

Agenda For Work Meeting Between Midway Arts Center Foundation And Midway City Council

January 5, 2020 - 5:30 p.m.

- I. Video Presentation - <https://youtu.be/DSD-LSCygas> – 4 min.
- II. MAC Foundation Timeline
- III. Luster Development, LLC
- IV. Victus Feasibility Study on European Village Financial Benefits
- V. High Valley Arts/MAC Financial Projections
- VI. Traffic Study Information – to be emailed to you on Thursday, Dec. 31
- VII. High Valley Arts Attendance History
- VIII. Proposed Community Use of the MAC
- IX. Wasatch County UVU Campus Arts Center Unanswered Questions
- X. Council Questions and Answers

MAC Foundation Timeline History

- June 2018** Adam Shalleck, Internationally known theater consultant, provides an adjacency study to assure that the venues we want will fit into a 45,000 sf arts center.
Main Theater – 450 people
Black Box – 225 people
Recital Hall – 125 people
With that information, we are ready to work with architects.
- September 2018** Clayton Vance prepares preliminary arts center elevation.
- October 2018** Formation of the Midway Village Arts Center Foundation, the organization which will build and manage the arts center.
- November 2018** Formation of the MVAC Founders Circle with 20 donors at \$5,000 each to provide beginning funding for arts center expenses.
- June 2019** Graystone Strategies, a growth accelerator company, joins us to assist in researching donor lists and strategies, brand development, fundraising strategies, website development, donor materials and follow up, etc. The company will be with us until our fundraising goal is met. www.graystonestrategies.com.
Please see the website: A great indicator of this company's expertise can be found in "Grand Successes."
- August 2020** MVAC name changed to Midway Arts Center Foundation, "The MAC".



817 Double Eagle Drive, Midway, Utah, 84049

Summary of 30-Year Estimated Midway City Tax Revenue

By Victus Advisors

Year one - \$238,719

Year ten - \$288,420

Year twenty - \$387,613

Year thirty - \$520,919

Over thirty years - \$10,534,000



DRAFT

Economic and Fiscal Impact Analysis for a Proposed Mixed-Use Development in Midway, Utah

v3 // Submitted to Luster Development // July 20, 2018

Victus Advisors was engaged by **Luster Development** in May 2018 to conduct an independent, objective, and research-based analysis of the potential economic and fiscal impacts of a proposed new mixed-use development in the City of Midway, Utah (“Midway” or the “City”).

Luster Development is in the planning process for a European Village with European-style dwellings, shops, and condominiums around the Memorial Hill site in Midway (as shown on the following page). Luster Development has also indicated that they would donate land on the site for a community arts center to help attract daily events and visitors to the site and compliment the European Village.

The economic/fiscal impact estimates in this report are for one-time construction spending and on-going incremental revenue streams that could be associated with the proposed mixed-use development, which Luster Development currently proposes to include approximately*:

- 190 residential units
- 45,000 square feet of retail
- Site to be donated for development of a community arts center

**Source: Luster Development*

SUMMARY OF 30-YEAR ESTIMATED NET IMPACTS



It is estimated that over 30 years, the proposed mixed-use development could generate approximately \$10.5 million in net new tax revenues for the City of Midway, with a net present value of nearly \$5.6 million.

<u>Year</u>	<u>Direct Spending</u>	<u>Total Output</u>	<u>Employment</u>	<u>Wages</u>	<u>Midway City Tax Revenue*</u>
1	\$56,692,906	\$83,036,552	920	\$35,069,164	\$238,719
2	13,003,241	20,298,235	420	7,410,878	227,682
3	13,393,339	20,907,182	420	7,633,205	234,512
4	13,795,139	21,534,398	420	7,862,201	241,547
5	14,208,993	22,180,430	420	8,098,067	248,794
6	14,635,263	22,845,842	420	8,341,009	256,258
7	15,074,321	23,531,218	420	8,591,239	263,945
8	15,526,550	24,237,154	420	8,848,976	271,864
9	15,992,347	24,964,269	420	9,114,446	280,020
10	16,472,117	25,713,197	420	9,387,879	288,420
11	16,966,281	26,484,593	420	9,669,515	297,073
12	17,475,269	27,279,131	420	9,959,601	305,985
13	17,999,527	28,097,505	420	10,258,389	315,164
14	18,539,513	28,940,430	420	10,566,141	324,619
15	19,095,698	29,808,643	420	10,883,125	334,358
16	19,668,569	30,702,902	420	11,209,619	344,389
17	20,258,626	31,623,989	420	11,545,907	354,720
18	20,866,385	32,572,709	420	11,892,284	365,362
19	21,492,377	33,549,890	420	12,249,053	376,323
20	22,137,148	34,556,386	420	12,616,524	387,613
21	22,801,263	35,593,078	420	12,995,020	399,241
22	23,485,300	36,660,870	420	13,384,871	411,218
23	24,189,859	37,760,697	420	13,786,417	423,555
24	24,915,555	38,893,517	420	14,200,009	436,261
25	25,663,022	40,060,323	420	14,626,010	449,349
26	26,432,913	41,262,133	420	15,064,790	462,830
27	27,225,900	42,499,997	420	15,516,734	476,714
28	28,042,677	43,774,997	420	15,982,236	491,016
29	28,883,957	45,088,246	420	16,461,703	505,746
30	29,750,476	46,440,894	420	16,955,554	520,919
Cumulative Total:	\$644,685,000	\$1,000,899,000	420	\$370,181,000	\$10,534,000
Net Present Value:	\$360,043,000	\$556,781,000	n/a	\$207,850,000	\$5,579,000

* Midway City Tax Revenues include sales tax, property tax, and TRT.

Other Notes:

Includes both one-time construction impacts (allocated to Year 1) and annual operations impacts (adjusted annually for inflation).

Assumes annual inflation of 3.0% and discount rate of 4.0%.



817 Double Eagle Drive, Midway, Utah, 84049

High Valley Arts and Midway Arts Center Financial Projections Summary

Year one	High Valley Arts – \$60,890 Midway Arts Center – \$57,400
Year five	High Valley Arts - \$170,120 Midway Arts Center - \$56,500

Financial Projections - HVAF - Year 1

YEAR 1 - 5 Adult 3 Children's Shows

OPERATING REVENUES			
	Ticket Sales - Adult shows	\$ 468,000.00	SEE DETAIL Page 2
	Ticket Sales - Kid shows	\$ 40,500.00	SEE DETAIL Page 2
	Show Sponsorship	\$ 10,000.00	
	Miscellaneous Income	\$ 5,000.00	
	Grants	\$ 10,000.00	
	In-Kind Revenue	\$ 2,000.00	
	Youth Program Revenues	\$ 39,000.00	SEE DETAIL Page 2
	TOTAL REVENUES	\$ 574,500.00	
OPERATING EXPENSES			
	Event Expenses	\$ 107,260.00	SEE DETAIL Page 2
	Other Production Expenses	\$ 224,750.00	SEE DETAIL Page 2
	Marketing Expenses	\$ 60,000.00	5 adult prod @\$12,000
		\$ 6,000.00	3 kids prod @\$2,000
	Development Expenses	\$ 60,000.00	
	Administrative Expenses	\$ 55,600.00	SEE DETAIL Page 2
	Facilities Expenses (Rent)	\$ 100,000.00	5 adult prod @\$20,000
	TOTAL OPERATING COSTS	\$ 513,610.00	
NET		\$ 60,890.00	

Financial Projections - MAC - Year 1

YEAR 1

OPERATING REVENUES			
	Endowment Income	\$ 200,000.00	
	Corporate Memberships	\$ 60,000.00	
	Annual Fundraiser	\$ 60,000.00	
	Concessions	\$ 27,600.00	SEE DETAIL Page 2
	Rent HVAF	\$ 100,000.00	
	Rent Others	\$ 28,600.00	
	TOTAL REVENUES	\$ 476,200.00	
OPERATING EXPENSES			
	Event Expenses	\$ 50,000.00	Ushers, Tech
	Capital Reserve	\$ 50,000.00	
	Manager	\$ -	
	CFO	\$ -	
	Concessions	\$ 13,800.00	
	Equipment Expenses	\$ 20,000.00	
	Marketing Expenses	\$ 25,000.00	
	Development Expenses	\$ 20,000.00	
	Box Office Expenses	\$ 40,000.00	Box Office help
	Facility Expenses	\$ 200,000.00	
	TOTAL OPERATING COSTS	\$418,800.00	
NET		\$57,400.00	

Financial Projections - HVAF - Year 3

YEAR 3 - 6 Adult 4 Children's Shows

OPERATING REVENUES

Ticket Sales - Adult shows	\$ 636,480.00	SEE DETAIL Page 3
Ticket Sales - Kid shows	\$ 57,600.00	SEE DETAIL Page 3
Show Sponsorship	\$ 20,000.00	
Miscellaneous Income	\$ 10,000.00	
Grants	\$ 20,000.00	
In-Kind Revenue	\$ 2,000.00	
Youth Program Revenues	\$ 48,000.00	SEE DETAIL Page 3
TOTAL REVENUES	\$ 794,080.00	

OPERATING EXPENSES

Event Expenses	\$ 162,480.00	SEE DETAIL Page 3
Other Production Expenses	\$ 224,750.00	SEE DETAIL Page 3
Marketing Expenses	\$ 80,000.00	6 adult prod @\$13,000
	\$ 10,000.00	4 kids prod @\$2,500
Development Expenses	\$ 80,000.00	
Administrative Expenses	\$ 106,000.00	SEE DETAIL Page 3
Facilities Expenses (Rent)	\$ 120,000.00	6 adult prod @\$20,000
TOTAL OPERATING COSTS	\$ 663,230.00	

NET \$ 130,850.00

Financial Projections - MAC - Year 3

YEAR 3

OPERATING REVENUES

Endowment Income	\$ 200,000.00	
Corporate Memberships	\$ 80,000.00	
Annual Fundraiser	\$ 90,000.00	
Concessions	\$ 31,200.00	SEE DETAIL Page 3
Rent HVAF	\$ 120,000.00	
Rent others	\$ 29,200.00	
TOTAL REVENUES	\$ 550,400.00	

OPERATING EXPENSES

Event Expenses	\$ 62,000.00	
Capital Reserve	\$ 50,000.00	
Manager	\$ -	
CFO	\$ 50,000.00	
Concessions	\$ 16,000.00	
Equipment Expenses	\$ 30,000.00	
Marketing Expenses	\$ 30,000.00	
Development Expenses	\$ 30,000.00	
Box Office Expenses	\$ 45,000.00	
Facility Expenses	\$ 212,000.00	
TOTAL OPERATING COSTS	\$ 525,000.00	

NET \$ 25,400.00

Financial Projections - HVAF - Year 5

YEAR 5 - 7 Adult 4 Children's Shows

OPERATING REVENUES

Ticket Sales - Adult shows	\$ 1,071,000.00	SEE DETAIL Page 4
Ticket Sales - Kid shows	\$ 72,000.00	SEE DETAIL Page 4
Show Sponsorship	\$ 40,000.00	
Miscellaneous Income	\$ 10,000.00	
Grants	\$ 40,000.00	
In-Kind Revenue	\$ 2,000.00	
Youth Program Revenues	\$ 62,000.00	SEE DETAIL Page 4
TOTAL REVENUES	\$ 1,297,000.00	

OPERATING EXPENSES

Event Expenses	\$ 257,580.00	SEE DETAIL Page 4
Other Production Expenses	\$ 295,700.00	SEE DETAIL Page 4
Marketing Expenses	\$ 140,000.00	7 adult prod @\$20,000
	\$ 12,000.00	4 kids prod @\$3000
Development Expenses	\$ 120,000.00	
Administrative Expenses	\$ 161,600.00	SEE DETAIL Page 4
Facilities Expenses (Rent)	\$ 140,000.00	7 adults prod. @ \$20,000
	\$ 1,126,880.00	
NET	\$ 170,120.00	

Financial Projections - MAC - Year 5

YEAR 5

OPERATING REVENUES

Endowment Income	\$ 200,000.00
Corporate Memberships	\$ 125,000.00
Annual Fundraiser	\$ 100,000.00
Concessions	\$ 34,200.00
Rent HVAF	\$ 140,000.00
Rent others	\$ 32,000.00
TOTAL REVENUES	\$ 631,200.00

OPERATING EXPENSES

Event Expenses	\$ 68,000.00
Capital Reserve	\$ 50,000.00
Manager	\$ -
CFO	\$ 50,000.00
Concessions	\$ 17,000.00
Equipment Expenses	\$ 40,000.00
Marketing Expenses	\$ 35,000.00
Development Expenses	\$ 40,000.00
Box Office Expenses	\$ 50,000.00
Facility Expenses	\$ 224,700.00
TOTAL OPERATING COSTS	\$ 574,700.00
NET	\$ 56,500.00

ADMINISTRATIVE EXPENSES - Year 3

Graphic Artist		\$ 40,000.00
Website		\$ 40,000.00
Secretarial	20/hr @ 25 hrs./week /52	\$ 26,000.00

TOTAL			\$ 106,000.00
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OTHER PRODUCTION EXPENSES - Year 3

OTHER PRODUCTION EXPENSES - Year 3

Scenery	\$ 10,000.00	6 adult	\$ 60,000.00
	\$ 1,000.00	4 kid	\$ 4,000.00
Props	\$ 1,000.00	6 adult	\$ 6,000.00
	\$ 250.00	4 kid	\$ 1,000.00
Costumes	\$ 10,000.00	6 adult	\$ 60,000.00
	\$ 1,500.00	4 kid	\$ 6,000.00
Wigs	\$ 700.00	6 adult	\$ 4,200.00
	\$ 300.00	4 kid	\$ 1,200.00
Paint	\$ 400.00	6 adult	\$ 2,400.00
	\$ 200.00	4 kid	\$ 800.00
Misc.	\$ 2,000.00	6 adult	\$ 12,000.00
	\$ 500.00	4 kid	\$ 2,000.00
Cast travel	\$ 6,000.00	6 adult	\$ 36,000.00
Contracted events	\$ 3,500.00	10 productions	\$ 50,000.00
Youth shows staff	\$ 4,500.00	4 kid	\$ 18,000.00
Youth classes staff	\$ 6,500.00		\$ 6,500.00

TOTAL			\$ 270,100.00
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MIDWAY ARTS CENTER INCOME

Concessions	HVAF Events - 6 adult@\$3,000; 4 kid@\$600; 18 rental days at \$600 - \$10,800. TOTAL \$31,200.
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Rent - HVAF	
	6 Adult productions @ \$8,000; 3 Kid productions @ \$2,000 = \$54,000.00

Rent - Others	Orchestra - \$1,200; WD - \$8,000; Others - \$20,000 = \$29,200
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DETAIL - HIGH VALLEY ARTS OPERATING AND OTHER PRODUCTION EXPENSES - YEAR 5

PAGE 4

OPERATING REVENUES - YEAR 5 - add 2 kid shows

Ticket Income - 7 shows @ 30 performances at ticket average \$17 @ 300 people - A-\$22; K-\$18; A-\$16; K-\$12 - 63,000 = TOTAL \$1,071,000

Ticket Income Kids - 4 shows @ 10 performances @ 225 people @ ticket average \$8 = \$A=10; K=\$6 = 9,000 people = TOTAL \$72,000.00

Youth program revenue - 5 shows @ 40 kids @ \$240 = \$48,000; 2 semesters of classes @ 40 kids @ \$175 = \$14,000 = TOTAL \$62,000

OPERATING EXPENSES - Year 5

Event Expenses

Choreogra	\$ 900.00	7 adult	\$ 6,300.00
	\$ 400.00	4 kid	\$ 1,600.00
Director	\$ 1,200.00	7 adult	\$ 8,400.00
	\$ 400.00	4 kid	\$ 1,600.00
Stage Mgr	\$ 900.00	7 adult	\$ 6,300.00
	\$ 300.00	4 kid	\$ 1,200.00
Lighting	\$ -		
	\$ -		
Costumer	\$ 1,200.00	7 adult	\$ 8,400.00
	\$ 400.00	4 kid	\$ 1,600.00
Set Design	\$ 900.00	7 adult	\$ 6,300.00
	\$ 250.00	4 kid	\$ 1,000.00
Music	\$ 900.00	7 adult	\$ 6,300.00
	\$ 200.00	4 kid	\$ 800.00
Sound	\$ -		\$ -
Props	\$ -		\$ -
TECH Spotlight tech - \$15/night	\$ 300.00	7 adult	\$ 2,100.00
Stage Crew Main - \$15/night	\$ 300.00	7 adult	\$ 2,100.00
Stage Crew kid - \$10/night	\$ 60.00	4 kid	\$ 240.00
Light Tech - \$20/night	\$ 400.00	7 adult	\$ 2,800.00
Light Tech kid - \$15/night	\$ 90.00	4 kid	\$ 360.00
Sound Tech - \$30/night	\$ 600.00	7 adult	\$ 4,200.00
Sound Tech kid - \$20/night	\$ 120.00	4 kid	\$ 480.00
Builders	\$ 900.00	7 adult	\$ 6,300.00
	\$ 400.00	4 kid	\$ 1,600.00
Accompanist	\$ 400.00	7 adult	\$ 2,800.00
	\$ 200.00	4 kid	\$ 800.00

Royalty 7 shows at 30 perf. @\$800/performance \$ 168,000.00

Royalty 4 shows at 10 perf. @ \$400/performance \$ 16,000.00

\$ 257,580.00

ADMINISTRATIVE EXPENSES - Year 5

Graphic Artist		\$ 60,000.00
Website		\$ 60,000.00
Secretarial	20/hr @ 25 hrs./week /52	\$ 41,600.00
TOTAL		\$ 161,600.00

OTHER PRODUCTION EXPENSES - Year 5

scenery	10,000 7 adult	\$ 70,000.00
	1000 4 kid	\$ 4,000.00
props	1000 7 adult	\$ 7,000.00
	250 4 kid	\$ 1,000.00
costumes	10000 7 adult	\$ 70,000.00
	1500 4 kid	\$ 6,000.00
wigs	700 7 adult	\$ 4,900.00
	300 4 kid	\$ 1,200.00
Paint	400 7 adult	\$ 2,800.00
	200 4 kid	\$ 800.00
Special effect		\$ -
		\$ -
misc.	2000 7 adult	\$ 14,000.00
	500 4 kid	\$ 2,000.00
cast travel	5000 7 adult	\$ 35,000.00
Contracted events	\$ 4,000.00 10 productions	\$ 50,000.00
Youth shows staff	\$ 5,000.00 4 kid	\$ 20,000.00
Youth classes staff	\$ 7,000.00	\$ 7,000.00
TOTAL		\$ 295,700.00

MIDWAY ARTS CENTER - Year 5

Concessions	HVAF Events - 7 adult @\$3,000; 4 kid @\$600; 18 local Rental days 18 @ \$600 = \$10,800 = TOTAL \$34,200
Rent - HVAF	7 Adult productions @ \$8,000; 4 Kid productions @ \$2,000 = TOTAL \$64,000.00
Rent - Others	Orchestra - \$1800; WD - \$12,000; Others - \$29,000 = TOTAL \$32,000

HVAF Attendance Numbers

Includes 2 adult musicals, workshops, concerts, “He Is Born”, Fourth of July historical events, Heber Valley Railroad performances. In 2018, we added 1 youth production. In 2019 we added 2 youth productions. 2019 (COVID year) we had one youth and one teen’s production.

2007 - 1,200

2008 - 3,460

2009 – 3,335

2011 - 3,745

2013 – 4,270

2014 – 4,560

2015 – 5,825

2016 – 5,917

2017 – 5,412

2018 – 5,606 – We added 1 youth theater production

2019 – 8,915 – We added a second youth theater production

2020 – 1,875 – During COVID, one youth production, one teen production presented outside

TOTAL attendance from 2007-2020 – 58,939

HVAF Youth theater has grown as follows:

Spring attendance 2018 - 840

Spring 2019 - 1,200

Fall 2019 - 2,178

During COVID August - 1,400 outside production

During COVID Halloween - 475 outside production



817 Double Eagle Drive, Midway, Utah, 84049

Projected Community Use of the Midway Arts Center

High Valley Arts – Main Stage Theater – Performances All Month

February

April

June

July – Main Stage Theater and Outdoor Theater

September

October

December

Community – Main Stage Theater Available All Month

January

March

May

August

November

Unanswered Questions on the Proposed UVU Wasatch Campus Arts Center

- In Utah, all community arts center structures are subsidized yearly with public funds.
- Community arts centers are not “branded” by a recognized theatrical organization and do not attract sufficient attendees on a regular basis to support the building.
- In addition, there is less ability to develop a consistent clientele with focused advertising and fundraising, since there are a variety of organizations using the same facility.
- An arts center for the community is a workable option for communities with a variety of arts organizations at all levels and sufficient tax revenues to be able support the center.

UVU Project Will Require a Yearly Subsidy

- Based on other Utah community arts centers, the proposed UVU Wasatch Campus Arts Center will need to be subsidized yearly.
- **STEVEN COVEY CENTER - 45,000 sf - \$340,000 in 2018 in tax dollars***
- **ROSE WAGNER CENTER - 45,000 sf - \$489,295 in 2018 in tax dollars***
- The proposed UVU building is 80,000 sf and will likely require a much larger subsidy, yet there is no information about where this money will come from in the Wasatch Campus Arts Center presentation.

* Victus Advisors 2018 Study