A BUSINESS PLANNING FEASIBILITY ASSESSMENT FOR THE EGYPTIAN THEATRE CITY OF DEKALB

Janis Barlow for Janis A. Barlow & Associates
Dulcie Gilmore Associates
Killis Almond FAIA Architects
December 2016
TABLE OF CONTENTS

1.0 INTRODUCTION............................................................................................................................................. 1
  1.1. DeKalb.......................................................................................................................................................... 1
  1.2. Understanding of the Assignment.............................................................................................................. 2
  1.3. Acknowledgements.................................................................................................................................... 3
  1.4. Definitions.................................................................................................................................................. 4
  1.5. Preliminary As-Built Facility Review by Killis Almond, FAIA, NCARB ..................................................... 5
    1.5.1. Introduction.......................................................................................................................................... 5
    1.5.2. General Information............................................................................................................................. 6
    1.5.3. Investigation of the Exterior................................................................................................................... 8
    1.5.4. Architectural Summary........................................................................................................................ 11
  1.6. Theatre Programming and Design ............................................................................................................ 13
    1.6.1. Optimum Contemporary Theatre Plan (1,000 seat theatre)................................................................. 13
    1.6.2. Optimum Theatre Section (1,000 seat theatre) ..................................................................................... 13
    1.6.3. Egyptian Theatre Compared to Optimum Plan .................................................................................... 14
    1.6.4. Programming Options........................................................................................................................ 15
    1.6.5. Proposed Rehabilitation Criteria.......................................................................................................... 16
  1.7. Egyptian Theatres Operating History ......................................................................................................... 17
    1.7.1. History (excerpt from the Egyptian website) ......................................................................................... 17
    1.7.2. Mission.................................................................................................................................................. 18
    1.7.3. Current Constitution and Bylaw Analysis .............................................................................................. 19
    1.7.4. Board Composition, Responsibilities and Expectations .................................................................... 20
    1.7.5. Evolution of Egyptian Theatre Personnel .......................................................................................... 21
  1.8. Measurable Variables for Assessing Financial Sustainability ................................................................. 22

2.0 MARKETING AND PROGRAM REVIEW ...................................................................................................... 25
  2.1. Community Demographics and Programming Assessment ......................................................................... 25
    2.1.1. Community Profile and Market Assessment ......................................................................................... 25
    2.1.2. History.................................................................................................................................................. 25
    2.1.3. Socio-Demographic Characteristics.................................................................................................... 25
    2.1.3. Economic Activity .................................................................................................................................. 27
    2.1.4. Egyptian Theatre Audience by Geographic Placement ......................................................................... 29
    2.1.5. Current Culture Market........................................................................................................................ 30
    2.1.6. Regional Inventory of Facilities........................................................................................................... 32
      2.1.6.1. Theatre Ownership/Operations......................................................................................................... 33
      2.1.6.2. Business Model Comparison........................................................................................................... 34
      2.1.6.3. Theatre Staffing .............................................................................................................................. 35
      2.1.6.4. Budgeting Comparisons................................................................................................................ 36
      2.1.6.5. Summary of Observations.............................................................................................................. 37
3.0 COMMUNITY NEEDS ASSESSMENT ............................................................................................................ 38
  3.1. Summary of Stakeholders Interviews and Egyptian Board Workshop Findings .................................. 38
  3.2. Public Survey ........................................................................................................................................ 39
    3.2.1. Summary ........................................................................................................................................ 39
  3.3. The City 2015 Strategic Plan Goals ...................................................................................................... 41
  3.4. Potential Users and Programming Survey ............................................................................................ 43

4.0 OPERATING POTENTIAL AND PROGRAMMING PLAN ......................................................................... 45
  4.1. Introduction ......................................................................................................................................... 45
  4.2. Programming Models ............................................................................................................................ 46
    4.2.1. Presented Programs and Commercial Rentals (Touring Artists and Attractions) ......................... 47
    4.2.2. Young Audiences Performing Arts and Touring Programming ..................................................... 47
    4.2.3. Film Programming ....................................................................................................................... 47
    4.2.4. Collaborative Programming with Northern Illinois University .................................................... 48
    4.2.5. Community Rentals ................................................................................................................... 48
  4.3. Potential Audiences ............................................................................................................................... 49
    4.3.1. Defining the Potential Market Areas for the Egyptian Theatre ...................................................... 49
    4.3.2. Demographic Indicators of an Affinity for the Arts ..................................................................... 52
    4.3.3. Audiences for Exurban Locations ............................................................................................... 52
    4.3.4. Attracting Arts Tourists From Around the Country ..................................................................... 53
  4.4. Marketing ............................................................................................................................................. 54
    4.4.1. Positioning Concept ..................................................................................................................... 54
    4.4.2. Values .......................................................................................................................................... 54
    4.4.3. Developing Audiences and Clients .............................................................................................. 54
    4.4.4. Senior Management and Advisory Groups ................................................................................ 56
  4.5. Budget Preparation ............................................................................................................................... 57
    4.5.1. Egyptian Theatre Presentations .................................................................................................... 57
    4.5.2. Programming with Northern Illinois University ........................................................................... 58
    4.5.3. Community Usage, Commercial Rentals and Co-Presentations ............................................... 59
    4.5.4. Theatre Usage – Summary ........................................................................................................... 60
    4.5.5. Sample Ticket Prices ................................................................................................................... 60
    4.5.6. Sample Operating Budget ........................................................................................................... 61
    4.5.7. Staffing Assumptions .................................................................................................................... 62
    4.5.8. Egyptian Theatre Program Growth Projections ......................................................................... 64

5.0 OWNERSHIP AND GOVERNANCE ...................................................................................................... 65
  5.1. Review of Ownership, Governance and Management ........................................................................ 65
    5.1.1. Proposed Ownership, Governance and Management .................................................................. 65
    5.1.2. Ownership, Governance and Management Objectives ................................................................. 66
    5.1.3. Ownership, Governance and Management Recommendation .................................................... 68
1.0 INTRODUCTION

1.1. DeKalb

The area today known as DeKalb has a long, colorful history that began to unfold in the early 1800s. Settlers from the east coast were attracted to the area by the rich farmland and abundant natural resources. Agriculture was the primary economic activity as the 63 mile Kishwaukee River flows northward through the city and its watershed serves primarily as agricultural lands. The area began to grow and develop with the arrival of the Chicago and North Western railroad in the mid-1800s. The area’s prime location brought easier shipping of local crops to larger markets such as Chicago.

In 1873, local farmer Joseph Glidden developed barbed wire and began commercial mass production of his “new invention” designed to manage animals in large pastures. However, another entrepreneur later claimed to invent barbed wire. After 18 years of legal wrangling, Glidden’s patent was declared the “winner,” thereby assuring DeKalb a place in history and the nickname “Barb City.” The DeKalb County Farm Bureau, the first organization of its kind, was established in 1912. In the 1930s, the DeKalb AgResearch Corporation marketed its first hybrid seed corn.

The founding of Northern Illinois State Normal School in 1895 permanently changed DeKalb’s landscape by adding education, cultural and sporting events to complement and enhance the lifestyle of DeKalb residents and visitors. The 756-acre campus became known as Northern Illinois University (NIU) in 1957. Today, NIU is one of the largest universities in the State of Illinois system, with over 19,000 students and is the largest employer in DeKalb.

The community has an outstanding school system. In 2013, U.S. News and World Report ranked DeKalb High School District 428 among the best in Illinois. The DeKalb Public Library has served the community for more than 100 years and completed an extensive, $25.3M expansion project in August 2016.

The DeKalb County Forest Preserve District operates a number of forest preserves along the Kishwaukee River and the river offers recreational opportunities such as canoeing and fishing.

With its culture of innovation, DeKalb has evolved from primarily an agri-business and manufacturing town, into a regional economic engine with its access to the I-88 and I-39 corridors. Whether as a small town charm or a progressive area, DeKalb is a unique city, which takes pride in its farming roots, is embracing growth, celebrating its diversity and is advancing the abundant opportunities that have been brought its way.
1.2. Understanding of the Assignment

DeKalb finalized a ten-year strategic plan for the city in February of 2016. Several of its goals are particularly relevant to this proposal: positioning the city for long-term success, supporting enterprises that enhance the vitality of the downtown, and facilitating a business-friendly environment that supports existing merchants while attracting new investment to the area. These are all goals that will guide the continued development and growth of the Egyptian Theatre and the city’s entire cultural life. The city’s population experienced a 12.4% growth between 2000 and 2010, but has potentially declined since then. With a new strategic plan in place the City is looking towards its future cultural life and the ways in which the Egyptian Theatre could be a positive asset in recruitment and retention of students and new residents.

To that end, the City of DeKalb is examining the future business and programming model for the theatre, and an ownership, governance and management model that will ensure that the theatre provides the optimum contribution to DeKalb’s quality of life on a sustainable platform and remains an asset to the community. The guiding principles for any development are found in the City’s Vision:

*DeKalb is proudly known as a welcoming, safe, and vibrant city offering economic, educational, social, cultural, and recreational opportunities for everyone. DeKalb’s neighborhoods, the downtown, and NIU’s campus are interconnected in a dynamic interplay of energy and creativity that retains and attracts businesses with living-wage jobs. Diversity is valued and celebrated, with all people treated with dignity, equity, and respect. DeKalb’s diverse and integrated transportation network provides a wide variety of local and regional transportation options in an efficient and user friendly manner. Through sound fiscal stewardship and collaboration with community stakeholders, City government identifies and coordinates the resources needed to sustain a vibrant DeKalb.*

DeKalb is the cultural hub of the county. Art galleries, Kishwaukee Symphony Orchestra, the Municipal Band, live theater, dance, arena concerts, independent films and championship sports are all in DeKalb’s back yard. DeKalb has 44 area parks and 3 major bike trails. In January, 2016, the City of DeKalb advanced to the semifinals in the America’s Best Communities competition as one of the 15 communities nationwide and the only community in Illinois. Most recently DeKalb received the designation of “Bicycle Friendly Community” by the League of American Bicyclists.

The Egyptian Theatre, opened in 1929, is one of the finest examples of this style of vaudeville theater in the United States and a national historic treasure. In considering future funding needs for the 1,397-seat Egyptian Theatre’s capital and operations, a rigorously conducted, professional, objective analysis and demonstration of possible programming, ownership and operating models is a vital first step. A unique business-operating model must be developed that responds to the conditions and opportunities in the DeKalb market before a new programming model is provided. The successful business model is derived from a clear understanding of the market area – the supply and demand for programs and facilities, the community’s perceived needs and aspirations, theatre operations, trends in those fields and the conditions, objectives and measures of success for a new programming model.

Barlow & Associates is one of North America’s most respected arts consulting firms, offering a range of research, planning and management services to clients in the cultural and non-profit sector. The firm is committed to assisting clients in their quest for custom-tailored solutions and the wisest allocation of limited resources. Janis Barlow has spent 35 years focused on creative and practical business planning solutions for historic theatres with more than a thousand seats serving communities often with far less than 150,000 citizens.
1.3. Acknowledgements

The consultants are grateful to all the interview, workshop and survey participants who contributed their valuable insights to this study.

The consultants would like to acknowledge the support of the City of DeKalb and the management of the Egyptian Theatre in providing background for this report.

The consultants would like to thank the individuals who responded to questions based on the roles listed below, although they may be engaged in other organizations.

**Community Members**

Debbie Armstrong, DeKalb County Convention & Visitors Bureau
Cohen Barnes, #ProudlyDeKalb Committee Chair
Rosa Balli, Owner Eduardo’s Restaurant
Orion Carey, Wurlitzer Theatre Organ, Committee Chair
Steve Duchrow
Steve Irving, Irving Construction
Mark Pietrowski, DeKalb County Board Chair
Ron & Nancy Proesel, Donors
Frank Roberts, ABC Local Grant Team Chair
Lisa Sharp, Sharp Architects
Vicky Torres, Red Roof Inn DeKalb General Manager
Chris Wallace

**Theatre Professionals**

Beth Fowler, Beth Fowler School of Dance
Jodi Riley, Sycamore/Rochelle Performing Arts Academy
Ray Binkowski, Fitworkz & OCB Midwest States
Shawn Lowe, Prosound Productions
Michael Embrey, FunMe Events

**Northern Illinois University**

Paul Bauer, Professor Emeritus School of Music
Jennifer Groce, Director of Community Affairs
Tracy Nunnally, Theatre & Dance Tech Director
Kalenna Kaske, Vice President Programming Campus Activities Board

**Egyptian Theatre**

Alex Nerad – Executive Director
Patrick Mlady – Custodian/Maintenance
Nora Reeves – Box Office Manager
Kody Williams – Venue Technician

**City of DeKalb**

John Rey, Mayor
Anne Marie Gaura, City Manager
Jennifer Jeep Johnson, City Clerk, and Vice President
DeKalb Area Arts Council
Patty Hoppenstedt, Assistant City Manager
Jo Ellen Charlton, Community Development Director
Jason Michnick, Economic Development Planner
Lauren Stott, Management Analyst

In addition, Janis Barlow and Dulcie Gilmore had group meetings with Preservation Egyptian Theatre, Inc. board members including:

Jeff Keppler, President
Dan Schewe, Vice-President
Kay Riley, Treasurer
Brian Scholle, Secretary
Nancy Proesel, Director

Jim Mizgalski, Director
Tim Rice, Director
Kathy Love, Director
Denise Weinmann, Director
Jason Mangum, Director
1.4. Definitions

**Vaudeville Theatre** - A type of theatre and entertainment popular between 1900 and 1930 which featured a series of light, unrelated touring acts and a photoplay. The acts played in front of stock two-dimensional scenery on shallow stages and the theatres were built on properties to maximize seating capacity and minimize backstage and front of house audience services.

**Movie Palace** - An evolution of the vaudeville theatre that emerged in 1913-14 which featured one large balcony, exotic ornamentation and 2,000 seats or more.

**Performing Arts** - A term that usually embraces theatre and musical theatre, classical and contemporary music, classical and modern dance, opera and variety acts.

**Performing Arts Center** - Typically used to describe a modern (post World War II), not-for-profit public theatre complex which has more than one venue purpose-built to accommodate performing arts.

**Community-Based Organizations** - Not-for-profit incorporations without share capital guided by a volunteer, “working” board of directors whose President is the Chief Executive Officer and who retain employees to assist them.

**Professional-Based Organizations** - Not-for-profit incorporations without share capital guided by a volunteer, “policy” board of directors who retain a professional Chief Executive Officer to assume responsibility for successful programming and operations.

**Public-Private Partnership** - A government or private service that is funded and operated through a partnership between government and the private sector. In complex projects, it provides access to the expertise and efficiencies of the private sector, optimal risk allocation and transparency to deliver a valued public service.

**Charitable Status** - Known as a 501 (c) 3, where a not-for-profit organization is awarded a federally designed tax status due to the nature of their public service and their board of trustees are held to a higher standard of accountability.

**Earned Income** - Income earned by a theatre through rentals, ticket sales, concessions, merchandizing, advertising, sponsorships, tuitions, parking and other ancillary income.

**Contributed Income** - Income contributed to the theatre through donors, governments, foundations and other charitable giving sources.

**Cultural Institutions** - Public libraries, museums, theatres, galleries and archives.
1.5. Preliminary As-Built Facility Review by Killis Almond, FAIA, NCARB

The findings contained in the following facility review were gathered during a walk-through of the Egyptian Theatre in January, 2016. These are not thorough and more analysis will be needed during further architectural planning.

1.5.1. Introduction

DeKalb, Illinois is the home of the Egyptian Theatre, which is one of only a handful of atmospheric theatres designed around an ancient Egyptian theme. Following the discovery of King Tut’s tomb in 1922, architectural references to the discoveries were used throughout the United States to create thematic designs for commercial buildings, theatres and even residences. Constructed in 1929 DeKalb’s Egyptian Theatre was designed to create an atmosphere reflecting this fascination with Ancient Egyptian design.

The exterior and the interior of the theatre reflect details associated with Egyptian traditions and the "atmospheric" theatrical design style prevalent throughout the United States in the 1920s and 1930s. This style typically featured eastern or Middle Eastern exteriors on the interior walls of the theatre auditorium while rendering the ceiling as a night sky that displayed or projected stars and clouds. Vaudeville productions and silent films were the programming that dominated between 1913 and 1928 when the “talkies” were introduced. The tradition of vaudeville focused around traveling performers who went from theatre to theatre utilizing basic stage drops. This equipment was designed for each theatre constructed at this time. Today the theatrical requirements of the simple shows that formed the vaudeville circuit until the early 1930s no longer apply to modern performing arts presentations.

Vaudeville theatres also were designed with minimum lobby space, minimum restrooms and a maximum of seating. Vaudeville theatres such as the Egyptian were not designed for modern presentations with a planned intermission. Therefore, the Egyptian must address the inherent limitations associated with the original design and function. This assessment will identify the challenges in design and maintenance issues, and recommend an approach to reaching design compromises to improve the function of the public spaces and the backstage support areas.

Because of the beauty and design of their facades and auditoria as well as the historic importance to their communities and the economy of upgrading an existing well built building, vaudeville theatres have often been selected for contemporary transition into a performing arts centre. Inevitably, to serve current and future performing arts needs, a vaudeville house requires expansion to its entry lobbies (or front of house) and backstage loading and service areas.

The front façade greets the patrons with the vision that this is a special place. The show really does start on the sidewalk.
The Egyptian Theatre has an overall design that is typical of atmospheric theatres at the time of its construction. The front façade, which is an excellent example of Egyptian Revival, is very narrow compared to the full width of the property being developed. The large auditorium building is at the rear of the property because theatres did not require storefronts that could be rented for retail income. The façade of the Egyptian speaks forcefully to the public that this building is exceptional and that this is the entry to the theatre. The adjacent commercial spaces were constructed along the street with storefront windows and public entries separate from the Egyptian. Traditionally these spaces would have been occupied by retail businesses such as a barbershop, confectionery, smoke shop or bakery. Originally, the vaudeville theatre did not provide concessions for the patrons. These would have been purchased outside the theatre prior to entering for a performance. Current professional theatre operators try to control all retail sales within the footprint of the theatre. However, vaudeville theatres never had space allocated for these functions. This lack of space has been problematic for every vaudeville theatre that has ever been rehabilitated.

Design priorities for any rehabilitation include the following:
- Patron Safety
- Performer/Staff Safety
- Audience Comfort
- Functional Space
- Quality Finishes and Historic Preservation
- Ease of Use and Circulation
- Cost and Cost Effectiveness

1.5.2. General Information

The Egyptian Theatre was designed by Elmer F. Behrns who was influenced to create an atmospheric theatre that used Egyptian symbols and details to create a sense of arrival for each patron. His attention to detail still gives each 21st century patron a feeling they are entering an amazing structure where something special will be presented. The highly-decorated front façade is constructed of terra-cotta veneer suspended over masonry backing. The terra-cotta façade is highly detailed with depictions of King Ramessess looking down on those who enter. The magnificent stained-glass window depicts a scarab centered in radiating patterns of golds holding up the Egyptian Sun God Ra. The interior continues the Egyptian themes with the sculpture of Egyptian Pharaoh Ramessess II again reflecting King Tut’s influence. The highly-detailed entry hall greets patrons and removes them physically from their daily concerns through a passageway taking them deep into the Egyptian décor. They would then sit amongst other patrons surrounded by the details and sculptures of this atmospheric environment to enjoy the performance. This feeling is retained to this day.

The Egyptian Scarab Beatle is the prominent feature of the lobby and front façade. It is a design relating to the discovery of King Tut’s tomb.
The original working drawings clearly show that the Egyptian was designed as a modern fireproof structure based on building codes at that time. The theatre has a steel structural column and beam design with large bridge trusses spanning the auditorium spaces. The steel structural system was wrapped with masonry construction to provide a fire rating to the steel. This construction is typical of all atmospheric theatres this firm has investigated over the last 35 years. This is quality construction; however, it does have inherent flaws in the design if water penetrates the masonry surrounding the steel.

The Egyptian opened its doors as the stock market crashed in 1929, which affected finances, the finishes to the theatre and potential plans to develop the surrounding area with a hotel. The two adjacent retail spaces were added later along the sidewalk (approximately 100 by 75 feet deep), and have been heavily remodeled over the years. The third retail space on the corner to the North is an existing confectionery of quality sweets.

The historic Egyptian was designed for live vaudeville performance and silent movie projection. The stage was adequate for vaudeville presentations with small dressing rooms located in the basement of the stage. Existing wing space was minimal and there are no scenic bays or loading docks that would meet current presentation and touring requirements.

The auditorium has received excellent repair and restoration work. Its seating and sightlines appeared to be well maintained and in excellent condition.

The public entry and lobby space is drastically limited. In its current configuration, there is no way to meet current building codes or to provide proper front of house (FOH) support areas for ticketing, concessions and administration. If additional space is constructed to the current property line, the Egyptian will still be limited in the areas to which it can expand FOH support and lobby space for the patrons.
The stage house sits directly adjacent to the sidewalk on the north side of the theatre. Expansion of the stage to the north is extremely difficult or impossible based on the current street right-of-way. However, the large park area to the west of the stage is ideal for stage support expansion. Stage support would include ADA dressing rooms, chorus dressing rooms, loading docks, technical storage and maintenance areas together with essential space for HVAC equipment to service additions. This area is also ideal for theatre expansion because it allows for phased construction during ongoing operations.

1.5.3. **Investigation of the Exterior**

The following is a list of existing conditions and an assessment in relationship to the Egyptian Theatre and expansion or maintenance of the historic structure:

1. Foundation movement – the original foundation and masonry walls appear to be well constructed and retain the majority of their waterproofing capabilities. It also appears that a damp proof course of liquid tar was poured through the masonry walls just above ground level. Historically this was used as a damp proof course to help prevent rising damp from damaging the masonry. Masonry walls do have indications of deteriorated mortar; however, spot pointing of the mortar can be handled in the course of maintenance. Executive Director Alex Nerad notes that the mechanical basement experiences ground water coming into the building through the foundation.

The arrows are pointing to indicators of major movement in the terra cotta on the front façade. The straight line on the upper right is an indication of how much the upper portion of the parapet wall is leaning outward over the sidewalk. The other arrows indicate movement in the terra-cotta which is being pushed away from the internal structural system by rusting steel and freezing water which is trapped behind the façade.
2. Terra-cotta masonry veneer on the front façade is in fair condition on the lower portions of the entry façade to the Egyptian. The upper portion of the wall and parapet are faced with terra-cotta “faux cotta” that was used in 1983. This type of repair has not addressed the root of the deterioration in the upper third of the front façade. Currently terra-cotta movement, improper repair and misalignment of the terra-cotta indicate significant moisture deterioration of the steel structure behind the masonry veneer. As the terra-cotta extends over a public walkway routine patches and inspections are required, the most recent of which was done in November, 2016. There are no immediate concerns and a longer term solution is under consideration.

A proper repair of this terra-cotta façade involves the complete disassembly of the terra-cotta façade down a level approximately shoulder height of the King Ramesses elements. It is likely, the terra-cotta will need new replacement pieces for those that have been improperly repaired or deteriorated beyond repair. Terra-cotta with clean cracks can be glued together with masonry epoxy and reinstalled. The backup masonry will need to be removed and a complete inspection made of the structural steel and steel elements and relief angles behind the terra-cotta. Based on façade restorations of terra-cotta façades built during this time, it can be assumed that improper relief angles and improper wall flashing are contributing to the moisture gaining access to the raw steel buried inside the wall. New repairs will also involve removal of roofing and installation of new flashing relating to the roof behind the parapet.

It is recommended that all work on the façade should be completed with the highest quality materials including terra-cotta duplication by one of the five terra-cotta manufacturers still operating in the United States.
3. Concrete and fire exit platforms – it should be understood that concrete is not a waterproofing material. Exterior flat work and elevated concrete landings absorb moisture and transmit moisture to reinforcing steel buried within the concrete slab. Also, embedded anchors for the attachment of handrails are ferrous metal and will rust over time even if painted. This is caused by moisture accessing the non-painted steel elements buried within the concrete. While this is a lower priority, all future fire exits should be designed with landings constructed with open grating systems that allow snow to pass through the openings. Exterior traffic and corrosion caused by salt will also accelerate penetration of moisture and should be monitored.

4. Foundation drainage – generally speaking, the areas around the foundation are covered with cementitious flat work in most locations. The south façade opens to a green space connecting two adjacent buildings toward the west. This area is very flat and should be modified to create positive drainage away from the masonry wall. Parts of the groundwater infiltration into the basement have been addressed but there are still issues with major storm events leading to sewage backups and storm water getting into the boiler room on the south side of the building. Ongoing monitoring of the below-grade areas such as the basement mechanical area should be done on a regular scheduled basis.

5. Deterioration of the fenestration – in general, the building has very few windows and the doors and fire exits appeared to be well maintained. Blockage of exterior fire doors should never occur and following each snowfall the exterior fire doors should be cleaned of snow and the pathway cleared for proper exiting of the public.

6. Roof conditions – the roof was not accessible for inspection and was not part of this report’s scope. Information provided to the consultants shows the roofs were replaced in these years: Stage (2006), Lobby (2007), Marquee (2008), Auditorium (2010).
1.5.4. Architectural Summary

It is important in the planning process to consider issues such as safety and future needs of the building. While working on the assessment of the building it is very clear that the current square footage in the historic building will not meet the requirements of a contemporary performing arts center. The vaudeville theatre required much less space and current codes require changes to the space and the added safety requirements of a modern theatrical venues.

Safety for the patrons and the public are a priority in any public building. The Egyptian Theatre must focus immediately on issues relating to the deterioration of the front façade. There is no question that the ongoing repairs to the front façade and the roofing projects have helped to protect the building and to slow the deterioration of the terra-cotta and structural steel backing to the terra-cotta. Recent tuckpointing and recent repairs recommended by a local architect and mason should secure the façade through winter until a longer term, more comprehensive plan can be developed. It is still recommended that a properly installed net across the front facade and extending down the sides to mitigate a sudden failure of overstressed terra-cotta elements especially in inclement weather. The netting buys time and safety. Time to raise money for a new façade, time to produce terra-cotta restoration documents and time to ensure public safety without entirely obscuring the full view of the work that needs to be done.

Planning and fabrication of structural framing steel and terra-cotta replacement pieces should be timed for the actual construction to occur during the summer months. It is not uncommon for the timeline of a terra-cotta façade restoration to span two summers and two winters. For this reason the temporary installation of protective netting is considered a small cost for the protection provided.

In fact, integrating an ongoing and future concern for safety will influence a great deal of decision-making on the rehabilitation planning of the Egyptian Theatre from an historic vaudeville to a contemporary performing arts center. It will also be impossible to create the programmatic spaces required to move the Egyptian into the 21st century without expanding the square footage available to incorporate the space as dictated by the program.

The quality of the interior maintenance and the effort put forth by the Egyptian Staff is to be commended. The continuing maintenance of a historic building is considered ongoing restoration and as such becomes extremely important to reducing repairs to the finishes and to extend the life of historic materials that are susceptible to wear and tear. Efficiency in operations is critical in any theater rehabilitation. However, looking at new solutions and considering options should be ongoing and every year a commitment should be made to continuing the high level of maintenance and repair required on the building of this significance. It is difficult to put a value on the Egyptian as it currently sits. It is safe to say that to reconstruct the Egyptian with its current volume and decoration would cost at least $30 million dollars not including the necessary front of house and backstage additions required to meet contemporary codes.

The Egyptian Theatre is one of the finest examples of this style of vaudeville theater in the United States. The theatre’s basic design reflects the function and efficiency of vaudeville theater and film performances of the theatres contemporary with its construction. Because of the quality of work and the amazing design of this structure is the reason the Egyptian is still available today for rehabilitation and programming to serve the next 100 years as a performing arts center. The basic bones of the structure are excellent. It only needs mechanical and electrical upgrades and additions with contemporary programmatic functioning required to give the Egyptian Theatre the prominence in performance that it currently holds in the architectural field.
1.6. Theatre Programming and Design

1.6.1. Optimum Contemporary Theatre Plan (1,000 seat theatre)

The schematic plan and section below illustrate the typical components of a contemporary theatre for the performing arts:
- Front-of-house facilities
- Auditorium and circulation space
- Stage and backstage facilities
- Administrative services

1.6.2. Optimum Theatre Section (1,000 seat theatre)
1.6.3. Egyptian Theatre Compared to Optimum Plan

These images illustrate the comparison between an optimum contemporary theatre plan and the Egyptian vaudeville house with sections shaded in blue comparing stage size.

Images provided by Killis Almond, FAIA and show a comparison between the Egyptian Theatre ground floor plan and two other historic theatre floor plans by Killis Almond, FAIA where contemporary programmatic elements have been added.
1.6.4. Programming Options

Stage size and shape, equipment available, loading and seating capacity have the greatest influence over the types of programming which a theatre can sustain physically and financially. At 1,397 seats, the Egyptian Theatre is the size of a contemporary presenting facility for its regional market.

A vaudeville theatre generally had stock 2-dimensional scenery in every theatre and vaudeville made very limited production or presentation demands in an era where skilled theatre labour was abundant at a reasonable cost. Successful conversions of vaudeville theatres to contemporary theatres require a conversion to meet public expectations, professional expectations and the law. The functional requirements of the vaudeville and contemporary theatres are very different as illustrated by this comparative chart below.

<table>
<thead>
<tr>
<th>Vaudeville Era</th>
<th>Contemporary Theatre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Front-of-House</strong></td>
<td></td>
</tr>
<tr>
<td>Minimal foyer, lobby sufficient to shelter lines</td>
<td>Foyer, lobby, lounge for licensed operation</td>
</tr>
<tr>
<td>Hard, printed tickets at the door</td>
<td>Advance, electronic ticketing and readers</td>
</tr>
<tr>
<td>Earned income sufficed, little or no concessions</td>
<td>Earned income – concessions, merch, raffles etc.</td>
</tr>
<tr>
<td>Minimal audience services (washrooms)</td>
<td>Building, health and safety codes in effect</td>
</tr>
<tr>
<td><strong>Auditorium or House</strong></td>
<td></td>
</tr>
<tr>
<td>Low tech, no mikes, P.A. or hearing systems</td>
<td>High tech, sound, p.a. hearing systems</td>
</tr>
<tr>
<td>Open or single door between FOH and House</td>
<td>Light and sound lock required</td>
</tr>
<tr>
<td>One set of adult services</td>
<td>Services for children and the disabled</td>
</tr>
<tr>
<td>General admission</td>
<td>Designated seating</td>
</tr>
<tr>
<td>Relatively flat rake (film sightline to mid-screen)</td>
<td>Performing arts sightlines – feet to full height</td>
</tr>
<tr>
<td><strong>Stage Playing Area</strong></td>
<td></td>
</tr>
<tr>
<td>Vaudeville 2D standard 35-40’ wide, 29’ deep</td>
<td>Performing Arts – 40’ wide, 40’ deep</td>
</tr>
<tr>
<td>Height to grid 50’ to 70’</td>
<td>Height to grid 70’ to 90’</td>
</tr>
<tr>
<td>Small film screen on a line set and film speakers</td>
<td></td>
</tr>
<tr>
<td>Manual rigging</td>
<td>Motorized rigging</td>
</tr>
<tr>
<td>Outdoor sidewalk</td>
<td>Upstage crossover</td>
</tr>
<tr>
<td>Minimal wing space – total of 20’</td>
<td>Total of at least 40’</td>
</tr>
<tr>
<td><strong>Backstage</strong></td>
<td></td>
</tr>
<tr>
<td>Minimal loading for 2-dimensional scenery</td>
<td>Efficient multiple truck bays</td>
</tr>
<tr>
<td>Load onto stage</td>
<td>Load into storage and assembly areas</td>
</tr>
<tr>
<td>Stage door for performers</td>
<td>Stage door/security office for performers etc.</td>
</tr>
<tr>
<td>Dressing rooms with limited toilets and sinks</td>
<td>Dressing rooms with showers (&amp; toilets &amp; sinks)</td>
</tr>
<tr>
<td>Mechanical space used for crew areas</td>
<td>Crew offices</td>
</tr>
<tr>
<td>-</td>
<td>Green room</td>
</tr>
<tr>
<td>-</td>
<td>Production repair areas</td>
</tr>
<tr>
<td>-</td>
<td>Costume maintenance with washer/dryers</td>
</tr>
<tr>
<td>-</td>
<td>Rehearsal space</td>
</tr>
<tr>
<td><strong>Administration</strong></td>
<td></td>
</tr>
<tr>
<td>One theatre office</td>
<td>Theatre offices for the whole staff</td>
</tr>
<tr>
<td>Janitorial closet</td>
<td>Janitorial closets to code requirements</td>
</tr>
<tr>
<td>-</td>
<td>Computers and wireless systems</td>
</tr>
<tr>
<td><strong>Ancillary Program and/or Income Space</strong></td>
<td></td>
</tr>
<tr>
<td>Street front retail, offices</td>
<td>Street front rental, offices</td>
</tr>
<tr>
<td></td>
<td>Second and Third Stages</td>
</tr>
<tr>
<td></td>
<td>Studios, Classrooms</td>
</tr>
</tbody>
</table>
In addition to the Egyptian’s functional limitations, it (unlike most vaudeville houses) was not originally equipped with air conditioning, thus rendering it virtually unusable during the summer months. Effectively, the Egyptian can only plan for a full-time 8-month season and limit itself to film, community theatre or special events, comedy, and musical acts.

Unfortunately, neither film or community theatre are sufficient to sustain the theatre even if combined with a part-time year of comedy and musical acts. To accommodate the broader range of touring professional work that is available to the Egyptian by virtue of its seating capacity – such as theatre, musical theatre, dance, specific events and variety - a number of improvements to the theatre are required as noted on the previous page. The following provides a basic guideline that will fluctuate with the particular show:

<table>
<thead>
<tr>
<th>Genre</th>
<th>Audience Draw</th>
<th>Current Egyptian Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Film</td>
<td>10-15 minutes</td>
<td>Yes</td>
</tr>
<tr>
<td>Community Theatre</td>
<td>15 minutes</td>
<td>Yes</td>
</tr>
<tr>
<td>Touring Plays</td>
<td>30 minutes</td>
<td>Not Adequate</td>
</tr>
<tr>
<td>Touring Bands, Music</td>
<td>45 minutes</td>
<td>Yes</td>
</tr>
<tr>
<td>Touring Comedy</td>
<td>45 minutes</td>
<td>Yes</td>
</tr>
<tr>
<td>Touring Dance and Ballet</td>
<td>1 hour</td>
<td>Not Adequate</td>
</tr>
<tr>
<td>Touring Musical Comedy</td>
<td>1 hour</td>
<td>Not Adequate</td>
</tr>
<tr>
<td>Touring Broadway</td>
<td>1 hour</td>
<td>Not Adequate</td>
</tr>
<tr>
<td>Touring National Artists</td>
<td>2 hours</td>
<td>Not Adequate</td>
</tr>
</tbody>
</table>

1.6.5. **Proposed Rehabilitation Criteria**

Transforming a vaudeville theatre into a performing arts center (PAC) requires the development of a building program which understands the business and responds to a future plan. In the meantime, the chart below summarizes the differences between a vaudeville theatre and a PAC:

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Vaudeville</th>
<th>PAC Optimum</th>
<th>Total Optimum S.F.</th>
<th>Current Egyptian S.F.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditorium</td>
<td>8-9 sf per person</td>
<td>10 sf per person</td>
<td>14,000</td>
<td>11,133</td>
</tr>
<tr>
<td>Front of House</td>
<td>1-2 sf per person</td>
<td>8-10 sf per person</td>
<td>14,000</td>
<td>2,950</td>
</tr>
<tr>
<td>Stage</td>
<td>29’9” deep x 60-70’</td>
<td>44’ deep x 90’ wide</td>
<td>4,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Proscenium</td>
<td>35’ w x 22’ h</td>
<td>40-46’ w x 26-32’h</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Backstage</td>
<td>Stage Basement</td>
<td>50’ x 90’</td>
<td>4,500</td>
<td>2,000</td>
</tr>
<tr>
<td>Administration</td>
<td>0-200 sf</td>
<td>800+ 100 sf per staff</td>
<td>2,000</td>
<td>0</td>
</tr>
</tbody>
</table>

In assessing the improvements required for the Egyptian, the following criteria are proposed:

- Safety and Code Compliance
- Variable Function for Performing Arts and Film
- Operating Efficiencies to Minimize Overhead
- Historic Preservation
- Patron Comfort and Convenience
- Cost and Cost Effectiveness
1.7. Egyptian Theatres Operating History

1.7.1. History (excerpt from the Egyptian website)

As noted in the architectural report, the Egyptian Theatre owes its architecture to the famed discovery of the tomb of King Tut and a subsequent nationwide interest in everything Egyptian. In 1928, the DeKalb Theatre Company needed a new combination motion picture house and vaudeville theatre and retained Chicago theatre architect Elmer F. Behrens. Contracts for the new theatre were awarded in 1928, but construction, other than a foundation excavation, did not start until Spring of 1929. It is believed that the initial construction cost roughly $250,000. The theatre served a population of approximately 8,545 in the city of DeKalb and 32,644 in DeKalb County.

The stock market crash in October 1929 reduced the scope of the original project and resulted in some design compromises with, for example, the broken-tile main lobby floor substituting for marble. The theatre opened on December 10, 1929. The first film on the Egyptian’s giant screen was “The Hottentot,” an “all talking” film about horse racing. Live vaudeville acts generally were reserved for weekends between movie showings.

By the late 1930’s, the theatre was one of over 100 theatres across the country to decorate itself in an Egyptian style. Of all the Egyptian theatres, the DeKalb theatre is now one of only 6 remaining open and is the only Egyptian Theatre east of the Rocky Mountains.

In the forties and fifties, the Egyptian concentrated mostly on movies, with an occasional live event. On October 25, 1959 Senator John F. Kennedy made an appearance to a packed house at the Egyptian. Three months later he would announce his candidacy for president. The Egyptian Ownership of the Egyptian changed hands over the years, but for a majority of its commercial life, the building was owned and operated by the Thomas Valos family, who ran a chain of Midwest motion-picture houses.

In the early 70’s the aging theatre continued to show movies and sometimes hosted concerts by popular up and coming rock bands such as Journey and Heart. By the mid-seventies, the Egyptian was crumbling away, the seats were in disrepair, the plumbing rarely worked, the boiler was no longer functioning, and there were holes in the ceiling letting in both rain water and wild animals. In 1977, the Egyptian Theatre was closed and the property given over to the City of DeKalb.

With the theatre on the verge of being condemned in 1978, a group of citizens banded together to restore and save the Egyptian. The Egyptian was listed on the National Register of Historic Places in 1978. In 1982, Preservation of the Egyptian Theatre, Inc. (P.E.T.) qualified for a $2.3 million grant from the state of Illinois. This money allowed the repair and restoration of the theatre to begin. Renovations were started in 1982 and finished by the fall of 1983.

When the theatre opened again in 1983, it was host to dozens of events a year. The Egyptian season hosted live events, weddings, receptions, community meetings, and movies. Today, the theatre is utilized by the community for a wide variety of events and also attracts national touring acts. From 2006 – 2016 over $2 million was invested in restoration, maintenance and upgrades to the Egyptian Theatre. In the summer of 2011, the seats were replaced with brand new seats matching the originals, through a community fundraising campaign that was the largest since 1983. Through the continued support of the community the Egyptian Theatre is able to not only keep the doors of the theatre open but continue to improve the theatre for all to use and enjoy.
1.7.2. Mission

P.E.T.’s vision for the Egyptian Theatre since the beginning has been a community-based one. The success of the Egyptian Theatre has continually been embraced by both the arts community and by the people of DeKalb County. The vision of P.E.T. has grown from just keeping the doors open to opening new doors. The mission has evolved and grown more succinct over the years.

**Preservation of the Egyptian Theatre, Inc.’s Mission Statement:** To share and protect the historical integrity of the theatre as a regional arts center for entertainment and community involvement.

**Vision Statement:** The historic Egyptian Theatre is recognized as a center for the arts and entertainment in the region, enriching the community culturally and economically. The Theatre is a beloved gathering place and source of pride, providing programming and excitement now and for future generations.

The path of the Egyptian Theatre has been similar to many of America’s more fortunate historic movie palace treasures. A group of concerned citizens saved a community’s historic asset and undertook stabilization and restoration work. The theatre has filled a niche for community-based programming and touring activity and has helped to stimulate downtown economic activity. It is now at a crossroads where it has plateaued and requires investment to grow.

Depending upon their seating capacity, market environment and programming vision, some theatres stay on the trajectory of ongoing theatre preservation and marginal programming growth, some theatres get rehabilitated by a principal tenant like a symphony. Many communities, however, often with leadership and investment facilitated by their municipal governments, explore the potential of creating 21st-century performing arts institutions from their vaudeville houses, building on their unique historic assets and expanding their capacity to present and produce a greater range of work for a much broader audience.

At this stage in the history of the theatre the mission statement is usually transformed from a “preserve and protect” orientation to a theatre business mission which serves audiences and/or performing arts organizations by hosting, presenting and/or producing certain arts. The historic theatre has been saved and the focus has to shift to what it has been saved to do. Preservation becomes a condition of the operation not the goal of the business.

The exploration of a future sustainable business model is usually framed as a feasibility assessment and is undertaken by independent, objective and experienced theatre consultants. Typically, a business feasibility is followed by an architectural feasibility study (not a part of this scope).

<table>
<thead>
<tr>
<th>Feasibility Premise</th>
<th>DeKalb Request for Proposals</th>
<th>Consultant’s Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context</td>
<td>Executive Summary</td>
<td>Executive Summary</td>
</tr>
<tr>
<td>Clients and Customers</td>
<td>Market and Programming Review</td>
<td>Market and Demographics</td>
</tr>
<tr>
<td>Services</td>
<td>Operating Potential</td>
<td>Operating Potential and Programming Plan</td>
</tr>
<tr>
<td>Resource Requirements</td>
<td>Operating Resources</td>
<td>Operations and Budgeting</td>
</tr>
<tr>
<td></td>
<td>Financial and Cultural Impact</td>
<td>Economic and Cultural Impact</td>
</tr>
<tr>
<td></td>
<td>Ownership and Management</td>
<td>Ownership, Gov. and Mgt.</td>
</tr>
<tr>
<td>Findings</td>
<td>Conclusions, Recommendations</td>
<td>Summary of Findings</td>
</tr>
</tbody>
</table>

DeKalb Egyptian
BUSINESS FEASIBILITY STUDY

Janis A. Barlow & Associates
December 2016
1.7.3. Current Constitution and Bylaw Analysis

The constitution and bylaws of Preservation of Egyptian Theatre, Inc. are a straight-forward set of policies typical of their time (1978) for a community-based organization (with amendments in 2006). They call for an executive of four and seven directors for a board of 11.

The board president is the chief executive of the corporation, the vice president can fill in for the president, the secretary records the minutes and files official documents and the treasurer has the care and custody of all the funds of the corporation. In this scenario, the volunteer board executive is in charge of the organization. It is essentially what is characterized as a “working board” or “a volunteer, community-based board.”

The P.E.T. bylaws call for any employee hired as full-time, operating head of the theatre to be an ex-officio member of the board without voting privileges. This full-time head, according to the constitution and by-laws is not authorized to be the professional chief executive of the corporation responsible for the care and custody of all the funds of the corporation. If P.E.T. operated with a paid chief executive officer responsible for the funds, it would be considered a “policy board” or “a volunteer governed, professionally operated” organization. It has nothing to do with how competent the paid staff is, it is a matter of authority and responsibility.

Unlike many organizations, the Egyptian does not appear to have bylaw provisions for standing or ad hoc committees or task forces appointed by the Board. The Board has developed useful operating policies, are conscientiously holding monthly meetings and maintaining minutes and are eager to learn and adopt theatrical business practices. Board engagement and responsibility for the organization is as strong as it has ever been and there are about 100 volunteers currently supporting their work. In recent years, the Egyptian has reduced exceptionally volunteer-heavy events.

The stated purposes of the organization again reflect the time in which the constitution was established:

A. To purchase, repair, maintain, restore and operate the Egyptian Theatre…
B. To operate, arrange and hold amateur and professional performances…
C. To raise funds by…
D. To maintain and eventually to restore the original Art Deco-Egyptian Revival décor…

These purposes reflect a focus on saving and making use of the Egyptian Theatre. They are not so far sighted as to stipulate a future where the Egyptian Theatre is all that one might wish it could be and what it would be engaged in doing if it were so.

A new model would shift the community-based organization to a professional-based organization and from a “working” board to a “policy” board which retains a professional Chief Executive Officer (instead of appointing the volunteer President as CEO). The professional CEO would be granted the legal authority to administer all corporate responsibilities and prepare and maintain budgets for board and audit scrutiny. The board would be conscripted from among its current leadership and those among the private and public sectors with financial, legal, property, educational and political acumen relevant to the new model and they would work with the professional staff to further develop policies to guide the operation of the theatre.

The professional regional performing arts center is a leap from where the Egyptian is now but it should be remembered that the work of a handful of dedicated staff and countless volunteers saved the theatre, operated it to professional standards and made this opportunity a possibility. It is also a leap that requires public sector investment.
1.7.4. Board Composition, Responsibilities and Expectations

The Egyptian Board manual has a list of seven basic Board responsibilities. The source of this list is the National Center of Nonprofit Boards which currently advocates ten basic responsibilities. The basic expectations, reprinted below, are comprehensive and may seem like a long list to volunteer board members. It is very difficult in this day to fully engage a volunteer board of directors, indeed a “working” board, in so many responsibilities and tasks for an increasingly complex business.

BASIC EXPECTATIONS

The following expectations help ensure that the Board of the Egyptian Theatre is working in a manner that advances PET's mission, vision, and strategic plans.

1. Establish as a high priority attendance at meetings and be a member of at least one standing committee. The full board meets once a month on the 4th Wednesday of the month at 5:00 PM at the Egyptian Theatre.

2. Come prepared to discuss the issues and business to be addressed at scheduled meetings, having read the agenda and all background materials relevant to the topics at hand.

3. Participate in the annual strategic planning retreat, board self-evaluation programs, and other educational events that enhance board member skills.

4. Be informed about the Egyptian Theatre’s mission, services, policies and programs.

5. Seek diligently to understand the Egyptian Theatre’s budget and finances.

6. Promote the Egyptian Theatre by attending and supporting events.

7. Be a member of the Friends of the Egyptian Theatre membership program.

8. Contribute annually to the Egyptian Theatre an amount that is personally meaningful and significant.

9. Respect the confidentiality of privileged information both during and after serving on the board of the Egyptian Theatre.

10. Follow board policies and maintain honest and ethical standards.

11. Provide support and advice to the staff but avoid interfering in administrative activities or making special requests of the staff.

12. Recognize that decisions of the board can be made only by a majority vote at a board meeting after constructive deliberation and representation of all facts and viewpoints. Respect and support the majority decisions of the Board of the Egyptian Theatre, even when in a minority position on such actions, while retaining the right to seek changes through ethical and constructive channels.

13. Cultivate potential donors, volunteers, sponsors, committee members, and future board members.

14. Be an ambassador for the Egyptian Theatre in the community. Help spread the mission and vision of the organization.

15. Participate in development and fundraising activities throughout the year.

We would recommend a shift to a professional Chief Executive Officer and a review of expectations from the Board that maximizes their valuable time.
1.7.5. **Evolution of Egyptian Theatre Personnel**

Ten years ago, in 2006, the Egyptian was operating purely as a rental theatre and had identified the need to undertake a facility, equipment and staffing upgrade to expand its services. The Board was comprised of six directors and one staff member with the provision to have nine Board members each heading a volunteer committee. Constitutional amendments abolished the antiquated membership structure and the Board of Directors became self-sustaining. Volunteers assisted with concessions, box office, ushering, maintenance, office work and committee work. Staffing needs were identified as:

- Operations Director – full time
- Administrative Assistance – part time
- Maintenance and Janitorial Supervisor – full time
- Technical Director – part time
- Projectionist – part time

In three to five years, the theatre expected to increase its staff by adding part time staff:

- Special Projects Coordinator
- House Manager
- Janitor (2)
- Assistant Technical Director

It is not clear what provisions were made for box office staff but in a professionally operated theatre that is a house responsibility – as it is currently.

Ten years later in 2016, the Board has successfully expanded to an 11-member Board and staff is comprised of two full-time and two part-time individuals. Its job descriptions and personnel manual is thoughtful and comprehensive. Its annual budgets have risen from less than $100,000 per year to over $300,000 per year.

The current staff complement is extremely modest and does not permit any further extension of activities even if the facility were to be upgraded or opened during the summer months. In both cases the staff would have to be increased.
1.8. **Measurable Variables for Assessing Financial Sustainability**

| Governance Structure | Ownership: P.E.T. Inc.  
| Governance: P.E.T. Not-for-Profit  
| Management: President/Executive Director |
| Programming Model & Genre(s) | Lines of Business: Rental and Presenting  
| Genres: Touring Variety, Local Variety, Performing Arts, Film |
| Revenue Units | Egyptian: 1,397 seats  
| Studio Theatre/Rehearsal Halls: 0 |
| Licensing or "Rental" Rates Monday-Thursday | 5 hour flat rate | $900 / NFP $550 |
| Friday-Saturday | 5 hour flat rate | $1,500 / NFP $900 |
| Sunday | 5 hour flat rate | $1,100 / NFP $700 |
| Monday-Thursday Hourly (additional) | $120 / NFP $75 |
| Friday-Sunday Hourly (additional) | $130 / NFP $85 |
| Staging Capacity | Stage depth: 29’9” plus 9’ apron (60-70’)  
| Proscenium width: 35’ |
| Market | Urban Population: 44,092  
| CMA: 105,462 |
| Competitive Environment | # of theatres available with larger capacity: 2  
| Rental rates: $440-$550/hour | $1,600-$2,000/night  
| # of other theatres hosting musical theatre tours: 3 |
| Ticket Pricing | Current community pricing 0-$25  
| Current presented pricing: $15-35 |
| Scale of Operations | 2015 Operating Expenses: **$304,270** |
| Segmentation of Client Groups (2015) | # of Resident Companies: 0  
| # of Shows Presented: 6 Total  
| # of Films Presented: 15 Total  
| # of Rental Use Days: 76 |
| Earned to Contributed Income | 91:9 |
| Risk Tolerance | Risk adverse |
| Staffing Level and Organizational Structure | Permanent Staff: 2  
| Part-time FOH Staff: 3  
| Staff Charged Back to Client: House Manager, Venue Tech |
| Heritage Designation | National Register of Historic Places |

Current licensing fees or “rental” rates as they are colloquially known, are well below average for a theatre of the Egyptian’s potential quality. Many of its community user groups do not require the full seating capacity nor can they afford a higher rental rate because their ticket pricing and sales would not sustain it. The Egyptian is subsidizing the use of the theatre by community groups without receiving a subsidy to do so.
### Egyptian’s Previous 5 Year Benchmark and Budget Analysis

**5 Year Budget Analysis**

<table>
<thead>
<tr>
<th>BENCHMARKS</th>
<th>FYE 6/30/12</th>
<th>FYE 6/30/13</th>
<th>FYE 6/30/14</th>
<th>FYE 6/30/15</th>
<th>FYE 6/30/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>FULL TIME STAFF (EQUIV.)</td>
<td>2.5</td>
<td>3.5</td>
<td>2.5</td>
<td>2.5</td>
<td>3.0</td>
</tr>
<tr>
<td>VOLUNTEERS</td>
<td>250.0</td>
<td>250.0</td>
<td>250.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>SHOWS PRESENTED</td>
<td>3.0</td>
<td>5.0</td>
<td>6.0</td>
<td>3.0</td>
<td>8.0</td>
</tr>
<tr>
<td>FILMS PRESENTED</td>
<td>22.0</td>
<td>28.0</td>
<td>32.0</td>
<td>16.0</td>
<td>25.0</td>
</tr>
<tr>
<td>RENTAL USE DAYS</td>
<td>82.0</td>
<td>63.0</td>
<td>70.0</td>
<td>76.0</td>
<td>88.0</td>
</tr>
<tr>
<td>PUBLIC PERFORMANCES</td>
<td>76.0</td>
<td>80.0</td>
<td>81.0</td>
<td>72.0</td>
<td>77.0</td>
</tr>
<tr>
<td>Rental Performances #/sold</td>
<td>36/30%</td>
<td>31/24%</td>
<td>30/26%</td>
<td>37/28%</td>
<td>38/26%</td>
</tr>
<tr>
<td>Film Screenings #/sold</td>
<td>22/7%</td>
<td>28/9%</td>
<td>32/6%</td>
<td>16/11%</td>
<td>25/10%</td>
</tr>
<tr>
<td>Presented Performances #/%</td>
<td>3/57%</td>
<td>5/34%</td>
<td>6/45%</td>
<td>3/61%</td>
<td>8/43%</td>
</tr>
<tr>
<td>Total Paid Attendance</td>
<td>18,214</td>
<td>17,842</td>
<td>17,666</td>
<td>18,847</td>
<td>17,004</td>
</tr>
<tr>
<td>Total Unpaid Attendance</td>
<td>9,152</td>
<td>6,498</td>
<td>9,204</td>
<td>10,079</td>
<td>11,548</td>
</tr>
<tr>
<td>TOTAL % CAPACITY SOLD</td>
<td>21%</td>
<td>21%</td>
<td>20%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>TOTAL ATTENDANCE to all events</td>
<td>27,366</td>
<td>24,340</td>
<td>26,870</td>
<td>28,926</td>
<td>28,552</td>
</tr>
</tbody>
</table>

### REVENUES

#### CONTRIBUTED INCOME

<table>
<thead>
<tr>
<th>Grants &amp; Donations</th>
<th>73,750</th>
<th>52,141</th>
<th>45,436</th>
<th>22,785</th>
<th>22,255</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals/Memberships</td>
<td>1,380</td>
<td>13,021</td>
<td>7,350</td>
<td>5,200</td>
<td>2,525</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>75,130</strong></td>
<td><strong>65,162</strong></td>
<td><strong>52,786</strong></td>
<td><strong>27,985</strong></td>
<td><strong>24,780</strong></td>
</tr>
</tbody>
</table>

#### EARNED INCOME

<table>
<thead>
<tr>
<th>Admissions</th>
<th>265,774</th>
<th>241,957</th>
<th>294,614</th>
<th>250,730</th>
<th>307,082</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concessions</td>
<td>20,654</td>
<td>21,373</td>
<td>24,338</td>
<td>28,156</td>
<td>31,989</td>
</tr>
<tr>
<td>Interest &amp; Other Earned</td>
<td>3,663</td>
<td>803</td>
<td>843</td>
<td>1,464</td>
<td>6,184</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>290,091</strong></td>
<td><strong>264,133</strong></td>
<td><strong>319,795</strong></td>
<td><strong>280,350</strong></td>
<td><strong>345,255</strong></td>
</tr>
</tbody>
</table>

**TOTAL REVENUES**

| **365,221** | **329,295** | **372,581** | **308,335** | **370,035** |

### EXPENSES

<table>
<thead>
<tr>
<th>Staff Salaries &amp; Benefits</th>
<th>71,214</th>
<th>103,173</th>
<th>102,416</th>
<th>90,024</th>
<th>107,962</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes &amp; Insurance</td>
<td>21,182</td>
<td>22,760</td>
<td>24,286</td>
<td>20,726</td>
<td>24,040</td>
</tr>
<tr>
<td>Production</td>
<td>116,395</td>
<td>139,943</td>
<td>182,998</td>
<td>129,315</td>
<td>161,576</td>
</tr>
<tr>
<td>Special Projects</td>
<td>53,803</td>
<td>57,509</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>34,792</td>
<td>21,708</td>
<td>22,598</td>
<td>18,396</td>
<td>32,376</td>
</tr>
<tr>
<td>Occupancy</td>
<td>45,046</td>
<td>41,852</td>
<td>42,195</td>
<td>45,809</td>
<td>42,111</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>342,432</strong></td>
<td><strong>386,945</strong></td>
<td><strong>374,493</strong></td>
<td><strong>304,270</strong></td>
<td><strong>368,065</strong></td>
</tr>
</tbody>
</table>

### SURPLUS/DEFICIT

| **22,789** | **(57,650)** | **(1,912)** | 4,065  | 1,970  |

---

1. Decline in 2015 due to the cancellation of the Haunted Halloween event.
2. Grants & Donations include fundraising for the seating campaign and dressing room remodel in FY 2012/13
3. Production expenses include Marketing costs.
4. Admissions includes Sponsorship funding.
Budget Analysis
Budgets can only be analyzed by reviewing the sources of expenses and revenue. In the not-for-profit world we look at the expense of the service or program we want to provide our community and then consider ways of financing it. It is a departure from a commercial approach to budgeting.

The benchmarks demonstrate normal fluctuations and consistency over the years. There is a very modest staff complement. Programming numbers are very consistent. Film attendance appears to have seen a modest increase. Presentation attendance has fluctuated as it is likely to do. A stronger program and marketing plan might bring average attendance up to 50-60% of capacity sales more consistently.

The total capacity numbers indicate two things. The Egyptian is large for its local market - its size is good for mid-sized, popular touring acts which appeal to the region. Further study is required to determine whether a smaller theatre would be sustainable with local bookings and programs.

The total amount of activity in the Egyptian is nowhere near its optimum threshold of over 200 uses per year but the theatre would require a significant financial investment, larger staff, renovation, expansion and air conditioning to sustain more use, in addition to audience development and community relations programs. Over five years of actuals and next year’s projections, the Egyptian average annual expenses are $337,000 per year. This is less than half what the lowest funded theatre of this scale should be spending.

To increase staff support this year, it appears that the Egyptian is prepared to keep its costs down, raise more sponsorship revenue.

2016 has been the Egyptian’s second best year for contributed income in five years. Its earned to contributed ratio was 91/9% or $341,223/$32,876. Next year it is expected to return to 82/18%. Across America, not-for-profit theatre companies average 50/50 on their earned to contributed income ratios.

The fact that the Egyptian raises so little operating money through public and private fundraising sources means that it hasn’t reached a tipping point – a level of sustainability where its audience is fully engaged and supportive, the public sector is investing appropriately and its message is filling donors with confidence. The true potential as a socio-economic catalyst is yet to be realized. In short, the Egyptian is significantly underfunded.
2.0 MARKETING AND PROGRAM REVIEW

2.1. Community Demographics and Programming Assessment

to identify the supply and demand factors within the primary, secondary and tertiary market programming areas for various types of film, performing arts and assembly uses of the Egyptian through primary and existing research sources.

2.1.1. Community Profile and Market Assessment

**County:** DeKalb County  
**Location:** The City of DeKalb covers 14.81 sq. miles and DeKalb County covers 635 sq. miles. It is located on the Kishwaukee River, which flows through the city, and is approximately 60 miles west of Chicago in Northern Illinois.  
**City Population:** 44,092 (2014 estimate – United States Census Bureau)

<table>
<thead>
<tr>
<th></th>
<th>Local</th>
<th>State</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Rate (2010 – 14)</td>
<td>.052%</td>
<td>1.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Median Resident Age (2014)</td>
<td>23.7 Males 23.5 / Females 23.6</td>
<td>37.0 Males 35.7 / Females 38.4</td>
<td>37.2 Males 35.8 / Females 38.5</td>
</tr>
<tr>
<td>Median Household Income (2014)</td>
<td>$38,357</td>
<td>$57,166</td>
<td>$53,482</td>
</tr>
<tr>
<td>Average (Mean) Individual income (2014)</td>
<td>$20,528</td>
<td>$30,019</td>
<td>$28,555</td>
</tr>
</tbody>
</table>

The local growth rate indicates a need for more stimulus to growth. The median age ranges in DeKalb are lower no doubt to the high student population which would also affect lower local household and individual incomes to a degree. Lower incomes indicate the need to provide a balance of affordable entertainment at the Egyptian.

2.1.2. History

Founded in 1856, the City of DeKalb was named after Baron Johann de Kalb, a major general in the American Revolutionary War. DeKalb is also known as “Barb City” as a DeKalb farmer John Glidden is mainly attributed with inventing barbed wire. The City is host to Northern Illinois University.

2.1.3. Socio-Demographic Characteristics

**Population**

According to the 2014 US Census, the estimated population of DeKalb was 44,092. This represented a 0.52% increase since 2010. The gender ratio in DeKalb is 50.3% males to 49.7% females.

Since 2010, the estimated annual population growth rate for the City of DeKalb has been slowly declining, and for the years 2013 – 2014 the growth rate was -0.43%. DeKalb’s population growth for the past decade has been consistently lower than that of DeKalb County and lower than the overall population growth in Illinois, which is also in a low growth state.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>12,868,747</td>
<td>0.4%</td>
<td>1.46%</td>
</tr>
<tr>
<td>DeKalb County</td>
<td>105,462</td>
<td>0.85%</td>
<td>1.22%</td>
</tr>
<tr>
<td>City of DeKalb</td>
<td>44,092</td>
<td>0.5%</td>
<td>-1.21%</td>
</tr>
</tbody>
</table>

Educational Attainment

- The number of people who have completed university degrees is slightly higher than the state average (19.7%).
- The average number of residents who have trades certificates and college diplomas tends to be higher than the state average (7.5%).
- The percentages for DeKalb City and for DeKalb County tend to be quite closely linked.
- Northern Illinois University has a total population of 20,130 enrolled students.

<table>
<thead>
<tr>
<th>Educational Attainment: Population 25 Years And Over</th>
<th>DeKalb</th>
<th>State</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than 9th Grade</td>
<td>3.4%</td>
<td>5.5%</td>
<td>5.8%</td>
</tr>
<tr>
<td>9th To 12th Grade, No Diploma</td>
<td>4.8%</td>
<td>6.9%</td>
<td>7.8%</td>
</tr>
<tr>
<td>High School Graduate (Includes Equivalency)</td>
<td>22.6%</td>
<td>27.0%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Some College, No Degree</td>
<td>23.8%</td>
<td>21.2%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Associate Degree</td>
<td>10.5%</td>
<td>7.5%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>21.9%</td>
<td>19.7%</td>
<td>18.3%</td>
</tr>
<tr>
<td>Graduate or Professional Degree</td>
<td>13.1%</td>
<td>12.2%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

Source: 2014 DeKalb Census Information

Ethnic Origin

- The Hispanic population of DeKalb County is 10.5% of the population in 2014. The Hispanic segment is shrinking faster than the general population, having diminished by -2.2% since 2010, compared to +2.2% for the county.
- The percentage of DeKalb City residents who reported English as their native language (83.4%) was only slightly lower than the DeKalb County average of 87.8%, but higher than the state average of 77.5%.
- Spanish is the next most common language in DeKalb households, with 9.2% of the population reporting it as their native language.
- The vast majority of DeKalb City’s population (90.3%) was born in the United States.
- The percentage of visible minorities in DeKalb City’s population (27.1%) is higher than that of DeKalb County in general (16.6%), and slightly lower than the state average (27.5%).

A cultural resource with the potential of the Egyptian Theatre in an historic downtown setting has the power to attract relocators to DeKalb who are independent creative class workers, among the higher educated and attached to the liberal arts at NIU. Those with higher levels of education such as DeKalb residents will tend to be audiences for the performing arts.
2.1.3. Economic Activity

Labor Force

Primary occupation groupings in DeKalb according to the City of DeKalb’s Location Quotient and Employment Statistics analysis of jobs in DeKalb by industry are:

- Educational Services – 31%
- Retail Trade – 16%
- Health Care and Social Assistance – 13%

According to the United States Census, the majority of DeKalb residents work in professional and service occupations. The high percentage of managerial, professional and related occupations may bode well for a population that has an affinity for the performing arts. The City of DeKalb’s Location Quotient and Employment Statistics notes that the majority of industries present in the City require mostly low-skill and low-wage jobs. The report emphasizes that efforts to recruit higher-paid and higher-skilled jobs should be made.

Industries and Major Employers

The primary industries in DeKalb are educational, health and social services (32.0%), retail trade (13.0%), recreation, culture, accommodation and food services (17.4%), and manufacturing (8.8%).

Major Employers in DeKalb County

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>DeKalb County Employees</th>
<th>Industry / Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Illinois University</td>
<td>3,523*</td>
<td>Education - University</td>
</tr>
<tr>
<td>KishHealth System</td>
<td>1,573</td>
<td>Hospital</td>
</tr>
<tr>
<td>DeKalb School District</td>
<td>885</td>
<td>Education - Elementary and Secondary</td>
</tr>
<tr>
<td>Kishwaukee College</td>
<td>550</td>
<td>Education – College</td>
</tr>
<tr>
<td>3M</td>
<td>538</td>
<td>Distribution Center</td>
</tr>
<tr>
<td>DeKalb County Government</td>
<td>525</td>
<td>County Government and Nursing Home</td>
</tr>
<tr>
<td>Sycamore School District</td>
<td>515</td>
<td>Education – Elementary and Secondary</td>
</tr>
<tr>
<td>Target Distribution Center</td>
<td>539</td>
<td>Distribution Center</td>
</tr>
<tr>
<td>Wal-Mart Super Center</td>
<td>400</td>
<td>Retail, General Merchandise and Groceries</td>
</tr>
<tr>
<td>IDEAL INDUSTRIES</td>
<td>335</td>
<td>Electrical Contractor Tools and Wire Connectors</td>
</tr>
</tbody>
</table>

Source: DeKalb County Economic Development Corporation – 2014

*Total number of NIU employees is 7,395 which includes 3,523 full-time employees and 3,872 part-time employees.

The employment spectrum suggests that performing arts programming should make a special effort to build relationships with government, education and services personnel. It is in the Egyptian Theatre’s and NIU’s mutual interest to form partnerships.
Employment Rates and Income
Historically, DeKalb’s labor force participation rates have been slightly lower than those of the state and the country as a whole. In 2010, it was estimated that 67.5% of the population was part of the labor force, compared with 66.8% for all of Illinois and 63.9% for the entire country.

DeKalb’s unemployment rate as of October 2016 is 4.8%. The employment and economic situation for the city has improved since this research was first undertaken in early 2015. Wages in DeKalb and the surrounding county reflect the mix of mid- and high-skilled jobs in the region. The median per capita income in DeKalb was estimated to be $23,903 in 2014 by the United States Census Bureau. Estimates of DeKalb Residents’ Household Income (2014), where household means any group of people sharing a residence (e.g. core families, roommates) and earning one or more incomes, show that there is a large percentage of the population with limited earnings.

- Median Household Income: $38,357 (26.1% below the national average)
- 7.1% of households have incomes at or below $14,999 (nationally – 9.1%)
- 13.7% of households have incomes at or below $24,999 (nationally – 7.6%)

DeKalb’s private resources are likely to be a limited source of contributed income and, given the size of the Egyptian Theatre it should develop a program that appeals to a regional audience and donor base while maintaining affordable programming for local residents.

Potential Target Markets
The local target market for cultural activities in DeKalb is its population, 44,092 (2014 estimate).

Primary Market
A primary market within a 20-mile radius around DeKalb is likely to be comprised of the population beyond DeKalb with ready access to city center. This greater market area encompasses 175,381 people.

Secondary Market
A secondary market area is likely to be comprised of the population living in a 25-mile radius of DeKalb, a total of 440,364 people.

The geographic radius is a general visual measure and translates to approximate travel times of 45 minutes to an hour.
2.1.4. Egyptian Theatre Audience by Geographic Placement

The mapping of Egyptian Theatre audiences demonstrates a high density of audiences from east of DeKalb, despite the competition from Chicago theatres, extending all the way to Lake Michigan. From the west, there are small concentrations of patrons coming from Davenport and Iowa, from the south from the Peoria area and from the north, Madison.

The extensive outreach of the Egyptian is an important factor in calculating its economic import. Attracting visitors from a distance increases the likelihood that these visitors are dining and shopping in DeKalb at the very least. Future audience surveys should inquire about reasons for travelling to the Egyptian by geographic origin and leverage these advantages in marketing to those regions. More data may reveal a trend of growing audiences from Chicago.

<table>
<thead>
<tr>
<th>Top Selling Cities</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City</strong></td>
<td><strong>Tickets Sold</strong></td>
<td><strong>City</strong></td>
<td><strong>Tickets Sold</strong></td>
</tr>
<tr>
<td>Unknown</td>
<td>7,884</td>
<td>Unknown</td>
<td>8,197</td>
</tr>
<tr>
<td>DeKalb</td>
<td>1,686</td>
<td>DeKalb</td>
<td>2,825</td>
</tr>
<tr>
<td>Sycamore</td>
<td>1,019</td>
<td>Sycamore</td>
<td>1,950</td>
</tr>
<tr>
<td>Genoa</td>
<td>458</td>
<td>Genoa</td>
<td>680</td>
</tr>
<tr>
<td>Saint Charles</td>
<td>410</td>
<td>Saint Charles</td>
<td>438</td>
</tr>
<tr>
<td>Geneva</td>
<td>203</td>
<td>Rochelle</td>
<td>301</td>
</tr>
<tr>
<td>Rochelle</td>
<td>192</td>
<td>Cortland</td>
<td>282</td>
</tr>
<tr>
<td>Rockford</td>
<td>151</td>
<td>Geneva</td>
<td>178</td>
</tr>
<tr>
<td>Aurora</td>
<td>129</td>
<td>Rockford</td>
<td>176</td>
</tr>
<tr>
<td>Cortland</td>
<td>127</td>
<td>Chicago</td>
<td>133</td>
</tr>
</tbody>
</table>
2.1.5. Current Culture Market

Current Cultural Activities
DeKalb has a range of strong arts organizations: a museum, a symphony and theater and ballet companies. The Ellwood House Museum, Northern Illinois University’s Art and Anthropology Museums, and Kishwaukee Symphony Orchestra contribute to the cultural environment and venues for the arts. The newly organized DeKalb Area Arts Council has established an Arts, Culture, and Entertainment Corridor (ACE) along Lincoln Highway in early 2016. There are also a number of arts organizations in DeKalb County, and in close proximity to the City of DeKalb, that enrich the cultural environment, such as The Kishwaukee Valley Art League and Midwest Museum of Natural History located in Sycamore. The City hosts special events and festivals throughout the year, celebrating its culture. Leveraging all of the DeKalb area resources led by a unique national historic treasure such as the Egyptian Theatre would be a powerful attraction to cultural tourists.

Performing Arts Venues
Any number of places of public assembly may be used for recreational, amateur and semi-professional performing arts activities including churches, community halls, park band shells and school auditoria. These kinds of facilities are rarely suitable for professional or professional caliber work. Professional caliber, purpose-built or renovated theatre spaces are often distinguished by their programming focus, their style of architecture and their seating capacity. The following seating capacity categories are a starting point for evaluating the space’s ticket income potential.

0 – 249 seats
These are typically flexible studios, “black box” theatres or halls for rehearsal and small audiences where programming is experimental, audiences are being developed, or the work is best suited to an intimate environment.

250 – 399 seats
Community Theatres and Venue-Based Professional Companies
Amateur work is typically presented in spaces with fewer than 400 seats due to a royalty expense threshold and the performance prowess of the amateur artist.

400-799 seats
Resident Company or Special Purpose
Typically, a theatre in this seating capacity is designed for a particular company or purpose or was generated by a municipality. The “multi-purpose” 500 seat theatre was a popular concept for small communities in the late 20th century.

800-1,199 seats
Small Presenting Theatre, Festival Mainstage or Recital Hall
This seating capacity is generally considered optimum for intimacy of experience (every seat can be with 75 feet of the stage) and minimal for generating revenue required for touring presentations. On Broadway this seating capacity category is considered a small “legit” drama house.

1,200-1,799 seats
Mid-Sized Presenting Theatre or Concert Hall
Considered by presenters as a kind of “in-between” size, this seating capacity is often adequate for financing the presentation of recognizable artist or smaller bus and truck tours in smaller markets. The Egyptian falls into this category.

1,800 seats+
Large Presenting Theatre or Opera House
This is the minimum size for a Broadway tour in most secondary markets or for the presentation of a star attraction.

A healthy theatre inventory in a community has a range of facilities in different seating capacities and type – more facilities with smaller seating capacities and fewer with larger numbers.
County Theatre Facility Inventory

Theatre seating capacity is one of the ways of looking at an inventory of public theatres in a community. Typically, a well-balanced community will have a multitude of smaller theatres and a selection of theatres in each seating capacity noted above.

DeKalb has a very limited inventory of theaters for the performing arts. It has the Stagecoach Theatre, a renovated space for community theatre and the Egyptian Theatre which has not been significantly upgraded since it was a vaudeville house. Due to its staging limitations the Egyptian can rarely offer programming that sells out which is fortunate in that it rarely overtaxes its very limited front of house space, but sales don’t serve its bottom line.

Performing Arts Theatres in DeKalb

<table>
<thead>
<tr>
<th>Name of Facility</th>
<th>Number of Seats</th>
<th>Type of Space/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage Coach Players</td>
<td>164</td>
<td>Converted church, requires renovations; community theatre group</td>
</tr>
<tr>
<td>Egyptian Theatre</td>
<td>1,397</td>
<td>Cinema and Live Performance Space</td>
</tr>
</tbody>
</table>

A number of alternative seasonal, academic or multi-purpose facilities are sometimes used for performing arts presentations, under less than ideal circumstances for public uses.

Other Facilities Used for the Performing Arts

<table>
<thead>
<tr>
<th>Name of Facility</th>
<th>Number of Seats</th>
<th>Type of Space/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIU – Corner’s Theatre</td>
<td>150</td>
<td>Open stage workshop space, under renovation</td>
</tr>
<tr>
<td>NIU - Recital Hall</td>
<td>175</td>
<td>Recital hall</td>
</tr>
<tr>
<td>NIU – Players’ Theatre</td>
<td>220</td>
<td>Black box. under renovation</td>
</tr>
<tr>
<td>NIU - O’ Connell Theatre</td>
<td>440</td>
<td>Currently under renovation</td>
</tr>
<tr>
<td>Sycamore High School</td>
<td>622</td>
<td>High school auditorium</td>
</tr>
<tr>
<td>NIU - Boutell Memorial Concert Hall</td>
<td>750</td>
<td>Concert hall</td>
</tr>
<tr>
<td>DeKalb High School Auditorium</td>
<td>800</td>
<td>High school auditorium</td>
</tr>
<tr>
<td>NIU Convocation Center</td>
<td>10,000</td>
<td>Circular roofed arena for basket-ball, events, concerts, etc</td>
</tr>
</tbody>
</table>
2.1.6. Regional Inventory of Facilities

The Egyptian Theatre, with 1,397 seats, offers a unique seating capacity size advantage as a mid-sized presenting house. Its character and relatively viable size make it a desirable theatre location for rentals and presentation packages especially with the Paramount’s bold move into producing four Broadway musical revivals for seven to ten week runs each year. There are other venues such as schools, halls and churches that may be used for performance rentals but have limited availability, technical and hospitality capacities for professional use.

Among the public theatres in the region, the Egyptian Theatre has a unique seating capacity size advantage as a mid-sized presenting house. Its character and relatively viable size make it a desirable theatre location for rentals and presentation packages especially with the Paramount’s bold move into producing four Broadway musical revivals for seven to ten week runs each year. There are other venues such as schools, halls and churches that may be used for performance rentals but have limited availability, technical and hospitality capacities for professional use.
2.1.6.1. Theatre Ownership/Operations

<table>
<thead>
<tr>
<th>Theatre Name</th>
<th>Location</th>
<th>Year Built</th>
<th>Ownership</th>
<th>Operation</th>
<th>Commercial or Not-For-Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandwich Opera House</td>
<td>Sandwich</td>
<td>1878</td>
<td>City of Sandwich</td>
<td>ARCH</td>
<td>NFP</td>
</tr>
<tr>
<td>Metropolis Theatre</td>
<td>Arlington Heights</td>
<td></td>
<td>Village of Arlington Heights</td>
<td>Metropolis Performing Arts Centre</td>
<td>NFP</td>
</tr>
<tr>
<td>Normal Theatre</td>
<td>Normal</td>
<td>1937</td>
<td>City of Normal</td>
<td>City of Normal</td>
<td>NFP</td>
</tr>
<tr>
<td>Woodstock Opera House</td>
<td>Woodstock</td>
<td>1890</td>
<td>City of Woodstock</td>
<td>City of Woodstock</td>
<td>NFP</td>
</tr>
<tr>
<td>Elgin Community College Arts Center</td>
<td>Elgin</td>
<td>1991</td>
<td>Elgin Community College</td>
<td>Elgin Community College</td>
<td>NFP</td>
</tr>
<tr>
<td>Raue Center for the Arts</td>
<td>Crystal Lake</td>
<td>1929</td>
<td>Raue Center for the Arts Inc.</td>
<td>Raue Center for the Arts Inc</td>
<td>NFP</td>
</tr>
<tr>
<td>Batavia Fine Arts Center</td>
<td>Batavia</td>
<td>2011</td>
<td>Batavia School District</td>
<td>Batavia Fine Arts Center</td>
<td>NFP</td>
</tr>
<tr>
<td>Arcada Theatre</td>
<td>St. Charles</td>
<td>1926</td>
<td>Onesti Entertainment Corporation</td>
<td>Onesti Entertainment Corporation</td>
<td>Commercial</td>
</tr>
<tr>
<td>Norris Cultural Arts Center</td>
<td>St. Charles</td>
<td>1978</td>
<td>Norris Cultural Arts Center</td>
<td>Norris Cultural Arts Center</td>
<td>NFP</td>
</tr>
<tr>
<td>Hemmens Cultural Center</td>
<td>Elgin</td>
<td>1969</td>
<td>City of Elgin</td>
<td>City of Elgin</td>
<td>NFP</td>
</tr>
<tr>
<td>Egyptian Theatre</td>
<td>DeKalb</td>
<td>1929</td>
<td>P.E.T. Inc.</td>
<td>P.E.T. Inc.</td>
<td>NFP</td>
</tr>
<tr>
<td>Paramount Theatre</td>
<td>Aurora</td>
<td>1931</td>
<td>Aurora Civic Center Authority</td>
<td>Aurora Civic Center Authority</td>
<td>NFP</td>
</tr>
<tr>
<td>Coronado Performing Arts Center</td>
<td>Rockford</td>
<td>1927</td>
<td>City of Rockford</td>
<td>SMG</td>
<td>NFP</td>
</tr>
</tbody>
</table>

Most of the theatres in the DeKalb region with the exception of the two cultural centers, the Batavia Fine Arts Center and the college theatre are over twenty-five years old. There is one commercial theatre, one College Theatre, two cultural centers and one community-based not for profit (the Egyptian Theatre), and the remaining seven theatres are owned by their municipalities or municipal agencies. The two smallest and the largest city-owned theatres are operated by agencies while the rest are managed directly by their owners.

As is typical, most theatres are not for profit cultural institutions like libraries, museums and art galleries. Only about 6% of all America’s theatres are commercially owned and operated. Most commercial live theatres are part of a chain of theatres such as those owned or controlled by the Schubert, Nederlander or Jujamcyn operations which also invest in Broadway production or Live Nation which is the largest entertainment company in the U.S. focusing on concerts. These operations are focused on large theatres in large markets. A few commercial theatres succeed as dinner theatres in smaller market.

The following tables of information on the regional theatres have been assembled by Egyptian staff to better understand their competitive advantages and disadvantages. The theatre from which there may be most to learn is the Paramount in Aurora which has the closest seating capacity (but somewhat larger), is closest geographically and has been been most successful in its development.
2.1.6.2. Business Model Comparison

<table>
<thead>
<tr>
<th>Theatre Name</th>
<th>Seating</th>
<th>Present</th>
<th>Rental</th>
<th>Produce</th>
<th>Screen Film</th>
<th>Annual Attendance</th>
<th>Annual # Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandwich Opera House</td>
<td>310</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>10,500</td>
<td>48</td>
</tr>
<tr>
<td>Metropolis Theatre</td>
<td>329</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>70,000</td>
<td>300</td>
</tr>
<tr>
<td>Normal Theatre</td>
<td>385</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodstock Opera House</td>
<td>420</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>180,000</td>
<td>560</td>
</tr>
<tr>
<td>Elgin Community College Arts Center</td>
<td>662</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>34,000</td>
<td>150</td>
</tr>
<tr>
<td>Egyptian Opera House</td>
<td>750</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Batavia Fine Arts Center</td>
<td>245</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arcada Theatre</td>
<td>900</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>150,000</td>
<td>200</td>
</tr>
<tr>
<td>Norris Cultural Arts Center</td>
<td>1,000</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hemmens Cultural Center</td>
<td>1,200</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egyptian Theatre</td>
<td>1,397</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>30,000</td>
<td>130</td>
</tr>
<tr>
<td>Paramount Theatre</td>
<td>1,888</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>300,000</td>
<td>300</td>
</tr>
<tr>
<td>Coronado Performing Arts Center</td>
<td>2,200</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>77,412</td>
<td>72</td>
</tr>
</tbody>
</table>

- “Rental” of Facilities – the facility operator licenses the use of facilities at a flat rate or flat rate plus a percentage of the net or gross ticket sales
- “Presenting” of Shows – the facility operator pays a promoter or artist for a product, and markets the show
- “Producing” of Shows – the facility operator underwrites the creation of a show and markets the show
- “Screening” Movies – because of their history exhibiting films, many historic movie palaces show classic movies on their big screens at a low price as a popular attraction. Some historic theatres have gone into the business of film screening, which inevitably requires the screening of first run art film and an additional screen or more.
- “thresholds” - event and attendance thresholds can be evaluated on a number of factors beginning with seating capacity but also considering market area, (populations, demographics and competition), physical capacity, mission and programming choices. Annual event thresholds typically range between 140 and 240 use days but there are many exceptions. On the whole, average attendance thresholds are expected to be at least 50% of capacity.
- “venues” - in terms of physical capacity, most performing arts centers have flexible lobby/lounges for public use, rehearsal rooms and secondary and tertiary performance spaces to increase their service to their public and their artists as well as increasing their economic impact, cost effectiveness and economies of scale. Three of the above centers have more than one performance venue.

In terms of events and attendance, it is clear that the Paramount Theatre is meeting thresholds.

5 Woodstock Opera House rents out its Café space for events in addition to its theatre.
2.1.6.3. Theatre Staffing

<table>
<thead>
<tr>
<th>Theatre Name</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Volunteers</th>
<th>Union Stagehands</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Woodstock Opera House&quot;</td>
<td>5</td>
<td>27</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Elgin Community College Arts Center</td>
<td>6</td>
<td>25</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Raue Center for the Arts</td>
<td>11</td>
<td>10</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Batavia Fine Arts Center</td>
<td>1</td>
<td>12</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Arcada Theatre</td>
<td>20</td>
<td>50</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Norris Cultural Arts Center</td>
<td>1</td>
<td>Unavailable</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Hemmens Cultural Center</td>
<td>3</td>
<td>31</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Egyptian Theatre</td>
<td>2</td>
<td>3</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Paramount Theatre</td>
<td>29</td>
<td>100</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Coronado Performing Arts Center</td>
<td>1</td>
<td>80 6</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Theatres of less than 399 seats were removed.

The Egyptian Theatre has the lowest number of staff members in theatres with more than 400 seats in its region.

Theatres are places of public assembly and, as such, have a significant obligation to be shepherds of public safety. In addition, they are technically sophisticated to operate and require professional experts to manage and program their facilities and skilled personnel to operate the business, hospitality and technical aspects of the operations.

The Egyptian Theatre is unquestionably understaffed for a theatre of its size and potential capacity.

---

6 Coronado Theatre shares full time staff with BMO Harris Bank Center (arena)
## Budgeting Comparisons

<table>
<thead>
<tr>
<th>Theatre Name</th>
<th>Annual Budget</th>
<th>Annual Operating Support</th>
<th>Annual Capital Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandwich Opera House</td>
<td>$165,500</td>
<td>City pays $12,000 and utilities</td>
<td>City covers repairs over $50</td>
</tr>
<tr>
<td>Metropolis Theatre</td>
<td>$2,300,000</td>
<td>$300,000</td>
<td>City Paid</td>
</tr>
<tr>
<td>Normal Theatre</td>
<td>Unavailable</td>
<td>City Paid</td>
<td>None</td>
</tr>
<tr>
<td>Woodstock Opera House</td>
<td>$660,000</td>
<td>$300,000</td>
<td>City Paid</td>
</tr>
<tr>
<td>Elgin Community College Arts Center</td>
<td>$500,000</td>
<td>Elgin Community College</td>
<td>Elgin Community College</td>
</tr>
<tr>
<td>Raue Center for the Arts</td>
<td>$1,397,000</td>
<td>School District</td>
<td>School District</td>
</tr>
<tr>
<td>Batavia Fine Arts Center</td>
<td>Unavailable</td>
<td>School District</td>
<td>School District</td>
</tr>
<tr>
<td>Arcada Theatre</td>
<td>Unavailable</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Norris Cultural Arts Center</td>
<td>$150,000</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Hemmens Cultural Center</td>
<td>$600,000</td>
<td>City Paid</td>
<td>City covers maintenance</td>
</tr>
<tr>
<td>Egyptian Theatre</td>
<td>$350,000</td>
<td>None</td>
<td>$100,000 - City of DeKalb</td>
</tr>
<tr>
<td>Paramount Theatre</td>
<td>$14,000,000</td>
<td>$510,000 - Casino Head Tax</td>
<td>No</td>
</tr>
<tr>
<td>Coronado Performing Arts Center</td>
<td>Unavailable</td>
<td>$500,000</td>
<td>$373,000 (in 2012)</td>
</tr>
</tbody>
</table>

It is beyond the scope of this study, but it might be of interest to compare regional budgets on the basis of earned to contributed income ratios. Most not-for-profit organizational budgets are filed on line.
2.1.6.5. Summary of Observations

Of all the theatres in the region, the Paramount in Aurora represents the best model to note in terms of the growth of an outstanding mid-sized historic theatre.

The Paramount virtually doubled its square footage from a 36,700s.f. vaudeville theatre to a 66,000 s.f. performing arts center in 1978 on a rehabilitation budget of over $3 million. It rents, presents and produces performing arts and screens films successfully to an audience of 300,000 per year, hosting over 300 events in two venues. It employs 29 full-time and 100 part-time staff, sustains a $14,000,000 annual budget and is supported with over $500,000 per year in casino head tax.

The Paramount has grown into a major cultural, social and economic institution for the City of Aurora.
3.0 COMMUNITY NEEDS ASSESSMENT

Community consultations were undertaken in three ways through one on one interviews and workshops, a public survey, a review of approved City of DeKalb 2025 Strategic Plan and a theatre facility user group needs survey. Finally, a review of the Egyptian’s recent operational history and current needs was undertaken.

3.1. Summary of Stakeholders Interviews and Egyptian Board Workshop Findings

In interviews between the Consultants, key stakeholders, City staff, the board of directors and staff, an initial brainstorming of the City of DeKalb’s Advantages and Needs, and the Egyptian Theatre’s Proudest Achievements and Greatest Concerns was drawn up.

DeKalb Advantages
- University Town
  - The University is diverse
  - The Town is homogenous
- Closeness among community leaders working together, large core
- Family friendly
- NFP Agencies do well here
- Multi-generational
- Active and vibrant from transitory community of teachers and students
- Interstates and access
  - Access local theatre, bands – long-standing
- Sense of pride
- Developing #ProudlyDeKalb
- Diverse taxing base
- Culturally diverse
- 42 different native languages – good for kids

DeKalb Needs
- Reinvestment
- More business
- Creative, innovative workforce
- Students to stay – link them to infrastructure
- More here for students
- Transportation / accessibility / bike trails
- Improve quality of housing stock
- Raise assessed value and lower taxes
- Welcome newcomers
- Increasing quality of life
- Poverty issues / low income
- Cultural clashes

The Egyptian can be a business catalyst, attracting a creative workforce and address social issues.

Egyptian Theatre Proudest Achievement
- Rocking downtown when events occur
- Being economic catalyst
- Home to local community groups
- First Priority - bring national quality
- Only theatre restored/maintained a national historic site
- Strongest identifier – iconic to DeKalb
- Character / Logo of the town
- 87-year legacy of story-making in the lives of residents
- Survived the history of the 20th century
- P.E.T. owns it and has no debts

Egyptian Theatre Greatest Concerns
- Deferred maintenance
- Reliant on the City TIF Funds
- Limited donor base
- Patron services
  - Bathrooms
  - Concessions
  - Box office
  - Air conditioning
- Loading, Backstage
- Accessibility
- Sustainability of operation
- Sources of ancillary and contributed income
- Staffing – no bench depth
3.2. Public Survey

A public survey of perceptions of the Egyptian Theatre was issued from April 4 to April 15, which resulted in a remarkable 482 responses – reportedly the strongest response to any City survey undertaken.

The data for the survey analysis has been divided into two populations: those who completed only the first page and those who completed the entire survey. There are 44 respondents in the first page group, and 438 in the full survey group.

This report covers the data provided by the full survey group. Respondents provided answers to all 14 questions on the survey. 438 responses to the survey is considered sufficient that the answers should be considered representative of the surveyed population.

Several of the questions on the survey were pure textual responses, while most of the others had a textual response element. This qualitative data can be found in the appended Text Answers reports. This report is concerned only with the quantitative analysis of the responses.

The responses to eleven questions are reviewed in the appendices under the categories of “Respondent Involvement with the Egyptian Theatre” and “Respondent Perception of the Egyptian Theatre.”

3.2.1. Summary

The bulk of respondents had attended a performance at the Egyptian Theatre as an audience member, half of which had been to the theatre five times or more in their history of going. The high number of respondents who had been to the website suggests that the audience or potential ticket-buying audience want to interact with the theatre. The perception of the Egyptian in regards to its general price point, box office, and all around hospitality was considered to be very good. While the respondents’ perception of the backstage areas was generally considered to be “good.”

Perhaps what is most telling about the respondents’ perception of the Egyptian as a whole was in the answers to Question 10) What do you consider the value of the Egyptian Theatre? A high number of respondents selected Entertainment and Recreation, Tourism, and Community Identity. The Egyptian Theatre appears to be viewed by the respondents as an important element to the community and culture of DeKalb while also recognizing its importance as an economic driver. The text answers were by and large positive and thoughtful, with some respondents voicing concerns around tax dollars being spent on the arts and management. However, the text answers also illustrated the pride and enjoyment that the respondents felt when considering the Egyptian Theatre as part of DeKalb.
Do you think the Egyptian Theatre warrants municipal support?

- Yes: 380
- No: 57

General perception of the Egyptian Theatre's pricing competitiveness:

- Poor: 22
- Fair: 74
- Good: 98
- Very Good: 6
- Excellent: 103
- Don't Know: 149
3.3. The DeKalb 2025 Strategic Plan Goals

The City of DeKalb adopted the 2025 Strategic Plan, which outlines several goals, strategies, and actions that were developed in collaboration with the City and members of the community. One of the key elements of the 2025 Strategic Plan is the vision of Community Vitality and a Vibrant Downtown. Recognizing the importance of the Central Business District as both the center of the community, and also a key economic driver, continued reinvestment in the downtown is critical. Although the face and character of the downtown has changed with the ebbs and flows of the economy over time, it has managed to maintain a distinct historic charm that is both an asset and opportunity. Through the series of strategic planning workshops that were conducted, a primary goal that was identified was the creation of an Arts, Entertainment, and Cultural (ACE) corridor. The use of arts and culture to evolve struggling downtowns into thriving commercial districts is a successful model that has been utilized across the nation.

The historic Egyptian Theatre embodies both the vision of a vibrant downtown and of place-making in the community. The 1400 seat theatre has been an anchor in the downtown and a regional draw since it opened its doors in the 1920’s. With the goal of, “Creating destination events and gathering places that draw people from DeKalb and throughout the region,” the theatre is a critical asset in achieving this initiative.

Additionally, the foot traffic generated by events at the theatre help to support the surrounding businesses, and increasing programming and events would help to strengthen local demand for goods and services in the area. The 2025 Strategic Plan also identifies, “…strategic investment options for the Egyptian Theatre to maximize its impact as a driving force of downtown commerce,” as a key element for enhancing the vitality of the Central Business District. The Egyptian Theatre also supports the goal to, “Create and support existing gathering places throughout the City that draw people to local merchants while strengthening place-making.”

The Egyptian theatre is an economic driver for businesses in the downtown, a major part of the community’s cultural arts identity, and cornerstone in the process of place-making. Therefore, continued and increased investment in the Egyptian Theatre is a key strategy in accomplishing multiple goals of the 2025 Strategic plan.

It should be noted that cultural diversity in a population has been leveraged by performing arts organizations all over the United States and drama programs result in a population that is four times less likely to be racially biased.

--------

Vision

DeKalb is recognized as a 21st century community with a thriving university and a vibrant downtown. DeKalb’s residents, businesses, government, and university community are engaged in a dynamic interplay of energy and creativity that retains and attracts businesses with living-wage jobs.

DeKalb’s leaders are diverse, visionary, and adaptable, and work together to continue to grow the city.
Thirteen specific goals support the vision:

1. Support continued place making in downtown through business, residential, and institutional development.
2. Create destination gathering places that serve the community and draw people from throughout the region to DeKalb.
3. Collaborate with NIU and City of DeKalb to create an attractive university town for students, faculty, staff, and residents.
4. Foster economic, educational, social, cultural, and recreational opportunities for everyone.
5. Encourage activities and events that showcase DeKalb’s diverse population and cultures.
6. Create a vibrant business environment that supports existing enterprises while attracting new investment and entrepreneurs citywide.
7. Build on DeKalb’s strengths in education, high technology, local foods, and the arts.
8. Increase residents’ access to living-wage jobs.
9. Create an attractive climate for new residents and residential investment.
10. Identify and recruit a diverse cadre of community-based leaders.
11. Coordinate and facilitate the projects initiated by various community interests and organizations.
12. Train and place community leaders in project and organization management.
13. Create a positive image of DeKalb through internal and external marketing efforts.
3.4. Potential Users and Programming Survey

Introduction

The following report is an initial summary of data collected from a survey conducted of groups in the DeKalb area to determine the needs of the current and prospective users of the Egyptian Theatre.

In a small community like DeKalb, it is important to consider how economies of scale can be applied and a balance of interests can be served. By understanding the needs and desires for facilities among various local groups from DeKalb and the surrounding area, this survey takes the first step in considering options for a viable development.

Respondent Profile

40 surveys were distributed to potential user groups, 16 surveys were received, 2 of which were semi-incomplete (Venue Use not completed), and 2 fully incomplete (only 1 question completed) surveys removed from the analysis.

All respondents provided contact information:

- United Elite Mixed Martial Arts and Fitness
- †Independent Contractor
- Sycamore CUSD #427 – Sycamore High School Auditorium
- †Kishwaukee Symphony Orchestra
- †Christ Community Church
- *†Stage Coach Players
- *†Children’s Community Theatre
- †DeKalb Public Library
- †Performing Arts Academy
- †Northern Illinois University
- †DeKalb High School Music Program
- †Beth Fowler Dance Company

*Two representatives from each of these organizations responded to the survey. Their responses are different so they are both included in the analysis until a consensus can be achieved on their projections.
†Organizations that are previous users of the Egyptian Theatre.

Summary

A diverse range of potential user groups responded to the survey. The highest number of respondents indicated a local need for spaces for plays/drama, concerts that are classical in nature and contemporary, and dance events.

Current Venues used range in capacity from small intimate spaces to a 1,500-seat mainstage; eleven respondents reported using two venues, 4 respondents reported using three venues. The majority of respondents are looking for a seating capacity between 300 and 599 seats.

The most significant qualities which influence the respondents in choosing a performance space are the size of the stage, the sound/amplification system, parking, air conditioning and the in-house theatre lighting system.

A majority of the respondents indicated that they required an orchestra pit.

58% of respondents indicated that they required 1 loading bay, while 33% of respondents indicated that they would require 2 loading bays.
A majority of respondents indicated the desire for additional Rehearsal or Dance Studios on site in the venue. Interestingly two of the respondents indicated a desire for green room space without any prompting.

An overwhelming majority of respondents indicated that they would rent the Egyptian if it met their organization’s needs. 70% of respondents are prepared to pay $1.00 per seat in rental. For example, rent could be set at $500 for a 500 seat theatre.

There were strong indicators of use for eight months of the year, while the summer months of June, July and August as well as February had lighter demands which is typical. It should be noted that the Egyptian does not have air conditioning and is virtually unusable for at least three months. With air conditioning, programs like children’s summer camps and movies become possible.

Almost 58% of respondents offer events for free or a nominal charge under $20.
4.0 OPERATING POTENTIAL AND PROGRAMMING PLAN

By Dulcie Gilmore, Dulcie Gilmore Associates

4.1. Introduction

The Egyptian Theatre is envisioned to be a state-of-the-art regional facility that presents touring artists and attractions, serves as a home for community organizations, has an educational component, and hosts community events and activities.

The objectives of the plan include:

- Clarifying the artistic and economic objectives of the project
- Developing a positioning strategy to suggest how the facility should be programmed and promoted to compete successfully in the region
- Reviewing potential types of performing arts attractions for the proposed facility
- Developing an activity profile, listing types of use
- Proposing a programming model that addresses community usage, scheduling, presenting and educational programming
- Constructing a pro-forma programming budget. The Programming Plan incorporates the research provided in that document, and should be considered a part thereof. Dulcie C. Gilmore visited DeKalb in the spring of 2016, and was involved in the research phase of the study.

This study refers to the Egyptian Theatre as a facility and as an operating company. It assumes that an entity called the Egyptian Theatre is a nonprofit company with operating authority (or ownership) of the building.

The theatre has a total of 1,397 seats, including 847 on the main floor and 550 in the balcony. This plan assumes that adequate production space, along with updated heating, ventilating and air-conditioning will be added. The theatre will be managed professionally, and be suitable for national-caliber touring artists.

The concept of a DeKalb regional performing arts center is supported by regional demographics, as presented in the Business Planning Outline.

This study assumes 169 annual use days. Typically, it takes a minimum of 140 use days per year to sustain building operations for a performing arts center. The community survey conducted in the spring of 2016 indicated that potential rental use will range from 35 to 83 days. This study assumes 55 community use days. (Some companies have indicated that they may be better served by a 500-seat theatre.) Egyptian Theatre presentations include 31 live performances and 40 film presentations. The NIU Collaborative has 24 performances. Commercial rentals are estimated at 12 use days. The special attraction is 7 performances.

The key to a successful facility in this marketplace will be versatility. The building should be multi-purpose. The operating premise is one of community and professional use. Community use should be as broad as possible within the scope of the project. The theatre should be fully equipped with state-of-the-art production facilities. It should be managed professionally, and be suitable for national-caliber touring artists as well as local companies.
4.2. Programming Models

The Egyptian Theatre will host a blend of presented programs, community events and commercial usage. There are four basic business relationships that are relevant to programming a facility. They are presented here in order of relative risk:

A. **Rentals:** The facility management reacts to a demand for space and provides a basic infrastructure for public and nonpublic performance or assembly use. The facility charges user groups (or clients) a fixed fee or a fixed fee plus a percentage of box office. There is little or no risk for the facility management, but there is also little control over programming and audience size. While these events are typically referred to as “rentals”, they are actually license agreements. Space is licensed for a defined period of time for a specific activity, i.e., from 8:00AM to 11:59PM on one day for the purpose of presenting a concert. Rentals usually book no longer than six months from the date of the engagement. This is a short-range strategy.

B. **Co-Presenting:** The facility management is more proactive in soliciting and/or supporting a prospective rental user (or client) than in the straight rental scenario. The risk involved in this type of arrangement varies based on the deal terms. In the nonprofit world, the ideal co-promotion fulfills a programming need based on program policy, and is not commercially motivated. The facility typically waives the rental fee and does not get reimbursed for its production costs, such as front-of-house labor, production personnel, etc. The producer/promoter (outside client) provides the attraction or artists, and marketing costs come off the top. Net adjusted gross box office receipts are split based on percentage basis determined by each party’s risk. Co-presentations (also called co-promotions or co-pros) can be as simple as a modified short-term rental booking, or as complex as a long-run presentation.

C. **Presenting:** The theatre management chooses programming (usually touring acts) for an intended audience (or customer). The facility pays for the artist’s fees and expenses, assumes the promotion costs, and owns the resulting deficit or surplus. This method of programming allows the theatre to control its image, and offers the greatest reward and the highest risk. A full season of events is carefully planned according to the programming mission of the theatre. Artists’ contracts are usually signed four to twelve months in advance. This is a long-range strategy.

D. **Producing:** The facility management creates and finances programming. This includes hiring actors, singers, or dancers, building scenery, etc. Examples of producing entities include the Paramount Theater in Aurora, Lyric Opera of Chicago, Steppenwolf, and The Joffrey Ballet. Presenting companies generally do not engage in producing. This is the most risky approach, but allows for complete control over artistic product.

The success of the Egyptian Theatre depends upon a balance of professional programming, collaboration with Northern Illinois University, and community participation.
4.2.1. Presented Programs and Commercial Rentals (Touring Artists and Attractions)

The principal programs will include theatre, dance, music and variety attractions. Examples of these kinds of programs appear in the Appendix.

Vision: To become a regional leader in the presentation of professional theatre, music, dance and entertainment events.

Goals and Objectives: To book a diverse selection of professional talent that appeals to the citizens of DeKalb and the surrounding area. The quality of bookings will be maximized with regard to staging capabilities, seating capacity and financial outcome. These programs will have the first booking priority, meaning they take precedence over all other theatre usage. They can be a combination of rentals and Egyptian Theatre presentations. Typically, rentals will be of a commercial nature (bands and comedians) and presentations will usually be cultural (theatre, dance and music). The Egyptian will be defined by the events it offers. The best opportunity to control the image of the theatre is through presentations. This will require artistic vision, booking savvy and financial acumen.

Programming will appeal to a wide range of ages, ethnicities and interests. Film will play a secondary role in booking the season. The objective is to offer popular, quality attractions that have the marketability to succeed at the box office. An annual season of events should not end with a deficit (after planned contributed income); although some events throughout the year will have a surplus and others will not. Maximizing the number of bookings is key to increasing overall attendance. This will produce economic benefits such as increased restaurant and hotel use.

4.2.2. Young Audiences Performing Arts and Touring Programming

A variety of popular children’s programs will be geared to school performances. These programs will provide creative learning opportunities for area schoolchildren. Larger scale shows aimed at young audiences will also be booked under the category of variety shows.

4.2.3. Film Programming

Film offers an opportunity to provide diversified programs at a low cost. Subjects can include a wide range of topics and cultures. Film presentations are secondary to live performances.
4.2.4. **Collaborative Programming with Northern Illinois University**

Vision: To create a vibrant partnership between NIU and the Egyptian Theatre that will provide new creative and learning opportunities.

Goals and Objectives: To establish an ongoing collaboration between the University and the Theatre that will open up avenues of talent coming to DeKalb. NIU can provide access to performing artists not available through traditional sources. The offerings can be academically advantageous to NIU by exposing students to performing artists not readily accessible, and through interaction between students and artists. The programs will be developed jointly between the Egyptian and the University. Ideas include:

- Bringing Chicago artists and companies to the Egyptian
- Hosting one dance company and one theatre company residency per year, including regular and school performances, workshops and audience discussions
- Booking run-outs of artists and companies for individual performances
- Presenting staged readings of productions when sets are not available
- Hosting improvisational theatre
- Student performances

Some NIU events at the Convocation Center might be better served at the Egyptian. Recent examples include Second City and A Prairie Home Companion. The conversion cost of the arena may make the Egyptian more financially desirable. It is likely that the aesthetics of the presentations would be enhanced.

Involving students in the operations of the theatre would create new learning opportunities while reducing labor costs. Graduate assistant positions in marketing, house management (box office, ushers, concessions and security) and production could be offered.

4.2.5. **Community Rentals**

Vision: To be a welcoming and supportive presentation home for a wide array of community arts and artists.

Goals and Objectives: To encourage community participation while maintaining professional standards and the efficient use of space. Professional bookings and NIU collaborative programs should have priority on the calendar. While the need for rehearsals is acknowledged, the number of rehearsal days should be kept to a minimum (no more than one or two days). It is understood that community events often need to be planned a year in advance; however, no community group should be led to believe that they have certain dates in perpetuity.

Community arts organizations Beth Fowler Dance Company, Stage Coach Players, Sycamore/Rochelle Performing Arts Academy, Kishwaukee Symphony Orchestra, and Children’s Community Theatre, among others have indicated an interest in continued or expanded use.
4.3. Potential Audiences

4.3.1. Defining the Potential Market Areas for the Egyptian Theatre

The Egyptian Theatre has already demonstrated its market reach by virtue of the audiences it is currently attracting to its somewhat limited programming.

Typically, audiences travel various distances to a theatre because they are a fan of the particular programming or they like the theatre or have a connection to the location.

Normally, we look carefully at geographic segments of the audience around a theatre to develop marketing plans and understand potential thresholds for certain kinds of programming. For example, the commercial movie audience typically drives no more than 10 to 12 minutes to the theatre while a local theatre audience or art film audience may drive 30 minutes or more and a music audience will drive over an hour.

The local population around DeKalb, within about 8 miles is 62,001. The map below reflects an 8-mile radius.

![Map showing local market](image)

The population within this parameter should be considered the local market.
Normally, depending on programming and its uniqueness, a theatre’s basic primary market is considered to be within a 30-mile radius around the theatre. In this case, because of the high concentration of theatres in the Chicago area, the primary market has been defined as within 20 miles around the theatre, and the second market is 25 miles around the theatre. The existing audience mapping has already demonstrated that the Egyptian penetrates further than this but this is a conservative measurement.

The Local Market Area population is currently comprised of about 44,092 people. The Primary Market Area population is currently comprised of about 175,381 people. The Secondary Market for unique programming is within a 25-mile radius or 440,364 people. The Tertiary Market is made of the surrounding counties or about 991,616 people.

Other measures for market area include considering drive time. The population living within a 0-30 minute drive from DeKalb was 105,870 in 2015 and estimates this number to grow to 108,155 by 2020. The estimate of the regional market area is 2,000,000 people based on driving times.

The highest percentage income groups ($75,000-$200,000/year) live a 30-60 minute drive from DeKalb, while the highest percentage groups living a 0-30 minute drive from DeKalb range from $50,000-$150,000/year (with another high percentage with those earning below $15,000/year).

---

7 The Tertiary Market’s surrounding counties include DeKalb County, Boone County, Ogle County, Lee County, LaSalle County, Kendall County, and Kane County.
Calculations of Demand by Potential Audiences

The size of the primary market for a professional performing arts center is normally considered to be an average radius of about 30 to 60 miles from the center depending upon the uniqueness of the programming. Film and community theatre will draw from a closer proximity, drama and comedy from a mid-range proximity, while nationally known stars, niche artists, festivals and opera performances can draw from a much further radius of 45 miles or more. Due to competition from specific Chicago area theatres, minimal market radii have been initially defined for DeKalb.

There are a number of traditional formulas for establishing the potential audience for a performing arts program.

A conservative estimator of audience potential is the Ford Foundation for the Arts (FFA), which suggests 3% of the primary market area as a formula to assess the pool of potential ticket buyers in a community on any given Thursday, Friday or Saturday evening. The pool of potential ticket buyers in DeKalb's local market area of 8 miles would be 1,860. The primary market area at a population of 175,381 contains a pool of 5,261 ticket buyers. The secondary market area at a population of 440,364 contains a pool of 13,211 ticket buyers. The pool of potential ticket buyers on any given Thursday, Friday or Saturday in all the neighboring counties, the tertiary market, at a population of 991,616 would be 29,748 people. The distance audiences’ travel will depend on the nature of the program.

The American National Theater Association (ANTA) suggests the “third of a third of a third” formula, derived by:
- 1/3 of the local population = the number of people who would be interested in a single event
- 1/3 of those interested will be reached by advertising, social media, word of mouth, etc.
- 1/3 of those reached will actually purchase tickets for a single event

The pool of potential ticket buyers in DeKalb’s market areas according to this calculation would be the following:
- 2,228 ticket buyers in the local market area
- 6,303 ticket buyers in the primary market area
- 15,825 ticket buyers in the secondary market area

Other audience studies imply the following:
- The majority of the DeKalb County area population will attend programming at a cultural center at least once per year. 8
- 15.6 million American adults are performing arts tourism enthusiasts; 34.5M are heritage tourism enthusiasts, and; 27.6M are visual arts enthusiasts. 9

8. Extrapolated from multiple studies beginning with the 2002 Survey of Public Participation in the Arts by the NEA
4.3.2. Demographic Indicators of an Affinity for the Arts

While demographics are one measure of a community’s likelihood of cultural activity participation, arts research demonstrates that other important indicators of attendance, and frequency of attendance, include previous cultural experiences. The best indicators may be the quality and quantity of an individual’s cultural exposure and arts education experiences.

People who attend one kind of cultural event are likely to participate in various kinds of cultural activities. Similarly, the cultural exposure a person has early in life often affects the frequency with which that person will attend further cultural activities throughout the course of their life.

Demographic factors can be used to predict cultural attendance. Traditionally, level of education has been the most important demographic indicator of cultural participation. Income, urban residence, physical capacity, gender and age can be other factors in predicting performing arts attendance.

All three of these factors indicate a population with an affinity for the arts:

- **Education** – the more educated a populace, the more likely they will be theater-goers, and seek arts experiences for their children.

- **Age** – the performing arts audience tends to be over 45, although music and film can attract a younger audience.

- **Affluence** – a more affluent audience is likely to be attracted to the classical performing arts and contemporary visual arts; a less affluent audience is likely to be attracted to a popular music and film. An affluent region can be a source of generous providers of contributed income.

4.3.3. Audiences for Exurban Locations

Research has demonstrated that 65% of commuters and suburban audiences are disinclined to make a trip to an urban downtown to see professional performing arts as frequently as they would like. Suburban or exurban audiences prefer the perceived convenience of driving to a suburban destination with free or cheaper parking and greater ease of accessibility.

Urban audiences can also be drawn to suburban or exurban locations, especially if they have personal ties or experience of a particular community or they are attracted by a new first-class theatre, a genre, company or artist. Performing arts patrons also can be extremely loyal if they are treated right, regardless of the location of the theatre or even the consistency of the work, provided the nature of the presentation is made clear. They must be engaged intellectually, emotionally and personally.

Certain types of star vehicles, Broadway, classics and specialty programming will draw a fan base from within a two to three-hour drive, many of whom, if they have the affluence turn such trips into an overnight or weekend excursion.
4.3.4. Attracting Arts Tourists From Around the Country

In 2014 and 2015 Americans for the Arts released Cultural Tourism: Attracting Visitors and Their Spending and Arts Facts...Cultural Tourism respectively. Both reports feature data on the cultural tourism industry in the United States and on the tourism habits of national and international travelers. The reports demonstrate the growth of an already strong and vital industry. Below is information that is most pertinent to viewing the Egyptian as a cultural destination:

United States Tourists
- 76% of all U.S. leisure travelers, 129.6 million adults, engage in a cultural, arts, heritage or historic activity while on a trip.
- This market is estimated to annually earn $171 billion.
- Americans for the Arts notes that just over a quarter of the group will add time to trips over 50 miles or more in order to experience cultural, arts, heritage or historic activities.
- 40% of those who add time to their trip (13 million individuals) stay one or more additional nights and spends 60% more than domestic leisure travelers.
- The cultural traveler takes more trips than general U.S. travelers (3.6 vs 3.4)\textsuperscript{10}
- Cultural tourism in the United States is the most frequently used marketing strategy by national tourism organizations, accounting for 26% of marketing expenditures.
- The majority of three major leisure traveler demographics, Millennials, Baby Boomers, and Gen Xers, all rate wanting “to engage a destination’s arts and cultural assets”\textsuperscript{11} as the highest activity of importance while on a trip.

International Tourists
- The percentage of international visitors participating in arts and culture while in the United States has increased steadily, from 2002 (12.9%) to 2012 (18.4%), a 29.9% increase.
- The arts attract foreign visitor spending, especially that of cultural tourists.
- The length of stay of international cultural tourists was 3 nights longer than the general international visitor and report visiting more states.

\textsuperscript{10} Source: Mandala Research, LLC 2013
\textsuperscript{11} “State of the American Traveler” from Destination Analytics Inc.
4.4. Marketing

4.4.1. Positioning Concept
The Egyptian Theatre exists to enrich the quality of life in the region by providing 1) a diverse selection of regional, national and international performing arts events for the enjoyment of the area residents, 2) arts and education programming through a collaboration with Northern Illinois University, and 3) a quality performance home for community arts companies.

4.4.2. Values
- Be community-based and nonprofit
- Be available for use by the entire region
- Be of a scope and scale appropriate to the region
- Ensure that all citizens of the region have access to a variety of diverse arts experiences
- Create an environment where artistic skills and production capabilities of arts organizations and artists are strengthened
- Provide a showcase for the area’s talented youth and adults
- Enable professional artists and attractions to appear at the facility for the inspiration and enjoyment of citizens
- Include an educational component for all ages, from youth to seniors
- Offer an alternative to going to Chicago or other cities for high quality entertainment
- Provide responsible financial management for the ongoing viability of the facility

4.4.3. Developing Audiences and Clients
The Egyptian Theatre will be the regional showcase for the performing arts. The success of the project depends upon a successful audience development plan. New audiences will come from within the community, the region and beyond.

The programming of the theatre should reflect the interests of the entire community. It must be diverse and appeal to residents of the city, DeKalb County, nearby Rockford and the Fox Valley area, and visitors from outside the region. A range of attractions, including comedy, theatre, popular music and dance should be offered.

The attractions presented at the theatre will establish the strongest image in the marketplace, i.e., what you program is who you are. However, there is much that can be done in making audiences (ticket buyers), community arts groups (producers using the space) and corporate clients (non-entertainment users) feel comfortable with the facility. An image can be established by the friendliness of the box office, the accessibility of management, and the tone set by the front of house and backstage staff.

The Egyptian Theatre is uniquely positioned to become a regional center for the performing arts. The current operation of the facility is that of a community theatre that occasionally hosts a commercial booking. This management model will not allow the theatre to achieve its potential. In addition to upgrades to the physical structure, a complete operational overhaul is necessary. The current management has done its best to work with extremely limited resources, but this model does not maximize the potential of one of the community’s greatest assets. The Egyptian is the symbol of the city of DeKalb. City leaders, government, arts community and Northern Illinois University must work together to make the most of this asset. The result will be a better quality of life for residents and students, as well as a powerful economic catalyst.
A niche exists for the Egyptian in the regional arts scene. Rockford’s 2,310-seat Coronado presents Broadway touring shows and other large-scale entertainment. Aurora’s 1,888-seat Paramount is primarily a producing house, a programming format not contemplated for the Egyptian. The 900-seat Arcada in St. Charles is a commercial concert venue. While there will be concerts at the Egyptian, this is not the primary type of booking. One of the proposed distinguishing features of the Egyptian will be a truly collaborative relationship with Northern Illinois University. It is envisioned that NIU’s relationship with theatre and dance companies in Chicago will produce a collaboration worthy of national attention.

Far enough away from Chicago, yet close enough for easy travel, the opportunity exists to bring Chicago artists to DeKalb. By way of example, this report incorporates the concept of a theatre company and a dance company annual residency. The programming concept also includes two theatre and two dance presentations each season. However, this is a concept that should be explored by NIU and theatre management. The collaboration may produce a different programming outcome. The objective is to develop a sustainable program of visiting Chicago artists that enriches the offerings at the Egyptian, while creating interactive opportunities for NIU students and audiences. The program should be self-sustaining through ticket sales, grants and contributions.

The Egyptian should be woven into the fabric of the community. The theatre should be proactive in planning events that involve the ACE Corridor and STEAM Learning Center Project. It may be advisable to have the theatre be the home of cultural marketing for the community. This office would incorporate Egyptian, NIU and community arts into its annual campaign.

The objective is to position the city of DeKalb as a destination location. DeKalb offers a “day-in-the-country” experience for the one million people living in the Fox Valley region, and five million people east of that area. There is a quaint charm to the downtown that should be developed and promoted. The architecturally unique Egyptian, world-class university, Ellwood House and other community assets combine to create a desirable visitor experience. Seasonal celebrations could be developed, such as summer (separate from Corn Fest), autumn/Halloween and December holidays. Arts and culture, as well as shopping and dining, should be promoted.

A special event attraction is contemplated within the context of one of these types of celebrations. A week (or two consecutive weekends) booking of a popular family attraction would be ideal for this type of program. An acrobatic circus, such as Navy Pier’s 2006–2014 booking of the highly acclaimed Cirque Shanghai, or a nationally-acclaimed magic show are examples of this type of booking. The attraction would be high profile and different from what other theatres in the area are presenting. The length of the booking could be expanded in subsequent years if demand warranted.

A professional level of marketing should be employed for all Egyptian events. NIU collaborative events should be jointly marketed by the theatre and NIU. Assistance should be given to community arts organization to ensure that they are marketed successfully. It is in the theatre’s best interest to maximize audiences for every event.
4.4.4. Senior Management and Advisory Groups

Management and community involvement is crucial to the success of the programming plan. The board of directors should include *ex officio* positions from local government and Northern Illinois University. The foundation of the board should be civic leaders with the capability and desire to contribute to the theatre, as well as possess the motivation to seek contributions from other interested parties.

The Executive Director is responsible for overseeing the management of the performing arts center. This individual will be integral to the success of the Egyptian Theatre. It is important that the position be given the authority to manage the organization. Key areas of responsibility include:

- Conceiving, developing and implementing the programming of the performing arts center
- Implementing professional standards of marketing, facility management and technical production for all events at the center
- Developing budgets, meeting financial goals and maintaining fiscal integrity

It is recommended that the qualifications of this individual include at least ten years of senior management experience with a mid-size or large arts presenter. High-level administrative skills, coupled with an understanding of programming, community arts organizations and facility management, are ideal. An alternative is to hire a professional, outside booking agency. The executive director position is replaced by a general manager. The general manager position does not require booking or fundraising experience. A thorough understanding of theatre and box office operations is required.
### 4.5. Budget Preparation

#### 4.5.1. Egyptian Theatre Presentations

<table>
<thead>
<tr>
<th>Type of Use</th>
<th>Number of Performances</th>
<th>Average Number of Tickets Sold</th>
<th>Average Presentation Cost</th>
<th>Ticket Sales</th>
<th>Concessions &amp; Ticket Fees*</th>
<th>Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theatre</td>
<td>65%</td>
<td>$70 average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Play/Show 1</td>
<td>4</td>
<td>3,600</td>
<td>200,000</td>
<td>252,000</td>
<td>18,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Play/Show 2</td>
<td>4</td>
<td>3,600</td>
<td>200,000</td>
<td>252,000</td>
<td>18,000</td>
<td>70,000</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>7,200</td>
<td>$400,000</td>
<td>$504,000</td>
<td>$36,000</td>
<td>$140,000</td>
</tr>
<tr>
<td>Dance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company 1</td>
<td>3</td>
<td>2,520</td>
<td>100,000</td>
<td>113,400</td>
<td>12,600</td>
<td>26,000</td>
</tr>
<tr>
<td>Company 2</td>
<td>3</td>
<td>2,520</td>
<td>100,000</td>
<td>113,400</td>
<td>12,600</td>
<td>26,000</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>5,040</td>
<td>$200,000</td>
<td>$226,800</td>
<td>$25,200</td>
<td>$52,000</td>
</tr>
<tr>
<td>Music</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concert 1</td>
<td>1</td>
<td>900</td>
<td>50,000</td>
<td>63,000</td>
<td>4,500</td>
<td>17,500</td>
</tr>
<tr>
<td>Concert 2</td>
<td>1</td>
<td>900</td>
<td>50,000</td>
<td>63,000</td>
<td>4,500</td>
<td>17,500</td>
</tr>
<tr>
<td>Concert 3</td>
<td>1</td>
<td>900</td>
<td>50,000</td>
<td>63,000</td>
<td>4,500</td>
<td>17,500</td>
</tr>
<tr>
<td>Concert 4</td>
<td>1</td>
<td>900</td>
<td>50,000</td>
<td>63,000</td>
<td>4,500</td>
<td>17,500</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>3,600</td>
<td>$200,000</td>
<td>$252,000</td>
<td>$18,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>Variety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Show 1</td>
<td>1</td>
<td>980</td>
<td>55,000</td>
<td>58,800</td>
<td>4,900</td>
<td>8,700</td>
</tr>
<tr>
<td>Show 2</td>
<td>1</td>
<td>980</td>
<td>55,000</td>
<td>58,800</td>
<td>4,900</td>
<td>8,700</td>
</tr>
<tr>
<td>Show 3</td>
<td>1</td>
<td>980</td>
<td>55,000</td>
<td>58,800</td>
<td>4,900</td>
<td>8,700</td>
</tr>
<tr>
<td>Show 4</td>
<td>1</td>
<td>980</td>
<td>55,000</td>
<td>58,800</td>
<td>4,900</td>
<td>8,700</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>3,920</td>
<td>$220,000</td>
<td>$235,200</td>
<td>$19,600</td>
<td>$34,800</td>
</tr>
<tr>
<td>Young Audiences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Show 1</td>
<td>3</td>
<td>1,050</td>
<td>20,000</td>
<td>25,200</td>
<td>-</td>
<td>5,200</td>
</tr>
<tr>
<td>Show 2</td>
<td>3</td>
<td>1,050</td>
<td>20,000</td>
<td>25,200</td>
<td>-</td>
<td>5,200</td>
</tr>
<tr>
<td>Show 3</td>
<td>3</td>
<td>1,050</td>
<td>20,000</td>
<td>25,200</td>
<td>-</td>
<td>5,200</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>3,150</td>
<td>$60,000</td>
<td>$75,600</td>
<td>-</td>
<td>$15,600</td>
</tr>
<tr>
<td>Film</td>
<td></td>
<td></td>
<td></td>
<td>$6 average</td>
<td>$2 per cap</td>
<td></td>
</tr>
<tr>
<td>Screenings</td>
<td>40</td>
<td>3,000</td>
<td>$6,300</td>
<td>$18,000</td>
<td>$6,000</td>
<td>$17,700</td>
</tr>
<tr>
<td>Total Presentations</td>
<td>71</td>
<td>25,910</td>
<td>$1,086,300</td>
<td>$1,311,600</td>
<td>$104,800</td>
<td>$330,100</td>
</tr>
</tbody>
</table>

*Concessions $1.00, Ticketing fees, $2.00, Restoration fee, $2.00
### 4.5.2. Programming with Northern Illinois University

<table>
<thead>
<tr>
<th>Type of Use</th>
<th>Number of Performances</th>
<th>Average Number of Tickets Sold</th>
<th>Average Presentation Cost</th>
<th>Ticket Sales</th>
<th>Concessions &amp; Ticket Fees*</th>
<th>Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theatre Residency</td>
<td></td>
<td>55%</td>
<td>$45 average</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Performances</td>
<td>4</td>
<td>3,080</td>
<td>130,000</td>
<td>138,600</td>
<td>15,400</td>
<td>24,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85%</td>
<td>$8 average</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Performances</td>
<td>2</td>
<td>2,400</td>
<td>20,000</td>
<td>19,200</td>
<td>-</td>
<td>(800)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>5,480</td>
<td>$150,000</td>
<td>$157,800</td>
<td>$15,400</td>
</tr>
<tr>
<td>Chicago Companies</td>
<td></td>
<td>55%</td>
<td>$35 average</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Play/Show 1</td>
<td>3</td>
<td>2,300</td>
<td>75,000</td>
<td>80,500</td>
<td>11,500</td>
<td>17,000</td>
</tr>
<tr>
<td>Play/Show 2</td>
<td>3</td>
<td>2,300</td>
<td>75,000</td>
<td>80,500</td>
<td>11,500</td>
<td>17,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>4,600</td>
<td>$150,000</td>
<td>$161,000</td>
<td>$23,000</td>
</tr>
<tr>
<td>Dance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residency</td>
<td></td>
<td>55%</td>
<td>$35 average</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Performances</td>
<td>4</td>
<td>3,080</td>
<td>100,000</td>
<td>107,800</td>
<td>15,400</td>
<td>23,200</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85%</td>
<td>$8 average</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Performances</td>
<td>2</td>
<td>2,400</td>
<td>20,000</td>
<td>19,200</td>
<td>-</td>
<td>(800)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>5,480</td>
<td>$120,000</td>
<td>$127,000</td>
<td>$15,400</td>
</tr>
<tr>
<td>Chicago Companies</td>
<td></td>
<td>55%</td>
<td>$25 average</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company 1</td>
<td>3</td>
<td>2,300</td>
<td>75,000</td>
<td>57,500</td>
<td>11,500</td>
<td>(6,000)</td>
</tr>
<tr>
<td>Company 2</td>
<td>3</td>
<td>2,300</td>
<td>75,000</td>
<td>57,500</td>
<td>11,500</td>
<td>(6,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>4,600</td>
<td>$150,000</td>
<td>$115,000</td>
<td>$23,000</td>
</tr>
<tr>
<td>Total Presentations</td>
<td>24</td>
<td>20,160</td>
<td>$570,000</td>
<td>$560,800</td>
<td>$76,800</td>
<td>$67,600</td>
</tr>
</tbody>
</table>

*Concessions $1.00, Ticketing fees, $2.00, Restoration fee, $2.00
### 4.5.3. Community Usage, Commercial Rentals and Co-Presentations

<table>
<thead>
<tr>
<th>Type of Rental</th>
<th>Number of Performances</th>
<th>Average Number of Tickets Sold</th>
<th>Rental Fees / Ticket Sales</th>
<th>Cost (services included in rent)</th>
<th>Concessions &amp; Ticket Fees*</th>
<th>Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performing Arts</td>
<td>50</td>
<td>17,500</td>
<td>50,000</td>
<td>10,000</td>
<td>87,500</td>
<td>127,500</td>
</tr>
<tr>
<td>Civic &amp; Other</td>
<td>5</td>
<td>-</td>
<td>7,000</td>
<td>1,000</td>
<td>-</td>
<td>6,000</td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>17,500</td>
<td>$57,000</td>
<td>$11,000</td>
<td>$87,500</td>
<td>$133,500</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concerts</td>
<td>10</td>
<td>8,400</td>
<td>20,000</td>
<td>2,000</td>
<td>42,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Industrials**</td>
<td>2</td>
<td>-</td>
<td>2,800</td>
<td>400</td>
<td>-</td>
<td>2,400</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>8,400</td>
<td>$22,800</td>
<td>$2,400</td>
<td>$42,000</td>
<td>$62,400</td>
</tr>
<tr>
<td>Special Attraction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-Presentation</td>
<td>7</td>
<td>5,880</td>
<td>147,000</td>
<td>$75,000</td>
<td>29,400</td>
<td>101,397</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>5,880</td>
<td>$147,000</td>
<td>$75,000</td>
<td>$29,400</td>
<td>101,397</td>
</tr>
<tr>
<td>Total Presentations</td>
<td>74</td>
<td>31,780</td>
<td>$226,800</td>
<td>$88,400</td>
<td>$158,900</td>
<td>$297,300</td>
</tr>
</tbody>
</table>

*Concessions $1.00, Ticketing fees, $2.00, Restoration fee, $2.00

**Industrials are private rentals hosted by corporations to sell products

The average rental fees are estimated at $1,000 for community groups and $2,000 for all other users. The special attraction assumes it is a co-presentation. The total cost of the presentation is $100,000, half of which ($50,000) is the theatre’s responsibility. If the production has net sales of approximately $150,000, half of the profit ($25,000) is due to the partner.
4.5.4. Theatre Usage – Summary

<table>
<thead>
<tr>
<th>Summary of Use Days</th>
<th>Number of Events</th>
<th>Estimated Net Revenue</th>
<th>Estimated Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET Presentations</td>
<td>31</td>
<td>$376,400</td>
<td>22,910</td>
</tr>
<tr>
<td>Film</td>
<td>40</td>
<td>$17,700</td>
<td>3,000</td>
</tr>
<tr>
<td>NIU Collaborative</td>
<td>24</td>
<td>$67,600</td>
<td>20,160</td>
</tr>
<tr>
<td>Rentals</td>
<td>67</td>
<td>$195,900</td>
<td>25,900</td>
</tr>
<tr>
<td>Special Attraction</td>
<td>7</td>
<td>$101,397</td>
<td>5,880</td>
</tr>
<tr>
<td>TOTAL</td>
<td>169</td>
<td>$759,000</td>
<td>77,850</td>
</tr>
</tbody>
</table>

4.5.5. Sample Ticket Prices

The programming proposal for the Egyptian Theatre represents a complete range of offerings from accessible film, and family fare to national acts and touring companies. Rental programming by local community groups will vary with the group and reflect local expectations.

Sample ticket prices for several mid-sized venues similar to the Egyptian Theatre. If no price is listed, that category is filled by a local theatre or dance company (not a touring show).

<table>
<thead>
<tr>
<th>Theatre</th>
<th>Dance</th>
<th>Music</th>
<th>Variety</th>
<th>Young Audiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flynn Center</td>
<td>$70</td>
<td>$40</td>
<td>$70</td>
<td>$40</td>
</tr>
<tr>
<td>Burlington, VT – Pop. 42,284 Seating Capacity: 1,411</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Grand 1894 Opera House</td>
<td>$70</td>
<td>$70</td>
<td>$70</td>
<td>$15</td>
</tr>
<tr>
<td>Galveston, TX – Pop. 48,733 Seating Capacity: 1,040</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ritz Theatre</td>
<td>$50</td>
<td>$70</td>
<td>$50</td>
<td>$4</td>
</tr>
<tr>
<td>Tiffin, OH – Pop. 17,832 Seating Capacity: 1,260</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bardavon 1869 Opera House &amp; Ulster Performing Arts Center (under same management)</td>
<td>$60</td>
<td>$85</td>
<td>$59</td>
<td>$6</td>
</tr>
<tr>
<td>Poughkeepsie, NY – Pop. 30,639 Kingston, NY – Pop. 23,557 Seating Capacity: 944 &amp; 1,510</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.5.6. Sample Operating Budget

The following table incorporates and modifies the usage data with general assumptions of other income and operating costs. This is a snapshot of a minimum annual operating budget typical for this type of facility. It should be considered a starting budget.

<table>
<thead>
<tr>
<th>Program Income – Net</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egyptian Theatre Presentations and Film including concessions</td>
<td>330,000</td>
</tr>
<tr>
<td>NIU Collaborative</td>
<td>67,600</td>
</tr>
<tr>
<td>Rentals</td>
<td>195,900</td>
</tr>
<tr>
<td>Special Attraction</td>
<td>101,500</td>
</tr>
<tr>
<td></td>
<td>$695,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contribution and Sponsorship Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Financing from the City</td>
<td>250,000</td>
</tr>
<tr>
<td>Private Donations, Sponsorships, and Other Contributions</td>
<td>55,000</td>
</tr>
<tr>
<td></td>
<td>$205,000</td>
</tr>
</tbody>
</table>

| Total Income                                              | $1,000,000|

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time Payroll/Professional Services (including benefits)</td>
<td>340,000</td>
</tr>
<tr>
<td>Part Time Payroll/Fees (including benefits)</td>
<td>140,000</td>
</tr>
<tr>
<td>Marketing and Development</td>
<td>320,000</td>
</tr>
<tr>
<td>Occupancy Costs, Utilities, Supplies</td>
<td>100,000</td>
</tr>
<tr>
<td>General, Administrative Costs and 5% Contingency</td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

| Net                                                       | $0      |

<table>
<thead>
<tr>
<th>Services Provided by City</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td></td>
</tr>
<tr>
<td>Matches for Capital Depreciation/Maintenance/Improvements</td>
<td></td>
</tr>
<tr>
<td>Snow Removal</td>
<td></td>
</tr>
<tr>
<td>Initial Program Reserve and Start Up for Year One</td>
<td>$400,000</td>
</tr>
</tbody>
</table>

These recommendations for City contributions are the minimum recommended for a successful growth model. With potential seed funding for the conversion of the facility from a community-based operation to public-private sector professional performing arts center, and annual operating support of $250,000 from the City, an annual budget of $1,000,000 is achievable and is likely to grow relatively quickly to a $2 million operation with a much greater impact on DeKalb and the region.
4.5.7. Staffing Assumptions

Full time payroll assumptions include Directors and Managers:

Executive Director or General Manager & Professional Booker
Chief Executive Officer, Responsibility for the day-to-day management of the Center, including management of surplus and deficits, board development, staffing, property management, programming, booking, media relations, policy development, annual budgets, contracts and advocacy. Estimated compensation range: $80,000 to $125,000.

Development and Marketing Director
Responsible for positioning the Center in a manner consistent with the goals of the management, as well as managing internal board, staff and volunteer communications, community relations, messaging, media relations, publicity, advertising and fund raising, coordinating market research, merchandizing and the development of educational programs. Estimated salary range: $55,000 to $75,000.

Operations Manager
Responsible for courteous and efficient customer (audience) services and policies, the financial integrity of box office systems, safety of front-of-house management and hospitality and earned revenue of concessions, catering and event management. Maintain daily show reports, time sheets, sales reports and ticket/patron counts. Estimated salary range: $35,000 to $50,000.

Technical Director
Responsible for courteous and efficient rental and presented client (artist) services and oversight of mechanical and electrical systems, lighting, sound, rigging, stage maintenance, projection, security, and stage crews. Estimated salary range: $35,000 to $50,000.

These basic salary ranges include benefit packages which will be negotiated with each of the staff together with their compensating time off, vacation time and professional development, but it is estimated that benefits will be no more than 15-20% within these allowances.

As the amount of programming, audiences and sales in the Egyptian Theatre grow, more full time staff should be the first priority to shepherd audiences and generate more earned and contributed revenue.

There will always be a considerable complement of part time, hourly staff due to the nature of the work accompanying the services to the audiences and artists when they are in the theatre. The booking schedule and seasonal patterns also effect staffing schedules, as well as the need for part time support to the Directors and Managers. At some point, the activity levels and operating revenues may support certain part time positions becoming full time.

Theatres require a great deal of flexibility in their management of personnel and contractors and, as such, it is often better to have a scenario where they are governed and managed by private or public-private sector not-for-profit entities rather than public sector entities.
**Part-Time budget allowances and services include:**

**Administrator**
Provide contract management support to the Executive Director, maintain the master calendar of events, develop and maintain a comprehensive licensee/patron/stakeholder/volunteer CRM database, develop all internal office procedures, supervise office volunteers, monitor office equipment and coordinate the acquisition of all equipment and office supplies. Estimated salary range: $20,000 to $30,000.

**Box Office Staff**
Provide courteous and efficient sales and processing of public tickets, accurate and enthusiastic programming information, daily sales reports, reconciliation of cash receipts and electronic sales, scanning of admission documentation, liaison with front-of-house to coordinate cues, monitoring and reporting sales levels and audience demographics. Estimated salary range: $20,000 to $30,000.

**Concession Staff**
Provide courteous and efficient food and beverage hospitality services, and helpful programming discourse, daily sales reports, reconciliation of cash receipts and electronic sales, observance of health and safety codes, control of inventory and receipts for concessions and boutique sales. Provide event management support and provide a clean, safe and tidy environment at all times. Estimated salary range: $20,000 to $30,000.

**Front-of-House Staff**
Under the Operations Manager, the Front-of-House staff are responsible for building security and the safety, and comfort of patrons at any time the public is in the building. Coordinate seating and performance cues with the Box Office, ensure the smooth and efficient seating (and orderly departure) of all patrons, maintain crowd control, a tidy theatre, emergency procedures and security policies as well as helpful programming discourse. Estimated salary range: $18,000 to $25,000.

**Custodial Support**
Ensure a clean, safe and tidy public environment. Annual Allowance: $16,000 to $20,000.

**Technical Crew Support**
Sound, lighting, carpentry or stage crew as required to support the Technical Director in maintenance or upgrades to the theatre, not to be confused with crew retained and charged back to shows renting the theatre or presented programming budget. Annual Allowance: $8,000.

**Ushers** – Volunteers trained by the Operations Manager or Front-of-House Staff.

**Docents** – Volunteers trained by the Development and Marketing Director.

**Office Support** – Volunteers trained by the Administrator.

**Marketing Support** – Volunteer contractors recruited by the Development and Marketing Director.
### 4.5.8. Egyptian Theatre Program Growth Projections

<table>
<thead>
<tr>
<th>Program</th>
<th>Current 5 Yr. Average</th>
<th>Minimum Projections</th>
<th>Maximum Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET Presentations of P.A.</td>
<td>7</td>
<td>31</td>
<td>55</td>
</tr>
<tr>
<td>E.T. Film Screenings</td>
<td>25</td>
<td>40</td>
<td>52</td>
</tr>
<tr>
<td>NIU Collaborative</td>
<td>-</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Rental Days*</td>
<td>75</td>
<td>67</td>
<td>90</td>
</tr>
<tr>
<td>Special Attractions</td>
<td>8</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Events</strong></td>
<td><strong>115</strong></td>
<td><strong>169</strong></td>
<td><strong>235</strong></td>
</tr>
<tr>
<td><strong>Total Paid Attendance</strong></td>
<td><strong>18,000</strong></td>
<td><strong>77,000</strong></td>
<td><strong>140,000</strong></td>
</tr>
</tbody>
</table>

*Rental days represent the Egyptian Theatre auditorium only at the present time. Currently, and in the minimum scenario, rental days are primarily community user groups rentals. With a rehabilitated theatre, it is expected that there may be more private, corporate and commercial rentals of the theatre.*
5.0 OWNERSHIP AND GOVERNANCE

5.1 Review of Ownership, Governance and Management
to review typical ownership, governance and management options for the Egyptian and analyze the pros and cons based on programming and operations. This analysis focuses on three different governance models.

5.1.1. Proposed Ownership, Governance and Management
The chart below identifies the accountability relationships between the proposed ownership, governance and management roles in the Arts Center.

**OWNERSHIP**
assets remain in the public trust

**GOVERNANCE**
an arms-length NFP Corporation

**MANAGEMENT**
a partnership of programming and facility management

City of DeKalb

Board of Directors
Evolution of P.E.T. into a public-private performing arts center

Executive Director/Chief

Committees (volunteers)

Advisory Council (donors)

Artist Relations - Programs and Marketing

Audience Relations – Sales, Hospitality and Community Relations

Resource Mgt. – Human, Financial, Facility, Equipment
5.1.2. Ownership, Governance and Management Objectives

Ownership, governance and management may be handled together or separately, but it is important to consider the different objectives of each:

1. Ownership requires a competence in the protection of property. The owner’s primary objectives related to the Arts Center should be the long-term public interest, rather than a profit motive.

2. Governance requires a competence in public service and cultural institutions. The governance objectives of the Arts Center are to fulfill community and cultural goals.

3. Management requires competencies in the management of places of public assembly, cultural property and presentation of performing and possibly visual arts. The objectives are to interpret governance policies and offer client and customer satisfaction in the use of the building.

Ownership

Ownership of the Performing Arts Center should be in the public trust. Given the scale of the project and its deep significance to the City’s economic, cultural and social well-being, it is appropriate that the City own the asset. The City is also in the best position to facilitate development issues for sites within its jurisdiction.

Governance

Governance is the legal operating entity that is responsible for the transparent and accountable oversight of the property and fulfillment of its mission. Standard governance responsibilities include:

- Mission and strategic planning
- Transparency and communication
- Organizational structures
- Board’s understanding of its role
- Fiscal responsibility
- Oversight of human resources
- Assessment and control systems
- Planning for succession and diversity

Traditionally, governance involves three key activities: hiring the Chief Executive Officer, approving the annual budget and assuming financial leadership by securing the majority of the contributed income required by the Arts Center. The three most common governance scenarios relevant to the Egyptian are:

- Community Governance
- A Public-Private Partnership
- Municipal or County Government Governance

**Community Governance:** is the governance by a not-for-profit, incorporated, community board, where the board executive has significant responsibility for professional management roles and the President is often the Chief Executive Officer. The board is responsible for providing strategic direction, managing the assets, significant fund-raising and establishing policy. The Executive Director is an employee of the Board. This is the current model.

**Public-Private Governance:** is an extension of community governance. This model is recommended in light of the potential significance of the property to a number of public
institutions such as the City, the County, the University, the Library and the Historic Museums of DeKalb. In this particular scenario it is recommended that 50% of the board represent public interests and be appointed ex officio and 50% of the board be leaders of the private sector in DeKalb. An independent Chair would be elected by the board and roles and responsibilities would be clearly articulated to maintain a balance of public and private sector interests.

If the facility is owned by the City, City policies could, but do not have to be adopted. Under City ownership, the City could make a specific annual financial contribution, pay a management fee or offset losses to the operation of the facility and could have ex officio, voting representation on the Board. The board would submit a budget annually as a condition of securing the City’s operating subsidy to City Council. The City would ensure that its programming and operating conditions are met in a facility management agreement with the board of directors. The City may also provide some facility services that it is able to do economically – such as maintenance, landscaping, janitorial and insurance.

**Municipal Governance:** generally implies ownership, governance and management by the municipal or government in question. In this scenario, all staff, policies and practices would be municipal or county, although policies could and should be designed specifically for the facility. The facility should be a line item operation. There could be a community advisory committee that provides input (advisory only) on strategic directions, new capital items, fund-raising and the specifics of governing a cultural institution. While there could be fund-raising programs, but it is assumed that the financial commitment to maintain stability of the facility is the government’s responsibility. This scenario places the greatest financial burden on the City and is not recommended because of these typical differences:

<table>
<thead>
<tr>
<th>Municipalities are:</th>
<th>Cultural Institutions are:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Averse</td>
<td>Risk Embracing</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>Entrepreneurial</td>
</tr>
<tr>
<td>Tax-Based</td>
<td>Fund Raisers</td>
</tr>
<tr>
<td>Securely Financed</td>
<td>Insecurely Financed</td>
</tr>
<tr>
<td>Hierarchies</td>
<td>Collaborative</td>
</tr>
<tr>
<td>Formal</td>
<td>Informal</td>
</tr>
</tbody>
</table>

The combination can represent a good balance. While a good municipal facility may be defined as on-time, on-budget and low cost, a good theatre facility is defined as:

- respectful of the artist, creative teams and theatre professionals
- considerate of its audience
- appreciative of its community advocates
- cost-effective for its administrators and resource managers

A “great” facility has a spirit, a style or an aesthetic that celebrates its core purpose and its community character. It should be where everyone wants to be.
Management

This kind of performing arts center project requires the development of particular and highly specialized cultural businesses as well as the development of the facility that will deliver those businesses. Both program and project development should be handled by a professional manager with a clear vision of how the business and the facility will be programmed and operate.

Ideally, the efforts of design and project architects, technical consultants and fund-raising consultants will be coordinated by professional management who also will be responsible for implementing the programming and operating plans of the theatre. In this way, the form of the project will follow a good understanding of its prospective function.

In a not-for-profit corporation operating with professional staff, the governing body hires an Executive Director responsible for operations to liaise with the Board of Directors. The Executive Director’s responsibility is, in turn, to hire staff, coordinate volunteer efforts and implement programs according to budgets approved by the Board of Directors. Current staff of the Egyptian have institutional memory and have the kind of dedication and experience that will be important to the development of a future expanded staff.

5.1.3. Ownership, Governance and Management Recommendation

To meet the respective ownership and governance objectives, it is recommended that a combination of City ownership for stability, public-private community governance for growth, stability and arm’s length accountability, and professional staff under an experienced Executive Director would be ideal complement for the DeKalb Performing Arts Center.

A truly passionate governing body can be indispensable to making the center successful. With support from the City and under the leadership of a strong Chair and experienced Executive Director, the DeKalb Performing Arts Center can become a much more powerful feature of DeKalb and be singularly focused on ensuring that it serves the community interest and meets its mandate. As well, the independent board governance model presents the best opportunities for private sector fund-raising.

Proposed Mission Elements

1. To present performing arts for the benefit of audiences and communities in DeKalb county and beyond.
2. To rent professional caliber venues to local performing arts groups and promoters.
3. To curate/present exhibitions of art and artifacts for the benefit of the community and visitors.
4. To offer performing arts training and educational programs to the community.
5. To develop ancillary revenue generating arts space and compatible cultural activities to balance the budget.

Business Planning Assumptions

- There will be differential licensing fees for commercial, not-for-profit and public sector client groups.
- “Presenting” expectations will be based on industry standards. “Rental” uses and rates will be based on the user survey and market values.
- Ancillary revenue-generating spaces may be recommended to the extent that they are compatible with the performing arts center, serve the community and are likely to offset operating costs.
Core Programming

City of DeKalb

Performing Arts Center Facility Governance and Management

- Center Presentations / Productions
- Resident Companies (and Rental Users)
- Exhibitions (Curated Installations)
- Educational Programs (Classes)
6.0 SUMMARY OF OPERATING RESOURCES

The plan in section 3 identifies staff roles, brief job descriptions, full-time and part-time jobs and salary plus benefit ranges for a minimum upgrade to the Egyptian operations.

The analysis of operating resources should follow a review of the vision, mission, values and programming goals of the future Egyptian Performing Arts Center by all of the public and private leaders who should be engaged in a project so important to the future identity, culture and economy of DeKalb.

A new strategic orientation to the performing arts center will put the relationship between artists and audiences at the core of the business. The operating plan identified a preliminary approach to the budget and staffing with roles, brief job descriptions and budget allowances but a long term strategic planning process is necessary. A long term operations model will respond to the various strategic functions of the strategic arts management cycle:

1. ARTIST RELATIONS
   to facilitate the artist and their works.

2. AUDIENCE RELATIONS
   to facilitate the audience experience.

3. COMMUNITY RELATIONS
   to generate awareness, support and resources.

4. RESOURCE MANAGEMENT
   to manage and provide resources for the artist.
6.1. Future Staff Organization

Rather than operating with a small staff responding to a list of tasks that pushes them beyond their capacity, the new operating model positions a larger staff assigned to strategic goal oriented functions. It is oriented, for the most part, to human relations so instead of a house manager or box office manager there are audience relations personnel. The functional goals provide clear direction for setting measurable annual objectives and strategies for achieving those goals.

The organizational structure would support the functions of the arts management cycle:

To translate this strategic goal orientation to the organization structure:

- **Artist (or Client) Relations** – All Production and Technical Staff
- **Audience (or Customer) Relations** – All Publicity, Box Office and Front-of-House Staff
- **Community Relations** – All Corporate Marketing and Development Staff
- **Resource Management** – All Asset Management – Building and Financial

6.2. Policy and Governance Changes

Policy and governance changes should be driven by a new, collectively determined mission, vision, values and program goals. With the advice of legal specialists, the Constitution and By-laws of Preservation Egyptian Theatre, Inc. should be modernized to professionalize the performing arts center and consolidate it as a regional institution. The Chief Executive Officer would be the paid Executive Director rather than the volunteer Board President – a shift from a community operated organization to a professionally operated cultural institution. This will involve reviewing the roles of ex officio public sector trustees on the board of directors, a template for private recruitment, the professionalization of the Chief Executive position(s), standing committees and expectations of executive and board trustees. This would be a next step once this report is reviewed and accepted.
6.3. Necessary Equipment

The upgrading of equipment in the Egyptian Theatre should be considered together with a full-scale rehabilitation of the Egyptian into a contemporary, versatile performing arts center. Responding to the new mission, the theatre will require upgrades related to:

- building and fire codes;
- public health and safety;
- electrical and mechanical systems (including HVAC) to facilitate preservation and year-round use;
- stage, backstage and projection systems;
- energy and environmental efficiencies;
- ticketing and business management systems;
- internet, web site, links, social media and communication systems (phones)
- CRM data management and theatre management software;
- office systems, equipment and furniture for staff work places.

6.4. Facility and Amenities

Again, a new mission and adoption of a new business model and organizational structure, together with a review of market conditions will drive the fine-tuning of the rehabilitation and expansion of the Egyptian into a performing arts center. It has been proposed that the following criteria govern the restoration and adaptive reuse choices.

- Safety and Code Compliance
- Variable Function for Performing Arts and Film
- Operating Efficiencies to Minimize Overhead
- Historic Preservation
- Patron Comfort and Convenience
- Cost and Cost Effectiveness

To upgrade the Egyptian Theatre to contemporary use and maximize the versatility, utility, efficiency and safety of the center, the following areas will have to be examined:

- **Front of House** – foyer, lobby, lounge – square footage and circulation are public safety issues; adequate washrooms is a code issue; improved concessions is a hospitality and earned revenue issue
- **Auditorium** – adequate barrier-free provisions and historically compatible technical positions are required
- **Stage** – must maximize playing space and circulation with a crossover and wings, rigging updates should be considered
- **Backstage** – loading docks and barrier-free artist security and services are required
- **Secondary Venues** – provision of secondary venues such rehearsal, studio, screening and/or event space must be considered in response to serving a new mission and business and earned revenue opportunities
- **Administration** – accommodation must be developed for staff offices
6.5. **External Resources**

The conversion of the Egyptian Theatre into the Egyptian Performing Arts Center must involve leadership from the City of DeKalb, the University, the DeKalb Arts Community Stakeholders, Downtown Stakeholders, the County and the State Historic Preservation Organization.

The performing arts center will be serving a broader constituency than performing arts audiences and artists. It will be a major icon and catalyst for economic impact within the City and should be treated as such.

Factors which may have to be addressed through the planning process include:

- city transit and shuttles between the University and downtown,
- street directions and street widths,
- parking options,
- collective marketing,
- incentives for the development of downtown visitor lodging.

DeKalb currently has a fine selection of downtown restaurants but the development of a theatre inevitably brings greater commercial interest in hotel, restaurant and boutique retail development.
6.6. Resource Identification

As a small, volunteer-led theatre organization operating a mid-sized theatre with a budget of less than $500,000, the Egyptian is extremely vulnerable. With a budget of less than $1 million it would also be vulnerable. We believe it will start to become more stable and sustainable as its annual budget starts to exceed $1 million with annual operating grants from the City of $250,000 that can leverage matching private contributed revenues. Annual budgets ultimately will reflect the range of programming, audience and donor support the organization has attracted.

The Egyptian Theatre as currently managed is not likely to achieve significant and sustainable increases in operating resources, through no fault of its current ownership, governance or management. The theatre needs greater subsidy and to be reconceived as the Egyptian Center for the Performing Arts to stand a good chance of growing into a $2 million per year operation within the next seven years.

This route requires an investment of leadership and facilitation of professional resources and financing by the City government. Recruitment of leadership from the University, the County and the Historic resources community and highly experienced historic theatre architectural and management consultants are necessary to shepherd local theatres projects skillfully and cost effectively.

The next step requires an architectural feasibility study to determine what is required to preserve the Egyptian Theatre and adapt it into a performing arts center. A detailed building program, architectural concept, capital cost estimate, schedule and project plan is the next step. A theatre is a major cultural institution not unlike a library with the bonus of having a greater measurable economic impact.

In addition, a project management budget is required that may include maintenance of theatre staff throughout the rehabilitation period or support for the operations through the construction period. Ideally, the future staff leadership would be in place throughout the transition and construction. All other management staff should be engaged at least a year before opening and part-time staff trained and ready several months in advance. The project management budget can be 25% to 50% of the construction budget and requires careful management to maximize potential services in kind and seconded services.

Finally, a consistent operational investment facilitated by City, State and/or Foundation resources is an important investment into public oriented programming. It has also proven to leverage private sector investment, providing confidence in the community that the center is a worthwhile and stable institution worthy of charitable support. People understand the difference between a book store and a library and contribute accordingly. People don’t necessarily understand the difference between a commercial theatre and a public performing arts center and some work has to be done to make the potential and the benefits clearer. Creating a programming reserve and annual maintenance and operating support will be necessary. A $500,000 programming reserve and annual operating support makes it possible for the theatre to absorb risks and make the facility available at affordable rates to community user groups.

Given the significant investment of expertise and financing the City will have in this project, it only makes sense that the future asset be owned and controlled by the City. As the DeKalb public have declared, the Egyptian is a major icon and puts the city on the map nationally. Its future and development are synonymous with the future of DeKalb.
7.0 FINANCIAL AND CULTURAL IMPACT

Measuring the economic impact of the arts and, particularly, the performing arts, has been the subject of numerous tests and studies since 1966. While the intrinsic benefits of the arts have been reason enough to justify public investment in the arts for several thousand years, there has been a 20th century trend toward rationalizing this investment through economic impact multipliers. These estimates go beyond the simple yet profound observation that where there is interaction, there will be trade.

Before starting down this slippery slope of economic multipliers, it is important to remember that cultural pursuits, like education, return rewards far greater than their costs and are just as difficult to accurately evaluate. The “conventionalist” definition of economic impact relates to the contribution of the arts to the level of economic activity in a community, region or nation. In this respect the objective of an economic impact study is to demonstrate the “dollar and cents” contribution of the arts.

Economic impact is best measured with actual figures after at least one full year of operation, however, once a pro forma operating scenario is generated, estimates can be provided accordingly. In general terms, the economic impact of this type of theatre would normally encompass the following:

1. generate ancillary spectator expenditures on restaurants, babysitters, parking, dry cleaning, gasoline
2. deposit circulating income on the community’s local economy
3. contribute to the national economy
4. extend the 9 to 5 business hours of the downtown core and act as a catalyst for ancillary services
5. extend the length of stay and expenditures of visitors who patronize the theatre
6. attract new visitors to DeKalb who are oriented to cultural vacations
7. complement the local museums to create a destination package which will increase traffic to all local attractions
8. reassert the viability of downtown locations for small business enterprises which cannot compete in malls
9. increase the attractiveness of the city to prospective residents such as corporate employees, professionals, educators, high tech consultants and all other members of the “creative class.”
10. Help to attract and retain students at Northern Illinois University and Kishwaukee College.

The League of Historic American Theatres has borrowed research from Americans for the Arts to calculate the impact of a single historic theatre on a small community (of less than 50,000):

- Sustain 27 full-time equivalent jobs
- Create $950,000 in total expenditures
- Generate $84,000 in revenue for state and local governments
- Add $568,000 to household incomes in your community

Illinois estimates a $27 of economic impact on each dollar of culture spending:

- Current average Egyptian budget $337,000 x 27 = $9,099,000
- Recommended starting annual budget scenario $1,000,000 x 27 = $27,000,000
- Optimum annual budget scenario $1,900,000 x 27 = $51,300,000
The Value of the Arts and Culture Field in Illinois: A Social Return on Investment Analysis, March, 2015 Key Findings

Almost $1.9 billion is invested in over 1,397 Illinois nonprofits that do arts and culture work, and those groups engage individuals over 38 million times each year. Only 7% of that investment is from public sources, and the remainder is from private sources like foundations as well as earned income from ticket sales, membership dues, and the like. What does this investment in Illinois’s arts and culture field yield?

- Every dollar invested into the Illinois nonprofit arts and culture field generates an estimated $27 in socio-economic value.
- $23 of this socio-economic value accrues to individuals participating in nonprofit arts and culture programs, events, and activities.
- $4 of this socio-economic value accrues to society through increased tax revenue, increased spending in the state due to arts and culture jobs, and the ripple effect of audience spending in Illinois.

The real utility of an SROI lies in its ability to reveal if and how our investments into programs pay off. And on that, this SROI of the nonprofit arts and culture field in Illinois is clear: investing in arts and culture yields dividends.

Americans for the Arts have done extensive research on the impact of the arts and find:

- Arts Drive Tourism – cultural tourism is a growth industry
- Arts Mean Business – second only to jobs in education in Illinois and growing
- Arts Have Social Impact – they lower crime and poverty rates
- Arts Improve Healthcare – shorter hospital stays, lower medication
- Arts Promote True Prosperity – they bring us together to share
- Arts Strengthen the Economy - $704 billion of US economy, 4.2% of US GDP, per 2013  AFTA
- Arts Are Good for Local Merchants – the multiplier effect
- Arts Are An Export Industry – movies, theatre, art, jewelry
- Arts Spark Creativity and Innovation – a top five skill set sought
- Arts Improve Academic Performance – and lower drop-out rates

<table>
<thead>
<tr>
<th></th>
<th>Current (2014-15)</th>
<th>Minimum</th>
<th>Recommended</th>
<th>Optimal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>304,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,900,000</td>
</tr>
<tr>
<td>Paid Attendance</td>
<td>18,000</td>
<td>95,000</td>
<td>95,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Seed Funds (One Time Only)</td>
<td>n/a</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Annual Subsidy</td>
<td>0</td>
<td>200,000</td>
<td>200,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>100,000 annually</td>
<td>15,000,000</td>
<td>15,000,000</td>
<td>15,000,000</td>
</tr>
<tr>
<td>State and Local Tax Revenue</td>
<td>84,000</td>
<td>84,000</td>
<td>168,140</td>
<td></td>
</tr>
<tr>
<td>FTE</td>
<td>4 should be 8</td>
<td>27</td>
<td>27</td>
<td>47</td>
</tr>
<tr>
<td>Household Income Impact</td>
<td>182,240</td>
<td>568,000</td>
<td>568,000</td>
<td>1,200,000</td>
</tr>
</tbody>
</table>
Utah’s Earnings and Employment Multipliers

Several economic and employment multipliers were developed for Utah’s nonprofit cultural sector by the Western States Arts Foundation: The Economic Impact of Utah’s Cultural Sector.

The study used an earnings multiplier of 2.2641 on wages and benefits and an employment multiplier of 2.0098 to calculate the number of subsidiary jobs that are created in support of the cultural sector’s business activities.

The multiplier calculating the indirect and induced economic impact of a capital campaign is a final-demand earnings multiplier of .7512, and the multiplier calculating the employment impact of construction jobs is 30.3/1,000,000.

According to multipliers identified by the Western States Arts Federation and based on the Minimum budget scenarios:

- The total direct, indirect and induced economic impact of the Egyptian’s wages is likely to be $750,000.
- The number of subsidiary jobs that would be created in support of the Egyptian’s activities would be up to 40 jobs.
- The economic and employment benefit of construction due to a capital campaign would be between $11,250,000 and $14,270,000.
- The total employment impact would be between 450 and 570 jobs.
8.0 FINAL CONCLUSIONS AND RECOMMENDATIONS/EXECUTIVE SUMMARY

Egyptian Theatre, City of DeKalb, Business Feasibility Study Executive Summary
Draft of Key Findings and Conclusions by Janis Barlow

From the Introduction:
DeKalb is the cultural hub of DeKalb County. Art galleries, Kishwaukee Symphony Orchestra, the Municipal Band, live theater, dance, arena concerts, independent films and championship sports are all in DeKalb’s back yard. DeKalb has 44 area parks and 3 major bike trails. In January, 2016, the City of DeKalb advanced to the semifinals in the America’s Best Communities competition as one of 15 communities nationwide chosen out of 135, and the only community in Illinois.

Opened in December, 1929, the Egyptian Theatre is a national historic treasure and one of the finest historic theatres and regional movie palaces remaining in America. It is potentially a significant architectural and program attraction for the City of DeKalb. In considering future funding needs for the 1,397-seat theatre’s preservation, capital development needs and operations, a rigorously conducted, professional, objective analysis and demonstration of possible programming and operating models is a vital first step.

A unique, not-for-profit business model responds to the community demands and conditions and opportunities in the greater DeKalb market. The successful program is derived from a clear understanding of the market area – the supply and demand for services and facilities, the community’s perceived needs and aspirations, trends in the theatre fields and the conditions, objectives and measures of success for a new programming, operations and ownership model.

Architectural Summary
The Egyptian Theatre’s basic design reflects the function and efficiency of early 20th century vaudeville theater which featured two-dimensional stock scenery and “photoplays.” The quality of the building and the amazing design of the structure is the reason the Egyptian is still available today for rehabilitation and programming to serve the next 100 years as a contemporary performing arts center.

The façade, entryway and auditorium are the superb, character defining elements of this iconic building. It is time for some structural repair to the façade, but the basic bones of the load bearing masonry wall structure are excellent. It now requires mechanical and electrical upgrades to preserve its architecture, upgrades to the health, safety and hospitality functions for its audiences and efficient contemporary backstage and loading dock additions to give the Egyptian Theatre the prominence in the performance field that it currently holds in the architectural field.

Programming Options
At 1,397 seats, the Egyptian Theatre is the size of a contemporary presenting facility for its regional market. It is too large for most film and community theatre programming even if combined with a part-time year of comedy and musical acts. To accommodate a broader range of touring professional work that is available to the Egyptian such as touring theatre, musical theatre, contemporary dance and variety, a number of improvements to the theatre are required.

In addition to the Egyptian’s functional limitations in its front of house and backstage areas, the theatre (unlike most vaudeville houses of its period) was not originally equipped with air conditioning as a result of cuts made to its building plan during the stock market crash of 1929. In today’s market and climate, the lack of air conditioning renders it virtually unusable during the summer months. The Egyptian can only plan for an eight-month season and limit itself to film,
community theatre or special events, comedy, and musical acts. This current program is unsustainable.

**Current Operations**
The Egyptian Theatre was saved from becoming a parking lot and partially restored between 1978 and 1983 by a local group of citizens who formed *Preservation of the Egyptian Theatre, Inc.* (P.E.T.) and received a grant from the state. The ownership, governance, management and vision of the Egyptian Theatre has continued to be a community-based one under P.E.T. The board president is the chief executive of the corporation; the secretary records the minutes; and the treasurer has the care and custody of all the funds of the organization. It is essentially what is characterized as “a working board.” The employee hired as full-time, operating head of the theatre is an ex-officio member of the board without voting privileges. Currently, there is a board of eleven and a staff of three and a half full-time equivalents.

**P.E.T. Mission and Bylaws**
The purposes of P.E.T. are to purchase, repair, maintain, restore, operate and program the Egyptian Theatre, to raise funds and “to maintain and eventually to restore the original Art Deco-Egyptian Revival décor.” This is typical of the initial community-based “preserve and protect” orientation and goal of the stewards to these prized historic treasures in our communities. Eventually, as the scale and potential of the programming, operations and maintenance in a contemporary context becomes clear and a full rehabilitation is contemplated, the orientation shifts to a business mission. The business mission serves audiences and/or performing arts organizations and preservation of the building becomes a continuing condition of the operation. A rare exception occurred in Columbus, Ohio in 1977 when a local group seeking to save the splendid Ohio Theater chose a business mission rather than simply a preservation mission. They called themselves the Columbus Association for the Performing Arts. That focus has allowed them to grow to acquire and restore two other historic theatres and operate six more.

Often these theatre buildings have been saved by the work of dedicated community volunteers and extraordinary staff members doing multiple jobs who are virtually irreplaceable under the conditions under which they work. These citizens have created this opportunity to transform this building into a future cultural institution for DeKalb.
**Current Programming**
The Egyptian provides an important service to local arts organizations that rent the theatre between 66 and 88 days of the year, primarily on weekends during the school year, selling 24-30% of the house. The Egyptian itself has presented or co-presented performances between 3 and 8 times per year, selling between 31-61% of the house, and screened 16 to 32 films per year usually selling less than 10% of the house. The Egyptian works mainly with a local presenter and has had no risk capital to select and promote the ideal programming to brand the Egyptian and DeKalb.

The Egyptian’s seating capacity is too large for most of its current uses. In theatre, there is no such thing as one-size-fits-all. The cost-efficient trend in contemporary movie theatre and performing arts centre management is to have one staff managing multiple venues of different sizes. The Egyptian Theatre’s audience services cannot currently safely and effectively accommodate sold-out audiences in such a large theatre.

**Budget Analysis**
Not for profit theatre budgets and community impact are a function of the theatre seating capacity, programming capacity, the business model, the market area, audience hospitality capacity, ticket pricing, backstage capacity and efficiency, ancillary income, and private and public operating financing.

The Egyptian’s annual budget in the last five years has ranged between $280,000 and $375,000. This is extraordinarily low for a professional operation in a 1,397-seat theatre. After 30 years of operation, one would expect to see a $1 million a year operation at least. The theatre maintains very modest ticket pricing and a low percentage of capacity sales and consistently earns over 90% of its budget through earned income. The average not-for-profit theatre in America operates on a 50/50 earned to contributed income ratio (Contributed income includes private fundraising and public grants). Earned to contributed income can fluctuate widely from 30/70 for symphony orchestras to 80/20 for presenting theatres. The Egyptian receives no annual operating income from any government sources or arts councils and has limited resources from which to fundraise. A capital maintenance grant from the City of up to $100,000 per year allows Band-Aid work on repairs, this funding from TIF will expire in 2021. For the most part, the Egyptian is stuck in a cycle of poverty which is slowly eroding the asset.

**The DeKalb and Egyptian Market**
While the population of DeKalb County is over 100,000, the market area for theatre activity in a facility as unique as the Egyptian Theatre should be at least an hour’s drive, provided the facility is up to contemporary theatre standards. That market area encompasses two million people. If a unique program is developed the market area can be far larger. As it is with its limited program, the Egyptian is attracting a strong audience from DeKalb and Sycamore and well beyond. Visitors from a distance increases the likelihood that these people are shopping, dining, buying gas and staying overnight in DeKalb hotels. Despite the limited programming, DeKalb is already drawing significant audiences from the east.
DeKalb’s local growth rate indicates a need for more stimulus to grow. Performing arts centers have traditionally been unrivalled catalysts for economic development and employment, and draw relocation among those with higher levels of educational achievement, those in managerial, professional and creative occupations. Performing arts are also a powerful tool for encouraging inter-racial cooperation.

**Current Cultural Activities**

DeKalb has a range of cultural institutions: a beautiful new library, a heritage museum, a symphony and theater and ballet companies. The Ellwood House Museum, Northern Illinois University’s Art and Anthropology Museums, and Kishwaukee Symphony Orchestra contribute to the cultural environment and the potential for cultural tourism. The newly organized DeKalb Area Arts Council established an Arts, Culture, and Entertainment Corridor (ACE) along Lincoln Highway in early 2016. There are also a number of arts organizations in DeKalb County, and in close proximity to the City of DeKalb, that enrich the cultural environment, such as The Kishwaukee Valley Art League and Midwest Museum of Natural History located in Sycamore. The City hosts special events and festivals throughout the year, celebrating its culture. Leveraging all of the DeKalb area resources led by a unique national historic treasure such as the Egyptian Theatre would be a powerful attraction to cultural tourists.

**Performing Arts Venues**

Other than the 1,397 seat Egyptian Theatre, the only other public theatre in DeKalb is the 164 seat Stage Coach Players. Academic facilities include venues at Northern Illinois University, DeKalb High School and Sycamore High School which have limited availability. The Egyptian Theatre has a
unique seating capacity size advantage as a mid-sized presenting house throughout its region as illustrated by the following inventory of theatres by category:

<table>
<thead>
<tr>
<th>Name</th>
<th>Incubator 99-249</th>
<th>Community 250-399</th>
<th>Resident 400-799</th>
<th>Small 800-1199</th>
<th>Mid-Size 1200-1799</th>
<th>Large 1800+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandwich Opera House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metropolis Theatre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normal Theatre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodstock Opera House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Grand Theatre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elgin Community College Arts Center</td>
<td>168</td>
<td></td>
<td>662</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raue Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Batavia Fine Arts Center</td>
<td>245</td>
<td></td>
<td>890</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arcada Theatre</td>
<td></td>
<td></td>
<td></td>
<td>900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norris Cultural Arts Center</td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hemmens Cultural Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td><strong>Egyptian Theatre</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,397</strong></td>
<td></td>
</tr>
<tr>
<td>Paramount Theatre</td>
<td>173</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,888</td>
</tr>
<tr>
<td>Coronado Theatre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,200</td>
</tr>
</tbody>
</table>

The Paramount in Aurora is an excellent local example of the growth potential of an historic theatre project. In 1978, the Paramount virtually doubled its square footage from a 36,700 s.f. vaudeville theatre to a 66,000 s.f. performing arts center on a rehabilitation budget of over $3 million. It now rents, presents and produces performing arts and screens films to an audience of 300,000 per year, hosting over 300 events in two venues. It employs 29 full-time and 100 part-time staff, sustains a $14,000,000 annual budget and is supported with over $500,000 per year in casino head tax. The Paramount has grown into a major cultural, social and economic institution for the City of Aurora.

**Public Survey Summary**

A public survey of perceptions of the Egyptian Theatres was issued to citizens of DeKalb from April 4 to 15, 2016, which resulted in a remarkable 482 responses.

96% of the respondents identified as audience members, 46% as taxpayers and 20% as volunteers. About half of those surveyed had been to the theatre five times or more. The most frequent “first words that come to your mind when someone mentions the Egyptian Theatres” were:

- Historic
- Beautiful
- Historical
- DeKalb

The Egyptian is indelibly linked with the identity of DeKalb to the extent that 76% of respondents considered community identity as the value of the Egyptian, ahead of economic impact which 53% considered its value. The value of the Egyptian Theatres was primarily seen as entertainment, recreation and tourism. As a result of the value placed on the Egyptian Theatre, 88% of respondents thought that the theatre warranted municipal support.

**Potential User Survey Summary**

Forty surveys were provided to potential or current user groups and sixteen groups responded with two groups submitting two surveys each and eleven of which are currently using the Egyptian Theatre. Most of the groups are producing plays/drama, classical and contemporary music.
concerts and dance events. Six of the groups noted a need for a theatre in DeKalb between 300 and 599 seats.

The respondents indicated that theatre design issues include the size of the stage, the sound amplification system, the in-house theatre lighting system, loading bay access, stage tower rigging, number of dressing rooms, parking, air conditioning and handicapped accessibility. Nine respondents indicated they required rehearsal or dance studio space on site. All respondents indicated that they would be a prospective user of the Egyptian if it met their organization’s needs.

**Operating Potential and Programming Plan Summary**

The future success of the Egyptian Theatre as a performing arts center will require a rehabilitation, a new program, operating financing and an experienced, professional theatre program designer/booker. Its future program will be a balance of increased professional programming, collaboration with Northern Illinois University, and community participation. In a rehabilitated facility, the Egyptian will be able to present professional theatre, dance, music, variety and family programming with ticket pricing averaging between $10 and $75 and attracting houses of 60% to 75% capacity or more. In addition to Egyptian presentations, the basic program anticipates film exhibition, NIU collaborations, community rentals and special attractions. The number of ticketed events will rise from 80 per year to at least 160 and attendance from 28,000 to at least 75,000.

A minimum annual budget was developed, indicating that it could start as low $100,000 and eight FTEs. The budget would also require a cash reserve maintained at $500,000 to secure bookings. With an annual operating investment of $250,000 from the City of DeKalb and a $1 million annual operating budget to start, the theatre will be in a better position to finance programming and marketing that could swiftly grow it to a $2 million annual operation and a staff of 16 FTEs.

**Egyptian Theatre Growth Projections**

<table>
<thead>
<tr>
<th></th>
<th>Current 5 Yr. Average</th>
<th>Minimum Projections</th>
<th>Maximum Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$300,000</td>
<td>$1,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ET Presentations of P.A.</td>
<td>7</td>
<td>31</td>
<td>55</td>
</tr>
<tr>
<td>E.T. Film Screenings</td>
<td>25</td>
<td>40</td>
<td>52</td>
</tr>
<tr>
<td>NIU Collaborative</td>
<td>-</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Rental Days*</td>
<td>75</td>
<td>67</td>
<td>90</td>
</tr>
<tr>
<td>Special Attractions</td>
<td>8</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Total Events</td>
<td>115</td>
<td>169</td>
<td>235</td>
</tr>
<tr>
<td>Total Paid Attendance</td>
<td>18,000</td>
<td>77,000</td>
<td>140,000</td>
</tr>
</tbody>
</table>

*Rental days represent the Egyptian Theatre auditorium only. Currently, and in the minimum scenario, rental days are primarily community user groups rentals. With a rehabilitated theatre, it is expected that there may be more private, corporate and commercial rentals of the theatre.

The theatre should continue to be proactive in planning events that involve the ACE Corridor and include the STEAM Learning Center Project. It may be advisable to have the theatre be the home of highly professional cultural tourism marketing for the community.
Summary of Operating Resources
A new strategic orientation to the performing arts center will require a professionally facilitated strategic planning process engaging the Egyptian Theatre’s major stakeholders and implementing policy, ownership, governance and management changes.

To leverage the theatre’s full potential, it should be reconceived as the Egyptian Center for the Performing Arts. This direction will require an investment of leadership and financing by City government. Recruitment of leadership from the current Egyptian Board, the University, the County and the local Historic Resources community, as well as highly experienced historic theatre architectural and management consultants are necessary to shepherd the theatre project skillfully and cost effectively. The current Egyptian staff will require reorganization and expansion to successfully expand programming, audience relations, marketing and development and resource management.

An upgrade to the Egyptian Theatre should be planned and executed that takes into account:
- Safety and Code Compliance
- Variable Functions for Performing Arts and Earned Income
- Operating Efficiencies to Minimize Overhead
- Historic Preservation
- Patron Comfort and Convenience
- Cost and Cost Effectiveness
- Downtown Planning and Circulation

Ownership, Governance and Management Objectives Summary
Given the prominence of the Egyptian Theatre as a beloved icon of the citizens of DeKalb, a potentially powerful catalyst for socio-economic development and a national historic site requiring public investment, it is recommended that the ownership be transferred to the City of DeKalb. City commitment and investment is likely to help leverage private investment and donors may be more confident if the asset is secured in the public trust.

The governance trend for sustainable Centers for Performing Arts is a public-private sector partnership where the asset is supported by public funds and the operation is governed by a private not-for-profit which entrusts a professional Chief Executive Officer (or Officers) to fulfill the mission and develop budgets for approval and implementation. The board would be conscripted from leaders among the private and public sectors with financial, legal, property, educational and political acumen and they would work with the professional staff to further develop policies to guide the operation of the theatre. The CEO will be responsible for fulfilling corporate responsibilities and prepare and maintain budgets, cashflow and financial statements for board and audit scrutiny.

In sum, to meet the optimum sustainable development aspirations for the Egyptian Theatre, it is recommended that a combination of City ownership for stability, public-private community governance for wisdom, growth and arm’s length accountability, and professional staff under an experienced Executive Director would be ideal complement for a DeKalb Performing Arts Center.

Financial and Cultural Impact
At this very early stage of planning the City might be expected to facilitate a significant capital investment for the adaptive reuse of the Egyptian Theatre and a significant investment from the private sector. A theatre is a major cultural institution not unlike a library with the bonus of
having a greater measurable economic impact.

At this very early stage of planning it is difficult to predict what the scope of work should be until a building program is extrapolated from the anticipated performing arts center program aspirations and an architectural concept is developed and costed.

**Summary of Consultant Recommendations**

This business assessment of the Egyptian Theatre has established that it is underachieving for a number of reasons and, with greater support from the City of DeKalb, it has the potential to significantly increase its socio-economic impact on the City of DeKalb.

**Changes Required to Ensure the Egyptian Theatre’s Future Success**

1. Approve in principal the directions implied in the business planning assessment study for the Egyptian Theatre and approve the extension of the study to further business, architectural and project planning. (currently costed at $75,000)

2. To kick off the next study, the consultant will facilitate planning sessions and invite the current Egyptian board, staff and stakeholders to collectively establish a new theatre mission, vision and values that align with City goals and fully utilize the asset.

3. Continue to serve local resident theatre companies of the Egyptian, preserve the historic elements of the Egyptian Theatre and seek ways to leverage its significance nationally and regionally.

4. Better leverage the 1,397 seating capacity of the Egyptian and its potential to generate income for the community by developing a plan for a professional performing arts center that will attract audiences from throughout the region and beyond.

5. Pursue a cost-effective retrofit design and upgrade from theatre experts to turn the Egyptian vaudeville facility into a regional performing arts centre that has greater programming flexibility and income potential and maximizes its 1,397 seating capacity.

6. Transfer the ownership responsibility to secure it as a prominent public asset and icon of the City of DeKalb – which has the professional capacity to supervise significant capital upgrades and secure public funding for a major public project.

7. Expand the governing structure of the Egyptian from a community-based volunteer board of directors to a broader-based public-private governance structure.

8. Expand the management structure to assume full professional responsibility for the development and execution of an expanded programming and operating structure.
9.0 APPENDIX – AVAILABLE SEPARATELY

Includes:
- Research Index
- Audience Survey Results
- User Survey Results
- Power of Historic Theatres
- Sample Programming of Similar Theatres in Size and Community
  - Flynn Center for the Performing Arts
  - The Grand 1984 Opera House
  - Ritz Theatre
  - Bardavon 1869 Opera House & Ulster Performing Arts Center
- Economic Impact
  - Canada Council’s Short-Hand Technique
  - Value of Nonprofit Arts & Culture in Illinois – Key Findings