

Avalon

THEATRE FOUNDATION

ECONOMIC BENEFITS



THE AVALON CORNERSTONE PROJECT

The foundation of great things to come!

AvalonTheatreFoundation.org

COMMERCE AND "THE EQUATION"

There are two cost elements to The Avalon Cornerstone Project — Part A and Part B.

PART A

Part A addresses needed repairs, basic maintenance, and physical upgrades to the building. The City of Grand Junction, the Downtown Development Authority (DDA), and funds from the Avalon Theatre Foundation share these costs. While Part A construction elements address deferred repairs and maintenance as well as enhanced economic and cultural benefits, they quite literally set the stage on which the community can leverage much richer programming and measurably enhanced benefits. Part A costs are estimated at \$6.4 million.

PART B

Part B is the philanthropic portion of the Avalon Cornerstone Project. It moves the theater beyond the basics to a new level of capability. These funds are primarily gifts from private individuals and businesses, foundations, special grants, and other entities that support the project. Some will contribute for their love of historic preservation and retained heritage for succeeding generations, some for the benefits of cultural opportunities, others to cultivate business and economic development, and still others to gain a truly multiuse civic auditorium for the region. Part B renovations are projected to cost \$8 to \$10 million.

When Part A and B investments come together at once, the economies of scale and opportunity unite to support significantly enhanced commercial, cultural, and community opportunities throughout the region.

A + B = C — COMMERCE, CULTURE, COMMUNITY

ECONOMIC OVERVIEW

Renovations made possible by The Avalon Cornerstone Project will support significantly improved economic and cultural benefits for the community.



INDIRECT REVENUE

supporting local businesses

MORE PATRONS MEANS MORE SPENT WITH LOCAL BUSINESSES *

In addition to their ticket purchase, patrons of The Avalon Theatre currently spend an average of \$23 per attendance with local businesses for food, lodging, and shopping. Expanded capacity is projected to increase attendance by 54%, resulting in annual indirect income to local businesses of \$1 to \$2 million.

CONSTRUCTION PROJECTS ARE A BOON FOR THE LOCAL ECONOMY

The fully renovated theater is a substantial construction project helping to create jobs and support local building trades, associated businesses, and supporting industries. Based on economic development multipliers, every \$1 spent in construction generates \$1.85 in local earnings and \$1.99 in local employment.



UTILIZATION **

The Grand Junction Symphony, Western Colorado Center for the Arts, and Avalon Theatre Film Series planners have projected significant utilization of a fully renovated facility.

NO COMPARABLE FACILITIES **

Event planners and respondents to the 2010 Avalon Study said there were currently no facilities comparable to a fully renovated Avalon Theatre. Nearly two-thirds of those surveyed said they would use the new venue. Civic organizations were chief among those interested. Business and religious organizations also indicated high interest.

EXPANDED PROGRAMMING **

Respondents indicated that 64% of the activities they would bring to the renovated theater represent a growth in the overall programming offered in Grand Junction — either newly developed activities, events, and performances or expansions of existing programs. Examples of new uses possible in a fully renovated facility include:

- Philharmonic and live acoustic presentations, such as the Grand Junction Symphony and the Centennial Band
- Amplified musical performances in a wide range of genres, such as rock, jazz, and country
- Local talent and artists such as the Express All Stars, dance companies, gallery artists and special exhibits from the Museum of Western Colorado
- National performers such as the Chinese Ballet and Peking Acrobats, as well as events in a broad range of other performance styles, including comic, inspirational, and theatrical
- Classes, seminars, and workshops
- Distinguished lecturers and special-interest presentations
- Civic and private events

** 2010 Avalon Theatre Study by AMS Planning & Research

Images courtesy of:

City of Grand Junction, Grand Junction Visitor and Convention Bureau, Museum of Western Colorado, Colorado Mesa University

DIRECT REVENUE

supporting operations

INCREASED GROSS REVENUES *

Expanded programming and events are projected to increase gross revenues by as much as 100%, or double that of current gross revenues.

INCREASED TICKET REVENUES **

The average ticket price at The Avalon is currently \$13. Though many offerings may retain a lower ticket price, people are willing to pay a higher ticket price for bigger acts. In fact, in the 2010 Avalon Study, respondents said they would pay as much as \$33 per ticket for higher-level performances, which would result in substantially increased gross revenues. At full build-out, the Avalon Cornerstone Project will equip the building appropriately to appeal to the type of performances that will garner higher ticket prices.

SUPPORTING TAX BASE

Projected increases in indirect revenues would also yield an increase in supporting tax revenues. Many of these dollars will come in the form of sales taxes from out-of-town visitors through their purchases in local businesses.

NATIONAL ATTENTION

The Avalon Cornerstone Project will add nearly 200 seats to the theater. This additional capacity brings the theater to a more competitive venue size able to attract the more diverse events and performances, a league from which it was previously excluded. This additional capacity will have a substantial positive impact on The Avalon's economic operations and profitability.

REGIONAL HUB EFFECT

The expansion of the Avalon Theatre increases the regional draw to the Grand Valley. As a newly renovated and expanded venue the theater effectively anchors the east end of the downtown shopping complex, further solidifying it as a regional destination. This status draws a larger out-of-town and tourism base. On average, visitors are typically willing to pay 66% more for a ticket, in addition to local spending on food, lodging, and shopping.

* Grand Junction Visitor and Convention Bureau

** 2010 Avalon Theatre Study by AMS Planning & Research

BUSINESS RECRUITMENT AND TOURISM

CULTURAL OPPORTUNITY ATTRACTS NEW BUSINESSES

According to local economic development leaders, the lack of cultural opportunities is a consistent factor working against the area's ability to attract new businesses and young professionals. A fully renovated Avalon Theatre helps correct this deficit and enhances the region's appeal to potential outside investors.

ECONOMIC DEVELOPMENT

In case studies of similar venues in Durango and Fort Collins, out-of-town patrons accounted for 15 to 27% of total annual event attendance. Out-of-town visitors are a primary source of new business cultivation and economic development.

THE CITIZENS' ASSET

The Avalon Theatre is already owned by the citizens of Grand Junction and operated by the City. This public/private partnership not only improves the quality of life in the Grand Valley, but also significantly increases the value of this capital asset to its citizens. The fully renovated theater will give the community a beautiful, one-of-a-kind civic auditorium. The historic roots of this grand building further draw together the generations and render an asset that all can claim with pride.

COMMUNITY ENRICHMENT AND EXPANDED OPPORTUNITIES

Cultural enrichment is key to attracting and retaining good businesses and in building community strength through shared experiences.

METRO TALENT DRAW

Situated halfway between Denver and Salt Lake City on the Interstate 70 corridor, and with excellent air service to Las Vegas, The Avalon Theatre is well positioned to capture high-caliber performances, speakers, and events.