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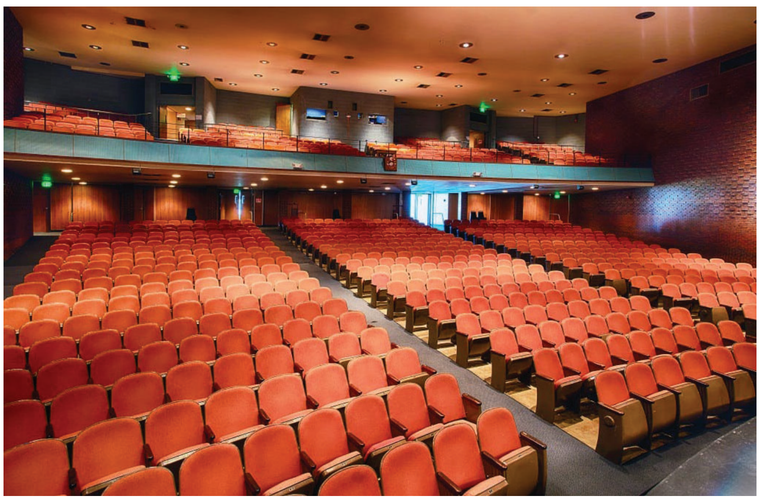
MAY BONFILS STANTON THEATER FEASIBILITY STUDY PUBLIC REPORT



Prepared for:

Westside Investment Partners;
Denver Council District 2;
Denver Arts & Venues; and
Bonfils-Stanton Foundation (the Project Team)

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SUMMARY REPORT.
May Bonfils Stanton Theater Feasibility Study
Keen Independent Research LLC

Keen Independent Research LLC (Keen Independent) performed the 2019 May Bonfils Stanton Theater Feasibility Study for Westside Investment Partners, Denver Council District 2, Denver Arts & Venues and Bonfils-Stanton Foundation. This summary report provides an overview of the project and presents key findings. Supporting appendices explain the analyses performed in this study.

Background

The May Bonfils Stanton Theater has a long history, as described below.

History of the Loretto Heights (Colorado Heights University) campus. The May Bonfils Stanton Theater is located on the closed Colorado Heights University campus in the Loretto Heights area of southwest Denver. This campus was founded in 1891 and became a private school named Loretto Heights Academy. In the 1980s, Teikyo University Group bought the campus and took over operations. The college eventually became known as Colorado Heights University. In 2016, Teikyo announced that it would close the school and subsequently sold it to Westside Investment Partners.

Westside Investment Partners is currently working with the City and County of Denver to plan a new mixed-use housing, office space and entertainment development on the campus.

History and conception of the May Bonfils Stanton Theater. The May Bonfils Stanton Theater is a 1,000-seat proscenium style theater that was originally dedicated in April 1963. It has been primarily used for graduation ceremonies, dances, recitals and conferences. Although currently closed to the public for rentals, it recently hosted the Colorado Symphony Orchestra for a one-night only event in October 2018.

The theater's namesake, May Bonfils, was the daughter of Frederick Gilmer Bonfils, principal owner of the Denver Post. As one of the heirs to the Bonfils fortune, she became a philanthropist in many areas benefitting Colorado. Promoting arts and culture in Colorado was one of her forms of philanthropy, and the Loretto Heights College was a beneficiary.

Feasibility study. In January of 2019, Keen Independent was retained by the Bonfils-Stanton Foundation, Denver Council District 2, Westside Investment Partners and Denver Council District 2 (Project Team) to conduct a feasibility study for the May Bonfils Stanton Theater. Theatre Consultants Collaborative, Victor Gotesman Performing Arts Facilities Planning and Venue Cost Consultants were subconsultants to Keen Independent (collectively, the "study team" for this project).

Feasibility study components include the following:

- Inventory/analysis of existing and proposed southwest metro Denver area performing arts and entertainment venue capacity, demand, expected future market gaps and recommendations to fill that gap;
- Analysis of current and proposed southwest metro Denver area performing arts companies' demand and audience demand through the analysis of ticket sales and price points currently utilized;
- Facilitate workshops, focus groups or interviews with performing arts organizations, concert promoters and other potential users to evaluate venue utilization;
- Identify other types of uses — weddings, special events, etc. — that could support operational sustainability;
- Establish conceptual program, character, demand and basic operational requirements for the venue;
- Establish the building improvements and systems required for venue operations;
- Develop operating revenue and cost structure recommendations for the venue(s) which maximize accessibility/affordability for community performing arts organizations and other users; and
- Create an ownership and governance structure that makes for a sustainable theater operation.

Market Area Demographics

The May Bonfils Stanton Theater would serve a large and growing market area. Key demographic results are summarized below with supporting documentation in Appendix A.

There is a large number of people living within the market areas for the theater. Keen Independent examined the 2017 population of different market areas for the theater:

- There are over 250,000 people living within a 10-minute drive of the theater (the primary market area);
- About 750,000 people live within a 20-minute drive (combined primary and secondary market area); and
- There are over 3.3 million people residing within about a 30-minute drive (the tertiary market area, which also encompasses the primary and secondary market areas).

Primary market is growing at a faster rate than national average. Between 2012 and 2017, the population of the primary market area grew at a rate of 1.3 percent per year. This outpaces the national average of 0.7 percent per year for the same time period. This growth trend is typical for the Denver metro area, which has seen substantial growth in the past fifteen years and is projected to grow by one-third between 2017 and 2050.

Strong Hispanic and Latino presence in primary market. In 2017, 38 percent of the population of the primary market identified as Hispanic.

Secondary market is the highest income market area. In 2017, the median household income for the secondary market area was nearly $100,000.

Entertainment spending in Denver metro area is higher than western average. Average annual entertainment spending in Denver is higher than the average annual entertainment spending of the western region of the United States.

Competing Venues within the Marketplace

The May Bonfils Stanton Theater is well positioned in the southwest Denver area marketplace and would fill a gap in the market for 1,000-seat theaters. Supporting documentation for these findings are in Appendix B.

The theater is well positioned geographically to serve the southwest Denver metro area. The theater is located within the southwest Denver area, with few other performing arts venues of similar size, capacity and capability in that area. Nearby arts organizations reported renting theaters that are too small or farther away (driving 45 minutes or more).

Competition from 800- to 1,000-seat performing arts venues in Denver is relatively low. The only nearby performing arts venue of similar size and capabilities has limited availability for new rental clients. Local arts organizations struggle to find an affordable similar-sized venue in the southwest Denver metro area.

Denver is currently seeing an influx of new and proposed performing arts venues. Although the May Bonfils Stanton Theater has favorable positioning, threats to its future success are beginning to emerge. Proposed performing arts venues in Thorton, Northglenn, the RiNo District and at the Central Library could affect the theater's utilization.

Renovation

The study team analyzed the current condition of the May Bonfils Stanton Theater and made recommendations for renovations. Note that the study team only evaluated the theater and did not evaluate any other facilities or spaces on the Loretto Heights campus. Further details can be found in Appendix D.

The theater needs substantial renovation to restart operations.

- The building needs upgrading in all areas including aesthetics and finishes.
- Hazardous materials must be removed.
- The number of public restroom facilities needs to nearly double to meet current industry standards.
- Mechanical, electrical and plumbing systems may need replacing.
- The community identified many of these needs without seeing the renovation study.

Theater technology is in poor condition and is out-of-date.

- The theater needs new soft goods, lighting, audio and video systems.
- Stage rigging system requires a significant upgrade and replacement of parts
- Orchestra pit lift may need only maintenance and minor upgrading.

Theater seating needs updating, and seats may need to be reduced to meet ADA standards.

- The audience seating will need to be replaced in total.
- The seat count may need to be reduced to approximately 850 to 900 seats to allow for increased seat widths and row-to-row spacing. Some former renters of the theater reported that their ideal theater would have 800-900 seats.

Access and parking will need to be improved.

- Accessing the loading dock by semi-trailer vehicles is difficult
- Approximately 400 parking spaces are needed. This currently cannot be accommodated on campus.
- Passenger elevators and handicap ramps will be necessary.
- The community understands that there is a need to increase ADA compliance and accessibility.

Many in the community wish to preserve the historical integrity of the building. The community has a nostalgic feeling towards the theater based on input from local residents. They recognize the theater's architectural significance and want it preserved.

Renovation Cost

The study team also examined potential cost of renovation. Venue, the costs consultants for the study, prepared the estimates presented in Appendix E. Note that these are only estimates and may change depending on future project scope and methodology of construction procurement (City versus private procurement). Although this is a program-driven budget principally based on functional areas, Theatre Consultants Collaborative marked up existing building drawings to help determine renovation scope and layout.

Methodology. Venue prepared a cost model based on the function of areas contained in the gross floor area program of the theater. Other building, performance equipment, acoustical and site conditions were also considered. Roof repair and parking construction costs are not included.

Total estimated cost. The estimated total renovation cost is $22 million, in January 2021 bid dollars.

Operating Plan

This section summarizes an operating model for a renovated May Bonfils Stanton Theater, and the pros and cons with utilizing this model. This plan for the theater can be found in Appendix F.

Governance. The study team recommends that the entity that would govern the theater, studio spaces, administrative offices and other amenities located within the building would be responsible for the operation of the theater, mission oversight, policy formulation and control, finances, fundraising and planning.

Programming should be curated to reflect the community the theater serves. The community desires a wide variety of artistic offerings that are culturally diverse and reflective of the demographics of the primary market. Therefore, the operating plan recommends a curatorial approach to the theater's programming consisting of:

- Performances by resident organizations;
- Internal artistic and cultural programming produced by the governing entity;
- Presented artistic programming that is imported into the theater; and
- Rental events.

Finances. The projected annual operating budget for this plan is about $1.2 million (in 2019 dollars). The pricing structure includes different rates for non-profit and for-profit rentals to make the theater more affordable for non-profit organizations (also desired by the local community).

Income was estimated as being 65 percent earned income and 35 percent contributed income, which is a typical non-profit income model. This means that the theater will likely need some financial support from donations, grants, sponsorships and/or governmental entities.

Limitations

This report was prepared for the Project Team regarding feasibility of renovating and operating the May Bonfils Stanton Theater at Loretto Heights. This study may not be used for purposes other than that for which it was prepared.

Keen Independent and its subconsultants are not responsible for inaccuracies in reporting by the Project Team, its representatives, the community or any other data source used in preparing or presenting this study. This report is based on information that was current as of June 21, 2019, and Keen Independent has not made any updates since this date.

All physical programming, renovation recommendations and cost calculations are based on individual team member expertise and industry standards but have not been certified by a qualified engineer or architect. (Keen Independent and its subconsultants are not qualified engineers or architects.)

This study is qualified in its entirety and should be considered within the context of these limitations, conditions and considerations.

APPENDIX A.
Demographics and Market Analysis

This appendix provides an overview of Denver Metropolitan Area population forecasts and describes the market area for the May Bonfils Stanton Theater.

Denver Population Forecasts

Keen Independent examined population forecasts for the Denver Metropolitan Area developed by the Colorado State Demography Office and by the Denver Regional Council of Governments (DRCOG).

The State prepares forecasts for the Denver-Boulder Region, which consists of Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson counties. The Denver Regional Council of Governments' "regional" projection is for the Denver Transportation Management Area (TMA), which excludes eastern portions of Adams and Arapahoe counties, but includes a portion of Weld County. There is little difference in current population between these two definitions of the Denver Metropolitan Area (both estimate the 2017 population at about 3.2 million).

Total population. The State forecasts the Denver Metropolitan Area population to grow from 3.2 million people in 2017 to slightly more than 4.2 million by 2050, about a one-third increase in total residents. These forecasts indicate slower population growth, particularly between 2030 and 2050, than recent rates.

The State forecast suggests slower growth over this time period than the DRCOG projection, which shows population increasing to about 4.3 million by 2040. Between the two forecasts, Keen Independent used the State's more conservative estimates. If the DRCOG projections are more accurate, the Denver Metropolitan Area will grow to 4.2 million people 10 years sooner.

Figure 1-1 on the following page compares the Denver Metropolitan Area population in future years with the current population of other large metropolitan areas across the country. By 2030, the Denver Metropolitan Area will reach the current size of the Seattle and Minneapolis-St. Paul metropolitan areas. By 2050, the Denver Metropolitan Area will be about the same size as the current Boston and San Francisco-Oakland metropolitan areas. Each of these four metropolitan areas have similar educational profiles to the Denver area, which is a major determinant of per-capita attendance for the performing arts examined in this study. Therefore, examining current demand for performing arts in these cities is useful when thinking about the demand for performing arts as the Denver area grows.

Figure 1-1 also shows that the 2050 Denver Metropolitan Area will likely remain substantially smaller than the current population of the Chicago; Dallas-Ft. Worth; Houston; Washington, D.C.; Philadelphia and Atlanta Metropolitan Areas (and New York and Los Angles Metro Areas, which are not shown). The Denver area will likely not reach current demand for performing arts in these markets by 2050, even with projected population growth.

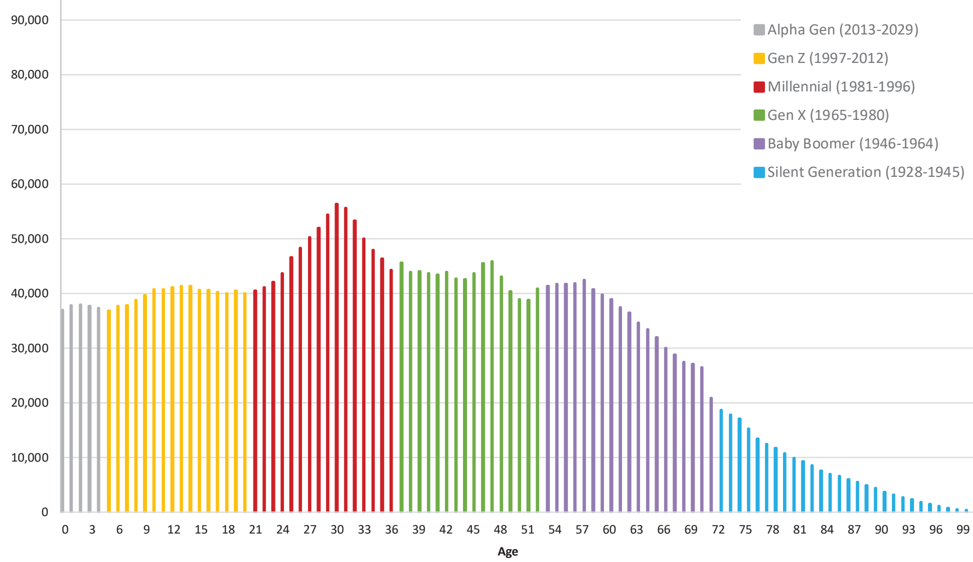
Figure 1-1.
Denver Metropolitan Area population, 2010-2050

Source: State Demography Office, Colorado Department of Local Affairs and U.S. Census data for other metropolitan areas.

Population by age in 2017. Another factor influencing demand for performing arts is the number of people by age. Figure 1-2 on the following page shows the age distribution for the Denver Metropolitan Area for 2017. The graph separates the population according to several different widely-recognized generation groups, beginning with the Silent Generation (born between 1925 and 1945) to Generation Alpha (born in 2013 and later years). For certain ages of people in the Millennial generation, there were more than 50,000 residents living in the Denver Metropolitan Area.

The Denver Metropolitan Area rapidly grew in the 1970s and 1980s largely due to net in-migration of Baby Boomers. Baby Boomers had children plus more young adults moved to the region, which now makes the Gen X, Millennial and Gen Z generations large segments of the local population.

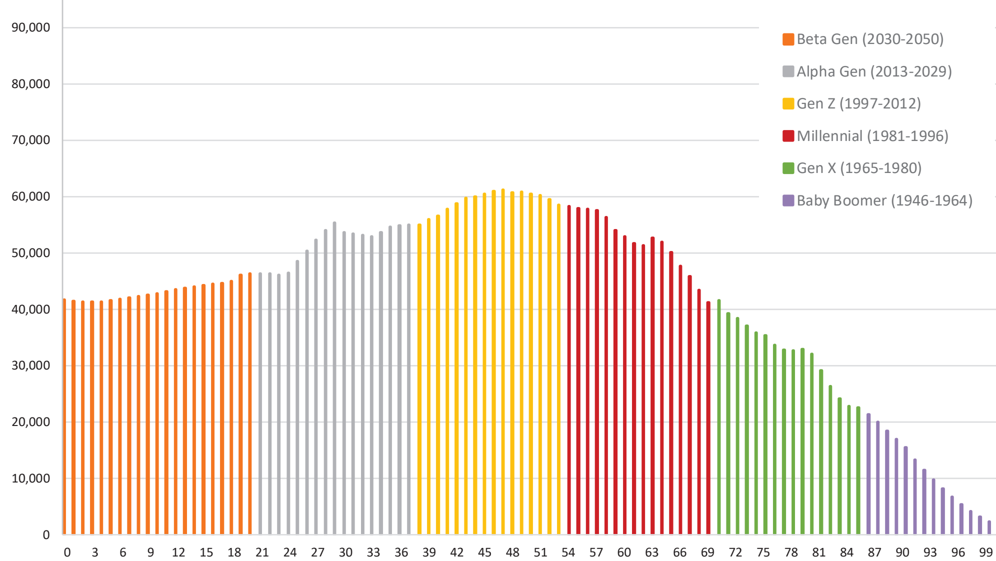
Figure 1-2.
Persons by age for the Denver Metropolitan Area, 2017



Source: State Demography Office, Colorado Department of Local Affairs.

Population by age in 2050. Figure 1-3 presents the projected age distribution for the Denver Metropolitan Area in 2050 based on the State Demography Office forecast for the region.

Figure 1-3.
Denver Metropolitan Area population by age, 2050



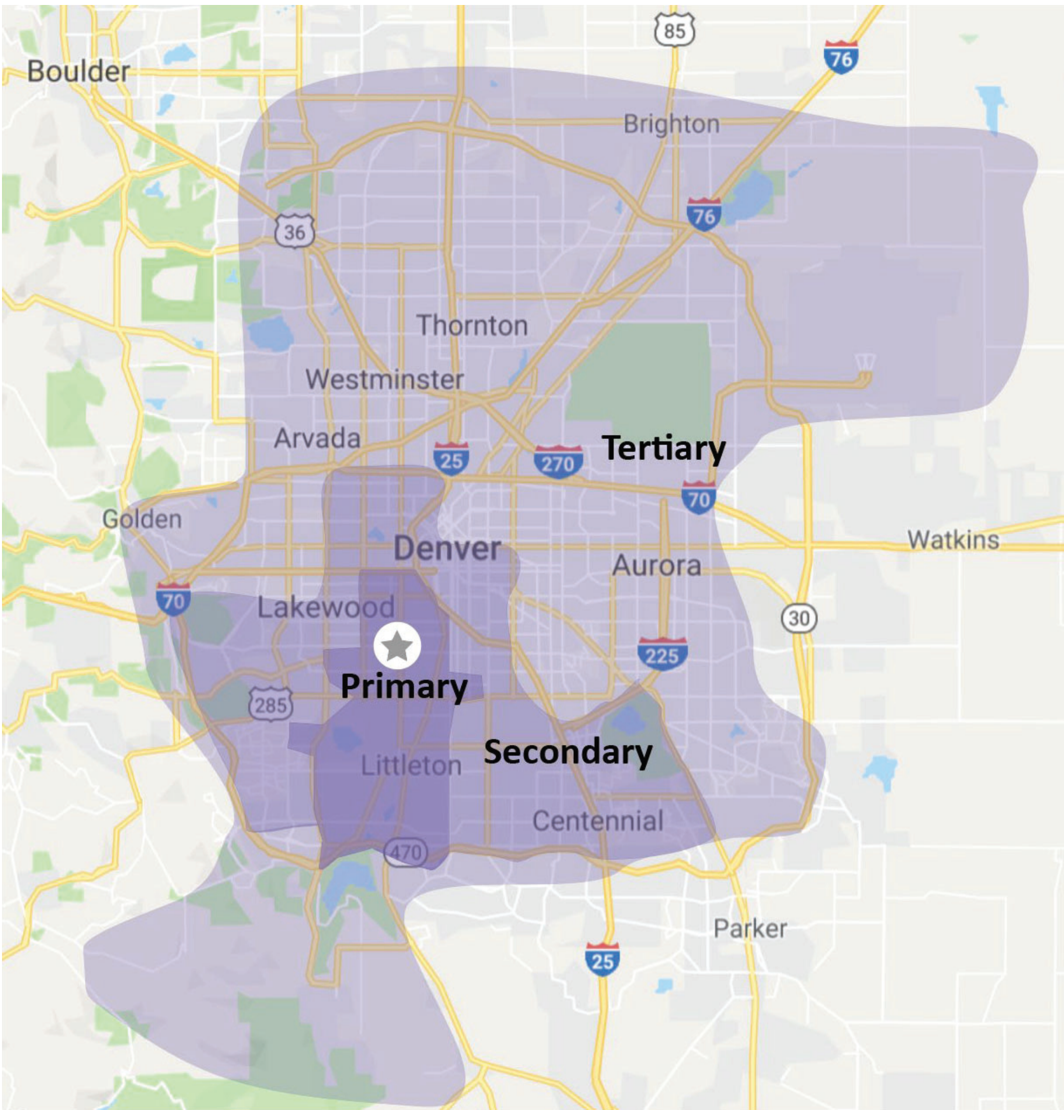
Source: State Demography Office, Colorado Department of Local Affairs.

In the 2050 population shown in Figure 1-3, Baby Boomers constitute those aged 86 and older and the Gen Z cohort represent the largest portion of the population. Note that Keen Independent shows a 20-year age cohort of people who will be born between 2030 and 2050 as "Beta Gen" (name invented to follow the "Alpha Gen" generation now being born).

Primary, Secondary and Tertiary Market Areas

The following map shows the determined primary, secondary and tertiary market areas of the May Bonfils Stanton Theater based on estimated drive times within PUMA boundaries. PUMA demographic information is downloaded in geographic blocks that cannot be modified and do not fit precisely within drive time calculations. However, these blocks divide the geography enough to provide a clear picture of the demographic changes that occur as one moves farther away from the theater.

Figure 1-4.
May Bonfils Stanton Theater market area boundaries based on PUMA boundaries



Source: Google maps, TravelTime Maps, IPUMS USA, Keen Independent Research.

Figure 1-4 shows the market areas that are represented in the tables below. The primary market area is located within approximately one to 10 minutes of drive time and reflects the neighborhood surrounding the theater. The secondary market area includes the primary market area and other neighborhoods within about 10 to 20 minutes of drive time of the theater. The tertiary market area includes the primary and secondary market areas plus those neighborhoods approximately 20 to 30 minutes of drive time from the theater.

Keen Independent describes elements of each market area in the following ways:

- Annual growth;
- Age groups;
- Race and ethnicity;
- Education;
- Household income; and
- Entertainment spending.

Annual growth. Figure 1-5 below shows population, number of households and median household income for the theater's market areas, Colorado and the United States. This figure also shows the annual percentage growth of population and households for each market area from 2012 to 2017.

Figure 1-5. Overview of May Bonfils Stanton Theater market areas, Colorado and the United States

Year	Primary market	Secondary market	Tertiary market	Colorado	United States
2012					
Population	231,839	691,668	3,146,621	5,187,582	313,914,040
Households	89,410	294,377	896,201	1,996,089	115,969,580
Median household income	$ 65,000	$ 76,000	$ 70,000	$ 71,600	$ 64,200
2017					
Population	253,865	749,650	3,360,120	5,607,154	325,719,178
Households	96,535	312,323	966,539	2,139,204	120,062,767
Median household income	$ 78,000	$ 99,500	$ 87,400	$ 87,000	$ 77,000
Annual Growth					
Population	1.8 %	1.6 %	1.3 %	1.6 %	0.7 %
Households	1.5	1.2	1.5	1.4	0.7

Source: Keen Independent Research from 2012 and 2017 ACS Public Use Microdata sample. The 2012 and 2017 ACS raw data extracts were obtained through the IPUMS program of the MN Population Center: http://usa.ipums.org/usa/.

The theater's market areas compared to statewide and countrywide data reveal that total households and population are growing at a faster rate than the United States. The theater's primary and secondary market areas are growing faster than the state.

Median household income in the primary market area is comparable to the median for the United States, but lower than Colorado. Median income for the secondary and tertiary markets areas is higher than the state and the country (considerably higher for the secondary market area). The wealthiest market area for the theater is approximately a 10 to 20-minute drive from the theater.

Figure 1-5 also shows that median household income for the primary market was higher in 2017 than in 2012, the increase in median household income between these two years was even higher for the secondary market area.

Age groups. Figure 1-6 shows population segmented by age for each market area in 2012 and 2017. Note that age groups are broken into five-year segments until age 25, which are then broken into ten-year segments. Nationally, performing arts attendance is higher for older individuals.

Figure 1-6.
Population by age group, 2012 and 2017

	Primary market		Secondary market		Tertiary market		Colorado	United States
2012								
Under 5	17,905	7.7 %	41,830	6.0 %	214,437	6.8 %	6.5 %	6.3 %
5-9	18,093	7.8	42,920	6.2	218,926	7.0	7.0	6.5
10-14	14,629	6.3	33,996	4.9	203,711	6.5	6.5	6.6
15-19	13,246	5.7	39,587	5.7	190,760	6.1	6.5	6.8
20-24	14,440	6.2	48,048	6.9	214,711	6.8	7.1	7.2
25-34	36,591	15.8	123,066	17.8	531,675	16.9	14.6	13.4
35-44	30,635	13.2	94,371	13.6	440,826	14.0	13.7	13.0
45-54	29,300	12.6	94,279	13.6	422,452	13.4	14.0	14.1
55-64	28,555	12.3	87,364	12.6	359,502	11.4	12.3	12.3
65-74	16,155	7.0	49,750	7.2	201,797	6.4	6.9	7.7
75-84	7,531	3.2	24,958	3.6	106,320	3.4	3.4	4.2
85 and older	4,759	2.1	11,499	1.7	41,504	1.3	1.4	1.9
Total	**231,839**	**100.0 %**	**691,668**	**100.0 %**	**3,146,621**	**100.0 %**	**100.0 %**	**100.0 %**
2017								
Under 5	17,547	6.9 %	41,497	5.5 %	204,009	6.1 %	5.9 %	6.1 %
5-9	18,026	7.1	40,748	5.4	205,124	6.1	6.2	6.2
10-14	15,233	6.0	40,656	5.4	217,991	6.5	6.6	6.5
15-19	14,183	5.6	43,319	5.8	199,873	5.9	6.5	6.6
20-24	15,243	6.0	47,237	6.3	208,286	6.2	6.7	6.8
25-34	41,200	16.2	138,265	18.4	588,139	17.5	15.5	13.8
35-44	34,756	13.7	105,486	14.1	485,419	14.4	13.7	12.7
45-54	32,033	12.6	94,594	12.6	422,432	12.6	12.7	13.0
55-64	29,228	11.5	93,817	12.5	386,381	11.5	12.5	12.9
65-74	20,627	8.1	61,969	8.3	269,469	8.0	8.6	9.1
75-84	10,445	4.1	27,900	3.7	124,574	3.7	3.7	4.6
85 and older	5,344	2.1	14,162	1.9	48,423	1.4	1.5	1.9
Total	**253,865**	**100.0 %**	**749,650**	**100.0 %**	**3,360,120**	**100.0 %**	**100.0 %**	**100.0 %**

Source: Keen Independent Research from 2012 and 2017 ACS Public Use Microdata sample. The 2012 and 2017 ACS raw data extracts were obtained through the IPUMS program of the MN Population Center: http://usa.ipums.org/usa/.

Figure 1-6 reveals that the largest age group for all market areas is 25 to 34, making up more than 15 percent of each market area in both 2012 and 2017.

Race and ethnicity. Figure 1-7 shows the population of each market area by race and ethnicity. Note that people of any race could also identify as Hispanic.

Figure 1-7.
Population by race and ethnicity, 2017

	Primary market		Secondary market		Tertiary market	
White	221,469	87.2 %	648,348	86.5 %	2,585,569	76.9 %
Asian American	10,461	4.1	28,564	3.8	125,570	3.7
African American	5,504	2.2	17,366	2.3	302,875	9.0
Native American	1,291	0.5	8,752	1.2	59,907	1.8
Pacific Islander	1,308	0.5	1,698	0.2	4,747	0.1
Other	9,873	3.9	27,725	3.7	162,540	4.8
Two or more races	3,959	1.6	17,197	2.3	118,912	3.5
Total	**253,865**	**100.0 %**	**749,650**	**100.0 %**	**3,360,120**	**100.0 %**
Hispanic (of any race)	95,766	37.7 %	179,173 %	23.9 %	958,692	28.5 %

Source: Keen Independent Research from 2012 and 2017 ACS Public Use Microdata sample. The 2012 and 2017 ACS raw data extracts were obtained through the IPUMS program of the MN Population Center: http://usa.ipums.org/usa/.

In 2017, 38 percent of individuals in the primary market area and 24 percent of individuals in the secondary market area identified as Hispanic.

Education. Figure 1-8 shows educational attainment of individuals age 25 and older. Nationally, performing arts attendance is higher for those with more formal education.

Figure 1-8.
Population age 25+ by educational attainment

Year	Primary market		Secondary market		Tertiary market	
2012						
Less than high school	28,281	18.4 %	50,364	10.4 %	274,425	13.0 %
High school diploma	38,165	24.9	89,832	18.5	479,968	22.8
Some college, no degree	30,869	20.1	92,194	19.0	437,846	20.8
Associate degree	9,982	6.5	32,644	6.7	164,086	7.8
Bachelors degree	30,809	20.1	139,099	28.7	467,007	22.2
Graduate degree	15,420	10.0	81,154	16.7	280,744	13.3
Total	**153,526**	**100.0 %**	**485,287**	**100.0 %**	**2,104,076**	**100.0 %**
2017						
Less than high school	30,454	17.5 %	48,993	9.1 %	259,171	11.1 %
High school diploma	42,837	24.7	96,425	18.0	534,528	23.0
Some college, no degree	33,129	19.1	90,220	16.8	460,526	19.8
Associate degree	10,117	5.8	32,714	6.1	165,790	7.1
Bachelors degree	37,698	21.7	161,679	30.2	558,132	24.0
Graduate degree	19,398	11.2	106,162	19.8	346,690	14.9
Total	**173,633**	**100.0 %**	**536,193**	**100.0 %**	**2,324,837**	**100.0 %**

Source: Keen Independent Research from 2012 and 2017 ACS Public Use Microdata sample. The 2012 and 2017 ACS raw data extracts were obtained through the IPUMS program of the MN Population Center: http://usa.ipums.org/usa/.

More than one-half of the population of the primary market area ages 25 and older has at least some college education. However, more than 40 percent of the primary market area had a high school education or less in 2017. When examining the secondary and tertiary market areas, relatively more people have high levels of educational attainment.

Figures 1-8 also shows that the share of people 25 and older who have more than a high school diploma increased from 2012 to 2017.

Household income. Figure 1-9 shows number of households segmented by household income for all market areas. In 2017, the secondary market area had a large percentage of households with incomes of more than $100,000 (38%). There were nearly 50,000 households that had incomes of $200,000 or more in the secondary market area in 2017.

Figure 1-9.
Number of households segmented by household income

Year	Primary market		Secondary market		Tertiary market		Colorado	United States
2012								
$25,000 or less	25,953	29.0 %	60,612	20.6 %	172,698	19.3 %	20.1 %	23.6 %
$25,000 to $50,000	22,073	24.7	65,116	22.1	206,843	23.1	23.0	23.0
$50,000 to $75,000	14,370	16.1	48,896	16.6	155,312	17.3	16.6	16.4
$75,000 to $100,000	10,125	11.3	36,061	12.3	121,077	13.5	12.6	11.2
$100,000 to $200,000	11,761	13.2	54,577	18.5	165,080	18.4	17.6	15.1
$200,000 or more	5,128	5.7	29,114	9.9	75,191	8.4	10.2	10.8
Total	**89,410**	**100.0 %**	**294,377**	**100.0 %**	**896,201**	**100.0 %**	**100.0 %**	**100.0 %**
2017								
$25,000 or less	18,486	19.2 %	46,505	14.9 %	136,572	14.1 %	15.5 %	19.8 %
$25,000 to $50,000	23,825	24.7	59,716	19.1	190,408	19.7	19.7	20.9
$50,000 to $75,000	18,332	19.0	51,440	16.5	164,602	17.0	16.6	16.1
$75,000 to $100,000	10,571	11.0	36,105	11.6	131,933	13.7	13.0	11.8
$100,000 to $200,000	17,222	17.8	70,210	22.5	224,914	23.3	22.4	18.7
$200,000 or more	8,099	8.4	48,348	15.5	118,111	12.2	12.9	12.8
Total	**96,535**	**100.0 %**	**312,323**	**100.0 %**	**966,539**	**100.0 %**	**100.0 %**	**100.0 %**

Source: Keen Independent Research from 2012 and 2017 ACS Public Use Microdata sample. The 2012 and 2017 ACS raw data extracts were obtained through the IPUMS program of the MN Population Center: http://usa.ipums.org/usa/.

Entertainment spending. Figure 1-10 below shows entertainment spending for the western region of the United States (West) and Denver Metropolitan Statistical Area (Denver MSA). The West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

Fees and admissions make up 26 percent of annual entertainment spending for households in the West. Average entertainment spending in the Denver MSA is higher than the average in the West.

Figure 1-10.
Per household average annual entertainment spending for the West and Denver MSA, 2016-2017

Source: Keen Independent Research from Consumer Expenditure Survey 2016-2017. The 2016-2017 Consumer Expenditure Survey data extracts were obtained through the Bureau of Labor Statistics.

Figure 1-11 indicates the average spending on fees and admissions, a component of total household entertainment spending, by household income. Data are for western states.

Figure 1-11.
Average annual expenditures on entertainment fees and admissions for the West by household income, 2016-2017

Household income before taxes	Average spending on fees and admissions
$15,000 to $19,999	$ 215
$20,000 to $29,999	328
$30,000 to $39,999	437
$40,000 to $49,999	513
$50,000 to $69,999	710
$70,000 and more	1,584

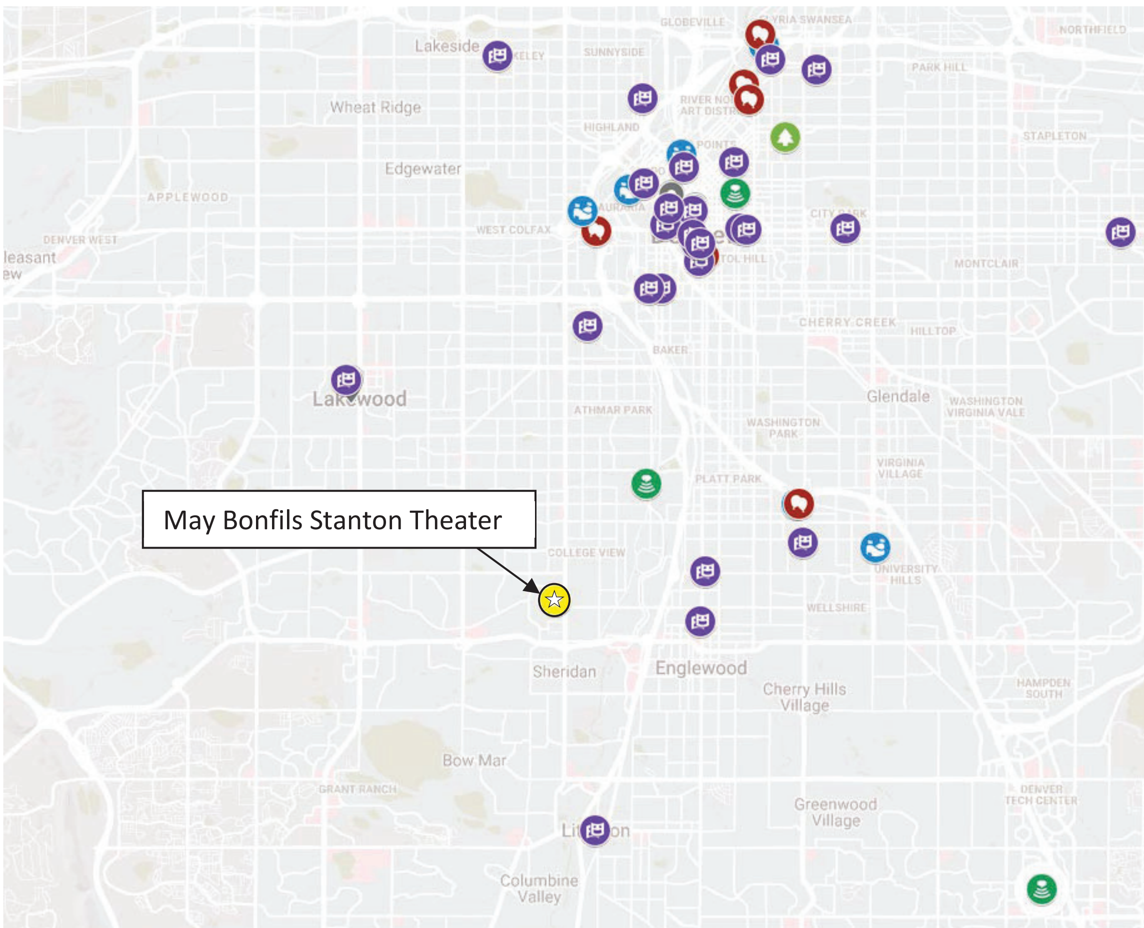
Source: Keen Independent Research from Consumer Expenditure Survey 2016-2017. The 2016-2017 Consumer Expenditure Survey data extracts were obtained through the Bureau of Labor Statistics.

Figure 1-11 indicates that spending on fees and admissions increases for households with higher incomes. This is important when considering the incomes for households in the theater market areas in Figure 1-9.

Appendix B.
Competition in the Marketplace

Appendix B examines potential competitors of the May Bonfils Stanton Theater in the Denver marketplace. Figure 2-1 is a map of theaters and performing arts venues in the southern half of the Denver area. The May Bonfils Stanton Theater is indicated by the yellow star icon.

Figure 2-1.
Map of performing arts venues near the May Bonfils Stanton Theater



Source: Keen Independent Research, Google Maps.

Figure 2-2 on the following three pages provides a detailed list of venues in the greater Denver Metropolitan area, some of which are reflected in Figure 2-1. These venues are sorted by seating capacity.

Figure 2-2.
May Bonfils Stanton Theater competitors

Venue name	Seating capacity	Venue type
Sports Authority Field at Mile High	76,125	Stadium
Folsom Field	53,613	Stadium
Coors Field	50,398	Stadium
Falcon Stadium	46,692	Stadium
Dick's Sporting Goods Park	27,000	Stadium
Pepsi Center	21,000	Stadium
Fiddler's Green Amphitheatre	18,000	Amphitheater
Denver Coliseum	10,500	Stadium
Red Rocks Amphitheatre	9,450	Amphitheater
World Arena	9,000	Stadium
Colorado State Fair Events Center	8,225	Event Venue
Magness Arena	8,000	Stadium
Levitt Pavilion Denver	7,500	Amphitheater
Budweiser Events Center	7,200	Stadium
1st Bank Center	7,000	Stadium
Denver Performing Arts Complex		Other
Sculpture Park	7,000	Outdoor Venue
Buell Theatre	2,839	Theater
Boettcher Concert Hall	2,679	Theater
Ellie Caulkins Opera House	2,200	Theater
The Galleria	2,000	Outdoor Venue
Stage Theatre	750	Theater
The Studio Loft	500	Theater
Chambers Grant Salon	400	Theater
Space Theatre	380	Theater
Ricketson Theatre	250	Theater
Garner Galleria Theatre	213	Theater
The Galleria Tent	200	Event Venue
Jones Theatre	196	Theater
Conservatory Theatre	185	Theater
1245 Champa Studio	150	Event Venue
Nathaniel Merrill Founders Room	50	Event Venue
National Western Events Center		Event Venue
Events Center	6,700	Event Venue
Stadium Arena	5,200	Stadium
NW Club	200	Event Venue
Coors Art Room	150	Event Venue
Centennial Room	120	Event Venue
Bellco Theatre		Theater
Main Stage	5,000	Theater
Mile High Ballroom	5,000	Theater
The Mission Ballroom	2,200-3,950	Theater
Fillmore Auditorium	3,700	Theater
Exdo Event Center	3,500	Event Venue
Four Seasons Ballroom	3,500	Ballroom
Glitter Dome Event Center	3,000	Event Center
Parker Arts Culture & Events		Other
Ampitheatre	3,000	Amphitheater
Main Stage	500	Theater
Ruth Chapel	80	Other

Source: Keen Independent Research.

Figure 2-2.
May Bonfils Stanton Theater competitors (cont.)

Venue name	Seating capacity	Venue type
City Hall	2,500	Event Venue
Macky Auditorium		Auditorium
Main Stage	2,040	Theater
Pikes Peak Center		Other
Main Stage	2,000	Theater
Paramount Theater		Theater
Fixed	1,800	Theater
Downstairs	1,200	Theater
Upstairs	660	Theater
Bottom space	400	Theater
Ogden Theatre	1,600	Theater
Lakewood Heritage Center		Other
Ampitheatre	1,500	Amphitheater
Visitor center	150	Other
Lawn Space in front of Barn	150	Outdoor Venue
Barn Space	25	Other
Proposed Thornton Theater	500-1,500	Theater
The Arvada Center		Theater
Ampitheatre	1,500	Amphitheater
Main Stage	526	Theater
Black box	200	Theater
Chautauqua Auditorium	1,300	Theater
Gothic Theatre	1,100	Theater
McNichols Building	1,060	Other
Mary Rippon Outdoor Theatre	1,004	Theater
Cervantes Masterpiece	1,000	Theater
Other Side	400	Theater
Newman Center for the Performing Arts		Theater
Gates Concert Hall	971	Theater
Black Box Theatre	385	Theater
Recital Hall	80	Theater
May Bonfils Stanton Theater	921	Theater
Boulder Theater	850	Theater
The Oriental Theater		Theater
Main Stage	700	Theater
Fox Theatre	625	Other
Performing Arts Complex at PCS		Theater
Main Stage	600	Theater
Rocky Mountain Performing Arts Center	600	Theater
Yates Theater - Denver	600	Theater
Bluebird Theater	550	Theater
Mile High Station	550	Event Venue
Vilar Performing Arts Center	530	Theater
Marquis Theater	500	Theater
Smokestack 40 (proposed)	500	Theater
Lone Tree Arts Center		Theater
Main Stage	480	Theater
Outdoor Venue	350	Outdoor Venue
Event Hall	200	Event Venue
The Rialto Theater	446	Theater

Source: Keen Independent Research.

Figure 2-2.
May Bonfils Stanton Theater competitors (cont.)

Venue name	Seating capacity	Venue type
Central Library Auditorium	400	Theater
Staenberg-Loup Jewish Community Center		Other
Main Stage	400	Theater
Black Box Theatre	100	Theater
Byron Theatre	350	Theater
Denver Civic Theatre		Theater
Mainstage	325	Theater
Cabaret	100	Theater
D L Parsons Theatre	320	Theater
Lakewood Cultural Center	320	Theater
Daniels Hall	300	Theater
Foote Lagoon Amphitheater	300	Amphitheater
Joy Burns Plaza	300	Event Venue
Longmont Theatre	300	Theater
Midtown Arts Center		Theater
Ballroom	300	Theater
The Dinner Theater	236	Theater
Grand Hall	200	Theater
Theatre One	200	Theater
Norma & Lynn Hammond Amphitheater	300	Amphitheater
The Armory Performing Arts Center		Other
Main Stage	300	Theater
Aurora Fox Theatre		Theater
Main Stage	270	Theater
Studio	70	Theater
Sharp Auditorium	266	Theater
Town Hall Arts Center		Other
Main Stage	260	Theater
Cleo Parker Robinson Dance	240	Amphitheater
Hamilton Family Recital Hall	224	Theater
Union Colony Civic Theater	214	Theater
Schoolhouse Theater	200	Theater
The Bug Theatre	185	Theater
Curious Theatre Company	180	Theater
Instrumental Rehearsal Hall	160	Theater
Vocal Rehearsal Hall	120	Theater
Williams Salon	89	Theater
Spencer Reception Room	60	Event Venue
Dangerous Theater	45	Theater
Future Northglenn Venue		Other

Source: Keen Independent Research

Figure 2-1 shows a high concentration of performing arts venues in the downtown Denver area (towards the top), but there are fewer venue options as one moves south toward the theater. The three closest performing arts venues to the theater are:

- Levitt Pavilion Denver, a 7,500-seat amphitheater;
- Daniels Hall, a 300-seat venue; and
- Gothic Theater, a 1,100-seat venue.

Each of these three venues is about a ten-minute drive east of the theater. Levitt Pavilion is a larger venue and Daniels Hall is a smaller venue than May Bonfils Stanton Theater when comparing seating capacities. Although Gothic Theatre has a similar seating capacity to the theater, it is primarily a music venue.

Another similar performing arts venue, which is about a fifteen-minute drive east of the theater, is the 971-seat Gates Concert Halls at the Newman Center for the Performing Arts at the University of Denver. However, they have limited availability for new rental clients.

The Town Hall Arts Center, a thirteen-minute drive south of the theater, only has a 250-seat capacity.

Based on this research, there is very little competition from thousand-seat performing arts venues within a fifteen-minute drive of the theater. More broadly, there is little competition from thousand-seat performing arts venues throughout the metro Denver area based on the analysis of venues in Figure 2-2.