Walton Arts Center
life is sweet

Terri M. Trotter
Chief Operating Officer

Dear Marilyn,

Here is the proposal we discussed. Thank you for your insights. We have forwarded a copy to each commissioner as well.

We will look forward to discussing at the January meeting.

I hope you have a wonderful holiday!

Terri

Walton Arts Center

December 20, 2012

Marilyn Heifner
Fayetteville Visitors Center
21 South Block Avenue
Fayetteville, AR 72701

Dear Marilyn:

Enclosed you will find Walton Arts Center's request to the Fayetteville A&P Commission for support of our Main Campus Expansion on Dickson Street. Requested funds will be designated for design, pre-construction and construction of the expansion and renovation project. We are very excited about this project and believe it has the potential to make a significant and transformative impact on Dickson Street, Fayetteville and the region.

I will be attending the Commission meeting in January and look forward to telling you more about the project and answering any questions you may have. Thank you for your interest and consideration.

Happy Holidays!

Happy New Year

Peter B. Lane
President/CEO

Enclosures

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Walton Arts Center

Request to the Fayetteville Advertising and Promotion Commission for Support of
Walton Arts Center Main Campus Expansion on Dickson Street

Request

In order to continue meeting the growing arts and cultural needs of Fayetteville and the Northwest Arkansas region, Walton Arts Center respectfully requests $8,500,000 in multi-year funding from various A&P designated sources for design, pre-construction and construction of the expansion and renovation of Walton Arts Center's main campus on Dickson Street. When completed, the project will provide much needed backstage and storage space, a larger lobby, additional meeting and event spaces, and an expanded Starr Theater, making a significant impact on the economic and cultural environment of Downtown Fayetteville.

With the energy surrounding the Dickson Street Parking Deck, the urgency for this project is great. If WAC is able to begin expansion in conjunction with the construction of the parking deck, the project will reap significant cost savings through consolidation of design, planning and building efforts.

The Need for Expansion is Critical

As indicated by a 2010 needs assessment and subsequent analysis of usage, Walton Arts Center is operating close to full capacity. In 2002, WAC served 149,000 patrons, school children and community members. Just 10 short years later in 2012, more than 239,000 people attended 453 performances, activities, meetings and events at WAC. This is an astonishing 61% increase! As audiences have grown, the constraints of the facility have become clear. The main lobby cannot accommodate average-sized crowds for performances in the large hall, let alone support audiences for events happening simultaneously; Starr Theater is too small, both for performances and events; the offices cannot accommodate the current staff or additional workers as the organization grows; and backstage space is inadequate. In fact, in order to accommodate shows with large casts, Starr Theater and/or other public spaces are closed and turned into backstage and storage space, reducing the number of events that can be held at the Arts Center.

WAC facilities are constantly in use: Baum Walker Hall is utilized at 95% capacity and an average of 1.24 events occurs across campus in the various spaces every day of the year. With this level of activity, the performance as well as event and meeting space needs of the community are not being met in Fayetteville, and, as a result, business is lost to neighboring cities. This expansion will reverse that trend.

In the 1980s, the City of Fayetteville, in conjunction with the University of Arkansas, made a significant investment in WAC, a facility that the City and UA still own. Thirty years later, this expansion will be a continuation of the investment in this transformative city asset, contributing to the economic and cultural vitality of Dickson Street, Fayetteville and the region.

Meeting the Needs: WAC Expansion Plan

The proposed Main Campus Expansion on Dickson Street has been planned to address the facility and space needs identified above. The project includes the addition of nearly 30,000 gross square feet of space comprised of the following components:

- Backstage support spaces will be added to include dressing rooms, stage and instrument storage, production offices, maintenance shop and catering kitchen.
- Baum Walker Hall will be updated with a new, state-of-the-art theatrical lighting system to replace the system currently in use since the building's construction in 1992.
- The main lobby will be enlarged, creating new special event spaces, expanded concessions and lobby amenities. The appealing new lobby design will extend out onto the plaza, connecting WAC to Dickson Street, engaging patrons and passersby. Patron restrooms will also be added.
- Starr Theater will gain a dedicated lobby with its own entrance plaza. The theater will be reconfigured to allow for more flexible use of space, a large window to enhance the aesthetics for non-theatrical events and a 66% increase in capacity for performances, seating 225-250, up from 165.
- Lobby access to the Rosen Memorial Rose Garden will be reconfigured to make the garden more visible and accessible, and new event space will be added, creating usable indoor/outdoor space. The option to cover the garden in its entirety, either temporarily or permanently, will also be explored.
- WAC Administrative Headquarters will be built to house the growing staff; a conference room, office support space and landscape maintenance and storage shops will be included.

See Attachment One for architectural concept renderings.

Key Project Outcomes

When completed, the expanded Fayetteville campus will:

I. Bring More People to Dickson Street

a) Increased WAC Programming in Starr Theater Additional spaces will greatly advance the opportunities to attract people to WAC and Dickson Street. With Starr Theater functioning full-time as a public theater and event venue, rather than as backstage support space, attendance is projected to increase four-fold.

Attendance for Increased WAC Programming		
Starr Theater	2011-2012	2015-2016
Number of Performances	10	30
Capacity	1,500	7,500
Capacity Sold	73%	73%
Total Paid Attendance	1,095	5,475
	Projected Increase	4,380

b) Community Use of Lobby, Plaza, and Other Event Space The lobby additions and plaza upgrades, along with changes to the Rose Garden and McBride Studio will allow greater access to WAC spaces for community events and performances, resulting in an increased number of people attending those events. The following chart illustrates the significant increase in WAC rental activity anticipated for FY16.

Change in Community Use		
Starr Theater, McBride Studio, Main Lobby, Rose Garden	2011-2012	2015-2016
Number of Events	43	65
Attendance	7,022	11,657
	Projected Increase	4,635

c) WAC and Community Programming in Baum Walker Hall The confluence of two events will allow greater use of Baum Walker Hall. First, the upgrade of Baum Walker Hall's technical equipment increases the venue's attractiveness for high profile artists and entertainers who have state-of-the-art technical needs. Secondly, the UA's renovation of the Old Fieldhouse to a new 700-seat performance space will allow the relocation of events from WAC's campus and to the UA campus. In 2011-2012, WAC's partner, the UA Music Department, presented 29 events in Baum Walker Hall (capacity 1201) with a total attendance of 10,431, an average of 30% capacity. By 2016, 25 days formerly occupied by UA music will be available for WAC performances and/or rental events. If each event is projected at 80% capacity, attendance totals 24,000, a net increase of 13,500 patrons over the current UA music programming.

d) Overall More People The planned expansion is projected to bring approximately 22,500 more people to WAC, Dickson Street and Fayetteville every year. This means more people spending money on food, drinks and parking, and generally enjoying the Fayetteville Entertainment District.

2. Enhance the Audience Experience

The most significant effects of the proposed renovation will be enjoyed by WAC audiences. The renovated and expanded lobby will relieve overcrowding, giving audiences space to congregate before a performance, relax at intermission, and discuss their experience post-performance, all while enjoying (and purchasing) more concessions. Attendees will benefit from improved lighting systems in the main hall and increased access to public spaces, including the Joy Pratt Markham Gallery. With more availability of space, audiences will enjoy new programming options and more diverse artists, genres and performances.

3. Improve Usability and Functionality of the Building

The project will greatly improve the functionality of existing WAC spaces and extend the life of the building. As the 1201 seat Baum Walker Hall is the cornerstone of WAC's presenting model in a multi-campus strategy designed to meet the needs of Northwest Arkansas for the coming decades, the Fayetteville facilites must maintain the highest quality technical amenities. The project will meet the evolving needs of local, regional and touring artists and arts groups, as well as position WAC as the premier arts presenting facility of our size in the mid-south.

In addition, the expansion plans will include some upgrades to the Nadine Baum Studios, as well as other improvements around campus that are designed to support the growth of our local resident companies: TheatreSquared, Community Creative Center, the Symphony Orchestra of Northwest Arkansas and Trike Theatre.

4. Improve the Financial Sustainability of WAC and Fayetteville's Position to Host Events

WAC's new spaces, and new capacity in existing spaces, will improve Fayetteville's competitiveness in the rental market, particularly with regard to special events. A renovated WAC will complement community assets including the Chancellor Hotel and the Town Center when looking to bring new convention business to town and keeping existing business in Washington County.

This improved capacity and competitive position for rental business, combined with happier patrons who are inclined to attend more often and new patrons who are drawn to expanded programming, will lead to increased earned income and a financially stronger Walton Arts Center. Financial stability strengthens the organization overall and allows us to continue meeting our mission and offering outstanding arts and cultural services to the Northwest Arkansas community.

5. Impact the Economic Development of Dickson Street and Fayetteville

As evidenced by the project's business plan, this expansion will drive economic development on Dickson Street. In June 2012, Americans for the Arts released a study of Northwest Arkansas arts and cultural organizations (Attachment Two) showing the non-profit arts and cultural industry in the region annually generates nearly $46M in economic activity, and WAC itself generated $16,056,000 in 2012, with a $700,000+ impact to local government revenue. (Americans for the Arts Arts and Economic Prosperity Calculator IV, 2012)

A renovated Walton Arts Center with an expanded lobby, more special event space and additional backstage support areas is projected to bring 22,500 more people annually to Dickson Street and Fayetteville. Using the Americans for the Arts calculator, a 22,500 increase in attendance coupled with the associated financial impact of an estimated $630,000 ($28 per patron) on WAC's organizational budget, will result in a significant $1,129,249 annual increase in economic impact to our community.

Additionally, and of considerable signficance, Fayetteville will benefit from the economic impact of the project's construction expenditures. Using multipliers for the NWA CBSA developed by the Bureau of Economic Analysis, $20M spent on upgrades and additions creates more than $37M in new economic activity (sales) and $12M in new earnings for regional workers (Attachment Three, page 5).

Project Cost

At this point in the project planning, we are estimating the following cost breakdown for expansion, renovation and equipment upgrades.

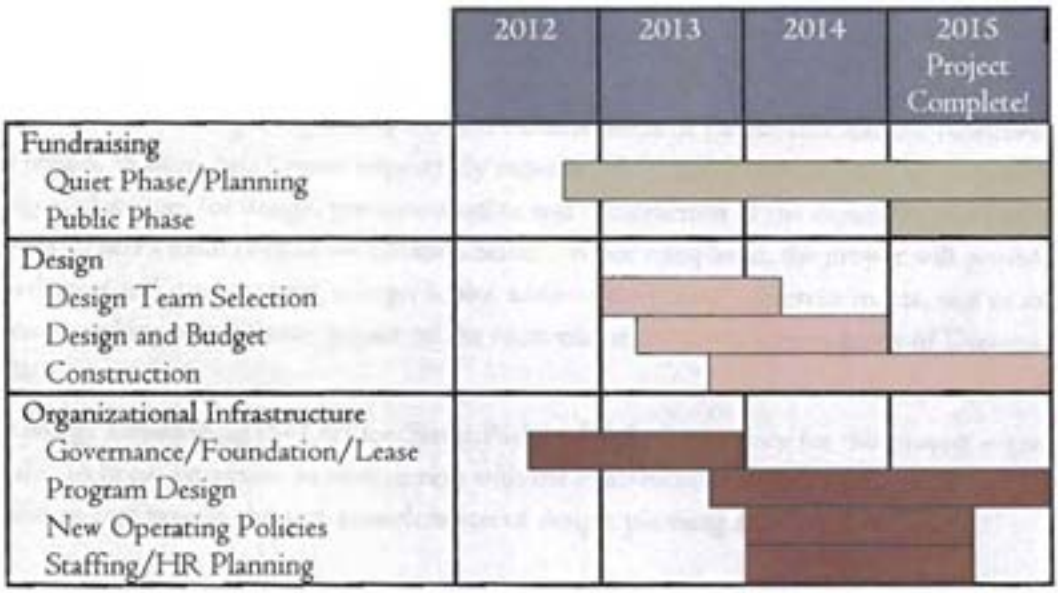
Item		Amount
Lobby/Restroom/Front of House	$	5,670,000
Backstage Support Areas	$	5,750,000
Offices/Sitework	$	2,410,000
Starr Theatre/NBS/BWH/Theatrical Equipment	$	6,770,000
Total Cost (mid-2014 dollars)	$	20,600,000

Use of Funds

Walton Arts Center respectfully requests two funding allocations totaling $8,500,000 to be used for design, pre-construction and construction of the Walton Arts Center Main Campus Expansion on Dickson Street expansion: (1) $2M over two years from the A&P operating and/or reserve funds for design, pre-construction and initial construction, and (2) $6.5M for construction, paid for through the refinancing of the Town Center bonds or other long-term financing mechanism.

Year	Amount	Objective
2013	$1,000,000	Design, documentation and pre-construction
2014	$1,000,000	Documentation and Construction
2014-2016	$6,500,000 in Bond Revenue *Issue Date TBD*	Construction

Projected Fayetteville Expansion Timeline – Project Complete 2015



Attachment One

Architectural Concept Renderings

WALTON ARTS CENTER MAIN CAMPUS EXPANSION

New Dickson Street entrance, plaza and expanded streetscape

Walton Arts Center

Boora Architects, 2012

WALTON ARTS CENTER MAIN CAMPUS EXPANSION

Starr Theater expansion with new dedicated lobby and expanded theater seating

Walton Arts Center

Boora Architects, 2012

WALTON ARTS CENTER MAIN CAMPUS EXPANSION
Overall view of expansion with City Parking Deck built on theater lot

Walton Arts Center

Boora Architects, 2012

WALTON ARTS CENTER MAIN CAMPUS EXPANSION
Administrative Headquarters

Walton Arts Center

Boora Architects, 2012

Attachment Two

Americans for the Arts

Arts & Economic Prosperity IV:

Economic Impact of Nonprofit Arts and Culture Organization and Their Audiences in the Northwest Arkansas Area

Arts&Economic Prosperity IV

A Project of Americans for the Arts

The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the Northwest Arkansas Area (Fiscal Year 2010)

Direct Economic Activity	Arts and Culture Organizations	+	Arts and Culture Audiences	=	Total Industry Expenditures
Total Industry Expenditures	$30,916,901		$14,580,226		$45,497,127

Spending by Arts and Culture Organizations and Their Audiences Supports Jobs and Generates Government Revenue

Total Economic Impact of Expenditures (Direct & Indirect Impacts Combined)	Economic Impact of Organizations	+	Economic Impact of Audiences	=	Total Economic Impact
Full-Time Equivalent (FTE) Jobs Supported	1,091		397		**1,488**
Household Income Paid to Residents	$21,882,000		$7,715,000		**$29,597,000**
Revenue Generated to Local Government	$429,000		$492,000		**$921,000**
Revenue Generated to State Government	$1,645,000		$1,414,000		**$3,059,000**

Event-Related Spending by Arts and Culture Audiences Totaled $14.6 million (excluding the cost of admission)

Attendance to Arts and Culture Events	Resident* Attendees	+	Non-Resident* Attendees	=	All Cultural Audiences
Total Attendance to Arts and Culture Events	610,764		135,891		746,655
Percentage of Total Attendance	81.8%		18.2%		100%
Average Event-Related Spending Per Person	$15.76		$36.46		$19.54
Total Event-Related Expenditures	$9,625,640		$4,954,586		$14,580,226

Nonprofit Arts and Culture Event Attendees Spend an Average of $19.54 Per Person (excluding the cost of admission)

Category of Event-Related Expenditure	Resident* Attendees	Non-Resident* Attendees	All Cultural Audiences
Meals and Refreshments	$11.50	$17.35	$12.57
Souvenirs and Gifts	$0.96	$3.15	$1.36
Ground Transportation	$1.78	$4.90	$2.35
Overnight Lodging (one night only)	$0.30	$9.10	$1.90
Other/Miscellaneous	$1.22	$1.96	$1.36
Average Event-Related Spending Per Person	$15.76	$36.46	$19.54

* For the purpose of this study, residents are attendees who live within Benton and Washington Counties; non-residents live outside that area.

Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the Northwest Arkansas Area*. For more information about this study or about other cultural initiatives in the Northwest Arkansas Area, visit the Walton Arts Center's web site at www.WaltonArtsCenter.org.

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About This Study

The *Arts & Economic Prosperity IV* study was conducted by Americans for the Arts to document the economic impact of the nonprofit arts and culture industry in 182 communities and regions (139 cities and counties, 31 multi-city or multi-county regions, and ten states, and two individual arts districts)—representing all 50 U.S. states and the District of Columbia. The diverse communities range in population (1,600 to more than 3 million) and type (rural to urban). The project economists, from the Georgia Institute of Technology, customized input-output analysis models for each participating study region to provide specific and reliable economic impact data about their nonprofit arts and culture industry—specifically (1) full-time equivalent jobs, (2) household income, and (3) local and (4) state government revenue.

Surveys of Nonprofit Arts and Culture ORGANIZATIONS

Each of the 182 study regions attempted to identify its comprehensive universe of nonprofit arts and culture organizations using the Urban Institute's National Taxonomy of Exempt Entity (NTEE) coding system, a definitive classification system for nonprofit organizations recognized as tax exempt by the Internal Revenue Code. In addition, the study partners were encouraged to include other types of eligible organizations if they play a substantial role in the cultural life of the community or if their primary purpose is to promote participation in, appreciation for, and understanding of the visual, performing, folk, and media arts. These include government-owned or government-operated cultural facilities and institutions, municipal arts agencies and councils, private community arts organizations, unincorporated arts groups, living collections (such as zoos, aquariums, and botanical gardens), university presenters, and arts programs that are embedded under the umbrella of a non-arts organization or facility (such as a community center or church). In short, if it displays the characteristics of a nonprofit arts and culture organization, it is included. *For-profit businesses (e.g., Broadway and motion picture theaters) and individual artists were excluded from this study.*

Nationally, detailed information was collected from 9,721 eligible organizations about their fiscal year 2010 expenditures in more than 40 expenditure categories (e.g., labor, local and non-local artists, operations, materials, facilities, and asset acquisition), as well as about their event attendance. Response rates for the 182 communities averaged 43.2 percent and ranged from 5.3 percent to 100 percent. It is important to note that each study region's results are based solely on the actual survey data collected. No estimates have been made to account for non-respondents. Therefore, the less-than-100 percent response rates suggest an understatement of the economic impact findings in most of the individual study regions.

In the Northwest Arkansas Area, 25 of the approximately 86 total eligible nonprofit arts and culture organizations identified by the Walton Arts Center participated in this study—an overall participation rate of 29 percent. The organizations that participated are listed below:

Arkansas Air Museum; Arkansas Country Doctor Museum; Art Amiss; Arts Center of the Ozarks; Arts Live Theatre; Benton County School of the Arts; Clinton House Museum; Crystal Bridges Museum of American Art; Downtown Bentonville, Inc.; Live on Stage in NWA; North Arkansas Jazz Society; Northwest Arkansas Community Creative Center; Peel Mansion Museum and Heritage Gardens The Peel Compton Foundation is now official name; Rogers Historical Museum / Hawkins House; Rogers Little Theater; Shiloh Museum of Ozark History; Stella Boyle Smith Concert Hall; Sugar Creek Model Railroad and Historical Society; Symphony of Northwest Arkansas; TheatreSquared; Tricycle Theater for Youth (Trike Theater); UA Boston Mountain Brassworks; University of Arkansas Fine Arts Center Gallery; University Theatre, Department of Drama, University of Arkansas; and Walton Arts Center.

Surveys of Nonprofit Arts and Culture AUDIENCES

Audience-intercept surveying, a common and accepted research method, was conducted in all 182 of the study regions to measure event-related spending by nonprofit arts and culture audiences. Patrons were asked to complete a short survey while attending an event. Nationally, a total of 151,802 valid and usable attendees completed the survey for an average of 834 surveys per study region. The randomly selected respondents provided itemized expenditure data on attendance-related activities such as meals, souvenirs, transportation, and lodging. Data were collected throughout 2011 (to guard against seasonal spikes or drop-offs in attendance) as well as at a broad range of both paid and free events (a night at the opera will typically yield more spending than a weekend children's theater production or a free community music festival, for example). The survey respondents provided information about the entire party with whom they were attending the event. With an overall average travel party size of 2.69 people, these data actually represent the spending patterns of more than 408,000 attendees, significantly increasing the reliability of the data.

In the Northwest Arkansas Area, a total of 891 valid and usable audience-intercept surveys were collected from attendees to nonprofit arts and culture performances, events, and exhibitions during 2011.

Studying Economic Impact Using Input-Output Analysis

To derive the most reliable economic impact data, input-output analysis is used to measure the impact of expenditures by nonprofit arts and culture organizations and their audiences. This is a highly regarded type of economic analysis that has been the basis for two Nobel Prizes. The models are systems of mathematical equations that combine statistical methods and economic theory in an area of study called econometrics. They trace how many times a dollar is re-spent within the local economy before it leaks out, and it quantifies the economic impact of each round of spending. This form of economic analysis is well suited for this study because it can be customized specifically to each study region. To complete the analysis for the Northwest Arkansas Area, project economists customized an input-output model based on the local dollar flow between 533 finely detailed industries within the economy of Benton and Washington Counties. This was accomplished by using detailed data on employment, incomes, and government revenues provided by the U.S. Department of Commerce (County Business Patterns, the Regional Economic Information System, and the Survey of State and Local Finance), local tax data (sales taxes, property taxes, and miscellaneous local option taxes), as well as the survey data from the responding nonprofit arts and culture organizations and their audiences.

Attachment Three

Memorandum Regarding Impact of
Walton Arts Center Expansion
(Webb Management Services, Inc.)
February 17, 2012

webb management services incorporated

memorandum

to:	Terri Trotter, Chief Operating Officer, Walton Arts Center
from:	Duncan Webb, Webb Management Services
regarding:	Walton Arts Center Improvements
date:	February 17, 2012

Further to recent discussions, we are pleased to provide some additional analysis that addresses the potential impacts and benefits that proposed Walton Arts Center (WAC) upgrades are likely to provide to the Fayetteville community. In our minds, the renovation project will lead to three significant improvements at WAC:

- They will significantly enhance the audience experience
- They will improve the functionality and usability of the Walton Arts Center for touring productions and user groups, and
- They will improve the financial sustainability of WAC.

Following is a review of each element and description of the benefits the improvements will provide to the community.

1. Audiences

1.1 Enhanced Patron Experience

The most significant effects of the proposed renovation will be enjoyed by WAC audiences. Attendees will benefit from improved lighting systems, sound systems, and acoustics. Disabled audience members will have quicker, safer, and more comfortable access to their seats. The renovated and expanded lobby will relieve overcrowding, giving audiences space to congregate before a performance, relax at intermission and discuss their experience post-performance, all while enjoying (and purchasing) more concessions. Also, with the addition of a new VIP lounge, sponsor and private events will be relocated from the gallery, giving general audiences the opportunity to view (and potentially purchase) art.

Ticket buyers aren't the only WAC patrons that will benefit from the expansion and renovation. The addition of the VIP room and the renovation of the McBride Studio will give WAC event sponsors multiple high-quality spaces to choose from for private functions. Presently, sponsors either use the gallery or hold events at nearby establishments like The Wine Cellar.

1.2 More Patrons

The renovations will not only allow WAC to better serve existing patrons, but will also draw new patrons to expanded and diversified presented programs and rental events.

With regard to facility capacity, large-scale production events like Broadway performances and concerts currently use as many spaces as possible for support functions. This limits WAC's ability to maximize program activity and rentals, particularly in the Starr Theater. A review of the FY11 calendar revealed that the Starr Theater was used 124 times for WAC presented events. Eighty seven percent (104) of that time, Starr served as support space for larger productions taking place in Baum Walker Hall. With new purpose-built support spaces like wardrobe rooms and a crew lounge, large productions will no longer need the Starr Theater for support activities. The following chart, from the business plan's pro-forma operating budget, illustrates the increase in WAC presenting activity and related attendance between FY12 and FY16, made possible by the new dedicated support spaces.

Additional Attendance in the Starr Theater

	FY12	FY16 (new facilities open)
WAC Presenting		
Number of Performances	10	35
Potential Attendance	1,500	5,250
Capacity Sold	73%	67%
Total Paid Attendance	1,095	3,518
Average Ticket Price	$18.22	$16.40
Revenue from Ticket Sales	$19,951	$57,687

We would also suggest that the enhanced patron experience will attract more audiences to each performance, increasing the capacity sold as audiences are attracted to the improved experience offered by the Center.

2. The Functionality and Usability of the Walton Arts Center

The renovation and expansion will also greatly improve the functionality of existing WAC spaces and extend the life of the building. Current facilities have not been renovated since 2003, when carpeting and wall coverings were updated, but technical systems were not. WAC has built its brand around the presentation of high-quality performances with high production values, like touring Broadway. While some of the high production value performances will migrate to the new Bentonville facility, WAC's Fayetteville facilities must continue to maintain the highest quality technical amenities in order to continue to achieve excellence, live up to the WAC brand, and meet the evolving needs of local, regional and touring artists and arts groups.

Also, the Nadine Baum Studio Theater, the primary home of TheatreSquared, is currently limited in terms of audience amenities and technical capabilities. TheatreSquared is a significant artistic partner, a valuable community partner and also represents a steady source of rental income ($14,000 in FY11.) For the audience, renovations to the Nadine Baum Studio Theater will improve vertical sightlines, provide better soundproofing, and enhance the lobby space. For the artists working in the Studio Theater, the renovations will improve the backstage accommodations (better dressing rooms, added wardrobe space) and upgrade technical features like the intercom/paging system.

Additionally, participants in education programs such as WAC masterclasses or Trike Theatre education camps will have a new, dedicated learning and engagement classroom that provides focus, privacy and an appropriate learning environment as compared to the balcony lobby.

3. The Financial Sustainability of the Walton Arts Center

Happier patrons who are more inclined to attend more often, new patrons who are drawn to expanded programming, and improved capacity and competitive position for rental business will lead increased earned income and a financially stronger Walton Arts Center.

Most significantly, the new spaces, and new capacity in existing spaces, can improve WAC's competitiveness in the rental market, particularly with regard to special events. WAC's current spaces provide little competitive advantage in a market already crowded with smaller-capacity spaces. As newer, higher-quality spaces like the renovated Cosmopolitan Hotel and the Underwood Building come online downtown, it may become more difficult for WAC to compete in the event market with existing facilities.

The renovation/expansion project will differentiate WAC in a number of ways. For example:

- The enclosure of the Rose Garden will offer an outdoor space unlike any other in Fayetteville for outdoor receptions and weddings.
- The addition of the catering kitchen will address a current gap in the special event market, as existing venues do not offer sufficient kitchen facilities.
- And, the AV and IT upgrade in McBride Studio will make that space far more functional and desirable for meetings.

Another source of rental income will come with a new rehearsal room in Nadine Baum Studios. While it will certainly support internal uses and programs, TheatreSquared will likely rent the space for its rehearsals.

Following is a chart that conservatively estimates the additional revenue that is likely to be earned via key spaces affected by the renovation/expansion.

Additional Rental Revenue of Key Spaces

	Additional Rentals (Days)	Rental Rate*	Total Additional Rental Revenue
Special Events			
Starr Theater	15	$1,680	$25,200
McBride Studio	10	$1,155	$11,550
Bradberry Amphitheater/Rosen Rose Garden	15	$1,320	$19,800
Nonprofit Performances			
Starr Theater	20	$1,700	$34,000
ADDITIONAL RENTAL INCOME			$90,550

*estimated rates based on current rental rates with 5% increase for Starr and McBride and a 20% increase for Rose Garden

4. Community Impacts

Physical improvements to the Walton Arts Center will have significant and positive ongoing impacts on the community of Fayetteville, as a result of:

- More audiences attending more performances will bring additional business to downtown Fayetteville restaurants and retailers. According to research from Americans for the Arts, the average arts event attendee spends $27.79 per person per event in addition to the cost of admission.
- Increased audiences and expanded program volume will also enhance the reputation and awareness of Fayetteville as a culturally vibrant community.
- Improved facilities and related amenities will provide local businesses, the University and the public sector with improved options for their meetings and special events.
- Increased earned income will reduce the need for the community to financially invest in its annual operations.

Additionally, Fayetteville will benefit from the one-time economic impacts of construction expenditures. The following chart illustrates the estimated impacts of the upgrades and additions using the budget summary provided to Venue Cost Consulting and multipliers for the Northwest Arkansas CBSA developed by the Bureau of Economic Analysis.

One-time Impacts of Construction on Northwest Arkansas

	Construction Budget	$	20,600,000
(Industry Code 230000)	Final Demand Multipliers	Project Outputs	
Output	1.8296	$	37,689,760
Earnings	0.6144	$	12,656,640
Employment (person-years of employment)	17.1596		353

As the chart indicates, if $20.6 million is spent on upgrades and additions, there will be new economic activity (i.e. sales) of more than $37 million and new earnings for regional workers totaling more than $12 million, as well as 353 person-years of new employment.

Overall, we see the proposed investment in current Walton Arts Center facilities as an efficient and effective use of funds; improving the experience of audiences and users, increasing the building's utility and functionality, reducing the need for ongoing operating support, and providing additional benefits to the community of Fayetteville.