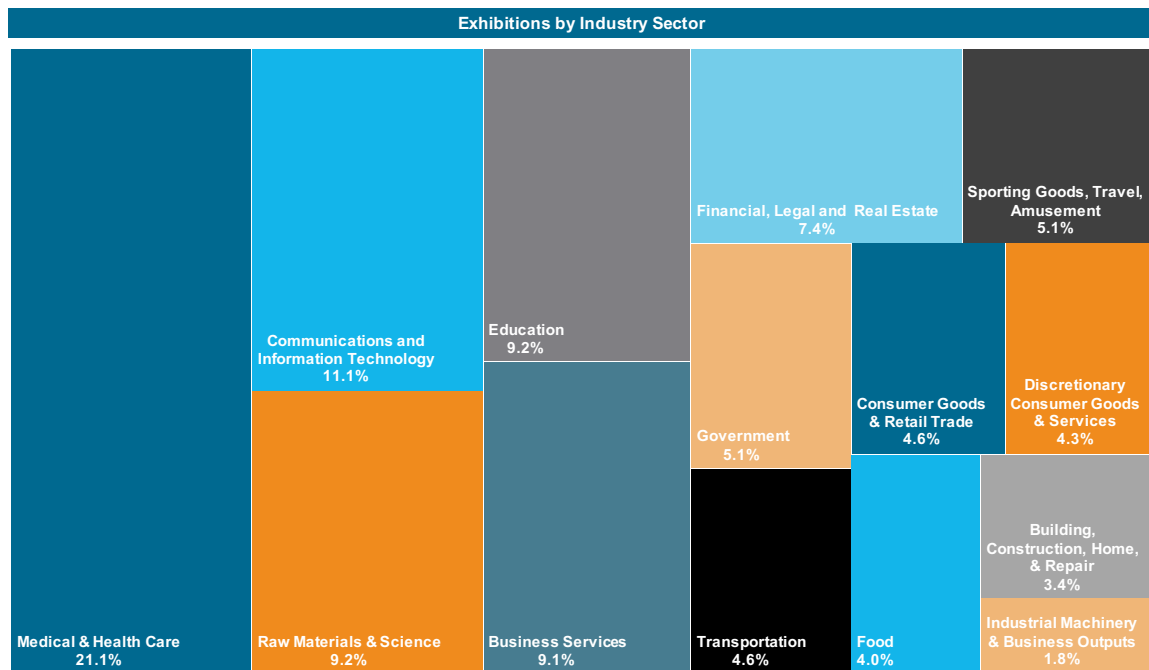
Over the past decade, the convention, meetings and exhibition industry has demonstrated relative stability across a variety of measures. Data from the PCMA's Meetings Market Survey indicates slight increases in

the square footage requirements of organizations' largest events (average annual increase of 0.8 percent), and attendance at organizations' largest events (1.1 percent growth per annum). In contrast, slight contraction is indicated in the number of exhibitors (-0.2 percent growth per annum), total hotel room pickup (-0.7% growth per annum), annual event budget (-0.8% per annum), and economic impact (-0.9% per annum). Figure 4-1 summarizes these indicators and highlights a mature industry that continues to support a wide variety of conventions, meetings and exhibitions, as well as the facilities that host these events.

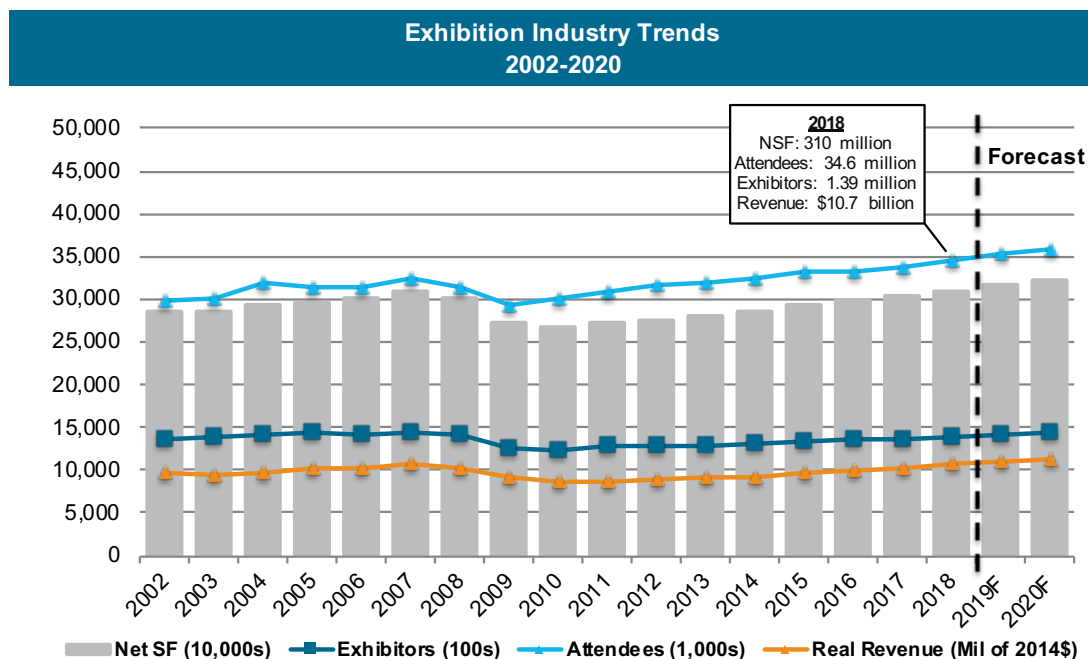
Figure 4-1



The exhibitions industry has also enjoyed steady growth in recent years, following declines that resulted from nationwide economic conditions. This is supported by the 2018 Center for Exhibition Industry Research's (CEIR) Index Report for the exhibition industry. Exhibitions are defined as events with at least 3,000 net square feet of exhibit space and 10 or more exhibitors. This report compiles data from over 600 events that occurred in North America, representing 14 industry sectors. Figure 4-2 provides a breakdown of these events by industry sector.

Figure 4-2

Looking back a couple of decades, steady growth has occurred in the exhibitions industry. As shown in Figure 4-3, the trends between indicators tend to mirror one another. As expected, a period of decline was seen after the economic downturn in 2008, followed by a steady resurgence theretofore.

Figure 4-3

Sources: 2018 CEIR Index Report, Johnson Consulting

THE FUTURE OF MEETINGS & EVENTS

The preceding subsections have established that the convention, meeting, and exhibition industry is stable according to many metrics, while experiencing dramatic growth in areas like eSports. These are valuable insights into the current state of the industry. Moving forward into the future, this industry will be presented with new challenges and opportunities. The Professional Convention Management Association (PCMA) and Marriott International released a report establishing 5 overarching trends that will define the future of the industry, as follows:

- **Emotional Intelligence:** Designing with the end-user in mind. Meetings and events will need to move past reactive adjustments to adopt a proactive approach to personalized experiences, understanding the needs of participants before they arrive.
- **Orchestrated Serendipity:** Engineering and embracing the unexpected for more meaningful moments. Experiences must embrace freedom and surprise, freeing consumers from the constant constraint of schedules or agendas. By embracing the unexpected, we can engage participants and leave a lasting impression.
- **Multimodal Design:** Designing for adaptation and iteration. Every event has a unique objective and audience and a space must reflect each event's specific personality and needs. Space is critical to any event, and should be designed to adapt to the ways that participants will engage.
- **Bigger than Oneself:** Acting on a meaningful message. You can't just provide content anymore. Every event must have a message. Participants want to understand what's important to a business, and experience events that deliver that message down to the smallest detail.
- **Clear Sense of Place:** Leveraging geography for deeper enrichment. The most memorable events celebrate local surrounding, enriching visitors, exposing them to the local culture, and connecting them with the community to increase engagement.

Events and facilities that harness these trends will be well-situated for success in the years to come.

PERFORMING ARTS INDUSTRY

Arts Centers have long been at the forefront of entertainment. While larger shows may take place in football stadiums or basketball arenas, there are myriad events that thrive in much smaller venues. Some of these events may include: comedy shows, TED Talks, concerts, musical plays, dance productions and visual arts productions. Many people consider some combination of these performing arts to be valuable to their community, and more importantly their overall quality of life. As an industry that supports millions of jobs and generates over \$165 billion of economic activity on an annual basis, it is easy to see why so many people support funding for the arts.

INFRASTRUCTURE

While many understand the basics of performances such as comedy shows or concerts, theatrical productions prove to be more complicated when it comes to the technical side of production. There are several different stage types and technical equipment as described below.

- **Proscenium Theater:** The most typical type of stage in theatrical productions –features a rectangular stage opening made from the proscenium arch and the stage floor. The proscenium arch separates the actors from the audience, and is commonly called “the fourth wall.”
- **Theater in the Round:** Also referred to as an area stage theater, this is the type of stage one would find at certain concerts and theatrical productions. It can also be used in conjunction with a proscenium, as is seen at the Grammys or the Oscars. It places the stage at the center of a square or circle, surrounded by spectators on all sides. It is generally thought of as less formal than types like the proscenium theater.
- **Black Box Theater:** This theater type combines features from arena stage and the proscenium theater. It often has seating on three sides or in a semicircle with the stage “thrusting” out into the middle. Usually, the stage is low platform and has a proscenium opening at the back for entry/exit and scene changes.
- **Thrust Stage Theater:** This theater type combines features from arena stage and the proscenium theater. It often has seating on three sides or in a semicircle with the stage “thrusting” out into the middle. Usually, the stage is low platform and has a proscenium opening at the back for entry/exit and scene changes. It can also be referred to as an open stage theater.
- **Fly/Fly Loft:** The system of lines, pulleys, and counterweights / electrical hoists located above the stage that is responsible for dropping in scenery and lifting it back up. It is generally the most challenging and expensive part of the stage to consider. The fly loft, which is the structural tower that accommodates the fly system, should be at least 2.5 times the height of the proscenium to allow a full-length curtain to be raised completely out of audience view without exceeding the travel distance of standard counterweights.
- **Green Room:** The waiting room for those involved in the show before they go on stage. If there is a high-profile individual, they will usually get their own room. Bigger groups will also get a green room, but it will be separate from that of the high-profile individual.
- **House:** The area where the audience sits, which is basically the front of the stage and beyond. The term is also used to describe the audience in general.
- **Orchestra Pit:** A sunken area directly in front of the stage created for an orchestra in musicals or operas. It is not meant to be seen by the audience.

- **Rake:** The angle of the stage floor so that it is not horizontal. A traditional raked stage has an upstage area that is raised higher than the downstage area.
- **Set:** The physical scenery used to describe the setting of a particular point in a play. These items will generally be dropped from and lifted back to the fly loft.
- **Scene Shop:** An area backstage where scenes and sets are built.
- **Trap:** An area below the stage where individuals can be raised on and off the stage from underneath.
- **Wings:** The offstage area to the right and left of the stage where people get ready to come on and off the stage. This area will have to be bigger if a fly loft is not installed.

RESEARCH & TRENDS

Pollstar is a well-respected researcher and aggregator of information in the live entertainment industry. It obtains data from agents, managers, promoters, and producers of artists and concerts, and provides insights including ticket sales, ticket prices, and gross revenue, which can be analyzed to evaluate the strength of the industry as a whole.

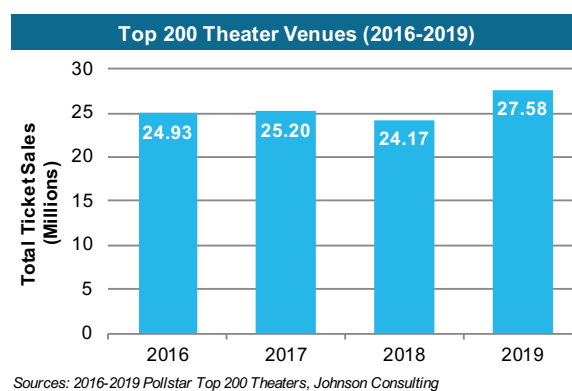
Pollstar gathers data from arts venues throughout the United States and across the world. Figure 4-4 shows the top 25 theater venues in the U.S. with capacities of less than 2,000, representing the approximate range of what is envisioned in Longmont. As shown, the number of tickets sold by these venues in 2019 ranged from approximately 60,000 to nearly 222,000 and gross ticket sales ranged from approximately 2.2 million to over \$14.4 million, equating to average ticket prices ranging from just under \$39 to over \$80 per ticket. These figures are another important consideration when making projections for a performing arts center in Longmont, and they serve as proof that smaller venues are still capable of attracting talent and selling tens or hundreds of thousands of tickets per year.

Figure 4-4

Rank	Venue	Location	Tickets Sold	Gross Sales	Average Ticket Price	Capacity
1	Count Basie Center for the Arts	Red Bank, NJ	221,835	\$12,154,865	\$54.79	1,543
2	Barbara B. Mann Performing Arts Hall	Fort Myers, FL	211,195	\$14,431,708	\$68.33	1,874
3	Mayo Performing Arts Center	Morristown, NJ	166,949	\$9,457,583	\$56.65	1,302
4	Schermerhorn Symphony Center	Nashville, TN	166,633	\$10,488,573	\$62.94	1,844
5	HEB Performance Hall	San Antonio, TX	157,047	\$7,809,569	\$49.73	1,746
6	Moore Theatre	Seattle, WA	152,756	\$7,197,778	\$47.12	1,800
7	Florida Theatre	Jacksonville, FL	137,778	\$5,767,724	\$41.86	1,900
8	Capitol Theatre	Port Chester, NY	130,689	\$8,182,894	\$62.61	1,800
9	State Theatre New Jersey	New Brunswick, NJ	121,906	\$7,215,968	\$59.19	1,850
10	Hershey Theatre	Hershey, PA	113,924	\$6,649,155	\$58.36	1,904
11	Bergen Performing Arts Center	Englewood, NJ	104,043	\$5,566,698	\$53.50	1,367
12	Chevalier Theatre	Medford, MA	100,668	\$5,723,917	\$56.86	1,900
13	Tennessee Theatre	Knoxville, TN	96,638	\$6,055,916	\$62.67	1,631
14	F. M. Kirby Center for the Performing Arts	Wilkes-Barre, PA	76,230	\$3,330,286	\$43.69	1,800
15	Washington Pavilion	Sioux Falls, SD	72,755	\$4,284,247	\$58.89	1,900
16	Dominion Energy Center	Richmond, VA	72,165	\$3,826,961	\$53.03	1,800
17	Wagner Noel Performing Arts Center	Midland, TX	67,780	\$3,683,265	\$54.34	1,819
18	Lincoln Theatre	Washington D.C.	67,315	\$2,968,720	\$44.10	1,225
19	Luther Burbank Center for the Arts	Santa Rosa, CA	63,368	\$4,037,554	\$63.72	1,681
20	Parker Playhouse	Ft. Lauderdale, FL	59,955	\$3,090,310	\$51.54	1,191
21	Mesa Arts Center	Mesa, AZ	58,545	\$3,050,562	\$52.11	1,600
22	Grand Theater	Wausau, WI	56,086	\$2,184,184	\$38.94	1,214
23	Cerritos Center for the Performing Arts	Cerritos, CA	55,186	\$4,442,301	\$80.50	1,721
24	Rialto Square Theatre	Joliet, IL	54,542	\$2,847,280	\$52.20	1,966
25	Merriam Theater	Philadelphia, PA	52,360	\$3,141,769	\$60.00	1,870

Source: Pollstar, Johnson Consulting

Although this report only lists the top 25 theater venues, Pollstar publishes a list of the top 200 theater venues on a quarterly basis. Figure 4-5 illustrates the trend for these top 200 venues over the course of the past few years. As shown, total ticket sales at these venues increased from 24.93 million in 2016 to 27.58 million in 2019. Beginning in 2019, Pollstar began publishing the total gross ticket sales for each of the top 200 venues as well. Total ticket sales for these venues exceeded \$1.84 billion in 2019 alone.

Figure 4-5

Sources: 2016-2019 Pollstar Top 200 Theaters, Johnson Consulting

To provide more of a regional perspective, Figure 4-6 shows venues in Colorado that made Pollstar's top performance lists in 2019, including theaters / auditoriums, clubs, amphitheaters, arenas, and stadiums. As shown, there are a variety of venues with larger capacities throughout the state that draw large audiences and generate millions of dollars in economic and fiscal impacts. Among these Colorado venues, the number of tickets sold ranges from over 397,000 at Red Rocks Amphitheatre (accounting for over \$22.9 million in gross ticket sales) to just under 25,000 at Mishawaka Amphitheatre (accounting for nearly \$758,000 in

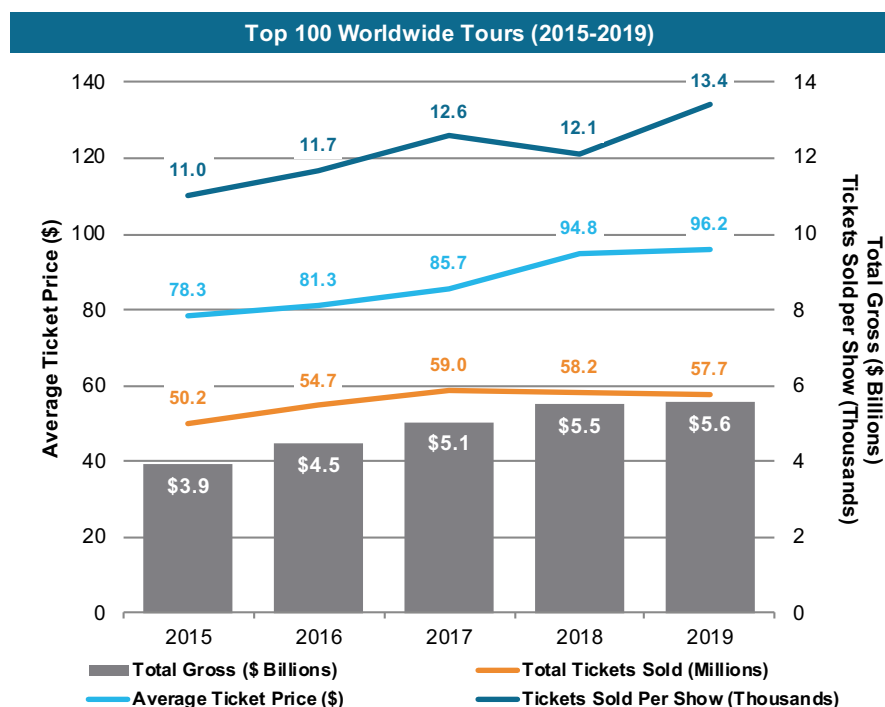
gross ticket sales). Average ticket prices for these venues ranged from just over \$19 per ticket at the Fox Theatre to approximately \$100 per ticket at the Pepsi Center and Coors Field.

Figure 4-6

Top Venues in Colorado (2019)							
Rank	Venue	Location	Type	Tickets Sold	Gross Sales	Average Ticket Price	Capacity
1	Red Rocks Amphitheatre	Morrison, CO	Amphitheater	397,249	\$22,933,809	\$57.73	9,525
2	Pepsi Center	Denver, CO	Arena	389,979	\$39,145,163	\$100.38	18,007
3	Fiddler's Green Amphitheater	Englewood, CO	Amphitheater	136,345	\$7,749,009	\$56.83	17,000
4	Bellco Theatre	Denver, CO	Theater / Auditorium	119,753	\$7,137,069	\$59.60	5,000
5	Boulder Theater	Boulder, CO	Club	108,884	\$3,473,035	\$31.90	850
6	Fillmore Auditorium	Denver, CO	Club	93,724	\$3,113,893	\$33.22	3,700
7	Coors Field	Denver, CO	Stadium	90,193	\$8,960,939	\$99.35	50,398
8	Fox Theatre	Boulder, CO	Club	76,092	\$1,459,178	\$19.18	625
9	Dick's Sporting Goods Park	Commerce City, CO	Stadium	70,574	\$5,638,350	\$79.89	27,000
10	Paramount Theatre	Denver, CO	Theatre / Auditorium	38,848	\$2,363,615	\$60.84	1,870
11	Mission Ballroom	Denver, CO	Theatre / Auditorium	34,983	\$1,815,288	\$51.89	3,950
12	Mishawaka Amphitheatre	Bellevue, CO	Amphitheater	24,635	\$757,539	\$30.75	950

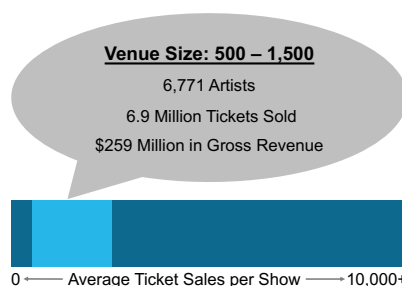
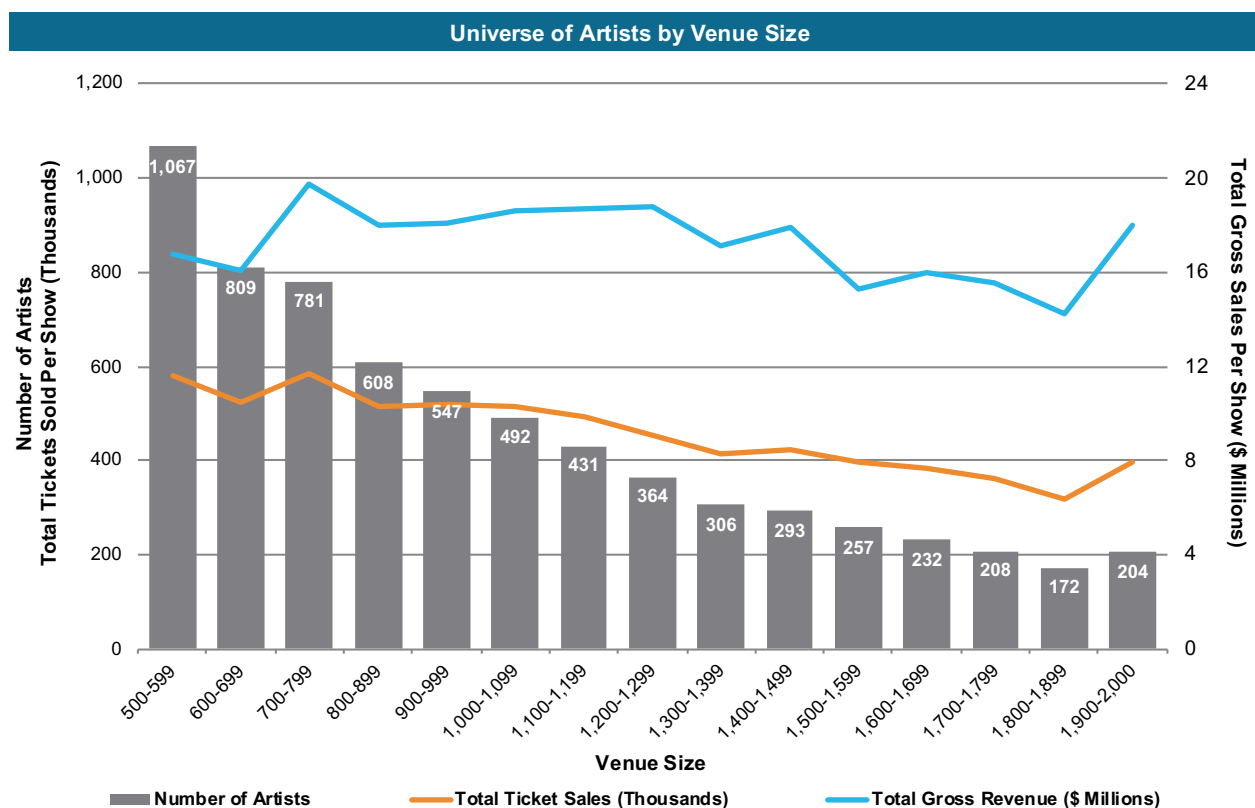
Source: Pollstar, Johnson Consulting

In addition to venue data, Pollstar also provides a wealth of data on specific artists and tours. The 2019 year-end business analysis shows steady growth in the top 100 worldwide tours over the course of the last several years, across various measures. In 2019, these tours accounted for \$5.6 billion in total gross ticket revenue and 57.7 million tickets sold, equating to an average ticket price of over \$96 per ticket and an average of over 13,400 tickets per show. Figure 4-7 shows these statistics for 2015 – 2019.

Figure 4-7

While this data is useful for evaluating the strength of the industry overall, it's unlikely that these "Top 100" caliber tours would be performing at a venue like what is envisioned in Longmont. In order to quantify the universe of demand that could be accommodated by smaller venues, the Consulting Team has pulled Pollstar's directory of artists and aggregated them by the average number of tickets they sell per show, essentially representing the typical size of the venue at which they perform. Of course, artists may perform at smaller or larger venues on occasion, but for the purpose of this analysis, they have been categorized according to this typical venue size. Figure 4-8 presents this data for the universe of artists by venue size, including the number of artists, total ticket sales (in thousands), and the total gross revenue (in \$ millions) for each venue size category between capacities of 500 and 2,000, representing the ballpark venue size envisioned in Longmont.

Figure 4-8



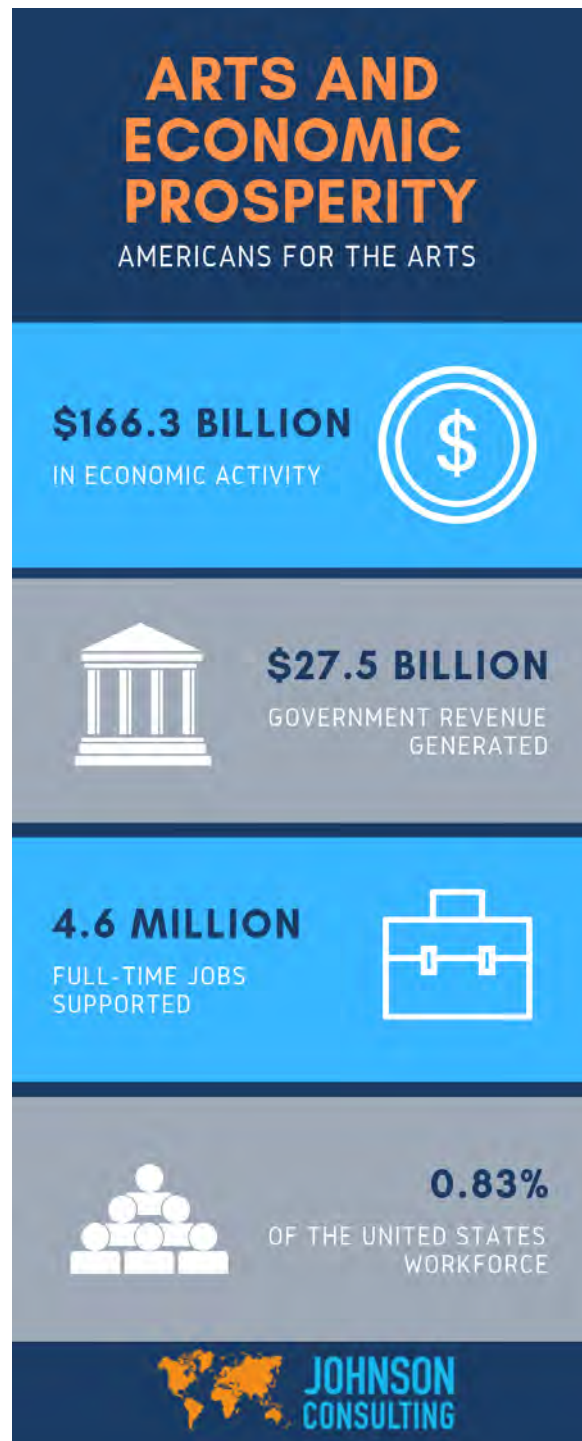
In total, the database contains 6,771 artists that perform in venues for 500 – 1,500 attendees, summing to nearly 6.9 million tickets sold and nearly \$259 million in gross revenue. In other words, the universe of potential commercial demand vast and, given that a venue can recruit an effective talent buyer and sales team, tapping into this market can prove to be a significant revenue generator.

A major constituent within the performing arts industry is nonprofit arts and cultural organizations, such as the organizations that comprise LPAI. Every five years, Americans for the Arts releases a research study named Arts and Economic Prosperity, which details the economic impact of these organizations and their audiences. Currently, the publication is on its fifth edition and highlights data primarily from 2015, the most recent year of the survey. The study includes data about spending, jobs, revenue, and household income among others – the highlights are summarized in Figure 4-9.

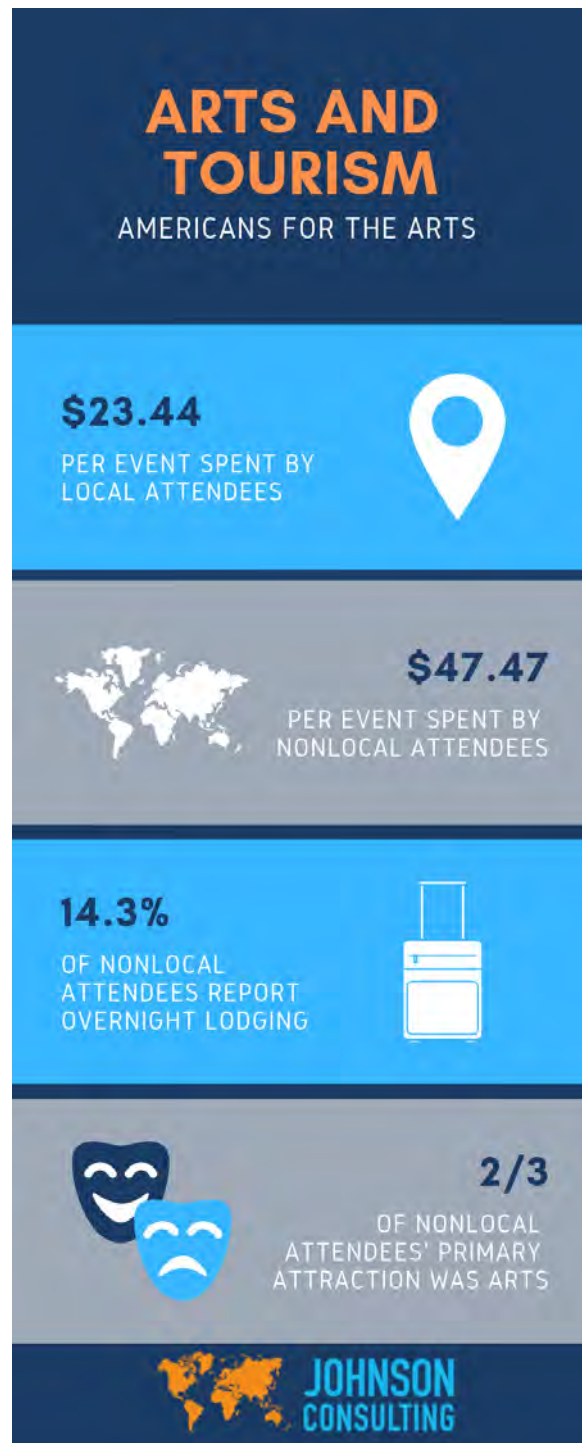
In 2015, nonprofit arts & cultural organizations and their audiences accounted for a total of \$166.3 billion in economic activity. This figure can be broken down into two parts – spending by organizations, \$63.8 billion, and spending by audiences, \$102.5 billion. As a multibillion-dollar industry, one can imagine the financial impact this spending has on government revenue as well. In total, these organizations generated \$27.5 billion in government revenue, including \$15.7 billion from audiences and \$11.9 billion from the organizations themselves. Compared to the budgets most municipalities provide for nonprofit arts & cultural groups, this is a substantial return on investment.

In addition to spending and government revenue, the arts are essential in generating the resources that help a community thrive – jobs & income. 4.6 million total full-time equivalent jobs were supported through this industry, creating \$96.1 billion in resident household income was created from these jobs. Ultimately, nonprofit arts & cultural organizations are a major economic force.

Figure 4-9



These arts and cultural activities are also a major driver of the tourism industry for the markets in which they operate, as they have the ability to draw attendees locally and from other counties. The reason it is so important to attract visitors from out of town is their propensity to spend more money – and thus generate more revenue for local economy. While the average attendee spends \$31.47 per person per event, this number is weighted because on average only 34% of attendees are non-local, meaning they reside outside the county in which the event is taking place. Local attendees only spend \$23.44 per person per event, compared to \$47.57 for non-local attendees. This means that on average, individuals attending from out of town spend more than twice as much as those attending their local event. This creates an enormous increase in revenue and economic activity. Of the non-local attendees, 14.3 percent reported overnight lodging – another big economic generator for a community. 2/3 of all nonlocal attendees' primary attraction was the destination's arts and cultural scene, while the remaining 1/3 were attracted primarily for another reason, but chose to engage in the arts and cultural scene as well. Figure 4-8 highlights these statistics.

Figure 4-8

IMPLICATIONS

The meetings and events industry, like any, is subject to the expansion and contraction of the national and global economies. While the industry suffered during the most recent economic recession at the end of the last decade, it has since rebounded to pre-recession levels and in many respects, has served as a catalyst for economic recovery and growth. In order to gauge likely future conditions in the marketplace, it is important to consider the current position in the business cycle and the broader outlook for the economy. Of the 4 stages of the business cycle – 1) Recession; 2) Trough; 3) Expansion; and 4) Peak – the Federal Reserve indicated that the U.S. economy started 2020 in the expansion stage, but the pandemic caused a major economic disruption. Following a sudden decline in March and April, economic activity gained momentum and while the outlook remains uncertain, there are positive signs of recovery, albeit along an elongated curve – most likely a “U” shape meaning that the Trough stage of the business cycle is projected to be elongated, especially in the meetings, events, and performing arts industries.

Indeed, the convention, meetings and exhibition industry plays a critical role in providing stability and propelling economies forward even as business and economic cycles fluctuate. The industry is a driver of global innovation with an enormous economic impact and convention centers will continue to serve as venues for the exchange of knowledge, culture, and capital – a defining component of economic innovation. Accordingly, convention centers and other types of meeting and event venues should be viewed as strategic investments in the future of our communities.

There are millions of events and performances happening annually throughout North America and around the world in the meetings, events, and performing arts industries. Despite being mature industries, these markets have enjoyed stability and modest growth over the past decade, which is evidenced by the data published by PCMA, CEIR, Pollstar, and Americans for the Arts. This data indicates long-term stability across many indicators that measure events, event budgets, ticket sales, attendance, and revenue, and forecasts rebounds to be made once the COVID-19 pandemic subsides. While it is difficult to forecast when this could occur, the facilities recommended within this report would not be opening their doors within the next 2 years at a minimum, given the significant time that would be required to navigate the financing, planning, design, and construction phases of development.

Longmont is well-positioned to capitalize on the long-term health of these industries by making strategic investments in facilities to host these activities. These facilities would certainly provide a public amenity to the existing Longmont community, and could also attract regional and national activity, generate significant economic and fiscal impacts, and catalyze future growth in the community.

SECTION 5

COMMUNITY ENGAGEMENT OVERVIEW

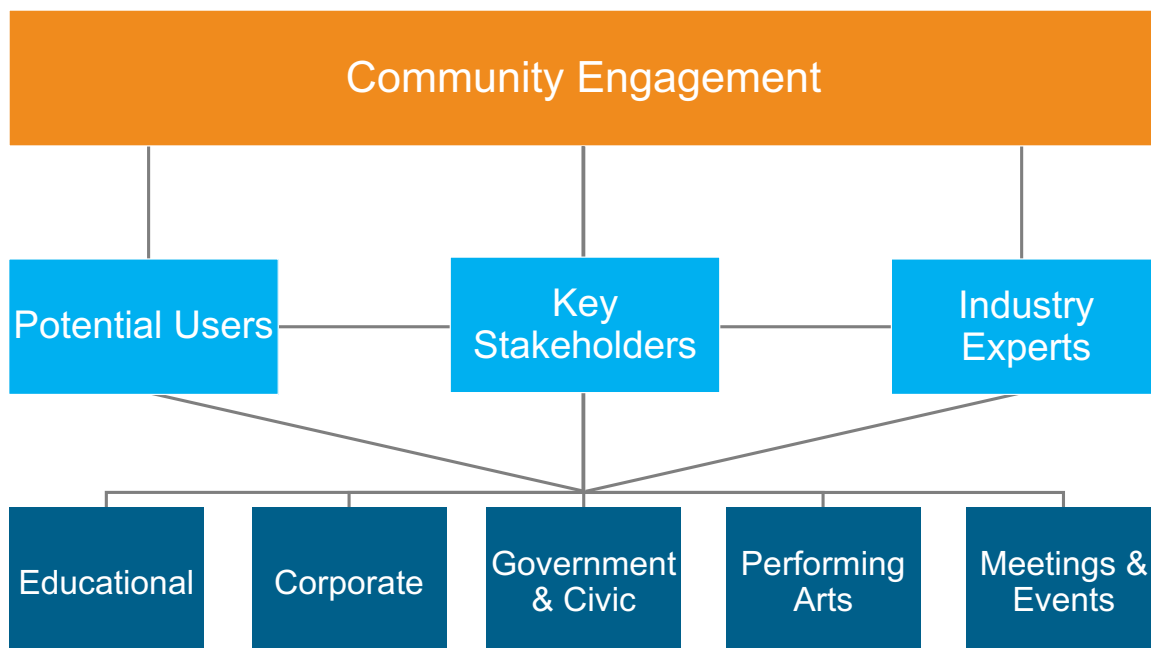
COMMUNITY ENGAGEMENT OVERVIEW

The engagement of the community of Longmont was emphasized as a priority of this study from the outset. As with any project of this magnitude, it is crucially important to engage with a wide variety of individuals and organizations throughout the community in order to foster a sense of buy-in and inform the study's observations, conclusions, and recommendations. The Consulting Team engaged the community via two methods: individual interviews conducted in person or via phone, and online surveys. The following subsections expand on these methods of engagement and outline the findings of each.

INTERVIEW SUMMARY

Beginning at the Kickoff Meeting on October 1 and 2, 2019 and continuing throughout the duration of the project's completion, the Consulting Team conducted more than 50 interviews and focus groups with a variety of potential users of the proposed facility, key stakeholders in the Longmont community, and industry experts in their respective arts and/or hospitality fields. These engagements helped us to understand the performing arts and meeting and events demand that exists in Longmont, the facilities that currently serving that demand, and the market opportunities that exist for the proposed facility. Figure 5-1 outlines the scope of the community engagement effort, including the types of entities that were targeted.

Figure 5-1



These entities represent a broad spectrum of community leaders and representatives of the educational, corporate, civic, performing arts, and meetings and events sectors that are familiar with Longmont and its demand, infrastructure, and local culture. A complete list of the entities engaged in this process is presented on the next page.

ASM Global / AEG Presents	Longmont Downtown Development Authority
Best Western Plaza Hotel	Longmont Economic Development Partnership
Bonnie & The Clydes	Longmont Museum
Boulder County Fairgrounds	Longmont Performing Arts Initiative
Centennial State Ballet	Longmont Symphony Orchestra
City of Longmont	Longmont Theatre Company
City of Longmont Planning & Development	Longmont United Hospital / Centura
City of Longmont Redevelopment & Revitalization	Longmont United Hospital Foundation
City of Longmont Community Services	Lyons Gaddis
Colorado Society of Association Executives	Meeting & Event Planners

50+

Meetings with Potential Users, Key Stakeholders, & Industry Experts

ConferenceDirect	Oakview Group
D-Barn Reception Hall	RE/MAX Commercial
Longmont Elks Lodge	Seagate Technology
Flatirons Church (Former Convention Center)	Spectra Venue Management
Left Hand Brewing	St. Vrain Valley School District
Longmont Chamber of Commerce	Talent Buyers & Entertainment Producers
Longmont Chorale	The J.M. Smucker Company
Longmont City Council	The Latino Chamber of Boulder County
Longmont Community Foundation	Visit Longmont
Longmont Concert Band	VenuWorks
Longmont Creative District	Woodley's Fine Furniture

LONGMONT...

- Is a community well-versed in planning and engagement that has adopted several plans and reports in recent years. The most relevant of these plans is the Envision Longmont Multimodal & Comprehensive Plan, which was adopted on June 28, 2016. This plan was a community wide planning effort that was designed to engage a diverse cross-section of the community in a discussion about the City's future – providing an opportunity for the community to reflect on Longmont's strengths and assets, and to explore future possibilities. This plan plays a critical role in weaving together previous planning efforts and addresses emerging trends to shape a positive future for the community. This proposed project could contribute to the materialization of the goals and recommendations set forth in Envision Longmont, particularly those summarized on the right.
- Has a variety of tools and mechanisms to provide funding and resources, including Opportunity Zones, Enterprise Zones, the Longmont Downtown Development Authority, the Longmont Urban Renewal Authority, Sales Tax, Lodging Tax, Tax Increment Financing, and Special Districts
- Serves as a residential and corporate hub in the area, but loses retail volume to areas closer to I-25 and loses visitor volume to mountain resorts and Denver proper

THIS PROJECT COULD...

- "Recognize the role community amenities play in the vibrancy of the City and quality of life of residents, encouraging the use of distinctive features in design of the public realm, the presence of arts and cultural programs or facilities, and spaces for people to gather and host events" (Envision Longmont, p. 25)
- "Promote a diverse mix of activity-generating uses in centers and corridors" (Envision Longmont, p. 28)
- "Ensure all Longmont residents have access to arts, cultural, and learning opportunities they need to thrive and prosper" (Envision Longmont, p. 50)
- "Support cultural opportunities by providing meeting rooms, performance locations, collections, resources, educational programs, and activities at City facilities" (Envision Longmont, p. 51)
- Potentially leverage these tools and mechanisms in order to offset the significant construction cost and the operating deficits that are typically associated with these types of projects, depending on the land use and location of the proposed facilities
- Serve as an amenity for existing residents and businesses, as well as attract additional residents and businesses that could help tap into lacking retail and visitor markets

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> ▪ Is severely lacking in the group business market, resulting in a hotel market that is skewed toward peak visitor days & seasons | → | <ul style="list-style-type: none"> ▪ Draw significantly more group business to Longmont and help to boost the hotel market during off-peak days and seasons |
| <ul style="list-style-type: none"> ▪ Has a variety of sites that could both accommodate and benefit from being chosen, as least theoretically, for a Performing Arts Center and/or Conference Center, such as the Old Sugar Mill, the Building STEAM project, the Boulder County Fairgrounds, the Old Plaza Convention Center, and the Quail Campus | → | <ul style="list-style-type: none"> ▪ Redevelop and revitalize sites or areas of Longmont that are currently blighted, capitalize on existing historical or logistical infrastructure that exists on or near the sites, spur development in the areas adjacent to the sites which would grow Longmont's tax base, and serve as a tool for executing Longmont's vision for the future |
| <ul style="list-style-type: none"> ▪ Is known for its concentration of businesses and industries in the high-tech and bio-tech sectors, which has coincided with a strong and well-educated workforce | → | <ul style="list-style-type: none"> ▪ Provide a venue for these businesses and industries to host events, as well as serve as serve demand generated by these employees for arts and cultural amenities |
| <ul style="list-style-type: none"> ▪ Is an attractive community compared to the rest of Boulder County from an affordability perspective | → | <ul style="list-style-type: none"> ▪ Contribute to this affordable reputation by representing a major "value add," and create an image of Longmont as a community that delivers the best "bang for your buck" |
| <ul style="list-style-type: none"> ▪ Currently lacks facilities that adequately meet the needs of local arts organizations, including LPAI, in terms of seating capacity, technical specifications, flexibility for types of use, and dates available for use | → | <ul style="list-style-type: none"> ▪ Provide a state-of-the-art performing arts and events facility that could meet these infrastructure needs, within reason, as well as allow for flexibility in usage and relieve the booking congestion of other local facilities |
| <ul style="list-style-type: none"> ▪ Currently lacks facilities that can accommodate meetings and events of more than 200-300 people, resulting in Longmont's forfeiture of virtually all RFP's for larger events | → | <ul style="list-style-type: none"> ▪ Allow Longmont to begin capturing this lost business as well as provide an option for other non-RFP events that are currently having to go elsewhere for sufficient space |
| <ul style="list-style-type: none"> ▪ Hosts a variety of community events and festivals annually, including Unity in the Community, the Winter Walkabout Music Showcase, Festival on Main, and Longmont Restaurant Week, among others | → | <ul style="list-style-type: none"> ▪ Foster the development of additional community events by providing additional event venues and creating a culture of community engagement and participation |

SURVEY RESULTS

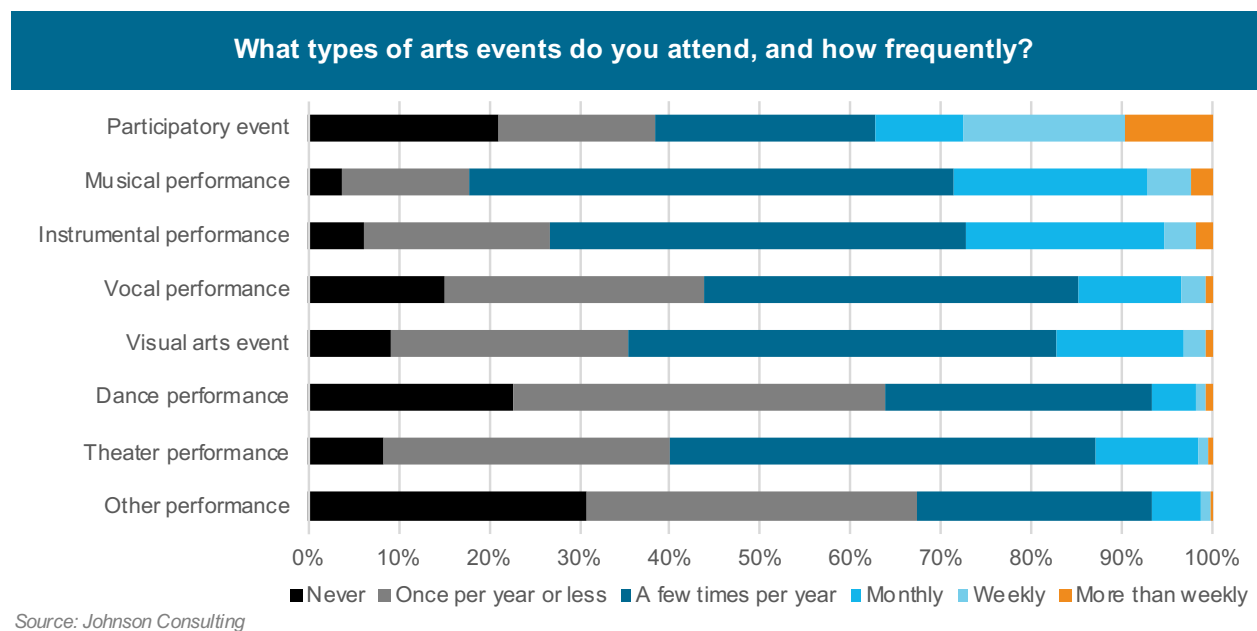
In order to engage a wider segment of the Longmont community, the Consulting Team conducted a pair of surveys – one pertaining to the Arts Center and one pertaining to the Events Center. Both surveys were developed and distributed in collaboration with input from community leaders. Both surveys launched on December 10th, 2019, and both surveys were closed on January 10th, 2020. Each survey had a unique target audience, which will be expanded upon below.

ARTS CENTER SURVEY

The arts center survey was distributed to the Longmont community as a whole – any and all individuals in the community were invited to respond. This survey generated 1,005 responses. It is unknown how many individuals received the invitation to participate in the survey, so it is not possible to calculate a response rate, but this is a healthy number of responses for a community-wide survey in the Consulting Team's experience.

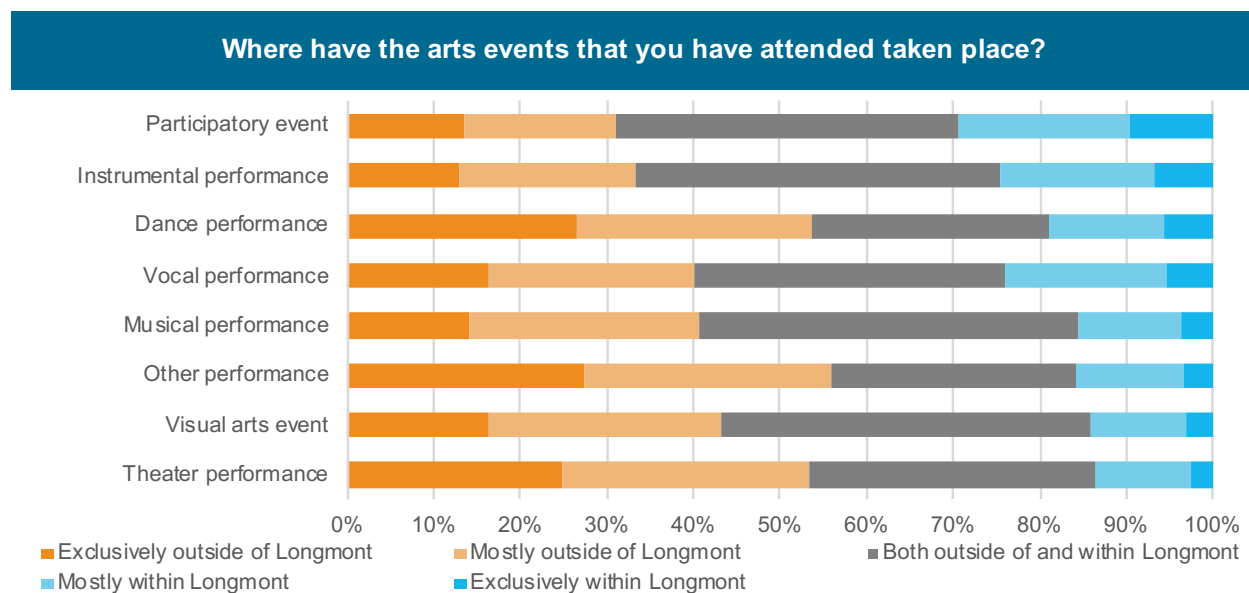
Question 1 of the survey aimed to gauge respondents' current attendance and participation in arts-related events and activities. Although the frequency of attendance and participation varied between different types of events and activities, 82% of respondents reported attending or participating in at least one type of arts-related events and activities a few times per year or more, while just 18% did so once per year or less. Figure 5-2 visualizes the complete survey results for Question 1.

Figure 5-2

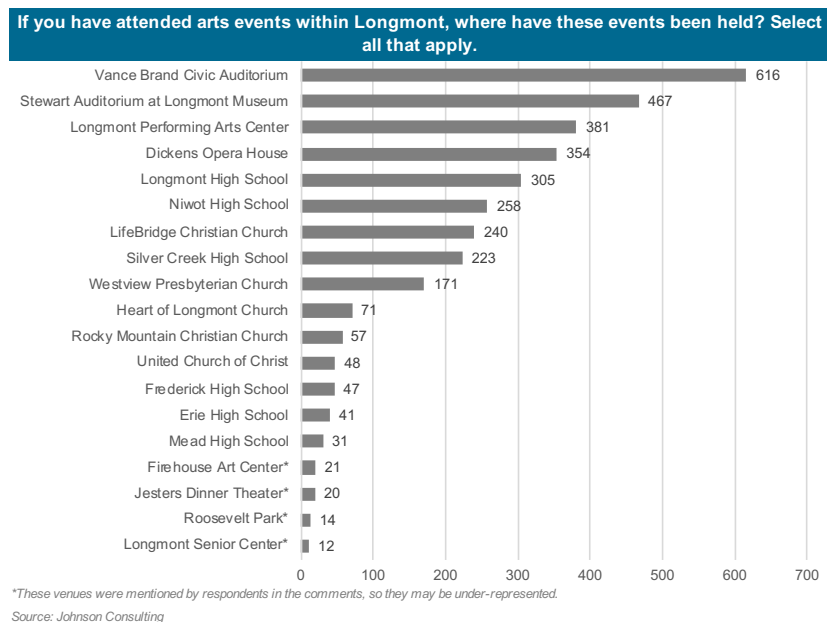
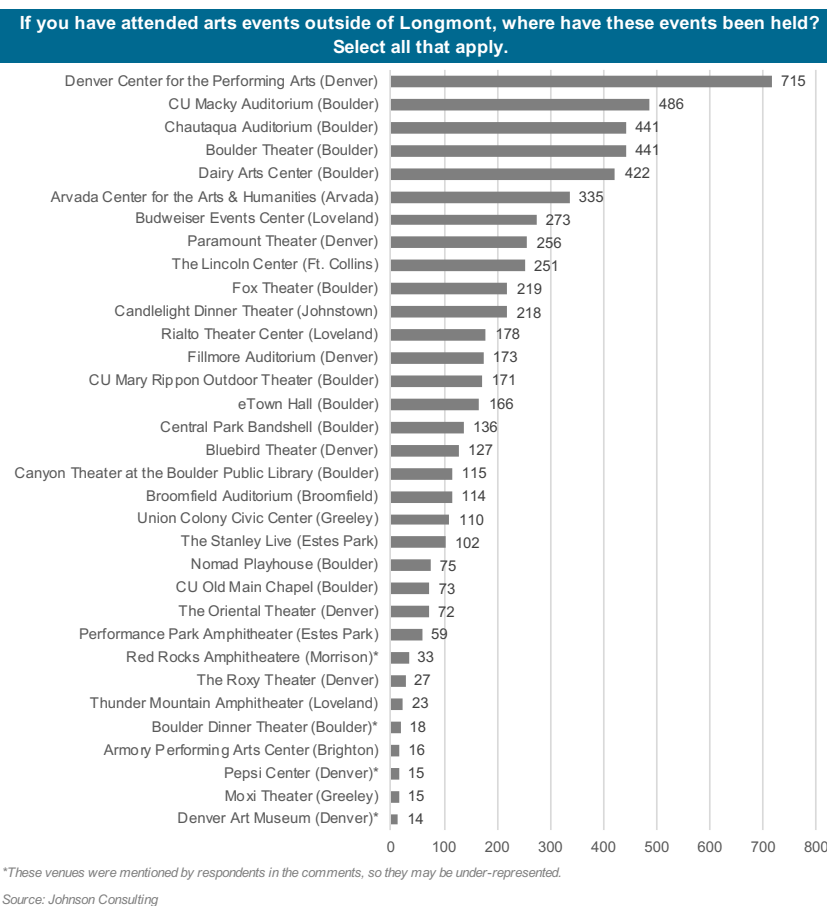


Question 2 of this survey sought to understand where these arts-related events and activities are taking place – either within or outside of Longmont. Again, responses varied depending on the type of event or activity, but on average, 44% of respondents indicated that these events occurred exclusively or mostly outside of Longmont, while just 19% indicated that these events occurred exclusively or mostly within Longmont. This essentially signifies that Longmont is leaking its residents to other communities for participation in and attendance of arts-related events and activities. Figure 5-3 presents the complete survey results for Question 2.

Figure 5-3

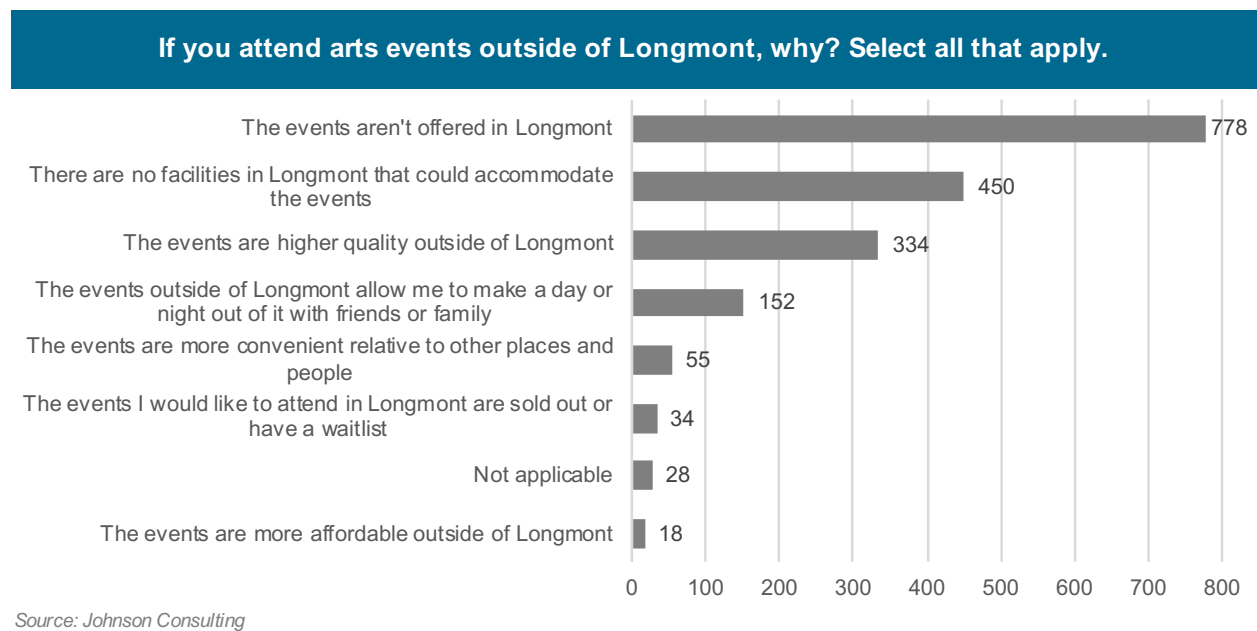


Questions 3 and 4 of the arts center survey asked respondents to list the venues in which these arts-related events and activities had been held. Question 3 pertained to venues within Longmont, while Question 4 pertained to venues outside of Longmont. As shown in Figure 5-4, the top five most visited arts venues within Longmont are the Vance Brand Civic Auditorium, Stewart Auditorium at the Longmont Museum, Longmont Performing Arts Center, Dickens Opera House, Longmont High School. As shown in Figure 5-5, the top five most visited arts venues outside of Longmont are the Denver Center for the Performing Arts, Macky Auditorium, Chautauqua Auditorium, Boulder Theater, and the Dairy Arts Center.

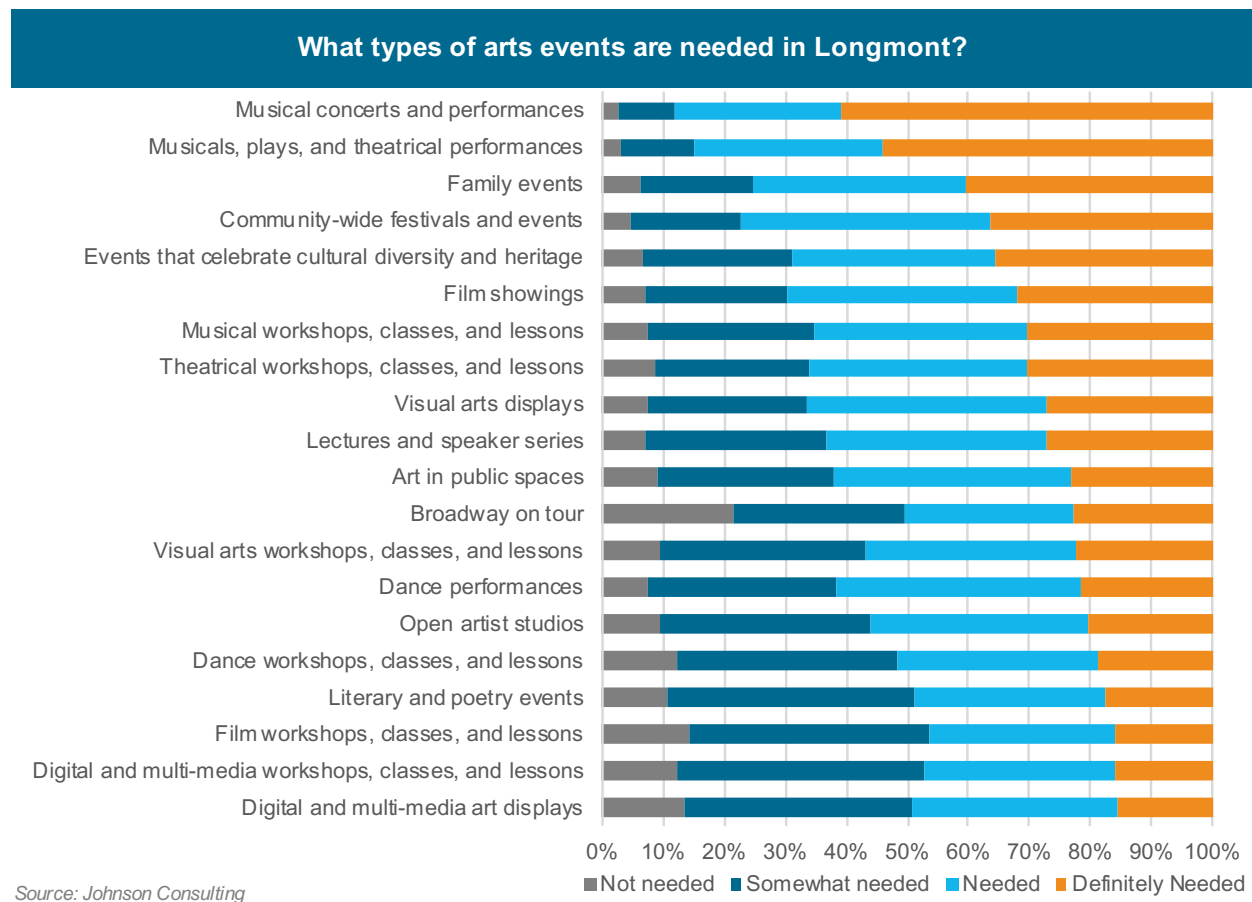
Figure 5-4**Figure 5-5**

Question 5 asked respondents why they had attended arts events outside of Longmont. Respondents indicated that the top two reasons why they left Longmont for these events were due to a lack of arts events and activities being offered within Longmont and due to a lack of facilities within Longmont that could accommodate these events and activities. Figure 5-6 presents the complete survey results for Question 5.

Figure 5-6



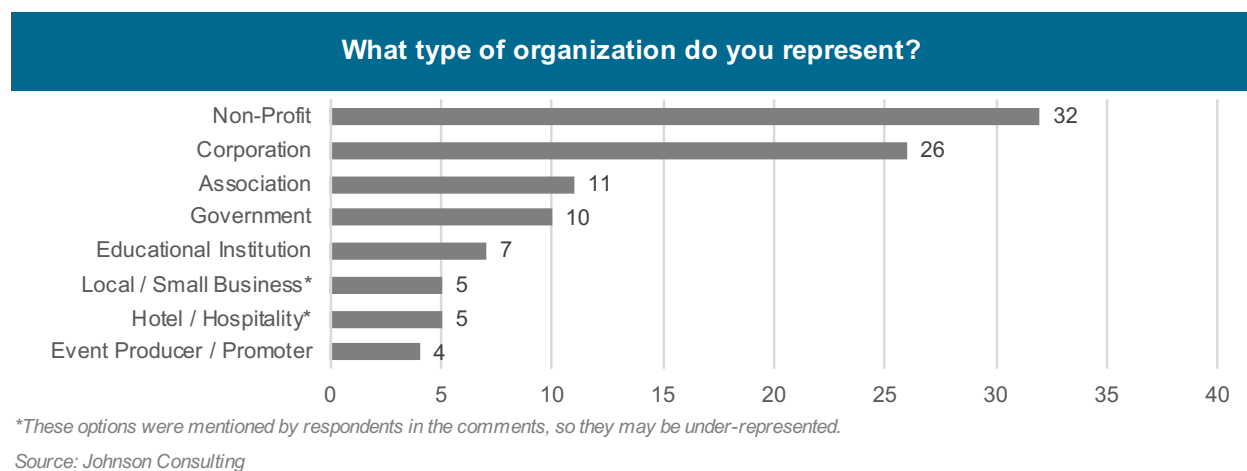
Question 6, the final question in the arts center survey, asked respondents what types of arts events and activities are needed in Longmont. One concern that arose after the survey was opened was that this question did not specify whether or not these types of events are already offered within Longmont, which could have skewed the results for this question. Despite this, the Consulting Team believes that there are still valuable conclusions to be drawn from respondents' interest in musical concerts and performances; musicals, plays, and theatrical performances; family events; community-wide festivals and events; and events that celebrate cultural diversity and heritage. Respondents indicated a lack of interest in digital and multi-media art displays; digital and multi-media art workshops, classes, and lessons; and film workshops, classes, and lessons. The complete survey results for Question 6 are illustrated in Figure 5-7.

Figure 5-7

EVENTS CENTER SURVEY

The events center survey was not designed for the Longmont community as a whole due to the lack of exposure to issues within the meetings and events industry among members of the general public. This survey was distributed to representatives of organizations who regularly hold meetings and events in the area and was intended to have each of these organizations submit one response. As a result, this survey generated 119 responses – again, although a response rate could not be calculated due to the number of survey recipients being unknown, this is a healthy sample size in the Consulting Team’s judgement.

Question 1 of the events center survey measured the type of organizations that responded to the survey, revealing that the top five most common organizational types were non-profits, corporations, associations, government-related organizations, and educational institutions. Figure 5-8 depicts the complete survey results for Question 1.

Figure 5-8

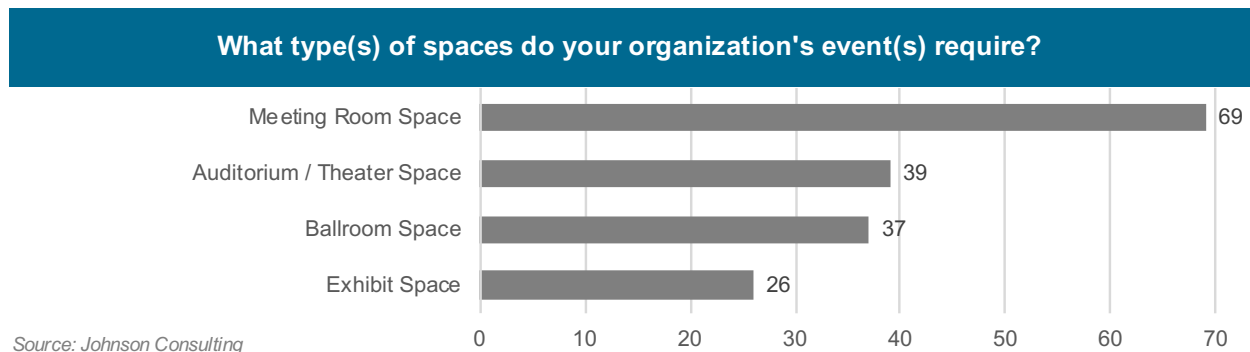
Question 2 asked respondents to indicate how many events their organization typically holds per year. As detailed in Figure 5-9, approximately 25% of organizations do not regularly hold events, 55% of organizations hold 1-10 events per year, and 20% hold more than 10 events per year.

Figure 5-9

Figure 5-10 presents the results of question 3 of the events center survey. As shown, the most common types of events held by these organizations are meetings, entertainment events, and banquets.

Figure 5-10

Similarly, responses to Question 4 show that the most common type of space required by these organizations' events are meeting room space, auditorium / theater space, ballroom space, and exhibit space.

Figure 5-11

Questions 5 and 6 gauged the number of attendees and size of space required for these organizations' events. These questions asked respondents to answer these questions based on their organization's largest event, smallest event, and most frequently occurring event. As shown in Figure 5-12 and Figure 5-13, the majority of organizations have events that draw less than 500 attendees and require less than 5,000 square feet. Larger event facilities are typically valuable in attracting events from outside the local community, as well as generating new local events that demand a larger space. Due to the lack of existing large event facilities within Longmont, it's understandable that there would not be a great deal of events requiring that large a space.

Figure 5-12

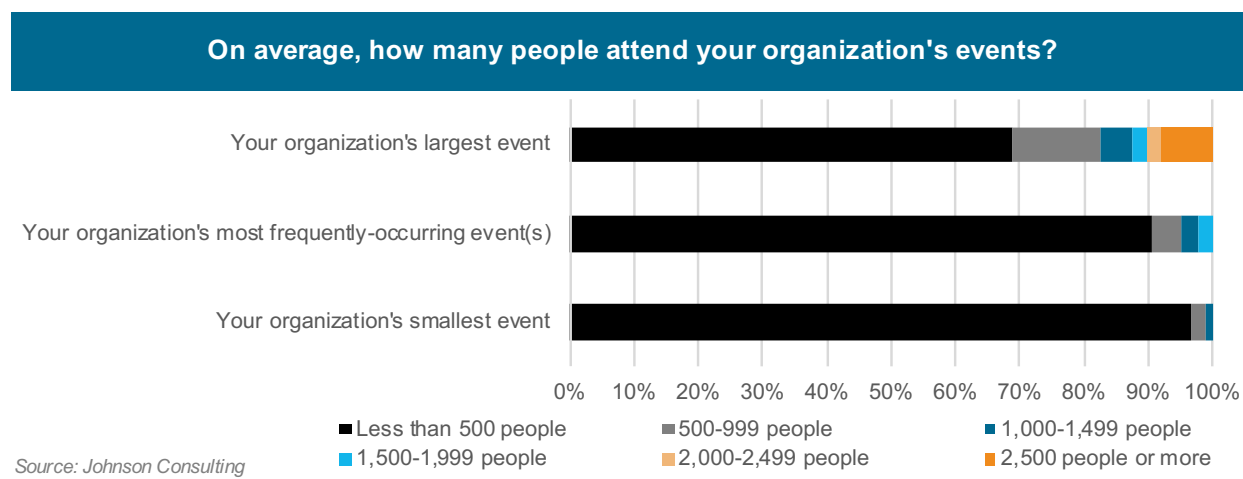
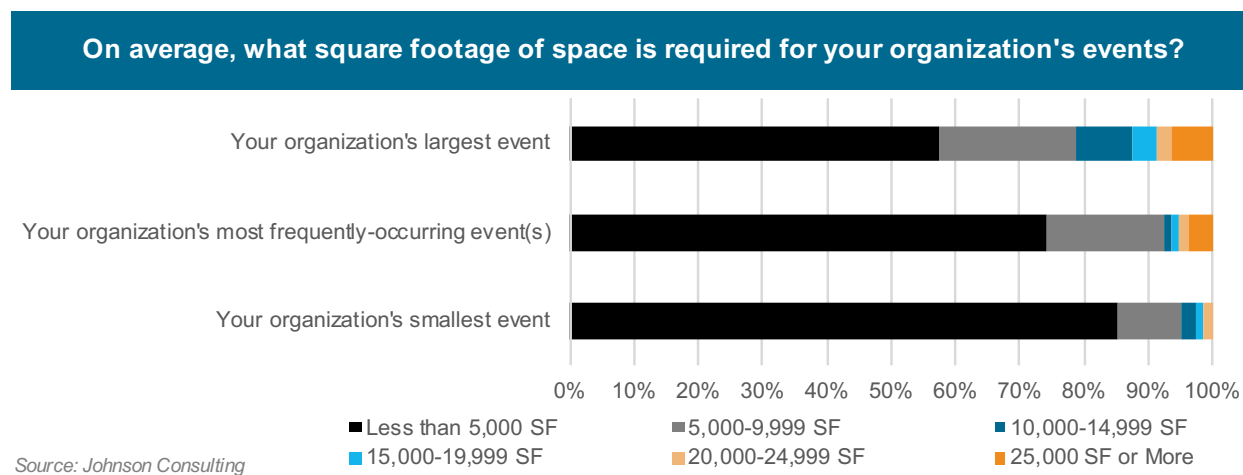
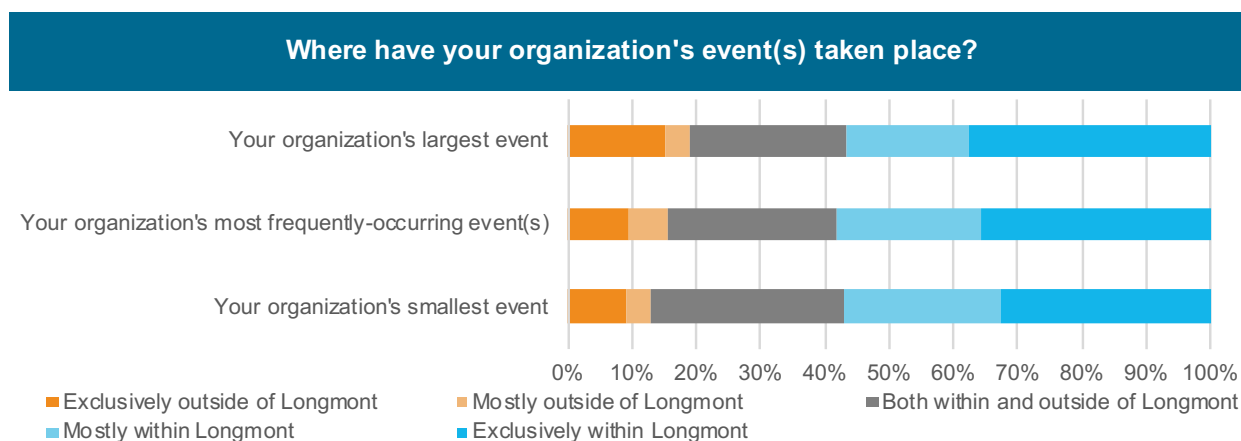


Figure 5-13



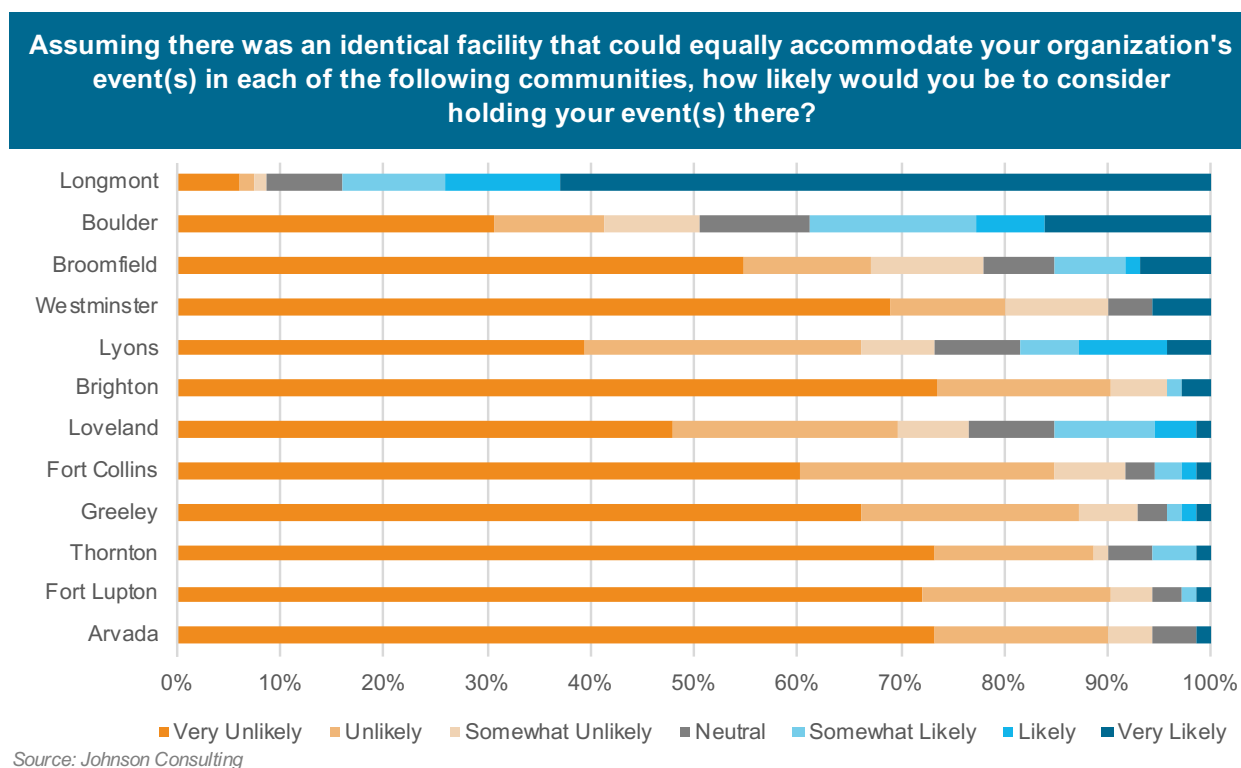
Question 7 asked respondents whether their organization typically holds its events within or outside of Longmont. As shown in Figure 5-14, more than 50% of these events are being held either mostly or exclusively within Longmont, although more than 40% are still being held both within and outside of, or mostly or exclusively outside of Longmont, indicating that there are still a considerable number of events that Longmont could capture if it had an attractive facility to host these events.

Figure 5-14



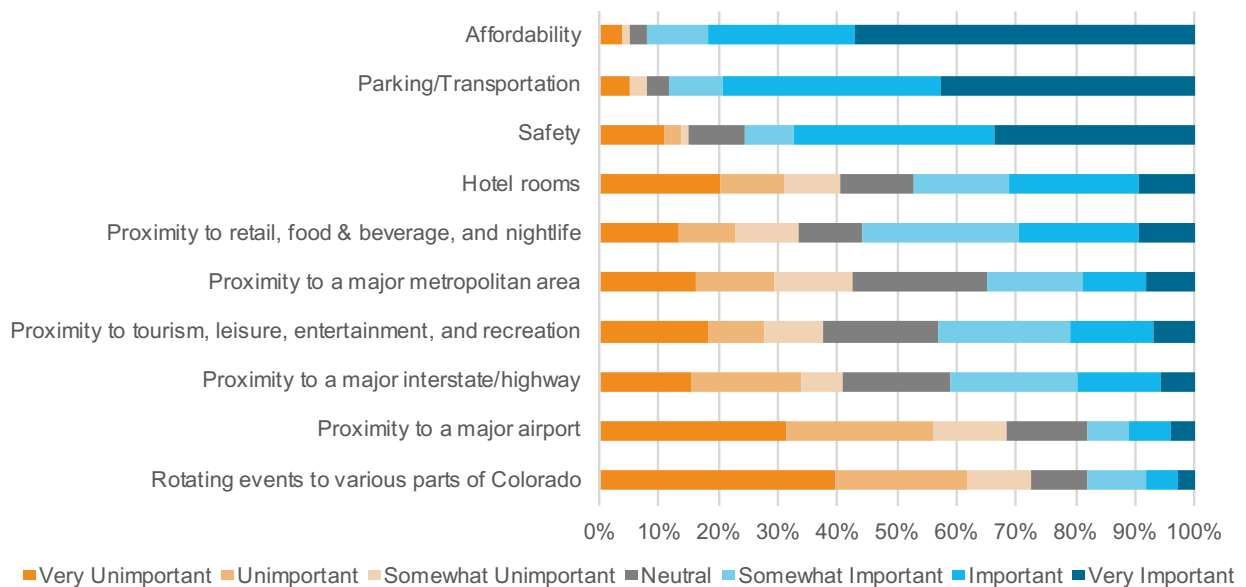
Question 8 asked respondents to indicate their preference regarding which community to hold their location's events, assuming each community had an equally attractive event facility. As expected, the vast majority of respondents indicated a strong desire to hold their organization's events within Longmont, as evidenced in Figure 5-15.

Figure 5-15



Finally, Question 9 of the events center survey provides insight into the most important decision-making factors during the event planning process. Respondents indicated that the most important factors are affordability, parking and transportation, and safety, while the least important factors are rotating events to various parts of Colorado, proximity to a major airport, and proximity to a major interstate or highway. The relative importance of these factors makes Longmont seem like an attractive choice for event planners, although it should be noted that the importance of factors may differ significantly for organizations that are not local to Longmont.

How important are the following decision-making factors when your organization considers where to hold an event?



Source: Johnson Consulting

IMPLICATIONS

The general sentiment in virtually all of the Consulting Team's interactions with individuals and organizations throughout the Longmont community supported the merits of the concept of an arts and events center in Longmont. Many believed that Longmont lacks facilities that are attractive for hosting certain types of arts events, as well as facilities that are adequately sized to host multipurpose events for more than a couple hundred attendees. Interviewees and survey respondents alike believed that the development of a new facility to host these events would be an asset to the Longmont community.

That being said, many of contacts also emphasized a message of practicality. There is a strong desire to establish a case for feasibility – from a market, demand, and financial perspective – before moving forward with a large-scale project of this nature. Longmont community leaders and residents are committed to the financial sustainability of this project, and expect in-depth considerations for both the capital and operational components of a new facility.

SECTION 6
FACILITY INVENTORY & CASE STUDIES

FACILITY INVENTORY & CASE STUDIES

As the proposed arts and event center is further considered, it is important to understand the dynamics that exist between the demand for arts and event activity and the supply of facilities to host these events in Longmont. This type of analysis advises the concept and program for a new facility. The new facility should aim to fill gaps that exist within Longmont's inventory of facilities and to meet the needs of the community without replicating offerings that already exist, which could result in the cannibalization of demand and facility redundancy. It is also informative to conduct case studies that examine communities similar to Longmont with facilities that resemble what has been imagined for Longmont's arts and event center. The following sections will detail and map the inventory of arts and event facilities, as well as the hotel market that supports these facilities, and will present comparative profiles of selected case studies.

FACILITY INVENTORY

Considering the geographic size of the Longmont area and the greater Front Range, its population base, and strong economic profile, there are a number of arts and event facilities in the region. Each facility serves a subset of the marketplace. All facilities serve the areas proximate to them most directly, while only a few facilities serve the entire Front Range region for the largest, most prominent events. The subsections below establish the entire supply of facilities that serve residents in the Longmont area and opines on the degree to which some of these facilities could compete with the proposed arts and event center in Longmont.

ARTS FACILITY INVENTORY

Figure 6-1 and Figure 6-2 present a comprehensive inventory of facilities that serve demand for arts-related events and activities throughout the northern portions of the Front Range region. This inventory constitutes a liberal selection of 57 facilities – it includes relevant facilities within 35 miles of Longmont with less than 5,000 seats. These facilities represent a wide array of sizes, types, and configurations, including auditoriums, theaters, schools, colleges and universities, churches, clubs, and amphitheaters. With the exception of Vance Brand Civic Auditorium, there is a lack of facilities that can accommodate audiences larger than 900 in the areas most proximate to Longmont. Vance Brand Civic Auditorium is limited by booking congestion, conflicts with school district programming, dated infrastructure, and restrictions around food and beverage operations. Boulder's venues that can accommodate more than 900 people also have their limitations. Mary Rippon Outdoor Theatre, and to a lesser degree Chautauqua Auditorium, are subject to inclement weather conditions and are more suited to musical concerts than other fine arts. Macky Auditorium is very difficult to book due to high demand from university-related usage and touring commercial acts and has parking inconveniences. Beyond Boulder, there are no indoor facilities that can accommodate audiences of this size until Fort Collins and Denver, which are at the northern and southern extremes of the market area. For smaller arts functions in Longmont, Stewart Auditorium at the Longmont Museum is a popular facility, but it is of course limited by its capacity of 250 and its limited state arrangement capacity. Many of the other arts facilities in Longmont are schools and churches, which are limited by availability, size, and technical abilities.

Figure 6-1

Northern Front Range Arts Facility Inventory				
Facility	Location	Facility Type	Distance (miles)	Capacity
Dickens Opera House	Longmont, CO	Club	1	200
Longmont Performing Arts Center	Longmont, CO	Auditorium / Theater	1	287
Heart of Longmont Church	Longmont, CO	Church	1	300
United Church of Christ	Longmont, CO	Church	1	400
Longmont High School Auditorium	Longmont, CO	School	2	780
Stewart Auditorium at Longmont Museum	Longmont, CO	Auditorium / Theater	2	250
Vance Brand Civic Auditorium	Longmont, CO	School	2	1,314
Westview Presbyterian	Longmont, CO	Church	3	350
LifeBridge Christian Church	Longmont, CO	Church	3	900
Silver Creek High School Auditorium	Longmont, CO	School	5	400
Rocky Mountain Christian Church	Niwot, CO	Church	6	900
Niwot High School Auditorium	Niwot, CO	School	7	776
Mead High School Auditorium	Longmont, CO	School	7	599
Frederick High School Auditorium	Frederick, CO	School	13	743
Erie High School Auditorium	Erie, CO	School	13	599
Nomad Playhouse	Boulder, CO	Auditorium / Theater	14	155
Dairy Arts Center - Boedecker Theater	Boulder, CO	Auditorium / Theater	15	70
Dairy Arts Center - Carsen Theater	Boulder, CO	Auditorium / Theater	15	99
Dairy Arts Center - Grace Gamm Theater	Boulder, CO	Auditorium / Theater	15	116
Dairy Arts Center - Gordon Gamm Theater	Boulder, CO	Auditorium / Theater	15	250
eTown Hall	Boulder, CO	Auditorium / Theater	15	220
Boulder Theater	Boulder, CO	Auditorium / Theater	15	850
Boulder Public Library - Canyon Theater	Boulder, CO	Auditorium / Theater	16	201
CU Old Main Chapel	Boulder, CO	College / University	16	214
Central Park Bandshell	Boulder, CO	Amphitheater	16	300
Fox Theatre	Boulder, CO	Club	16	625
CU Mary Rippon Outdoor Theatre	Boulder, CO	College / University	16	1,004
CU Macky Auditorium Concert Hall	Boulder, CO	College / University	16	2,048
Rialto Theater Center	Loveland, CO	Auditorium / Theater	17	446
Chautauqua Auditorium	Boulder, CO	Auditorium / Theater	17	1,326
Broomfield Auditorium	Broomfield, CO	Auditorium / Theater	19	288
Arvada Center - Black Box Theatre	Arvada, CO	Auditorium / Theater	25	226
Arvada Center - Main Stage Theatre	Arvada, CO	Auditorium / Theater	25	536
Arvada Center - Amphitheater	Arvada, CO	Amphitheater	25	1,600
Thunder Mountain Amphitheatre	Loveland, CO	Amphitheater	25	4,464
Armory Performing Arts Center	Brighton, CO	Auditorium / Theater	27	300
The Lincoln Center - Performance Hall	Ft. Collins, CO	Auditorium / Theater	30	1,187
The Lincoln Center - Magnolia Theatre	Ft. Collins, CO	Auditorium / Theater	30	226
The Oriental Theater	Denver, CO	Auditorium / Theater	30	575
The Caribou Room	Nederland, CO	Club	32	500
The Stanley Live	Estes Park, CO	Auditorium / Theater	33	300
Performance Park	Estes Park, CO	Amphitheater	33	300
The Roxy Theatre	Denver, CO	Auditorium / Theater	33	500
Paramount Theatre	Denver, CO	Auditorium / Theater	33	1,870
Fillmore Auditorium	Denver, CO	Auditorium / Theater	34	3,700
Denver Center for the Performing Arts - Randy Weeks Theatre	Denver, CO	Auditorium / Theater	35	185
Denver Center for the Performing Arts - Jones Theatre	Denver, CO	Auditorium / Theater	35	196
Denver Center for the Performing Arts - Garner Galleria Theatre	Denver, CO	Auditorium / Theater	35	213
Union Colony Civic Center - Hensel Phelps Theatre	Greeley, CO	Auditorium / Theater	35	214
Denver Center for the Performing Arts - Ricketson Theatre	Denver, CO	Auditorium / Theater	35	250
Denver Center for the Performing Arts - Space Theatre	Denver, CO	Auditorium / Theater	35	380
Moxi Theater	Greeley, CO	Auditorium / Theater	35	425
Bluebird Theater	Denver, CO	Auditorium / Theater	35	550
Denver Center for the Performing Arts - Stage Theatre	Denver, CO	Auditorium / Theater	35	750
Union Colony Civic Center - Monfort Concert Hall	Greeley, CO	Auditorium / Theater	35	1,661
Denver Center for the Performing Arts - Ellie Caulkins Opera House	Denver, CO	Auditorium / Theater	35	2,200
Denver Center for the Performing Arts - Buell Theatre	Denver, CO	Auditorium / Theater	35	2,839

Includes relevant purpose-built performing arts facilities within approximately 35 miles (45-minute drive time) of Longmont with 5,000 seats or less

Source: Relevant Facilities, Pollstar, Johnson Consulting

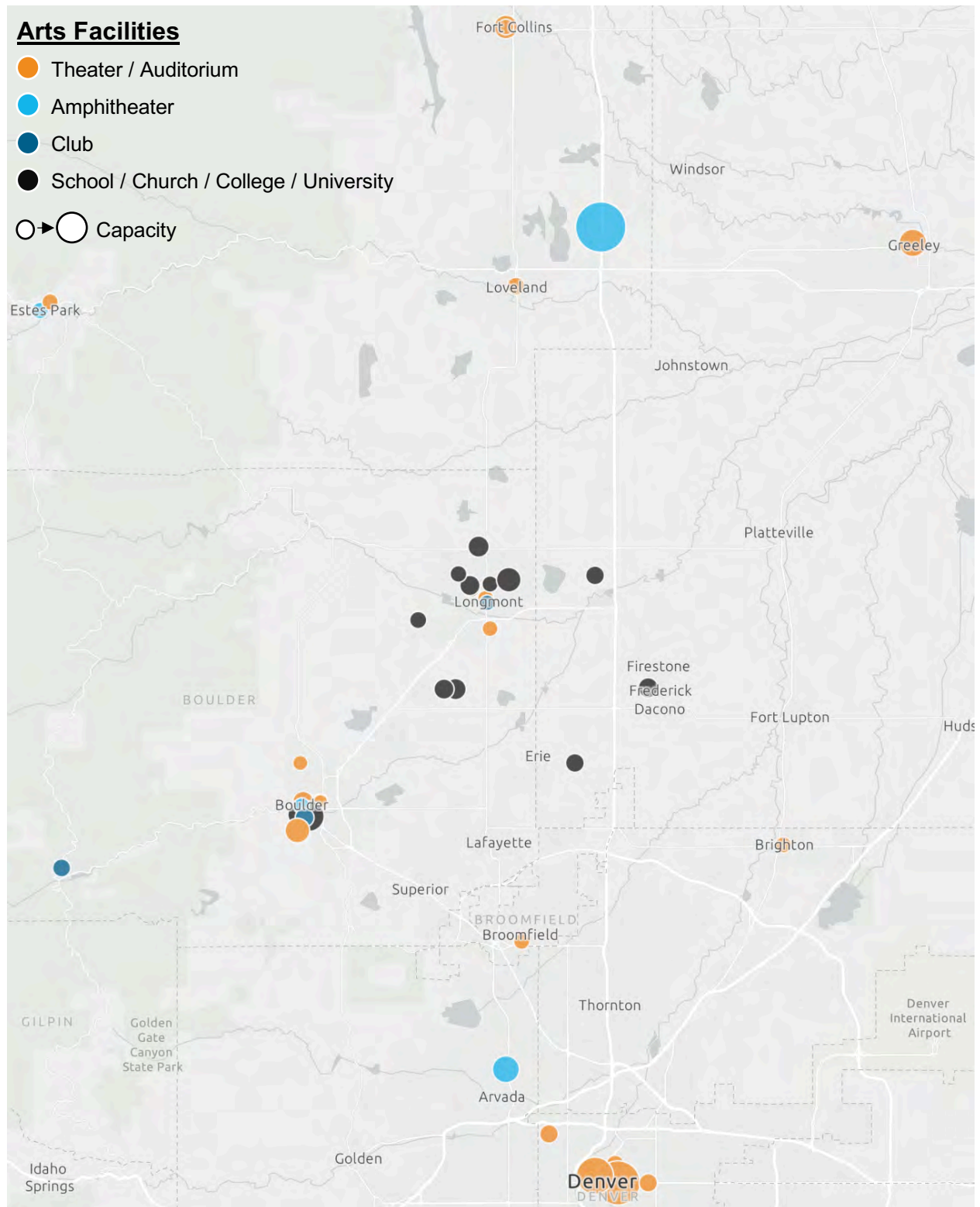
Figure 6-2

Figure 6-3 narrows the focus of the arts facility inventory and conducts a more detailed examination of 8 arts facilities throughout the northern Front Range that are most relevant to this study. Vance Brand Civic Auditorium and Stewart Auditorium at the Longmont Museum are the most relevant in terms of accommodating demand from Longmont's local arts groups, while the other 6 facilities would be the mostly likely competitors from a touring and commercial demand perspective. A new arts facility in Longmont should aim for a capacity well above the largest venues at the Rialto Theater Center (446 seats) and Arvada Center (526 seats) to maximize competitive advantage. The proximity of a venue like Macky Auditorium with more than 2,000 seats renders anything that large impractical for Longmont. Boulder Theater can accommodate up to 1,000 but only for standing audiences, so a new facility in Longmont should aim to accommodate at least that many for a seated audience and should consider removable seats in the first tier to allow for standing audiences when desired.

Figure 6-3

Northern Front Range Focused Arts Facility Inventory								
	Vance Brand Civic Auditorium	Stewart Auditorium at the Longmont Museum	CU Macky Auditorium & Mary Rippon Outdoor Theatre	Boulder Theater & Fox Theater	Rialto Theater Center	Arvada Center	The Lincoln Center	Union Colony Civic Center
Location								
Location	Longmont, CO	Longmont, CO	Boulder, CO	Boulder, CO	Loveland, CO	Arvada, CO	Ft. Collins, CO	Greeley, CO
Drive Time from Longmont	7 min	9 min	29 min	30 min	24 min	46 min	47 min	49 min
Facility								
Ownership & Management	St. Vrain Valley School District	City of Longmont	University of Colorado Boulder	Z2 Entertainment	City of Loveland	Arvada Center	City of Fort Collins	City of Greeley
Year Built (Renovated)	1979	2015	1922	1906 (1994)	1920 (1989)	1976 (2006)	1978 (2010)	1988
Square Footage	11,530	11,000	31,487	27,500	19,000	144,000	74,900	
Primary Venue	Vance Brand Civic Auditorium	Stewart Auditorium	Macky Auditorium	Boulder Theater	Rialto Theater	Main Stage Theatre	Performance Hall	Monfort Concert Hall
Capacity	1,314	250	2,048	800 (Seated) or 1,000 (Standing)	446	526	1,187	1,661
Rental Rates	\$1,020 - \$1,250 / Day (Non-Profit) \$1,460 - 1,650 / Day (For Profit) + \$0.50 per Seat	\$825 / 4 Hours + \$175 / Hour (Non-Profit) \$1,250 / 4 Hours + \$275 / Hour (For Profit) + \$1.50 per Ticket	Limited rental availability	\$3,000 - \$8,000	\$464 - \$567 / Day + \$2.10 / Ticket (Ticketed) \$760 - \$927 / Day (Non-Ticketed)	Very limited rental availability	\$1,575 / Day (Standard) \$1,280 / Day (Non-Profit) + \$0.50 / Ticket	\$1,365 / Day (Standard) + 7% Ticket Sales \$882 - \$1,008 / Day (Non-Profit)
Specifications	60' x 48' Proscenium Stage 19' Wings 35-person Pit 36-line Fly System Acoustical Shell	Proscenium Stage	Proscenium Stage	Proscenium Stage	30' x 22' Proscenium Stage 5' Wings Sprung Floor	Proscenium Stage	Proscenium Stage	50' x 39' x 28' Proscenium Stage 19' and 22' Wings Orchestra Pit 51 Line Rigging System
Secondary Venue	-	-	Mary Rippon Outdoor Theatre	Fox Theater	Devereaux Room	Black Box Theatre	Magnolia Theatre	Hensel Phelps Theatre
Capacity	-	-	1,004	300 (Seated) or 625 (Standing)	120	226	226	214
Rental Rates	-	-	Very limited rental availability	\$3,000 - \$8,000	\$200 - \$260 / Day	-	\$425 / Day (Standard) \$325 / Day (Non-Profit) + \$0.50 / Ticket	\$368 / Day (Standard) \$263 / Day (Non-Profit)
Other Spaces	Dressing Rooms Classrooms / Rehearsal Rooms Scene Shop	Swan Atrium (2,250 SF) Education Center (2,250 SF) Meeting Room (1,275 SF) Courtyard & Gazebo	-	-	Conference Room (Capacity: 12)	Ballroom (9,300 SF) Lower Galleria (3,000 SF) Amphitheatre (600-900 seats) 8 Classrooms (6,000 SF total) Art Galleries (10,000 SF)	Canyon Ballroom (5,082 SF) Columbine Room (2,623 SF) Founders Room (1,062 SF) Art Gallery (1,408 SF)	-

Source: Relevant Facilities, Johnson Consulting

The Lincoln Center in Fort Collins and Greeley's Union Colony Civic Center, although they are located towards the edge of the study area, are still important to consider. These facilities will be profiled in relation to the proposed arts and event center in Longmont as case studies later in this section.

EVENT FACILITY INVENTORY

Figure 6-4 and Figure 6-5 present a comprehensive inventory of facilities that serve demand for multipurpose events and activities throughout the northern portions of the Front Range region. This inventory is comprised of 51 facilities in total – it includes relevant facilities within approximately 35 miles of Longmont with at least 1,500 square feet of total event space. These facilities represent a wide array of sizes, types, and configurations, including room rentals, event centers, exhibition halls, hotels, colleges / universities, and arenas. With the exception of the Exhibit Building at the Boulder County Fairgrounds, there is an absolute absence of facilities with more than 10,000 square feet of event space in the areas most proximate to Longmont. The Exhibit Building is limited by a severe lack of availability, infrastructure that is not suited for more formal arts or multipurpose events, and its distance from Longmont's main street corridor. Other facilities within Longmont proper are simply too small to accommodate a large segment of the event market.

Other nearby venues with at least 10,000 square feet of event space also have their limitations. Lionsgate Event Center is primarily a venue for weddings and is limited by the fact that its largest contiguous space is less than 7,000 square feet. There 11 hotels that meet the 10,000 square foot size threshold, but many are limited by a sizable portion of square footage being accounted for in smaller, inflexible meeting rooms. Further, many of these hotels are located in the periphery of the study area which is less accessible from Longmont. Both Loveland and Estes Park have event complexes that could represent competition for a new facility in Longmont, although both differ somewhat in purpose and scope. The Ranch complex in Loveland features an array of facilities including the 7,200-seat Budweiser Event Center, exhibition halls, and an Embassy Suites with a conference center. The Embassy Suites would be a primary competitor for a new facility in Longmont due to its large ballroom, supporting meeting room space, advantageous location just off of I-25, and attached hotel rooms. The Estes Park complex is geared more toward exhibition-type events, as its conference center is limited by its largest contiguous space of 8,000 square feet and is less accessible compared to Longmont relative to the majority of the population base in the greater Front Range.

It should be noted that the event facility inventory in this report does not extend as far south toward Denver as does the arts facility inventory. It goes without saying that there are a very large number of event facilities in Denver, including numerous hotels and the Colorado Convention Center. The Consulting Team perceives these facilities to be less competitive with a new event facility in Longmont. Event planners that book at these facilities likely have a very different hierarchy of priorities in terms of decision-making factors when selecting a facility to host their events, such as proximity to a major airport or metropolitan area. A new facility in Longmont would be much more likely to attract events that would otherwise be considering facilities in places like Boulder, Broomfield, Westminster, Loveland, Fort Collins, Estes Park, or Greeley.

Figure 6-4

Northern Front Range Event Facility Inventory					
Facility	Location	Facility Type	Distance (miles)	Largest Event Space (SF)	Total Event Space (SF)
Longmont Senior Center	Longmont, CO	Room Rental	1	1,500	1,500
Library	Longmont, CO	Room Rental	1	1,580	1,580
St. Vrain Memorial Building	Longmont, CO	Event Center	1	5,895	5,895
D-Barn Reception Hall	Longmont, CO	Event Center	1	3,000	3,000
The St. Vrain	Longmont, CO	Event Center	1	4,500	4,500
17th Avenue Place Event Center	Longmont, CO	Event Center	2	1,500	1,500
Longmont Museum	Longmont, CO	Event Center	2	2,250	5,775
Izaak Walton Clubhouse	Longmont, CO	Event Center	2	1,500	1,500
Sunset Golf Course	Longmont, CO	Room Rental	2	1,500	1,500
Boulder County Fairgrounds Exhibit Building	Longmont, CO	Exhibition Hall	2	35,000	35,672
Best Western Plus Plaza Hotel	Longmont, CO	Hotel	2	3,100	3,100
Oskar Blues Brewery Oak Room	Longmont, CO	Event Center	3	4,275	4,275
Twin Peaks Golf Course	Longmont, CO	Room Rental	4	1,500	1,500
Ute Creek Golf Course	Longmont, CO	Room Rental	4	1,500	1,500
Courtyard, Residence Inn, SpringHill Suites	Longmont, CO	Hotel	4	1,860	3,570
Planet Bluegrass Wildflower Pavilion	Lyons, CO	Event Center	12	4,800	4,800
Brookside Gardens Event Center	Berthoud, CO	Event Center	12	5,250	5,250
Lionsgate Event Center	Lyons, CO	Event Center	14	6,750	10,500
Boulder Marriott	Boulder, CO	Hotel	15	2,418	2,418
Embassy Suites Boulder	Boulder, CO	Hotel	15	6,510	9,450
Millennium Harvest House Boulder	Boulder, CO	Hotel	15	5,008	12,832
Hotel Boulderado	Boulder, CO	Hotel	16	2,867	5,640
St. Julien Hotel & Spa	Boulder, CO	Hotel	16	4,088	6,838
CU Hotel & Conference Center (proposed)	Boulder, CO	Hotel	16	15,000	25,000
CU Coors Event Center	Boulder, CO	College / University	16	11,064 Seats	
CU Glenn Miller Ballroom	Boulder, CO	College / University	17	9,280	9,280
Rodeway Inn Boulder	Boulder, CO	Hotel	17	1,225	4,927
Chautauqua Community House	Boulder, CO	Room Rental	18	1,875	1,875
Renaissance Boulder Flatiron	Broomfield, CO	Hotel	19	2,880	5,826
Omni Interlocken Resort	Broomfield, CO	Hotel	19	9,120	20,864
1stBank Center	Broomfield, CO	Arena	20	6,500 Seats	
The Westin Westminster	Westminster, CO	Hotel	20	11,914	36,571
Marriott Westminster	Westminster, CO	Hotel	21	8,250	12,085
DoubleTree Westminster	Westminster, CO	Hotel	23	1,479	2,495
DoubleTree Thornton	Thornton, CO	Hotel	24	2,948	6,764
The Ranch - First National Bank Exhibition Hall	Loveland, CO	Exhibition Hall	25	36,000	36,000
The Ranch - Larimer County Conference Center	Loveland, CO	Event Center	25	1,775	2,863
The Ranch - 4-H, Youth, and Community Building	Loveland, CO	Exhibition Hall	25	12,000	17,961
The Ranch - Budweiser Event Center	Loveland, CO	Arena	25	7,200 Seats	
The Ranch - Bar & Grill	Loveland, CO	Event Center	25	3,500	3,500
The Ranch - Embassy Suites	Loveland, CO	Event Center	25	28,800	39,600
Ramada Plaza Denver North	Northglenn, CO	Hotel	25	12,000	12,000
Ft. Collins Marriott	Ft. Collins, CO	Hotel	27	7,260	13,808
Drake Centre	Ft. Collins, CO	Event Center	28	7,125	7,125
Hilton Ft. Collins	Ft. Collins, CO	Hotel	29	11,400	18,392
The Elizabeth Hotel Ft. Collins	Ft. Collins, CO	Hotel	33	2,605	5,766
Estes Park Events Complex - Event Center	Estes Park, CO	Event Center	33	25,754	33,000
Estes Park Events Complex - Pavilion	Estes Park, CO	Event Center	33	19,184	19,184
Estes Park Events Complex - Conference Center	Estes Park, CO	Event Center	33	8,000	20,000
Stanley Hotel Estes Park	Estes Park, CO	Hotel	33	5,200	12,167
DoubleTree Greeley	Greeley, CO	Hotel	35	11,782	22,440
Clarion Hotel & Conference Center Greeley	Greeley, CO	Hotel	35	7,060	10,287

Includes relevant multipurpose event facilities within approximately 35 miles (45-minute drive time) of Longmont with at least 1,500 square feet of total event space

If exact square footages were not available, they were calculated assuming 15 square feet per person at max capacity

Source: Relevant Facilities, City of Longmont, Visit Longmont, Johnson Consulting

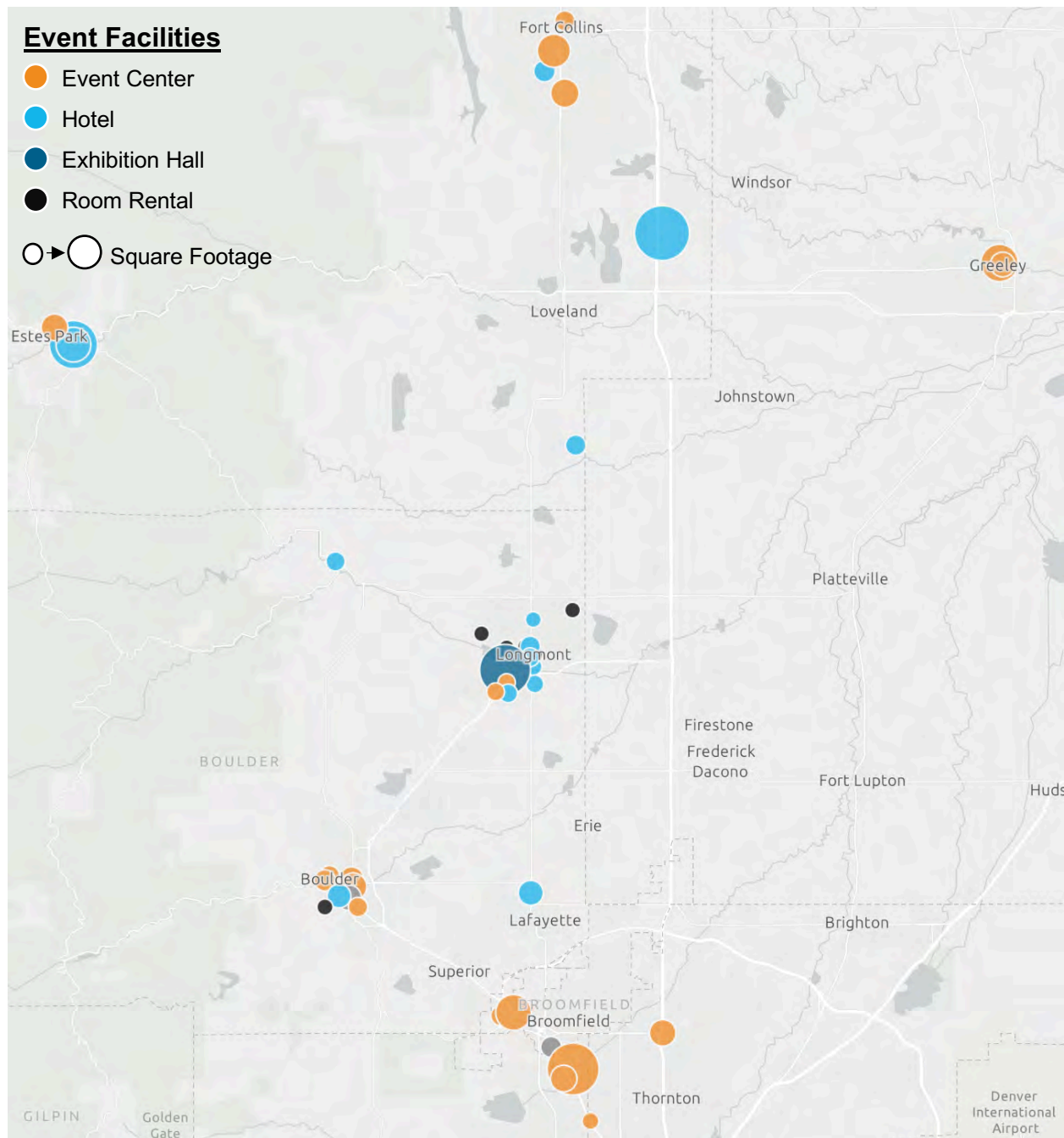
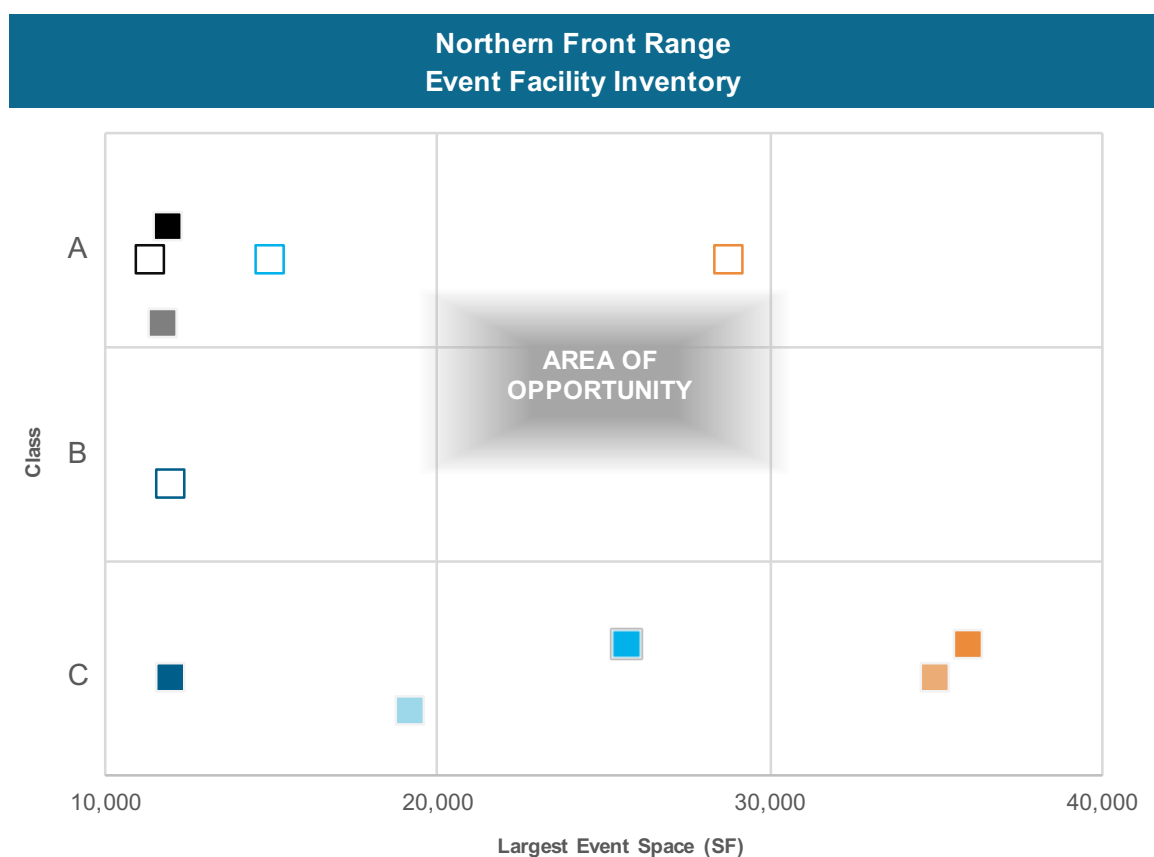
Figure 6-5

Figure 6-6 illustrates a more focused perspective on the event space inventory by narrowing the scope to include only the 10 facilities that have a largest contiguous event space of at least 10,000 square feet. It also classifies the facilities by class of event space, ranging from A to C. Class A event space is characterized as ballroom type space that is suitable for more formal events like banquets, galas, and corporate type events. Class C space is lower quality space that is more geared towards exhibitions and

industrial type events. Class B space is a hybrid of Class A and Class C spaces and can flexibly accommodate most event types. As shown, from a market perspective, the Consulting Team believes there to be an area of opportunity for a facility in Longmont with a largest event space between 20,000 and 30,000 square feet that is toward the higher end of Class B or the lower end of Class A space.

Figure 6-6



Venue	Largest Event Space (SF)	Total Event Space (SF)	Class
The Ranch - First National Bank Exhibition Hall	36,000	36,000	C
Boulder County Fairgrounds Exhibit Building	35,000	35,672	C
The Ranch - Embassy Suites	28,800	39,600	A
Estes Park Events Complex - Event Center	25,754	33,000	C
Estes Park Events Complex - Pavilion	19,184	19,184	C
CU Hotel & Conference Center (proposed)	15,000	25,000	A
The Ranch - 4-H, Youth, and Community Building	12,000	17,961	C
Ramada Plaza Denver North	12,000	12,000	B
The Westin Westminster	11,914	36,571	A
DoubleTree Greeley	11,782	22,440	A
Hilton Ft. Collins	11,400	18,392	A

Includes relevant event facilities within approximately 35 miles of Longmont with a largest event space of at least 10,000 square feet

Sources: Relevant Facilities, Johnson Consulting

HOTEL INVENTORY

Another crucial consideration for the proposed arts and event center in Longmont is the supply and performance of the hotel market. Hotels are necessary in order to attract touring and commercial performances and events, both arts-related and non-arts-related. Touring arts events and performances will often need accommodations for performers, crew members, and other personnel. Events like conventions, conferences, meetings, and exhibitions will often require hotel rooms for non-local attendees and may even require a room block if sufficiently sized. These factors make a strong case for locating the proposed arts and events center near existing hotel supply or considering stimulating the development of a hotel adjacent to the facility in the future.

Figure 6-7 presents an inventory of the hotel market in the Longmont area. As shown, there are 24 hotels within 10 miles of Downtown Longmont, accounting for 1,755 hotel rooms. Of these hotel rooms, none are considered to be full-service, while 62% are select-service and 38% are limited-service. Full-service hotel rooms either adjacent to or within walking distance to a facility like the arts and event center make the facility more attractive to event planners and promoters and select service hotel rooms can be attractive as well albeit to a lesser degree. As the 20- and 30-mile catchment areas demonstrate, hotels tend to increase in both size and quality farther away from Longmont – a result of capturing the more developed hotel markets in the Denver and Fort Collins areas. Although these more distant room supplies could accommodate overflow in the rare event of a very large event coming to Longmont, they are too distant to be of benefit on a regular basis.

Figure 6-7

Longmont, CO Hotel Inventory			
	Within 10 Miles	Within 20 Miles	Within 30 Miles
% of Total Rooms			
Limited Service	38%	30%	29%
Select Service	62%	52%	44%
Full Service	0%	19%	28%
Total Number of Hotels	24	111	340
Total Number of Rooms	1,755	11,320	39,904
Average Number of Rooms	73	102	117

Source: STR, Johnson Consulting

Figure 6-8 maps the hotels within Longmont proper. As shown, select-service hotels are concentrated on the southwest side of Longmont, while limited-service hotels are concentrated on the far east side near I-25. This map includes the 105-room Hilton Garden Inn currently under construction near St. Vrain Creek.

Ideally, a new arts and event center in Longmont would be located near the higher quality select service hotels and anticipate a hotel / mixed-use development to be built to serve the complex, either now or soon after the complex opens. If sufficient parking infrastructure is in place at the new facility, driving would be an acceptable option for some patrons. However, a facility that is adjacent to or within walking distance from hotel(s) is always preferable.

Figure 6-8

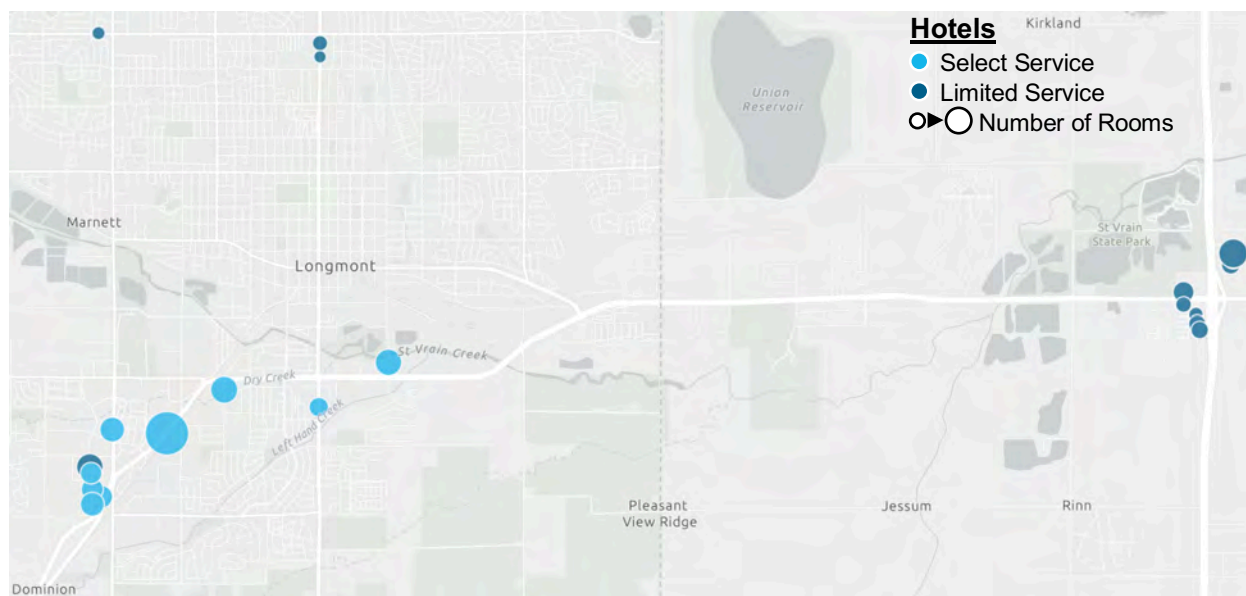


Figure 6-9 addresses the possibility of stimulating the development of a new hotel adjacent to wherever the new arts and event center could be located within Longmont. As shown, occupancy rates have declined slightly in recent years, hovering in the low 60s, while average daily rate and revenue per available room have oscillated in the \$109-\$123 and \$69-79 ranges market-wide, respectively. Johnson Consulting also collected data on a set of 7 comparable hotel properties to focus in on the higher quality segment of the hotel market – as shown, these numbers are slightly better than the market-wide numbers but have steadily declined since 2017 as additional rooms have come online in that market segment. Typically, a market's occupancy rate would need to be closer to 70% or above in order to justify additional hotel supply. The Consulting Team does not believe additional hotel development in Longmont to be feasible in the short-term but would encourage it to be considered in the long-term when demand catches up to supply. A new arts and event center could provide a boost to the existing hotel market in Longmont over time and could be leveraged to recruit a hotel developer once the arts and event center has proven to be effective in generating demand for hotel accommodations.

Figure 6-9

Longmont, CO Hotel Market Performance Statistics			
	2017	2018	2019
Market-wide			
Occupancy	64.4%	63.4%	61.4%
Average Daily Rate	\$123.44	\$109.17	\$120.56
Revenue Per Available Room	\$79.44	\$69.21	\$73.98
Selected Comparable Properties			
Occupancy	71.1%	64.1%	63.9%
Average Daily Rate	\$139.50	\$135.83	\$133.69
Revenue Per Available Room	\$99.14	\$87.13	\$85.41
<i>Source: Colorado Hotel & Lodging Association, STR, Johnson Consulting</i>			

CASE STUDIES

In order to understand the potential operating characteristics for the proposed arts and events center in Longmont, this section presents case study profiles of a set of regional and national comparable facilities, as well as the markets within which they operate. The key characteristics of these case studies are provided in the following profiles, and include:












- Location, size, character, and attributes of the market and the areas adjacent to the facility
- Location, size, character, and attributes of the facility
- Ownership, operations, and management structure of the facility
- A demand profile, including the number of events, type of events, and total attendance, as available
- A financial profile, including operating revenues and expenses as well as supplementary non-operating revenues such as public subsidy, grants, and private contributions, as available

This information provides insight into the scale of facility that could be realistically feasible in Longmont, as well as some general parameters within which the proposed facility could reasonably expect to operate in terms of demand and financial performance. These venues were selected for a variety of reasons such as the program of spaces, operation and management structure, market similarities, geographic proximity, and key lessons to be learned about how to optimize demand potential and financial sustainability. The following table summarizes the key attributes of the facilities identified as part of this analysis:

- Arvada Center for the Arts & Humanities – Arvada, CO
- Durham Convention Center & Carolina Theater – Durham, NC
- Federal Way Performing Arts & Event Center – Federal Way, WA
- Meydenbauer Convention Center – Bellevue, WA
- Parker Arts Culture & Events Center – Parker, CO
- Sandy Springs Performing Arts Center & Conference Center – Sandy Springs, GA
- St. Charles Convention Center – St. Charles, MO
- The Ames Center – Burnsville, MN
- The Lincoln Center – Ft. Collins, CO
- Union Colony Civic Center – Greeley, CO
- Utah Valley Convention Center – Provo, UT

Figure 6-10 summarizes the key insights from each of the case studies, which will be expanded upon in the following subsections.

Figure 6-10

Case Studies Summary											
	Arvada Center for the Arts & Humanities	Durham Convention Center & Carolina Theatre	Federal Way Performing Arts & Event Center	Meydenbauer Convention Center	Parker Arts Culture & Events Center	Sandy Springs Performing Arts & Conference Center	St. Charles Convention Center	The Ames Center	The Lincoln Center	Union Colony Civic Center	Utah Valley Convention Center
											
OVERVIEW											
Location	Arvada, CO	Durham, NC	Federal Way, WA	Bellevue, WA	Parker, CO	Sandy Springs, GA	St. Charles, MO	Burnsville, MN	Ft. Collins, CO	Greeley, CO	Provo, UT
Ownership	Arvada Center	Durham Convention Center Authority	City of Federal Way	Bellevue Convention Center Authority	Town of Parker	City of Sandy Springs	City of St. Charles	City of Burnsville	City of Ft. Collins	City of Greeley	Utah County
Management & Operation		Spectra	Spectra				Spectra	VenuWorks			Spectra
FACILITY											
Year Built (Renovated)	1976 (2006)	1988	2017	1993	2011	2018	2005	2009	1978 (2010)	1988	2012
Event Space (Square Feet)											
Exhibit / Ballroom Space	9,300	26,996	-	36,000	-	5,000	49,825	-	5,082	-	36,514
Meeting Space	6,000	4,766	3,200	13,290	6,700	9,171	8,032	7,650	3,685	-	9,924
Lobby / Gallery Space	13,000	-	4,800	2,240	2,474	8,830	-	6,000	1,408	-	-
Total Event Space	28,300	31,762	8,000	51,530	9,174	23,001	57,857	13,650	10,175	0	46,438
Arts Venues (Capacity)											
Primary Venue	526	1,048	716	410	542	1,070	-	1,014	1,187	1,661	-
Secondary Venue	226	226	-	-	200	350	-	150	226	214	-
Tertiary Venue	-	49	-	-	-	-	-	-	-	-	-
Total Venue Capacity	752	1,323	716	410	742	1,420	0	1,164	1,413	1,875	-
DEMAND											
# of Events	462	270	-	413	239	500	224	732	412	311	211
Total Attendance	150,275	97,853	-	169,083	64,500	-	312,872	173,687	240,000	-	117,870
FINANCIALS											
Operating Revenue	\$5,917,506	\$3,078,572	\$767,617	\$10,326,078	\$2,924,377	\$918,800	\$8,243,600	\$1,935,258	\$2,410,607	\$1,045,194	\$3,108,450
Operating Expenses	\$11,373,419	\$3,043,097	\$1,871,986	\$9,425,720	\$6,248,689	\$3,619,800	\$7,575,459	\$1,994,565	\$4,847,674	\$2,315,747	\$3,136,068
Net Operating Income (Deficit)	(\$5,455,913)	\$35,475	(\$1,104,369)	\$900,358	(\$3,324,312)	(\$2,701,000)	\$668,141	(\$59,307)	(\$2,437,067)	(\$1,270,553)	(\$27,618)
Public Subsidy	\$3,776,546	-	\$735,985	-	\$2,110,255	\$2,701,000	-	-	\$2,342,685	\$1,270,553	\$27,618
Grants	\$1,125,429	-	-	-	\$473,858	-	-	-	-	-	-
Private Contributions	\$790,529	-	\$195,000	-	\$160,560	-	-	\$50,000	-	-	-
Net Income	\$236,591	\$35,475	(\$173,384)	\$900,358	(\$579,639)	\$0	\$668,141	(\$9,307)	(\$94,382)	\$0	\$0
* National Average = 100											
Source: Relevant Facilities, Guidestar, Esri, Johnson Consulting											

MARKET ANALYSIS

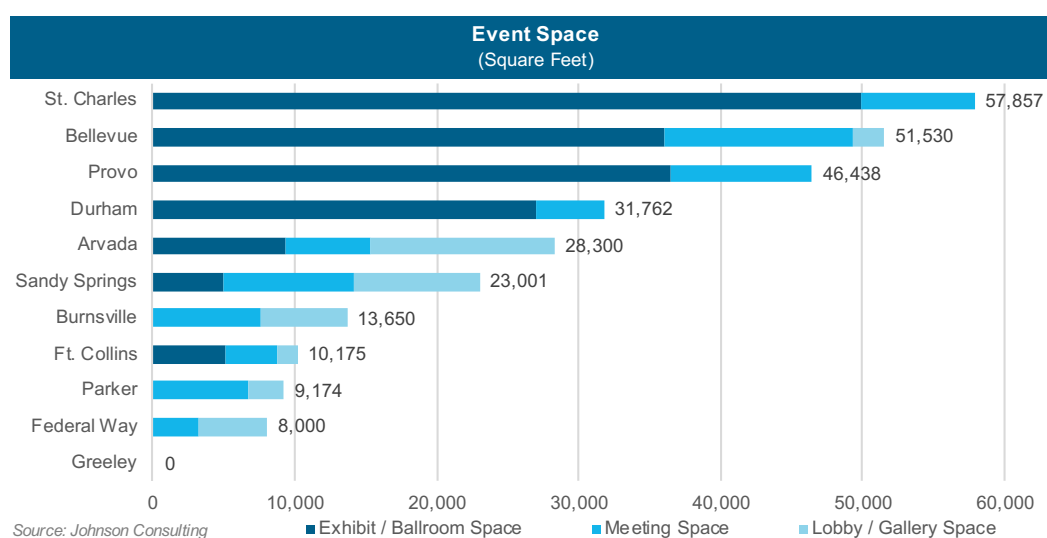
Figure 6-11 presents a high-level analysis of the markets served by each of the case study facilities, including profiles of the 30-, 60-, and 90-minute drive time catchment areas around each facility. While these indicators are not a direct predictor for a market's ability to support arts and event center type facilities, they can provide a basis for comparison. As shown, Longmont ranks average or above average for the majority of indicators across each of the catchment areas. Longmont's biggest weakness according to this analysis is the relatively small population base within a 30-minute drive time. While not ideal, this is not a deal-breaker for a number of reasons. As demonstrated in Section 3 of this report, this area has experienced rapid population growth in recent years, and this trend is expected to continue. In addition, the case studies in Fort Collins and Greeley have significantly smaller population bases within this 30-minute catchment area compared to Longmont, which could give a new facility in Longmont a competitive advantage over these facilities.

Figure 6-11

Case Studies Market Analysis												
	Arts Center & Events Center in Longmont	Arvada Center for the Arts & Humanities	Durham Convention Center & Carolina Theatre	Federal Way Performing Arts & Event Center	Meydenbauer Convention Center	Parker Arts Culture & Events Center	Sandy Springs Performing Arts & Conference Center	St. Charles Convention Center	The Ames Center	The Lincoln Center	Union Colony Civic Center	Utah Valley Convention Center
Within 30 Minutes												
Population	549,318	1,323,329	886,038	1,102,465	1,804,307	1,247,138	1,472,307	1,430,141	1,725,512	360,427	243,545	660,297
Median Household Income	\$86,075	\$72,021	\$77,989	\$71,092	\$100,082	\$84,303	\$80,351	\$66,445	\$77,437	\$72,083	\$65,091	\$74,235
Bachelor's Degree or Higher	52.3%	43.4%	58.0%	29.3%	57.8%	49.1%	57.9%	41.8%	49.9%	47.8%	30.7%	43.1%
Within 60 Minutes												
Population	3,139,624	3,274,959	2,463,128	3,448,349	3,150,728	3,535,955	5,014,140	2,704,561	3,496,896	995,229	1,101,648	2,025,113
Median Household Income	\$72,017	\$78,254	\$64,919	\$84,590	\$91,194	\$79,636	\$68,597	\$62,483	\$78,743	\$74,328	\$75,395	\$74,409
Bachelor's Degree or Higher	42.1%	46.0%	43.5%	44.3%	46.8%	46.1%	41.4%	35.8%	43.7%	41.1%	38.1%	39.5%
Within 90 Minutes												
Population	4,058,235	4,026,130	4,295,409	4,503,164	4,290,627	4,679,408	6,757,199	3,109,343	4,368,656	2,863,889	3,716,987	2,667,615
Median Household Income	\$77,070	\$77,706	\$57,377	\$83,315	\$84,852	\$76,030	\$64,620	\$60,703	\$76,611	\$72,417	\$75,868	\$73,137
Bachelor's Degree or Higher	45.2%	45.7%	36.5%	41.9%	42.2%	44.6%	36.9%	33.3%	40.9%	41.8%	44.6%	37.2%
Legend Not Favorable Average Favorable												
Source: Esri, Johnson Consulting												

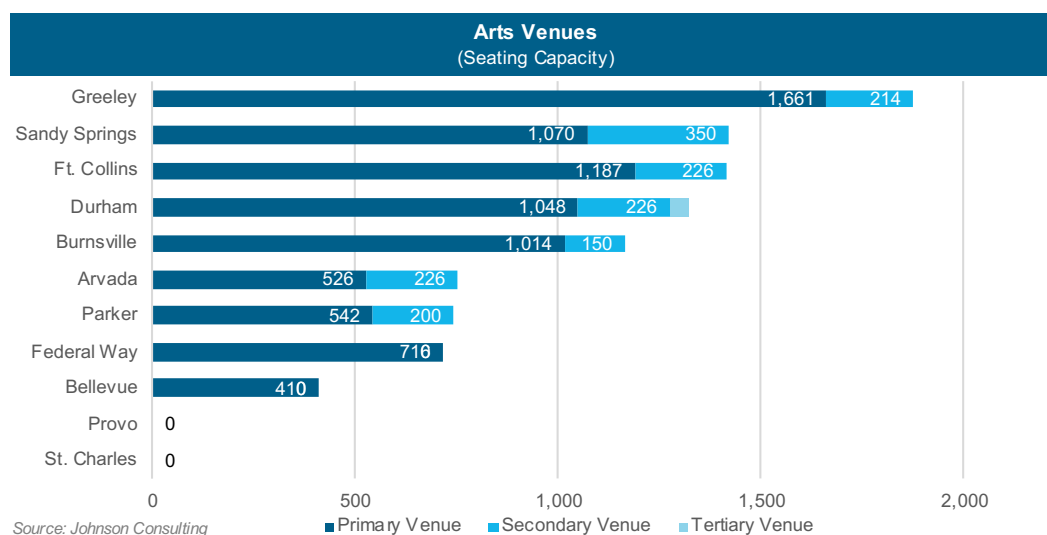
EVENT SPACE

Figure 6-12 provides a sense of scale in terms of the event spaces offered by each of the case study facilities, including exhibit/ballroom space, meeting space, lobby/gallery space, and total event space. Generally, dedicated exhibit/ballroom space and meeting space offer the most utility due to their flexibility to accommodate a wide variety of event types and configurations, while lobby/gallery space can offer supplemental event space that also serves other purposes. It should be noted that these numbers do not include dedicated performing arts spaces, as these will be compared in the following subsection. As expected, the facilities that are more event center-focused have the most event space, while facilities that are more arts-focused have less. Overall, total event space ranges from 0 square feet of dedicated event space in Greeley to nearly 58,000 square feet in St. Charles. A new facility in Longmont would be well advised to target the middle of this range, so as to maintain a balance between the multipurpose events and arts-related components.

Figure 6-12

ARTS VENUES

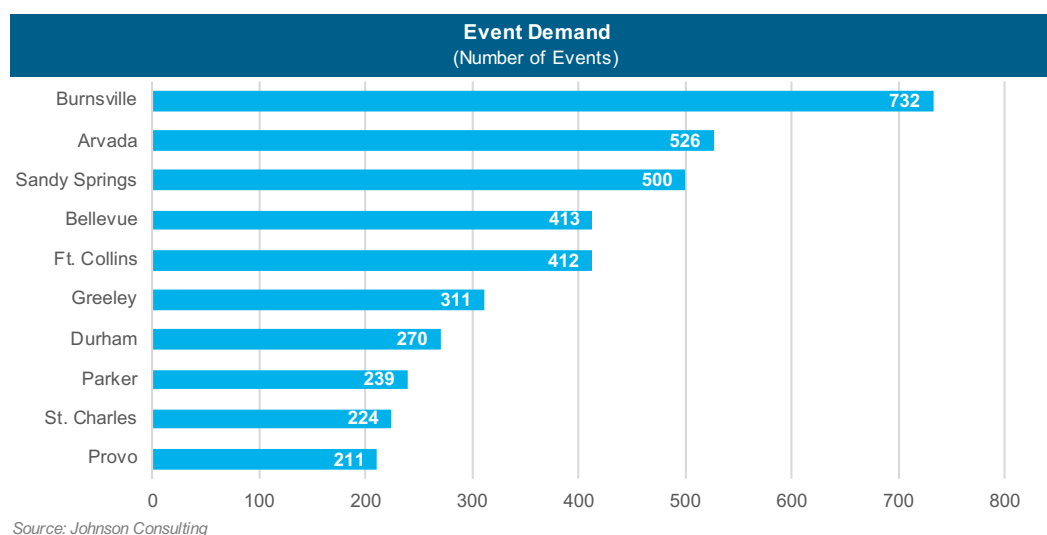
Figure 6-13 compares the seating capacities of the arts venues at each of the case study facilities. As shown, the capacities range from facilities without dedicated arts venues to the facility in Greeley which has the largest arts venues. This analysis informs the target sizes for the both the primary and secondary arts venues in the proposed facility in Longmont, as well as emphasizes the importance of having multiple arts venues under one roof. A new facility in Longmont would be well-situated toward the middle to higher end of these capacities given the facility's potential to accommodate both a robust calendar of anchor tenant demand as well as infill business from commercial and touring acts.

Figure 6-13

DEMAND

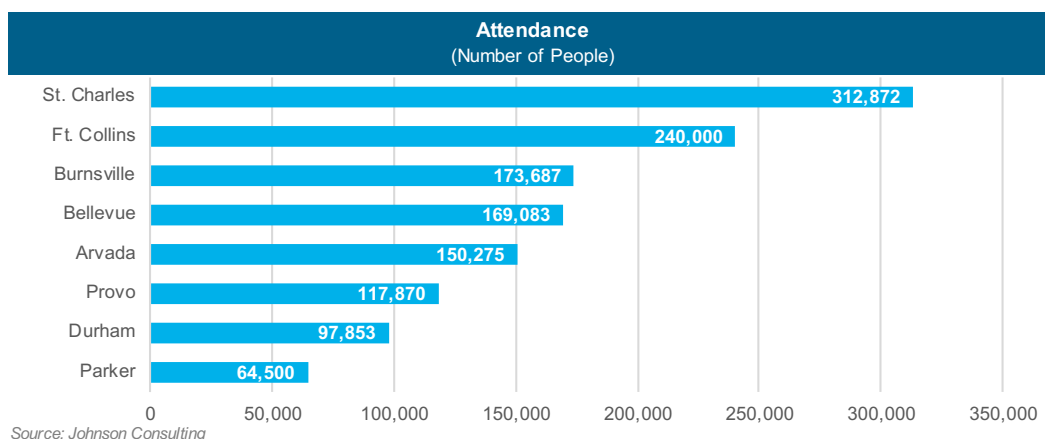
Figure 6-14 touches on the volume of event demand accommodated at each of the case study facilities in a typical year. These numbers should be taken with a grain of salt, as facilities have different reporting methods in terms of the number of events. For example, some facilities take into account things like the number of days that an event occurs for multipurpose events, or the number of performances that occur on a given day for arts-related events. Some facilities will have a higher number of smaller events, while other facilities will have a lower number of larger events. At the very least, this data provides a range of demand numbers that can provide a contextual frame for the demand model that will be developed for the proposed facility in Longmont.

Figure 6-14



ATTENDANCE

Figure 6-15 provides a slightly more reliable measure of the scale of activity that occurs at each of the case study facilities on an annual basis, as available. Event attendance at each of the facilities ranged from 64,500 at the facility in Parker, CO to 312,872 at the facility in St. Charles, MO. Again, these numbers may vary in terms of how they account for multi-day event attendees or attendees of non-ticketed type events, which may have less sophisticated counting mechanisms. Despite this, these numbers provide a range within which a new facility in Longmont could reasonable expect to operate.

Figure 6-15

FINANCIALS

Figure 6-16 provides a glimpse into what an annual budget for a new facility in Longmont could look like by summarizing the financial performance of each of the case study facilities, as available. It is noted that these numbers are limited based on the amount of publicly available data, the degree of detail in that data, and the willingness of case study facilities to provide additional data.

As shown, arts and event center facilities do not typically make large operating profits – in fact, many struggle to break even or require annual operating subsidies from local governments. The amount of public subsidy required to support these facilities can be minimized by maximizing operating revenue potential (building rental, usage fees, food and beverage operations, parking, naming rights, advertising, etc.) and additional non-operating revenue streams (grants, private contributions, etc.). Specific strategies related to achieving these ends will be presented later in this report. Many communities, while making every effort to promote the financial sustainability of these facilities, justify these public subsidies in a variety of ways. These justifications include framing these facilities as worthwhile investments in public goods and community amenities, as well as quantifying the significant economic and fiscal impacts that these facilities can generate.

Figure 6-16

Financials						
	Operating Budget			Non-Operating Revenue		
	Operating Revenue	Operating Expenses	Net Operating Income (Deficit)	Public Subsidy	Grants	Private Contributions
Arvada	\$5,917,506	\$11,373,419	(\$5,455,913)	\$3,776,546	\$1,125,429	\$790,529
Federal Way	\$767,617	\$1,871,986	(\$1,104,369)	\$735,985	-	\$195,000
Bellevue	\$10,326,078	\$9,425,720	\$900,358	-	-	-
Parker	\$2,924,377	\$6,248,689	(\$3,324,312)	\$2,110,255	\$473,858	\$160,560
Sandy Springs	\$918,800	\$3,619,800	(\$2,701,000)	\$2,701,000	-	-
St. Charles	\$8,243,600	\$7,575,459	\$668,141	-	-	-
Burnsville	\$1,935,258	\$1,994,565	(\$59,307)	-	-	\$50,000
Ft. Collins	\$2,410,607	\$4,847,674	(\$2,437,067)	\$2,342,685	-	-
Durham	\$3,078,572	\$3,043,097	\$35,475	-	-	-
Greeley	\$1,045,194	\$2,315,747	(\$1,270,553)	\$1,270,553	-	-
Provo	\$3,108,450	\$3,136,068	(\$27,618)	\$27,618	-	-
Note: Operating budget does not include non-operating revenue						
Source: Relevant Facilities as available, Johnson Consulting						

IMPLICATIONS

The facility inventories for arts facilities, event facilities, and hotels in the northern Front Range area reveals that, in line with the anecdotal evidence that was gathered in the community engagement process, there is a market opportunity for both an arts center facility and an event center facility in Longmont. Although there are a significant number of arts and event facilities across the region, the size and growth trajectory of the northern Front Range is sufficient to support these facilities. In addition, there is a notable shortage of arts and event facilities within the Longmont community itself. The magnitude of this shortage will impact the size recommendation for the new facilities, which will be addressed in the later sections of this report.

The case studies demonstrate the various models that can be pursued among arts and event center facilities. In terms of the program of these facilities, some are more arts-focused, some are more event-focused, while many offer a hybrid of the two facility types. Each facility was conceptualized in order to serve the needs of the community and market area within which they operate, providing arts and event spaces without replicating or cannibalizing demand from the other existing facilities in the market. These facilities host hundreds of events that draw tens or even hundreds of thousands of attendees each year and have a wide array of financial models that are employed to fund capital and operational expenses. These facilities do not typically generate large operating profits – in fact, many require non-operating revenue to balance their operating budgets, which can come in the form of public subsidy, grants, or private contributions. There are economies to be gained by co-locating the art and event center facilities, and with a well-thought-out rental rate structure, robust sales and marketing operation, and additional ancillary revenue streams, the need for operating subsidy can be minimized. Overall, the case study facilities provide examples of where these types of facilities have been developed in other similar markets and provide a window within which Longmont's proposed arts and event center could expect to operate.

SECTION 7
STRATEGIC RECOMMENDATIONS

STRATEGIC RECOMMENDATIONS

In this section, the Consulting Team details the rationale that supports the project's feasibility from a market and demand perspective, the detailed program of spaces within the recommended facility, and the potential sites on which the facility could be located. These recommendations are based on the observations, analysis, and conclusions in the preceding sections of this report, which will be summarized in order to provide a coherent rationale for the facility-related recommendations. These recommendations will also be used as the basis for the operational and financial projections, as well as the economic and fiscal impacts, that will be calculated later in this report.

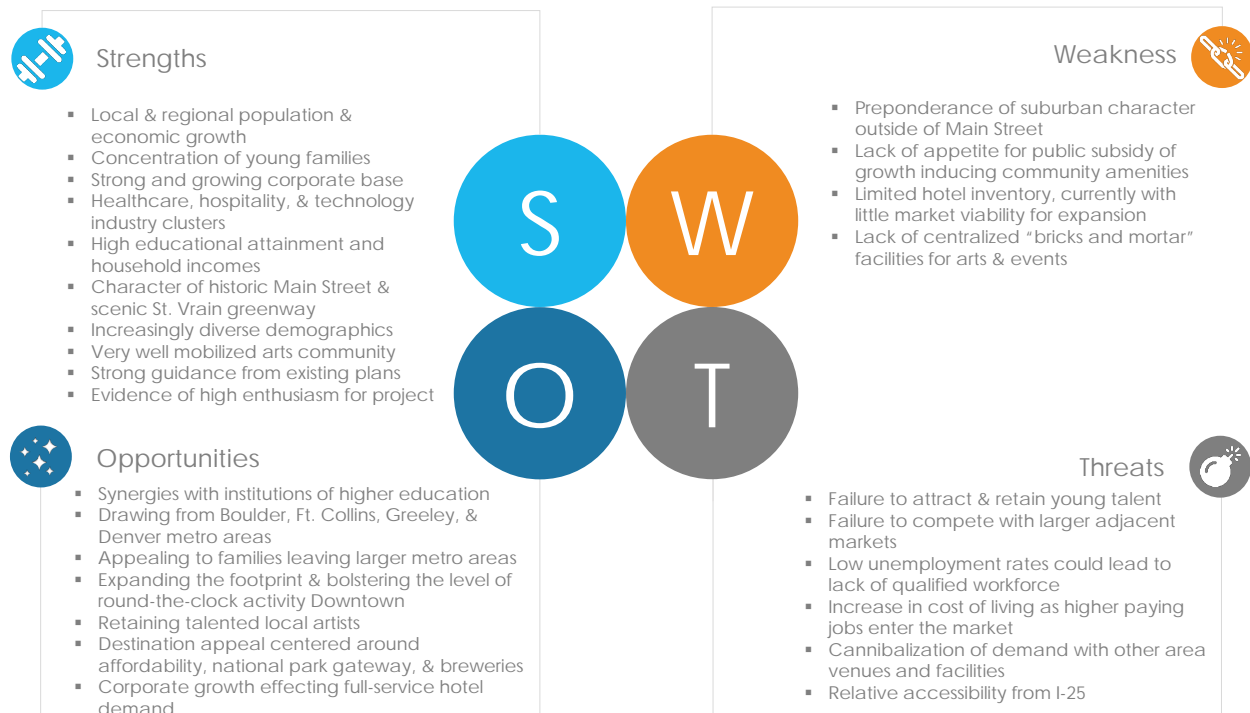
RECOMMENDATIONS RATIONALE

The Consulting Team believes that the forthcoming recommendations represent the most economically viable scenario that appropriately balances the proposed facility in Longmont. This subsection outlines the case for the feasibility of the proposed arts and event center from the market and demand perspective – the financial feasibility of the facility will be addressed in Section 8.

MARKET RATIONALE

The rationale that supports the feasibility of the proposed arts and event center from a market perspective can be summarized by Figure 7-1, which pulls from the most salient observations and conclusions in the preceding sections of this report. The graphic sorts these points into a “SWOT” analysis, which outlines the market's strengths, weaknesses, opportunities, and threats in the context of the proposed development of an arts and event center in Longmont. As shown, there are a number of existing strengths that support the project's market viability, as well as several opportunities which could come to fruition if the project is executed properly. There are also a few threats to market viability if the project is not properly executed, as well as some existing weaknesses in the market. Some of these considerations, like hotel supply and demand, facility supply and demand, and community interest, are heavily intertwined with the development of the project, while others rely more on other independent, overarching economic factors. Overall, the project's feasibility from a market-driven perspective is favorable in the opinion of the Consulting Team.

Figure 7-1



The rationale that supports the feasibility of the proposed arts and event center from a demand perspective is as follows:

ARTS CENTER RATIONALE

The arts center component of this project would accommodate demand from a variety of sources:

- **Anchor Tenants:** The Consulting Team's interviews, surveys, and outreach provided the basis for the LPAI organizations serving as anchor tenants for the proposed arts center. These anchor tenants would provide a foundation of utilization for the arts center, and would pay reduced rental rates for non-profit organizations to be determined by considering what the organizations are currently paying for performance space in the market, non-profit rental rates at case study facilities, and determining the rental rates necessary to support the financial feasibility of the facility. A booking policy should be developed to ensure that enough prime dates are available for commercial and touring events, which will help to maximize revenue generation.
- **Commercial and Touring Events:** In order to attract these events and performances, formulating a sophisticated talent buyer operation is key. As demonstrated in Section 4, the performing arts and entertainment industry as a whole is mature and has exhibited steady growth in recent years. The Consulting Team summarized the universe of potential business for a venue of this size, showing that even with other performing arts venues throughout the front range, there are still a very large number of bookings to be made at the proposed arts center in Longmont, including vocal concerts,

instrumental concerts, family shows, comedy acts, meet and greets, speaker series, and theatrical acts, among others. Interviews with talent buyers, show promoters, and venue operators in the area conveyed agreement that there is a need for a new arts venue in Longmont with a focus on commercial and touring events. Longmont will book acts on its own and also attract acts on their way to or from places like Cheyenne or Colorado Springs (and other routing paths), which would be outside the standard radius clause distance of 60 miles. There is also a trend in the commercial touring industry for special events that can occur during mid-week windows where a member of an act does a storytelling and limited performance session that is distinct from the act's main production.

- Corporate, Social, Community, and Non-Profit: The Consulting Team's interviews, surveys, and outreach with these local and regional organizations demonstrated an interest in an auditorium-style venue for certain components of events. Corporate and social users would pay the standard rental rate for the venue, while non-profit users would pay the aforementioned non-profit rate. Many of these events tend to occur during the work week and during the daytime, which complement the arts-related usage which would typically occur during evenings and weekends.
- Educational: A new arts center in Longmont could provide opportunities for use by educational organizations and institutions, such as the various K-12 schools throughout the community, as well as existing colleges and universities who may develop summer camps and programs. The facility could also be leveraged to attract a branch campus of a college or university to Longmont. As the facility matures, in-house educational programming could be developed, which requires additional staff but represents a major revenue generator for other arts centers in the industry. This type of programming can be especially valuable in the summer months, when there is more competition from outdoor venues.

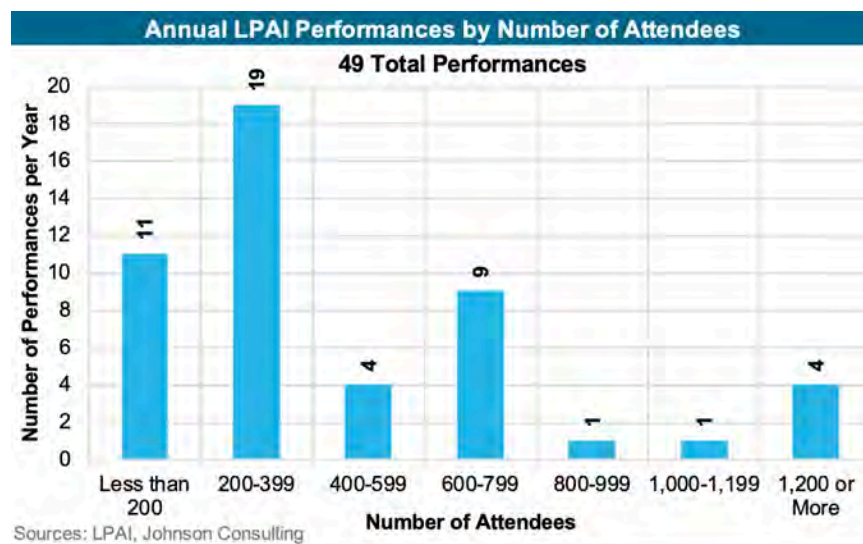
A new performing arts facility will need to weave together a mix of these demand sources in a way that meets the needs of the community while also maintaining a responsible operation in terms of revenue generation. The classic debate regarding these types of facilities is who pays for them and who has priority for using them. As a rule, community organizations and local arts groups feel they have a social mandate to use facilities – they are local taxpayers after all. They will also leverage political organization in order to advocate for a fair balance between their socially beneficial programming and revenue-generating commercial demand. Meanwhile, city leadership wishes to see a facility with a responsible bottom line that serves as both an amenity to residents and an attraction for visitors. Ultimately, new facilities often employ a hybrid model that seeks to serve both demand segments. This can be standardized and regulated by a deal-making process that involves input from all stakeholders and results in the crafting of letters of intent, memoranda of understanding, and booking policies that reflect the current needs of all involved. This will be further explained in the next section. As a base, however, LPAI provided the Consulting Team with a comprehensive data set of their annual event calendar, including the number of events, time duration, number of participants, and number of attendees, as shown in Figure 7-2. As shown, the LPAI organizations account for a total of 464 events occurring over 1,332 hours, which equate to 50,649 total visitor-days each year, including both participants and attendees.

Figure 7-2

Annual LPAI Demand					
	# of Events	# of Event Hours	Participant-Days	Attendee-Days	Total Visitor-Days
Rehearsals	356	1,026	22,549	0	22,549
Performances	49	148	3,096	23,576	26,672
Other Events	7	28	380	450	830
Board Meetings	52	131	598	0	598
TOTAL	464	1,332	26,623	24,026	50,649

Source: Longmont Performing Arts Initiative, Johnson Consulting

In addition, it is important to consider the number of performances by attendance size in order to determine the seating capacity needed to accommodate LPAI performances in a new facility. These insights are presented in Figure 7-3. As shown, the majority of LPAI performances currently have less than 600 attendees, however, many of these performances could be consolidated into fewer, larger performances if there were a sufficiently sized venue with enough available calendar dates.

Figure 7-3

EVENT CENTER RATIONALE

- Local Events:** Through interviews, surveys, and outreach, it was made evident that there are a number of events already existing in the Longmont community and surrounding areas that could be attracted to a new events center. These events are currently being held in a variety of other facilities throughout the area that are able to accommodate some of the event-related needs, but often underaccommodate in some respect, whether it be the size, configuration, location, or aesthetics of the facility, or the quality or scope of the services offered by the facility. These events are hosted by a variety of user types, including corporate, non-profit, and social users. A new facility also tends to lead to the proliferation of additional events in the local area that spring up as a result

of having an attractive facility to be held in. Ultimately, local events are events for which the event planner or host organization wants to hold the event in Longmont but is restricted by the limited inventory of event facilities in which the event can be hosted.

- **Regional, State, and National Events:** Similarly to the performing arts industry, the convention, conference, and meetings industry consists of a large universe of events that rotate to various locations on a regular basis. Common demand segments in this industry are corporate, association, non-profit, and social, military, educational, religious, fraternal, and entertainment (SMERFE), among others. Visit Longmont has expressed that they receive Requests for Proposals (RFPs) for events that can oftentimes not be converted due to the lack of an appropriate event facility in Longmont. Although it would take a talented sales and marketing team time to build this business since it's not currently active in a major way, a new event center would allow a greater number of these leads to be converted. A successful operation for this demand segment should leverage partnerships with nearby corporations, educational institutions, and other entities to attract these types of events, as well as Longmont's destination appeal that stems from its attractive Main Street, gateway to Rocky Mountain National Park, and brewery, culinary, and festival scene. Longmont's hotel supply will need to be developed in order to penetrate this market most effectively, especially for multi-day events, but the presence of an event center can help to foster synergies between event activity and demand for hotel rooms. Ultimately, these are events that would need to be attracted to Longmont, which is accomplished by 1) having an attractive event facility in Longmont and 2) having a sophisticated sales and marketing operation to sell the facility.

While it is difficult to quantify the amount of demand that exists for event space from each of these segments of demand, the event RFPs that Visit Longmont has been unable to convert can provide a foundation. In the destination marketing and event facility inventory, these statistics are referred to as "lost business." Figure 7-4 presents Longmont's lost business data for 2018, 2019, and year to date 2020.

Figure 7-4

Lost Business				
	2018	2019	YTD 2020	TOTAL
Number of Events	22	25	13	60
Event Attendees	2,003	1,863	1,665	5,531
Hotel Room Nights	3,298	1,001	1,955	6,254
Lost Business	\$955,431	\$888,651	\$794,205	\$2,638,287

Source: Visit Longmont, Johnson Consulting

As shown, during this time period, Longmont lost out on 60 events in total, equating to 5,531 event attendees, 6,254 hotel room nights, and over \$2.6 million in total lost business. The lost business metric is derived from applying a multiplier to the number of event attendees, representing the average amount spent by each attendee. Many of these inbound leads could be attracted to Longmont if a suitable facility existed, and the presence of such a facility would undoubtedly increase the volume of inbound leads as the facility becomes known throughout the event market as an attractive place to hold events.

RECOMMENDATIONS

FACILITY RECOMMENDATIONS

The Consulting Team recommends that the proposed arts and event center in Longmont consist of one highly sophisticated, purpose-built facility that serves as the community's venue for two distinct realms of public activity, one being arts-related events and programming and the other being multipurpose events and programming. This facility should represent the junction of these two worlds, which have differentiated facility needs, and that would both benefit from being co-located in a highly integrated facility that allows both functions to achieve maximum flexibility, scalability, and economies of scale.

As a result of dialogue and feedback from partner organizations and stakeholders, very high cost estimates for building all recommended facilities at once, and also in response to ongoing economic uncertainty due to the COVID-19 pandemic, the Consulting Team proposes a phased development approach to the facility, detailed as follows:

PHASE I:

The recommended Phase I facility, in the judgement of the Consulting Team, is currently supportable in Longmont. The Phase I facility is conceptualized as the “bare minimum,” or as the most cost-conscious facility that still makes sense from a market and demand perspective. It is intended to serve the majority of the arts-related demand generated by the LPAI organizations and the local demand that exists for an event center, while also allowing for commercial and touring activity in the arts center and the attraction of regional, state, and national events to the event center. The Phase I facility should be designed in a way that allows for future expansion to Phase II.

Multipurpose Hall

- 25,000 square feet of mid to high quality space as described in Section 6
- Ability to accommodate a wide variety of users and event types, including conventions, trade shows, exhibitions, banquets, consumer shows, and conferences, by being highly divisible with flexible configurations such as theater, classroom, reception, and banquet
- Can accommodate events with lower attendances that have socially distanced configurations in the near-term, while allowing for events with higher attendances in the long-term as the pandemic subsides, the economic recovery continues, and Longmont continues to build its profile as a destination for meetings and events
- Easy access to loading docks for load in and load out of events with exhibits or other event types with significant loading requirements

Auditorium

- 1,000-1,500 seats, depending on cost implications and the needs of the community at the time of addition, as both size ranges have the potential to attract commercial and touring acts to supplement demand generated by the LPAI organizations and other local and regional activity
- Proscenium stage with wing space that is sufficient to accommodate individual LPAI organizations, industry standards for commercial and touring acts, and collaborations between multiple organizations that require larger stages for more performers
- Removable seats in the first tier to allow for standing audiences or flat-floor events when desired
- Lighting & A/V grid
- Orchestra pit which can be lowered and raised to extend the stage or seating capacity
- Trap and Fly Loft
- Sprung dance floor
- Multi-purpose infrastructure for both amplified and non-amplified acts
- Direct access to the backstage area with a loading dock
- Similar capacity to Multipurpose Hall to allow for seamless transitions when used in tandem
- Adequate ventilation/air exchange/filtration to ensure the health, safety, and wellness of patrons and performing artists
- Any other arts-related infrastructure that is required to reasonably meet the needs of the LPAI organizations and/or industry standards for commercial and touring acts, including but not limited to an electric or pipe organ
- We agree with LPAI in emphasizing the importance of developing the larger hall as the Phase I priority to meet its strategic objectives. The larger hall also presents an increased opportunity for more and larger touring and commercial programming.

Meeting Rooms / Classrooms / Rehearsal Rooms

- 10,000 square feet in total
- 8-10 rooms of varying sizes and technical/infrastructure capabilities, ensuring that the individual needs of the LPAI organizations are met while still allowing for flexibility and utilization by other non-arts related users
- At least one of the rooms should be specifically geared toward dance, and at least one of the rooms should be specifically geared toward music

Back of House & Support

- Adequate lobby and pre-function space to accommodate socially distanced programming and to allow multiple events to occur throughout the facility simultaneously when business ramps up

- Catering kitchen and bar to allow for beverage service and for outside caterers to be brought in, designed in a way that allows for potential future opportunities to expand to a commercial grade kitchen, which could be operated in conjunction with a full-service hotel
- Highly sophisticated digital display, presentation, and streaming technologies for virtual, hybrid, and socially distanced in-person events, which are likely to be common formats moving forward
- Appropriate control, office, storage spaces, green rooms, dressing rooms, and restrooms
- Loading docks that are located in a way that allows accessibility from the multipurpose hall and the back-of-house performing arts areas – 2 to 3 truck bays are appropriate
- Adequate parking and transportation infrastructure within walking distance of the facility

PHASE II:

The Phase II recommendations are conceptualized as the “aspirational” future possibilities for this type of facility in Longmont. These facility components, in the judgement of the Consulting Team, cannot be confirmed to be supportable from a development cost perspective at the present time, but will likely become viable as the economic recovery trajectory becomes clearer, fundraising efforts can begin, and the Longmont community and greater Northern Colorado region continue to grow rapidly. Phase II elements are a menu of possible opportunities that could be added all at once or one at a time as the Phase I facility’s performance is evaluated in conjunction with market, demand, and financial considerations.

Recital Hall

- 500 seats
- Purpose-built, acoustically sound performing arts theater with ample stage size, wing space, lighting & A/V grid, and any other performing arts infrastructure needed to meet the needs of the LPAI organizations that are not cost-prohibitive
- Adequate ventilation/air exchange/filtration to ensure the health, safety, and wellness of patrons and performing artists
- Will mostly serve the smaller audience generating members of LPAI that also have more technical performance requirements. In the interim, these LPAI users will be able to use the larger hall in a half house format and the Stewart Auditorium at the Longmont Museum.
- Integrated into back-of-house spaces, such as dressing rooms, green rooms, restrooms, and storage spaces, and configured in a way that allows for the addition of the larger 1,000+ seat auditorium in Phase II.

Ballroom

- 10,000 square feet of high-quality space as described in Section 6

- Serves in tandem with the Multipurpose Hall, allowing for larger conventions and exhibitions to have exhibits in the Multipurpose Hall with seated banquet functions or general sessions in the ballroom, as well as for banquet-only type events

Meeting Rooms

- 10,000 square feet
- Serves in tandem with the Multipurpose Hall and Ballroom, allowing for larger conventions and exhibitions to have sufficient breakout spaces, as well as allowing for the booking of smaller meetings and events that may require just a few meeting rooms
- Relieves booking congestion that is likely to occur in the Phase I Meeting Rooms / Classrooms / Rehearsal rooms, allowing those rooms to better serve arts center-related demand

Back of House & Supporting Spaces

- Additional lobby and pre-function space as needed to accommodate multiple events occurring throughout the facility simultaneously
- Commercial grade kitchen upgrade, which could be operated in conjunction with a full-service hotel
- Additional control, office, and storage spaces
- Additional green rooms, dressing rooms, and restrooms to serve the Auditorium and Recital Hall
- Loading docks that are located in a way that allows accessibility from the multipurpose hall and the back-of-house performing arts areas – one or two truck bays in addition to the two to three recommended in Phase I are appropriate
- Additional parking and transportation infrastructure within walking distance of the facility

Hotel

- 200-room, full-service hotel
- Increases the attractiveness of the event center to larger conventions, conferences, and exhibitions dramatically, as well as the attractiveness of the larger auditorium to commercial and touring acts
- Could be highly integrated, both physically and operationally, with the full-service commercial kitchen, as well as with the Phase II Ballroom and Meeting Rooms – all of these elements serve as incentives to hotel developers that could be critical in attracting them to Longmont
- Could be an attractive facility for future partnerships with hospitality and culinary programs at area colleges and universities
- Feasibility is contingent upon the hotel market performance improving in Longmont over the course of the next few years, as the market is not currently robust enough to support such a development – for this reason, the hotel is not included in the forthcoming site recommendations, facility program, or cost estimate

Amphitheater

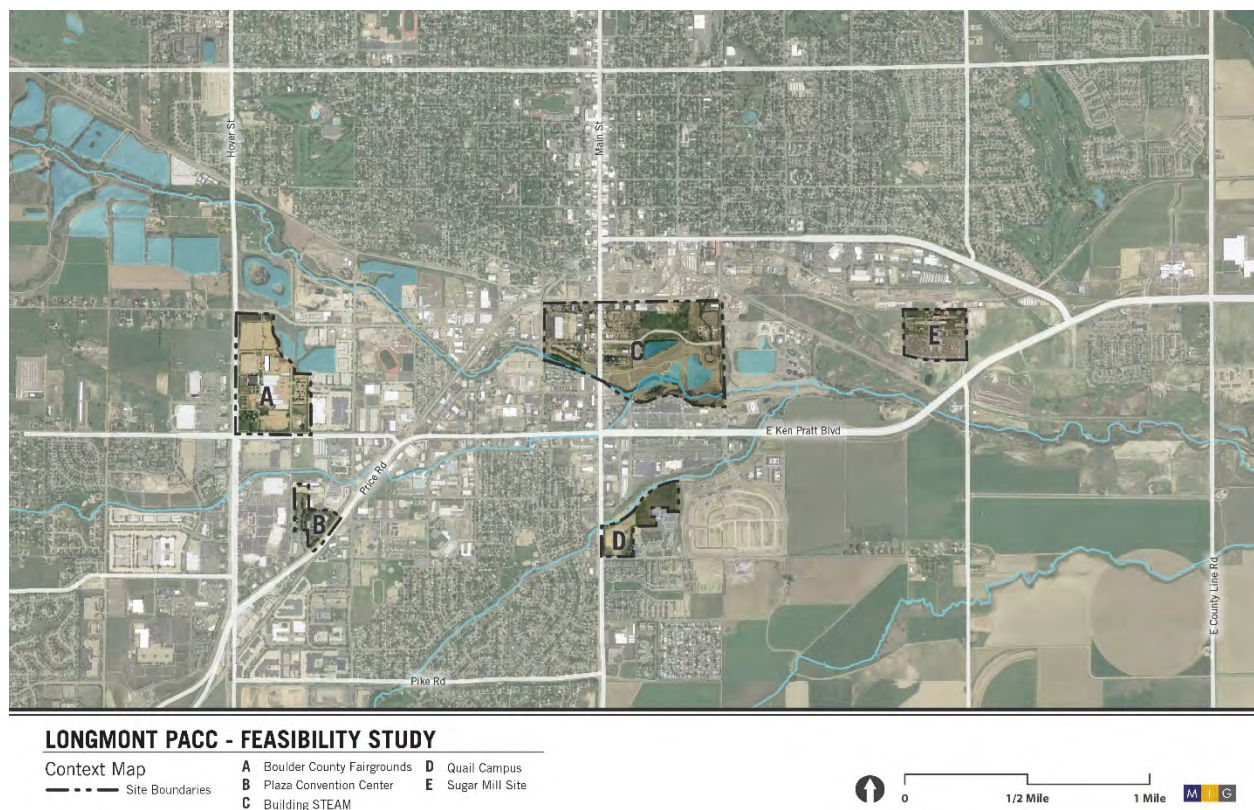
- Could design the Arts & Event Center facilities to leave space for a potential addition of an amphitheater venue in the future
- There have been talks by private businesses in the community of developing an amphitheater in Longmont, but none of these ideas have come to fruition
- Amphitheater feasibility is outside the scope of this study, but many Arts Center facilities have amphitheater venues on campus that complement indoor venues and increase commercial/touring viability in the summer months

SITE RECOMMENDATIONS

During the initial phase of engagement with the project partner organizations and external stakeholders, five potential project sites were selected for further review. These sites are mapped in Figure 7-5.

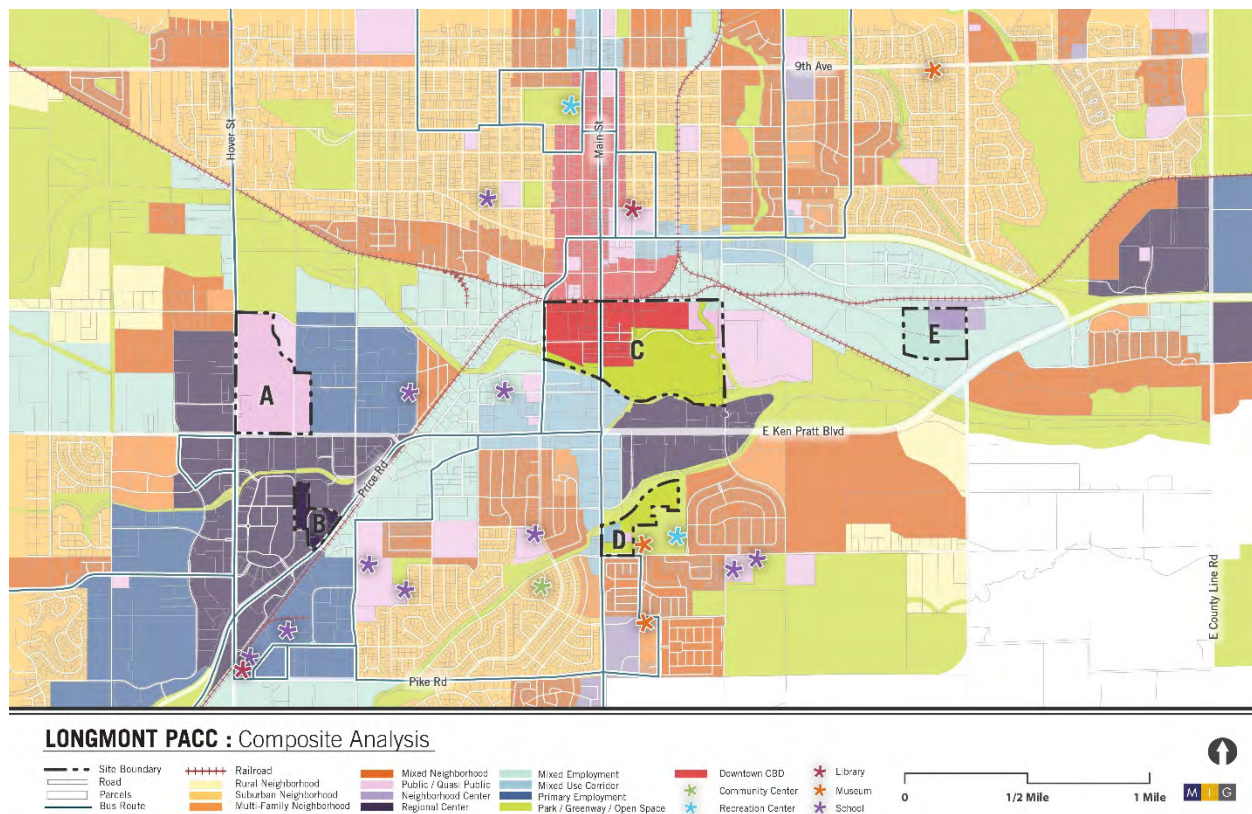
- Boulder County Fairgrounds (BCF)
- Former Plaza Convention Center (PCC, currently Flatirons Community Church)
- Building STEAM
- Quail Campus (site of Longmont Museum)
- Old Sugar Mill Site

Figure 7-5



Each of the sites has unique opportunities and constraints as it relates to site planning, in terms of existing and adjacent land uses, proximity to active uses, connectivity and so forth. A more complete analysis, including market viability, financial mechanisms, etc. established a baseline for site viability ahead of this analysis. The following analysis is focused specifically on the physical parameters of each site, and those implications within a site planning context.

Figure 7-6



From a land-use perspective, the potential siting of a performing arts and conference center cannot be viewed in isolation. Figure 7-6 shows the Future Land Use Map, showing what has been envisioned for each of the five sites. Proximity to existing retail, residential and open space are primary considerations. A summary of the land-use implications for each site follows:

A. Boulder County Fairgrounds

- Located on the west end of town, the BCF is surrounded by big-box retail and industrial/employment uses. With access to the St. Vrain Creek to the north, and a desired need to grow/change (per the concurrent Boulder County Fairgrounds master planning effort), this site has the potential to redevelop, including the proposed program uses of this study. This site is less ideal in terms of proximity to Main Street, which could help to maximize walkability, bikeability, and encouraging attendees of the arts and event center

to patronize existing businesses. The absence of intensive commercial development in this area is a limitation of the site.

B. Former Plaza Convention Center (Flatirons Community Church)

- The smallest in size, the PCC is located within the Regional Center designation, and is surrounded by big-box retail, auto-oriented dining, and dispersed employment nodes along a major boulevard. Ken Pratt Blvd creates a strong, physical barrier along the and access to the site is current limited. Due to these attributes, this would not be an ideal site from a site planning perspective. Furthermore, the existing tenant, Flatirons Community Church, has a long-term lease on the building, making any redevelopment effort virtually out of the question for at least 10 years.

C. Building STEAM

- This site is in the core of central Longmont, in part, within the Downtown CBD designation. Currently, multiple projects are underway, in either construction or planning phases, in and around the site that will help to energize the southern end of Main Street. There is extensive access to Dickens Farm Open Space and the St. Vrain Creek trail access. This site was the favorite of many stakeholders during the engagement process and would be the best in terms of tying in the proposed facility with adjacent existing and future land uses. It is also located within all three types of incentive zones that could provide funding opportunities for the capital and/or operational costs of the proposed arts and event center.

D. Quail Campus (site of Longmont Museum)

- Located on the south end of the central core, Quail Campus currently houses a museum, recreation center and outdoor athletic facilities. There is notable access to the creek, and a frontage potential on Main Street (though the separation from the existing intensity is not ideal.) Co-location with the Longmont Museum could provide some opportunities for synergies with the Stewart Auditorium and shared parking areas, although land and facility massing is a concern due to the size of the site and its proximity to flood zones – one of the primary reasons it was dedicated as open space in the Future Land Use Map.

E. Old Sugar Mill Site

- Located east of the central core of Longmont, the Sugar Mill site provides adequate space to develop. However, additional development and catalytic projects would be required in order to create a project that was not isolated, in form or in financial support of Longmont at large. The lack of development (or redevelopment) in the area, in addition to its proximity to primarily single-family residential and industrial employment uses, creates numerous challenges. The Mixed Employment and Neighborhood Center designation does not align with the intent of the proposed program. This site is, however, within all three types of incentive zones that could provide additional funding opportunities.

Funding Strategy

There are a multitude of ways to finance these types of facilities, including issuing municipal bonds, redirecting a portion of general fund revenues, increasing or imposing additional local taxes (sales taxes, lodging taxes, food and beverage taxes, or property taxes), creating a special taxing district around the facility (TIF, BID, etc.), and public private partnerships, among others. This section focuses on potential funding strategies that are specific to this project, and the location of the proposed facility, in particular.

There are four existing types of development incentives at play in the area for this type of project, which could offer varying types of support in the form of capital and/or operational funding:

- Qualified Opportunity Zones (QOZ)
- Urban Renewal Areas (URA)
- Colorado Enterprise Zones (EZ)
- Scientific & Cultural Facilities District (SCFD)

The QOZ program is a federal program that was created under the Tax Cuts and Jobs Act of 2017 to address uneven economic recovery and persistent lack of growth that have left many communities across the country behind. QOZs are areas that have been selected, based on a process of need-based indexing of various economic and demographic indicators, to receive preferential tax treatment and therefore, become attractive sites for development. The program's mechanics can be simplified into a four-step process: 1) the entity makes an investment in a Qualified Opportunity Fund (QOF), which would be the arts and event center in the case of this project, 2) at least 90% of that fund is invested within a QOZ, 3) that investment is held for at least 5 years, 4) the entity receives capital gains tax incentives. These capital gains tax incentives include: 1) a temporary deferral of inclusion of the capital gains from the QOF in the entity's taxable income if the gains are reinvested into the QOF, 2) a capital gains tax basis increase of 10% if the investment is held for at least 5 years or 15% if the investment is held for at least 7 years, and 3) a permanent exclusion of capital gains from taxable income if the investment is held for at least 10 years. U.S. investors currently hold trillions of dollars in unrealized capital gains in stocks and mutual funds alone—this is a significant untapped resource for economic development. Opportunity Funds provide investors the chance to put that money to work rebuilding the nation's distressed communities. The fund model will enable a broad array of private equity fund managers and investors to pool their resources, increasing the scale of investments going to under-served areas.

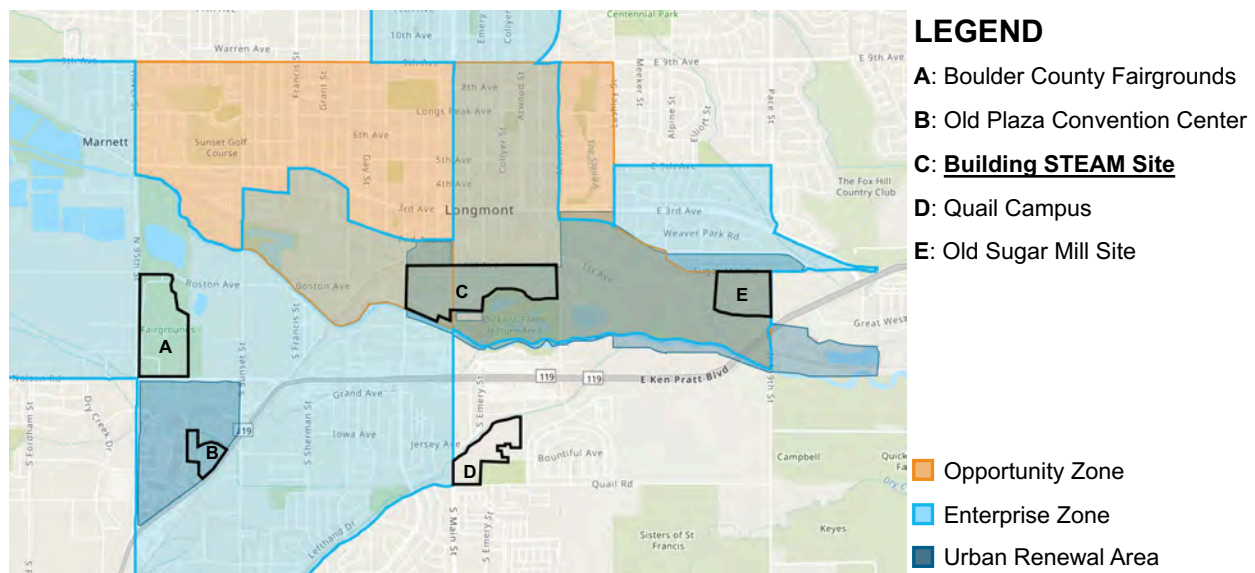
The Building STEAM site is within Longmont's existing Southeast URA. The Urban Renewal Program, in accordance with the Colorado Urban Renewal Statute (C.R.S. 31-25-102), is intended to support Urban Renewal Projects that provide for the economic revitalization, establish a more beneficial mix of land uses, and restore public infrastructure in blighted areas. URAs are governed by Urban Renewal Authorities. The Authority has the power to provide financing for public improvements including construction, operation, and maintenance. It can authorize the use of Revenue Bonds or Tax Increment Financing (TIF) within the URA, which allows for the issuance of bonds and/or the collection of City sales and property tax revenue within the area over and above the pre-established base. Such proceeds can be used towards providing financial

assistance in the installation of infrastructure, the construction of buildings, business support, and other investment as authorized by the Authority and permissible under State statute. While the SE Longmont URA is already established, the Authority has not yet negotiated or pursued use of any potential TIF with the various entities. Thus, the Authority would need to enter into such negotiations and agreements prior to committing any tax increment funding towards any project within the URA. If the proposed arts and event center were to be pursued as an Urban Renewal Project, the Southeast Longmont Renewal Plan, adopted in 2006, would need to be revisited to ensure that it would allow for this to occur.

The State of Colorado's EZ program offers state income tax credits that incentivize development within EZs. The tax credits that can be applied through this program that could be applicable to the proposed arts and event center project include: 1) a 3% income tax credit for investing in business property within an EZ, given that special renewable energy rules are met, 2) an income tax credit equal to 12% of eligible costs related to qualified job-training programs for employees within the EZ, 3) a tax credit of \$1,100 per net new employee, and 4) a 25% income tax credit for Colorado taxpayers who contribute to targeted efforts involving community participation or public-private partnerships to implement the economic development plan of that EZ, among others.

Figure 7-7 maps these three types of incentive zones, showing that the Building STEAM site is within the boundaries of all three.

Figure 7-7



The fourth type of development incentive that is applicable for this proposed project, the SCFD, would apply to any of the potential sites. One penny of every \$10 of sales and use tax collected within the 7-county region (including Denver, Boulder, Broomfield, Adams, Arapahoe, Douglas, and Jefferson counties) funds the SCFD, which has been supported by voters multiple times since its inception more than 30 years ago. In order to be eligible for SCFD funding, the organization must: 1) be an incorporated 501(c)3 nonprofit or

ARTS & EVENT CENTER – LONGMONT, CO

an agency of a local government, 2) have been in operation for at least 5 consecutive years, 3) have filed required forms with the IRS, and 4) have a mission that is primarily related to visual arts, performing arts, cultural history, natural history, or natural sciences. Organizations can achieve 3 tiers of funding. Tier 1 is reserved for the metro area's largest cultural organizations, including the Denver Art Museum, Denver Botanic Gardens, Denver Center for the Performing Arts, Denver Museum of Nature & Science, and Denver Zoo. Tier 2 is reserved for regional organizations, including the Arvada Center, Lone Tree Arts Center and Parker Arts and Cultural Center, among others. Tier 3 is allocated by County Cultural Councils that make decisions based on their county's funding priorities – many of the LPAI organizations already receive Tier III funding. The SCFD distributes more than \$60 million to nearly 300 different organizations annually. The SCFD and its funded organizations are estimated to generate \$573 million in economic impact each year.

Figure 7-8: Site Analysis presents a comprehensive review of the various considerations that impact site selection from a site planning perspective, as well as how each of these considerations impact each site's viability. As shown, there are several criteria that, while not disqualifying a particular site, were important to consider in weighing the risks and benefits of each site. This high-level review for the five potential site locations resulted in recommendation of a more detailed analysis of a singular site.

Figure 7-8: Site Analysis

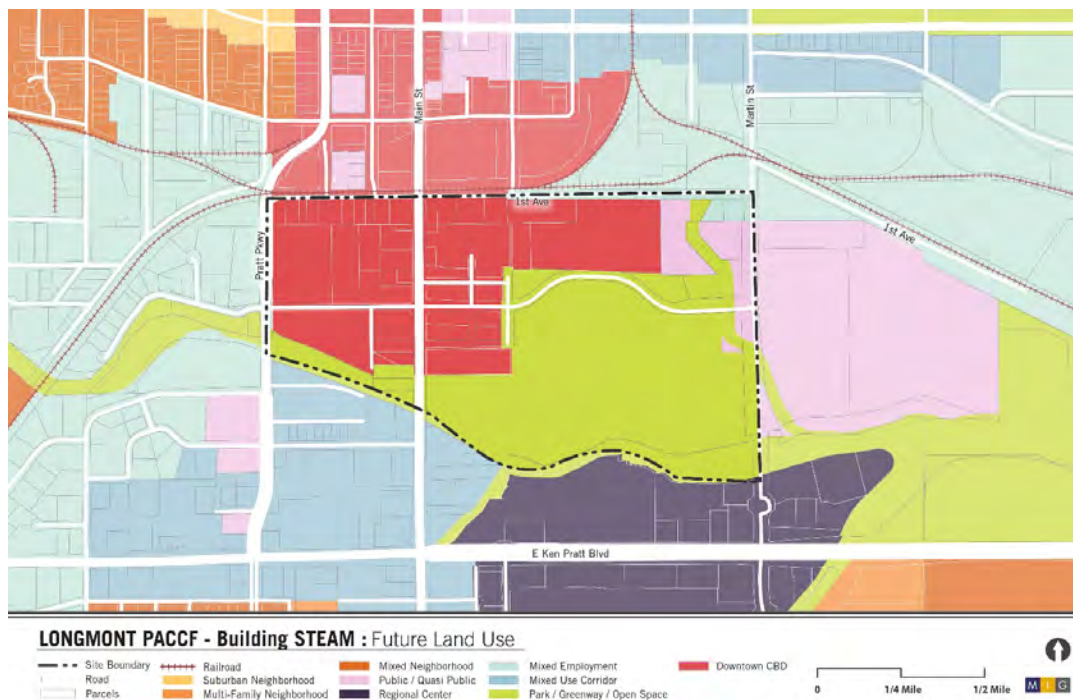
	A. Boulder County Fairgrounds	B. Former Plaza Convention Center	C. Building STEAM	D. Quail Campus	E. Old Sugar Mill
Proximity to Main Street					
Proximity to I-25					
Transit Accessibility					
Traffic Flow & Parking					
Walkability & Bikeability					
Existing & Future Land Use					
Incentive Zone Potential					
Floodplain & Environmental					
Proximity to Existing Hotels					
Land & Facility Massing					
Within City Limits					
Train Noise					
OVERALL					

Legend:

Not Favorable
Neutral
Favorable

Source: MIG, DLR, Johnson Consulting

In review of the potential site locations through a site planning lens, as well as with the input of a variety of stakeholders, it was determined that the Building STEAM site offered the most land use benefits and amenities, and that it was appropriate to conduct a more detailed analysis to analyze the final site selection. Further analysis of the STEAM site are as follows:

Figure 7-9

Relationship to Main Street & Downtown Longmont

The Building STEAM site is centrally located within the overall city and is situated just over a quarter of a mile away from the edge of the Main Street, Longmont's Downtown. This particular site is the only one of the five previously reviewed that has the potential to build upon the part of Longmont's existing character by further enhancing the quality of the user experience in an existing, high-use destination – Main Street. Existing dining and unique retail uses also directly benefit from the proposed program by providing additional essential needs outside of original reason for the user's visit. Unlike other locations, the experiential component of an afternoon or evening out, which Main Street capitalizes on already, has the potential to grow even further. By constructing a new facility close to the Southern portion of Downtown, Main Street could extend farther South providing further synergistic opportunities between existing and proposed project uses, as well as the potential for more unique shops, restaurants and services to operate in Longmont.

Figure 7-10

Connectivity

- **Walkability:** Due to the close proximity of other amenities nearby – the shopping center to the South, the Dicken’s Farm Nature Area on site, Downtown closely situated to the North, as well as the local trail system running through the site to other portions of the City – users of the proposed facility have well-connected mobility options throughout the site and are likely to explore of more the surrounding area. Additionally, critical pedestrian infrastructure such as sidewalks and bicycle facilities have largely already been constructed on site, allowing site funding to be used elsewhere.
- **Parking:** While it is likely that new parking lots or garages would need to be constructed to accommodate additional users, and there is ample space on site to do so, other potential parking opportunities could be explored. Most robust opportunities for shared parking, TNCs and micromobility options are due to the proximity to the Downtown, the St. Vrain Creek corridor, the future mobility hub and other emerging destinations. More specifically, a TDM program focused on the existing inventory and hours of use for business in and around the project area could be explored further. Partnerships with these businesses could be offered in exchange to use their parking lots in the evening when they are unused, capitalizing on existing space and helping off load the need for parking. Additionally, by having access to transit services on site and the use of a new transit hub constructed in the future, parking can be expected to be either reduced or redistributed in certain locations.
- **Transit Accessibility:**

- A new transit hub is to be constructed in the Northwest portion of the site along 1st avenue granting greater access to the site both locally and regionally.
- The local 323 and 324 buses have routes and stops that go through the Western/ middle portion of the site on Pratt Parkway and Main Street.
- The regional J, L, and BOLT bus routes run through the site on Main Street, connecting from Lafayette to Denver, as well as to Boulder.
- There are no routes that touch the Eastern or Southern sides.
- The Peak Northwest Commuter rail, connecting from Denver, through Boulder to Longmont offers enhanced connectivity to regional users.

Floodplains & Environmental

Flooding on site is a risk factor but should not be regarded as a high concern. Although the St. Vrain Creek runs through the site and poses as a threat, the area is considered to be a Special Flood Hazard Area (SFHA) experiencing only floods levels of a 100-year base flood elevations, which is considered rare. In response to the 2013 flooding, the reconstruction of the creek corridor will alleviate much of the concern. If a 100-year flood event were to occur, new flood data from 2017 suggests that essentially the entire site would be affected by flood levels, excluding some of the middle Northern and Northeastern portions of the site. The ideal location to place a major facility on site would be in either of these locations as they are the least susceptible to flooding damage.

Relation to Adjacent Planned Developments

Multiple areas adjacent to the site are planned to be developed, these developments can be expected to raise the land value and viability of the STEAM site. The planned developments adjacent to the site are as follows:

- South Main Station: Multifamily units with retail space on ground floor. Under construction, Northeast corner of 1st Street and Main Street.
- Biogas & CNG Fueling Station: Site plan review for a new biogas and natural gas fueling station at the wastewater treatment plant site. Under construction, East of site on S. Martin Street.
- Hilton @ Harvest Junction: PUD review for a new 105 room hotel in the Harvest Junction North development. Under construction, Northeast side of S. Martin Street Roundabout.
- Green Solution Plat + Site Plan Waiver: New retail marijuana store in the existing building. Under construction, South of site on Main Street.
- Boston Station Apartments: ** Withdrawn as of January 2020. New apartment complex proposing 372 apartments in 7 buildings. Center of STEAM site.

Relation to Envision Longmont & Other Plans

The City of Longmont is currently conducting a community wide planning effort, Envision Longmont, to update and integrate the Longmont Area Comprehensive Plan and the Longmont Multi-Modal Transportation Plan. The STEAM site has advantageously already been selected as a location to be redeveloped within these planning efforts. Other plans that will benefit the growth and desirability of the site are as follows:

- 1st and Main Street Transit Revitalization Plan: included preparation of transit-oriented development concept plans and market analyses for the area. Examining multi-modal connections to the site, including development of potential alternative bus service options for the City to better serve the site and surrounding areas.
- Southeast Longmont Urban Renewal Plan: Planning for the Southeast Urban Renewal area began in 2004 to assist the private sector in redeveloping the area between the Old Sugar Factory and Flour Mill.
- Longmont Main Street Corridor Plan: The Main Street Corridor Plan has assessed land use, transportation, market needs, and opportunities for improvements to the Main St. Corridor. The plan addresses the need to carry multiple transportation modes safely and efficiently on Main Street, while revitalizing the area, and creating opportunities for mixed-land use projects over time.

Proximity to Existing Hotels

The proximity of multiple existing hotels to the site make it feasible to host large groups of people without the pressure of constructing new hotels, as well as reassuring users of the facility to know accommodations are not far from site.

- Hampton Inn – Half mile South of site
- Home2Suites – One Mile West of site
- Best Western – One and a half miles West of site
- Lamplighter Motel – Two miles North of Site
- Six additional hotels located two miles West of site

Additionally, given the concurrent development in and around the potential site and in consideration of existing operating needs, there may be the opportunity to add a hotel in the south Main Street/St. Vrain corridor area, that, in conjunction with the proposed program, would further increase to desirability of the location.

Site Capacity and Facility Massing

The site consists of approximately 164 acres, of which 25.5 acres are usable for new construction, if greenfield development is preferred for the building location. While the site has a large land mass, much of the land is undevelopable currently due to the Dicken's Farm Nature Area, which is expected to remain

undeveloped, as well as multiples businesses in the Northeastern portion of the site, approximating to about 50 acres. While these businesses are not currently being redeveloped, consideration for parcel consolidations could be advantageous for both the City and the businesses that presently operate on site.

Figure 7-11 summarizes the facility program, in square feet, for the Phase I facility, as well as the Phase I + II facility at full build out. The detailed facility program, which breaks down each type of space room by room, can be referenced in the Appendix of this report.

Figure 7-11

Longmont Project Facility Program				
	Phase I Facility		Phase I + II Facility	
	Net Area (SF)	Gross Area (SF)	Net Area (SF)	Gross Area (SF)
Arts Center				
Public Spaces	9,018	-	13,704	-
Front of House	19,630	-	29,855	-
Back of House	10,625	-	14,060	-
Total	39,273	58,909	57,619	86,428
Event Center				
Public Spaces	7,940	-	11,090	-
Event Spaces	25,000	-	35,000	-
Support Spaces	2,650	-	5,250	-
Total	35,590	51,606	51,340	74,444
Shared Spaces				
Rehearsal/Meeting Rooms	10,000	-	20,000	-
Total	10,000	15,000	20,000	29,500
Other				
Administration / Support	1,560	-	3,520	-
Building Services	7,735	-	15,618	-
Total	9,295	12,239	19,138	25,231
TOTAL	94,158	137,754	148,097	215,603

Source: DLR, Johnson Consulting

As shown, the Phase I facility is expected to comprise nearly 138,000 square feet of space, while the fully built out Phase II facility is expected to account for nearly 216,000 square feet. These numbers serve as the basis for the massing diagrams, which show the proposed Phase I + Phase II facility within the context of the Building STEAM site.

Figures 7-12 through 7-14 show the Phase I facility, while Figures 7-15 through 7-17 show the Phase I + II facility at full build out. The three diagrams for each facility represent site layouts with varying degrees of compactness. Due to the structural constraints of a Performing Arts Center (PAC) type facility, that element of the proposed facilities remains constant. The Conference Center (CC) type facility and parking allow for some flexibility in terms of the layout of the structure, which could be configured in a way that minimizes or maximizes footprint depending on the amount of land available for development. It should be noted that these diagrams are purely for volumetric purposes only, and do not take into account the more detailed design considerations which would be appropriate later on in the development process.

Figure 7-12: Phase I Facility (Least Compact Layout)



Figure 7-13: Phase I Facility (Moderately Compact Layout)



Figure 7-14: Phase I Facility (Most Compact Layout)



Figure 7-15: Phase I + II Facility (Least Compact Layout)



Figure 7-16: Phase I + II Facility (Moderately Compact Layout)

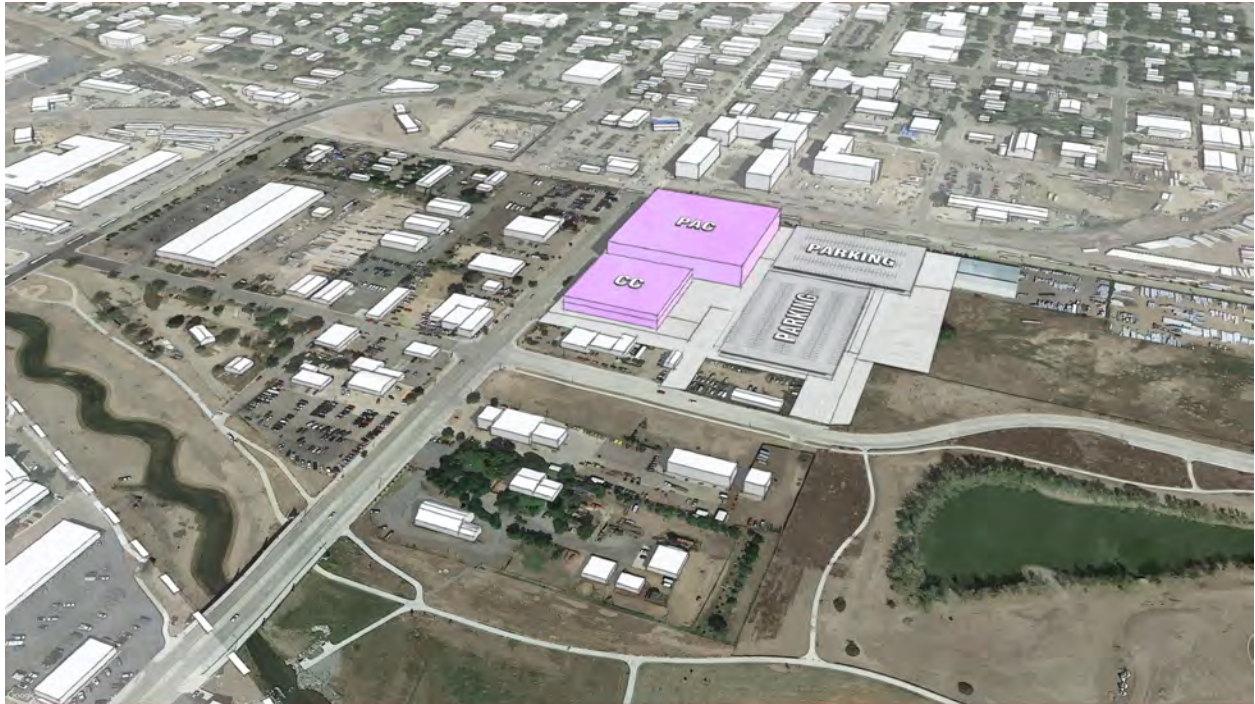


Figure 7-17: Phase I + II Facility (Most Compact Layout)



COST ESTIMATE

Arriving at cost figures for venues such as this is an art as well as a science. The construction costs presented herein assume a high-quality venue that fits Longmont's current and future role in the greater Front Range. Funding for this project has not yet been defined. As costs are reviewed, recall that many of these projects are associated with a capital campaign where municipal funds are joined with private dollars to make these projects a reality. If the capital campaign's yield is not sufficient, there are cost reductions regarding finish levels and building elements that can be phased, sponsored or not included.

Figure 7-18 presents a preliminary cost-estimate for the Phase I and Phase I + II facilities, respectively. These cost estimates were developed using the aforementioned facility programs, developed by DLR Group, for each of the facilities. By applying a cost assumption per square foot of gross building area, an approximate figure is produced. These cost assumptions are industry standards derived from actual projects of similar types: the Arts Center is assumed at \$918 per square foot, the Event Center and Shared Spaces are assumed at \$640 per square foot, and the Other spaces are assumed at \$512 per square foot. This cost estimate includes hard (construction) costs, soft costs (assumed at 20% of hard costs), and furniture, fixtures, and equipment (FFE) (assumed at 8% of hard costs). *It should be noted that these cost estimates do not involve any significant development costs that may be unique to the site, such as any environmental remediation, utility or infrastructure improvements, or flood protection measures that may be necessary, or land acquisition, which can be substantial depending on location and negotiations with the current landowner. These costs could be reduced by as much as 25% by cost-cutting in FFE, technical infrastructure for the arts center, and a reduction in public/support spaces.*

As shown, the Phase I facility is estimated at a total cost of approximately \$104 million and the Phase I + II facility, at full build out, is estimated at approximately \$159 million.

Figure 7-18

Longmont Project Recommended Facility Program & Cost Estimate					
	Net Area (SF)	Gross Area (SF)	Cost Assumption	per Unit	Cost Estimate
Phase I					
Arts Center	39,273	58,909	\$918	per Gross Area (SF)	\$54,078,462
Event Center	35,590	51,606	\$640	per Gross Area (SF)	\$33,027,840
Shared Spaces	10,000	15,000	\$640	per Gross Area (SF)	\$9,600,000
Other	11,387	14,959	\$512	per Gross Area (SF)	\$7,659,008
Total	96,250	140,474			\$104,365,310
Phase II					
Arts Center	18,346	27,519	\$918	per Gross Area (SF)	\$25,262,442
Event Center	15,750	22,838	\$640	per Gross Area (SF)	\$14,616,320
Shared Spaces	10,000	14,500	\$640	per Gross Area (SF)	\$9,280,000
Other	7,751	10,272	\$512	per Gross Area (SF)	\$5,259,264
Total	51,847	75,129			\$54,418,026
Phase I + II					
Arts Center	57,619	86,428	\$918	per Gross Area (SF)	\$79,340,904
Event Center	51,340	74,444	\$640	per Gross Area (SF)	\$47,644,160
Shared Spaces	20,000	29,500	\$640	per Gross Area (SF)	\$18,880,000
Other	19,138	25,231	\$512	per Gross Area (SF)	\$12,918,272
Total	148,097	215,603			\$158,783,336

"Cost Estimate" includes construction (hard) costs, FFE, and soft costs, but does not include site development costs

These costs could be reduced by as much as 25% by cost-cutting in FFE, technical infrastructure, and reduction in public/support spaces

Source: DLR Group, Johnson Consulting

SECTION 8

DEMAND & FINANCIAL PROJECTIONS

DEMAND AND FINANCIAL PROJECTIONS

This section provides demand and financial projections for the proposed Arts and Events Center in Longmont, Colorado (Longmont Arts and Events Center or LAEC) based on the facility recommendations as outlined in Section 7 of this report. Figure 8-1 below summarizes Phase I and Phase II recommendations for the LAEC facility program.

Figure 8-1

Longmont Project Facility Program		
	Phase I	Phase I + II
<u>Arts Center</u>		
Auditorium (# of seats)	1,250	1,250
Recital Hall (# of seats)	-	500
<u>Event Center</u>		
Multipurpose Hall (SF)	25,000	25,000
Ballroom (SF)	-	10,000
<u>Shared Facilities</u>		
Rehearsal/Meeting Rooms (SF)	10,000	20,000
Parking (# of Spaces)	750	1,050

Source: DLR, Johnson Consulting

As shown in the table, Phase I of the proposed LAEC is planned to have a 1,250-seat auditorium, a 25,000 square foot multipurpose hall, 10,000 square feet of shared rehearsal/meeting rooms, approximately 750 parking spaces, and all appropriate lobby and support spaces. In Phase II, once the Phase I facility has become operational and began to build the market in Longmont, there are several strategic additions that could be made, including a 500-seat recital hall, a 10,000 square foot ballroom, and 10,000 additional square feet of meeting rooms, and 300 additional parking spaces (for a total of approximately 1,050 spaces). The projections presented in this section will show the operations of the Phase I facility as recommended, as well as how the Phase II facility could operate with all of the possible additions as the market, demand, and cost considerations permit.

PHASE I FACILITY PROJECTIONS

PROJECTED EVENT DEMAND

Figure 8-2 shows an estimate of demand for the proposed LAEC as described in Phase I. The Arts Center is expected to host LPAI and other non-profit events including performances, rehearsals, and other types of events, as well as commercial and touring events including both performances and other types of events. The Event Center is expected to host a variety of event types that can be broken down into exhibit events, including conventions/trade shows and consumer shows/public events, and non-exhibit events, including meetings/conferences, banquets/social events, sports events, and other types of events. As shown, in Year 1, the proposed Phase I LAEC is projected to accommodate 425 Arts Center Events and 128 Event Center Events, totaling to 553 events. By Year 5, these numbers are expected to increase to 457 Arts Center Events and 163 Event Center Events, equating to 620 events in total. It is noted that a large number of the Arts Center Events are Rehearsal/Meeting Room Events, which are comprised of LPAI's robust rehearsal schedule, board meetings, and other miscellaneous smaller events. It is likely that these types of events would not be reported in the data for the case study facilities, which typically only report ticketed or more formalized events. This should be kept in mind when drawing comparisons between these numbers and those presented for the case study venues in Section 6 of this report.

Figure 8-2

Longmont Arts and Event Center: Phase I Projected Event Demand										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center Events										
<u>Auditorium Events</u>										
LPAI / Non-Profit										
Performances	22	23	24	25	26	27	27	27	28	28
Rehearsals	33	35	36	38	39	40	41	41	41	42
Other Events	18	20	21	22	23	24	24	24	25	25
Commercial / Touring										
Performances	28	30	32	33	34	35	35	35	36	36
Other Events	16	18	19	20	21	22	22	22	23	23
Rehearsal/Meeting Room Events*	308	310	312	313	314	315	315	316	316	317
Total Arts Center Events	425	436	444	451	457	460	464	466	468	470
Event Center Events										
<u>Exhibit Events</u>										
Conventions/Trade Shows	14	16	18	21	23	24	26	26	27	27
Consumer Shows/Public Events	6	8	10	10	10	11	11	11	11	12
<u>Non-Exhibit Events</u>										
Meetings/Conferences	39	41	43	44	45	45	46	46	46	46
Banquets/Social	54	56	58	59	60	60	61	61	61	61
Sports Events	5	7	8	9	10	10	11	11	11	11
Other	10	12	13	14	15	15	16	16	16	16
Total Event Center Events	128	140	150	157	163	166	169	170	172	174
Total AEC Events	553	576	594	608	620	626	632	636	640	643

* These events account for LPAI's rehearsals, board meetings, and smaller miscellaneous events. These types of events may not be reported for case study facilities, which may only report ticketed or more formalized events, so this should be taken into consideration when making comparisons.

Source: Johnson Consulting

PROJECTED NUMBER OF VISITORS PER EVENT

Figure 8-3 shows the estimated average number of visitors per event for the proposed Phase I LAEC by event type. The number of visitors for Arts Center Events includes both participants and attendees, or both the people performing the artistry and the people coming to enjoy the artistry. As shown, in Year 1, Arts Center Events are projected to draw an average of 868 visitors per event for Commercial/Touring performances and 835 visitors per event for LPAI/Non-Profit performances, with lower averages for other types of events. Event Center Events vary by event type – in Year 1, average visitation per event is 500 for Conventions/Trade Shows, 1,200 for Consumer Shows/Public Events, 100 for Meetings/Conferences, 200 for Banquet/Social events, 450 for Sports Events, and 300 for other types of events. As Longmont develops a reputation as a destination for these types of events, it will become more successful at attracting larger events, which is reflected by the slight increases in the average number of visitors per event each year. Continuing population growth in the greater Front Range will contribute to this trend as well.

Figure 8-3

Longmont Arts and Event Center: Phase I Estimated Average Number of Visitors per Event										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center Events										
<u>Auditorium Events</u>										
LPAI / Non-Profit										
Performances	835	861	887	912	937	950	962	969	975	981
Rehearsals	60	61	62	62	62	62	62	62	62	62
Other Events	708	733	758	783	808	821	833	840	846	852
Commercial / Touring										
Performances	868	893	918	944	969	981	994	1,000	1,006	1,012
Other Events	770	795	821	846	871	883	896	902	908	915
<u>Rehearsal/Meeting Room Events</u>	30	31	31	31	31	31	31	31	31	31
Event Center Events										
<u>Exhibit Events</u>										
Conventions/Trade Shows	500	515	525	536	541	546	551	554	557	560
Consumer Shows/Public Events	1,200	1,236	1,261	1,286	1,299	1,312	1,325	1,332	1,339	1,346
<u>Non-Exhibit Events</u>										
Meetings/Conferences	100	103	105	107	108	109	110	111	112	113
Banquets/Social	200	206	210	214	216	218	220	221	222	223
Sports Events	450	464	473	482	487	492	497	499	501	504
Other	300	309	315	321	324	327	330	332	334	336

Source: Johnson Consulting

PROJECTED NUMBER OF VISITORS

As a product of the projected event demand and average number of visitors per event, Figure 8-4 shows the total number of visitors projected for the Phase I LAEC. As shown, the projected number of visitors for the Arts Center is 78,935 in Year 1, which is expected to grow to 106,425 in Year 5 and 117,796 by Year 10. The Event Center is projected to draw 34,150 visitors in Year 1, 52,983 visitors in Year 5, and 63,220 visitors in Year 10. In total, the Phase I LAEC is projected to attract just over 113,000 visitors in Year 1, which can be expected to grow to more than 159,000 in Year 5 and nearly 179,000 by Year 10.

Figure 8-4

Longmont Arts and Event Center: Phase I Projected Number of Visitors										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center Events										
<u>Auditorium Events</u>										
LPAL / Non-Profit										
Performances	18,370	19,808	21,283	22,803	24,373	25,173	25,986	26,396	26,811	27,227
Rehearsals	1,980	2,111	2,225	2,330	2,435	2,482	2,528	2,552	2,575	2,599
Other Events	12,735	14,658	15,921	17,231	18,592	19,289	19,999	20,360	20,723	21,088
Commercial / Touring										
Performances	24,290	26,793	29,389	31,138	32,936	33,852	34,781	35,248	35,721	36,196
Other Events	12,320	14,317	15,591	16,914	18,287	18,991	19,708	20,071	20,437	20,806
<u>Rehearsal/Meeting Room Events*</u>	9,240	9,486	9,643	9,722	9,802	9,817	9,833	9,849	9,864	9,880
Total Arts Center Events	78,935	87,173	94,052	100,138	106,425	109,604	112,835	114,476	116,131	117,796
Event Center Events										
<u>Exhibit Events</u>										
Conventions/Trade Shows	7,000	8,240	9,450	11,256	12,443	13,241	14,051	14,404	14,761	15,120
Consumer Shows/Public Events	7,200	9,888	12,610	12,860	12,990	13,776	14,575	14,918	15,265	15,614
<u>Non-Exhibit Events</u>										
Meetings/Conferences	3,900	4,223	4,515	4,708	4,860	4,932	5,005	5,078	5,152	5,226
Banquets/Social	10,800	11,536	12,180	12,626	12,960	13,135	13,310	13,426	13,542	13,659
Sports Events	2,250	3,248	3,784	4,338	4,870	5,043	5,219	5,364	5,511	5,670
Other	3,000	3,708	4,095	4,494	4,860	4,987	5,115	5,229	5,344	5,460
Total Event Center Events	34,150	40,843	46,634	50,282	52,983	55,113	57,274	58,420	59,574	60,749
Total AEC Events	113,085	128,016	140,686	150,420	159,408	164,717	170,109	172,896	175,705	178,545

Source: Johnson Consulting

PROJECTED EVENT-DAYS

The number of event-days is equal to the average number of calendar days that are consumed by each event, including both the event itself and set-up/tear-down. This metric is helpful for understanding how much of the facility's total capacity is being consumed by events, and how much capacity remains to accommodate future growth. The projected number of event-days for the Phase I LAEC is shown in Figure 8-5, along with the number of event-days per event assumption by event type. As shown, the Arts Center Events are projected to account for 244 event-days in Year 1, which can be expected to grow to 278 event-days in Year 5 and 290 event-days by Year 10. Event Center Events are projected to account for 200 event-days in Year 1, which can be expected to grow to 269 event-days in Year 5 and 304 event-days by Year 10. In total, the Phase I LAEC is projected to accommodate 444 event-days in Year 1, which is estimated to grow to 547 event-days in Year 5 and 583 event-days by Year 10.

Figure 8-5

Longmont Arts and Event Center: Phase I Projected Event-Days										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center Events										
<u>Auditorium Events</u>										
LPAI / Non-Profit										
Performances	33	35	36	38	39	40	41	41	41	42
Rehearsals	17	17	18	19	20	20	20	20	21	21
Other Events	23	25	26	28	29	29	30	30	31	31
Commercial / Touring										
Performances	49	53	56	58	60	60	61	62	62	63
Other Events	20	23	24	25	26	27	28	28	28	28
<u>Rehearsal/Meeting Room Events*</u>	103	103	104	104	105	105	105	105	105	106
Total Arts Center Events	244	255	264	271	278	281	285	286	288	290
Event Center Events										
<u>Exhibit Events</u>										
Conventions/Trade Shows	48	54	61	71	78	82	87	88	90	92
Consumer Shows/Public Events	17	22	28	28	28	29	31	31	32	32
<u>Non-Exhibit Events</u>										
Meetings/Conferences	47	49	52	53	54	54	55	55	55	56
Banquets/Social	70	73	75	77	78	78	79	79	79	80
Sports Events	7	9	10	12	13	13	14	14	14	15
Other	12	14	16	17	18	18	19	19	19	20
Total Event Center Events	200	222	242	257	269	276	283	287	290	294
Total AEC Events	444	477	506	528	547	557	568	573	578	583

Source: Johnson Consulting

FINANCIAL PROJECTIONS

In order to illustrate the potential of the proposed Phase I LAEC based on execution of the facility recommendations, Johnson Consulting prepared projections of financial performance. The above outlined demand projections, including events, event-days and attendance were used to produce estimated financial operating projections for the facility.

Figure 8-6 shows the projected pro forma of the proposed Phase I LAEC. As shown in the table, in Year 1, the proposed Phase I LAEC is projected to start off with approximately \$2.0 million in operating revenues and \$3.2 million in expenses, resulting in a net operating deficit of approximately \$1.3 million before reserve for replacement. In Year 5, the Phase I LAEC is projected to generate \$3.0 million in operating revenues and \$3.8 million in expenses, hence decreasing the net operating deficit to \$853,000 before reserve for replacement. The net operating deficit is projected to slowly decrease in the years that follow as operational efficiencies are achieved, Longmont's reputation as a destination for arts programming and multipurpose events is solidified, and the community and greater region continue to grow.

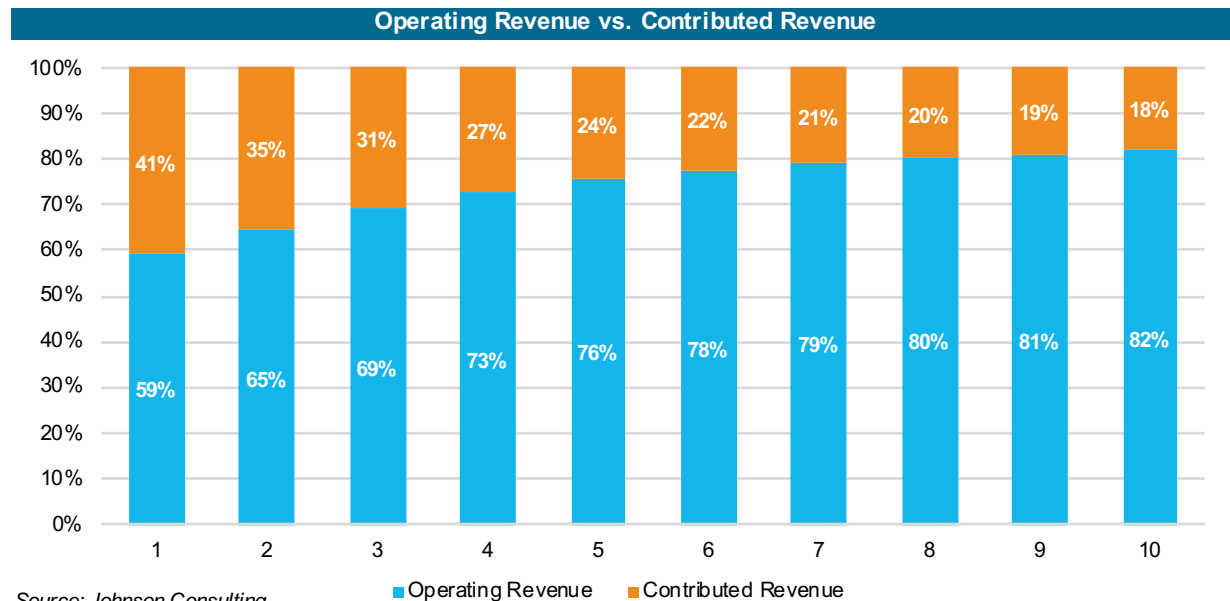
Figure 8-6

Longmont Arts and Event Center: Phase I Pro Forma Operating Statement of Revenue and Expenses (\$000, Inflated)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Space Rental	\$690	\$774	\$854	\$924	\$991	\$1,044	\$1,098	\$1,143	\$1,190	\$1,238
Ticket Fee and Box Office Fee	130	149	167	185	204	217	231	242	253	265
Food and Beverage Sales (Net)	595	697	793	882	967	1,032	1,102	1,154	1,210	1,267
Contract Service	413	472	528	577	621	657	693	723	754	786
Donations/ Membership	23	25	27	29	30	32	33	35	36	37
Advertising/ Sponsorship	43	48	53	57	63	66	69	71	74	76
Other	58	67	74	82	88	94	99	104	108	113
Total Revenues	\$1,951	\$2,231	\$2,496	\$2,736	\$2,965	\$3,141	\$3,326	\$3,472	\$3,624	\$3,782
Expenses										
Salaries, Wages, and Benefits	\$1,352	\$1,393	\$1,434	\$1,477	\$1,522	\$1,567	\$1,614	\$1,663	\$1,713	\$1,764
Utilities	652	704	755	802	845	882	921	954	989	1,026
Repairs and Maintenance	152	163	175	185	195	203	211	219	227	235
General and Administrative	290	299	308	317	326	336	346	357	367	378
Insurance	168	173	178	184	189	195	201	207	213	220
Materials and Supplies	178	193	208	221	233	244	255	265	274	285
Professional Fees	168	173	178	184	189	195	201	207	213	220
Other	120	127	135	142	149	155	161	167	173	179
Management Fee	150	155	159	164	169	174	179	184	190	196
Total Expenses	\$3,230	\$3,380	\$3,531	\$3,676	\$3,817	\$3,951	\$4,090	\$4,223	\$4,360	\$4,502
Net Operating Income (Deficit)	(\$1,279)	(\$1,149)	(\$1,034)	(\$939)	(\$853)	(\$811)	(\$764)	(\$751)	(\$736)	(\$719)
Reserve for Replacement	\$59	\$67	\$75	\$82	\$89	\$94	\$100	\$104	\$109	\$113
NOI(D) after Reserve for Replacement	(\$1,337)	(\$1,216)	(\$1,109)	(\$1,021)	(\$942)	(\$905)	(\$864)	(\$855)	(\$845)	(\$833)
Compared to:										
NOI(D) after Reserve - Arts Center only	(\$922)	(\$867)	(\$823)	(\$786)	(\$744)	(\$731)	(\$717)	(\$720)	(\$723)	(\$724)
NOI(D) after Reserve - Events Center only	(\$682)	(\$623)	(\$569)	(\$527)	(\$498)	(\$482)	(\$465)	(\$463)	(\$460)	(\$456)

Source: Johnson Consulting

The net operating deficit of the co-located Phase I LAEC facility can be compared to that of the Arts Center and Event Center facilities if they were built independently of one another. Although event demand and attendance projections would remain largely the same, the staffing and operational efficiencies that are gained by the co-located facility allow it to perform significantly better than the stand-alone development scenario. Upon stabilization in Year 5, the co-located Phase I LAEC facility is projected to have a net operating deficit of approximately \$853,000 after reserve for replacement, which is better than that of the stand-alone Arts Center (\$744,000) and Event Center (\$498,000), which would combine to a total deficit of over \$1.2 million. The revenue and expense assumptions underlying these financial projections will be explained in greater detail later in this section.

The net operating deficit that remains between operating revenues and expenses will need to be covered by contributed revenues, such as subsidies from local governments, additional private donations over and above what is already included in the “Donations/Membership” line item in the figure above, grants, or other contributions. As a graphical representation of the operating and contributed revenues presented in Figure 8-6, Figure 8-7 shows that, in Year 1, the Phase I LAEC is projected to generate 59% of its total revenue from operating (or “earned”) revenues and 41% of its total revenue from contributed revenues. By Year 10, the facility will have improved to generating 82% of total revenue from operating revenue and 18% of its revenue from contributed sources.

Figure 8-7

To provide additional insight into the volume of revenue projected from each demand category, Figure 8-8 provides a breakdown of the “Space Rental” revenue line item in Figure 8-6.

Figure 8-8

Longmont Arts and Event Center: Phase I Projected Space Rental Revenues (\$000)										
Revenues by Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center Events										
<u>Auditorium Events</u>										
LPAI / Non-Profit										
Performances	\$48	\$52	\$56	\$60	\$64	\$68	\$71	\$74	\$77	\$80
Rehearsals	\$54	\$59	\$63	\$68	\$72	\$76	\$80	\$83	\$86	\$90
Other Events	\$40	\$45	\$49	\$53	\$57	\$60	\$63	\$66	\$68	\$71
Commercial / Touring										
Performances	\$77	\$85	\$93	\$99	\$105	\$110	\$115	\$119	\$124	\$128
Other Events	\$44	\$51	\$55	\$60	\$65	\$69	\$72	\$75	\$78	\$82
Rehearsal/Meeting Room Events*	\$62	\$64	\$66	\$69	\$71	\$73	\$75	\$78	\$80	\$83
Total Arts Center Events	\$325	\$356	\$383	\$408	\$435	\$455	\$476	\$495	\$513	\$533
Event Center Events										
<u>Exhibit Events</u>										
Conventions/Trade Shows	\$95	\$112	\$130	\$156	\$176	\$191	\$207	\$217	\$228	\$240
Consumer Shows/Public Events	\$34	\$46	\$59	\$61	\$63	\$68	\$74	\$77	\$81	\$85
<u>Non-Exhibit Events</u>										
Meetings/Conferences	\$59	\$63	\$68	\$72	\$76	\$79	\$81	\$84	\$87	\$91
Banquets/Social	\$149	\$159	\$170	\$178	\$187	\$193	\$200	\$206	\$213	\$221
Sports Events	\$13	\$19	\$22	\$26	\$29	\$31	\$33	\$34	\$36	\$38
Other	\$15	\$19	\$21	\$23	\$25	\$27	\$28	\$29	\$30	\$32
Total Event Center Events	\$364	\$418	\$470	\$516	\$556	\$588	\$622	\$649	\$677	\$706
Total AEC Events	\$690	\$774	\$854	\$924	\$991	\$1,044	\$1,098	\$1,143	\$1,190	\$1,238

Source: Johnson Consulting

The following table looks at LPAI-driven revenue specifically, to assist the LPAI organizations with financial planning. As noted, space rental is the only revenue line item that would be paid for by the LPAI organizations themselves, while ticket & box office fees and food & beverage revenue would be paid for by visitors at LPAI-driven events. LPAI-driven space rental includes the “LPAI / Non-Profit” performances, rehearsals, and other events, as well as rehearsal/meeting room events as shown in Figure 8-8.

Figure 8-9

Longmont Arts and Event Center: Phase I Projected LPAI-Driven Revenues (\$000)										
Revenues by Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Space Rental	\$204	\$220	\$234	\$249	\$265	\$277	\$289	\$300	\$311	\$323
Ticket Fee and Box Office Fee	\$59	\$65	\$71	\$76	\$82	\$85	\$88	\$89	\$91	\$92
Food and Beverage Sales (Net)	\$161	\$184	\$204	\$226	\$250	\$267	\$284	\$298	\$312	\$327
Total LPAI-Driven Revenues	\$424	\$469	\$509	\$552	\$597	\$628	\$661	\$687	\$714	\$742
as % of Total LAEC Revenues	22%	21%	20%	20%	20%	20%	20%	20%	20%	20%

Note: Space Rental will be the only revenue item that will be paid for directly by the LPAI organizations. Other revenues, like ticket & box office fees and food & beverage sales will be paid for by visitors at LPAI-driven events.

Source: Johnson Consulting

PHASE I + II FACILITY PROJECTIONS

PROJECTED EVENT DEMAND

Figure 8-10 shows an estimate of demand for the proposed LAEC as described in Phase II. The Arts Center is expected to host the same types of events as the Phase I facility, with the addition of the 500-seat recital hall. Likewise, the Event Center is expected to host similar types of events as the Phase I facility, with the addition of a 10,000 square foot ballroom and 10,000 square feet of additional meeting space. As shown, in Year 1, the proposed Phase II LAEC is projected to accommodate 555 Arts Center Events and 175 Event Center Events, totaling to 730 events. By Year 5, these numbers are expected to increase to 619 Arts Center Events and 217 Event Center Events, equating to 836 events in total. After Year 5, event demand can be expected to experience slow growth as the sales and marketing operation matures and the community and region as a whole continue to grow. Again, it is noted that a large number of the Arts Center Events are Rehearsal/Meeting Room Events, which are comprised of LPAI's robust rehearsal schedule, board meetings, and other miscellaneous smaller events.

Figure 8-10

Longmont Arts and Events Center: Phase I + II Projected Event Demand										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center										
<u>Auditorium Events</u>										
LPAI / Non-Profit										
Performances	22	23	24	25	26	27	27	27	28	28
Rehearsals	33	35	36	38	39	40	41	41	41	42
Other Events	18	20	21	22	23	24	24	24	25	25
Commercial / Touring										
Performances	28	30	32	33	34	35	35	35	36	36
Other Events	16	18	19	20	21	22	22	22	23	23
<u>Recital Hall Events</u>										
LPAI / Non-Profit										
Performances	32	34	36	37	38	39	39	39	40	40
Rehearsals	48	51	54	56	57	58	59	59	59	60
Other Events	16	18	19	20	21	22	22	22	23	23
Commercial / Touring										
Performances	18	20	22	23	24	25	25	25	26	26
Other Events	16	18	19	20	21	22	22	22	23	23
<u>Rehearsal Room Events*</u>	308	311	313	314	315	316	316	316	317	317
Total Arts Center	555	578	595	607	619	625	631	634	637	640
Event Center										
<u>Exhibit Events</u>										
Conventions/Trade Shows	20	22	26	28	30	31	33	34	35	36
Consumer Shows/Public Events	8	10	10	12	12	13	13	14	14	15
<u>Non-Exhibit Events</u>										
Meetings/Conferences	52	55	57	59	60	60	61	61	61	61
Banquets/Social	77	80	82	84	85	85	86	86	86	86
Sports Events	6	8	10	11	12	12	13	13	13	13
Other	12	14	16	17	18	18	19	19	19	19
Total Event Center	175	189	201	211	217	220	223	225	228	231
Total AEC Events	730	767	796	818	836	845	854	859	865	871

* These events account for LPAI's rehearsals, board meetings, and smaller miscellaneous events. These types of events may not be reported for case study facilities, which may only report ticketed or more formalized events, so this should be taken into consideration when making comparisons.

Source: Johnson Consulting

PROJECTED NUMBER OF VISITORS PER EVENT

Figure 8-11 shows the estimated average number of visitors per event for the proposed Phase II LAEC by event type. The number of visitors for Arts Center Events includes both participants and attendees, or both the people performing the artistry and the people coming to enjoy the artistry. The main material difference in these numbers for Phase II is the addition of the 500-seat Recital Hall, which is projected to host an average of 423 visitors per LPAI / Non-Profit performance and 387 visitors per event for Commercial / Touring performances in Year 1, again with lower averages for other types of events. As Longmont develops a reputation as a destination for this type of activity and continues to experience population growth overall, it will become more successful at attracting larger events, which is reflected by the slight increases in the average number of visitors per event each year.

Figure 8-11

Longmont Arts and Events Center: Phase I + II Estimated Average Number of Visitors per Event										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center										
<u>Auditorium Events</u>										
LPAI / Non-Profit										
Performances	835	861	887	912	937	950	962	969	975	981
Rehearsals	60	61	62	62	62	62	62	62	62	62
Other Events	708	733	758	783	808	821	833	840	846	852
Commercial / Touring										
Performances	868	893	918	944	969	981	994	1,000	1,006	1,012
Other Events	770	795	821	846	871	883	896	902	908	915
<u>Recital Hall Events</u>										
LPAI / Non-Profit										
Performances	423	434	444	454	459	464	469	472	474	477
Rehearsals	30	31	31	31	31	31	31	31	31	31
Other Events	368	378	388	398	403	408	413	415	418	420
Commercial / Touring										
Performances	387	397	407	417	423	428	432	435	437	440
Other Events	357	367	377	387	392	397	402	405	407	410
<u>Rehearsal Room Events</u>	30	31	31	31	31	31	31	31	31	31
Event Center										
<u>Exhibit Events</u>										
Conventions/Trade Shows	500	515	525	536	541	546	551	554	557	560
Consumer Shows/Public Events	1,200	1,236	1,261	1,286	1,299	1,312	1,325	1,332	1,339	1,346
<u>Non-Exhibit Events</u>										
Meetings/Conferences	100	103	105	107	108	109	110	111	112	113
Banquets/Social	200	206	210	214	216	218	220	221	222	223
Sports Events	450	464	473	482	487	492	497	499	501	504
Other	300	309	315	321	324	327	330	332	334	336

Source: Johnson Consulting

PROJECTED NUMBER OF VISITORS

As a product of the projected event demand and average number of visitors per event, Figure 8-12 shows the total number of visitors projected for the Phase II LAEC. As shown, the projected number of visitors for the Arts Center is 112,769 in Year 1, which is expected to grow to 153,541 in Year 5 and 168,410 by Year 10. The Event Center is projected to draw 46,500 visitors in Year 1, 68,334 visitors in Year 5, and 79,118

visitors by Year 10. In total, the Phase II LAEC is projected to attract 159,269 visitors in Year 1, which can be expected to grow to 221,875 in Year 5 and 247,528 by Year 10.

Figure 8-12

Longmont Arts and Events Center: Phase I + II Projected Number of Visitors										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center										
<u>Auditorium Events</u>										
LPAL / Non-Profit										
Performances	18,370	19,808	21,283	22,803	24,373	25,173	25,986	26,396	26,811	27,227
Rehearsals	1,980	2,111	2,225	2,330	2,435	2,482	2,528	2,552	2,575	2,599
Other Events	12,735	14,658	15,921	17,231	18,592	19,289	19,999	20,360	20,723	21,088
Commercial / Touring										
Performances	24,290	26,793	29,389	31,138	32,936	33,852	34,781	35,248	35,721	36,196
Other Events	12,320	14,317	15,591	16,914	18,287	18,991	19,708	20,071	20,437	20,806
<u>Recital Hall Events</u>										
LPAL / Non-Profit										
Performances	13,536	14,744	15,984	16,804	17,455	17,877	18,304	18,520	18,736	18,954
Rehearsals	1,440	1,561	1,669	1,724	1,779	1,803	1,826	1,838	1,850	1,861
Other Events	5,880	6,798	7,367	7,955	8,459	8,768	9,082	9,241	9,401	9,562
Commercial / Touring										
Performances	6,966	7,945	8,962	9,601	10,140	10,474	10,812	10,983	11,156	11,330
Other Events	5,712	6,609	7,167	7,745	8,238	8,542	8,850	9,006	9,164	9,323
Rehearsal Room Events*	9,240	9,517	9,674	9,753	9,833	9,849	9,864	9,872	9,880	9,888
Total Arts Center	112,769	125,586	136,734	145,016	153,541	157,415	161,345	163,682	166,039	168,410
Event Center										
<u>Exhibit Events</u>										
Conventions/Trade Shows	10,000	11,330	13,650	15,008	16,230	17,063	17,908	18,698	19,495	20,300
Consumer Shows/Public Events	9,600	12,360	12,610	15,432	15,588	16,400	17,225	17,982	18,746	19,517
<u>Non-Exhibit Events</u>										
Meetings/Conferences	5,200	5,665	5,985	6,313	6,480	6,567	6,655	6,743	6,832	6,921
Banquets/Social	15,400	16,480	17,220	17,976	18,360	18,585	18,810	18,951	19,092	19,234
Sports Events	2,700	3,712	4,730	5,302	5,844	6,027	6,213	6,362	6,513	6,678
Other	3,600	4,326	5,040	5,457	5,832	5,968	6,105	6,225	6,346	6,468
Total Event Center	46,500	53,873	59,235	65,488	68,334	70,609	72,915	74,961	77,024	79,118
Total AEC Events	159,269	179,459	195,969	210,504	221,875	228,024	234,260	238,643	243,063	247,528

Source: Johnson Consulting

PROJECTED EVENT-DAYS

The number of event-days is equal to the average number of calendar days that are consumed by each event, including both the event itself and set-up/tear-down. This metric is helpful for understanding how much of the facility's total capacity is being consumed by events, and how much capacity remains to accommodate future growth. The projected number of event-days for the Phase II LAEC is shown in Figure 8-13, along with the number of event-days per event assumption by event type. As shown, the Arts Center Events are projected to account for 387 event-days in Year 1, which can be expected to grow to 458 event-days in Year 5 and 481 event-days by Year 10. Event Center Events are projected to account for 275 event-days in Year 1, which can be expected to grow to 355 event-days in Year 5 and 390 event-days by Year 10. In total, the Phase II LAEC is projected to accommodate 662 event-days in Year 1, which is estimated to grow to 813 event-days in Year 5 and 871 event-days by Year 10.

Figure 8-13

Longmont Arts and Events Center: Phase I + II Projected Event-Days											
Event Type	# of Event-Days per Event	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center											
Auditorium Events											
LPAI / Non-Profit											
Performances	1.50	33	35	36	38	39	40	41	41	41	42
Rehearsals	0.50	17	17	18	19	20	20	20	20	21	21
Other Events	1.25	23	25	26	28	29	29	30	30	31	31
Commercial / Touring											
Performances	1.75	49	53	56	58	60	60	61	62	62	63
Other Events	1.25	20	23	24	25	26	27	28	28	28	28
Subtotal Auditorium Events		141	152	160	167	173	176	180	181	183	184
Recital Hall Events											
LPAI / Non-Profit											
Performances	1.50	48	51	54	56	57	58	59	59	59	60
Rehearsals	0.50	24	26	27	28	29	29	29	29	30	30
Other Events	1.25	20	23	24	25	26	27	28	28	28	28
Commercial / Touring											
Performances	1.75	32	35	39	40	42	43	44	44	45	45
Other Events	0.33	20	23	24	25	26	27	28	28	28	28
Subtotal Recital Hall Events		144	157	167	174	180	183	187	188	190	191
Rehearsal Room Events*	0.33	103	104	104	105	105	105	105	105	106	106
Total Arts Center		387	412	431	445	458	465	471	475	478	481
Event Center											
Exhibit Events											
Conventions/Trade Shows	3.40	68	75	88	95	102	106	111	115	119	123
Consumer Shows/Public Events	2.80	22	28	28	34	34	35	36	38	39	41
Subtotal Exhibit Events		90	103	116	129	136	141	147	153	158	164
Non-Exhibit Events											
Meetings/Conferences	1.20	62	66	68	71	72	72	73	73	73	74
Banquets/Social	1.30	100	104	107	109	111	111	111	111	112	112
Sports Events	1.30	8	10	13	14	16	16	16	17	17	17
Other	1.20	14	17	19	20	22	22	22	23	23	23
Subtotal Non-Exhibit Events		185	197	207	215	220	221	222	223	225	226
Total Event Center		275	300	324	344	355	362	369	376	383	390
Total AEC Events		662	712	755	788	813	827	840	851	861	871

Source: Johnson Consulting

FINANCIAL PROJECTIONS

Figure 8-14 shows the projected pro forma of the proposed Phase II LAEC. As shown in the table, in Year 1, the proposed Phase II LAEC is projected to generate approximately \$2.8 million in operating revenues and \$4.3 million in expenses, resulting in a net operating deficit of approximately \$1.6 million before reserve for replacement. In Year 5, the Phase II LAEC is projected to generate \$4.1 million in operating revenues and \$5.1 million in expenses, hence decreasing the net operating deficit to \$1.0 million before reserve for replacement. The net operating deficit is projected to slowly decrease in the years that follow as operational efficiencies are achieved, Longmont's reputation as a destination for arts programming and multipurpose events is solidified, and the community and greater region continue to grow.

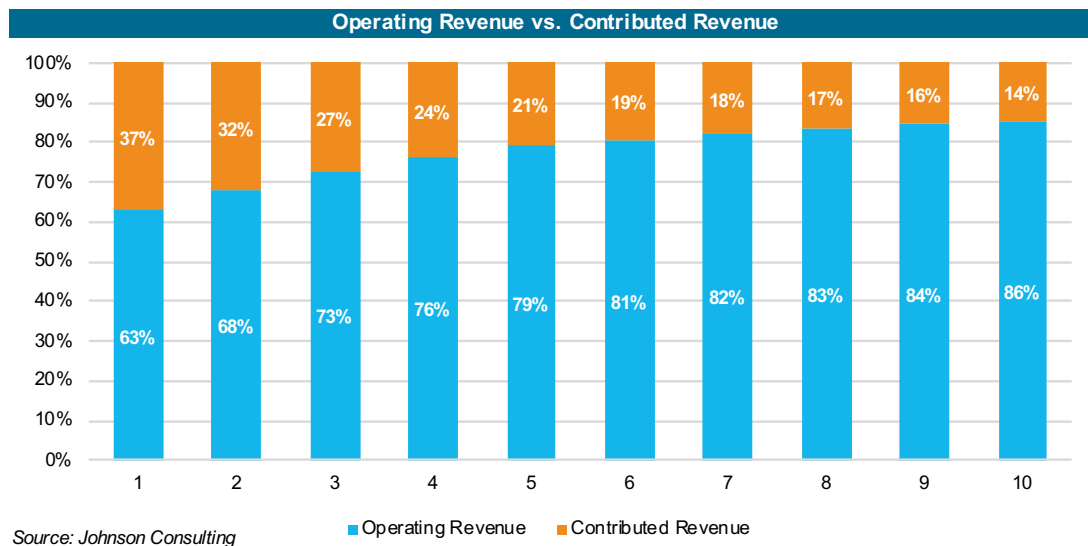
Figure 8-14

Longmont Arts and Events Center: Phase I + II Pro Forma Operating Statement of Revenue and Expenses (\$000, Inflated)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Space Rental	\$1,020	\$1,136	\$1,248	\$1,349	\$1,438	\$1,509	\$1,583	\$1,653	\$1,726	\$1,802
Ticket Fee and Box Office Fee	191	220	247	273	299	318	339	354	371	388
Food and Beverage Sales (Net)	825	956	1,079	1,201	1,307	1,390	1,478	1,555	1,635	1,718
Contract Service	582	653	724	790	842	884	929	974	1,021	1,070
Donations/ Membership	26	28	31	33	35	37	38	40	41	43
Advertising/ Sponsorship	51	58	64	69	75	79	83	86	89	92
Other	83	94	104	114	123	130	137	143	150	157
Total Revenues	\$2,778	\$3,145	\$3,496	\$3,829	\$4,119	\$4,347	\$4,586	\$4,805	\$5,033	\$5,271
Expenses										
Salaries, Wages, and Benefits	\$1,716	\$1,767	\$1,821	\$1,875	\$1,931	\$1,989	\$2,049	\$2,110	\$2,174	\$2,239
Utilities	909	972	1,037	1,099	1,150	1,197	1,245	1,295	1,346	1,400
Repairs and Maintenance	212	226	240	254	266	276	287	298	310	322
General and Administrative	410	422	435	448	461	475	490	504	519	535
Insurance	239	246	253	261	269	277	285	294	302	312
Materials and Supplies	247	266	284	302	317	330	344	358	372	388
Professional Fees	239	246	253	261	269	277	285	294	302	312
Other	158	168	178	187	196	204	213	220	228	237
Management Fee	200	206	212	219	225	232	239	246	253	261
Total Expenses	\$4,330	\$4,519	\$4,713	\$4,906	\$5,085	\$5,257	\$5,435	\$5,619	\$5,808	\$6,004
Net Operating Income (Deficit)	(\$1,552)	(\$1,374)	(\$1,217)	(\$1,077)	(\$966)	(\$910)	(\$849)	(\$814)	(\$775)	(\$733)
Reserve for Replacement	\$83	\$94	\$105	\$115	\$124	\$130	\$138	\$144	\$151	\$158
NOI(D) after Reserve for Replacement	(\$1,636)	(\$1,469)	(\$1,322)	(\$1,192)	(\$1,090)	(\$1,041)	(\$987)	(\$958)	(\$926)	(\$891)
Compared to:										
NOI(D) after Reserve - Arts Center only	(\$1,159)	(\$1,065)	(\$988)	(\$928)	(\$864)	(\$840)	(\$813)	(\$811)	(\$807)	(\$803)
NOI(D) after Reserve - Events Center only	(\$731)	(\$665)	(\$602)	(\$541)	(\$511)	(\$495)	(\$476)	(\$459)	(\$440)	(\$419)

Source: Johnson Consulting

The net operating deficit of the co-located Phase II LAEC facility can be compared to that of the Arts Center and Event Center facilities if they were built independently of one another. Although event demand and attendance projections would remain the same, the staffing and operational efficiencies that are gained by the co-located facility allow it to perform significantly better than the stand-alone development scenario. Upon stabilization in Year 5, the co-located facility is projected to have a net operating deficit of approximately \$1.1 million after reserve for replacement, which is better than that of the stand-alone Arts Center (\$864,000) and Event Center (\$511,000), which would combine to a total deficit of \$1.4 million.

The net operating deficit that remains between operating revenues and expenses will need to be covered by contributed revenues, such as subsidies from local governments, additional private donations over and above what is already included in the “Donations/Membership” line item in the figure above, grants, or other contributions. As a graphical representation of the operating and contributed revenues presented in Figure 8-14, Figure 8-15 shows that, in Year 1, the Phase I LAEC is projected to generate 63% of its total revenue from operating (or “earned”) revenues and 37% of its total revenue from contributed revenues. By Year 10, the facility will have improved to generating 86% of total revenue from operating revenue and 14% of its revenue from contributed sources.

Figure 8-15

To provide additional insight into the volume of revenue projected from each demand category, Figure 8-16 provides a breakdown of the “Space Rental” revenue line item in Figure 8-14.

Figure 8-16

Longmont Arts and Events Center: Phase I + II Projected Space Rental Revenues (\$000)										
Revenues by Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center										
<u>Auditorium Events</u>										
LPAI / Non-Profit										
Performances	\$48	\$52	\$56	\$60	\$64	\$68	\$71	\$74	\$77	\$80
Rehearsals	\$54	\$59	\$63	\$68	\$72	\$76	\$80	\$83	\$86	\$90
Other Events	\$40	\$45	\$49	\$53	\$57	\$60	\$63	\$66	\$68	\$71
Commercial / Touring										
Performances	\$77	\$85	\$93	\$99	\$105	\$110	\$115	\$119	\$124	\$128
Other Events	\$44	\$51	\$55	\$60	\$65	\$69	\$72	\$75	\$78	\$82
<u>Recital Hall Events</u>										
LPAI / Non-Profit										
Performances	\$48	\$53	\$57	\$61	\$64	\$67	\$70	\$72	\$75	\$78
Rehearsals	\$54	\$59	\$64	\$68	\$72	\$75	\$79	\$81	\$84	\$88
Other Events	\$24	\$28	\$30	\$33	\$35	\$37	\$39	\$41	\$43	\$45
Commercial / Touring										
Performances	\$34	\$39	\$44	\$47	\$51	\$53	\$56	\$58	\$61	\$63
Other Events	\$30	\$35	\$38	\$41	\$44	\$47	\$49	\$51	\$53	\$56
<u>Rehearsal Room Events*</u>	62	64	66	69	71	73	75	78	80	83
Total Arts Center	\$515	\$569	\$617	\$658	\$702	\$735	\$769	\$799	\$830	\$861
Event Center										
<u>Exhibit Events</u>										
Conventions/Trade Shows	\$136	\$154	\$188	\$208	\$230	\$246	\$264	\$282	\$301	\$322
Consumer Shows/Public Events	\$45	\$58	\$59	\$73	\$76	\$81	\$87	\$93	\$99	\$106
<u>Non-Exhibit Events</u>										
Meetings/Conferences	\$78	\$85	\$91	\$97	\$101	\$105	\$108	\$112	\$116	\$120
Banquets/Social	\$213	\$228	\$240	\$254	\$264	\$273	\$282	\$291	\$301	\$311
Sports Events	\$16	\$21	\$28	\$31	\$35	\$37	\$39	\$41	\$43	\$45
Other	\$18	\$22	\$25	\$28	\$30	\$32	\$33	\$35	\$36	\$38
Total Event Center	\$505	\$567	\$631	\$691	\$736	\$774	\$813	\$854	\$897	\$941
Total AEC Events	\$1,020	\$1,136	\$1,248	\$1,349	\$1,438	\$1,509	\$1,583	\$1,653	\$1,726	\$1,802

Source: Johnson Consulting

The following table looks at LPAI-driven revenue specifically, to assist the LPAI organizations with financial planning. As noted, space rental is the only revenue line item that would be paid for by the LPAI organizations themselves, while ticket & box office fees and food & beverage revenue would be paid for by visitors at LPAI-driven events. LPAI-driven space rental includes the “LPAI / Non-Profit” performances, rehearsals, and other events, as well as rehearsal/meeting room events as shown in Figure 8-16.

Figure 8-17

Longmont Arts and Events Center: Phase I + II Projected LPAI-Driven Revenues (\$000)										
Revenues by Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Space Rental	\$330	\$360	\$386	\$411	\$436	\$456	\$477	\$495	\$514	\$533
Ticket Fee and Box Office Fee	\$95	\$106	\$115	\$123	\$131	\$135	\$139	\$142	\$144	\$146
Food and Beverage Sales (Net)	\$242	\$276	\$308	\$340	\$372	\$396	\$421	\$441	\$461	\$482
Total LPAI-Driven Revenues	\$667	\$742	\$809	\$873	\$939	\$987	\$1,038	\$1,077	\$1,118	\$1,161
as % of Total LAEC Revenues	24%	24%	23%	23%	23%	23%	23%	22%	22%	22%

Note: Space Rental will be the only revenue item that will be paid for directly by the LPAI organizations. Other revenues, like ticket & box office fees and food & beverage sales will be paid for by visitors at LPAI-driven events.

Source: Johnson Consulting

REVENUE & EXPENSE ASSUMPTIONS

The following subsections detail the revenue and expense assumptions used in the financial pro forma for the LAEC. All assumptions are the same for both the Phase I and Phase II facilities, as well as the stand-alone and co-located development scenarios, unless otherwise noted.

ARTS CENTER REVENUE ASSUMPTIONS

- **Space Rental** – includes charges for the leasing of facility spaces for events, based on rental rates and receipts at comparable facilities, with an emphasis on regional facilities. Figure 8-18 summarizes the rental rate assumptions for the Longmont Arts Center. These rates are on a per event basis, meaning the rate applies to each individual event as presented in Figures 8-2 and 8-10. This would typically include a reservation of the facility for up to one day, and includes the use of loading docks and all support facilities of the performing arts venues. All rental rates are inflated at 3% annually.

Figure 8-18

Longmont Arts Center Rental Rate Assumptions		Rate per Event	
		LPAI / Non- Profit	Commercial / Touring
Auditorium	Performances	\$2,200	\$2,750
	Rehearsals	\$1,650	-
	Other Events	\$2,200	\$2,750
Recital Hall	Performances	\$1,500	\$1,875
	Rehearsals	\$1,125	-
	Other Events	\$1,500	\$1,875
Rehearsal/Meeting Rooms	LPAI	\$200	\$250

Source: Johnson Consulting

Figure 8-19 compares those assumptions with those of comparable facilities throughout the Front Range, which have been standardized on a per day basis (8 hours), as some venues charge hourly rates.

Figure 8-19

Northern Front Range Performing Arts Venue Rental Rates												
Longmont Arts Center			Skyline High School		Longmont Museum		PACE Center		The Lincoln Center		Union Colony Civic Center	
Primary Venue												
	Auditorium		Vance Brand Civic Auditorium		Stewart Auditorium		PACE Center		Performance Hall		Monfort Concert Hall	
Capacity	1,500		1,314		250		446		1,187		1,661	
	Non-Profit	Standard	Non-Profit	Standard	Non-Profit	Standard	Week Day	Weekend	Non-Profit	Standard	Non-Profit	Standard
Base Rate per Day	\$2,200	\$2,750	\$1,250	\$1,650	\$1,525	\$2,350	\$1,500	\$2,500	\$1,280	\$1,575	\$1,008	\$1,365
Additional Rate	-	-	\$0.50 per Seat	\$0.50 per Seat	-	-	-	-	5% Ticket Sales	5% Ticket Sales	-	7% Ticket Sales
Ticket/Seat Fee	\$2.00	\$2.00	-	-	\$1.50	\$1.50	-	-	\$0.50	\$0.50	\$1.80	\$1.80
Secondary Venue												
	Recital Hall		-		-		The Schoolhouse		Magnolia Theatre		Hensel Phelps Theatre	
Capacity	500						200		226		214	
	Non-Profit	Standard					Week Day	Weekend	Non-Profit	Standard	Non-Profit	Standard
Base Rate per Day	\$1,500	\$1,875					\$1,000	\$1,000	\$325	\$425	\$263	\$368
Additional Rate	-	-					-	-	-	-	-	-
Ticket/Seat Fee	\$2.00	\$2.00					-	-	\$0.50	\$0.50	\$1.80	\$1.80
Source: Respective Facilities, Johnson Consulting												

Source: Respective Facilities, Johnson Consulting

Furthermore, Figure 8-20 presents the current rental rates that LPAI has paid in various local venues for both rehearsals and performances. As shown, the rates required for the new Arts Center would be higher, although one could reasonably predict this to be partially or entirely offset by increased ticket sales as a result of interest in attending events at the new facility.

Figure 8-20

Current Rental Rates for LPAI by Venue			
Venue	Capacity	Average Daily Rental Rate for LPAI	
		Rehearsals	Performances
Stewart Auditorium	250	\$600	\$1,005
Niwot High School Auditorium	776	\$1,500	\$1,500
Vance Brand Civic Auditorium	1,314	\$1,224	\$1,689
Dairy Arts Center (Boulder)	250	-	\$908
Longmont High School Auditorium	780		\$1,347

Source: Longmont Performing Arts Initiative, Johnson Consulting

- **Ticket Fees and Box Office Fees** – reflect those associated with the sale of tickets for performance events and with running the box office for ticketed events at a performing arts center. The Arts Center is expected to receive a \$2.00 per ticket fee for all ticketed events at the facility.
- **Food and Beverage Sales** – consist of the sale of various food and beverage items at the Arts Center. Gross revenue assumptions are based on estimated event and attendance levels and estimated per capita spending for various event types. Gross revenue for food and beverage sales are assumed for events within the Arts Center at per attendee rate shown in Figure 8-21. Food and beverage expenses are estimated at 65% of gross food and beverage revenue. The resulting net-

to-gross ratio (35%) is the amount of revenue that is netted after factoring in the cost of goods, as well as the cost of obtaining a liquor license for the venue.

Figure 8-21

Longmont Arts Center Assumptions for Food and Beverage Revenue			
		Visitor Type	
		Participants	Spectators
Auditorium	Performances	\$5.00	\$15.00
	Rehearsals	\$5.00	-
	Other Events	\$5.00	\$15.00
Recital Hall	Performances	\$5.00	\$12.00
	Rehearsals	\$5.00	-
	Other Events	\$5.00	\$12.00
Rehearsal/Meeting Rooms	LPAI	-	-
Cost of Goods Sold		65.0%	65.0%

Source: Johnson Consulting

Key revenue assumptions for the remaining line items are summarized in Figure 8-22 and described on the following bullet points.

Figure 8-22

Longmont Arts Center Revenue Assumptions		
Line Item	Assumptions (Year 1)	
Contract Service	15%	compared to Space Rental
Donations/ Membership	7%	compared to Space Rental
Advertising/ Sponsorship	10%	compared to Space Rental
Other	3.0%	of total revenue

Source: Johnson Consulting

- **Contract Services** – consist of charges to event/ show management for event production-related services, such as providing electrical hook-ups and other utilities, leasing of equipment, providing security and cleaning services, advertising and similar others. Estimated Contract Service revenue is based on comparable facility financial operations. This revenue line item represents event service charges that is charged to customers and assumed to comparable to 15% of rental revenue.
- **Donations/ Memberships** – Donations consist of contributions made by supporters of a potential performing arts center, while Membership revenue is obtained through the sale of membership-

based passes for performances and events held at the facility. Donations and memberships are conservatively estimated at 7% of the Space Rental line item, although these numbers are heavily dependent on local efforts and the propensity of the community to donate and purchase memberships. This amount can be increased significantly by the marketing efforts of the facility management and also by community reception/support for the Arts Center.

- **Advertising/ Sponsorships** – consists of revenue obtained through the sale of advertising space throughout the facility. Advertising and sponsorships are conservatively estimated to be comparable to 10% of the Space Rental line item. This amount can also be influenced significantly by the marketing efforts of the facility management.
- **Miscellaneous/ Other** – includes any additional revenues not accounted for in the above categories. Examples include vending machine commissions, interest from facility's revenues, or income from a coat check booth. It is estimated to amount to 3% of total revenue.

EVENT CENTER REVENUE ASSUMPTIONS

Key revenue assumptions used for the pro forma are summarized in Figure 8-23 and described on the following bullet points.

Figure 8-23

Longmont Event Center Revenue Assumptions		
Line Item	Assumptions (Year 1)	
Space Rental		
For Events Center Events	\$100.00	/ 1,000 gross square foot days
Food and Beverage Sales (Net)		
Gross F&B Revenue:		
Conventions/Trade Shows	\$25.00	per cap
Consumer Shows/Public Events	\$15.00	per cap
Meetings/Conferences	\$20.00	per cap
Banquets/Social	\$30.00	per cap
Sports/Entertainment Events	\$15.00	per cap
Other	\$7.00	per cap
Cost of Goods Sold	70%	of gross F&B sales
Contract Service	100%	compared to space rental
Advertising/ Sponsorship	\$10,000	annually
Other	3%	of total revenue
Source: Johnson Consulting		

- **Space Rental** – includes charges for the leasing of facility spaces for events, based on the number and length of events of each category, square footage use, and rental rates, derived from rental rates and receipts at comparable facilities, with an emphasis on regional facilities. For the proposed

Longmont Event Center, rental rate is projected at \$100 per 1,000 gross square foot days. All rental rates are inflated at three percent annually.

- **Food and Beverage Sales** – consist of the sale of various food and beverage items at the Event Center. Gross revenue assumptions are based on estimated event and attendance levels and estimated per capita spending for various event types. Gross revenue for food and beverage sales are assumed for events within the Event Center at per cap rate. Food and beverage expenses are estimated at 70% of gross food and beverage revenue. The resulting net-to-gross ratio (30%) is the amount of revenue that is netted after factoring in the cost of goods, as well as the cost of obtaining a liquor license for the venue.
- **Contract Services** – consist of charges to event/ show management and exhibitors for event production-related services, such as providing electrical hook-ups and other utilities, leasing of equipment, providing security and cleaning services, advertising and similar others. Estimated Contract Service revenue is based on comparable facility financial operations, and is projected at 100% of the Space Rental line item. This revenue line item represents event service charges that is charged to customers and assumed to equal to rental revenue amount.
- **Advertising/ Sponsorships** – consists of revenue obtained through the sale of advertising space throughout the facility. Advertising and sponsorships are conservatively estimated at \$10,000, annually. This amount can also be influenced significantly by the marketing efforts of the facility management.
- **Miscellaneous/ Other** – includes any additional revenues not accounted for in the above categories. Examples include vending machine commissions, interest from facility's revenues, or income from a coat check booth. It is estimated to amount to 3% of total revenue.

ART CENTER EXPENSE ASSUMPTIONS

Johnson Consulting has generated estimated expenditures for the proposed facility, based upon comparable facilities and other knowledge of the industry.

- **Salaries, Wages, and Benefits** – These assumptions differ between both the Phase I and Phase II facilities and the co-located and stand-alone development scenarios. They will be detailed later in this section.

Other key assumptions for the remaining expense line items of the pro forma are shown in Figure 8-24 and described on the following bullet points. The assumptions are derived from the averages of comparable facilities.

Figure 8-24

Longmont Arts Center Expense Assumptions	
Line Item	Assumptions (Year 1)
Utilities	\$300 / seating capacity
Repairs and Maintenance	\$75 / seating capacity
General and Administrative	\$170 / seating capacity
Insurance	\$85 / seating capacity
Materials and Supplies	\$75 / seating capacity
Professional Fees	\$85 / seating capacity
Other	3.0% of total expenses
Management Fee	varies
Reserve for Replacement	3.0% of Gross Revenue

Source: Johnson Consulting

- **Utilities** – include costs for electricity, water, gas and telephone. Utility expenditures are estimated at \$300 per seating capacity in Year 1, adjusted for inflation for the years after.
- **Repairs and Maintenance** – General building operations, maintenance, and repair expenditures amount to \$75 per seating capacity in Year 1, adjusted for inflation for the years after.
- **General and Administrative** – include various day-to-day costs such as subscriptions, staff training, dues, staff travel, staff tuition reimbursement, licenses and permits, bad debt charges and other such items. This category also includes costs related to administrative business-related expenses such as postage, administrative supplies, administrative furniture and fixtures, auto allowances, administrative travel, memberships and maintenance of the administrative space. It is estimated at \$170 per seating capacity in Year 1, adjusted for inflation for the years after.
- **Insurance** – includes, among others, property insurance and liability insurance. It is estimated \$85 per seating capacity in Year 1, adjusted for inflation for the years after.
- **Materials and Supplies** – include those materials, supplies and equipment used for facility operations and its administrative offices, assumed at \$75 per seating capacity in Year 1, adjusted for inflation for the years after.
- **Professional Fees** – are primarily comprised of costs for services including accounting and legal functions and other non-recurring consulting and advisory services. This also includes contractual services expenses, primarily consisting of costs for professional services including trash removal, cleaning, security and other such items. They are estimated at \$85 per seating capacity in Year 1, adjusted for inflation for the years after.
- **Miscellaneous** – This includes any additional expenses not accounted for in the above categories and is estimated to amount to 3 percent of total expenses.

- **Management Fee** – Johnson Consulting recommends that the LAEC be managed by a private firm that specializes in the management, operation, and marketing of these types of facilities. Furthermore, we recommend a non-profit organization be formed in order to provide oversight of the management entity and stewardship of the building itself. These assumptions vary depending on a variety of factors. Based on comparable facility management fees, these line items have been estimated at \$150,000 per year for the Phase I facility and \$200,000 per year for the Phase II facility at full build-out, although this number would depend on negotiations that occur between the City of Longmont and the management firm that would be selected via a competitive RFP process.
- **Reserve for Replacement** – Reserve for replacement for future capital needs is typically based upon the age of the building and construction costs using standards for public buildings. For the proposed Arts Center, such expenses are estimated at 3% of gross revenue.

EVENT CENTER EXPENSE ASSUMPTIONS

Johnson Consulting has generated estimated expenditures for the facility, based upon comparable facilities and other knowledge of the industry.

- **Salaries, Wages, and Benefits** – These assumptions differ between both the Phase I and Phase II facilities and the co-located and stand-alone development scenarios. They will be detailed later in this section.

Other key assumptions for the remaining expense line items of the pro forma are shown in Figure 8-25 and described on the following bullet points. The assumptions are derived from the averages of comparable facilities.

Figure 8-25

Longmont Event Center Expense Assumptions	
Line Item	Assumptions (Year 1)
Utilities	\$76.00 / 1,000 of gross SF-days
Repairs and Maintenance	\$16.00 / 1,000 of gross SF-days
General and Administrative	\$2.50 / SF of function space
Insurance	\$2.00 / SF of function space
Materials and Supplies	\$23.00 / 1,000 of gross SF-days
Professional Fees	\$2.00 / SF of function space
Other	3.0% of total expense
Management Fee	varies
Reserve for Replacement	3.0% of gross revenue
<i>Source: Johnson Consulting</i>	

- **Utilities** – include costs for electricity, water, gas and telephone. Utility expenditures are estimated at \$76 per 1,000 gross square foot days.

- **Repairs and Maintenance** – General building operations, maintenance, and repair expenditures amount to \$16 per 1,000 gross square foot days.
- **General and Administrative** – include various day-to-day costs such as subscriptions, staff training, dues, staff travel, staff tuition reimbursement, licenses and permits, bad debt charges and other such items. This category also includes costs related to administrative business-related expenses such as postage, administrative supplies, administrative furniture and fixtures, auto allowances, administrative travel, memberships and maintenance of the administrative space. It is estimated at \$2.50 per square foot of function space.
- **Insurance** – includes, among others, property insurance and liability insurance. It is estimated at \$2 per square foot of function space.
- **Materials and Supplies** – include those materials, supplies and equipment used for facility operations and its administrative offices, assumed at \$23 per 1,000 square foot days.
- **Miscellaneous** – This includes any additional expenses not accounted for in the above categories, and is estimated to amount to 3.0% of total expenses.
- **Management Fee** – Johnson Consulting recommends that the LAEC be managed by a private firm that specializes in the management, operation, and marketing of these types of facilities. A Non-Profit organization can also be formed in order to provide oversight of the management entity and stewardship of the building itself. These assumptions vary depending on a variety of factors. Based on comparable facility management fees, these line items have been estimated at \$150,000 per year for the Phase I facility and \$200,000 per year for the Phase II facility at full build-out, although this number would depend on negotiations that occur between the City of Longmont and the management firm that would be selected via a competitive RFP process.
- **Reserve for Replacement** – Reserve for replacement for future capital needs is typically based upon the age of the building and construction costs using standards for public buildings. For the proposed Events Center, such expenses are estimated at 3.0 percent of gross revenue.

SALARIES, WAGES, & BENEFITS ASSUMPTIONS

- **Phase I Facilities** – These assumptions differ between both the Phase I and Phase II facilities and the co-located and stand-alone development scenarios. Figure 8-26 presents these assumptions for the co-located and stand-alone Phase I facilities. As shown, the co-located facility achieves significant efficiencies, requiring 19 full time equivalent (FTE) staff members compared to the combined 23 needed for the stand-alone facilities (9 for the Arts Center and 14 for the Event Center). The co-located facility affords higher salaries to many of the positions due to the diversity of skill and experience needed to operate a facility with both an Arts Center and Event Center component.

Figure 8-26

Longmont Arts and Event Center: Phase I Staffing and Salary Assumptions									
Co-Located Facility				Stand-Alone Arts Center			Stand-Alone Event Center		
	# of Staff	Salary/ Staff	Amount	# of Staff	Salary/ Staff	Amount	# of Staff	Salary/ Staff	Amount
Executive Director	1	\$180,000	\$180,000	1	\$120,000	\$120,000	1	\$120,000	\$120,000
Director of Operations	1	90,000	90,000	1	80,000	80,000	1	80,000	80,000
Director of Sales	1	90,000	90,000	1	80,000	80,000	1	80,000	80,000
Sales/ Talent Bookers	2	65,000	130,000	0	60,000	0	1	60,000	60,000
Box Office/ Rental Manager	1	65,000	65,000	1	60,000	60,000	0	60,000	0
Floor Managers	1	60,000	60,000	0	55,000	0	1	55,000	55,000
Floor Staff	2	35,000	70,000	0	35,000	0	2	35,000	70,000
Manager of Food Service	1	60,000	60,000	1	55,000	55,000	1	55,000	55,000
Administration/ Front Desk	2	35,000	70,000	1	35,000	35,000	2	35,000	70,000
PAC Engineering/ Technical	1	45,000	45,000	1	45,000	45,000	0	45,000	0
Labor, Set-Up/Clean-Up, Maintenance	6	30,000	180,000	2	30,000	60,000	4	30,000	120,000
Total Salaries	19		\$1,040,000	9		\$535,000	14		\$710,000
Benefits		30%	\$312,000		30%	\$160,500		30%	\$213,000
Total Salaries and Benefits			\$1,352,000	\$9		\$695,500	\$14		\$923,000

Source: Johnson Consulting

- Phase II Facilities** – These assumptions differ between both the Phase I and Phase II facilities and the co-located and stand-alone development scenarios. Figure 8-27 presents these assumptions for the co-located and stand-alone Phase II facilities. As shown, the co-located facility achieves significant efficiencies, requiring 24 full time equivalent (FTE) staff members compared to the combined 28 needed for the stand-alone facilities (12 for the Arts Center and 16 for the Event Center). The co-located facility affords higher salaries to many of the positions due to the diversity of skill and experience needed to operate a facility with both an Arts Center and Event Center component. The Phase II facilities also afford higher salaries to certain staff relative to the Phase I facilities, given that the size of the facilities will require a more experienced team.

Figure 8-27

Longmont Arts and Events Center: Phase I + II Staffing and Salaries									
Co-Located Facility				Stand-Alone Arts Center			Stand-Alone Event Center		
	# of Staff	Salary/ Staff	Amount	# of Staff	Salary/ Staff	Amount	# of Staff	Salary/ Staff	Amount
Executive Director	1	\$200,000	\$200,000	1	\$140,000	\$140,000	1	\$140,000	\$140,000
Director of Operations	1	95,000	95,000	1	85,000	85,000	1	\$85,000	85,000
Director of Sales	1	95,000	95,000	1	85,000	85,000	1	\$85,000	85,000
Sales/ Talent Bookers	3	70,000	210,000	1	65,000	65,000	1	\$65,000	65,000
Box Office/ Rental Manager	2	65,000	130,000	1	60,000	60,000	0	\$60,000	0
Floor Managers	1	65,000	65,000	0	60,000	0	1	\$60,000	60,000
Floor Staff	2	35,000	70,000	0	35,000	0	2	\$35,000	70,000
Manager of Food Service	1	65,000	65,000	1	60,000	60,000	1	\$60,000	60,000
Administration/ Front Desk	3	35,000	105,000	2	35,000	70,000	2	\$35,000	70,000
PAC Engineering/ Technical	1	45,000	45,000	1	45,000	45,000	0	\$45,000	0
Labor, Set-Up/Clean-Up, Maintenance	8	30,000	240,000	3	30,000	90,000	6	\$30,000	180,000
Total Salaries	24		\$1,320,000	12		\$700,000	16		\$815,000
Benefits		30%	\$396,000		30%	\$210,000		30%	\$244,500
Total Salaries and Benefits			\$1,716,000			\$910,000			\$1,059,500

Source: Johnson Consulting

DEBT SERVICE ESTIMATE

This subsection discusses the estimated debt service payments for the capital expenses for the development of the proposed Longmont Arts and Events Center. They are based on the cost estimates as presented in Section 7 of this report. As summarized in Figure 7-18, such costs are estimated at approximately \$104 million for Phase I facility only and approximately \$159 million, combined, for Phase I + II facilities at full build-out. These cost estimates include hard (construction) costs, soft costs (assumed at 20% of hard costs), and furniture, fixtures, and equipment (FFE) (assumed at 8% of hard costs). *It should be noted that these cost estimates do not involve land cost and any significant development costs that may be unique to the site, such as any environmental remediation, utility or infrastructure improvements, or flood protection measures that may be necessary. These costs could be reduced by as much as 25% by cost-cutting in FFE, technical infrastructure, and reduction in public/support spaces.*

The analysis does not reflect a capital campaign or local regional, national and international grant sourcing by the public and private sector, which should occur, reducing the capital responsibility for the project by the public sector. As this capital campaign ensues, it should develop a fund for both capital and operational/program support as well.

Figure 8-28 summarizes the financing assumptions utilized to develop the debt service payment estimates.

Figure 8-28

Longmont Arts and Event Center Key Financing Assumptions*		
	Phase I	Full Build-Out
Estimated Opening	Year 1	Year 1**
Total Development Cost, excl. Land and Site Improvements	\$104,365,310	\$158,783,336
Financing/Closing Costs (% of Development Cost)	3.0%	3.0%
Loan-to-Value Ratio	100%	100.0%
Equity/Fundraising	\$0	\$0
Debt	\$107,496,269	\$163,546,836
Debt Service Interest Rate	3.5%	3.5%
Term (# of years)	30	30
Annual Payment	\$5,844,715	\$8,892,259
*All amounts are in today's dollar.		
**Assuming it is built without phases.		
Source: Johnson Consulting		

Figure 8-29 presents the full debt service schedule, for Phase I facility and the full build-out facility development (without phases).

Figure 8-29

Longmont Arts and Event Center Debt Service Schedule (\$000)						
	<u>Phase I Development</u>			<u>Full Build-Out Development</u>		
	Principal Payment	Interest Payment	Total	Principal Payment	Interest Payment	TOTAL
Year 1	\$2,082	\$3,762	\$5,845	\$3,168	\$5,724	\$8,892
2	2,155	3,689	5,845	3,279	5,613	8,892
3	2,231	3,614	5,845	3,394	5,498	8,892
4	2,309	3,536	5,845	3,513	5,380	8,892
5	2,390	3,455	5,845	3,635	5,257	8,892
6	2,473	3,372	5,845	3,763	5,130	8,892
7	2,560	3,285	5,845	3,894	4,998	8,892
8	2,649	3,195	5,845	4,031	4,862	8,892
9	2,742	3,103	5,845	4,172	4,720	8,892
10	2,838	3,007	5,845	4,318	4,574	8,892
11	2,937	2,907	5,845	4,469	4,423	8,892
12	3,040	2,805	5,845	4,625	4,267	8,892
13	3,147	2,698	5,845	4,787	4,105	8,892
14	3,257	2,588	5,845	4,955	3,937	8,892
15	3,371	2,474	5,845	5,128	3,764	8,892
16	3,489	2,356	5,845	5,308	3,585	8,892
17	3,611	2,234	5,845	5,493	3,399	8,892
18	3,737	2,108	5,845	5,686	3,207	8,892
19	3,868	1,977	5,845	5,885	3,008	8,892
20	4,003	1,841	5,845	6,091	2,802	8,892
21	4,143	1,701	5,845	6,304	2,588	8,892
22	4,288	1,556	5,845	6,525	2,368	8,892
23	4,439	1,406	5,845	6,753	2,139	8,892
24	4,594	1,251	5,845	6,989	1,903	8,892
25	4,755	1,090	5,845	7,234	1,658	8,892
26	4,921	924	5,845	7,487	1,405	8,892
27	5,093	751	5,845	7,749	1,143	8,892
28	5,272	573	5,845	8,020	872	8,892
29	5,456	389	5,845	8,301	591	8,892
30	5,647	198	5,845	8,592	301	8,892
TOTAL	\$107,496	\$67,845	\$175,341	\$163,547	\$103,221	\$266,768

Source: Johnson Consulting

Figure 8-30 summarizes the proforma for Phase I facility as shown in Figure 8-6 and incorporates the estimated debt service payments below the Net Operating Deficit after Reserve.

Figure 8-30

Longmont Arts and Event Center: Phase I Pro Forma Operating Statement of Revenue and Expenses (\$000, Inflated)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Revenues	\$1,951	\$2,231	\$2,496	\$2,736	\$2,965	\$3,141	\$3,326	\$3,472	\$3,624	\$3,782
Total Expenses	3,230	3,380	3,531	3,676	3,817	3,951	4,090	4,223	4,360	4,502
Net Operating Income (Deficit)	(\$1,279)	(\$1,149)	(\$1,034)	(\$939)	(\$853)	(\$811)	(\$764)	(\$751)	(\$736)	(\$719)
Reserve for Replacement	\$59	\$67	\$75	\$82	\$89	\$94	\$100	\$104	\$109	\$113
NOI(D) after Reserve for Replacement	(\$1,337)	(\$1,216)	(\$1,109)	(\$1,021)	(\$942)	(\$905)	(\$864)	(\$855)	(\$845)	(\$833)
Debt Service Payment	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)
NOI(D) after Reserve and Debt Service	(\$7,182)	(\$7,060)	(\$6,954)	(\$6,866)	(\$6,786)	(\$6,749)	(\$6,709)	(\$6,700)	(\$6,689)	(\$6,677)

Source: Johnson Consulting

As shown, total outlay for the proposed Phase I facility after its net operating deficit, reserve for replacement, and debt service payments is estimated at \$7.2 million in Year 1, \$6.8 million in Year 5, and \$6.7 million in Year 10.

Figure 8-31 summarizes the proforma for Phase I + II (full build-out) facility as shown in Figure 8-14 and incorporates the estimated debt service payments below the Net Operating Deficit after Reserve.

Figure 8-31

Longmont Arts and Events Center: Phase I + II Pro Forma Operating Statement of Revenue and Expenses (\$000, Inflated)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Revenues	\$2,778	\$3,145	\$3,496	\$3,829	\$4,119	\$4,347	\$4,586	\$4,805	\$5,033	\$5,271
Total Expenses	4,330	4,519	4,713	4,906	5,085	5,257	5,435	5,619	5,808	6,004
Net Operating Income (Deficit)	(\$1,552)	(\$1,374)	(\$1,217)	(\$1,077)	(\$966)	(\$910)	(\$849)	(\$814)	(\$775)	(\$733)
Reserve for Replacement	\$83	\$94	\$105	\$115	\$124	\$130	\$138	\$144	\$151	\$158
NOI(D) after Reserve for Replacement	(\$1,636)	(\$1,469)	(\$1,322)	(\$1,192)	(\$1,090)	(\$1,041)	(\$987)	(\$958)	(\$926)	(\$891)
Debt Service Payment	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)
NOI(D) after Reserve and Debt Service	(\$10,528)	(\$10,361)	(\$10,214)	(\$10,084)	(\$9,982)	(\$9,933)	(\$9,879)	(\$9,850)	(\$9,819)	(\$9,784)

Source: Johnson Consulting

As shown, total outlay for the proposed Phase I + II facility after its net operating deficit, reserve for replacement, and debt service payments is estimated at \$10.5 million in Year 1, \$9.9 million in Year 5, and \$9.8 million in Year 10.

SECTION 9
ECONOMIC & FISCAL IMPACT

ECONOMIC AND FISCAL IMPACTS

This report section analyzes total economic and fiscal benefit that is being generated by the proposed Arts and Events Center in Longmont, Colorado (Longmont Arts and Events Center or LAEC). There are all kinds of economic, social, economic development, image, and social benefits that happen as the result of the presence and operation of the facility. This analysis quantifies the effect of the spending of visitors to this facility, which also represent lost benefits if the facility is not built. Additionally, Johnson Consulting's prior development of economic analyses for other performing arts facilities and specific knowledge of the marketplace of Longmont, Boulder County, and State of Colorado contributed into the analysis.

While these are mathematical calculations, which are based on experience seen in numerous other settings, perhaps the most important thing to visualize is what will happen to Longmont as a community. The development of LAEC will allow the facility to keep offering an affordable meeting and entertainment activity in the local area as well as spur economic growth via ancillary private sector development. By developing the facility, investments are made that will continue to attract people from outside the region to Longmont, increase the identity of the market by promoting to those visitors, and develop an ever-expanding portfolio of repeat of events. Such a venue will continue to play host to tens of thousands of residents and visitors in the region annually.

The analysis will show the impact of the Arts and Events Center as a combined facility, which will result in no material difference, impact-wise, to those of two stand-alone facilities.

DEFINITIONS

ECONOMIC IMPACT is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of Longmont and Boulder County economy. The levels of impacts are described as follows:

- **Direct Spending** – is an expression of the spending that occurs as a direct result of the events that occur in the facility. For example, an event attendee's expenditures on hotel rooms, shopping, and meals are direct spending.
- **Indirect Spending** – consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending in the performing arts center. For example, an event attendee's direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as an indirect spending.
- **Induced Spending** – represent changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at

the restaurant may have more personal income as a result of the attendee's visit. The amount of the increased income the waiter spends in the local economy is called an induced spending.

- **Increased Earnings** – measures increased employee and worker compensation related to the project being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expressed how the employees of local businesses share in the increased outputs.
- **Employment** – measures the number of jobs supported in the study area related to the spending generated as a result of the events occurring in the event center. Employment impact is stated in a number of full-time equivalent jobs.

FISCAL IMPACT reflects tax revenues that result from the spending and income related to the activities at the LAEC. This analysis estimates fiscal impacts for the governmental units that levy taxes in the jurisdiction.

The fiscal impact is the public sector's return on investment and an incentive to develop and operate the LAEC. The overall impacts, including the fiscal impacts, provide a rationale for public participation in a project such as the LAEC. Based on the spending estimates, Johnson Consulting projected the fiscal impacts from major categories of tax revenues that are directly affected by a visitor's activity: Sales and Use Tax at 8.515 percent and Lodging Tax at 2.0 percent.

The fiscal impact represents only a fraction of the overall impact to the economy, as they are only the public sector's increase in tax revenue resulting from the overall increased spending in the economy. The presence of the proposed LAEC would increase values of commercial establishments in areas surrounding the new facility and beyond, which result in increased property tax supported by the project.

PHASE I FACILITY IMPACTS

VISITATION VOLUME AND ROOM NIGHTS GENERATED

Economic and fiscal impact analysis is based on the projected event demand and attendance at the proposed Phase I LAEC, as described in Section 8 of this report. In addition to the event attendees, there will be other visitors to the LAEC. They include the Arts Center participants, including performers (singers, dancers, musicians), production officials, production staff, et cetera; and the exhibitors in the conventions, trade shows, and consumer shows at the Events Center. Taking into account the estimated length of events and length of stay of attendees, exhibitors, and participants (collectively referred to as "visitors"), Figure 9-1 summarizes the projected visitation volume, measured in visitor-days. (For example, a visitor staying for the entire length of a two-day event is counted as two person-days.) The table shows that visitation to the Phase I LAEC is projected at nearly 128,000 visitor-days in Year 1, growing to over 188,000 visitor-days in Year 5 and nearly 212,000 visitor-days in Year 10.

Figure 9-1

Longmont Arts and Event Center: Phase I Projected Visitor-Days from Attendees, Exhibitors, and Participants										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Attendees										
Arts Center Events	64,875	72,475	78,888	84,638	90,588	93,638	96,738	98,306	99,889	101,481
Event Center Events	37,670	45,128	51,675	56,070	59,259	61,787	64,352	65,673	67,005	68,358
Total	102,545	117,603	130,563	140,708	149,847	155,425	161,090	163,979	166,894	169,839
Exhibitors and Participants										
Arts Center Events	14,060	18,539	19,255	19,733	20,215	20,392	20,567	20,678	20,790	20,900
Event Center Events	10,996	13,090	15,184	16,952	18,130	19,095	20,060	20,447	20,833	21,219
Total	25,056	31,629	34,439	36,685	38,345	39,487	40,627	41,125	41,623	42,119
Grand Total	127,601	149,232	165,002	177,393	188,192	194,912	201,717	205,104	208,516	211,958

Source: Johnson Consulting

A portion of the event attendees, exhibitors, and participants will travel from out-of-town, and a portion of these out-of-town visitors will generate occupied room nights in Longmont hotels and motels. Taking into account the estimated length of events, length of stay of out-of-town visitors, and their room night-generating potential, Figure 9-2 summarizes the estimated room nights that result from the proposed Phase I LAEC. As shown, the estimated visitation to the LAEC is projected to generate 11,960 room nights in Year 1, growing to 18,823 room nights in Year 5, and 21,862 room nights by Year 10.

Figure 9-2

Longmont Arts and Event Center: Phase I Projected Room Nights												
	% Out-of-Town	% Lodgers	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center Events												
<u>Auditorium Events</u>												
LPAI / Non-Profit	5%	25%	368	408	441	475	511	529	548	557	566	576
Commercial / Touring	15%	30%	1,595	1,792	1,962	2,098	2,238	2,309	2,382	2,419	2,456	2,494
Total Auditorium Events			1,963	2,200	2,403	2,573	2,748	2,838	2,930	2,976	3,023	3,069
Total Arts Center Events			2,786	3,144	3,461	3,690	3,925	4,046	4,168	4,245	4,323	4,402
Event Center Events												
<u>Exhibit Events</u>												
Conventions/Trade Shows	50%	75%	2,625	3,090	3,544	4,221	4,666	4,965	5,269	5,402	5,535	5,670
Consumer Shows/Public Events	35%	50%	1,260	1,730	2,207	2,251	2,273	2,411	2,551	2,611	2,671	2,732
<u>Non-Exhibit Events</u>												
Meetings/Conferences	25%	70%	683	739	790	824	851	863	876	889	902	915
Banquets/Social	10%	70%	756	808	853	884	907	919	932	940	948	956
Sports Events	10%	70%	158	227	265	304	341	353	365	375	386	397
Other	5%	50%	75	93	102	112	122	125	128	131	134	137
Total Event Center Events			5,557	6,687	7,761	8,596	9,160	9,636	10,121	10,348	10,576	10,807
Total AEC Events			8,343	9,831	11,222	12,286	13,085	13,682	14,289	14,593	14,899	15,209
Room Nights by AC Participants			520	550	590	615	641	652	663	669	674	680
Room Nights by EC Exhibitors			3,097	3,610	4,122	4,707	5,097	5,370	5,645	5,755	5,864	5,974
GRAND TOTAL			11,960	13,991	15,934	17,608	18,823	19,704	20,597	21,017	21,437	21,862

Source: Johnson Consulting

Figure 9-3 summarizes the economic and fiscal impact of the proposed LAEC in Year 1 through Year 10.

Figure 9-3

Longmont Arts and Event Center: Phase I Estimated Spending and Impact (Inflated \$000)											
	Rate/ Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1 Person-Days											
2 Attendees		102,545	117,603	130,563	140,708	149,847	155,425	161,090	163,979	166,894	169,839
3 Exhibitors and Participants		25,056	27,819	30,379	32,483	33,998	35,093	36,188	36,640	37,091	37,542
4 Total		127,601	145,422	160,942	173,191	183,845	190,518	197,278	200,619	203,984	207,381
5 Room Nights		11,137	13,991	15,934	17,608	18,823	19,704	20,597	21,017	21,437	21,862
6 Spending On LAEC		\$1,951	\$2,231	\$2,496	\$2,736	\$2,965	\$3,141	\$3,326	\$3,472	\$3,624	\$3,782
7 Spending Off Site											
8 On Lodging	\$137.75 / Room Night	\$1,534	\$1,851	\$2,174	\$2,482	\$2,736	\$2,954	\$3,184	\$3,345	\$3,514	\$3,690
9 On Food and Incidentals											
10 Attendees	\$24.97 / Person-Day	\$2,560	\$3,043	\$3,496	\$3,885	\$4,256	\$4,551	\$4,862	\$5,099	\$5,348	\$5,608
11 Exhibitors and Participants	\$32.47 / Person-Day	\$813	\$953	\$1,096	\$1,226	\$1,333	\$1,428	\$1,528	\$1,598	\$1,670	\$1,746
12 On Car Rental	\$23.82 / Room Night	\$265	\$320	\$376	\$429	\$473	\$511	\$551	\$578	\$607	\$638
13 Subtotal Spending Off Site		\$5,173	\$6,168	\$7,142	\$8,023	\$8,798	\$9,443	\$10,125	\$10,621	\$11,139	\$11,681
14 Total		\$7,124	\$8,399	\$9,638	\$10,759	\$11,763	\$12,584	\$13,450	\$14,093	\$14,763	\$15,464
Economic Impact (\$000)											
15 Direct Spending	<i>Multipliers</i>	\$7,124	\$8,399	\$9,638	\$10,759	\$11,763	\$12,584	\$13,450	\$14,093	\$14,763	\$15,464
16 Indirect and Induced Spending	0.419	2,988	3,523	4,043	4,513	4,934	5,279	5,642	5,912	6,193	6,487
17 Total Spending		\$10,113	\$11,922	\$13,681	\$15,272	\$16,697	\$17,863	\$19,092	\$20,005	\$20,956	\$21,950
18 Increased Earnings	0.364	\$2,590	\$3,054	\$3,504	\$3,912	\$4,277	\$4,576	\$4,891	\$5,124	\$5,368	\$5,623
19 Increased Employment	14.60	104	119	133	144	153	158	164	167	170	173
Fiscal Impact (\$000)											
Tax Revenues		<i>Tax Rate</i>									
20 Sales and Use Tax (a)											
21 State of Colorado	2.900%	of Line 14	\$207	\$244	\$280	\$312	\$341	\$365	\$390	\$409	\$428
22 Boulder County	0.985%	of Line 14	70	83	95	106	116	124	132	139	145
23 City of Longmont	3.530%	of Line 14	251	296	340	380	415	444	475	497	521
24 Regional Transportation District	1.000%	of Line 14	71	84	96	108	118	126	135	141	148
25 Cultural District	0.100%	of Line 14	7	8	10	11	12	13	13	14	15
26 Total Sales and Use Tax	8.515%		\$607	\$715	\$821	\$916	\$1,002	\$1,072	\$1,145	\$1,200	\$1,257
27 Lodging Tax (b)	2.000%	of Line 8	\$31	\$37	\$43	\$50	\$55	\$59	\$64	\$67	\$74
28 Total Tax Revenues			\$637	\$752	\$864	\$966	\$1,056	\$1,131	\$1,209	\$1,267	\$1,331

Notes:
a) Assuming that room revenues are sales-taxed at 8.515% as well.
b) In addition to Sales and Use Tax.
Source: Johnson Consulting

As shown in the table, the estimated economic and fiscal impact of the proposed Phase I LAEC in its opening year is expected to include over \$10.1 million in total spending, 104 full-time equivalent (FTE) jobs accounting for nearly \$2.6 million in increased earnings, and \$637,000 in sales tax and hotel occupancy tax revenues, combined. In its stabilized year (Year 5), the facility's impact is expected to include over \$16.7 million in total spending, 153 FTE jobs accounting for \$4.3 million in increased earnings, and nearly \$1.1 million in sales tax and hotel occupancy tax revenues, combined.

PHASE I + II FACILITY IMPACTS

VISITATION VOLUME AND ROOM NIGHTS GENERATED

Economic and fiscal impact analysis is based on the projected event demand and attendance at the proposed Phase II LAEC, as described in Section 8 of this report. Taking into account the estimated length of events and length of stay of attendees, exhibitors, and participants (collectively referred to as "visitors"), Figure 9-4 summarizes the projected visitation volume, measured in visitor-days. (For example: A visitor staying for the entire length of a two-day event is counted as two person-days.) The table shows that visitation to the Phase II LAEC is projected at over 179,000 visitor-days in Year 1, growing to 253,000 visitor-days in Year 5, and over 285,000 visitor-days in Year 10.

Figure 9-4

Longmont Arts and Events Center: Phase I + II Projected Visitor-Days from Attendees, Exhibitors, and Participants										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Attendees										
Arts Center	95,465	107,365	117,828	125,663	133,738	137,459	141,236	143,484	145,754	148,037
Event Center	51,460	59,641	65,956	73,034	76,385	79,074	81,801	84,238	86,697	89,190
Total	146,925	167,006	183,784	198,697	210,123	216,533	223,037	227,722	232,451	237,227
Exhibitors and Participants										
Arts Center	17,004	17,946	18,644	19,105	19,569	19,754	19,937	20,030	20,122	20,215
Event Center	15,446	17,541	19,897	21,991	23,169	24,135	25,100	26,065	27,031	27,996
Total	32,450	35,487	38,541	41,096	42,738	43,889	45,037	46,095	47,153	48,211
Grand Total	179,375	202,493	222,325	239,794	252,861	260,422	268,074	273,817	279,603	285,438

Source: Johnson Consulting

A portion of the event attendees, exhibitors, and participants will travel from out-of-town, and a portion of these out-of-town visitors will generate occupied room nights in Longmont hotels and motels. Taking into account the estimated length of events, length of stay of out-of-town visitors, and their room night-generating potential, Figure 9-7 summarizes the estimated room nights that result from the proposed Phase II LAEC.

Figure 9-5

Longmont Arts and Events Center: Phase I + II Projected Room Nights												
	% Out-of-Town	% Lodgers	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Arts Center												
Auditorium Events												
LPAL / Non-Profit	5%	25%	368	408	441	475	511	529	548	557	566	576
Commercial / Touring	15%	30%	1,595	1,792	1,962	2,098	2,238	2,309	2,382	2,419	2,456	2,494
Recital Hall Events												
LPAL / Non-Profit	5%	25%	228	253	275	292	306	314	323	328	333	337
Commercial / Touring	15%	30%	556	638	707	761	807	835	864	878	893	907
Total Arts Center			2,747	3,092	3,385	3,626	3,861	3,988	4,117	4,182	4,248	4,314
Event Center												
Exhibit Events												
Conventions/Trade Shows	50%	75%	3,750	4,249	5,119	5,628	6,086	6,398	6,715	7,012	7,311	7,613
Consumer Shows/Public Events	35%	50%	1,680	2,163	2,207	2,701	2,728	2,870	3,014	3,147	3,281	3,415
Non-Exhibit Events												
Meetings/Conferences	25%	70%	910	991	1,047	1,105	1,134	1,149	1,165	1,180	1,196	1,211
Banquets/Social	10%	70%	1,078	1,154	1,205	1,258	1,285	1,301	1,317	1,327	1,336	1,346
Sports Events	10%	70%	189	260	331	371	409	422	435	445	456	467
Other	5%	50%	90	108	126	136	146	149	153	156	159	162
Total Event Center			7,697	8,925	10,035	11,199	11,788	12,289	12,799	13,267	13,739	14,214
Total AEC Events			10,444	12,017	13,420	14,825	15,649	16,277	16,916	17,449	17,987	18,528
Room Nights by AC Participants			668	718	774	809	844	859	875	882	890	898
Room Nights by EC Exhibitors			4,389	4,902	5,682	6,193	6,583	6,858	7,132	7,406	7,681	7,955
GRAND TOTAL			15,501	17,637	19,876	21,827	23,075	23,994	24,922	25,737	26,558	27,381

Source: Johnson Consulting

As shown, the estimated visitation to the LAEC is projected to generate nearly 16,000 room nights in Year 1, growing to over 23,000 room nights in Year 5, and over 27,000 room nights by Year 10.

Figure 9-8 summarizes the economic and fiscal impact of the proposed LAEC in Year 1 through Year 10.

Figure 9-6

Longmont Arts and Events Center: Phase I + II Estimated Spending and Impact (Inflated \$000)											
Rate/ Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
1 Person-Days											
2 Attendees	146,925	166,556	182,544	197,927	209,343	216,420	223,604	228,295	233,029	237,809	
3 Exhibitors and Participants	32,450	35,487	38,541	41,096	42,738	43,889	45,037	46,095	47,153	48,211	
4 Total	179,375	202,043	221,085	239,024	252,081	260,309	268,641	274,390	280,181	286,020	
5 Room Nights	15,501	17,637	19,876	21,827	23,075	23,994	24,922	25,737	26,558	27,381	
6 Spending On LAEC	\$2,778	\$3,145	\$3,496	\$3,829	\$4,119	\$4,347	\$4,586	\$4,805	\$5,033	\$5,271	
7 Spending Off Site											
8 On Lodging \$137.75 / Room Night	\$2,135	\$2,502	\$2,905	\$3,285	\$3,578	\$3,832	\$4,099	\$4,360	\$4,634	\$4,921	
9 On Food and Incidentals											
10 Attendees \$24.80 / Person-Day	\$3,644	\$4,268	\$4,824	\$5,403	\$5,877	\$6,259	\$6,662	\$7,015	\$7,383	\$7,770	
11 Exhibitors and Participants \$33.40 / Person-Day	\$1,084	\$1,238	\$1,407	\$1,567	\$1,687	\$1,794	\$1,906	\$2,021	\$2,141	\$2,267	
12 On Car Rental \$23.82 / Room Night	\$369	\$865	\$1,004	\$1,136	\$1,237	\$1,325	\$1,417	\$1,508	\$1,602	\$1,702	
13 Subtotal Spending Off Site	\$7,232	\$8,873	\$10,140	\$11,391	\$12,378	\$13,210	\$14,085	\$14,903	\$15,761	\$16,659	
14 Total	\$10,010	\$12,018	\$13,636	\$15,220	\$16,497	\$17,556	\$18,671	\$19,708	\$20,794	\$21,930	
Economic Impact (\$000)											
15 Direct Spending <i>Multipliers</i>	\$10,379	\$12,018	\$13,636	\$15,220	\$16,497	\$17,556	\$18,671	\$19,708	\$20,794	\$21,930	
16 Indirect and Induced Spending 0.419	\$4,354	\$5,041	\$5,720	\$6,384	\$6,920	\$7,364	\$7,832	\$8,267	\$8,723	\$9,199	
17 Total Spending	\$14,733	\$17,060	\$19,356	\$21,605	\$23,417	\$24,921	\$26,503	\$27,975	\$29,517	\$31,129	
18 Increased Earnings 0.364	\$3,774	\$4,370	\$4,958	\$5,534	\$5,998	\$6,384	\$6,789	\$7,166	\$7,561	\$7,974	
19 Increased Employment 14.60	152	170	188	203	214	221	228	234	240	245	
Fiscal Impact (\$000)											
20 Tax Revenues <i>Tax Rate</i>											
21 Sales and Use Tax (a)											
22 State of Colorado 2.900% of Line 14	\$301	\$349	\$395	\$441	\$478	\$509	\$541	\$572	\$603	\$636	
23 Boulder County 0.985% of Line 14	\$102	\$118	\$134	\$150	\$162	\$173	\$184	\$194	\$205	\$216	
24 City of Longmont 3.530% of Line 14	\$366	\$424	\$481	\$537	\$582	\$620	\$659	\$696	\$734	\$774	
25 Regional Transportation District 1.000% of Line 14	\$104	\$120	\$136	\$152	\$165	\$176	\$187	\$197	\$208	\$219	
26 Cultural District 0.100% of Line 14	\$10	\$12	\$14	\$15	\$16	\$18	\$19	\$20	\$21	\$22	
27 Total Sales and Use Tax 8.515%	\$884	\$1,023	\$1,161	\$1,296	\$1,405	\$1,495	\$1,590	\$1,678	\$1,771	\$1,867	
28 Lodging Tax (b) 2.000% of Line 8	\$43	\$50	\$58	\$66	\$72	\$77	\$82	\$87	\$93	\$98	
29 Total Tax Revenues	\$927	\$1,073	\$1,219	\$1,362	\$1,476	\$1,572	\$1,672	\$1,765	\$1,863	\$1,966	

Notes:

a) Assuming that room revenues are sales-taxed at 8.515% as well.

b) In addition to Sales and Use Tax.

Source: Johnson Consulting

As shown in the table, the estimated economic and fiscal impact of the proposed Phase II LAEC in its opening year is expected to include \$14.7 million in total spending, 152 full-time equivalent (FTE) jobs accounting for nearly \$3.8 million in increased earnings, and \$927,000 in sales tax and hotel occupancy tax revenues, combined. In its stabilized year (Year 5), the facility's impact is expected to include \$23.4 million in total spending, 214 FTE jobs accounting for nearly \$6.0 million in increased earnings, as well as nearly \$1.5 million in sales tax and hotel occupancy tax revenues, combined.

APPLICABLE RATES AND ASSUMPTIONS

The preceding subsections show the estimated economic and fiscal impact of event activities at the proposed Phase I and Phase II LAEC. Several assumptions are utilized in developing the impact estimates, described as follows.

SPENDING ASSUMPTIONS include the following:

- **Spending at LAEC**, which corresponds to the Total Gross Revenue line at the facility proforma as presented in Section 8 of this report,

- **Spending outside LAEC**, which includes \$137.75 per room night (based on GSA's per diem for lodging spending for Longmont), an average spending rate on meals and incidentals per person-day for attendees and other visitors, respectively (based on GSA's per diem for lodging spending for Longmont), and on rental car at \$23.82 per room night (based on Corporate Travel Index for Denver metro area).

MULTIPLIER RATES utilized in this analysis to calculate LAEC's economic impact such as Indirect and Induced Spending, Increased Earnings, and Employment are summarized in Figure 9-7.

Figure 9-7

Longmont Arts and Event Center Economic Impact Multipliers		
Impact	Multiplier	Base
Indirect and Induced Spending	0.419	per \$1.00 of direct spending
Increased Earnings	0.364	per \$1.00 of direct spending
Increased Employment	14.60	per \$1 million of direct spending

Source: Implan Group, Inc.

TAX RATES utilized in this analysis to calculate the proposed LAEC's fiscal impact are those that are most relevant to spending by attendees and other visitors to the facility. They include Sales Tax and Hotel Occupancy Tax as summarized in Figure 9-8.

Figure 9-8

Longmont Arts and Event Center Tax Rates	
	Rate
Sales and Use Tax	
State of Colorado	2.900%
Boulder County	0.985%
City of Longmont	3.530%
Regional Transportation District	1.000%
Cultural District	0.100%
Total	8.515%
Lodging Tax	2.000%

Lodging Tax is applied to hotel room sales in addition to Sales and use Tax.

Source: Johnson Consulting

IMPLICATIONS

From an operating perspective, the estimated tax revenues from sales tax and hotel occupancy tax alone will be greater than the projected net loss of the proposed facility, beginning in Year 4 for the Phase II

facility and in Year 5 for the Phase I facility. Additionally, these sales tax and hotel occupancy tax revenues represent only a fraction of the overall fiscal impact to the economy, as they are only the public sector's increase in tax revenue resulting from the overall increased visitors spending in the economy. The presence of the proposed LAEC would increase values of commercial establishments in areas surrounding the new facility and beyond, which result in increased property tax supported by the project. In addition, the construction of the facility would result in a one-time impact of millions of dollars of spending, primarily affecting the construction industry.

That being said, the capital cost of planning, designing, and constructing the proposed facilities is substantial. With cost estimates in the ballpark of \$104 million for the Phase I facility and \$159 million for the Phase I + II facility at full build-out, the debt service will be demanding. Johnson Consulting's financing assumptions described in Section 8 estimate a debt service payment of more than \$5.8 million annually for 30 years for the Phase I facility, or just under \$8.9 million annually for the Phase I + II facility at full build-out. When these capital costs are factored in with net operating deficit and projected sales and hotel occupancy tax revenues, it is evident that a significant annual deficit will be required to support the development and operation of the proposed facilities.

Figure 9-9 compares the sales tax and hotel occupancy tax revenues in comparison to net operating deficit after reserve and debt service payments.

Figure 9-9

Longmont Arts and Event Center Implications										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Phase I Facility										
Net Operating Income (Deficit) after Reserve	(\$1,337)	(\$1,216)	(\$1,109)	(\$1,021)	(\$942)	(\$905)	(\$864)	(\$855)	(\$845)	(\$833)
Debt Service Payment	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)	(\$5,845)
Sales and Hotel Occupancy Tax Revenues	\$637	\$752	\$864	\$966	\$1,056	\$1,131	\$1,209	\$1,267	\$1,327	\$1,391
	(\$6,545)	(\$6,308)	(\$6,090)	(\$5,900)	(\$5,730)	(\$5,619)	(\$5,500)	(\$5,433)	(\$5,362)	(\$5,287)
Phase I + II Facility										
Net Operating Income (Deficit) after Reserve	(\$1,636)	(\$1,469)	(\$1,322)	(\$1,192)	(\$1,090)	(\$1,041)	(\$987)	(\$958)	(\$926)	(\$891)
Debt Service Payment	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)	(\$8,892)
Sales and Hotel Occupancy Tax Revenues	\$927	\$1,073	\$1,219	\$1,362	\$1,476	\$1,572	\$1,672	\$1,765	\$1,863	\$1,966
	(\$9,602)	(\$9,287)	(\$8,995)	(\$8,722)	(\$8,506)	(\$8,361)	(\$8,207)	(\$8,085)	(\$7,955)	(\$7,818)

Source: Johnson Consulting

There are a number of possibilities that could partially alleviate the high costs of developing and operating this type of facility, including robust capital campaigns, ongoing fundraising efforts, leveraging economic development incentives like those discussed in Section 7, tapping into regional funding sources like the Scientific and Cultural Facilities District, sponsorships and naming rights agreements with businesses in the area, and recruiting additional participants to the project such as educational institutions, school districts, and other local governments. Although these opportunities are promising and have paved the way for similar projects across the nation, it is difficult to accurately estimate how much they could

remediate the operating or capital deficits that are projected for these facilities under baseline circumstances.

There are also a number of non-financial benefits that are provided by these types of facilities, which have been described throughout the course of this report. Event centers build relationships between businesses, governments, and other institutions, and foster thought-sharing and innovation. Arts centers can help to attract new residents and employers to the community and provide a boost to quality of life. These factors are difficult to measure but are crucial components of decision making for these types of projects. Ultimately, a balance will need to be established that includes some of these benefits without placing an excessive financial burden on the community.

APPENDIX**DETAILED FACILITY PROGRAM RECOMMENDATIONS**

Phase I

Date	02.26.2021				
Program Study	City of Longmont, Colorado - Arts and Events Center				
	Prepared based upon Strategic Recommendations, as prepared by Johnson Consulting 07.29.2020				
Program Prepared By:	DLR Group				
	ITEM NAME	# OF UNITS	UNIT TYPE	SQ FT/ UNIT	NET AREA (SF)
	MULTI-PURPOSE THEATER	1,000 seats			
Public Spaces	Public lobby* (shared with Recital Hall)	1000	Each	5	5,000
	Audience chamber sound + light locks	6	Each	80	480
	Patrons' lounge bar / catering / storage	2	Each	200	400
	Concessions	2	Each	120	240
	Concessions storage	2	Each	50	100
	House manager / first aid	1	Each	120	120
	Box office - sales	1	Each	45	45
	Box office - manager's office	1	Each	120	120
	Public restrooms - male (1.5 per 100 seats)	8	Toilets	65	488
	Public restrooms - female (3 per 100 seats)	15	Toilets	65	975
	Public unisex / family restroom	2	Each	80	160
	Ushers' room / storage	2	Each	80	160
	Front of house storage	2	Each	200	400
	Audience elevator	1	Each	80	80
	Coat check	1	Each	250	250
	Subtotal				9,018
Perf. / FOH Spaces	Audience chamber	1000	Each	9.5	9,500
	Stage (50'd x 65'w) (assumes 85 musicians + 120 choir)		Each		3,250
	Stage wings (32' x 50')	2	Each	1625	3,250
	Stage rigging pit (5' -0"x 50')	1	Each		250
	Stage apron (8'-0" x 65')	1	Each		520
	Orchestra pit (assumes 60 musicians)	60	Musicians	17	1,020
	ADA Lift to Orchestra Pit	1	Each	25	25
	Trap Room	1	Each	600	600
	Dimmer room	1	Each	120	120
	Amplifier rack room incl transformer	1	Each	100	100
	Sound / audio visual room	1	Each	300	300
	Lighting / sound control booth	1	Each	180	180
	Lighting / sound control / followspot booth	1	Each	250	250
	ADA Lift to Control Booth	1	Each	25	25
	House sound mix position (24' x 10')	1	Each	240	240
	Subtotal				19,630
Stage Support	Scenery dock / storage	1	Each	400	400
	Orchestra shell storage (7 12'-0" towers)	1	Each	210	210
	Piano storage	1	Each	100	100
	Pit storage (risers, stands, chairs, tympani)	1	Each	200	200
	Musicians' area	1	Each	400	400

Notes:

sf

sf

Removable seats in first tier to allow for flat floor, gala-style events

Phase I

Date	02.26.2021				
Program Study	City of Longmont, Colorado - Arts and Events Center				
	Prepared based upon Strategic Recommendations, as prepared by Johnson Consulting 07.29.2020				
Program Prepared By:	DLR Group				
	ITEM NAME	# OF UNITS	UNIT TYPE	SQ FT/ UNIT	NET AREA (SF)
Performance Spaces	Stage manager's office	1	Each	150	150
	Company manager's office	1	Each	125	125
	Technical staff office	1	Each	120	120
	Backstage ADA restroom (male)	1	Toilets	80	80
	Backstage ADA restroom (female)	1	Toilets	80	80
	Lighting storage	1	Each	200	200
	Sound storage	1	Each	150	150
	Misc. backstage storage	1	Each	150	150
	Crew room	1	Each	200	200
	Organ equipment (electronic organ)	1	Each	200	200
	Organ console storage	1	Each	100	100
	Scene shop including office, tool storage, paint room	1	each	3000	3,000
	Subtotal				5,865
	Performer Support				
	Chorus (20 person) dressing rooms w 2 toilets + 2 shower	3	Each	900	2,700
	Principal (1-4 person) dressing rooms w / toilet + shower	2	Each	250	500
	Make-up / Hair Room	1	Each	200	200
	Quick change and toilet	2	Each	80	160
	Wardrobe including laundry	1	Each	500	500
	Green room / performers' lounge with canteen/vending	1	Each	400	400
	Catering/warming kitchen	1	Each	225	225
	Elevator, back stage	1	Each	75	75
	Subtotal				4,760
	Subtotals - Multi-purpose Theater				
	Total net area				39,273
	Multiplier				1.50
	Gross area				58,909

Notes:

1. classrooms to double as ensemble dressing rooms for larger events. 2. chorus rooms to be inter-connected to allow larger ensemble use and adjust to the gender diversity of cast.

Phase I

Date		02.26.2021				
Program Study		City of Longmont, Colorado - Arts and Events Center				
		Prepared based upon Strategic Recommendations, as prepared by Johnson Consulting 07.29.2020				
Program Prepared By:		DLR Group				
	ITEM NAME	# OF UNITS	UNIT TYPE	SQ FT/ UNIT	NET AREA (SF)	
Meeting and Arts Classrooms	Meeting and Arts Classrooms					
		Dance Rehearsal Room	1	Each	3,250	3,250
		Dance Rehearsal Room (small)	1	Each	1000	1,000
		Dance Storage	2	Each	200	400
		Instrumental Music Rehearsal Room	1	Each	3,250	3,250
		Choral Rehearsal Room	1	Each	1600	1,600
		Instrument Storage	1	Each	400	400
		Instrumental Library	1	Each	100	100
		Subtotal				10,000 sf
		Arts Classrooms Sub-Total				
		Total net area				10,000 sf
Multipurpose Event Spaces		Multiplier				1.50
		Gross area				15,000 sf
	Multipurpose Event Spaces		1250 Capacity			
		Public Lobby	1250	Each	5	6,250
		Public restrooms - male (1 per 50)	13	Toilets	65	845
	<i>Public</i>	Public restrooms - female (1 per 50)	13	Toilets	65	845
	<i>Ballroom</i>	Multi-purpose Ballroom	1250	Each	20	25,000
		Storage (tables / chairs) - distribute to multiple rooms	1250	Each	1	1,250
	<i>Support</i>	Storage (partitions)	6	Each	100	600
		Catering Kitchen	1	Each	800	800
		Subtotal - Multipurpose Event Spaces				
		Total net area				35,590 sf
		Multiplier				1.45
		Gross area				51,606 sf

Notes:

Classrooms are schedulable for banquets and events, as needed. Fit-out of space aligns with acoustic and performance requirements for Music and Dance. Large Dance and Music rehearsal rooms to match stage size.

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Phase I

Date		02.26.2021				
Program Study		City of Longmont, Colorado - Arts and Events Center				
		Prepared based upon Strategic Recommendations, as prepared by Johnson Consulting 07.29.2020				
Program Prepared By:		DLR Group				
	ITEM NAME	# OF UNITS	UNIT TYPE	SQ FT/ UNIT	NET AREA (SF)	
Administration / Support	Administration					
	Lobby / seating area	1	Each	200	200	
	Office - director	1	Each	250	250	
	Office - staff	2	Each	200	400	
	Office - open workspace	4	Each	80	320	
	Reception	1	Each	120	120	
	Conference room	1	Each	150	150	
	Copy machine / fax room	1	Each	120	120	
	Staff Kitchen / Break Room	1	Each	150	150	
	Storage	1	Each	50	50	
	Subtotals - Administration					
	Total net area				1,560	sf
	Multiplier				1.40	
	Gross area				2,184	sf
Summary	Building Spaces (excluding services)					
	Building Sub-totals (not including services)					
	Total net area				86,423	sf
	Multiplier				1.48	
	Total gross area				127,698	sf
Building Services	Building Services					
	Building maintenance	1	Each	150	150	
	Housekeeping closet	1	Each	25	25	
	Mechanical room	6%	percent		5,185	
	Electrical rooms	4%	percent		3,457	
	Backstage waiting	1	Each	80	80	
	Backstage security / doorman	1	Each	80	80	
	Fire panel / telephone switch	1	Each	50	50	
	IT Server Room	1	Each	100	100	
	Trash Collection	1	Each	100	100	
	Truck dock / loading dock	1	Each	600	600	
	Subtotals - Building Services					
	Total net area				9,827	sf
	Multiplier				1.30	
	Gross area				12,775	sf
Total	Building Total					
	Total net area				96,250	sf
	Multiplier				1.46	
	Total gross area				140,474	sf

Notes:

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Phase II

Date	02.26.2021				
Program Study	City of Longmont, Colorado - Arts and Events Center				
	Prepared based upon Strategic Recommendations, as prepared by Johnson Consulting 07.29.2020				
Program Prepared By:	DLR Group				
	ITEM NAME	# OF UNITS	UNIT TYPE	SQ FT/ UNIT	NET AREA (SF)
Recital Hall		500 seats			
Public Spaces	Public lobby* (shared with Multi-Purpose Theater)	500	Each	5	2,500
	Audience chamber sound + light locks	4	Each	80	320
	Patrons' lounge bar / catering / storage	1	Each	200	200
	Concessions	1	Each	120	120
	Concessions storage	1	Each	50	50
	House manager / first aid	1	Each	120	120
	Box office - sales	1	Each	45	45
	Box office - manager's office	1	Each	120	120
	Public restrooms - male (1.5 per 100 seats)	4	Toilets	65	244
	Public restrooms - female (3 per 100 seats)	8	Toilets	65	488
	Public unisex / family restroom	1	Each	80	80
	Front of house storage	1	Each	200	200
	Coat check (shared with multi-purpose hall)	1	Each	200	200
	Subtotal				4,686
Perf. / FOH Spaces	Audience chamber	500	Each	12	6,000
	Performance Area		Each	3,250	3,250
	Dimmer room	1	Each	120	120
	Amplifier rack room incl transformer	1	Each	100	100
	Sound / audio visual room	1	Each	300	300
	Lighting / sound control booth	1	Each	180	180
	Catwalks / lighting positions	1	Each	250	250
	ADA Lift to Control Booth	1	Each	25	25
	Subtotal				10,225
Stage Support	Scenery dock / storage	1	Each	400	400
	Performers' area	1	Each	350	350
	Stage manager's office	1	Each	150	150
	Technical staff office	1	Each	120	120
	Backstage ADA restroom (unisex)	1	Toilets	80	80
	Lighting / Sound / Misc. storage	1	Each	300	300
	Instrument Storage	0	Each	400	-
	Piano Storage	1	Each	150	150
	Subtotal				1,550

Notes:

sf

Stage area aligns with large rehearsal room.

sf

Locate instrument storage to be shared / combined with storage shown for arts classrooms

sf

Phase II

Date		02.26.2021				
Program Study		City of Longmont, Colorado - Arts and Events Center				
		Prepared based upon Strategic Recommendations, as prepared by Johnson Consulting 07.29.2020				
Program Prepared By:		DLR Group				
Performance Spaces		ITEM NAME	# OF UNITS	UNIT TYPE	SQ FT/ UNIT	NET AREA (SF)
	Performer Support	Chorus (10 person) dressing rooms w/ toilet + shower	2	Each	425	850
		Principal (1-4 person) dressing rooms w / toilet + shower	1	Each	250	250
		Green room / performers' lounge with canteen/vending	1	Each	400	400
		Catering/warming kitchen	1	Each	225	225
		Quick change and toilet	2	Each	80	160
		Subtotal				1,885
		Subtotals - Recital Hall				
		Total net area				18,346
		Multiplier				1.50
		Gross area				27,519

Multipurpose Event Spaces		500 Capacity				
Multipurpose Event Spaces	Public Ballroom	Public Lobby	500	Each	5	2,500
		Public restrooms - male (1 per 50)	5	Toilets	65	325
		Public restrooms - female (1 per 50)	5	Toilets	65	325
	Meeting Rooms	Multi-purpose Ballroom	1	Each	10000	10,000
		Classrooms (2,000 sf)	2	Each	2,000	4,000
		Classrooms (1,000 sf)	4	Each	1,000	4,000
	Support	Classrooms (500 sf)	4	Each	500	2,000
		Storage (tables / chairs) - distribute to multiple rooms	500	Each	1	500
		Storage (partitions)	6	Each	100	600
		Commercial Kitchen	1	Each	1500	1,500
		Subtotal - Multipurpose Event Spaces				
		Total net area				25,750
		Multiplier				1.45
		Gross area				37,338

Notes:
Arts classrooms to double as larger dressing rooms where required for larger events / performer capacity.

Phase II

Date	02.26.2021				
Program Study	City of Longmont, Colorado - Arts and Events Center				
	Prepared based upon Strategic Recommendations, as prepared by Johnson Consulting 07.29.2020				
Program Prepared By:	DLR Group				
	ITEM NAME	# OF UNITS	UNIT TYPE	SQ FT/ UNIT	NET AREA (SF)
Administration / Support	Administration				
	Lobby / seating area	1	Each	200	200
	Office - director	1	Each	250	250
	Office - staff	4	Each	200	800
	Office - open workspace	4	Each	80	320
	Reception	1	Each	120	120
	Conference room	1	Each	150	150
	Copy machine / fax room	1	Each	120	120
	Staff Kitchen / Break Room	1	Each	150	150
	Storage	1	Each	50	50
	Subtotals - Administration				
	Total net area				1,960
Summary	Multiplier				1.40
	Gross area				2,744
Summary	Building Spaces (excluding services)				
	Building Sub-totals (not including services)				
	Total net area				46,056
	Multiplier				1.47
Building Services	Total gross area				67,601
	Building Services				
	Building maintenance	1	Each	150	150
	Housekeeping closet	1	Each	25	25
	Mechanical room	6%	percent		2,763
	Electrical rooms	4%	percent		1,842
	Backstage waiting	1	Each	80	80
	Backstage security / doorman	1	Each	80	80
	Fire panel / telephone switch	1	Each	50	50
	IT Server Room	1	Each	100	100
	Trash Collection	1	Each	100	100
	Truck dock / loading dock	1	Each	600	600
Total	Subtotals - Building Services				
	Total net area				5,791
	Multiplier				1.30
	Gross area				7,528
Total	Building Total				
	Total net area				51,847
	Multiplier				1.45
Total	Total gross area				75,129

Notes:
Can be consolidated or split between the performing arts and events space uses.