



Market and Feasibility Study

For Creating a Community Use Multi-function Cultural Facility for Performing Arts in a Redeveloped First National Bank and Trust Building

December, 2020

Contracted and Funded by:

Massachusetts Development Finance Agency

Completed for and in Collaboration with:

Greenfield Community and Economic Development Department

Greenfield Redevelopment Authority

Friends of First National Bank Advisory Board

FinePoint
Associates LLC

Acknowledgements

Many individuals contributed to this study. We are grateful for your information, experience and insights.

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Thank you to the representatives of
community arts organizations, artists and
arts enterprises that responded to our
Cultural Space User Survey.

Thank you to all of the residents that
responded to our **Community Survey**.

Thank you to all the individuals who
shared information and insights through
interviews . . .

Interviews – Arts Facility Representatives

Ben Goldsher, Hawks & Reed Performing Arts Ctr.
Billy Straus, Next Stage Arts Project
Bob Haveles, Palmer Historical & Cultural Ctr.
Brad Foster, 1794 Meetinghouse & Concerts
Debra J'Anthony, Academy of Music
Jessica Murrow, Shelburne Falls Memorial Hall
Joanna Faraby Walker, Northampton Ctr. for Arts
Jon Mack, Hooker & Dunham Theater & Gallery
Kimberly Williams, JaDuke Performing Art Ctr.
Linda Tardif, Shea Theater Arts Ctr.
Lucinda Kidder, Lava Center
Michael Nelson, Roundhouse at FC Fairgrounds
Nick Waynelovich, JaDuke Performing Art Ctr.
Robert Nash, Cultural Ctr. of Cape Cod
Seth Keys, Saint James Place
Vicki Friedman, The River Garden

Interviews - Selected Cultural Space Users

Christy Moore, Greenfield Recreation Department
David Paysnick, Winter Market Manager
Jim Olsen, Signature Sounds, The Parlor Room
Judd Greenstein, Composer, Curator
Julie Carew, Artspace Community Art Ctr.
Kelly Jenkins, Greenfield Recreation Department
Leo Hwang, Greenfield Community College
Linda McInerney, Eggtooth Productions
Lucinda Kidder, Silverthorne Theatre
Michael Nix, Musician, Banjar Inventor, NixWorks
Michi Wianko, Violinist, Composer, Curator,
Antenna Cloud Farm
Steve Hussey, Artspace Community Art Ctr.
Tom Geha, Greenfield Community College
Yves Salomon-Fernández, Greenfield Community
College

Interviews - Other

Amy Shapiro, Franklin County CDC
Ann Hamilton, Former Chamber Director
Jeff Sauser, Greenspace CoWork
John Waite, Franklin County CDC
Michael Kane, FC Creative Economy Project
Rachel Katz, Crossroads Cultural District Chair
Steve Golsher, Downtown Building Owner
Tim Grader, Downtown Building Owner

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Background, Summary of Findings and Process



Project Background

In 2014, a committed group of residents, Town staff and other community stakeholders completed a Comprehensive Sustainable Master Plan for Greenfield. The driving forces behind the plan were rooted in a commitment to preserving the small-town heritage of Greenfield while embracing changes that will allow sustainable renewal of the Town as the economic and cultural hub of the region.

A Key Economic Development Strategy cited in this plan is to . . . “Strengthen downtown as a welcoming, attractive, and vibrant mixed-use urban space, with the First National Bank building as a cultural center with flexible performance and event space.”

In 2017, the Greenfield Redevelopment Authority (GRA) acquired the First National Bank (FNB) located in downtown Greenfield and formed an advisory board to work on the project -- the Friends of First National Bank (FoFNB).

Over the last couple of years, the Massachusetts development Finance Agency (MassDevelopment) has been assisting the community of Greenfield to explore the potential adaptive reuse of the First National Bank and Trust Building as suggested in the sustainable master plan.

MassDevelopment contracted with the firm of Taylor & Burns Architects to prepare architectural designs, engineering and cost studies for redeveloping the building as a performing arts facility. This work was completed in June 2019.

As a follow-up to those efforts, at the end of 2019, MassDevelopment contracted with FinePoint Associates to: conduct a market analysis and assess the feasibility of operating a community-use facility for the performing arts in a redeveloped FNB building.

Note: Work on this project was interrupted for several months due to the COVID pandemic.

Background about the Building: The Franklin County Community Development Corporation acquired the FNB building about 15 years ago when it was near collapse and spent close \$1 million to stabilize it. Further redevelopment efforts were stalled due to the high cost of renovation. In 2017, the CDC sold the building to the GRA hoping they could take the project to the next level and that the timing might finally be right with the recent Cultural District Designation and new downtown parking garage.

Sources: “New life for First National Bank? Redevelopment Authority to take on vacant Greenfield landmark.” *The Recorder*, April, 2017

Summary of Findings

Building and Site

The building is a fine example of Art Deco Style architecture located in the heart of the Historic Downtown District and has the potential to be a stunning facility. It has been functionally abandoned since the 1970s and would require extensive renovation to be usable for a cultural arts facility. The development cost is estimated at \$4.1 to \$4.6 million (not including basement occupancy) with a potential additional cost of around \$1.7 million for the renovation of the historic façade.

On the plus side, the site is strategically located near the new Olive Street Parking Garage. However, there are challenges regarding the loading of sets and equipment as well as customer access.

Comparative Facility Research

Our research of similar community cultural facilities resulted in very useful information about the staffing, operating models and funding characteristics of these types of facilities. Of particular note, is that all of the facilities we reviewed depend on contributions and grants as well as earned revenue to support their operations, the median number of staff is 2.5 and the median number of days the spaces are actively used is 99. Findings from this research were helpful in determining a potential organizational structure and estimating operating expenses for the FNB facility.

We also conducted research regarding issues specifically associated with the operation of the facility by a 501(c)3 non-profit organization. We learned that, in the eyes of the IRS, commercial theaters choose shows with greatest mass audience appeal and set ticket prices to cover costs and return a profit while 501(c)3 theaters serve the community broadly by fostering the development of new and original works, providing opportunities for new talent and offering educational programming.

Market Analysis – Supply

Our market analysis began with an evaluation of the current supply and competitive environment for cultural arts facilities. There are 61 performance spaces within 40 minutes of Downtown Greenfield. 28 of these spaces are fully open for use by arts groups and outside artists; the others are primarily reserved for the the facility owners' events (including many schools). 7 spaces (6 facilities) are most similar to the proposed FNB facility due to their size and open floor plan.

Hawks and Reed Performing Arts Center and the Pushkin (occasionally used as an arts event venue) are located in Downtown Greenfield and have spaces similar in size to the proposed FNB. There is concern that the proposed performance/event space at FNB might be too similar to the existing offering at Hawks and Reed.

Summary of Findings (cont'd)

We spoke with representatives of 15 existing performing arts spaces. When asked if they have difficulty finding users/renters for their space, 6 said “yes” or specifically expressed difficulty in finding artists that could draw a sufficient audience and afford to pay for the space while 5 said “no” or “not now”. Statements from the other representatives fell into a middle ground category.

Market Analysis – Demand

The demand analysis looked at three categories of customers: 1) the *potential attendees of performances* and events, 2) the *space users*, the direct customers of the proposed facility and 3) the *residents of Greenfield* (because this is a city-owned building).

We determined that the likely Primary Trade Area (PTA), (where the majority of potential attendees would come from) would be within a 30-minute drive time. Close to 125,000 people live within the PTA. The total annual expenditures on admission fees for performing arts generated from the PTA population is estimated conservatively at \$5.4 million and less conservatively at \$8.7 million. The population’s education level and relatively large portion of young people indicates a higher than average attendance at performing arts events, however, the median household income in the area suggests a slightly lower than average spending level.

The direct customers of the proposed FNB facility would be the space users -- the artists, theater groups, arts organizations, curators and others that would use the facility to develop and present arts and cultural programming. To gauge the level of demand, we interviewed key potential individuals as well as conducted a survey of potential users.

Our interviews revealed that a few of the entities originally identified as “very likely and frequent potential users” including Greenfield Community College, the Winter Farmers Market and Silverthorne Theater, are, in fact, not interested in using the proposed FNB facility. The survey results, however, showed that 71% of respondents (22 entities), indeed would be interested, if the space were available at a modest cost. Most of the interested entities are non-profit arts organizations or individual artists looking for space at a cost of \$200 per day or less. Six entities said they could pay \$200 to \$299 per day and one indicated a price range of \$300 to \$399.

35% of the potential user respondents said they had difficulty finding available space to meet their needs indicating some amount of unmet demand (albeit quite price-sensitive as noted above). The majority of respondents did not have difficulty finding space and most are fairly satisfied with existing options. The average satisfaction rating was 3 or above (out of 5) in all categories.

Summary of Findings (cont'd)

The community survey (with over 600 resident responses) showed that the majority of Greenfield residents (63%) support the idea of repurposing the FNB for a performing/cultural arts facility. When asked about the potential impact, the majority (69%) also said that it would contribute to their quality of life. 42% of residents said it would contribute “a great amount” to their quality of life and 27% said it would contribute “somewhat”.

Operating Expense and Revenue Projections

The projected operating costs are estimated to be approximately \$140,000 to \$150,000 per year with a modest staff and budget. Based on the target facility users, we estimate that about \$40,000 to \$43,000 could potentially be generated from earned revenue in year 2 and year 3 and approximately \$106,000 per year would have to be raised through grants and contributions. In other words, according to preliminary estimates, approximately 27% to 29% of the operating budget could be supported through earned revenue. Compared to the other similar facilities we researched, this is at the low end of the range. Other similar facilities reported earned revenue supporting 25% to 75% of their operating budget; the median among the facilities is 55%.

Conclusion

During our initial meeting with the GRA and FoFNB, we discussed the goals for repurposing the FNB building, including to: 1) provide a central hub of activity for the Crossroads Cultural District, 2) foster creation and appreciation of the arts, 3) reuse an important historical structure, 4) fill a key long-term vacancy and 5) bring customers to the downtown.

A cultural performing arts facility would achieve these objectives, however the cost of redevelopment is high and the operation of the facility would require annual fundraising in addition to earned revenue. It would not be a “revenue neutral” enterprise which was deemed as highly desirable by the GRA/FoFNB representatives.

In addition, there is concern that a FNB cultural facility would negatively impact the Hawks and Reed Performing Arts Center which already exists in Downton Greenfield. While it might be argued that the FNB cultural facility could be developed to fit a somewhat different niche and entertainment style, some of the same space users would be potential customers of both facilities.

Process

Throughout the course of the project, FinePoint worked collaboratively with Greenfield's Community and Economic Development Director, met three times with the GRA/FoFNB team, completed interviews with 40 individuals and conducted two surveys.

FinePoint completed the following tasks.

1. Background Interviews

- Downtown property owners
- Cultural District and creative economy representatives

2. Clarification of Goals and Reuse Concept

- Group interview with GRA/FoFNB
- Review of previous studies

3. Building and Site Review

- On-site assessment of building, passenger entry and loading accommodations
- Work with architect to ascertain alternate seating configuration and maximum capacity

4. Comparable Facilities Research

- Interviews with 7 comparable performing arts facilities
- Case study profiles

5. Evaluation of Competitive Environment

- Quantity and characterization of existing facilities
- Profiles for facilities in the immediate area
- Interviews with representatives of 15 performing arts facilities in the market area.

6. Demand Analysis

- Identification of trade area, potential audience demographics and consumer behaviors
- Interviews with 11 selected potential space users
- Survey of 37 potential space users - arts organizations, artists and arts enterprises
- Survey of 798 Community Residents

7. Preliminary Expense & Revenue Projections

- Projected expenses
- Projected earned revenue and the amount that would have to be raised from grants and contributions

Building Reuse Concept Clarification



Building Reuse Concept

Proposed Project:

Repurposing the First National Bank (FNB) for a community-use cultural arts facility including a performance flex space accommodating around 150 seats.



Goals

Drive cultural & economic growth for the community . . .

- Contribute to the Crossroads Cultural District by creating a central hub for cultural activity
- Foster creation and appreciation of the arts by providing space for artists to perform and audiences to enjoy theater, music, dance, etc.
- Renovate and reuse an important historical structure
- Fill a key long-term vacancy in support of ongoing downtown revitalization
- Drive customers/users to the downtown

Building Reuse Concept



Proposed Features

- Ground floor – 3,100 sf assembly space for performances/events accommodating approx. 150+ seats, lobby, vestibule, back stage, office, vault bar, gallery, kitchen & restrooms (approx. 6,600 sf total)
- Grand windows and soaring ceiling
- Flexible seating infrastructure (moveable risers with chairs, tables)
- Ceiling grid system for stability and equipment
- Lighting and sound equipment
- Liquor license
- Mezzanine floor – 600 sf floor space
- Basement floor – opportunity for rehearsal/flex space, tenant lease/storage (approx. 5,000 sf)



Potential Users/Uses

- Theater, music, spoken word and other performing arts groups and artists
- Possibly other arts groups/artists (non-performing)
- Winter farmers market, pop-up retail (e.g., arts/crafts)
- Greenfield Community College events
- Educational programs, lectures
- Community events, meetings, conferences
- Private events



Proposed Operating Structure After Redevelopment

- GRA would continue to own the property.
- Friends of First National Bank Advisory Board would evolve into the creation of a nonprofit organization that would operate the facility.

Building Reuse Concept



Proposed Design

MassDevelopment contracted with Taylor & Burns Architects to lead a team that would conduct a structural assessment and work in conjunction with community stakeholders to prepare a design solution and cost estimates for reuse of the building. This work was completed in June 2019.

The preferred design solution is illustrated on the following pages.



Cost Estimates

PM&C completed a cost estimate for a phased project occupying the ground floor only and with a very limited level of interior finishes consistent with the statement of design intent (June 2019).

Total Project Cost = \$4.1 to \$4.6 Million

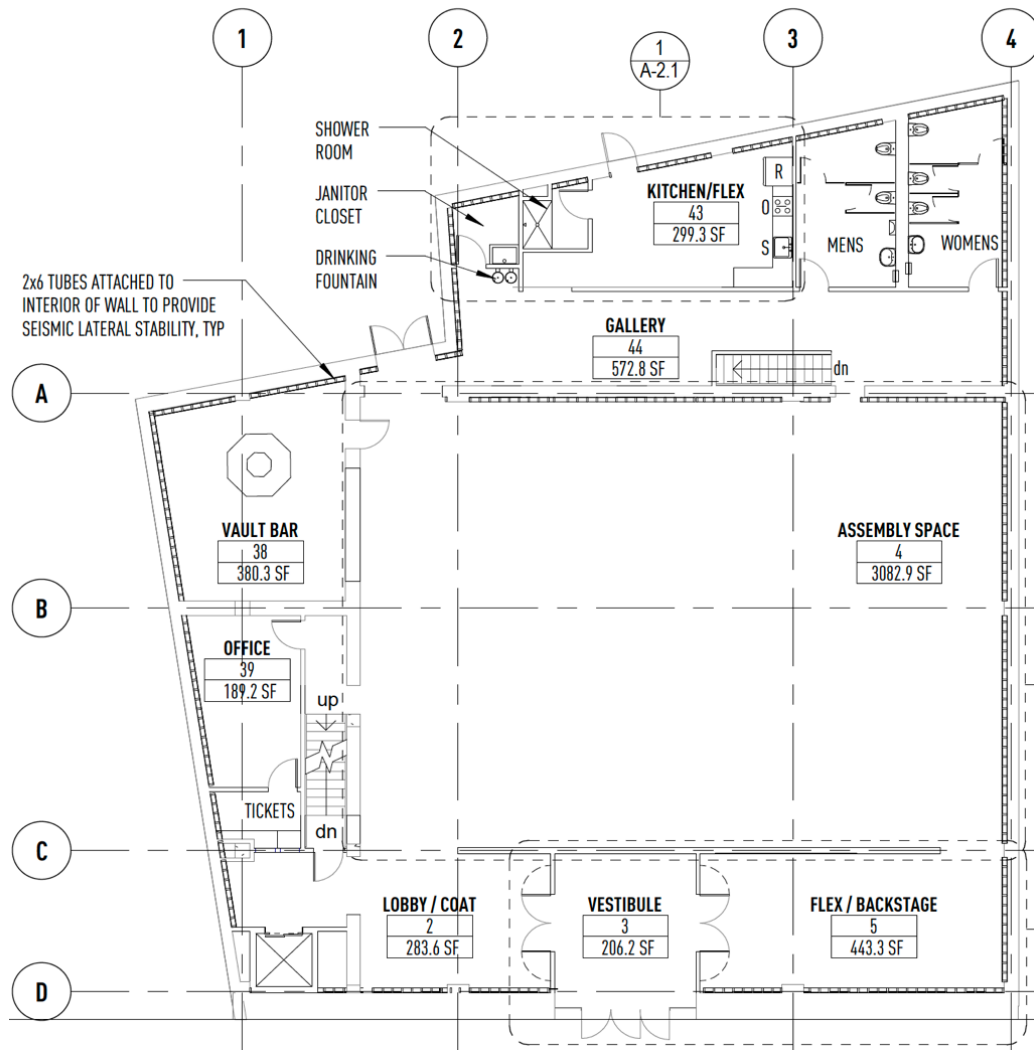
With a three-stop elevator:

- Total All Construction Costs = \$ 3.8 M
- Total Project Cost (at 12% to 20% above Construction Costs) = \$4.3 to \$4.6 M

With no elevator:

- Total All Construction Costs = \$ 3.67 M
- Total Project Cost (at 12% to 20% above Construction Costs) = \$4.1 to \$4.4 M

It is our understanding from MJ Adams, Greenfield Director of Community and Economic Development, that these cost estimates do not include historic façade renovation which could add \$1.7 million.



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FIRST NATIONAL BANK

9 BANK ROW GREENFIELD, MA

06/04/2019

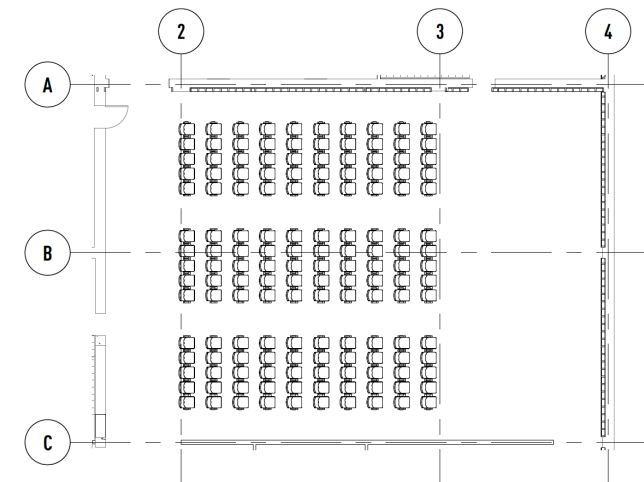
GROUND FLOOR PLAN

A-2.0

1/16" = 1'-0"

Preferred Design Solution

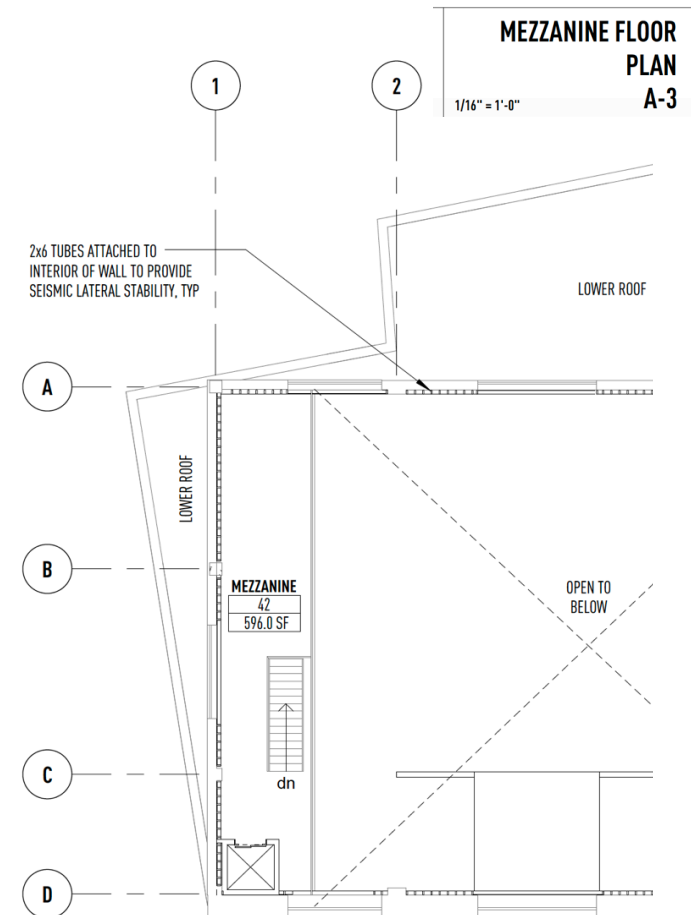
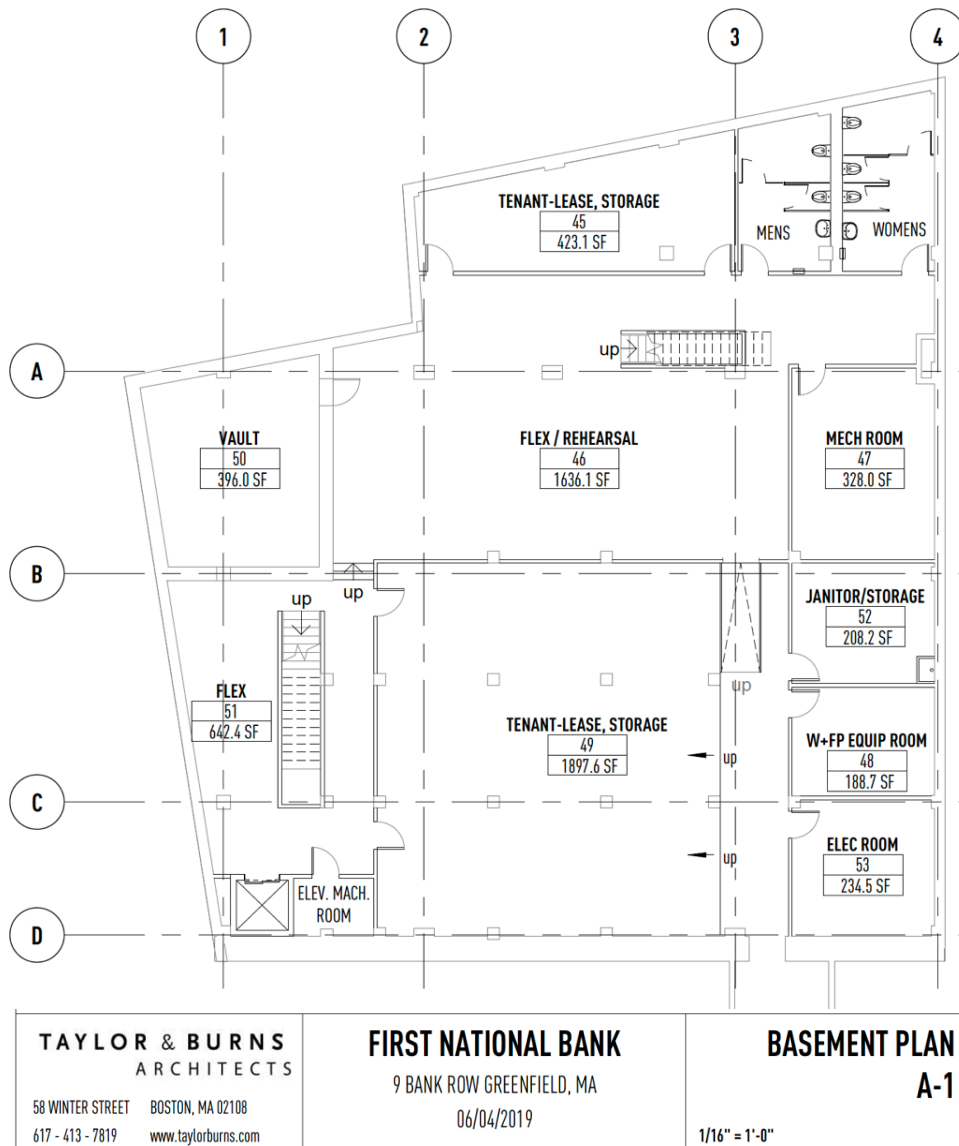
Developed by Taylor & Burns Architects in
Conjunction with Community Stakeholders



3 LAYOUT - 150 SEATS
1/16" = 1'-0"

Developed by Taylor & Burns Architects in
Conjunction with Community Stakeholders

*Basement Occupancy is not included in Cost Estimates



Building, Site and Situation Assessment



Building, Site and Situation Assessment



- Art Deco Style structure designed by Dennison and Hirons in 1929. The iconic historic cornice has been put into storage
- Functionally abandoned since 1970s
- The building contains approx. 6,600 sf on the ground floor with a large open space and soaring 48 foot high ceiling, a small mezzanine level space (670 sf) and a full basement.
- Located in the Main Street Historic District in the heart of downtown Greenfield and within the Crossroads Cultural District
- Faces the Town Common (City is considering extending/redesigning the Court Square/ Common area



- Located near other entertainment and dining establishments –
 - across the street from the Hawks & Reed Performing Arts Center,
 - around the corner from the Garden Cinema, and
 - near music clubs and several restaurants.

Building, Site and Situation Assessment

The building contains approx. 6,600 sf on the ground floor with a large open space and towering 48 foot high ceiling, a small mezzanine level space (670 sf) and a full basement broken into several rooms.

It has large windows on 3 sides and a vault on each level.



Building, Site and Situation Assessment

Part of the first floor (behind the south wall of the main space) is only one-story high. This may offer the opportunity for a roof deck accessed from the mezzanine.



The building has a full basement broken into several rooms.



Building, Site and Situation Assessment

Parking

The FNB building is served by the Olive Street Municipal Parking Garage located 300 feet from the front entrance. The entrance to FNB is up an incline from the parking garage.

Public Transit

The John Oliver Transit Center with local bus service, Greyhound Bus service and the Amtrak Vermonter Train and Valley Flyer is located 500 feet from the FNB entrance.



Building, Site and Situation Assessment

Passenger Drop-off and Loading

Front Entrance - The building's main entrance is located on Bank Row (Route 5), a busy street with an incline and no on-street parking in front. There are two north-bound travel lanes in front of the building; one is a left turn only lane. The main entrance has no steps.



With the current roadway configuration, passenger drop-off/pickup and loading of performance sets/equipment and merchandise at the main entrance would be challenging.

A concept plan for the redesign of the Common and Court Square area opposite the FNB building was developed in 2018 and is under consideration (illustrated later in this section). At the time this streetscape plan was developed, increasing access to the FNB building was not among the objectives.

Building, Site and Situation Assessment

Passenger Drop-off and Loading (cont'd)



Rear Entrance - The back entrance is accessed up a set of 8 stairs and a narrow pedestrian alleyway which has a low hanging fire escape. The door is standard-size door and not at grade.



FNB Rear Door

Loading of performance sets/equipment and merchandise at the rear entrance would be challenging given the narrow passageway and the steps. When Franklin County CDC owned the property, there had been some very preliminary discussion about the possibility of opening a larger rear entrance through a neighboring building owned by the Connecticut River Watershed Council.

Proposed Court Square/Common Area Streetscape Plan

In February of 2018, a proposed concept for the redesign for Court Square was created by the multi-disciplinary Harriman team.

The plan includes:

- expanded sidewalks and landscaping,
- creation of a space that can be converted to an open plaza for special events,
- revisions in vehicular circulation,
- improved pedestrian connections,
- preservation of parking,
- and other features.

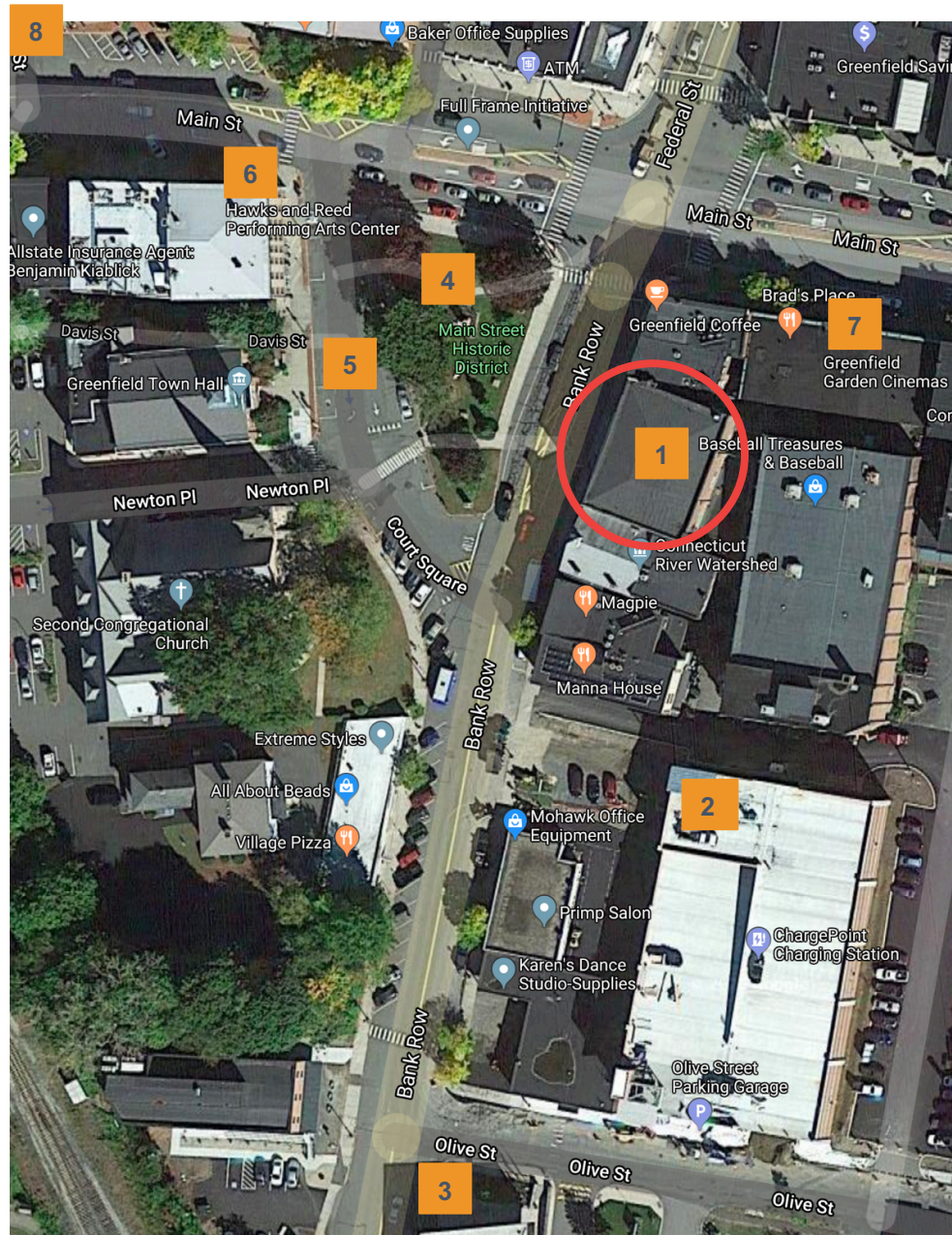
This concept plan does not improve the traffic pattern in front of FNB. Increasing access to the FNB building was not among the original plan objectives.

There might be an opportunity to reconsider the design to determine if the FNB access and loading situation could be improved.



Location Highlights

1. FNB Building
2. Olive Street Municipal Parking Garage
3. Transit Center – Local Buses, Greyhound Bus and Amtrak Vermonter Train
4. Town Common
5. Town Common Extension/Redesign Area (Under Consideration) – see
6. Hawk's & Reed Performing Arts Center
7. Garden Cinema
8. Greenfield Community College – Downtown Facility



Building, Site and Situation Assessment

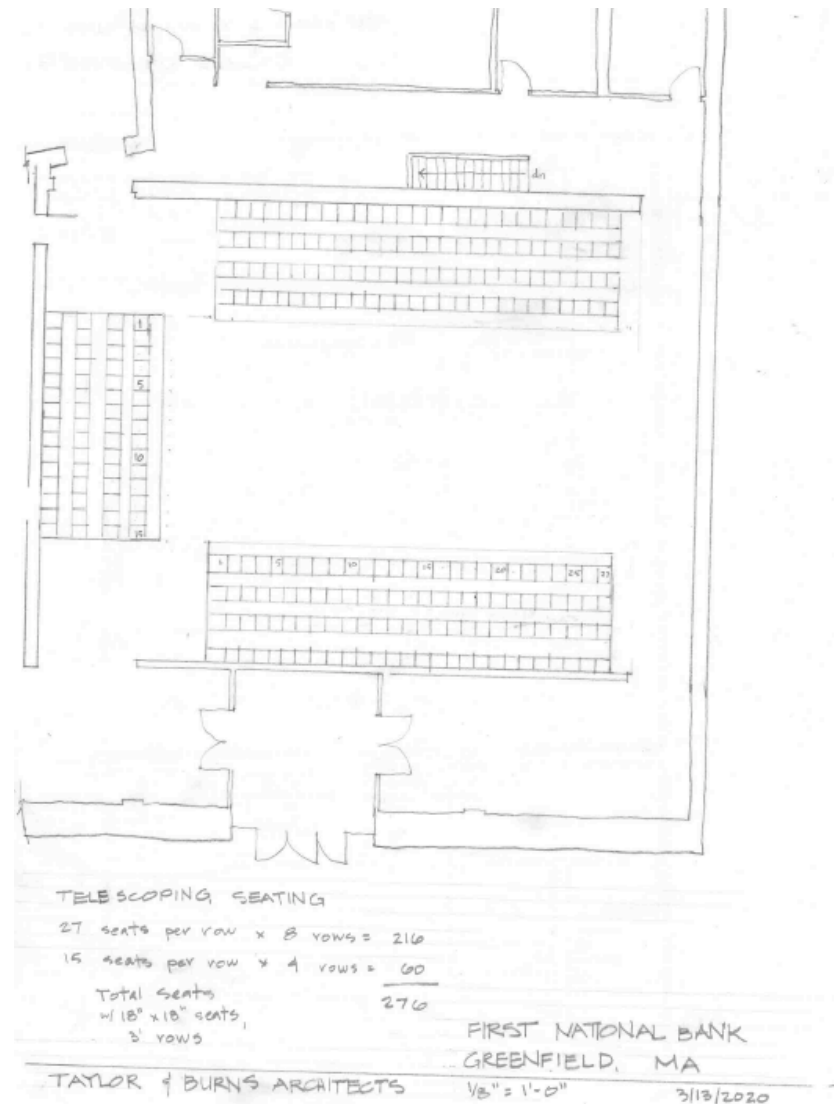
Maximum/Alternative Seating Capacity and Layout

The proposed concept plan showed seating for 150 in a flat floor auditorium style arrangement.

While there are many possible seating infrastructure styles and configurations and more specific decisions need to be made later about design, we at least wanted to get an idea about maximum capacity and performance style seating.

We asked Carol Burns (of Taylor & Burns Architects) who worked with GRA and FoFNB in developing the concept plan about the maximum seating capacity using moveable risers with chairs in more of a black box/flexible performance arrangement.

The sketch shows the potential for 276 seats. The exact number would depend on how large of a stage area is required.



Building, Site and Situation Assessment

Seating Examples

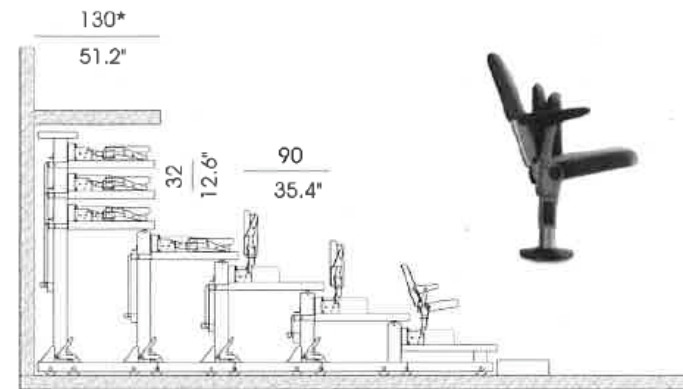
There are many types of seating infrastructure options and further discussion beyond this study is required, the following are simply examples.

One possibility that might maximize flexibility is risers that can hold independent chairs. This would allow the the same chairs to be used in different configurations such as floor seating and with tables.



Source: www.stageright.com

Carol Burns provided another example of telescoping seating where seats are attached to the risers and then fold down into risers as stacked away.



mod.5067 minispace

Source: "Telescoping Tribune System", Burns & Taylor Architects

Comparative Facilities Research



Comparative Facilities Research

Research was conducted to identify and profile community performing arts facilities that were similar to the concept proposed for the FNB Building. Interviews were conducted with representatives to determine operating and financial characteristics. The facilities profiled in this section are all owned/operated by nonprofit or public sector entities. Other similar for-profit facilities are profiled in the “Market Overview and Competitive Situation” section of this report.

	Town/City	Interviewed	Owner/ Operator
Cultural Center of Cape Cod	Yarmouth, MA	x	NP/NP
Next Stage Arts Project	Putney, VT	x	NP/NP
Northampton Center for the Arts	Northampton, MA	x	NP/NP
Palmer Historical & Cultural Center	Palmer, MA	x	NP/NP
Roxbury Center for the Art at Hibernian Hall	Roxbury, MA		NP/NP
St. James Place	Great Barrington, MA	x	NP/NP
Shea Theater Arts Center	Montague, MA	x	P/NP

NP = nonprofit
P= Public

Comparative Facilities Research

Cultural Center of Cape Cod

Location: Yarmouth, MA

Website: cultural-center.org

Ownership/Operation: nonprofit/nonprofit

Bass River Savings Bank, vacant for 17 years

- Non-profit formed, member purchased & donated building, \$2.3 million rehab estimate
- Raised some funds, in 2003 hired Executive Director and started renovation process
- Project completed in 2007 for \$750,000, less than 1/3 of original estimate due to great cost management and volunteer efforts.

2011 started to raise funds for a new education wing, opened in 2016

MCC Capital

Grants:

\$140,000,

\$120,000

\$250,00



Source: www.cultural-center.org and
Interview with Robert Nash, Executive Director

Comparative Facilities Research

Facilities/Features:

Bank Building

- Great Hall seats around 100-130 for events
- Kitchen & ancillary rooms
- No liquor license
- Equipment – microphones & stands, sound system, projector, 12 foot screen, baby grand piano

New Wing

- Main space for classes/small performances
- Pottery & recording studio
- Culinary center
- Art studios
- Gift shop

Space Use/Rental:

Performances

CC supports emerging & established literary and performing artists with concerts, readings, films, etc. (lots of music, poetry, magicians, puppets)

Performers propose event
CC splits revenue 60% to performers, 40% to CC (performers submit w-9 and CC issues 1099s)

Also hosts some of its own shows

Exhibits

CC issues 3-4 calls/yr for art to exhibit and hosts another 80 exhibits through rentals & invitation

The Great Hall: \$300/week

The Board Room: \$150/week

The Vault: \$100/week

The Blue Room: \$100/week

20% commission on all sales

Invitation - No rental fee, 40% commission on all sales.

Private Events

Renter supplies qualified caterer & bartender, event liquor license, linens, dishes, silverware
Weddings - \$2,500

Classes

CC offers classes in visual art, culinary art, literary art, music and movement for people of all ages

Instructors propose classes
CC splits revenue 60% to instructor

Rise & Shine Program – arts workshops for youth risk

*Cultural Center (CC) promotes public events and exhibits

Studio Rental to Artists

Comparative Facilities Research

Bookings:

Most every Saturday and Sunday, approx. 98 days/year, fully booked, take time off around Christmas and New Year

Staffing:

5 FT staff

Executive Director, Associate Director (public relations & grant writing/some development), Development Director, Education Director, Business Administrator

Budget: \$1,000,000, first several years around \$300,000

Funding:

Approx. 60% earned revenue, 40% annual appeal, foundation grants, donations

Other/Lessons:

- CC was able to significantly bring down the cost of renovation from the original design estimate of \$2.3 million to \$750,000. This was accomplished by closely examining cost items in original budget, rebidding components and strong project management by staff.
- Advice: Better to have multiple small revenue streams than be totally reliant on 1 or 2

Comparative Facilities Research

Next Stage Arts Project

Location: Putney, VT

Website: nextstagearts.org

Ownership/Operation: nonprofit/nonprofit

- Completed \$1.7 million renovation in 2016
- Converted a deteriorating church into a accessible community resource and performance venue

Facilities/Features:

- 200 seat state-of-the-art, fully accessible facility, “out of sight acoustics”
- Dance floor when front seats are cleared
- Green room, storage areas, commercial grade kitchen, art gallery and community rooms that regularly transform into Next Stage Café.

Space Use/Rental:

- Music, dance, film, theater, spoken word and the visual arts.
- Presenting organization hires performers, pays fee or splits ticket sales (often with some financial guarantee)
- Also rents space to community groups, private events (weddings, parties, chamber), cooking classes, food/wine events
- Call for visual artists, displays work and takes 20% commission on sales



Source: nextstagearts.org and
Interview with Billy Straus, Interim Director & Co-founder

Comparative Facilities Research

Bookings:

Approx. 6 events/month

Staffing:

2.5 staff (1.5 for first years)
New executive director, venue manager, ½ time program manager

Budget: \$275,000

Funding:

Ticket sales, rentals grants, donations.
Approx. 1/3 earned revenue, 1/3 grants. 1/3 donations

Other/Lessons:

Thinks of kitchen of its own business inside the venue – expenses separate, more or less covers its costs, not huge ongoing costs (cleaning supplies, propane) used for cooking classes, a few users for production in commercial kitchen but causes insurance issues – either the facility needs coverage or producer must have coverage.



Comparative Facilities Research

Northampton Center for the Arts

Location: Northampton, MA

Website: nohoarts.org

Ownership/Operation: nonprofit/nonprofit

- Renovation of building previously used for fitness center and daycare.
- Facility is under construction, no debt; being completed as funding is raised.

Facilities/Features:

- Main Flex Space: 1,900 sf, 125 seats, risers that can be rolled away
- Dance Studio 1,200 sf
- Downstairs Studio 1,300 sf
- Two spaces not finished
 - **Black Box theater** - 350 seats
 - Art gallery

Source: www.nohoarts.org and
Interview with Johanna Faraby, Managing Director

Space Use/Rental:

- Two resident groups couple of performances/yr.
- Rents for nonprofit art group events, experimental theater, music, book readings/signings, lectures
- Educational programming – art and dance classes, kids vacation arts programs
- Primarily rental but co-produces some events and then splits proceeds after expenses 50/50
- Rents for private events but mission is arts



Comparative Facilities Research

Current rates: \$55/hr includes staff support for public events, \$35/hr for non-public events, Additional Fees - \$35 riser preference, \$50 cleaning fee, and light/sound technical fee.

Bookings:

All weekends booked 8 months out, M-W used for rehearsals

Staffing: 2 FT and 1 PT (1/2)

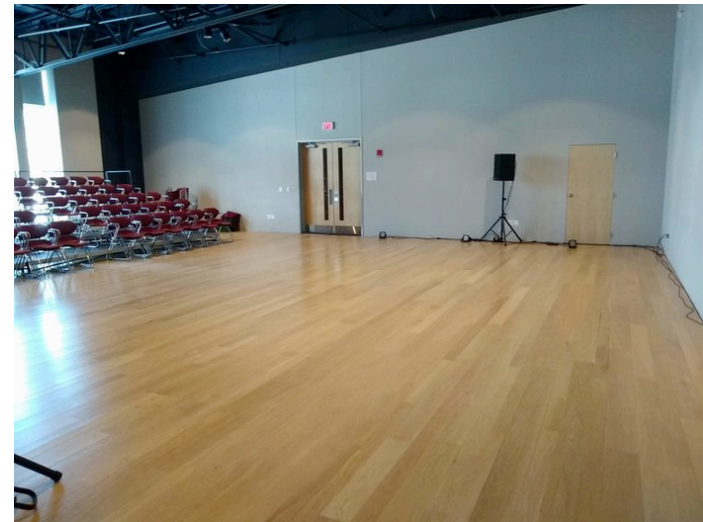
Budget: \$130,000

Funding: Approx. 75% earned revenue, 25% fundraising



Other/Lessons:

- Advice for Space Considerations/Needs -- floor suitable for dance/movement classes, kitchen, concession stand, important to make the space really beautiful – once they see the space they will want it
- There is a lot of demand – but it takes a lot of effort to make this model work - cannot charge artists and nonprofits too much – will always need to do some level of fundraising



Comparative Facilities Research

Palmer Historical & Cultural Center

Location: Palmer, MA

Website: palmerhcc.org

Ownership/Operation: nonprofit/nonprofit

1830s building previously home of Union Evangelical Church which sold the property for \$1 to a newly formed non-profit group (PHCC)

Transformed into multipurpose performance center and function hall that provides intimate venue for live music, guest lectures, movie screenings, and other cultural events.

Facilities/Features:

- Harmony Hall: 160 seats theater style, 80 at tables
- Villages Room: smaller meeting room
- Warming kitchen only
- PA system, projector
- Aims to add a museum space
- No AC and not handicap accessible

Partnered with local cable station – installed cameras, broadcast performances to provide programming

Offers video taping of ceremonies



Comparative Facilities Research

Space Use/Rental:

- Try to provide a range of entertainment (e.g., 4 Flutes, cellist from Poland, Trailer Trash band - sold enough Bud Light to cover liquor insurance for the year)
- Wedding/retirement parties, celebration of life (memorials) – can project up on wall.

For Events without Admission Fee (varies weekdays/weekends)

- Nonprofits \$25 – 38/hr.
- Private Individuals \$38 - \$53/hr.
- Businesses \$50 - \$70/hr.

For Events with Admission Fee

- Negotiable fee/ticket split
- Once in a while, they get sponsors to present a performer whose fee might not be covered with ticket sales

Bookings:

Approx. 4 events/month - 2 weekend events, 2 speaker events during week (all volunteer run, do not want to overtax them)

Staffing:

All Volunteer, Board members and other volunteers manage the facility, sell tickets and concessions and work the events

Budget: \$50,000

Town parking lot next to facility – town does snow clearing

Funding:

Approx. 50% earned revenue, 50% donations

Other/Lessons:

Advice - usually better to do some form of ticket split with artists “so they have skin in the game” and participate in doing marketing

Comparative Facilities Research

Roxbury Center for the Arts Hibernian Hall

Location: Boston, MA

Website: madison-park.org/

Ownership/Operation: nonprofit/nonprofit

Hibernian Hall, built in 1913, served as a social club and popular Irish dance destination through the early 1960s. It was used by an organization that focused on job training until 1989.

Madison Park Development Corporation (a non-profit) acquired and redeveloped the building in 2005. It now houses the Roxbury Center for the Arts including the 3rd floor ballroom and as well as office space for MPDC and other organizations. The cost of \$6.8 million was financed using New Market Tax Credits with several grant and loan sources.

MCC Capital Grants: \$96,000, \$90,000

Facilities/Features:

Ballroom is available for community presentations in music, dance, theater, film/video, and spoken-word performance art.

- Ballroom (3,600 sf), audiences up to 250
- High ceilings, 10 arched windows, panoramic view
- Dressing room
- Kitchen
- Seating platforms, tables & chairs
- Audio-video equipment, lighting



Source: www.madison-park.org

Comparative Facilities Research

St. James Place

Location: Great Barrington, MA

Website: saintjamesplace.net

Ownership/Operation: nonprofit/nonprofit

In 2008, the rear choir partially collapsed and the building was condemned.

- Former parishioners and residents created a non-profit entity to purchase the property for use as a multi-use cultural and educational center.
- Reopened in 2017.
- MCC Capital Grants: \$247,000, \$500,000

Facilities/Features:

- Sanctuary (3,400 sf) seats 285
- Great Hall (1,140sf) seats 100-130
- East Room (700 sf) seats 60-80

Space Use/Rental:

- Cultural center and event space - Concerts, plays, lectures
- Classes, meetings (e.g., dance school classes 2x/week, Christian Science group 2x/week)
- Affordable office space for small non-profits
- Free permanent home for People's Pantry
- Rental fee arrangements vary, some cases take percentage of ticket sales, other times flat fee



Source: www.saintjamesplace.net and
Interview with Seth Keys, General Manager

Comparative Facilities Research

Bookings:

Approx. 100 days/year

Staffing:

No employees

4 people, each contracted 20 hrs./week

General Manager, Building

Operations/Maintenance, Finance, Development
(would not recommend general manager position
at 20 hrs./ week; easily could be 40+ hours)

Budget: \$60,000

Funding:

Approx. 25% earned revenue, 75% grants and
donations

Other/Lessons:

- Feels that the market is limited due to size of population in the area - ongoing struggle to find new sources of potential renters.
- Advice - Keep expenses down, really concentrate on charitable giving, can become a great community asset but don't look for operations for your support.

Comparative Facilities Research

Shea Theater Arts Center

Location: Montague, MA

Website: sheatheater.org

Ownership/Operation: Town/Nonprofit



Facilities/Features:

- Town owned – Nonprofit leases building from town for \$1 per year
- Proscenium theater, classic old vaudeville feel, stadium style seating
- 350 seats total, 158 seats fixed and mid-orchestra to stage is flexible so can change if performance need more space



Source: sheatheater.org, , www.indiegogo.com/projects/light-up-the-shea-theater#/ and Interview with Linda Tardiff, Theater Manager

Comparative Facilities Research

Space Use/Rental:

- Primarily operates as a rental house but, have started to do more of their own events (2019 – 22 Shea Presents events, approx. 25% of all events)
- Music most often, theater, comedy, poetry, some dance but stage is fairly small so lesser part of programming
- Schools in the area use for proscenium stage events
- Have just begun doing a few private events
- Some education classes - The educator rents the space and then run the workshop. Hoping to expand in education – summer arts camps
- Certain responsibilities to town – space used for certain conferences, hearings, town meetings, not a formal number but try to make available as needed for certain things
- Gets lots of inquiries from touring performers that want to put on a show for a price and let Shea keep ticket sales (most often Shea will not accept due to risk)
- Fees vary depending on if for a nonprofit or school versus music promoter that is handling the ticket sale
- Uses a variety of pricing structures: flat fee, hourly fee, % of ticket sales
- Sometimes Shea hires light and sound though Union, sometimes performers bring their own
- First year – spent a lot of time reaching out to people and letting them know about space. At this point, most renters submit proposals (template available on website).

Comparative Facilities Research

Bookings:

Approx. 130 active days, mix of income and free events

Staffing:

1 FT and 1 PT (15 hrs/week)
Theater Manager and Marketing/Social Media/Shea Presents Staffer

Budget: NA

Town does snow clearing in front of building and parking lot and repairs
Other operating expenses are responsibility of nonprofit

Funding:

Approx. 60% earned revenue, 30% fundraising, 10% membership fees

Other/Lessons:

- When asked about new space competing with existing space
 - Plenty of art and art-going folk in the area
 - Need to develop competitive space language – highlight how new space would be different and only add not take away
- Sees the benefit of a smaller flexible space - could do in theater in the round and other; artist can come in and say what they want and space able to be anything it needs to be in a day
- Advice - Create a budget for staff from the beginning - can't imagine being able to sustain theater without staff; volunteers are essential but cannot do all tasks

Comparative Facilities Research

Key Findings: General Facility Operation Based upon research of comparative facilities, those profiled here as well as others, several key observations can be made.

1. Many facilities emerge from organizations already engaged in performing arts; most began with a strong arts mission not a real estate development mission.
2. Arts facilities are operated with a variety of owner/operator models:
 - Nonprofit owner/Nonprofit operator
 - Public owner/Nonprofit operator
 - Public owner/Public agency operator (e.g., Recreation Department)
 - For-profit owner/For-profit operator
3. The role of the facility-managing organization can vary:
 - Producer - creates the show/event and bring in the artists to perform in the show whether paid performers or volunteers, does everything to create, rehearse and put on the show, pays the expenses, markets the event, handles box office, technical/lighting, etc. and receives proceeds from ticket sales
 - Presenter – procures a show/event that is already put together, enters into contract with agent/performer, markets the event, handles box office, may or may not handle technical/lighting, pays performer a fee and/or splits ticket sale proceeds after expenses (in some cases, performer receives a minimum guarantee from sale proceeds)
 - Renter – facility rents the space, the artists take care of most everything else
 - Combination – facility presents some events and rents space for others

Comparative Facilities Research

4. Facilities use a range of pricing structures and some facilities employ different pricing structure depending on the type of event.
 - Hourly Rental Rate plus Extra for Certain Services and Equipment Use
(For the profiled facilities, hourly rates range \$35 - \$70/hr depending on nonprofit status of the renter and if the event is public. Extra charge for technical/lighting personnel and use of sound equipment.)
 - Flat Rental Fee
(The fee might be for the day, event or for the performance “run” including time for performances, rehearsals and technical work)
 - Split of Ticket Sales after Expenses
(For the profiled facilities – examples of proceeds splits included 60/40 and 50/50)
5. The community arts facilities depend on a combination of earned revenue and fundraising.
 - None of the organizations profiled fully support their annual budget with rental and other fees.
 - Among the interviewed comparative facilities, the median is 55% earned revenue with 45% coming from grants and donations.
6. Among the interviewed comparative facilities, the median number of days that the performance space is actively used is 99.
7. Among the interviewed comparative facilities, the median number of staff is 2.3 FTEs.

Comparative Facilities Research

8. Many facilities include arts education programming and arts exhibit space.
9. Facility characteristics that are particularly important to facility operators and users include:
 - Sound quality/acoustic design is major concern especially with such tall ceilings
 - Floors suitable for dance, movement classes
 - Catering kitchen
 - Concession stands
 - Green room requirements if equity actors will be used

Key Findings: Specific to Nonprofit Operation Because the proposed concept suggests that the facility continue to be owned by the City and operated by a nonprofit organization, we completed additional pertinent research; findings are summarized below.

All of the facilities profiled are operated by nonprofit [501(c)3] organizations.

1. Benefits of 501(c)3 Organization Status (Charitable Non-Profit) include:
 - Tax exempt, no income tax
 - Donations are tax deductible for the donor
 - (Many foundations and other grant sources require their funding go to 501(c)3 organizations)

Comparative Facilities Research

2. Requirements for 501(c)3 Organization:

- Legal articles of organization - must be organized as a corporation, unincorporated association or a trust
- Must apply to be recognized by IRS as a 501(c)3
- Must be organized and operated exclusively for a tax exempt purpose and limited as such in the articles of organization (charitable, religious, educational, scientific, literary, public safety testing, fostering amateur sports, and preventing cruelty to children or animals). Promotion of the arts is recognized as a valid educational purpose.
- No part of the organization's earnings will go to private share-holders or individuals
- No political activity, no support of any candidate running for office
- Annual tax filing if gross receipts exceed \$5,000

3. In addition to requirements above, other items/tasks involved in creating the organization include:

- Mission and goals
- Business plan
- Funding plan
- Board of Directors
- Staffing plan and hiring

(Sometimes an emerging organization creates a partnership with an existing 501(c)3 to act as their fiscal agent while they are getting started)

Comparative Facilities Research

4. Qualifying Program Activities under 501(c)3*

- Public exhibits or performances are typically valid 501(c)(3) activities, provided steps are taken to ensure the selection of artists is disinterested and provided that the artists or works are chosen for their artistic merit rather than their ability to appeal to a mass audience.
- Commercial theaters vs. 501(c)(3) theaters**
 - commercial theaters - “choose plays having the greatest mass audience appeal ... run the plays so long as they can attract a crowd ...[and] ... set ticket prices to pay the total costs of production and to return a profit,”
 - 501(c)(3) theaters - “fulfill their artistic and community obligations by focusing on the highest possible standards of performance; by serving the community broadly; by developing new and original works; and by providing educational programs and opportunities for new talent.”
- It helps reinforce the tax exempt nature of the organization if at least some of the exhibits or performances are open to the public for free.
- The sale of art is viewed differently by the IRS than the exhibiting of art. For example, selling artworks for commission is only permitted under limited circumstances when sales are sufficiently minor in comparison to educational and other valid 501(c)(3) activities.

**Source: Excerpted from “Art Law Visiting the Non-profit Side: On Qualifying for 501(c)(3) Status as an Arts Organization” by Benjamin Takis, Center for Art Law, <https://itsartlaw.org/2014/05/27/visiting-the-non-profit-side-on-qualifying-for-501c3-status-as-an-arts-organization/>*

***Cited in the article referenced above, “See Plumstead Theatre Soc’y, Inc. v. Comm’r, 74 T.C. 1324, 1332-1333 (1980), aff’d 675 F.2d 244 (9th Cir. 1982)”*

Market Overview

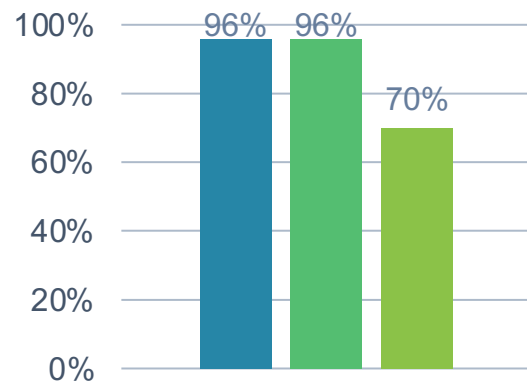


Market Overview

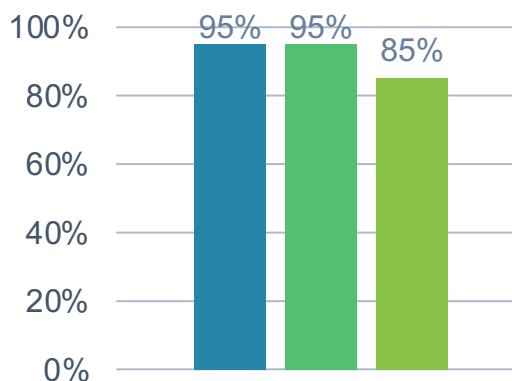
Greenfield and the surrounding communities are recognized as having a rich and diverse arts community. The area is home to a large number of performing and visual artists as well as audiences that appreciate them. In fact, in 2017, the Greenfield MSA (Micropolitan Statistical Area) was named as one of the Top Ten Vibrant Arts Communities (in the small community category) by SMU DataArts, the National Center for Arts Research. *(Franklin County comprises the Greenfield MSA.)*

Franklin County continues to score highly with regard to measures of Arts Vibrancy. Key 2019 data measures are illustrated below. Each of the measures are scored based on the comparison to other counties in the U.S. For example, Franklin County's score of 96% in "Arts & Culture Organizations" means it rated higher than 96% of all counties in the U.S. on that measure.

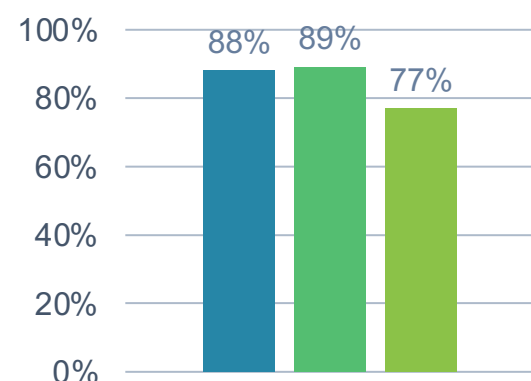
■ Franklin ■ Hampshire ■ Hampden



Arts & Culture Organizations



Arts, Culture & Entertainment Firms



Independent Artists

Market Overview

The facility being proposed is a community use cultural center with a focus on performing arts. The following market analysis explores the elements of supply and demand with regard to the proposed offering. The market analysis components are summarized below.

1. Evaluation of Supply and Competitive Environment
2. Demand Analysis, including:
 - Potential Audience Demand,
 - Potential User Demand, and
 - Community Survey to Determine Public Interest in Cultural Programming.

Evaluation of Supply and Competitive Environment



Existing Supply and Competitive Environment

The evaluation of existing supply and competitive environment included the following elements:

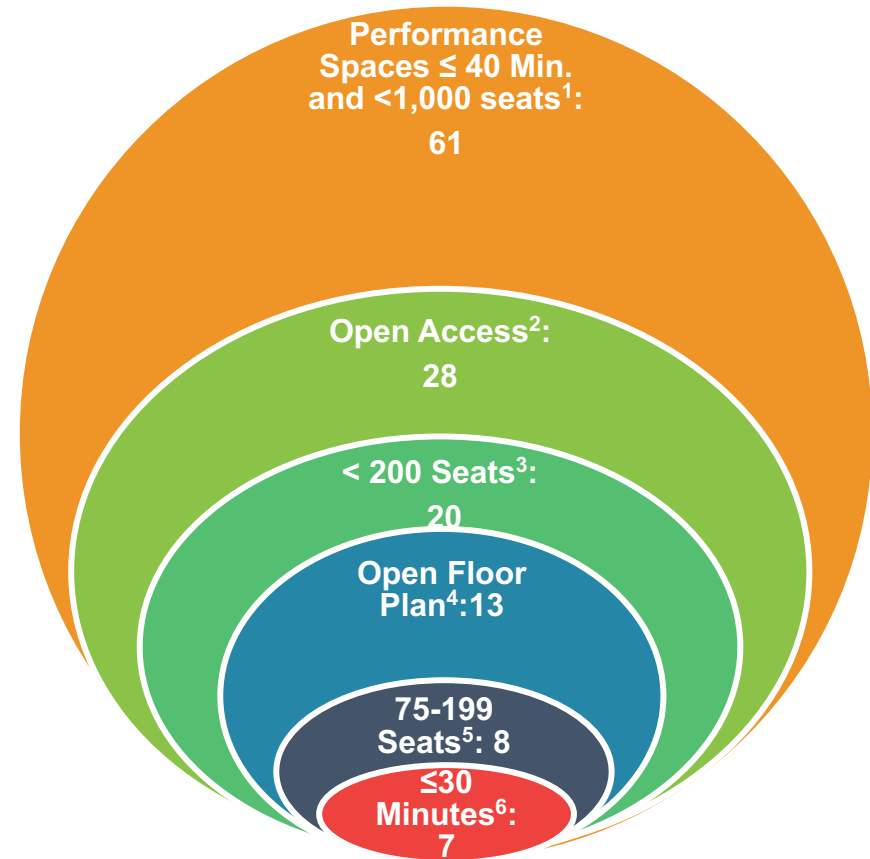
- Inventory of existing facilities
- Evaluation of characteristics of the existing supply
- Profiling facilities in the immediate area
- Interviews with 15 facilities in the market area

The findings are summarized in the following section.

Existing Supply and Competitive Environment

Quantitative Summary

1. There are 61 performance spaces within 40 minutes that have less than 1,000 seats. This is the number of spaces; a few facilities have multiple spaces. (There are 7 spaces with 1,000+ seats)
2. 28 spaces are fully open for use; many others have limited access. 7 facilities are reserved for the facility owner's presented/produced events*. 26 spaces are in schools with limited or no access for outside art producers**.
3. 20 of the open access spaces (16 facilities) fall into the "<200 seat" category similar to proposed FNB facility.
4. Of these, 13 spaces have an open floor plan with flexible seating allowing for a variety of set-up arrangements (as proposed for FNB). 12 of these function year-round. The others have auditorium style or fixed seating.
5. The remaining group includes a few spaces that are quite small. Approximately 8 of these spaces (7 facilities) have performance seating for 75 – 199 seats.
6. Of these, 7 spaces (6 facilities) are within 30 minutes.



* These facilities offer entertainment so they may compete for audience with the proposed facility but typically aren't available to outside users.

** According to performing artists we spoke to as well as a GCC representative, most school theaters, especially in the under 200-seat category, are prioritized for student-related activities and aren't easily or often accessible

Existing Supply and Competitive Environment

Characteristics of Open Access Facilities within 40 Minutes

Spaces with < 200 Seats, Open Access & Located within 40 Minutes

	Open Floor Plan	Year Round	75–199 Seats	≤ 30 Minutes	Owner/Operator	Town/City
Hawks & Reed - Main (Flr. 1)	x	x	x	x	FP/FP	Greenfield,
Hawks & Reed - Perch (Flr. 4)	x	x	x	x	FP/FP	Greenfield
Hawks & Reed - Wheelhouse (Flr. 0)	x	x		x	FP/FP	Greenfield
Pushkin	x	x	x	x	FP/FP	Greenfield
Northampton Center for the Arts	x	x	x	x	NP/NP	Northampton
Gateway City Arts – Stage 2	x	x	x		FP/FP	Holyoke
River Garden	x	x	x	x	NP/NP	Brattleboro
The Stone Church	x	x	x	x	FP/FP	Brattleboro
Parlor Room	x	x	x	x	FP/FP	Northampton
10 Forward (formerly Root Cellar)	x	x		x	FP/FP	Greenfield
Lava Center	x	x		x	FP/NP	Greenfield
12Federal	x	x		x	FP/FP	Greenfield
Roundhouse (at Fairgrounds)	x		x	x	P/P	Greenfield
Episcopal Church Sts. James & Andrew		x	x	x	NP/NP	Greenfield
Hooker & Dunham		x	x	x	NP/FP	Brattleboro
Latchis Theatre - Jewel Box		x	x	x	NP/FP	Brattleboro

Existing Supply and Competitive Environment

Spaces with < 200 Seats, Open Access & Located within 40 Minutes (cont'd)

	Open Floor Plan	Year Round	75–199 Seats	≤ 30 Minutes	Owner/Operator	Town/City
Latchis Theatre - Ballroom		x	x	x	NP/FP	Brattleboro
Latchis Theatre - Latchis 4		x		x	NP/FP	Brattleboro
1794 Meeting House			x		NP/NP	New Salem
Next Stage Arts Project		x	x		NP/NP	Putney

Existing Supply and Competitive Environment

Spaces with 200 to 499 Seats, Open Access & Located within 40 Minutes

	Open Floor Plan	Year Round	≤ 30 Minutes	Owner/ Operator	Town/City
Energy Park's The Station*			x	P/P	Greenfield
Gateway City Arts - Space 1	x	x		FP/FP	Holyoke
Shea Theater Arts Center		x	x	P/NP	Montague
Shelburne Falls Memorial Hall		x	x	P/NP	Shelburne Falls

**Outdoor performance space in Greenfield*

Spaces with 500 to 999 Seats, Open Access & Located within 40 Minutes

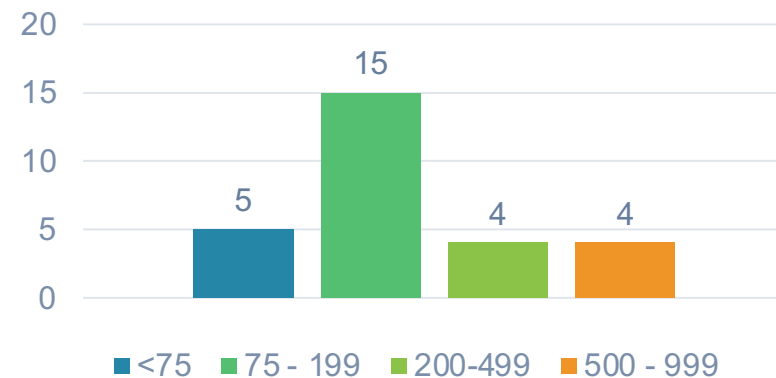
	Open Floor Plan	Year Round	≤ 30 Minutes	Owner/ Operator	Town/City
Ja'Duke Performing Arts Center		x	x	FP/FP	Montague
Orange Town Hall Ruth B. Smith Auditorium	x	x		P/P	Orange
Latchis Theatre - Main Stage		x	x	NP/FP	Brattleboro
The Academy of Music		x	x	P/NP	Northampton

Existing Supply and Competitive Environment

**Open Access Facilities
within 40 Minutes by Town/City**

Town/City	Seating Size < 1,000				Total
	< 75	75 - 199	200 - 499	500 - 999	
Greenfield	4	5	1		10
Montague			1	1	2
Shelburne Falls			1		1
Northampton		2		1	3
Brattleboro	1	5		1	7
Orange				1	1
New Salem		1			1
Putney		1			1
Holyoke		1	1		2
Total	5	15	4	4	28

**Open Access Facilities
within 40 Minutes by Seating Size**



*A full inventory of all performance facilities within 45 minutes is available as separate addendum.

Existing Supply and Competitive Environment

Closed/Limited Access Facilities within 40 Minutes

Facilities Designated Primarily or Entirely for the Owner's Produced/Presented Events

	Seating Size	Year Round	≤ 30 Minutes	Owner/ Operator	Town/City
Wendell Town Hall*	<200	x	x	P/P	Wendell
Antenna Cloud Farm	<200**		x	FP/FP	Gill
Double Edge Theatre	<200	x		NP/NP	Ashfield
Majestic Theater	<200	x		NP/NP	West Springfield
Iron Horse Music Hall	200 - 499	x	x	FP/FP	Northampton
The Pines Theater (Look Memorial Park)	200 – 499		x	P/NP	Florence
Pearl Street Night Club	500 - 999	x	x	FP/FP	Northampton

*Used by Full Moon Coffeehouse for benefit concerts, must be connected to Wendell resident to use

** Indoor room seats 80, outdoor space accommodates 220 – 250 with lawn seating

The other 26 closed/limited access facilities are associated with primary or secondary schools.

A full inventory of all performance facilities within 45 minutes is available as separate addendum.

Existing Supply and Competitive Environment

Pipeline – Proposed Facilities

There are also a few other proposed facilities in addition to the FNB building.

	Seats	Year Round	≤ 30 Minutes	Town/City
Northampton Center for the Arts (New Blackbox Theater space is being developed)	350	x	x	Northampton
Whatley Town Hall	<200	x	x	Whatley
Wendell Meeting House*	NA	x	x	Wendell
MA International Festival of the Arts (MIFA) Victory Theater	>1,000	x		Holyoke
CitySpace (in old town hall)	NA	x	x	Easthampton

*Wendell Town Hall is currently used by the Full Moon Coffeehouse for monthly musical benefit performances and hosts other events. However, it is not included in the inventory of competitive spaces because space users have to be Wendell residents or sponsored by a Wendell resident.

Existing Supply and Competitive Environment

Profile of Facilities in the Immediate Area

There are two performing arts facilities in downtown Greenfield with spaces similar in size to FNB. They are for-profit facilities owned by the same individual.

These facilities present entertainment artists from around the globe and also rent space for nonprofit events, private parties, weddings, pop-up holiday market, etc.



**Hawks & Reed
Performing Arts Center**



Pushkin Gallery

History: Current owner, Steve Goldsher, purchased the building, then known as “the Arts Block”, along with the Pushkin Gallery in 2015 after the previous owner filed bankruptcy. Since taking ownership, the family has made many improvements including the recent replacement of the heating system. The Arts Block was renamed Hawks & Reed Performing Arts Center in 2017 as part of a rebranding effort. The name is a reference to a clothing store that had occupied the building in the 1800s and a nod to Goldsher’s grandfather who operated a clothing store in Athol.

Existing Supply and Competitive Environment

Hawks & Reed Performing Arts Center

Facilities/Features:

Historic building with 3 performance spaces

- Main Space (Flr. 1) – 170 seated
 - The Perch (Flr. 4) – 100 seated, black box
 - Wheelhouse (Basement) – small space & bar
- In-house Kitchen & bar, not full-time restaurant
Flr. 2 -Green room, restrooms, couple of offices
Flr. 3 – Greenspace Cowork



Space Use/Rental:

- Presenting organization books entertainment on a regular basis and also rents space for nonprofit events, private parties, weddings, etc.
- Main space used primarily for music (reggae, rap, hip hop, zydeco, swing, etc.)
- Perch is used for comedy and home of Silverthorne Theater Company productions.



Source: hawksandreed.com and
Interviews with Steve Goldsher, Owner and Ben Goldsher,
Booker/Performance Space Manager

Existing Supply and Competitive Environment

Main Space (Flr. 1)



Greenspace Cowork (Flr.2)



The Perch (Flr. 4)



Existing Supply and Competitive Environment

Pushkin Gallery

Facilities/Features:

Converted bank building.

Main performance space on first floor with a few additional rooms on second floor.



Space Use/Rental:

- Rents space for small performances, nonprofit events, celebration of life events (memorials), private parties, weddings, pop-up holiday market, etc.



Existing Supply and Competitive Environment

Economic Development Benefits:

- Over 20,000 people have attended events at Hawks & Reed and the Pushkin over last 4 years, bringing potential customers into Greenfield to go out to eat and get acquainted with downtown
- Artists have been paid more than \$500,000 over last 4 years
- Business employs 4 full time staff and several contracted or part time (e.g., bartenders, marketing, security)

Concerns/Issues:

There is concern that the proposed use as currently envisioned for FNB may be too similar to these facilities located across the street.

The owners have built a business that provides entertainment for the community, space for artists to perform and draws potential customers for other downtown Greenfield establishments. The business owners are concerned that there is inadequate market demand to support their business and the proposed FNB facility.

To provide the most community and economic development benefit, the activity at the renovated FNB should complement and add to what is happening at these facilities.

Existing Supply and Competitive Environment

Key Findings from Interviews with Facilities in the Market Area

Interviews were conducted with representatives of 15 performance facilities located within 45 minutes of the FNB building.

1794 Meeting House (1794)

Academy of Music (AOM)

Energy Park (EP)

Hawks & Reed (HR)

Hooker & Dunham (HD)

Ja'Duke Performing Arts Center (JD)

Lava Center (LC)

Next Stage Arts Project (NS)

Northampton Center for the Arts (NCA)

Parlor Room (PR)

Pushkin (P)

River Garden (RG)

Roundhouse (RH)

Shea Theater Arts Center (Shea)

Shelburne Falls Memorial Hall (SMH)

Key findings from interviews follow . . .

Existing Supply and Competitive Environment

Do you have difficulty finding performers/renters for your space?

Yes or Hard to Find Artists/Users that will Draw Sufficient Audience and/or can Afford the Space

- Finding artists is no trouble -- they come knocking, but trying to find an artist that will draw an audience in New Salem is much more of an art.
- We get plenty of people that are interested in putting on a show for a price and let us keep ticket sales but we usually consider that too risky. More established performers will rent the theater. We have to be careful about how big of an audience a performance will draw – we always want the events to feel full.
- I don't look; they come to me, but I have to balance the cost of operations with what they can pay.
- Yes. It is really hard to make something like this happen, endless hours of work for very little profit.
- Yes, we find a lot of people/organizations looking for space for free. There seems to be several options for paid space.
- The Metropolitan Opera broadcasts have been good for us along with Pothole Pictures (movies), but it is hard to find other renters.

Existing Supply and Competitive Environment

Do you have difficulty finding performers/renters for your space?

No or Not Now

- No, once they see the space, they want it. Weekends are booked out 8 months in advance.
- No
- Community groups are constantly looking for space.
- No
- We don't now, but we have had hard times. It takes about 5 years to get established and around 2010, AOM was affected by the recession and lost several rental contracts.

Middle Ground, Don't Know or Not Applicable

- We primarily present our own shows. We are not trying to be a rental house but we do rent to other non-competing/non-theater performers. We have found groups that are interested in renting.
- We have one theater group that uses the space during summer weekends and a couple of groups rent for small events. We don't get many inquiries and don't have many available weekends.
- We have had a couple of inquiries – we just opened the space.

Existing Supply and Competitive Environment

Do you think there is demand for a new flex space like what is proposed for FNB?

Yes

- Yes, my sense is that it is beautiful space and well-located.
- There are lots of art happenings, groups are constantly looking for space. We would like to see an indoor all-weather alternative for concerts and activities we do.
- Yes, HR is mostly popular music. I feel FNB would be more similar to the NCA model – right now we have plenty of demand and are turning away weekend requests.
- I see the benefit of another space and more art produced in the area – I feel that a rising tide lifts all boats. If it will be totally flexible space – I think that there would be demand. Artists could do theater in the round and other setups. There is value to being able to set up the space any way that an artist would want in a day. I generally don't think it would compete with other spaces but language is needed to describe how it fits a different niche.

Middle Ground

- Don't know, we don't get a lot of inquiries about our space.

No

(see next page)

Existing Supply and Competitive Environment

Do you think there is demand for a new flex space like what is proposed for FNB?

No

- In terms of drawing name talent, it is hard to do with that size, it is not big enough. I don't see an advantage to have another space of that size – too similar to HR and Shea. The market is missing a much larger size (1,200 – 1,500 seats).
- I am skeptical, at 150 seats, it would mostly appeal to local talent and would compete with what already exists. It is hard to cover costs of the space, and the fewer seats, the harder it is. Our heating costs are very expensive - the building is not very efficient and it takes several hours to warm the theater (which we do not use full time). That might be an issue for FNB also.
- I question it and wonder about the return on investment. At 150 seats, you will not be able to get much in rent. There might be community groups that would use it but not much revenue. How much could be paid in rent if only can sell 150 tickets? The AOM audience size numbers have dropped because there is so much art out there happening all around – what is helping AOM is that we are bigger (800 seats) and can draw from CT and NY (22% of AOM audiences come from CT and NY). But, that would not be the case for a 150 seat theater – it would not be able to get big names that draw regionally. Maybe it should be bigger (300 plus seats) to be different and able to generate more revenue and perhaps focus on theater rather than music (since Shea has a lot of music) but -- is there enough demand for that? – I don't know.

(cont'd on next page)

Existing Supply and Competitive Environment

Do you think there is demand for a new flex space like what is proposed for FNB?

No (cont'd)

- I would wonder if there is support for another physical space. Greenfield is not that big.
- No, they really should work with HR in some way because I don't know if we both could survive. It is already a small market and I feel it would cut into our business.
- I question the ability of the nonprofit arts model to sustain.

Existing Supply and Competitive Environment

Performance Space Occupancy Trends

Busy and Slow Time Periods

- Weekend evenings are the most popular time slots with the highest use rates.
- Many of the facilities reported summer as a slow period and several also said January is typically slow.

Active Days Per Year

- Most of the year-round facilities have been experiencing between 100 and 250 active days.
- The Academy of Music and Hawks & Reed have the highest use rates. The Shea, Hooker & Dunham, Next Stage Arts, Shelburne Falls Memorial Hall, and the Parlor Room have an estimated 100 to 130 active days, comprised predominantly of weekend use. The Northampton Center for the Arts reported all weekends were booked for the next 8 months with rehearsals on Mondays to Wednesdays.

Excess Supply?

All of performance facilities have space available at certain times, however, availability is much lower during peak times (i.e., weekends). The user demand analysis will help to determine if there is unmet user demand and how it aligns with existing supply.

Demand Analysis



Demand Analysis

Customer Categories

The cultural facility being proposed has three primary categories of customers:

- the **potential attendees** of performances and events – depending on the specific arts and entertainment offerings, the proposed facility will serve the City of Greenfield and draw attendees from surrounding communities.
- the **space users**, the direct customers of the proposed facility -- the artists, arts organizations, curators and others that will use the facility to develop and present arts and culture programming. (It is expected that the user activities will be comprised of a large portion of public events that have an entrance/ticket/program fee, along with some free public events and private events.)
- the **residents of Greenfield** – since this is a city-owned building, it is important to get feedback from the residents about their preferences for potential arts offerings.

Demand Analysis Components

The demand analysis includes the exploration of each customer segment:

Potential Audience Demand

- ✓ Attendees that would potentially come to the performances or other events

Potential Space Users

- ✓ Entities that might be interested in using space for performances or other activities in exchange for a rental fee or other financial arrangement (e.g., split of ticket sales)

Greenfield Resident Interests

- ✓ Preferences for cultural programming

Demand Analysis: Potential Audience



Demand Analysis: Potential Audience

Overview

The potential audience demand analysis includes the following elements:

- Market area identification – defining the geographic area where the attendees are expected to generate,
- Analysis of market area demographics,
- Research on market characteristics – who attends events, what type and what factors impact spending on admission fees, and
- Estimation of potential admission fee expenditures

Market Area Identification

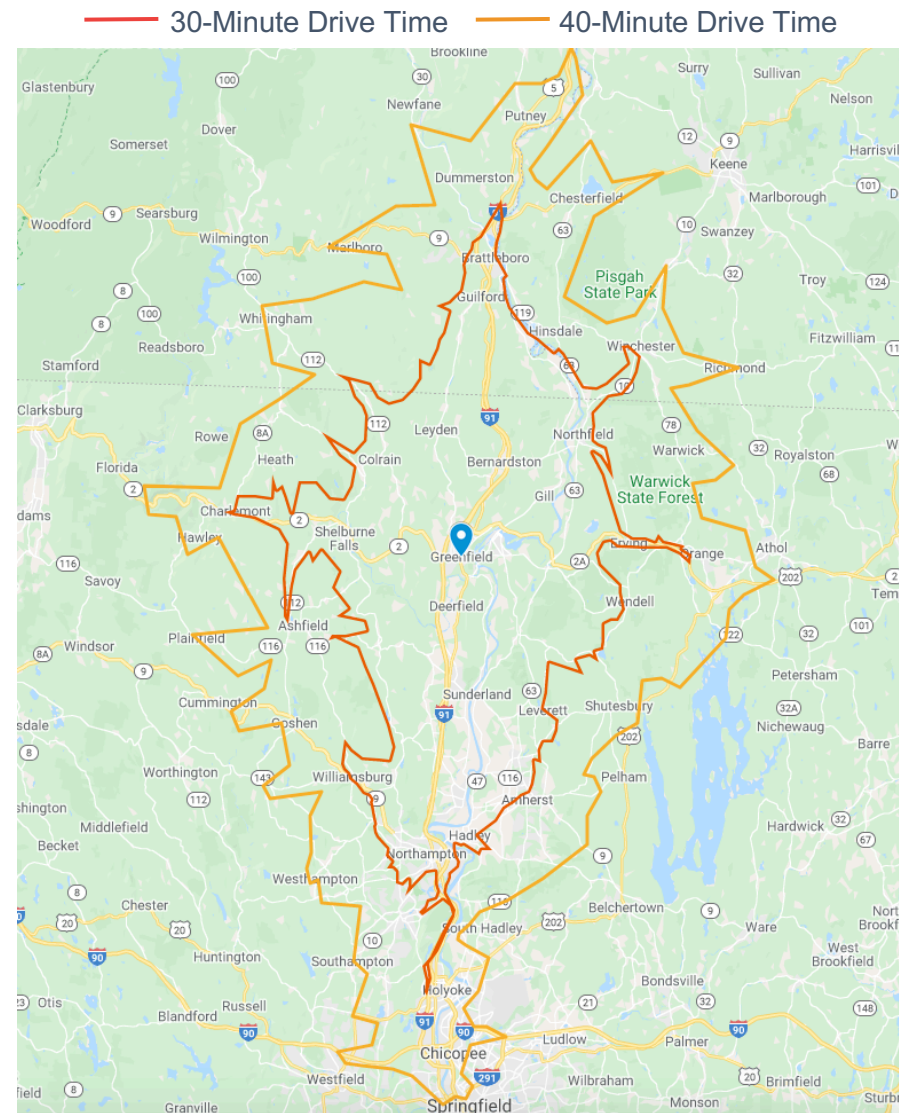
Defining the market area is the first step in determining audience demand for a cultural facility. The term market area (also known as trade area) refers to the geographic area from which a cultural facility is expected to generate its audience. While a proposed facility for the FNB building will serve the City of Greenfield, depending on the arts and entertainment offerings, it can also draw attendees from surrounding communities.

Once the trade area is defined, we can quantify the amount of potential customers that live within the area as well as examine their characteristics and spending habits pertaining to arts entertainment to provide a picture of the potential market.

Demand Analysis: Potential Audience

A combination of factors determines the size and boundaries of the trade area including: travel time and distance, travel patterns, location of competing facilities, physical barriers that might effect access, socio-economic characteristics, and the size and scope of the offering.

After reviewing these factors, discussion with the FoFNB Advisory Board and interviews with 15 local performance facilities, we determined that the likely Primary Trade Area (where the majority of repeat customers are expected to originate) is a 30-minute drivetime and the Secondary Trade Area is a 40-minute drivetime. It is expected that capture rate would be significantly less in the secondary trade area and would depend on the uniqueness and quality of the offerings.



Demand Analysis: Potential Audience

Market Area Demographics

Close to 125,000 people live within 30 minutes of the proposed facility; 313,000 live within 40 minutes.

The population is growing, but at a very slow rate (<1% over the last 10 years).

The area is home to a large number college-age individuals. Approximately 24,500 people living in the PTA are age 18 to 24. This segment represents 20% of the population compared to 10% in the U.S.

The portion of the population over age 65 is greater in the PTA than the U.S. (19% compared to 17%).

Educational attainment is significantly higher in the PTA than the U.S. (45% of the population age 25 and above have Bachelor's Degrees or higher compared to 32% in the U.S.)

Median household income is 3% lower in the PTA than the U.S. (\$63,063 compared to \$65,228)

Key Demographics	Primary Trade Area (PTA) (30 Minutes)	Secondary Trade Area (STA) (40 Minutes)
Population 2020 Estimate	124,903	312,536
Population 2010	124,451	310,536
Change: 2010 to 2020	0.36%	0.64%
Age 18 and Over	85.36%	82.08%
Age 65 and Over	19.18%	18.76%
Age 18 – 24	19.66%	14.52%
Median Age	39.24	39.57
Bachelor's Degree or Higher	44.71%	36.33%
Master's Degree or Higher	22.21%	16.98%
Est. Median Household Income	\$63,063	\$57,028
All data is estimated for 2020 unless noted.		

Demand Analysis: Potential Audience

Households by Income	PTA %	STA %	U.S. %
< \$15,000	10.34	12.79	9.97
\$15,000 - \$24,999	8.89	10.08	8.59
\$25,000 - \$34,999	7.95	8.88	8.50
\$35,000 - \$49,999	13.03	12.97	12.23
\$50,000 - \$74,999	17.65	16.75	16.73
\$75,000 - \$99,999	13.57	12.06	12.44
\$100,000 - \$124,999	9.07	8.45	9.33
\$125,000 - \$149,999	6.18	5.88	6.50
\$150,000 - \$199,999	6.24	5.91	6.84
\$200,000 - \$249,999	2.98	2.74	3.37
\$250,000 - \$499,999	2.92	2.50	3.55
\$500,000+	1.18	0.99	1.95

Race and Household Characteristics	PTA %	STA %	U.S. %
White Alone	87.2	80.76	69.44
Asian Alone	4.77	3.90	5.88
Black/African American Alone	2.90	4.01	12.85
American Indian/Alaskan Native Alone	.29	.044	.99
Other and More than One Race	4.83	10.89	10.84
Households with Children Under 18	24.50	27.51	33.56
Average Household Size	2.18	2.29	90.19

Workforce Characteristics, Age 16+	PTA %	STA %	U.S. %
White Collar	65.30	62.50	60.98
Blue Collar	14.35	16.49	20.40
Service and Farming	20.35	21.00	18.62
Labor Force Participation	61.95	61.4	63.19

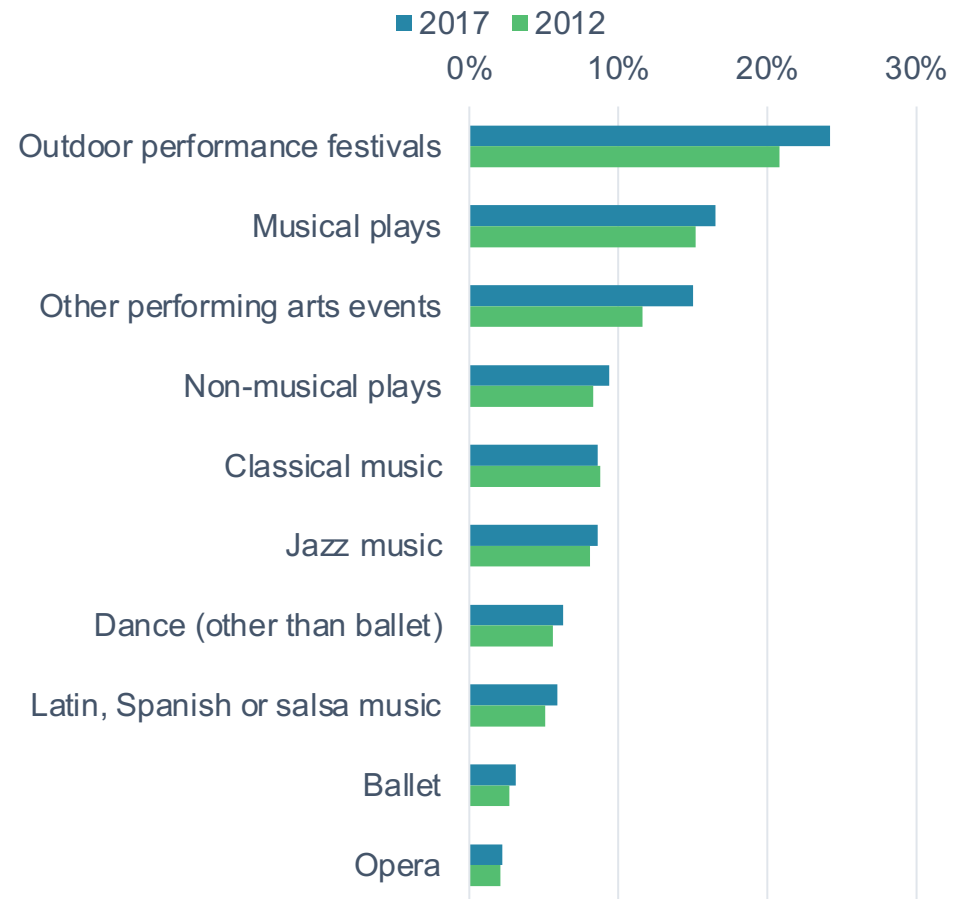
Demand Analysis: Potential Audience

Market Characteristics – Who attends events and what type?

43% of U.S. adults attended at least 1 live performing arts event in 2017 (up from 40% in 2012)

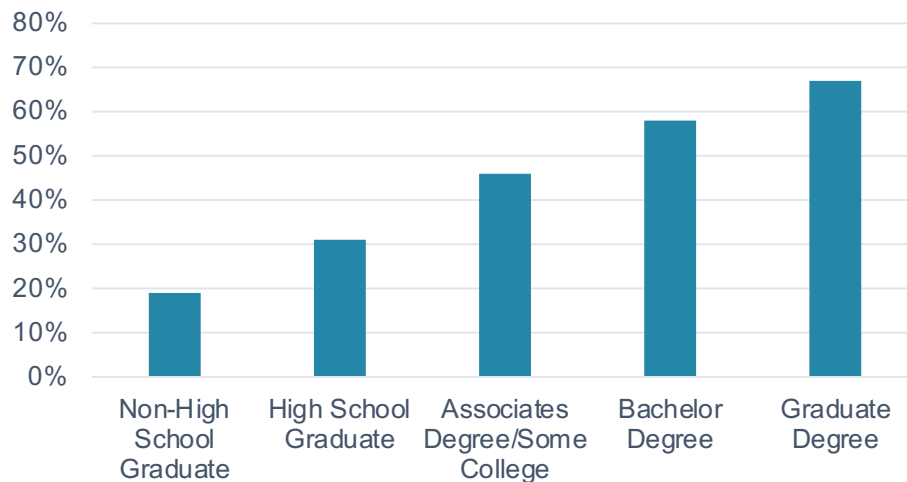
Source: 2017 Survey of Public Participation in the Arts, NEA and U.S. Census

% of U.S Adults Attending Performing Arts



Demand Analysis: Potential Audience

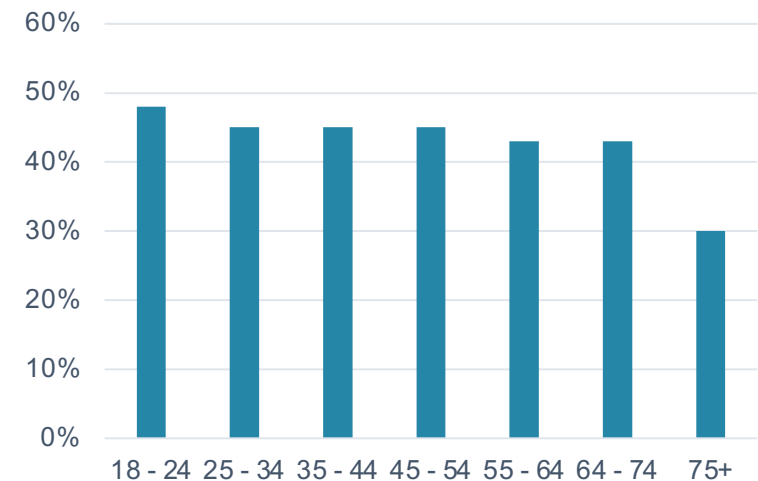
Performing Arts Attendance Increases with Education Level



Source: 2017 Survey of Public Participation in the Arts, NEA and U.S. Census

Educational attainment rates in the FNB trade area are significantly higher than the U.S. average. (In the PTA, 45% have Bachelor's Degrees or higher compared to 32% in the U.S.)

Performing Arts Attendance is Higher among Younger Segments



Source: 2017 Survey of Public Participation in the Arts, NEA and U.S. Census

The FNB trade area contains a large portion of people age 18 to 24 (20% in the PTA compared to 10% in the U.S.).

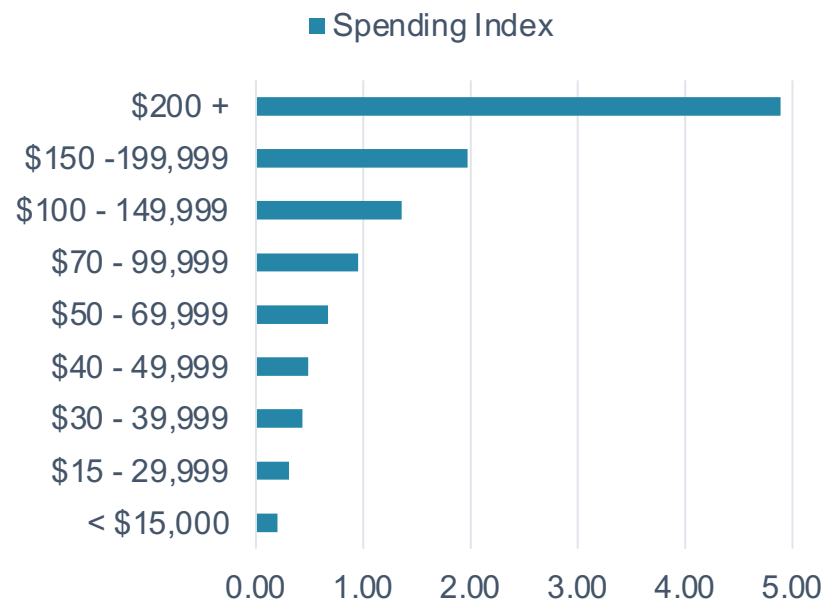
Demand Analysis: Potential Audience

Market Characteristics – What impacts spending on performing events?

Income, Education Level and Age, as well as other factors, effect consumer spending habits on fees and admissions for performing arts.

The following charts show a Performing Arts Spending Index for consumer characteristics illustrating which characteristics indicate higher spending in the category.

Performing Arts Spending increases Exponentially with Income



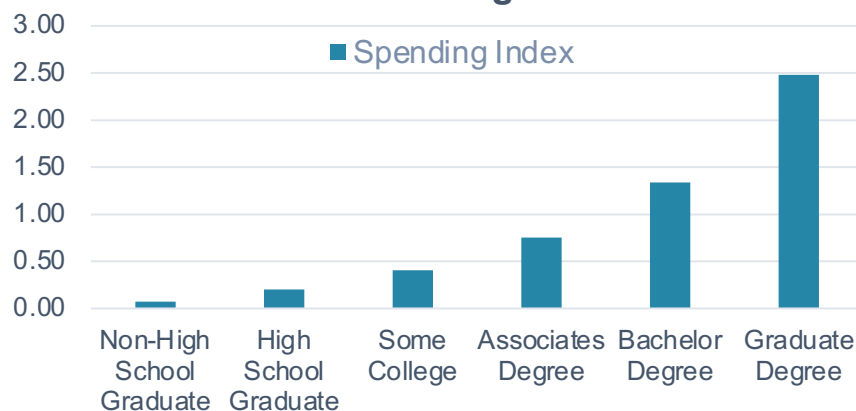
Source: 2018 BLS CEX Data, FinePoint Associates

Income obviously effects spending in all categories, but has a greater impact on performing arts because of its non-essential nature (compared to food and shelter).

There is a slightly smaller portion of households in the FNB trade area with income over \$100,000 than in the U.S. (29% in PTA vs 32% U.S.)

Demand Analysis: Potential Audience

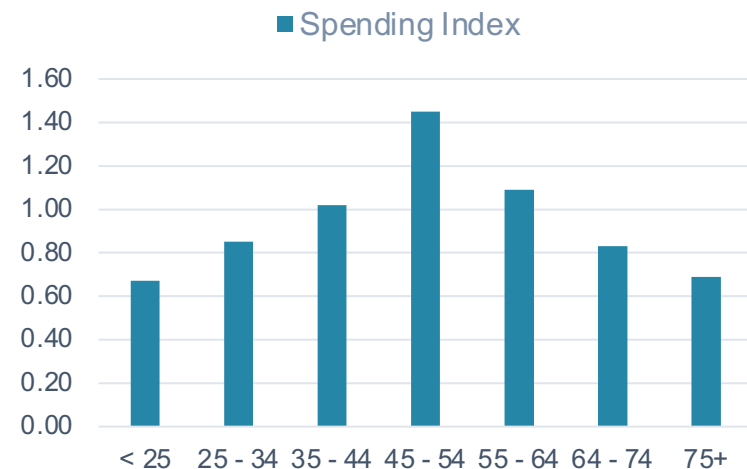
Performing Arts Spending increases with Education – Consumers with Bachelors Degrees or Higher Spend almost 5X as Much as Consumers without Degrees



Source: 2018 BLS CEX Data, FinePoint Associates

Educational attainment in the FNB trade area is significantly higher than the U.S. average. (In the PTA, 45% have Bachelor's Degrees or higher and 22% have Graduate Degrees or higher compared to 32% and 12% in the U.S.)

Consumers Age 45-54 Spend the Most on Performing Arts



Source: 2018 BLS CEX Data, FinePoint Associates

The FNB trade area contains a slightly smaller portion of people age 45 to 54 than the U.S (11% in PTA, 13% in U.S.).

The under 25 segment spends less, but as previously noted, participates at a higher rate and is more prevalent in the trade area.

Demand Analysis: Potential Audience

Market Area Expenditures - Admission Fees for Performing Arts

Based on the specific characteristics of the consumer population in the trade area (education, age, income, etc.), expenditures on performing arts admission fees can be projected. In this particular situation, projecting total expenditures is more challenging because along with the residential population in households, there is also a large consumer population living in dormitories. We have provided projections based on two approaches.

Projected Expenditures on Performing Arts (plays, theaters, opera, concerts)	Consumer Buying Power™ Estimate¹	Conservative Estimate²
Primary Trade Area (30 Minutes) - 2020	\$8.65 mil	\$5.4 mil
Primary Trade Area (30 Minutes) - 2025	\$9.96 mil	
Secondary Trade Area (40 Minutes) - 2020	\$20.15 mil	\$13.1 mil
Secondary Trade Area (40 Minutes) - 2025	\$23.31 mil	

1. Estimate obtained from Environics Analytics employing a Consumer Buying Power™ database model that uses the Bureau of BLS CEX data and growth projections from Claritas and Environics.
2. FinePoint Associates developed a more conservative estimate employing a model that uses BLS CEX data, average historical growth rates, and adjusts dormitory population spending by age.

Demand Analysis: Potential Audience

Summary Findings – Audience Demand

- The Primary Trade Area (PTA), where the majority of repeat customers are expected to originate, is a 30-minute drive from FNB; the Secondary Trade Area (STA) is a 40-minute drive.
- Close to 125,000 people live within the PTA and 313,000 live within the STA.
- The population in the PTA has a significantly higher than average educational attainment rate, includes a very large segment of young college-age individuals and attends performing arts events at a higher than average frequency.
- Median household income in the PTA is 3% lower than the U.S. & 26% lower than the state, (indicative of likely spending less than average on performing arts).
- The total annual expenditures on admission fees for performing arts generated from the PTA population is estimated conservatively at \$5.4 million and less conservatively at \$8.7 million. This amount of potential ticket sales is available for capture by local performing arts entities acknowledging that some percent of resident spending will likely to continue to be done outside the trade area. (Within the PTA, there are approximately 17 open access facilities (23 spaces) plus 5 other facilities that host performances in addition to school facilities.)
- The total annual expenditures on admission fees for performing arts generated from the STA population is estimated conservatively at \$13.1 million and less conservatively at \$20.2 million.. (Within the STA, there are approximately 21 open access facilities (28 spaces) plus 7 other facilities that host performances in addition to school facilities.)

Demand Analysis: Potential Space Users



Demand Analysis: Potential Space Users

Overview

The potential space user demand analysis includes the following elements:

- Interviews with Selected Potential Space Users, and
- Survey of Potential Space Users

Demand Analysis: Potential Space Users

Interviews with Selected Potential Space Users

We interviewed a sample of space users to obtain their perspectives on the proposed project and specifically test their interest in renting/using space at the FNB facility if developed as proposed.

Greenfield Community College
Yves Salomom-Fernandez, President
Leo Hwang, Dean of Humanities, Engineering, Math and Science
Tom Geha, Chair, Theater Department

Greenfield Recreation Department
Christy Moore
Kelly Jenkins

Greenfield Winter Farmers Market
David Paysnick, Manager

Franklin County Chamber of Commerce/Cider Days
Lisa Davol

Selected Arts Groups
Artspace Community Art Center
Steve Hussey and Julie Carew
Eggtooth Productions
Linda McInerney
Silverthorne Theater
Lucinda Kidder

Selected Artists, Curators, Presenters
Antenna Cloud Farm, Michi Wianko
Antenna Cloud Farm, Judd Greenstein
NixWorks, Michael Nix
Signature Sounds, Jim Olsen

Summary of Findings: Among this group, the level of interest in using FNB space is mixed and the rent levels that can be afforded are modest.

Interview highlights are provided in the following section.

Demand Analysis: Potential Space Users

Space Users Interviewed	Interest in Renting/Using Space at FNB Facility - Interview Highlights	
Greenfield Community College (GCC)	No	GCC representatives told us that they do not have an unmet need for performance or lecture space at this time. Programming for seniors can be accommodated in existing facilities and these events do not generate revenue so they cannot support additional space. The FNB facility, as currently planned, could not depend on GCC as a major space user or financial contributor. At this time, GCC goals are more focused on workforce development & entrepreneurship in response to community needs. GCC would be more likely to partner on initiatives that align with those interests. GCC is currently developing a center for innovation and hopes to expand these efforts.
Greenfield Recreation Department (GRD)	Yes, at no cost	GRD representatives said they would like to have access to additional space for increased all-weather programming, such as winter concerts, winter carnival events, and art shows, as well as a place to hold their summer concerts in case of inclement weather. GRD would not anticipate paying for space.
Greenfield Winter Farmers Market (GWFM)	No	After assessing the building and site access, the GWFM representative concluded that while FNB space is large enough and well-located, the access issues make it impractical to load 18-24 vendors in and out during a short time period. GWFM's budget for space cost is approximately \$175 per event.
Franklin County Chamber of Commerce/Cider Days	Possibly, if they add CD events	The Chamber usually holds its monthly events at restaurants and does not pay for space. The Chamber hosts a Cider Days (CD) Friday night event at Hawks & Reed. A Chamber staff person told us that there might be an opportunity to expand Cider Days programming that could be held in the FNB facility if events could be accommodated (particularly culinary/food demonstration events).

Demand Analysis: Potential Space Users

Space Users Interviewed	Interest in Renting/Using Space at FNB Facility - Interview Highlights	
<u>Selected Arts Groups:</u> Artspace Community Art Center (ASCC)	Yes	ASCC representatives indicated they would be interested in using space at FNB for their “Strings for Kids” performances 4 to 5 times per year. ASCC currently uses Sts. James and Andrew Church, however, it is not ideal because there is no option to raise the stage, the pew seating is fixed and it can be difficult to accommodate all performers on stage. ASCC currently pays \$150 to \$200 per event.
Eggtooth Productions (EP)	Yes	EP would be very interested in being a resident theater group at FNB and envisions doing about one performance per month. EP currently uses Shea Theater and other spaces. EP feels there is insufficient quality performance spaces to meet their needs especially in the 100 to 150 seat category.
Silverthorne Theater (ST)	No	ST is happy with its current space at Hawks & Reed. While they would appreciate the updating of some elements, the ST representative indicated that “their audience likes the space, it has lots of character, they enjoy a good relationship with the owner and have flexibility to run shows for multiple weekends”. ST expressed concern about the loading situation at FNB for set design elements and for people.

Demand Analysis: Potential Space Users

Space Users Interviewed	Interest in Renting/Using Space at FNB Facility - Interview Highlights	
<u>Selected Artists, Curators, Presenters:</u> Antenna Cloud Farm, Michi Wianko (MW), Director and Co-founder	Maybe	MW is a composer, violinist and curator, who has performed around the world. With her partner, she hosts a summer concert series at their property, Antenna Cloud Farm in Gill. She sometimes curates other shows bringing in artists to perform with her at facilities in the region such as the Shea. She indicated she might be interested in similar type performances at FNB. MW cautioned that the artistic vision of the space should be clear and there needs to be a philosophy/greater purpose beyond just what is presented there. She noted that Greenfield does not have a space that focuses on chamber music, classical or opera.
	Unsure	JG is a composer who recently completed an opera and a curator of contemporary classical music festivals in New York City, Los Angeles and elsewhere. He indicated that he was unsure if he would use the FNB space, however, he likes the idea of multiple curators creating programming for a space, especially if there was an intersection with international artists. JG stated that there is a need for an artist residency program because emerging artists need a place to stay while developing new works and a program like that might be a good use for FNB, however, he also added that this would require a benefactor that could provide ongoing financial support.

Demand Analysis: Potential Space Users

Space Users Interviewed	Interest in Renting/Using Space at FNB Facility - Interview Highlights	
<u>Selected Artists, Curators, Presenters</u> (cont'd) NixWorks Michael Nix (MN) Signature Sounds Jim Olsen (JO)	Unsure	MN is a musician; he rents space about 2-3 times per year for himself to perform and is also hired by other shows. He recently signed a lease with the new Lava Center on Main Street for an office and a place to provide lessons. He has also performed at Hawks & Reed. He said he would be most interested in a space with very professional state-of-the-art sound and lighting.
	No	JO owns a small venue in Northampton (Parlor Room) and is a concert promoter that rents venues for shows. It is unlikely he would use FNB. He said that the proposed size of FNB is not large enough to draw name talent. JO most often uses the Shea, Gateway City Arts, and Academy of Music. He said that if he was looking for something small, he would use Hawks & Reed and doesn't see a need for another venue of similar size.

Demand Analysis: Potential Space Users

Survey of Potential Space Users

We worked with GRA, the FoFNB Advisory Board and Michael Kane (who completed the recent Franklin County Creative Economy Project and Inventory) to develop a comprehensive list of 140 Community Arts Organizations, Performing Arts Businesses, and Individual Artists that might be interested in using the proposed FNB space.

The findings of this survey are highlighted in the following section.

Survey Administration & Response Overview					
	Surveys Sent	Returned, Undeliverable	Net	Responses	Response Rate
Community Arts Organizations, Agencies & Businesses	72	3	69	28	41%
Individual Artists	68	8	60	9	15%
Total	140	11	129	37	

Demand Analysis: Potential Space Users

Most of the entities that typically rent space are:

- small (annual revenue < \$25,000)
- rent less than 10 days per year,
- with audience size under 150, and
- admission prices less than \$19 (23% do not charge for events).

Frequency of Space Rental

Never/Almost never	16%
1 day/year	0%
2 to 4 days/year	32%
5 to 10 days/year	14%
11 to 20 days/year	22%
21 to 30 days/year	5%
>30 days/year	11%

Audience Size

<49	13%
50 to 99	30%
100 to 149	40%
150 to 249	10%
250 to 499	7%

Size of the Entity (annual revenue)

Under \$25,000	54%
\$25,000 - 46,999	16%
\$50,00 - \$99,999	14%
≥ \$100,000	8%
Don't know/No answer	8%

Admission Fee Charged

\$0 (free)	23%
\$1 - \$19	50%
\$20 - 30	23%
\$31 - \$49	3%
\$50+	0%

Respondent Entities that Typically Rent Space

Demand Analysis: Potential Space Users

- In 2019, respondents rented space for a total of 298 performance/event days and 246 rehearsal days.
- At least 30% of space users have previously rented space at The Shea and Hawks & Reed
- 58% of respondents did not experience difficulty finding space to meet their needs in the last 3 years, while 35% did
- Most space users are fairly satisfied with the existing space options (average respondent satisfaction ratings are 3 or above, on a scale of 1 to 5)

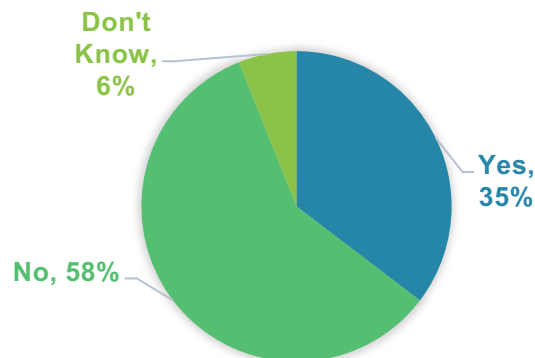
Space Rented in 2019

	Avg.	Total (all respondents)
Performance/Event Days	10	298
Rehearsal Days	9	246

Location of Previous Space Rented

Shea Theater	Turners Falls	33%
Hawks & Reed	Greenfield	30%
All Souls Church	Greenfield	13%
Academy of Music	Nothampton	10%
Greenfield CC	Greenfield	7%
Gateway City Arts	Holyoke	7%
10 Forward	Greenfield	7%
12 Federal	Greenfield	7%
LAVA Center	Greenfield	7%
Memorial Hall	Shelburne Falls	7%

Difficulty Finding Space to Meet Needs



Satisfaction with Existing Space Options (out of 5)

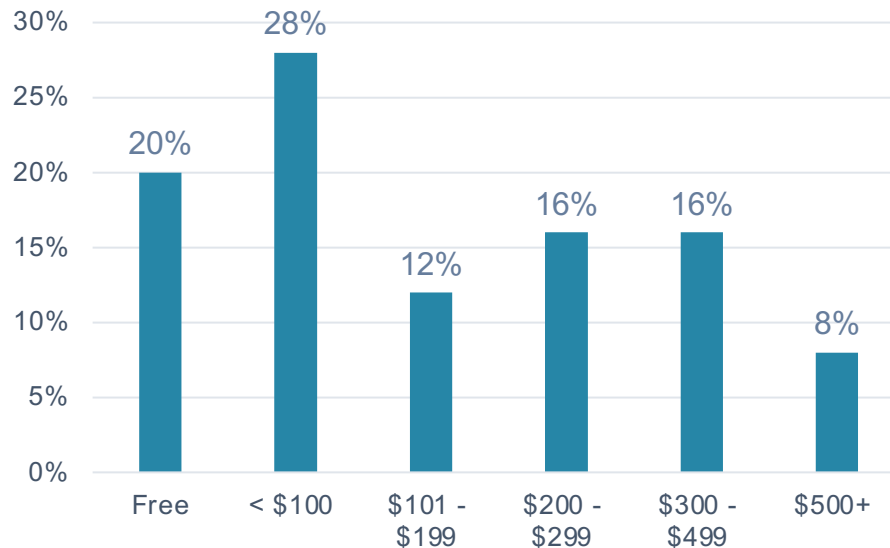
Parking	3.5
Acoustics	3.5
Availability of desired dates	3.4
Access and loading	3.3
Cost	3.1
Lighting/sound equipment	3.0
Storage	3.0

* Results are for Respondent Entities that Typically Rent Space

Demand Analysis: Potential Space Users

- 48% of space users obtained the space they used in 2019 for free or paid less than \$100 per performance/event day
- Space cost included a split of ticket sales for only 29% of renters.

Typically Paid For Space Use per Performance/Event Day in 2019



Space Cost include Ticket Sale Split in 2019	
No	71%
Yes	29%

* Results are for Respondent Entities that Typically Rent Space

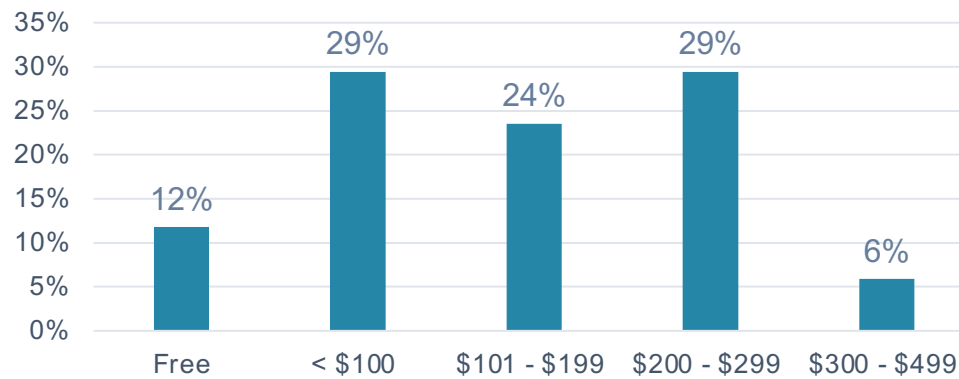
Demand Analysis: Potential Space Users

71% of respondents (22 entities) that typically rent space indicated they would rent space at FNB if redeveloped.

Of the entities interested in space rental at FNB:

- On average, they were interested in using the facility for 7 performance/event days and 8 rehearsal days per year.
- Most entities (65%) would pay less than \$200 per day.
- Almost all would need sound and lighting equipment
- The most frequently-cited uses for FNB space include lectures/workshops, theatre and music concerts.

Amount Would Pay for Space Use at FNB per Performance/Event Day



Space Use Frequency at FNB

	Avg. per Entity	Total Days
Performance/Event Days	7	136
Rehearsal Days	8	157

Events Cited for FNB Space Use

Lectures/Speakers, Workshops	55%
Theatre (plays, musicals)	45%
Music Concerts	41%
Performance Art	41%
Dance	23%
Spoken word	23%
Puppetry/Magic/Circus Arts	14%
Opera	9%
Food/Culinary Arts	9%

Equipment/Features Needed

Sound equipment	95%
Lighting equipment	84%
Box office service	47%
Storage	37%
Ability to move large set pieces in/out	32%
Catering kitchen	11%

Demand Analysis: Potential Space Users

Although many entities expressed interest in using space at a redeveloped FNB facility, the price they said they could pay is quite modest. The weighted average among these respondents is \$144 per performance/event day.

Only 7 entities that expressed interest in renting space at FNB said they would pay \$200 or more per performance/event day.

- 6 entities said they could pay \$200 - \$299
- 1 entity said they could pay \$300 – 499

The 7 entities indicated an interest in using FNB for a total of 58 performance/event days.

Entities that would pay \$200+ for Use of FNB Space

	# of Entities
\$200 - \$299 per performance/event day	6
\$300 - \$499 per performance/event day	1

Space Use Frequency at FNB by Entities that could pay \$200+

	Avg. per Entity	Total Days
Performance/Event Days	8	58
Rehearsal Days*	10	68

**Note: 60 rehearsal days are attributable to 1 entity.*

Demand Analysis: Community Interests



Demand Analysis: Community Interests

Survey of Community Residents

We conducted a survey to determine how important it was to community residents to have a cultural facility in Greenfield, how they felt about the proposed repurposing of FNB, and their preferences regarding type of cultural events. We also asked residents about their consumer patterns with regard to facility rental for private functions.

The FNB Study survey questions were administered as part of a larger Downtown Study being conducted by FinePoint Associates for the City of Greenfield (under contract with DHCD Massachusetts Downton Initiative Program). This survey was targeted to residents of Greenfield as well as surrounding community.

The findings of this survey are highlighted in the following section.

Community Survey Response	
Total Respondents	798
Greenfield Resident Respondents	603

Demand Analysis: Community Interests

The majority of resident respondents indicated that having a community performing/cultural arts facility in Greenfield would contribute to their quality of life. 42% of residents said it would contribute “a great amount” and 27% said it would contribute “somewhat”.

63% of resident respondents would like to see FNB repurposed for a performing/cultural arts facility; 36% “strongly agree” and 27% “agree”.

How much would having a community performing/cultural arts facility contribute to quality of life?

	All Respondents	Greenfield Residents
Not at all	9%	8%
Not much	8%	8%
Neutral	17%	15%
Somewhat	27%	27%
A great amount	40%	42%
Not at all	9%	8%

Would you like to see FNB repurposed for a performing/cultural arts facility?

	All Respondents	Greenfield Residents
Strongly disagree	7%	7%
Disagree	7%	6%
Neutral	24%	24%
Agree	28%	27%
Strongly agree	34%	36%
Strongly disagree	7%	7%

Demand Analysis: Community Interests

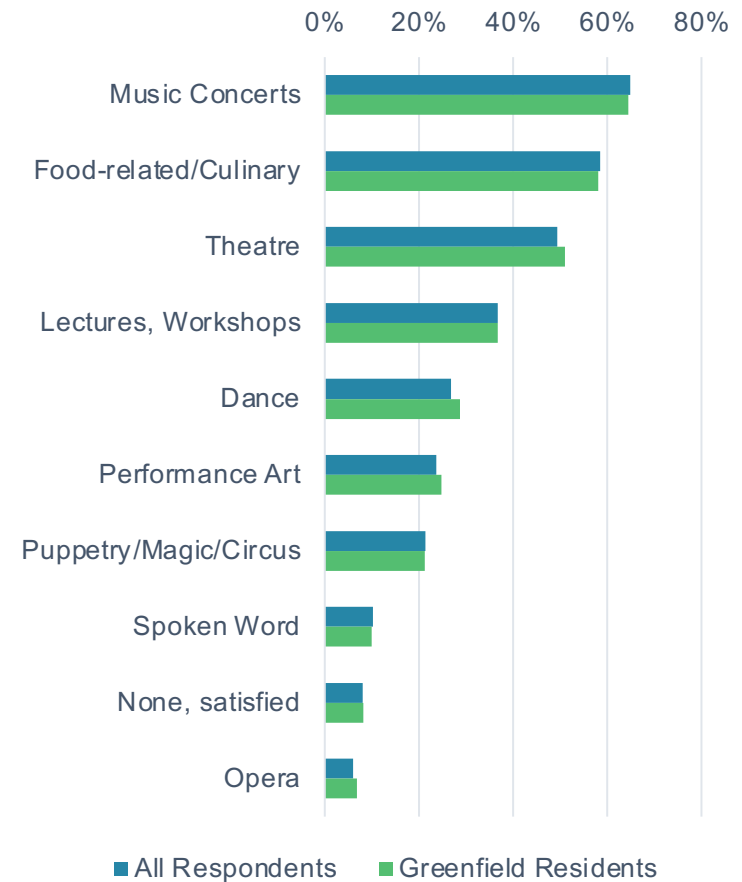
More than 50% of resident respondents indicated they would like to have more: Music Concerts, Food-related/Culinary Events, and Theatre in Downtown.

Most residents estimate they do less than 20% of their spending on live entertainment/performance in Downtown Greenfield.

Portion of Spending on Live Entertainment/Performances Done in Downtown Greenfield (Prior to COVID)

	All Respondents	Greenfield Residents
Less than 20%	68%	65%
20 - 39%	11%	11%
40 -59%	9%	11%
60 - 79%	7%	9%
80 -100%	4%	5%

Cultural Arts/Performances Would Like More of in Downtown



Demand Analysis: Community Interests

In the last year (prior to COVID), 6% of resident respondents (38) rented a facility for a private function to accommodate 50 to 150 guests.

Of those, the majority (68%) said they experienced difficulty finding space to rent that would meet their needs.

Preliminary Expense and Revenue Projections



Preliminary Expense and Revenue Projections

Summary

The preliminary cost and revenue projections are presented on the following pages.

The projected operating costs are estimated to be approximately \$140,000 to \$150,000 per year with a modest staff and budget.

Based on the target facility users, we estimate that about \$40,000 to \$43,000 could potentially be generated from earned revenue in year 2 and year 3 and approximately \$106,000 per year would have to be raised through grants and contributions.

In other words, according to preliminary estimates, approximately 27% to 29% of the operating budget could be supported through earned revenue. Compared to the other similar facilities we researched, this is at the low end. Other similar facilities reported earned revenue supporting 25% to 75% of their operating budget; the median among the facilities is 55%.

Preliminary Expense and Revenue Projections

PROJECTED EXPENSES

	Year 1	Year 2	Year 3
Personnel Expenses			
Executive Director (incl. benefits)	60,000	61,800	63,654
PT Marketing/Customer Services Assistant Mgr (incl. benefits)	21,000	21,630	22,279
Payroll taxes and workers comp.	7,818	8,053	8,294
Contracted BOH & FOH staff supplied as part of rental agreement will be covered by separate fees on top of net rent charged	*	*	*
Non-Personnel Expenses			
Marketing and Promotion	10,000	10,300	10,609
Internet, Telephone	1,800	1,854	1,910
Website, IT Mgmnt	5,000	5,150	5,305
Printing	1,200	1,236	1,273
Office and Other Supplies	800	824	849
Postage	1,000	1,030	1,061
Professional Fees (bookkeeping, accounting, legal)	4,000	4,120	4,244
Occupancy Expenses			
Rent	0	0	0
Cleaning/Janitorial	10,000	10,300	10,609
Utilities (heat, light, water)	18,150	18,695	19,255
Building maintenance, snow & rubbish removal	City	City	City
Insurance (premises, gen. liability and D&O)	City	City	City
TOTAL EXPENSES	140,768	144,991	149,341

Notes

1. Expenses were estimated based on operating costs of similar facilities.
2. Projections correspond with the "Preferred Design Solution" ground floor plan
3. BOH = Back of the House, backstage technical/lighting staff
4. FOH = Front of the House, box office staff

Preliminary Expense and Revenue Projections

PROJECTED REVENUE

5% rate increase

Rent - Facility Usage		Year 1			Year 2			Year 3		
Use Type	Rental Type	Daily Rate Net FOH/BOH	Days	Revenue	Daily Rate Net FOH/BOH	Days	Revenue	Daily Rate Net FOH/BOH	Days	Revenue
Sponsorships - Nonprofit arts groups, artists (discounted rate)	Perform/Event	\$150	12	\$1,800	\$150	26	\$3,900	\$158	28	\$4,410
Community nonprofit arts groups, artists	Perform/Event	\$250	30	\$7,500	\$250	60	\$15,000	\$263	65	\$17,063
	Rehearsal/Set-up	\$80	30	\$2,400	\$80	60	\$4,800	\$84	60	\$5,040
Commercial presenters and Corporate/private events	Perform/Event	\$450	2	\$900	\$450	5	\$2,250	\$473	5	\$2,363
Total Performance/Events Days			44	\$10,200		91	\$21,150		98	\$23,835
Total Rehearsal/Set-up Days			30	\$2,400		60	\$4,800		60	\$5,040
Subtotal			74	\$12,600		151	\$25,950		158	\$28,875
	Attendees	<u>Avg.</u>	<u>#</u>			<u>#</u>			<u>#</u>	
	Tickets	85	3,740			7,735			8,330	
		66%	2,468			5,105			5,498	
Facility Fees		<u>Per Unit</u>	<u>COGS</u>		<u>Per Unit</u>	<u>COGS</u>		<u>Per Unit</u>	<u>COGS</u>	
Bar/Concession Revenue		\$1.50		\$3,703	\$1.50		\$7,658	\$1.50		\$8,247
		\$1.50	50%	\$2,805	\$1.50	50%	\$5,801	\$1.50	50%	\$6,248
Total Earned Revenue										
% of Operating Expenses				\$19,108			\$39,409			\$43,369
				14%			27%			29%
Revenue that must be Raised from Grant & Donations				\$121,661			\$105,582			\$105,972

Preliminary Expense and Revenue Projections

EXPENSE PROJECTION EXPLANATION/ASSUMPTIONS

Personnel

The expense projection assumes that the FNB facility would be operated by a non-profit organization with a mission to promote the arts. Staffing would include an Executive Director and one additional part-time person. The staff would report to a Board of Directors, and be responsible for developing the programming, fostering new and original works of art, marketing the facility and events, executing contracts, coordinating Back of the House (technical/lighting staff) and Front of the House (box office staff) contracted services, managing the upkeep of the facility, creating community educational events, eventually potentially producing the organization's own events, and fundraising to cover the operating budget.

Non-Personnel

The non-personnel expenses are estimated based on other similar facilities. Some organizations have a much larger marketing budget.

Occupancy

The occupancy cost projections assume that the Greenfield Redevelopment Authority would continue to own the building and would not charge rent to the non-profit organization. It is also assumed that the City would include insurance for the building under its policy with other publicly-owned facilities and would cover building maintenance services, snow and rubbish removal. Janitorial services and utilities were broadly estimated based on other facilities.

Preliminary Expense and Revenue Projections

REVENUE PROJECTION EXPLANATION/ASSUMPTIONS

Facility Rent and Usage Rate

Rental rates and projected revenue were based on the results of the user demand survey. We also took the comparative facilities research and interviews with existing facilities in the market area into consideration. The median number of active days among the similar facilities range from 48 to around 160 active days with a maximum of approximately 100 performance/event days.

We created three categories of users with corresponding performance/event day rental rates.

1. Many potential survey respondents (65%) said they could pay less than \$200 per day so we created a “Sponsorships” category assuming that a certain number of nonprofit arts groups and artists might be selected to receive discounted pricing averaging \$150 per day. We projected the number of user days among this group to be around 30% of total performance/event days.
2. We set the regular pricing for “Community Non-profit Arts Groups and Artists” at an average of \$250 per day because almost all of the users that said they could pay more than \$200 per day indicated a limit between \$200 and \$299. We projected the number of user days among this group to be 60% to 70% of total performance/event days.
3. The third category of potential user is “Commercial Presenters and Corporate /Private Events” and we set the average pricing at \$450 per day. We projected the number of user days among this group to be 5% or less of total performance/event days. The users in this third category might not be mission-related and would put FNB in direct competition with existing venue businesses, therefore more consideration should be given as to whether and to what extent the FNB facility should accommodate this segment.

The base rent does not include any Back of the House (technical/lighting staff) or Front of the House (box office staff) services that might be included in the rental contract. These services would be provided at an extra charge to cover their cost. There could be a small mark-up on these services and minor revenue but it is not worth projecting at this preliminary stage.

We assumed that the rate for rehearsal days would be significantly less than performance/event days and assumed an average rate of \$80 per rehearsal day based on survey results.

Facility Fee

We assumed a per ticket facility fee of \$1.50 and revenue was projected by estimating 66% of the total attendees would be ticketed and an average audience size of 85.

Bar/Concession Revenue

We estimated an average per person concession expenditure of \$1.50 and 50% average cost of goods sold. It is assumed that the concessions would primarily be open 30 minutes before events and 15-20 minutes during intermissions.

Other potential revenue streams in future years might include: 1) profit from produced events, 2) art exhibit fee, and 3) ticket-selling (box office) services, but we would not expect much, if any, of this revenue in the first three years.