The Varsity Theatre

An evaluation of its potential use as a performing arts center for Evanston

July 2011

Prepared for Downtown Evanston

Community Land Use + Economics Group, LLC
www.cluegroup.com

Contents

i Executive summary
1 An overview of the assignment
2 About the Varsity Theatre
3 Process
5 Voices
7 Observations + findings
21 Recommendations
36 The four questions, summarized
38 Sources of information
39 Appendix 1: Tax credit financing
46 Appendix 2: Communities of comparable sizes, and their performing arts centers

Executive summary

With the apparent need for performing arts spaces in Evanston growing, Downtown Evanston engaged our firm to explore whether the Varsity Theatre building might meet this need. We found that, in order to answer this question, we needed to reframe the question and, instead, answer four questions:

1. Is there, in fact, a need for a performing arts facility in Evanston?
2. If so, what type of facility is needed, and what might its ideal location be?
3. Might the Varsity Theatre building fit this need?
4. If not, what site might better fit this need, and what might the best use (or uses) be for the Varsity Theatre building?

We found that there is, in fact, a need for more than one performing arts space in Evanston. Evanston has developed a unique niche as an incubator for arts organizations and as a nexus of arts education, but there are virtually no performing arts spaces into which some of the major performing arts organizations that have taken root in Evanston (such as the Piven Theatre Workshop, Next Theatre, and the Actors Gymnasium) can expand. There also appears to be significant demand from a variety of professional, amateur, and student groups for performance space on an *ad hoc* basis. In addition, at least two performing arts groups have expressed strong interest in moving to Evanston, should space become available. And, there is some urgency in creating performing arts spaces: The mere rumor that the City might sell the Noyes Cultural Arts Center at some point in the future has spurred fears that one or more of the community's performing arts groups might move to another city – and that would be a substantial blow to the City's growing arts-related market position.

We do not believe that the Varsity Theatre building *alone* can accommodate all the needs that currently exist. The owner wishes to continue using the ground floor space for retail shops – and, without the use of its ground floor space, the building lacks the space and design flexibility needed to accommodate multiple performing arts organizations. While it is *possible* that the upper floor of the building could expand horizontally across the alley, or that an additional floor could be added, expanding the building vertically, we do not believe that doing so would be a cost-effective solution. We therefore recommend that the upper floor of the Varsity be rehabilitated for use primarily by one resident performing arts organization (or potentially two, if they have complementary performance and rehearsal schedules and compatible workshop and storage needs). And, we recommend that an additional downtown site – preferably within the Washington National TIF district – be adapted for use as a more flexible performing arts facility,

providing a home for several of the community's major performing arts organizations as well as space on an *ad hoc* basis for other arts groups.

We also recommend some specific actions to more effectively use arts to stimulate economic development in Evanston and to accelerate and facilitate the process of creating performing arts spaces in downtown Evanston. These include:

- Creating a specialized arts development corporation to assemble the tools and resources needed to develop performing arts spaces and to guide the development process, including raising money, helping obtain federal historic rehabilitation tax credits, ensuring development of adequate operating endowments, and creating financial incentives to stimulate development of downtown performing arts facilities

- Moving the City's Cultural Arts Division to the Community and Economic Development Department in order to more tightly integrate arts and economic development planning and to help ensure that arts become a more significant part of the City's short- and long-term economic development strategies

- Making a strong commitment to locate performing arts facilities in downtown Evanston (versus in other parts of the community) in order to create synergy with the district's businesses

- Creating and implementing a data collection system to measure the economic impact of arts in Evanston

- Creating a mechanism for generating funds to support the development and maintenance of performing arts facilities in downtown Evanston

- Creating a National Register-listed historic district in downtown Evanston, streamlining the process for individual property owners of using federal historic rehabilitation tax credits to help finance the rehabilitation of historic commercial buildings

- Integrating performing arts activities into Downtown Evanston's current marketing and promotional plans, providing a variety of informal entertainment events even before a performing arts facility is created

An overview of the assignment

For almost two decades, people in Evanston have been exploring the possibility of creating a performing arts center downtown. And, throughout that time period, people have also been talking about the possibility of renovating and reactivating downtown Evanston's Varsity Theatre.

Adapting the Varsity Theatre building for use as a performing arts center might initially appear to meet these two goals simultaneously. In the fall of 2010, Downtown Evanston engaged our firm to explore whether the Varsity might, in fact, be a good candidate for the type of performing arts center Evanston needs. After completing some market research and conducting interviews with representatives of local performing arts organizations, regional arts organizations, and local government, we realized that the question of whether, and how, the Varsity Theatre building might be adapted for use as a performing arts center could not be answered without first answering several larger questions. We therefore organized this assignment, and this report, around four major questions:

1. Is there, in fact, a need for a performing arts facility in Evanston?
2. If so, what type of facility is needed, and what might its ideal location be?
3. Might the Varsity Theatre building fit this need?
4. If not, what site might better fit this need, and what might the best use (or uses) be for the Varsity Theatre building?

About the Varsity Theatre

In its heyday, downtown Evanston's Varsity Theatre boasted 2,500 seats, rivaling contemporary movie palaces in Chicago. The theatre was developed by Hollywood director/producer Clyde Elliot, whose movie credits included "Bring 'Em Back Alive" (1932) and "Jungle Cavalcade" (1941). Elliot, who moved to Evanston in 1922, built the Varsity in 1926. One of the few surviving theatres designed by architect John E.O. Pridmore, the Varsity was an atmospheric theatre, styled like a 16th-century French chateau, with a ceiling designed to look like a nighttime sky, with twinkling stars and floating clouds in its ceiling.

The theatre became part of the Balaban and Katz theatre chain a decade after its opening. Over the years the Varsity changed hands several times, but was always used for film exhibition until it was closed to the public in 1984. At that time, its ground floor was converted for use as retail store space, obliterating the lobby and main seating area and sealing off the theatre house's public entrance. The "floor" of the theatre house is therefore now the ceiling of the storefront spaces. The balcony, which originally contained approximately 600 of the theatre's 2,500 seats, is intact, although the seats themselves have been removed. The projection rooms and lounges are essentially intact, also. Although the walls have been painted white, a majority of the decorative plaster is still there, with several segments removed for installation of mechanical equipment, ducts, and ceiling joists above the ground-floor storefronts. The only entrance to the building is via a narrow passageway at the rear of the building, then up a pipe ladder to the second floor.

Only a handful of people have seen the Varsity in the past 20 years. This means (among other things) that an entire generation of Evanston residents has grown up without seeing a movie or going to a special event there – and, consequently, without developing an emotional attachment to the theatre.

Process

Our partner for this assignment was Downtown Evanston, a nonprofit organization that provides marketing and management services to the downtown district. Downtown Evanston appointed a project task force to provide ideas and feedback for this assignment. Our assignment involved the following activities:

1. **Site visits**
   We visited Evanston three times during the course of our assignment – an initial visit, to meet the project task force and other key project participants and discuss the assignment and its goals; a visit with two outside experts; and a final visit to present preliminary concepts and recommendations to the project task force and the City Council.

2. **Video meetings with the task force**
   We participated in several periodic meetings with the project task force by videoconference.

3. **Market research**
   Using data from the 2007 *Census of Information*, the 2008 *Consumer Expenditure Survey*, and the Census Bureau's *American Community Survey*, we estimated the amount of market demand for theatrical performances in Evanston and within the metropolitan area. We also conducted research on downtown commercial property valuation, on recent property sales, and on performing arts center development in communities similar in size to Evanston.

4. **Interviews**
   We conducted meetings and telephone interviews with 23 individuals, drawn from a list of 42 people suggested to us by Downtown Evanston. The interviews and meetings included representatives of local and regional performing arts groups, arts advocacy organizations, property owners, the City, Northwestern University, the Illinois Historic Preservation Agency, and news media.

   In addition to conducting meetings and interviews with representatives of Evanston-area organizations, agencies, and constituencies, we also met and/or conducted interviews with five professionals outside Evanston with specialized expertise useful in this assignment:

- An architect with extensive experience working with theatre design and historic theatre rehabilitation projects

- A strategic planner with extensive experience helping local governments, property owners, and nonprofits organize theatre rehabilitation and development projects

- A historic preservation architect from the Illinois Historic Preservation Agency (Illinois's designated state historic preservation office)

- A market researcher with specialized expertise in helping communities develop 'creative economy' businesses and industries and attract young workers and residents

- The manager of a performing arts center in another community

5. **Expert visit**
   In late February, we brought the architect and strategic planner mentioned above to Evanston to tour the Varsity, bounce around ideas, and brainstorm possible approaches and solutions.

6. **Recommendations + feedback**
   We circulated a draft outline of some of our preliminary findings and recommendations to Downtown Evanston staff and the project task force for discussion during our April 2011 visit, and we have incorporated much of the feedback from this meeting into the recommendations outlined in this report.

7. **Final report + strategy outline**
   This report summarizes our major observations and recommendations. After circulating this report to Downtown Evanston staff and the project task force, we will work with the task force to outline its next steps going forward to create a performing arts center in downtown Evanston.

Voices

A few representative excerpts from our interviews:

"Evanston has a huge theatre-loving community."
- Performing arts organization representative

"Art organizations and cities must work hand in hand."
- Performing arts organization representative

"I think that the support of the arts in Evanston is lots of talk and not much action."
- Performing arts organization representative

"Evanston is an expensive place, and it's difficult for theatre groups to afford space there. That's why you find so many groups tucked away in church basements and city-owned spaces – places that don't pay property taxes."
- Performing arts organization representative

"'Progress without change' is Evanston's unofficial motto."
- Performing arts organization representative

"Northwestern students have virtually no involvement in Evanston theatre. They're not even aware of the Piven. A vibrant downtown is vital to creating the kinds of college memories that linger for a lifetime."
- Northwestern University professor

"Everything Evanston talks about doing, Skokie actually DOES."
- Resident, philanthropist

"This project CAN'T be just about the Varsity; it HAS TO be about enlivening the downtown."
- Resident

"If they're closing down libraries and struggling to pay firefighters, I understand that the arts aren't going to come out on top."
- Performing arts organization representative

"There needs to be a third party in place to manage property and move this forward. It should probably be a separate organization. Frankly, that's a role a local arts council should be playing."
- Representative of a community organization

"Projects bomb when they begin by hiring an architect. They should begin with a needs assessment. And that's one of the problems we've had in the past; we've started with architectural concepts, rather than with looking at what the groups here, and the groups we'd LIKE to have here, really need."
- Representative of a community organization

"Lots of people wonder why arts is housed in Parks and Recreation at the City. When you really step back and think about it, it really only makes sense if you're thinking about offering art classes to community residents, but not if you're thinking about presenting professional arts to the public."
- Representative of a community organization

"I think one of the challenges here is that the Varsity Theatre is a *space.* But it's a limited space – there are only so many cubic feet. What subset of the community's performing arts needs could that space support?"
- Representative of a community organization

"In the 1980s the community was dry, and there wasn't much going on. But now it has completely transformed itself – it's now beginning to be a destination. This is the perfect moment for the community to make something like [a performing arts center] happen."
- Representative of a performing arts organization

"All the pieces are here to make this [community] a truly vibrant place. But it's lacking a vision for the arts that can tie the pieces together."
- Resident

Key observations

1. **Evanston plays a unique and significant role as a center of arts education and as an arts incubator.**
   Next to Chicago itself, Evanston has more arts-related nonprofit and for-profit entities than any other community in the metropolitan area. And Evanston is unique within the region (and, to an extent, within the nation) in having a very strong concentration of world-class performing arts schools, such as the Piven Theatre Workshop and The Actors Gymnasium, and numerous other arts-related training programs.

   In part, this is due to the fact that Evanston's commercial rental rates are significantly lower than those of comparable spaces in Chicago, but still easily accessible by public transit from Chicago. It is also partly due to the City's decision four decades ago, in 1970, to convert a former school building into the Noyes Cultural Arts Center, providing instruction and incubator space for visual and performing artists. Many other factors have played roles, also, from the presence of Northwestern University and its renowned performing arts programs to the large numbers of amateur and professional artists who live in Evanston and nearby North Shore communities.

   Its large concentration of arts-related training programs and its strong track record in incubating new artists and arts organizations give Evanston a unique and competitive market position. The community has not yet capitalized on this unique niche – but this niche offers the potential to boost the community's regional and national reputation in the arts, to increase the visibility of its arts community, and to strengthen the community's competitive advantages in attracting businesses, residents, and visitors.

2. **There is a strong need for mid-size performing arts facilities to accommodate the city's expanding performing arts activities.**
   We spoke with representatives of five Evanston-based performing arts organizations and two performing arts organizations interested in moving to Evanston[1], and almost all of them expressed a need for space that does not yet exist. In most instances, these organizations

[1] Our interviews included representatives of the Actors Gymnasium, Glass Onion Theatre, Light Opera Works, Musical Institute of Chicago, Northlight, Northwestern University's Department of Theatre, and Piven Theatre Workshop.

are looking for a facility with one or two small- to mid-size theatres (ranging from 100-400 seats), with ancillary dressing rooms, offices, equipment rooms, storage space for props and scenery, and, in some instances, classrooms. Several of the performing arts organizations with which we spoke have only occasional needs for performance and rehearsal space[2]; others would prefer space that could be used exclusively (or almost exclusively) by their organizations alone.

During our research, though, we identified a number of other organizations needing performance, rehearsal, and training space, as well. And we found that the magnitude of need is growing, both from existing organizations and from new ones wanting to operate in Evanston. Of particular note:

- At least one Evanston-based performing arts organization (Piven Theatre Workshop) is considering leaving Evanston in order to find suitable space.

- A Chicago-based theatre group (Glass Onion Theatre) would like to move to Evanston.

- Northlight, which was originally based in Evanston but then moved to Skokie, would like to move back.

- During this assignment, almost a dozen additional nonprofit and for-profit performing arts groups appeared on the project's radar screen, from choirs offering free performances in building lobbies to for-profit music clubs looking for suitable space.

- While the Noyes Cultural Arts Center was intended to provide a place to incubate arts organizations and artists, there is no place for "incubated" groups to grow into.

- Both nonprofit and for-profit performing arts organizations with whose representatives we spoke cited the high costs of property and property taxes in downtown Evanston and the need for low-cost, subsidized space.

There are currently three large performing arts spaces in Evanston:

[2] It is worth noting, though, that most performing arts organizations prefer to hold performances on weekends, and most need time and space to stage and rehearse several weeks or months before public performances begin, sometimes making it difficult to develop a schedule that works well for multiple performing arts groups sharing an auditorium.

- Cahn Auditorium, at Northwestern University, with just over 1,000 seats
- Pick-Staiger Concert Hall, also at Northwestern, and also with approximately 1,000 seats
- Evanston Township High School auditorium, with 1,500 seats

A number of area performing arts organizations rent space, when available, from one of these facilities – Light Opera Works, the Chicago Philharmonic, Evanston Symphony Orchestra, Northshore Concert Band, Chicago Chamber Musicians, and others.

There are several smaller performing arts spaces in Evanston, also. These include:

- The Noyes Center Theatre (190 seats), currently home of Next Theatre, at the Noyes Cultural Arts Center
- The 90-seat Piven Theatre Workshop (90 seats), also at Noyes
- The Nichols Concert Hall at the Music Institute of Chicago (500 seats)
- Piccolo Theatre (50 seats)
- SPACE (250-person capacity)

There are two mid-sized theatres at Northwestern: the Ethel M. Barber Theater (450 seats) and the Josephine Louis Theater (350 seats). Both are used almost exclusively for University-related productions and events.

We asked the performing arts organizations with which we spoke what their major space-related needs are. Among their responses:

- Glass Onion Theatre: 99-seat theatre for evening events, plus a 399-seat theatre for daytime programming, plus classrooms

- Northlight: 350-seat theatre, plus a smaller black-box, for 16-18 performance weeks per year, plus rehearsal time

- Piven Theatre Workshop: Small theatre, classrooms, offices, storage and workshop space

It quickly became apparent that, while there could be numerous opportunities to fill in "dark" times in the calendars of the groups needing permanent homes with performances by groups with shorter performance seasons and/or only occasional needs, it would be difficult for any of the community's major established performing arts organizations, or those seeking to relocate to Evanston, to easily

share facilities; there are too many overlaps in their production and performance schedules.

3. **There appears to be adequate market demand in Evanston to support a variety of performing arts activities – and demand is growing quickly.**
   In the years since the City last officially examined the possibility of creating a performing arts center, many things about the arts environment in Evanston have changed. There are hundreds of new downtown residents. A host of new restaurants have opened. Downtown Evanston's movie theatre multiplex sells approximately 1.2 million tickets annually. And Evanston's performing arts groups have established solid, loyal, and growing audiences throughout the North Shore and, increasingly, throughout the greater Chicago metropolitan area.

   A small handful of the people with whom we conducted interviews expressed some concern that, while Evanston may be a prolific *supplier* of performing arts, it might not yet be a substantial *consumer* of performing arts. But the overwhelming majority of the people with whom we spoke believe that, within the past decade or 15 years, Evanston has "turned a corner" and become a magnet for performing arts audiences. And, in fact, US government data demonstrates the impressive strength of the market Evanston's performing arts groups have built: According to the US Bureau of Labor Statistics' *Consumer Expenditure Survey* and the US Census Bureau's 2009 *American Community Survey,* Evanston residents generated approximately $4.8 million in demand for performing arts and film entertainment in 2009 – meaning that this is the amount that they probably spent, somewhere, for tickets to live theatrical events and for movies. But, according to the 2007 *Economic Census* (the most recent year for which data is available), Evanston's theatres (both live theatre and film exhibition) generated $43.6 million in gross revenue that year: $29.1 million by taxable entities and $14.5 million by tax-exempt entities. This means that the community is attracting *almost ten times* the numbers of performing arts and movie dollars as its own residents are spending.

4. **There is a widespread perception that downtown Evanston is an arts-focused district – but arts have virtually no presence within the district.**
   It is very unusual for a community of Evanston's size to lack a performing arts facility. We put together a list of all the cities in the United States with populations between 70,000-80,000, then

identified those with downtown performing arts centers. We found that almost all of these cities have mixed-use art centers that include theatres (similar to the Noyes Cultural Arts Center), but that 72 percent of them also have dedicated performing arts centers – and, in fact, that some of them (Canton, Ohio; Ogden, Utah; Somerville, Massachusetts; and eleven others) have more than one performing arts center. Visual arts also have a very weak presence in downtown Evanston.

What is astonishing, though, is that Evanston area residents seem to perceive that downtown Evanston is, in fact, an arts-focused district. This perception (or misperception) surfaced repeatedly in the downtown branding study conducted for Downtown Evanston (EVMark, at that time) by Pressley-Jacob and The Lakota Group in 2009. And, when asked what downtown Evanston most needs, many focus group participants listed entertainment venues – live theatre, dance and music clubs, comedy clubs, and for more restaurant choices.

5. **Bringing performing arts venues into downtown Evanston could generate significant new sales revenues for downtown businesses and new tax revenues for the City.**
   Arts-related activities, and performing arts, in particular, have an enormous spin-off benefit for downtown businesses and downtown commercial and residential real estate. Performing arts activities generate substantial traffic for restaurants and hotels, plus additional traffic for other downtown businesses open during performance hours.

   Even more significantly, the presence of a critical mass of arts-related activity in a downtown commercial district stimulates development of knowledge-economy and creative-economy businesses and industries and, with them, development of new downtown housing units – all translating into new municipal revenues, a stronger economy, and a more vibrant civic culture. This phenomenon, which has gained substantial visibility since the 2002 publication of sociologist Richard Florida's ground-breaking study *Rise of the Creative Class: And How It's Transforming Work, Leisure, Community, and Everyday Life*, is becoming an increasingly important factor shaping municipal economic development planning throughout the nation.

   There has been considerable research done on the economic impact of the arts in Evanston and in the region in recent years. In 2005-2006, for example, the Evanston Community Foundation worked with the Illinois Arts Alliance on *Working Together*, a survey and research

report that quantified the economic impact of arts organizations and artists in Evanston. The report concluded, among other things, that:

- The 25 nonprofit arts organizations (including performing and visual arts) participating in the study generate $25.1 million in economic activity within Evanston annually.

- When extrapolated to include all 89 nonprofit arts organizations in Evanston, the total economic impact of Evanston's nonprofit arts organizations is approximately $89.3 million annually.

- In 2001 nearly 7,000 people in Evanston had a job in the arts industry or an industry supported by arts, such as food service or accommodation, representing almost 18 percent of the City's civilian employment base.

- The number of artists living in Evanston is ten times greater than the national average.

Many of these findings were based on data from the 2000 *Census of Population* and the Census Bureau's 2001 *American Community Survey*; the economic impact of the arts in Evanston has continued to grow in the years since the study was conducted.

6. **The community lacks a comprehensive arts development strategy.** Evanston's strong concentration of arts-related schools and training programs has evolved naturally over the past several decades, with a few nudges along the way (such as the creation of the Noyes Cultural Arts Center), rather than as part of an intentional strategy. The importance of the arts is acknowledged in several of the City's primary planning documents. For example, its 2000 Comprehensive Plan describes the arts as one of the "… important priorities to keep Evanston an appealing and interesting community in which to live …". And its 2006 economic development strategic plan mentions the arts twice:

   - Goal 1, Objective A: "Create an economic development plan which includes strategies and policies that are futuristic and conscientious of our heritage for […] e) creative class (entrepreneurial, technological, artistic) attraction."

   - Goal 8, Objective C: "Expand and enhance the integration of the arts including provision of public art in the business, social and educational environment of Evanston."

But the arts do not yet appear to be integrated into the City's economic development strategy in ways that will both cultivate further growth of arts-related activity and that will also leverage new economic growth.

7. **The political culture of the community supports core services – but is not as supportive of activities perceived as recreational.**
We asked many of the people with whom we conducted meetings and interviews if they believed the City of Evanston might increase its arts funding. While the responses varied a bit, one common thread ran through them: In general, the community prefers not to fund non-core projects in perpetuity but, instead, prefers to invest public money strategically to leverage private-sector sources and/or to stimulate new economic growth, with measurable results. As one person told me, "There is too much bias against entitlements here."

8. **The Varsity Theatre's potential reuse as a performing arts center has been actively discussed for more than a decade.**
In 1997, the Evanston Arts Council explored the possibility of developing a new performing arts center as part of a new downtown entertainment center (now Century 12/CineArts 6). After speaking with a variety of regional performing arts organizations, the Arts Council concluded that the greatest need was for a facility that would include a 350-seat primary theatre and a 150-seat secondary theatre (a flexible, studio theatre), and the Council recommended that the facility be jointly anchored by Next Theatre Company and Lookingglass Theatre Company and Next Theatre Company, with Light Opera Works producing two musicals each year in the larger of the two theatres.

   But the proposal to include a performing arts center in the downtown entertainment center ultimately did not advance and, in 1998, the Arts Council hired the Chicago architectural firm Holabird + Root to develop four schematic proposals for the Varsity Theatre building:

   - In the first scenario, roughly one-third of the ground-floor retail space, stretching from Sherman Avenue to the back of the building along the Bookman's Alley wall, would have been recaptured and used as a small lobby, box office, classroom, and office. The second-floor lobby would have been used as a rehearsal room, with the balcony's lower level and the remaining portion of the main theatre house converted to a 350-seat theatre. The upper part of the balcony would have been used as a small studio and as storage.

- The second scenario proposed recapturing the entire first floor for theatre use. It would have created a 390-seat theatre (300 seats on the ground floor; 90 in the lower balcony), with a classroom and meeting room on the second floor, a large rehearsal room and studio on the third floor, and numerous ancillary spaces (box office, green rooms, dressing rooms, storage, offices).

- The third scenario would have retained a shallow retail space along Sherman Avenue (roughly one-third of the building's depth), with a lobby tucked behind the retail space, accessible through a new entrance on Sherman. It would have created a 380-seat theatre (300 seats on the ground floor; 80 in the lower balcony), with a dressing room, rehearsal room, and classroom on the second floor and a studio on the third floor.

- The fourth scenario proposed three phases of activity:

    - In the first phase, the original grand staircase would have been replaced in its original location, but with the theatre entrance at the rear of the building, thus retaining most of the ground-floor retail space. The second-floor lobby would have been used as a black box theatre; the upper level of the balcony would have been mothballed, with the balcony's lower level and the remaining portion of the main theatre house converted to a 350-seat theatre with a pit.

    - In the second and third phases, the ground-floor retail space would have been converted to classrooms and/or a larger lobby, as retail leases expired. The upper balcony would have become a black-box theatre, with the second-floor black-box theatre from the first phase used as a classroom or a third theatre space.

This proposal, also, ultimately did not advance. Since then, the building was sold to its current owner. Representatives of several theatre groups have toured the remaining portion of the theatre to see if, with rehabilitation, it might meet their needs – but, to date, no organization has made a tangible offer to lease or buy the upper part of the building for use as a theatre.

9. The Varsity Theatre is best suited to house a 400-600-seat theatre – but its physical configuration limits its potential reuse as a

performing arts center with classroom, rehearsal, and flexible performance space.
When the Theatre's ground floor was converted to retail storefronts in the mid-1980s, it lost its public entrance, its lobby, its concession stand – but, perhaps most significantly, it lost the space that could otherwise have given it the flexibility needed to provide classrooms, dressing rooms, prop workshops, storage rooms, and other ancillary rooms always needed when a theatre originally designed for film exhibition is converted for use for live, staged performances.

We explored several concepts for regaining the ground-floor space with the Varsity's current owner, particularly the possibility of trading the ground-floor commercial space for comparable space elsewhere in the district. But the building's owner has repeatedly stated that he is committed to retaining the ground-floor space for use as income-producing property.

The building's owner has, however, considered options that might create a new accessible entrance for the theatre, such as acquiring an adjacent building or parcel and creating a bridge across the alley and connecting the Varsity to a building there. He has also considered options for expanding the theatre vertically, adding a full or partial floor above the current roof in order to create more space. But, while these options are *physically* feasible, we believe that they are not *financially* feasible, relative to the likely costs of adapting other potential performing arts center sites in downtown Evanston. We have ultimately concluded that the costs of the workarounds that would be needed to make the Varsity Theatre accessible and to create the additional space it would need for classrooms, scenery and prop workshops and storage, and other ancillary spaces would be greater than the costs of adapting other potential downtown sites. And, without the ability to use the ground-floor storefront space, which would double the available space to roughly 26,000 square feet, the Varsity Theatre building would not be capable of providing adequate space for several performing arts organizations, as would be desirable in an ideal Evanston Performing Arts Center.

The architect who visited the Varsity Theatre at our request has suggested the possibility of carving out 1,500-2,000 square feet or so of ground-floor space from the two commercial storefronts, providing a narrow lobby, staircase, and elevator to access an upper-floor theatre. This could be an exciting design – providing additional display space for the building's ground-floor commercial tenants, for example.

There is another potential complication, however. Because the architectural integrity of the theatre house was significantly compromised by the mid-1980s conversion of the ground-floor space to retail storefronts, and because the proscenium would need to be relocated in order to create a deeper stage, dressing rooms, and other ancillary spaces, and a portion of the remaining decorative plaster would need to be removed in this process, the possibility of the rehabilitation project's being able to use federal historic rehabilitation tax credits is doubtful. The likely inability to use the 20 percent historic rehabilitation tax credit to help finance rehabilitation of the Varsity Theatre building makes its reuse as a performing arts center less financially advantageous than other potential sites in downtown Evanston[3].

10. **There are several sites in downtown Evanston that might be suitable as a performing arts center.**
    In addition to the Varsity Theatre, we identified several sites that might be as suitable for use a performing arts center. There are four sites, in particular, that might be appropriate. Each of these could provide more square footage than the upper floor of the Varsity Theatre building, therefore accommodating a wider range of potential uses:

    - The former Giordano Dance Studio building (614 Davis):
        - 5,690 SF footprint; with three floors redesigned for use as performance, rehearsal, lobby, and ancillary space, this building could provide approximately 17,000 square feet (versus, for reference, approximately 13,500 square feet available in the upper floor of the Varsity Theatre building).
        - Current assessed value: $325,981
        - Within the Washington National TIF district

    - The vacant Borders Books building on Orrington Avenue (1603 Orrington):

[3] The federal government offers a federal income tax credit equal to 20 percent of qualified expenses involved in rehabilitating historic commercial buildings. Through partnership with a tax credit investor, tax credits can be converted to project equity. We spoke about this several times with a representative of the Illinois Historic Preservation Agency who specializes in historic rehabilitation tax credit projects, and his sense is that it might be possible for the project to obtain a lower, 10 percent tax credit, typically available for rehabilitation of non-historic commercial buildings built before 1936.

- Approximately 13,000 SF footprint; with two floors, 26,000 SF
- Current assessed value $148,977
- Adjacent to the Washington National TIF district

- The vacant lot at 605 Davis Street:
  - 6,030 SF footprint, plus an alley access parcel of 817 SF. Not including the alley access parcel, this lot could accommodate a three-story building of approximately 18,000 SF.
  - Current assessed value: $68,904, plus $9,731 for the alley access parcel
  - Within the Washington National TIF district

- 1010-1016 Church Street:
  - 21,624 SF
  - Current assessed value: $606,729
  - Not within the Washington National TIF district

Several task force members have also discussed the possibility of converting the current US post office building at 1101 Davis to an arts center, relocating the US Postal Service's mail processing functions to another location in the community. This building is quite large – it has a footprint of 35,800 SF, and current zoning permits a height of 85 feet – and therefore might be able to house visual arts studios and galleries as well as performing arts spaces. And, because the building is currently exempt from property taxes, converting it to another tax-exempt use would have no impact on municipal property tax revenue. The building's primary drawback (and it is a very significant one) is that the post office has no plans to move and the building is therefore not currently available. Given the US Postal Service's current fiscal and organizational problems, the process of negotiating with the US Postal Service for the building could take a decade or longer, making it an impractical option for Evanston, given the need to move relatively quickly to solidify Evanston's arts niche and prevent attrition.

Working with the project task force, we evaluated the pros and cons of each of these potential sites (including the Varsity) for each of these characteristics:

- TIF-eligibility
- Historic rehabilitation tax credit eligibility

- Property tax impact[4]
- Acquisition timeline
- Affordability
- Size
- Physical configuration
- Ability to accommodate several needs
- Proximity to Metra
- Proximity to parking
- Proximity to restaurants and other amenities

The project task force will continue to evaluate the pros and cons of each of these properties according to each of these characteristics – but, in our own analysis, the Giordano Dance building and the vacant lot on Davis appear to offer the most significant benefits, in that they are both within the Washington National TIF district. Both are slightly larger than the space available in the Varsity Theatre building. The Giordano Dance building has the added advantage of being eligible for historic rehabilitation tax credits. The Davis Street lot is currently paying minimal property tax and a tax-exempt use would therefore not significantly affect municipal property tax revenues; and, with a new, purpose-built building, could be designed to meet the specific needs of several performing arts groups. Its chief disadvantages are that we do not believe its owner is particularly eager to sell the lot, making the acquisition timeline longer (as would be the case with the post office), and that, because it would involve new construction, it would not make use of an existing vacant building. Should the Washington National TIF district be expanded to include 1603 Orrington (immediately abutting the district's border), this property would become eligible for TIF funding and would therefore become a more attractive option.

11. **Public-sector arts funding has been relatively constant for the past decade.**

We compiled data on budgeted and actual municipal expenses and revenues for arts-related activities since 2001 [Table 1]. We found that, when adjusted for inflation, arts-related spending has remained relatively constant over the past decade, with a net cost to the City of roughly $150,000-$250,000 per year.

[4] We have included this criteria in the evaluation process, although we believe that the economic benefits to the City, in terms of increased retail sales; greater attractiveness to new businesses, residents, and visitors; and, ultimately, increased property values would more than offset any loss in property tax revenue that might occur as a result of using a site that currently pays property taxes for a tax-exempt performing arts center.

	Expenses				Revenues			
	Arts Council	Noyes Center	Cultural arts programs	Total	Cultural arts programs	Noyes Cener revenues	Illinois Arts Council regranting grant	Total
2001-02	120,600	213,400	435,500	769,500	n/a	n/a	n/a	n/a
2002-03	114,463	218,351	390,235	723,049	348,879	181,136	13,000	543,015
2003-04	100,000	230,000	426,300	756,300	285,000	210,000	15,000	510,000
2004-05	69,198	276,141	369,280	714,619	445,730	34,536	14,100	494,366
2005-06	60,194	359,168	383,706	803,068	311,288	298,484	14,100	623,872
2006-07	60,059	361,393	409,144	830,596	312,442	294,894	14,700	622,036
2007-08	130,000	289,000	470,600	889,600	292,000	312,400	16,000	620,400
2008-09	78,456	371,179	460,075	909,710	317,983	308,059	12,800	638,842
2009-10	67,373	388,309	461,893	917,575	367,037	331,249	-	698,286
2010-11	93,299	294,446	469,887	857,632	352,425	331,100	8,300	691,825

Table 1: Arts-related municipal expenses and revenues in Evanston, 2001-2011.

A few points worth noting:

- With the exception of the 2010-2011 budget year, the Noyes Cultural Arts Center has operated at a slight deficit, with cultural arts programs generating most of the revenues for the City's arts-related activities.

- As an economic driver, "the arts" are more elusive and difficult to quantify than most other economic drivers. But the arts have a substantial, and growing, impact on Evanston's economy. Yet, their role as an economic driver is not explicit in the municipal budget.

- The City's Cultural Fund Grant Program, administered by the Evanston Arts Council, is quite modest. None of the representatives of performing arts groups with whom we conducted interviews said that the grants they receive from the City have a significant impact on their budgets, and several said they have stopped requesting grants, preferring that the City use the funds to make more strategic arts investments.

12. **Uncertainty about the future of the Noyes Cultural Arts Center is creating difficulties for the performing arts organizations currently housed there.**
    Several times over the past decade (including, most recently, this past spring), the City has considered the possibility of selling the Noyes Cultural Arts Center to help close municipal budget gaps. Although the City has always chosen to retain and continue supporting Noyes, the uncertainty makes it almost impossible for the Center's performing arts tenants to make long-range plans for program or audience growth. This is, of course, exacerbated by frustration over the lack of performing arts space in the community into which these organizations might expand.

13. **Linkages between Evanston's performing arts community and Northwestern University could be stronger.**
    Many of the people we interviewed expressed enthusiasm about recent improvements in the relationship between the City of Evanston and Northwestern University, crediting much of this to collaborative efforts of Mayor Tisdahl and President Shapiro. But many also expressed the hope that the relationship between Evanston's performing arts community and Northwestern could continue to grow. The relationship appears to be a friendly one but, other than occasional rental of performance space by Evanston-based performing arts groups, does not appear to include much collaboration. Among the possibilities mentioned by the people we interviewed were using performing arts space in downtown Evanston for student productions, helping graduates of Northwestern's performing arts programs find jobs or establish arts-related businesses in Evanston, planning occasional joint productions, encouraging student use of vacant downtown storefront space, and collaborative programming and marketing.

- Providing a range of tools and technical assistance to help creative industries grow, develop new markets/audiences, and improve operating efficiencies

- Creating a mix of housing, restaurants, and collaborative businesses to support development of creative industries in downtown Evanston

3. **Move the City's Cultural Arts Division to the Community and Economic Development Department.**
   The City's Cultural Arts Division is currently part of the City's Parks, Recreation and Community Services Department, which manages the Noyes Cultural Arts Center. During our interviews, many people told us they believed that, for a variety of reasons, this might no longer be the best home for the Cultural Arts Division. The primary arguments they made were:

   - Arts in general, and performing arts, in particular, have grown considerably, in both breadth and depth of scope, beyond the point at which they existed when the Cultural Arts Division was originally assigned to the Parks, Recreation and Community Services Department. The City has provided arts education to Evanston residents for decades – but, because of a combination of events and circumstances, Evanston has successfully "incubated" several major performing arts institutions that have now moved out of the realm of "recreation" or "community services" and that have become, or have the potential to become, more significant generators of economic activity for the community.

   - Moving the Cultural Arts Division to the Community and Economic Development Department would streamline the process of interlinking the City's arts and economic development strategic plans.

   To reinforce the distinction between arts as an *amenity* and arts as an *economic development tool*, we therefore recommend that the City reassign the Cultural Arts Division to the Community and Economic Development Department.

   We recognize that a few members of the project task force would prefer that the Cultural Arts Division remain in its current Department, and we understand the rationale for this preference – but, in balance, we believe that, with a data collection system to measure the economic impact of arts in Evanston (*see below*) and

with amendments to the City's economic development strategic plan that more actively use arts as an economic development catalyst, the benefits of shifting the Cultural Arts Division to the Community and Economic Development Department will far outweigh the drawbacks to doing so.

4. **Create and begin using a data collection system to measure the economic impact of arts in Evanston.**
   One of the factors that often impedes development of performing arts facilities (and other arts facilities) is a lack of data about the scope of arts-related economic activity within the community – and, by extension, a lack of awareness of the economic and fiscal benefits of investing in arts institutions.

   In order to better estimate the economic impact of performing and visual arts in Evanston and to better understand the benefits of arts-related public- and private-sector investments, we recommend that the Evanston Arts Council, working in tandem with the Business Development Division of the City's Community and Economic Development Department, Downtown Evanston, the Chamber of Commerce, and other partners, develop and begin using a data collection system to capture annual measurements of arts-related activity in Evanston. This data will be invaluable in tracking the effectiveness of arts development projects and initiatives, in raising money for arts development, and in demonstrating the importance and impact of arts within the community.

   We recommend that the system developed include not just performing arts (music, dance, theatre, spoken word) but also other arts disciplines:

   - Building arts: Architectural design; interior design; landscape architecture

   - Cultural and heritage arts: Historic preservation; architectural restoration; museums

   - Visual arts and crafts: painting, sculpture, photography, mixed media, ceramics, glass arts, metal arts, jewelry design, fashion design, and the galleries

   - Graphic arts: Graphic design, printing, advertising design

- Media and film: Publishing (newspapers, periodicals, books); broadcasting; software design; motion picture and video production/distribution; sound recording

- Culinary arts: Catering; locally owned full-service restaurants; special food stores

The process should begin with a simple inventory of the numbers of businesses and institutions in each of these categories in Evanston, an estimate of the revenues they generate, the numbers of people each of them employs, and an estimate of wages they earn. It should include all workers in creative industries (e.g., clerical and management workers, as well as designers). It should also include people in creative professions working in industries not considered part of the creative sector (e.g., a graphic designer working for a trade association; an architect working for a construction company; a musician working for a church). The data can be expanded, if needed, to include additional measurements, such as volunteer hours donated and numbers of patrons.

We recommend that the survey be updated at least every five years, and ideally every three years.

5. **Commit to making downtown Evanston the center of arts activity within the city.**
   We believe that, assuming a performing arts center is created, it is absolutely essential that it be located in downtown Evanston. The downtown's easy access to public transit, its proximity to workers and residents, its concentration of restaurants, its image as an arts district, its proximity to Northwestern University, the availability of vacant buildings and building lots suitable for a performing arts center, and the presence of municipal services there make it the most strategic and advantageous location. We therefore recommend that the City make a commitment to developing a performing arts center in downtown Evanston, rather than in any other part of the community, and that this commitment be part of the City's vision statement for the arts.

6. **Continue developing downtown Evanston's role as an arts district.**
   Downtown Evanston already has some of the qualities needed to become a strong, vibrant arts district. We recommend that Downtown Evanston and its public- and private-sector partners continue to cultivate the district's role as an arts district, overlaying its roles as a business and government center.

From our experiences with other arts and cultural districts in the US and abroad, we have found that many of the most culturally vibrant and economically successful arts districts share these characteristics:

- Critical mass: The district offers a concentration of arts and cultural resources (theatres, studios, arts-related businesses and industries, etc.) large enough that the public perceives there to be a significant cluster of arts-related places, events, and experiences there.

- Concentrated areas of activity: Districts with several concentrated nodes of arts and cultural activities appear to be more successful in using arts as economic drivers than districts in which arts-related businesses and activities are thinly distributed.

- Synergy: Arts and cultural institutions have close and productive interrelationships with businesses and other institutions within the district, generating customers for one another, helping market one another's goods and services, and serving as customers and/or suppliers for one another.

- Cultural anchors: The district is home to one or more major arts or cultural institutions that serve as anchors or magnets.

- Cultural diversity: In virtually all economically vibrant arts and cultural districts, artists and visitors represent a broad range of ages, cultural and ethnic backgrounds, and economic strata, with interaction and the interchange of ideas helping fuel creativity.

- Identity: The district has a distinctive personality, and its personality is clearly and positively reflected in its public identity.

- Arts visibility: Evidence of the district's artistic and cultural resources is visible in both subtle and bold ways throughout the district, from the design of public spaces and public amenities to the design of window displays.

- Signature events: The district is the site of one or more special events or festivals that are uniquely reflective of the district's personality, that are unique to the community (and that are sometimes unique globally), and that are, or are becoming, community traditions.

- 24/7 activities: There is activity in businesses and on the streets through most of the day, generated in large part by a substantial residential and worker base in the district.

- Partnerships: Although some arts and cultural districts have evolved organically, with the private sector taking the lead, very few districts ultimately succeed without support from a variety of public- and private-sector partners.

- Affordable commercial rents: Affordable commercial rent levels for artists and arts institutions are essential. In some instances, rents might be affordable because of underlying market softness; in others, rents might be made affordable through some sort of public and/or private subsidy. While there are some high-end, high-rent arts and cultural districts in the US and the world, these are generally places where arts and cultural activities are exhibited, rather than where they are created.

- Pathways to jobs in creative industries: Many of the most economically successful arts and cultural districts have developed formal or informal mechanisms to help people find jobs in creative industries.

- Support for the commercial realization of ideas: Artists often lack business development skills. Districts that help artists develop commercial skills, or that help them partner with others with commercial skills, are generally more successful in the long term than those that don't.

7. **Reframe the Varsity Theatre "question".**
   As we mentioned in this report's introduction, we realized relatively early in this assignment that the question of whether the Varsity Theatre might be adapted to serve as a performing arts center for Evanston (and, if so, what the project process might be) was too narrow a question.

   We have concluded that Evanston's needs for performing arts spaces are greater than the Varsity Theatre building alone can accommodate, given that the Varsity Theatre building's ground-floor space is not available for development. We suggest that the question that therefore actually needs to be asked is: What things need to happen in order to strengthen Evanston's regional and national market position as an arts incubator and to use the arts to catalyze new economic growth for the community – and, within that context, how might the needs of the community's performing arts organizations be

met? Focusing on the narrower question seems to be limiting opportunities, rather than expanding possibilities, for developing a more holistic arts-based economic development strategy for downtown Evanston and the larger community.

A complete arts-based economic development strategy might include development of performing and visual arts facilities, housing for artists, incubators and co-working spaces for arts-related businesses; cultivation of supportive businesses and industries; attraction and development of creative-economy and knowledge-economy businesses; use of metrics and innovative capitalization tools to measure and support a fiscally sound arts sector; and a dynamic marketing program that taps the power of the arts to attract and retain businesses, industries, residents, and visitors and to bring new talent to the community.

8. **Create a strategic plan for development of performing arts facilities in downtown Evanston to meet a variety of space needs, and with short-term and long-term actions.**
   We do not believe that any one facility in downtown Evanston (with the possible exception of the post office) could provide the breadth of features for which demand exists. We therefore recommend that Downtown Evanston, the Evanston Arts Council, and their partners plan to develop, and/or to support development of, a variety of performing arts facilities in downtown Evanston, meeting a variety of needs.

   One of these should be the Evanston Performing Arts Center, a facility able to house at least two of the community's premier nonprofit performing arts organizations, plus be available for use by other organizations, on a temporary/rental basis, as timing permits. We recommend that this facility be the top priority and primary focus of those interested in creating a performing arts center in Evanston, and that its priority resident performing arts organizations be the Piven Theatre Workshop and Next Theatre, with space available as schedules permit for other performing arts organizations not necessarily needing permanent space, such as Light Opera Works. We recommend that the former Giordano Dance Studio building, the former Borders Books on Orrington, or the post office be rehabilitated for use as the Evanston Performing Arts Center.

   We recommend that, over the next decade, other performing arts facilities be developed in downtown Evanston, as well. In addition to providing homes for more performing arts organizations, creating

more than one performing arts facility downtown will encourage pedestrian movement throughout the district in the evening, providing exposure for more downtown businesses. The Varsity Theatre building should be among these additional performing arts facilities.

We also recommend that a variety of supportive spaces be developed downtown. These might include:

- Affordable housing for artists, some perhaps designed as live/work space
- Arts-related coworking space (work space with shared equipment, conference rooms, internet service, and other services for groups of writers, artists, consultants, and others working in arts-related industries)
- Soundproof rehearsal rooms available for rent to the public
- Rehearsal and performance space for teens[5]
- A recording studio

9. **Develop the upper floor of the Varsity Theatre building for use as an *additional* performing arts facility.**
   As mentioned earlier in this report, we have concluded that, without use of its ground-floor space, the Varsity Theatre building would not be a good, *affordable* fit for a performing arts group requiring two performance spaces *and* more than a minimal amount of square footage for classrooms, workshop space, storage space, and other ancillary spaces. This means that the building might be a good fit for a single performing arts group needing a 300-500-seat theatre, a smaller studio theatre, and some small offices, but we do not believe that the Varsity Theatre building provides the flexibility needed to house more than one of the performing arts groups currently based at the Noyes Cultural Arts Center.

   We have also concluded that the community's highest priority needs include helping create a permanent home for the Piven Theatre Workshop, Actors Gymnasium, and Next Theatre (all currently housed

[5] For example, Roanoke, Virginia created Music Lab, a downtown music center for teenagers. The center provides musical instruments for teens to use, rehearsal space, and a low-budget recording studio.

at the Noyes Cultural Arts Center, but in need of larger and/or more secure space), providing occasional space for other companies not needing a permanent home (such as Light Opera Works), and, if possible, helping find homes in downtown Evanston for Glass Onion Theatre and Northlight Theatre. The Piven Theatre Workshop or Next Theatre might comfortably fit in the second-floor space of the Varsity Theatre building – but not both, and creating the ancillary spaces that either would need would involve reconfiguring the stage house so extensively that much of the remaining ornamental plaster would be lost, throwing the possibility of using historic rehabilitation tax credits to help finance the project into doubt.

We therefore recommend that the upper floor of the Varsity Theatre building be rehabilitated for use primarily by a single performing arts organization needing two theatres (one in the 299-499 seat range; one a studio/black box theatre). From the information we have gathered, it seems like the renovated second-floor space would best fit the needs of Glass Onion Theatre or Northlight Theatre. However, *affordably* adapting the space for use by one of these performing arts organizations would require these conditions being met:

- Adequate space for a lobby, staircase, and elevator would need to be carved out of one or both of the ground-floor storefront spaces.

- The building would need to be subdivided, with the upper floor sold to a performing arts organization or a theatre management entity (*see Recommendation 10, below*).

- The acquisition price for the upper portion of the building and the ground-floor lobby would need to reflect its unrehabilited condition.

Because of the lengthy time involved in creating a performing arts facility and the high need for performing arts facilities in downtown Evanston, we recommend that, if the upper floor of the Varsity Theatre building is adapted for use as a performing arts facility, a term sheet for the sale of the upper portion of the building and the ground-floor lobby be signed by the end of 2011.

10. **Create a development corporation to oversee the process of developing arts facilities in downtown Evanston.**
We recommend creating a nonprofit development corporation to direct development of the Evanston Performing Arts Center and to

stimulate and assist development of additional arts facilities in downtown Evanston.

There are a number of ways the development corporation might be structured. The historic preservation and affordable housing arenas, both of which have a number of specialized development companies, offer some inspiring examples from which to draw inspiration and ideas. For example:

- The BAM Local Development Corporation, an independent nonprofit organization, converts vacant and underused property near the Brooklyn Academy of Music into visual and performing arts spaces, artists' housing, and public amenities.

- Pittsburgh's South Side Local Development Corporation, created in the early 1980s, has created numerous specialized subsidiary development corporations over the years, each focusing on the need for development of a particular type of property or use. At least one of its specialized subsidiaries eventually spun off into a freestanding organization: the Cool Space Locator, a specialized real estate agency to help businesses find office or store space in the district's older and historic buildings. After 30 years of action, SSLDC has accomplished all its original development goals and has recently announced plans to disband over the course of the next 18 months, transferring ongoing functions to partner organizations.

- The Creative Services department of the Cornwall, UK County Council[6] stimulates and supports development and growth of creative industries in Cornwall. It provides strategic funding for catalytic projects, oversees arts and literature festivals, oversees restoration of key cultural facilities, and serves as the organizing entity for the County's cultural development strategic plan.

We have explored various options for Evanston, and we think that organizing the Evanston Arts Development Corporation as a nonprofit subsidiary of the Evanston Arts Council (assuming the Council is relocated to the City's Community and Economic Development Department) might be the best fit for Evanston, building on existing organizational infrastructure and facilitating collaboration between the arts community and the Business Division of the City's Community and Economic Development Department. There are undoubtedly other organizational models that could work effectively, as well, but we believe that this model would best offer

[6] http://www.cornwall.gov.uk/default.aspx?page=17634

the combination of access to both local government and private-sector expertise, knowledge, and financial resources. In addition, we believe this model could provide a natural link between the community's arts and economic development strategic plans.

The Evanston Arts Development Corporation could become the owner of downtown performing arts facilities, or it could serve as master tenant, or as fee developer of these facilities, depending on the financing characteristics of each deal. In all projects, the Evanston Arts Development Corporation should consult with deal structure attorneys with specialized expertise in historic building rehabilitation and nonprofit development projects in the earliest stages of each project.

Regardless of its organizational structure, we suggest that the Evanston Arts Development Corporation have these characteristics:

- It would be governed by a board appointed by the Mayor and including representatives of the Arts Council, Downtown Evanston, Evanston Community Foundation, Business Development Division, and Planning Department. It should also include representation from the local financial institutions and equity investment firms (for-profit or nonprofit).

- Individuals selected for the board should, in most instances, have strong skills in real estate development and development finance.

- The board should be initially chaired by someone well-known and well-respected within the community, with strong skills in building collaborative working partnerships.

- The development corporation's executive director should be someone with impressive professional experience in community-based property and business development – perhaps someone who has held a key position in a community development corporation or a private-sector real estate development company. Ideally, this person would have experience with projects involving historic rehabilitation tax credits.

Once completed and occupied, the arts development corporation could be given responsibility for day-to-day facilities management, or it might choose to subcontract these responsibilities to a skilled performing arts facilities property manager. We recommend, however, that each performing arts organization using the facility use its own ticketing system.

11. **Fund raising for the new performing arts facilities should cover all construction or rehabilitation expenses and, if possible, should include an operating endowment.**
    One of the barriers that many, if not most, performing arts facilities whose owners or primary tenants are nonprofit organizations eventually face is that of covering annual operating expenses. This can be particularly problematic in performing arts facilities whose sources of project financing include debt. We therefore strongly recommend that fund raising for the Evanston Performing Arts Center cover all construction or rehabilitation expenses. Ideally, fund raising should also include an operating endowment, or the seeds of an operating endowment that can be enlarged within the facility's first few years of operation, of sufficient size that interest from the endowment can cover all or most of the facility's annual operating expenses. This strategy underscores the importance of selecting a site for the performing arts facility that is both within the Washington National TIF district and that is eligible for historic rehabilitation tax credits, providing as much project equity from these two sources as possible.

12. **Create a mechanism for generating funds to support the development and maintenance of performing arts facilities.**
    We recommend that the City create one or two long-term or permanent mechanisms to generate incremental funds to support the development of additional arts venues in downtown Evanston and to augment the operating endowment for the Evanston Performing Arts Center – an option tax levied on downtown restaurant meals, for example, or a ticket surcharge, or both.

13. **Prioritize spaces within the TIF and eligible for historic rehabilitation tax credits.**
    To help finance development, we strongly recommend that, when vetting and selecting the site for the Evanston Performing Arts Center, the project task force prioritize properties located within the Washington National TIF and eligible for historic rehabilitation tax credits. Tax credit equity and TIF funds have been instrumental in providing early, critical funding in the development of many performing arts theatres throughout the country, and have been components of almost all performing arts centers developed in historic buildings within the past decade.

    These two sources of financing can be enormously useful in attracting/leveraging additional investment and in accelerating the

timeline for construction of performing arts centers. Using the former Giordano Dance Studio building as an example, we have outlined a very basic "sources and uses of financing" statement, assuming usable space of 17,500 square feet, rehabilitation costs of $450/square foot, historic rehabilitation tax credit market pricing of 85 percent, and an acquisition cost of $1.9 million:

	Sources of financing	
1	Washington National TIF funds	$ 3,500,000
2	Historic rehabilitation tax credit equity	1,024,000
3	State legislative appropriation	1,000,000
4	Naming rights grant	1,000,000
5	Foundation support	1,500,000
6	Major donor gifts	2,000,000
7	Supporting gifts	3,000,000
	Total	$ 13,024,000

	Uses of financing	
1	Acquisition	$ 1,900,000
2	Construction hard costs (est. 71% of total constr.)	5,591,000
3	Construction soft costs (est. 13% of total constr.)	1,024,000
4	Financing costs (est. 1% of total constr.)	79,000
5	Reserves for replacement (est. 4% of total constr.)	315,000
6	Development fees (est. 11% of total constr.)	866,000
	Total acquisition + construction	9,775,000
+	Operating endowment	3,249,000
+	Total	$ 13,024,000

Not including an operating endowment (*see Recommendation 11, above*), TIF funds and historic rehabilitation tax credit equity might provide approximately 46 percent of the project's financing, vastly boosting the chances of leveraging the additional funding needed from state legislative and private-sector sources and accelerating the development timeline.

Funds in the Washington National TIF are dedicated specifically for use for projects that stimulate economic development within the TIF district. We recommend that the project task force request $5 million in Washington National TIF funds, to be administered by the Evanston Arts Development Corporation (*see Recommendation 10*). We would recommend using $3.5 million of this for development of the performing arts center, with the remaining $1.5 million used for

financial incentives for development of private-sector performing arts facilities in downtown Evanston.

14. **Provide financial incentives for development of additional downtown performing arts facilities.**
    We recommend that $1.5 million of the funds requested for use by the Evanston Arts Development Corporation (*see Recommendation 13, above*) be used to provide financial incentives to stimulate and support development of additional downtown performing arts facilities (including a performing arts facility in the second floor of the Varsity Theatre building). Incentives should be flexible, depending on each viable project's specific needs, but might include grants for predevelopment costs, equity investments, short-term loans, loan guarantees, or grants to cover certain project components.

15. **Create a National Register historic district.**
    The federal government offers federal income tax credits for rehabilitation of historic buildings – "historic" referring to buildings that are individually listed in the National Register of Historic Places or that contribute to the qualifying characteristics of a historic district that is listed in the National Register. It is considerably easier for a property owner to claim and use historic rehabilitation tax credits if his or her building is part of a National Register-listed historic district than to have to go through the process of seeking individual listing. We therefore recommend that Downtown Evanston and its partners pursue creation of a National Register-listed historic district in downtown Evanston, thereby streamlining the process of obtaining tax credits for downtown performing arts facilities that might be developed in "contributing" buildings.

    A historic district must include buildings that share significant architectural, cultural, or historic characteristics and that are, for the most part, physically contiguous. There are a number of ways that a National Register historic district in downtown Evanston might be organized. We recommend that Downtown Evanston, the City's Planning Department, and local historic preservation organization meet with a representative of the Illinois Historic Preservation Agency to discuss the possibility of creating a National Register-listed downtown historic district.

16. **Don't wait for a performing arts facility to materialize before bringing performing arts into downtown Evanston.**

It might be several years before downtown Evanston has a performing arts center in place – but the process of bringing performing arts into the district (as well as increasing the visibility of visual arts) can begin immediately. There are, of course, recent precedents for this in downtown Evanston, from entertainment-related events organized by Downtown Evanston to the Evanston Arts Council's "Art Under Glass" program, which provided storefront display space for visual artists. We encourage Downtown Evanston and the Arts Council, working in conjunction with local performing arts groups and visual artists, to expand this type of programming, strengthening public perception of downtown Evanston as the center of the community's arts activity.

The four questions, summarized

Is there, in fact, a need for a performing arts facility in Evanston?
Yes, there is large, and growing, need for performing arts space in Evanston.

If so, what type of facility is needed, and what might its ideal location be?
The community needs a variety of performing arts spaces. The most critical needs are for:

- Permanent homes for the performing arts groups that have been "incubating" in the Noyes Cultural Arts Center – Actors Gymnasium, Next Theatre, Piven Theatre Workshop. Each of these three groups needs its own, dedicated space.

- A permanent home for Northlight Theatre, which is interested in moving to Evanston.

- Space that can be used on an as-needed basis by a variety of other performing arts organizations, including Glass Onion Theatre. This space should include a mid-size mainstage with approximately 300-400 seats, plus a flexible, 100-seat studio theatre.

The performing arts center should be downtown and, ideally, within the Washington National Tax Increment Financing District. Converting a historic building for use as a performing arts center would make it possible to use historic rehabilitation tax credits to help finance its rehabilitation (assuming architectural plans are approved by the Illinois Historic Preservation Agency and the National Park Service) and would therefore be beneficial, as well.

Might the Varsity Theatre building fit this need?
Without the use of its first floor, we do not believe the Varsity Theatre building can adequately meet the community's core needs for a performing arts space. And we do not believe it would be cost-effective, relative to conversion of other buildings or relative to new construction, to extend the Varsity's upper floor across the alley or to build upward.

If not, what site might better fit this need, and what might the best use (or uses) be for the Varsity Theatre building?

While opinions about the pros and cons of various alternative downtown sites for the Evanston Performing Arts Center vary slightly, we believe the former Giordano Dance Studio building offers the greatest benefits as a potential site for the Center, with the former Borders Books building on Orrington and the current post office also being contenders.

Without the use of its first floor, we do not believe the Varsity Theatre building is an economically feasible contender for use as the Evanston Performing Arts Center, but it could provide additional performing arts space for additional performing arts organizations. We have concluded that it *could* meet one of two needs:

- It could offer a good fit for Northlight Theatre, Glass Onion Theatre, or Next Theatre and, on a rental basis, for the shorter-term needs of other performing arts groups.

- It might be possible for some combination of two of these three performing arts organizations (most likely Glass Onion Theatre and Next Theatre) to share the space, carefully coordinating performance and rehearsal calendars.

Should the Varsity Theatre building's owner decide within the next several months to make the ground-floor spaces available, the building could then include classrooms and an additional studio theatre, making it feasible to adapt the building to be the permanent home of *two or three* space- and schedule-compatible performing arts groups (some combination of Piven Theatre Workshop, Next Theatre, Northlight Theatre and Glass Onion Theatre), with others renting space, on an as-available basis.

Sources of information

In addition to the information we gathered from the interviews we conducted and the meetings in which we participated, we reviewed dozens of documents, articles, and reports during the course of this assignment. Among these:

Annual budgets of the City of Evanston[7]

Business plans for proposed performing arts theatres in Evanston and vicinity from 1980-2010

City of Evanston Strategic Plan, adopted by the Evanston City Council in March 2006

Evanston Plan 2030: Comprehensive Plan Priority Issues

Northwestern University's 2009 *Evanston Campus Framework Plan*

An Overview of Cultural Infrastructure in the United States, 1994-2008, a working paper by Joanna Woronkowicz, The University of Chicago, February 1, 2011

Study of Local Arts Agencies: A Case of Local Government Support of the Arts, by Cheryl R. Hughes, August 2010

Working Together, a research project of the Illinois Arts Alliance in cooperation with the Evanston Community Foundation, based on a survey conducted in late 2005, with results published in 2006

Responses from a survey of Evanston performing arts groups conducted in 2008 by the Evanston Arts Council

Various notes and drawings from the Evanston Arts Council's 1997 exploration into the possibility of creating an Evanston Performing Arts Center and from plan concept sketches for the Varsity Theatre prepared by Holabird + Root, Inc. in 1998

Numerous news articles from the *Daily Northwestern* and *Evanston Review*

[7] http://www.cityofevanston.org/city-budget/prior-year-budgets/fiscal-year-2011/

Appendix 1:

Historic rehabilitation tax credits

The federal government offers two federal income tax credits to encourage and facilitate the preservation of historic buildings: a credit equal to 20 percent of qualified rehabilitation expenses for historic buildings, and a credit equal to 10 percent of qualified rehabilitation expenses for non-historic buildings built before 1936. In both instances, buildings must be income-producing property; the credits are not available for owner-occupied residential property. Also, the rehabilitation must be "substantial", meaning that its qualified rehabilitation expenses must be equal to or greater than the adjusted basis of the building or $5,000, whichever is greater. In the case of the Varsity Theatre building, meeting the "substantial rehabilitation" test would therefore not be a problem.

In order to obtain the 20 percent credit, a building owner files a three-part form with the state historic preservation office and National Park Service, which jointly administer the preservation aspects of the tax credit program (the IRS administers the tax portion of the program). Part I certifies that the building is, in fact, historic. Part II outlines the proposed rehabilitation work, which must follow the Secretary of the Interior's Standards for Rehabilitation. Part III, which is filed when the project is completed (or is nearing completion) certifies that the rehabilitation work has been completed as intended. When the Part III form is approved by the National Park Service, the Park Service issues a certificate that the taxpayer then files with his, her, or its federal income tax return In order to claim the credit.

The federal rehabilitation tax credits reduce the bottom-line income tax liability of the taxpaying entity that owns the property. The credits can be carried backward one year and carried forward 20 years, in the event the taxpayer does not have enough income tax liability to use the credits completely the year the building is placed in service.

There are passive activity limitations that effectively restrict the use of tax credits to offset tax liability from active income sources. Most corporations and real estate professionals are not subject to this limitation, however. For this reason, it is often advantageous for a property owner to convert the tax credit to project equity by forming a for-profit partnership (typically a limited liability company) with an investor not subject to these restrictions and with income tax liability against which to apply the credits. Nonprofit organizations that own tax credit-eligible buildings but that, because of their nonprofit status, do not

have income tax liability also often choose this path in order to convert credits they could not otherwise use into project equity. The partnership allocates a disproportionate percentage of the tax credit, depreciation, mortgage interest deduction, and related expenses to the investor partner, who also receives cash flow and other benefits for the period of time the partnership exists. In return, the investor invests equity into the project at project benchmarks specified in the term sheet the partners negotiate (e.g., approval of the NPS Part II, or issuance of a certificate of occupancy). The amount of equity invested is typically a percentage of the value of the tax credit (in recent tax credit deals of a size similar to that of the Varsity, the amount invested has ranged between 85-95 percent of the value of the tax credit). The amount invested depends on factors like project size, perceived risk, and competition for tax credits; the amount is negotiated between the owner/developer and the investor and stated in the term sheet.

In order to qualify for the 20 percent credit, a building must be individually listed in the National Register of Historic Places or must be a "contributing" building in a historic district listed in the National Register. Because much of the original architectural fabric in the Varsity Theatre's ground floor was removed and the facade substantially altered when the first floor of the building was converted to storefront space in 1986, it is unlikely that the building could be individually listed in the National Register of Historic Places. So, in order for the building's rehabilitation to obtain the 20 percent tax credit, the building would need to be in a National Register-listed historic district. We believe that the section of the downtown district in which the Varsity is located would likely qualify for the National Register, and creating and listing a historic district could benefit other downtown property owners, also - but the process of creating a district can be time-consuming, requiring considerable research on the history of the buildings, expert descriptions of their significance (architectural, historic, and/or cultural) and of the overarching characteristics that create a cohesive district, and paperwork reviews and approvals by the state historic preservation office (the Illinois Historic Preservation Agency).

But, there is another potential complication for the Varsity. Many of the character-defining features of the theatre's original interior are still intact in the upper portion of the building, above the ground-floor storefronts. The decorative plasterwork, emulating the facade of a French chateau, is largely intact; the upper portion of the proscenium arch, above the 1986 floor, is still in place; the handsome ballroom and lounges overlooking Sherman Avenue, the projection booth, and smaller storage rooms and offices are still there. Reconfiguring the stage house, balcony, ballroom, and ancillary rooms to move the proscenium forward and to create the ancillary rehearsal rooms, storage rooms, dressing rooms, green rooms,

and offices needed for most of Evanston's performing arts groups would substantially alter the interior configuration of the theatre and would conceal or destroy some of these architecturally significant features, and such modifications would almost certainly make the project ineligible for the 20 percent historic rehabilitation tax credit.

Our research, however, suggests that the greater need in Evanston is for several small- to mid-size theatres with adequate classrooms and rehearsal space, rather than for a single small and mid-size theatre with limited or no classroom and rehearsal space. For this reason, we recommend that, should rehabilitation and reuse of the Varsity Theatre move forward, the project pursue the 10 percent tax credit, rather than the 20 percent credit, as the 10 percent credit involves considerably fewer restrictions and more design latitude. It is certainly worth asking the Illinois Historic Preservation Agency to review the rehabilitation plans developed for the Varsity in the event it might that they qualify for the 20 percent credit – but it is ultimately more important that the building rehabilitation meet the space configuration needs of the community's performing arts than gain the additional project equity the 20 percent credit would provide.

The 10 percent tax credit does not require compliance with the Secretary of the Interior's Standards for Rehabilitation[8], but there are some requirements concerning the amount of original architectural fabric that must remain in place. In particular, at least 50 percent of the building's original exterior walls must be retained as external walls; at least 75 percent of the building's external walls before rehabilitation must be retained as either internal or external walls; and at least 75 percent of the building's internal structural framework must be retained. It will be important that these "wall tests" be met in the Varsity's rehabilitation plans.

In addition, while rental residential units are permitted in projects using the 20 percent credit, only non-residential commercial uses are permitted in projects using the 10 percent credit. As the rehabilitation of the Varsity for use as a performing arts facility would not include housing units, this would not be an issue.

There are a few other restrictions that apply to both the 10 percent and 20 percent credits – in particular, a "disqualified lease" restriction. If a building that qualifies for either of the two rehabilitation tax credits is

[8] To claim the 10 percent tax credit, the building's owner simply completes IRS Form 3468 and attaches it to his, her, or its (in the case of a corporate entity) tax return.

owned by or leased to a nonprofit entity (including a government agency), the nonprofit entity cannot then enter into a "disqualified lease" for more than half of the property's square footage. A lease is considered "disqualified" and is treated as tax-exempt use property if:

- An entity that is organizationally related to the property owner provides financing whose interest is tax-exempt to the project. So, for example, if a city government agency owned a historic building and issued tax-exempt bonds for its rehabilitation, it would be restricted from leasing more than 50 percent of the building to a nonprofit organization.

- The lease includes a "fixed or determinable" price for buying the building.

- The lease term is longer than 20 years (including management agreements, which can be considered leases, and leases that include options that would extend the total lease term beyond 20 years).

- The lessee used the property prior to the lease's execution.

Since it is very likely that the performing arts groups that might use the Varsity would be nonprofit organizations, it would almost certainly be necessary to use a master tenant tax credit deal structure, with the owner-investor partnership executing a long-term lease with a for-profit master tenant who would operate the building.

There are several situations in which the federal government can recapture tax credits awarded to a project within five years of the date the rehabilitated building is placed in service. In particular, if property ownership changes during that five-year period, the tax credits will be recaptured. Because of the possibility (albeit unlikely) that the project's financing might default and the mortgage holder might become the building's owner, triggering recapture of the credits because of the consequent change in ownership, virtually all tax credit investors require that the building itself not be used as collateral for any mortgages or other loans. For historic theatres and similar projects in which it might not be possible to charge tenants market-rate rents, we highly recommend that project fund raising cover all rehabilitation costs, less tax credit equity (and, if possible, also provide for an operating reserve), so that the project does not require a mortgage and collateralization is therefore not an issue.

There is another important reason for raising all project funding up front: with the recent economic downturn, corporations previously active in historic rehabilitation tax credit partnerships now have less taxable

income to offset with credits, and the market for historic rehabilitation tax credits has therefore become much more competitive. Tax credit investors and syndicators are significantly more likely to favor projects whose end users have solid balance sheets, healthy cash reserves, and positive income potential (not usually the case with performing arts organizations) and projects with little or no construction debt. In order to attract a tax credit investor, the Varsity Theatre's rehabilitation would almost certainly need to be debt-free.

In summary, in order to use historic rehabilitation tax credits for the Varsity as a performing arts facility, we recommend:

- that the project pursue the 10 percent federal historic rehabilitation tax credit, rather than the 20 percent credit, in order to have greater design flexibility;

- that the building be condominiumized, separating the ground-floor commercial space and the upper-floor theatre space into two separate legal entities;

- that the tax credit partnership use a master tenant deal structure; and

- that fund raising cover all rehabilitation costs, other than the amount that will be contributed by tax credit equity and tax increment finance, and an operating reserve.

New Markets Tax Credits

The federal New Markets tax credit program was launched in 2000 to attract capital for commercial development projects to underserved neighborhoods and commercial centers. The credit is equal to 39 percent of the investments made by tax credit investors for qualified commercial development projects.

There are several key differences between New Markets tax credits and historic rehabilitation tax credits:

- Unlike the historic rehabilitation tax credit, which is claimed by the entity that owns the property, New Markets tax credits are awarded to intermediary organizations certified by the US Department of the Treasury. These organizations – Certified Development Entities, or CDEs – then pass the credits to investors who, in turn, make equity investments in the CDE. The CDE then uses this money to make loans or equity investments in qualified commercial development projects.

- Historic rehabilitation tax credits are claimed in the tax year that the project is placed in service. New Markets tax credits are awarded over the course of seven years – five percent in each of the first three years, and six percent in each of the next four years. Because of the time value of money, this reduces the effective credit percentage to around 30 percent. In projects that combine historic rehabilitation tax credit and New Markets tax credits, this also extends the recapture period from five years to seven years.

- Unlike the situation with historic rehabilitation tax credits, which have no cap, the federal government authorizes only a certain quantity of New Markets tax credits each year. In 2011, the Department of the Treasury issued $3.5 billion in credit authorization. Competition for New Markets tax credits is intense; applications for the 2011 authorization round totaled more than $23.5 billion.

In order for a project to qualify for New Markets tax credits, a project must be located in a Census tract whose median family income is lower than that of the community or state, whichever is lower. We have checked the eligibility of the Census tract in which the Varsity Theatre is located[9], and, according to the 2000 *Census of Population,* projects within this Census Tract are eligible for New Markets tax credits. At the time of this report, Census tract-level data for the 2010 *Census of Population* had not yet been released. It is likely that, with the influx of new market-rate housing in downtown Evanston since the 2000 *Census* was conducted, the Census tract in which the Varsity Theatre is located will no longer be eligible for New Markets tax credits.

Assuming, however, that the poverty rate within this Census Tract as of the 2010 *Census* still qualifies the Census Tract for New Markets tax credits, it is likely that the poverty rate will be relatively low (it was 21.1 percent in the 2000 *Census*) compared with many other New Markets-eligible Census tracts throughout the nation. Because the New Markets tax credit program is intended to create jobs in under-served districts and to create opportunities for people of modest means, it would be important (if the Census Tract were to continue to meet the New Markets tax credit program's family income criteria) to demonstrate that the Varsity's rehabilitation and reuse as a performing arts center would have significant benefits in terms of job and business creation for low- and moderate-income individuals. So far in the relatively brief history of the New Markets tax credit program, theatres have a moderately good track record in demonstrating these benefits, due to their tendency to create stronger demand for restaurants and other businesses that typically employ low- and moderate-income workers.

[9] Census tract # 17031809400

New Markets tax credits can be used in numerous ways – to buy down mortgage interest rates, for example, or to provide dedicated capital for certain types of improvements. In almost all of the theatre rehabilitation projects that have combined historic rehabilitation tax credits and New Markets tax credits since the New Markets program's inception, project equity (primarily historic rehabilitation tax credit equity) has been used to leverage additional equity investments from New Markets tax credits. As is the case with historic rehabilitation tax credits, the amount of equity invested is negotiated based on project scale, perceived risk, market competitiveness, and similar characteristics.

Appendix 2:

Communities of comparable size, and some of their performing arts centers

City	State	2009 pop	Performing arts center(s)
Davie	FL	79,853	University Center for the Performing Arts; Miniaci Performing Arts Center
Decatur	IL	79,842	Lincoln Square Theatre
Canton	OH	79,772	Canton Palace Theatre; Cultural Center for the Arts; Kathleen Howland Theatre;
Beaverton	OR	79,768	Beaverton Performing & Visual Arts Center
Camden	NJ	79,685	South Jersey Performing Arts Center
Clifton	NJ	79,626	
Tuscaloosa	AL	79,149	Bama Theatre
Roswell	GA	79,031	
Buena Park	CA	79,015	Orange County Performing Arts Center
Longmont	CO	78,694	Longmont Performing Arts Center
Ogden	UT	78,641	Perry's Egyptian Theatre; Browning Center for the Performing Arts
Newport Beach	CA	78,096	Newport Theatre Arts Center; Balboa Performing Arts Theatre; Segerstrom Center for the Arts
Southfield	MI	77,859	Millennium Theatre Center
Evanston	IL	73,421	
Baldwin Park	CA	77,828	Baldwin Park Performing Arts Center
Boca Raton	FL	77,411	Mizner Park Auditorium
Lake Forest	CA	76,942	Le Polynesia Cultural Performing Arts Center
Somerville	MA	76,922	Nexus Theater Center; The Center for Arts at the Armory
Danbury	CT	76,917	Heirloom Arts Theatre; The Palace Theatre; Charles Ives Center for the Performing Arts
Livermore	CA	76,629	Livermore Valley Performing Arts Center
Arlington Heights	IL	76,422	Metropolis Performing Arts Centre
Albany	GA	76,325	Albany Municipal Auditorium
Hillsboro	OR	75,945	Walters Cultural Arts Center; Hillsboro Artists' Regional Theatre; Hart Theatre
Kalamazoo	MI	75,858	Kalamazoo Civic Theatre; Carver Center; Cheney Auditorium
Elk Grove	CA	75,175	Laguna Creek Performing Arts Center
Napa	CA	75,032	
Las Cruces	NM	75,015	Rio Grande Theatre
Lee's Summit	MO	74,948	Arnold Hall (in progress)
Schaumburg	IL	74,919	Schaumburg Prairie Center for the Arts
Murfreesboro	TN	74,894	Murfreesboro/Rutherford County Center for the Arts
Scranton	PA	74,712	Scranton Cultural Center
Bellflower	CA	74,525	
Clovis	CA	74,503	Clovis Performing Arts Center
Redwood City	CA	74,453	Fox Theatre
Longview	TX	74,330	Belcher Performing Arts Center

Pawtucket	RI	74,033	
Round Rock	TX	73,858	Round Rock Performing Arts Center
Melbourne	FL	73,804	King Center of the Performing Arts; Henegar Center for the Performing Arts
Temecula	CA	73,793	
Deltona	FL	73,788	
Sparks	NV	73,730	Pioneer Center for the Performing Arts
West Jordan	UT	73,355	
Yakima	WA	73,298	Historic Capitol Theatre; Yakima Allied Arts Center
St. Joseph	MO	73,148	Missouri Theatre; Grace Center of Performing Arts
McKinney	TX	73,081	McKinney Performing Arts Center
Alameda	CA	72,927	
Gulfport	MS	72,511	
Wilmington	DE	72,503	The Grand Opera House; Brandywine Center for Dance and the Performing Arts
New Rochelle	NY	72,472	
Lawrence	MA	72,451	Lawrence Arts Center
Chino Hills	CA	72,295	
Bethlehem	PA	71,749	Pennsylvania Playhouse
New Britain	CT	71,589	
Lynwood	CA	71,387	
Upland	CA	70,983	Moultrie Center for the Performing Arts
Victorville	CA	70,828	High Desert Center for the Arts
Lake Charles	LA	70,726	
Largo	FL	70,650	Largo Cultural Center
Appleton	WI	70,633	Fox Cities Performing Arts Center
College Station	TX	70,550	
Edmond	OK	70,540	Upstage Theatre and Performing Arts Studio; Armstrong Auditorium
Kenner	LA	70,502	Fusion Performing Arts Center
Bellingham	WA	70,480	Firehouse Performing Arts Center
Wyoming	MI	70,328	
Mountain View	CA	70,046	Mountain View Center for the Performing Arts