

Waco Arts Feasibility Study City Council Presentation

Presented by:

Alex Keen, Chief Operating Officer

Keen Independent Research LLC

701 N. 1st St., 2nd Floor

Phoenix AZ 85004

303-385-8515

alexkeen@keenindependent.com

www.keenindependent.com

In partnership with:

Victor Gotesman, Owner; Teresa Koberstein, Senior Associate
Victor Gotesman Performing Arts, Los Angeles, CA

Robert Long,
Co-founder
Theatre Consultants Collaborative, Chapel Hill, NC

Steve Ryan, Principal
Venue, St. Petersburg, FL

Key questions

- Is it feasible to build and sustain a performing arts facility in downtown Waco?
- If feasible, what characteristics should a new performing arts facility have?
- What are the next steps for implementation?



Image Source: Keen Independent Research.



Victor Gotesman
Performing Arts Planning



Theatre Consultants
Collaborative



Overview



Image Source: Creative Waco.

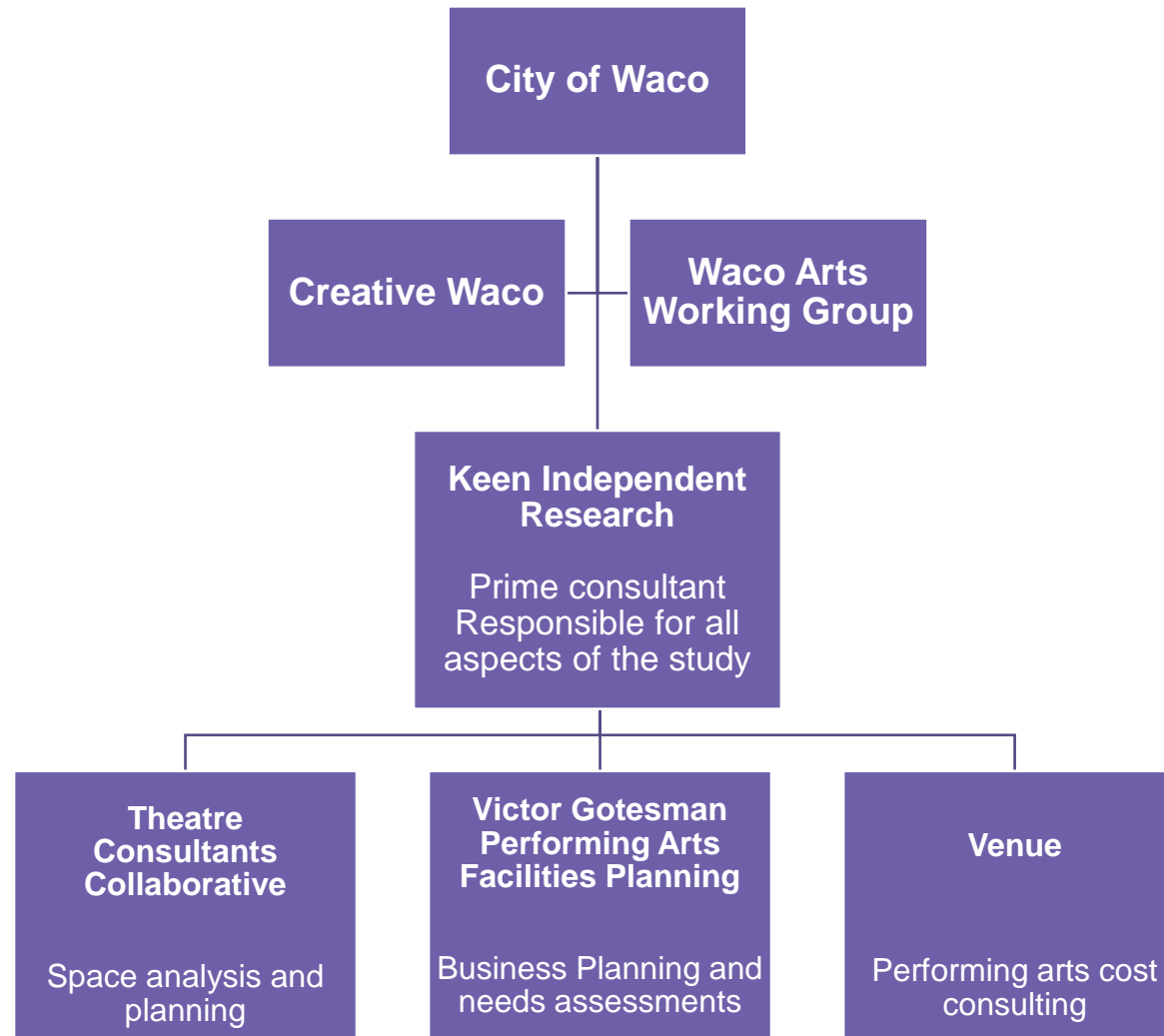
Presentation

- Overview
- Key questions
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Image Source: Keen Independent Research.

Project team



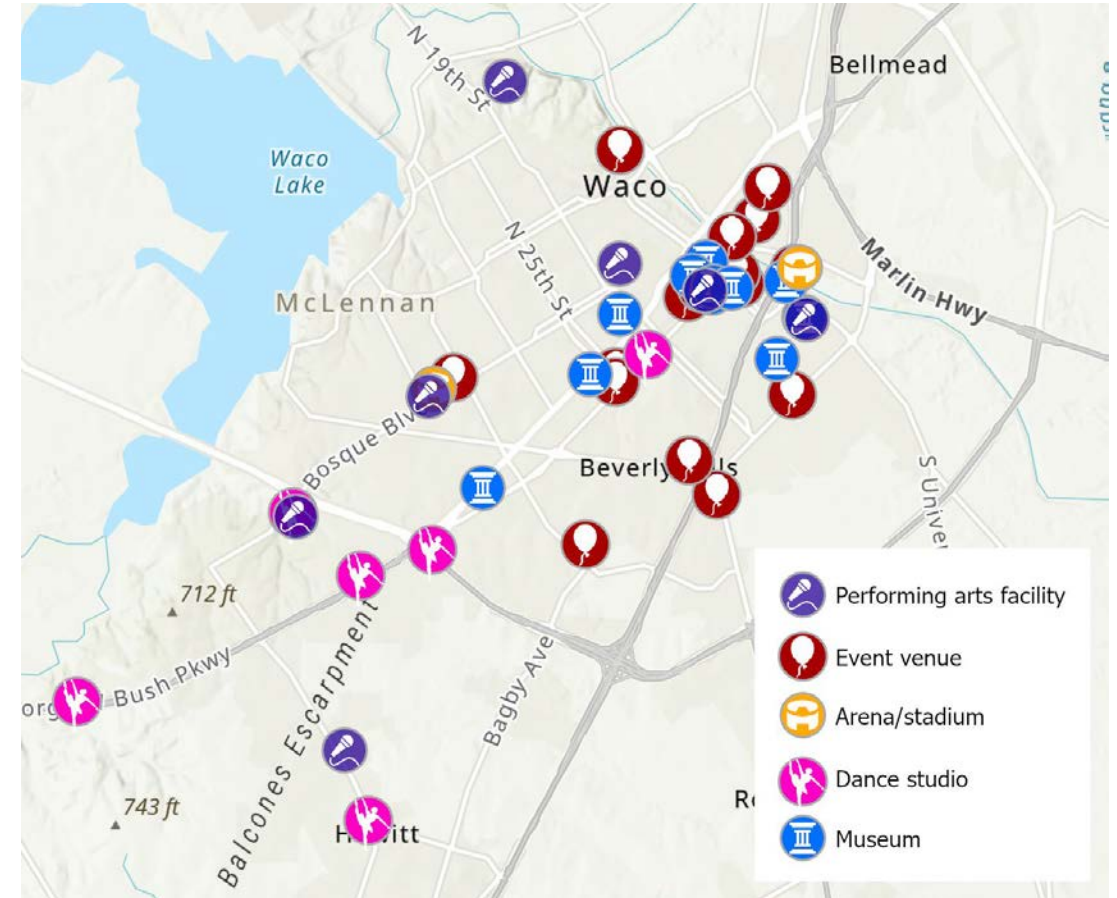
Is it feasible to build and sustain a performing arts facility in downtown Waco?



Image Source: Keen Independent Research.

Environmental scan

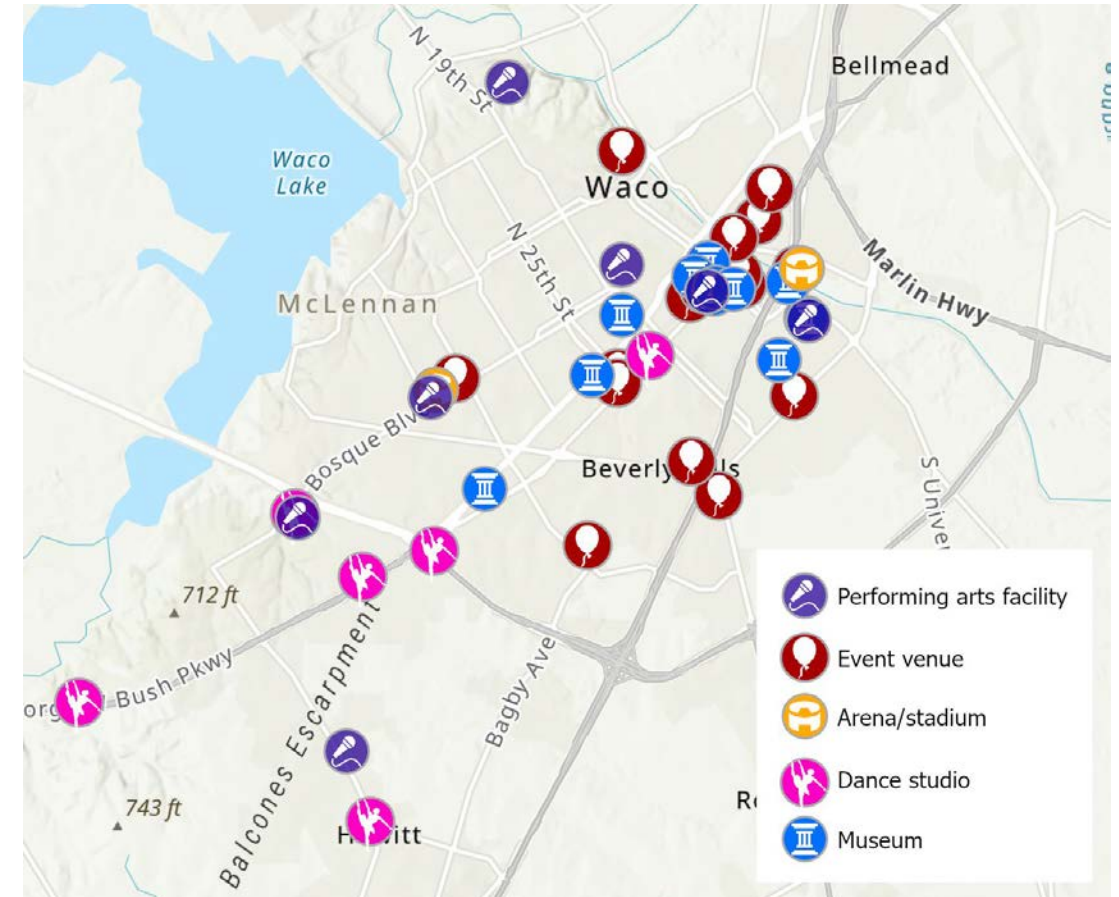
- Most facilities are smaller (500 seats or less)
- Larger facilities include:
 - Waco Hippodrome Theatre: 950 seats
(privately owned and operated)
 - Midway Performing Arts Center: 1,100 seats
(focused on ISD needs)
 - Waco Hall: 2,200 seats
(reported at full capacity)
 - Grand Masonic Lodge of Texas: 3,740 seats
(designed for large meetings)
 - Extraco Events Center Arena: up to 9,000 seats
(not designed for traditional performing arts)



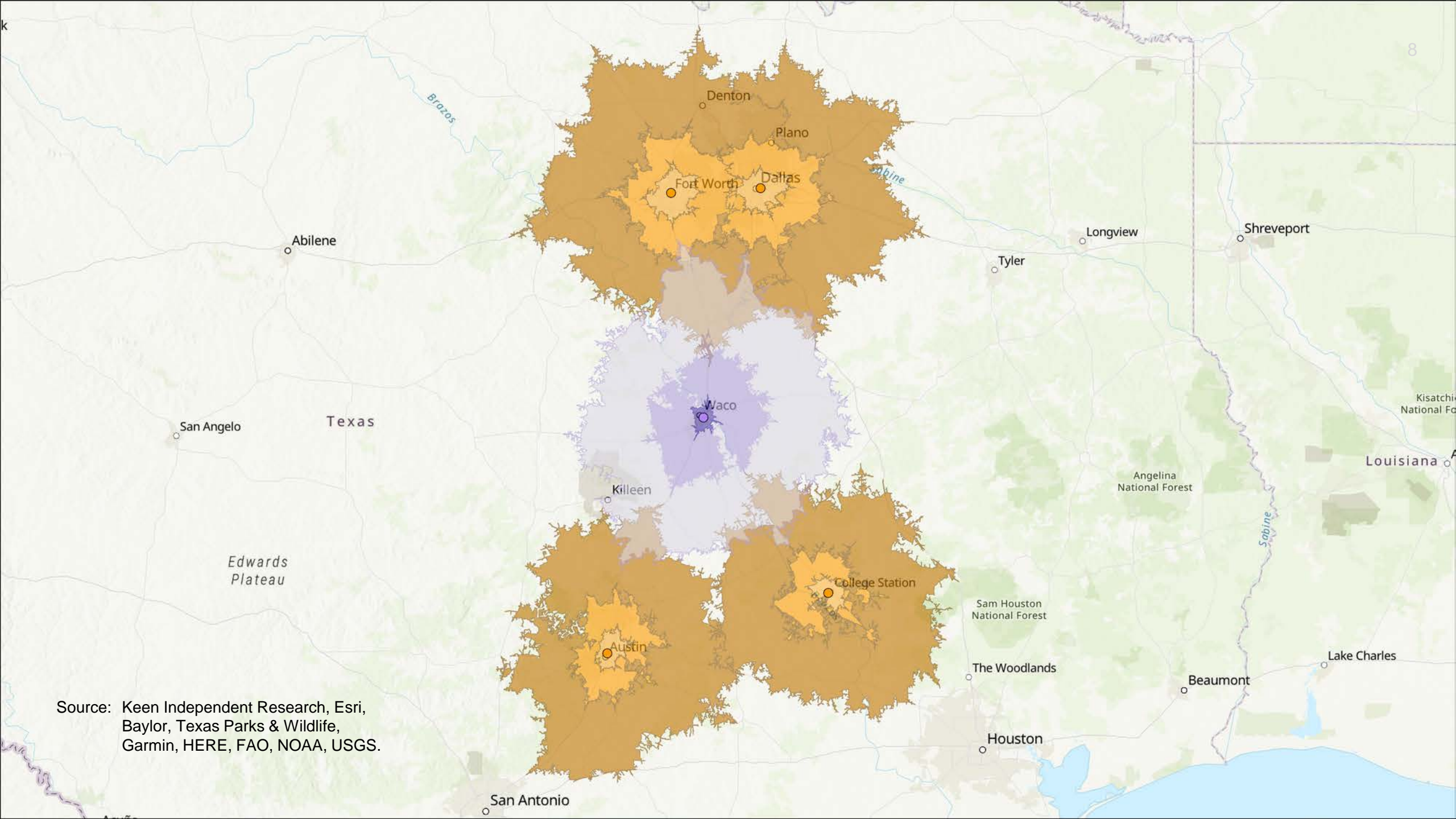
Source: Esri, NASA, NGA USGS, Baylor University, Texas Parks & Wildlife, CONANP, HERE, Garmin, SafeGraph, METI/NASA, EPA, NPS, USDA, Keen Independent Research.

Environmental scan

- Some large performing arts facilities on Baylor campus
 - Have limited capacity for growth in programming due to educational priorities
 - Parking and amenities issues very difficult to solve
- Few smaller black box/performing arts incubator spaces in Waco
 - Impacting growth of performing arts community



Source: Esri, NASA, NGA USGS, Baylor University, Texas Parks & Wildlife, CONANP, HERE, Garmin, SafeGraph, METI/NASA, EPA, NPS, USDA, Keen Independent Research.



Source: Keen Independent Research, Esri, Baylor, Texas Parks & Wildlife, Garmin, HERE, FAO, NOAA, USGS.

Demographics

Waco marketplace population by race/ethnicity, 2021

	Primary	Secondary	Tertiary
Total population	109,967	282,589	803,975
Race/ethnicity			
White	50 %	67 %	66 %
African American	23	15	16
Asian or Pacific Islander	2	2	2
Native American	1	1	1
Other	21	13	11
Two or more races	4	3	4
Total	100 %	100 %	100 %
Hispanic (of any race)	41 %	28 %	26 %

Waco marketplace population by age group, 2021

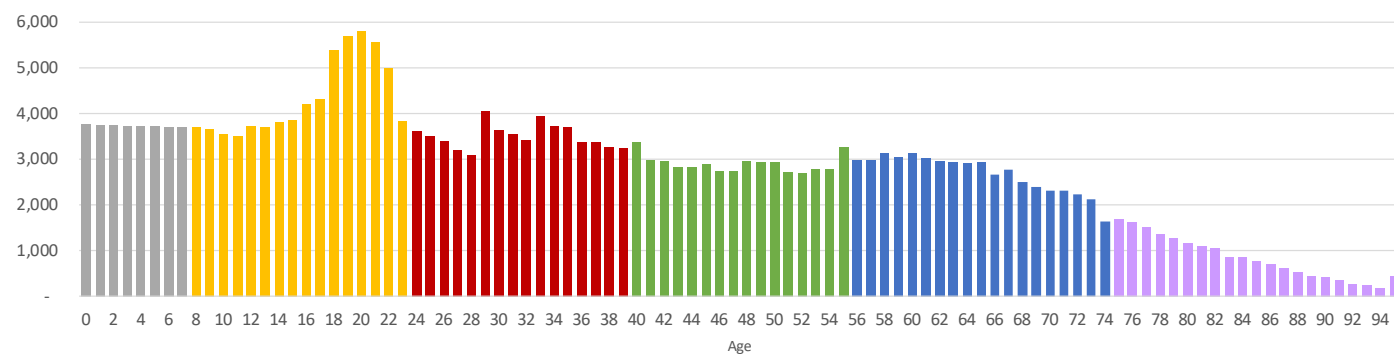
	Primary	Secondary	Tertiary
Total population	109,967	282,589	803,975
24 and younger	44 %	36 %	34 %
25-54	35	36	39
55 and older	20	28	28
Total	100 %	100 %	100 %

Source: American Community Survey via Esri, Keen Independent Research.

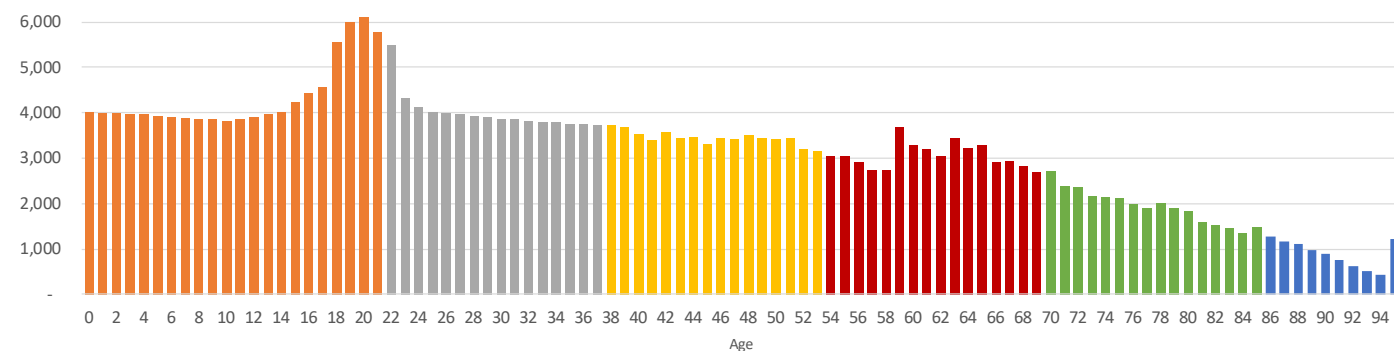
Population projections

Population by age for the Waco metro area

2020



2050



Source: Keen Independent Research, Texas Demographic Center.

Demand projections

Percentage growth in demand for attending performances for Waco metro area populations by genre, 2020–2050 (assumes temporary pandemic impact)

	2020	2030	2040	2050
Jazz music	0 %	5 %	10 %	13 %
Latin, Spanish or salsa music	0	5	9	12
Classical music	0	9	14	17
Opera	0	10	15	19
Musical plays	0	6	11	14
Non-music plays	0	7	11	15
Ballet	0	7	12	16
Dance performances other than ballet	0	6	11	14
Movies	0	5	10	13
Art museums and galleries	0	5	9	13

Source: Keen Independent Research, Texas Demographic Center, National Endowment for the Arts (NEA) 2017 Survey of Public Participation in the Arts.

Benchmark facilities

Performing arts facility	Location	Main stage seat count	Second stage seat count
Sandy Springs Performing Arts Center	Sandy Springs, GA	1,070	350
RiverCenter for the Performing Arts	Columbus, GA	2,000	150
Buddy Holly Hall of Performing Arts and Sciences	Lubbock, TX	2,200	425
Hult Center for the Performing Arts	Eugene, OR	2,448	496
Rudder Theatre Complex	Bryan-College Station, TX	2,500	750

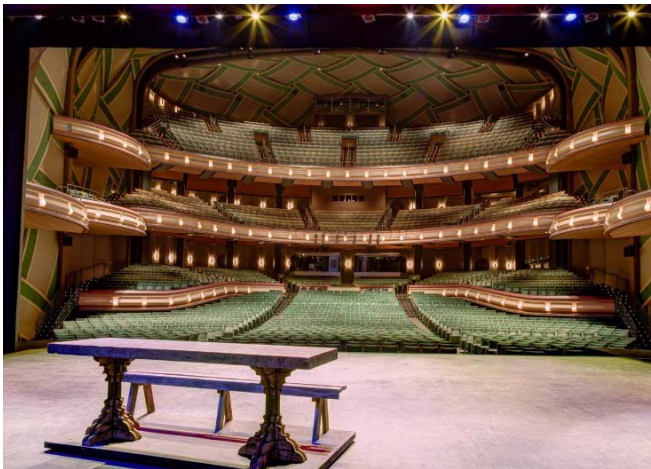
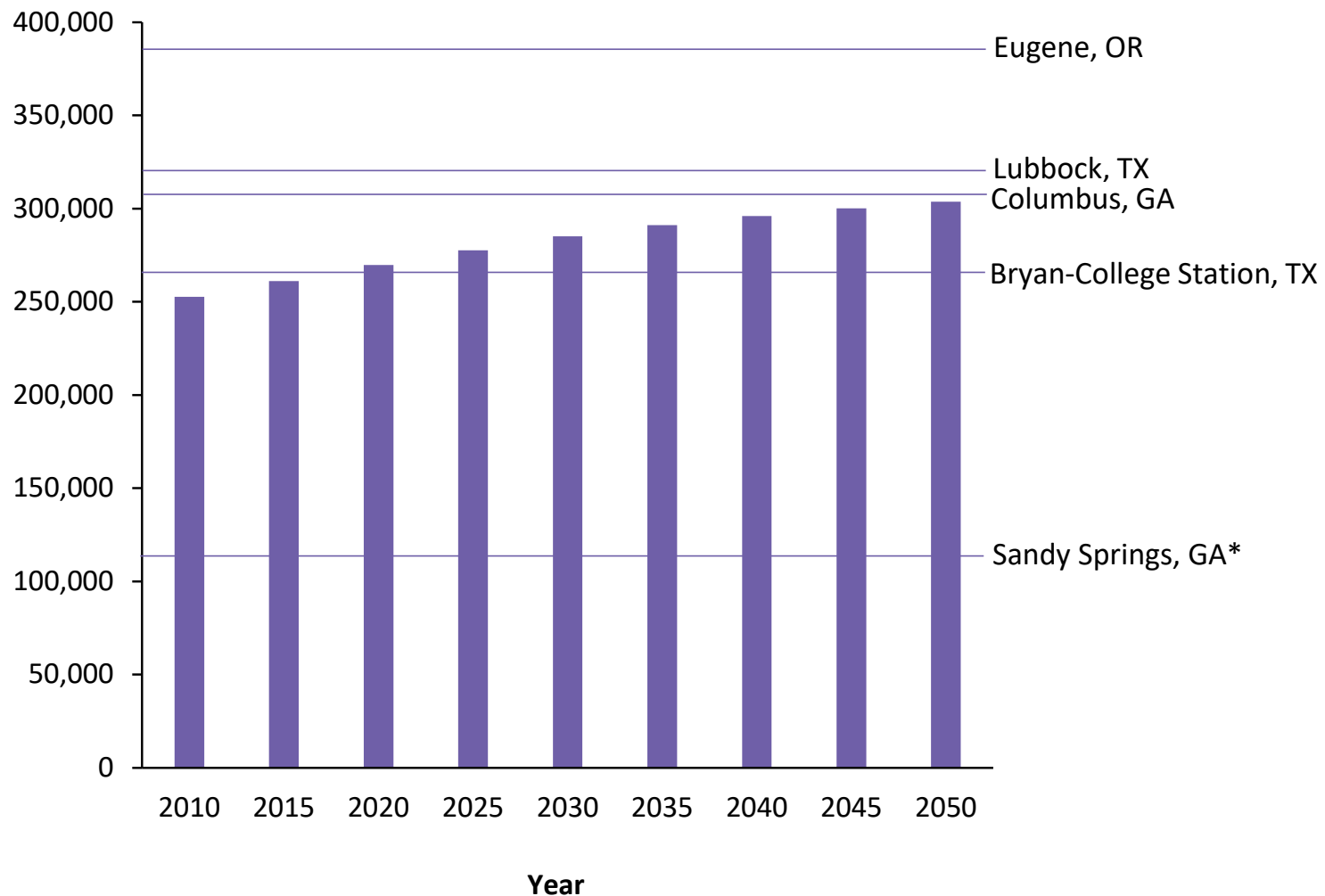


Image Source (left to right): Sandy Springs PAC, TCC; Hult Center for the Performing Arts, Buddy Holly Hall under construction, Wikipedia Commons.

Benchmark facility metro area population as compared to Waco metro area

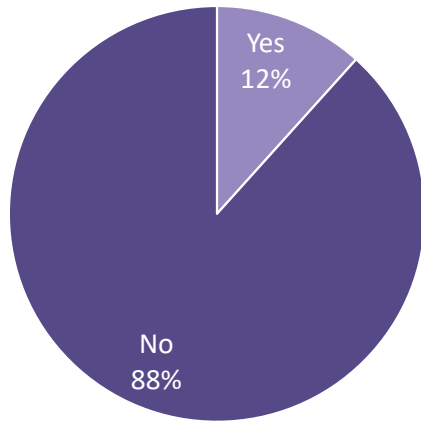


Note: Sandy Springs city population is shown because it is part of the Atlanta Metro Area.

Source: Texas Demographic Center, U.S. Census Bureau 2018 American Community Survey, Keen Independent Research.

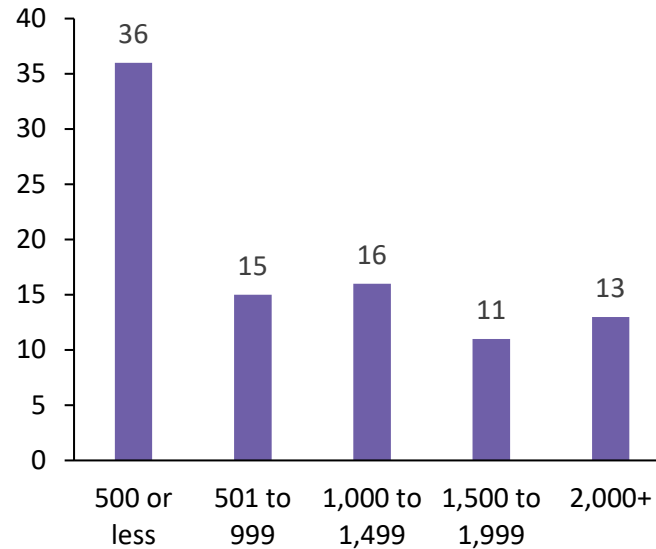
Community input

Virtual workshop participant responses when asked if there is enough performance/event space in Waco



Source: Keen Independent Research.

Number of times a specific seat count was identified by virtual workshop participants



"With the rise of businesses in Waco, I don't see why we can't afford a performing arts center."

"[Waco] needs a venue for larger shows like Dallas and Austin have."

"Concerts mean weekends out of town for us. I would love to see decent artists come to Waco."

"Our local groups are outgrowing their current spaces."

"We need more avenues for performance."

"[Waco has] a lack of small artist spaces."

"We find ourselves paying more than we earn just to hold events."

Is it feasible to build and sustain a performing arts facility in downtown Waco? – Conclusions

- Primary and secondary marketplace population is at threshold for dedicated large performing arts venue investment
- Benchmark communities are sustaining large performing arts facility investments
- Demand projections show growth in all areas of performing arts
- Environmental scan shows limited existing inventory to meet future demand
- Community feels there is not enough existing performance space
- Potential growth in tourism beneficial
- COVID-19 has had an impact on arts organizations but they are recovering



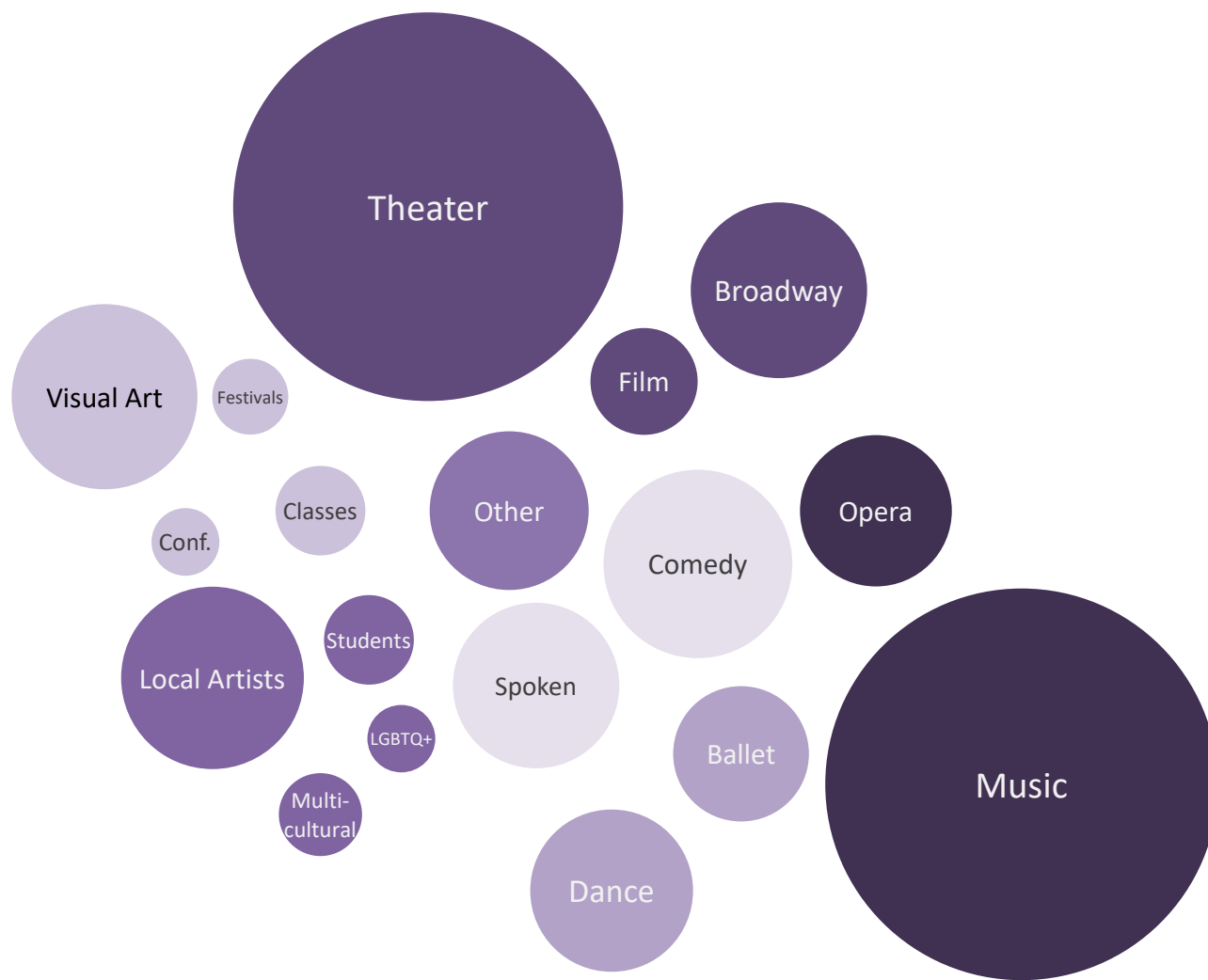
Image Source: Keen Independent Research.

If feasible, what characteristics should a new performing arts facility have?



Image Source: Keen Independent Research.

Types of events mentioned by virtual workshop participants when asked what type of events they would like to see at a new performance/event space in Waco



Source: Keen Independent Research.

Future Waco performing arts center utilization

- Waco Performing Arts Center Presentations
 - National and regional touring acts
 - Mix of programming
- Possible “resident” organizations
 - Baylor University
 - McLennan Community College
 - Texas State Technical College
 - Waco Civic Theatre
 - Waco Convention and Visitors Bureau
 - Waco ISD and other school districts
 - Waco Symphony Orchestra
- Nonprofit community users
- Commercial users



Image Source: Waco Symphony Orchestra.

Recommended building scope

- Performance hall holds 1,500-seats with balcony and orchestra pit
 - No existing Waco inventory is replaced
 - National touring acts can be profitable with 1,500 seats
 - The performance hall will be acoustically appropriate for Waco academic and arts organizations
 - Many existing Waco academic and arts organizations can grow into a 1,500-seat performance hall over time
- Flexible, intimate multi-use room that can accommodate about 200 seats
- Administrative offices, catering spaces, dressing rooms, green room and storage rooms that sufficiently support the performance spaces and facility uses
- Consider including a media/broadcast studio to support film and television economic development opportunities

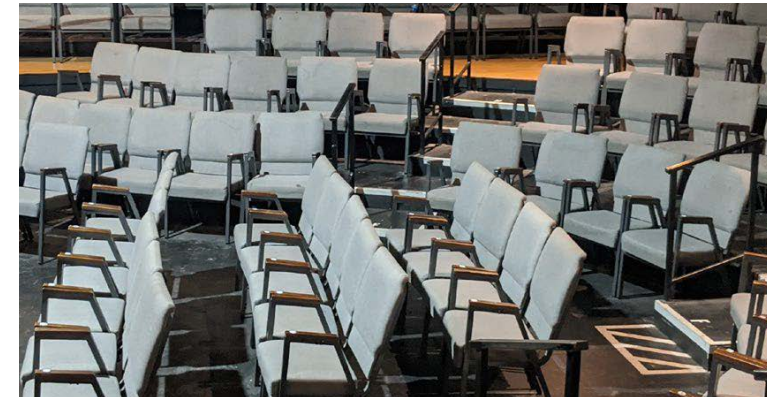


Image Source: Keen Independent Research.

Program and cost

Space program

- 1,500 seats (95,340 gsf)
- Multi use room
- Media/broadcast studio

Cost estimate: \$70–100 million

- Dependent on square footage, seat count, amenities, location, site modifications phasing, labor cost and materials pricing
- Optional multi-use spaces add cost and value

Gross square footage by seat count

Number of seats	GSF
1,800	104,779
1,500	95,340
1,200	86,287
1,000	77,233

Source: Theatre Consultants Collaborative.

Potential capital funding options

A new performing arts facility in Waco may be funded by a combination of:

- Tax increment financing (TIF)
- Partnership with Baylor University that has offered \$20 million in support
- Partnerships with other governmental and academic institutions
- Private capital campaigns
- Other capital funding tools



Image Source: Creative Waco.

Future Waco performing arts center business plan/pro forma

- Nonprofit owner/operator or nonprofit owner venue management company operator
- Model designed to generate revenue while also supporting local arts organizations
- Estimated income and expenses
 - \$2.3 million annual earned income
 - \$3.4 million annual expenses
 - \$1.1 million of annual contributed income needed
- 66:34 earned to contributed income ratio

Two operating budget scenarios for a new arts facility in Waco

	Nonprofit owned & operated	Nonprofit owned/ VMC operated
Revenue		
Earned	\$ 2,064,825	\$ 2,151,225
Other	313,000	313,000
Total revenue	\$ 2,377,825	\$ 2,464,225
Expenses		
Operating	\$ 1,390,000	\$ 1,390,000
Facility & administrator	1,977,958	2,169,638
Total expenses	\$ 3,367,958	\$ 3,559,638
Net surplus/deficit	\$ (990,133)	\$ (1,095,413)
Contributions income needed	990,133	1,095,413
Earned income percentage	71 %	69 %
Contributed income percentage	29	31

Source: VGPAFP.

Future Waco performing arts center business plan/pro forma (continued)

- 12 presenting series and 15 commercial rental days for 1,500-seat performance hall
- Nonprofit and academic users pay a reduced rental fee
- Operational deficits are normal for performing arts facilities and nonprofits
 - Donations from private foundations and individuals
 - Corporate/Business sponsorships
 - Hotel Occupancy Tax and other special taxes
 - Establishment of an endowment fund

Projected number of days of use of the potential future 1,500-seat performing arts hall in Waco

	Performance	Rehearsal	Non-ticketed events	Total
Internal	12	-	21	33
Resident organizations	86	36	10	132
Community	83	32	5	120
Total	181	68	36	285

Source: VGPAFP.

What are the next steps for implementation?



Image Source: Creative Waco.

Feasibility assessment

We find a new performing arts center in Waco to be feasible for the following reasons:

- Strong demand
- Limited supply
- Market leakage
- Advantageous location
- Positive projections
- Demonstrated willing partners



Image Source: Creative Waco.

How we get from where we are to where we are going?

- Establish a task force
- Select a site
- Conduct a basis-of-design process with renderings
- Work with partners to align capital and operational funding
- Select the appropriate operating model
- Build an endowment



Image Source: Creative Waco.

What success looks like

- Keep the momentum!
- Know the opportunities and challenges
- Be inclusive from the start
- Follow a process



Image Source: Creative Waco.

Questions?

