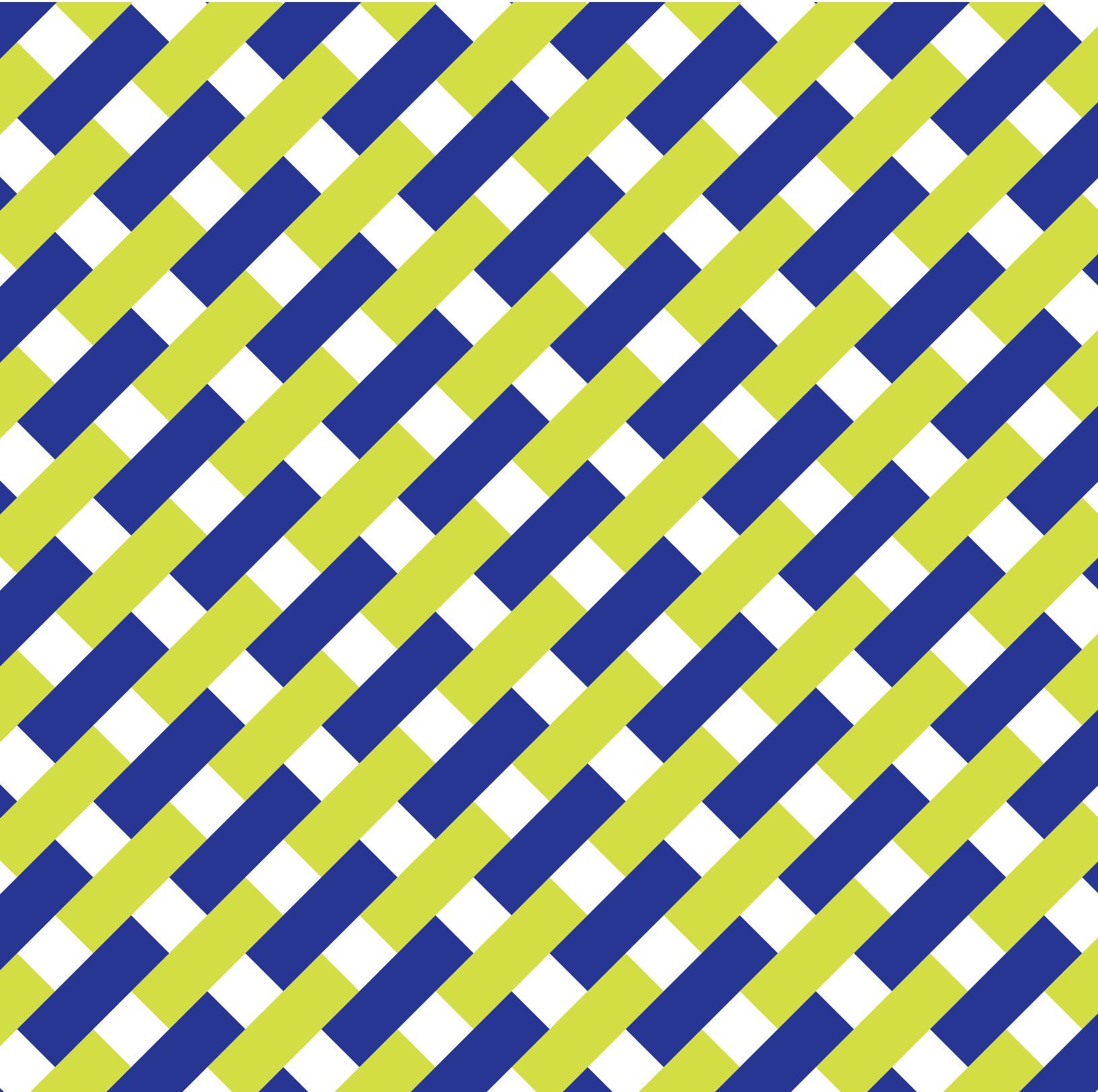


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Executive Summary: Chateau Theatre Reuse Study Needs Assessment

The City of Rochester

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executive summary

Webb Management Services was hired by the City of Rochester as part of a team led by Miller Dunwiddie Architecture to conduct a Needs Assessment investigating the feasibility of rehabilitating Rochester's historic Chateau Theatre. The study was based on an extensive process that included individual and group interviews, the touring of existing facilities, an analysis of the market, a review of the competitive situation, a user demand assessment, and research on comparable communities and projects. Following is a summary of our work.

Study Context

Rochester's Chateau Theatre opened in 1927. An atmospheric theater, the building's interior was designed to look like a 15th century French village, complete with a starry night sky overhead. Originally, the 1,500-seat venue was used for vaudeville performances, live theatre, and film and, at one point, even hosted a 3,500-pound rhino in a production of *Tarzan*. Like most facilities of its kind, live performance eventually gave way to film screenings and, until 1983, when the Chateau eventually closed, the facility operated as a film house. In 1993, after a decade of inactivity, Barnes and Noble purchased the facility, opening it as a bookstore in 1994. It remained as such until 2014. In 2015, the City of Rochester committed to buying the building for \$6 million. Mayo Clinic, established in Rochester in 1889, contributed \$500,000 to the purchase.

The Chateau has long held a special place in the hearts of Rochester community members, and multiple efforts have been made to save the theater at various points over the years. On top of general community support, there is additional interest in the building's future at the corporate and grassroots level:

- * **The Destination Medical Center:** The Destination Medical Center (DMC) is a public-private partnership between Mayo Clinic, the City of Rochester, Olmsted County, the State of Minnesota, and other private developers. A 20-year economic development initiative, it aims at "positioning Rochester as the world's premiere destination for health and wellness" and is expected to generate roughly \$7.5 to \$8.0 billion of new tax revenue over 35 years. The Chateau is located in the 'Heart of the City', a sub-district of the DMC where Mayo, commercial, retail, and residential are planned to meet.

- * **Rochester Arts + Culture Collaborative Spaces Committee—Chateau Brainstorm Report:** The City of Rochester has an active and lively arts community. With the development of the DMC, however, it has become increasingly difficult for the city's small arts organizations and independent artists to remain downtown. In 2015, the Rochester Arts

+ Culture Collaborative held a brainstorming meeting to consider the future of the Chateau, identifying three potential uses for the building: 1/Mixed-use theater/gathering space for film, music, performance, and so on; 2/Commercial destination activated with a snack bar/coffee shop or retail; and 3/Information center with a visitor center, video kiosks, and satellite Mayo Museum.

Forces + Trends

The Needs Assessment began with a review of some of the broader forces and trends affecting the cultural sector. Across the country, we are observing declines in traditional performing arts audiences, reductions in traditional public sector arts funding, increasing competition for private sector philanthropy, and the increasing fragility of nonprofit arts organizations due to the lack of productivity gains in the sector. But, other data and research indicate growth in active arts participation and arts education and improving arguments for the value of the arts. Plans for a rehabilitated Chateau should reflect these trends.

Market + Demographics Analysis

The market analysis examined the potential for a rehabilitated Chateau Theatre to attract and serve audiences. To define the market, we looked to ticket buyer data from Riverside Concerts, Rochester International Film Group, and Rochester Symphony Orchestra + Chorale. This allowed us to organize the market into three segments:

- * The City of Rochester,
- * Olmsted County, and
- * Southeast Minnesota (an area defined by entities like the Minnesota State Arts Board, Minnesota Citizens for the Arts, and Minnesota Department of Health as Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona counties).

In addition, we examined local tourism data, including research gathered on Mayo visitors, in order to assess the Chateau Theatre's potential for attracting visitors to a rehabilitated facility.

Our research found that the market is growing, well educated, and diverse in age, race, and income, all of which indicates a propensity to support the arts. There is also a very large, and constant, non-resident market with ample free time. Research indicates that, like the resident market, this market is well educated and has disposable income. Finally, Rochester is at the threshold of a major development project. If successful, the DMC could bring significant growth to the city. Given this, we believe that there is a sufficient market for events at the Chateau as long as they are programmed to serve the distinct preferences of the local population, the larger and more affluent regional population, and visitors—including those associated with the Mayo Clinic.

Review of Existing Facilities

In order to understand the existing universe of performance facilities in and around Rochester, and to identify physical and programming gaps, we developed three comprehensive inventories: the first, of performance spaces within a 30-mile radius of the Chateau Theatre; the second, of regional facilities

used for presenting second-run and independent film; and the third, of Rochester's meeting and event spaces. These inventories revealed the following opportunities:

- * Opportunities for increased presented programming, particularly in disciplines such as dance, theatre, film, and comedy.
- * Performance facilities tend to be lower in quality with capacities that range from 100 to 400 seats, signifying a gap for a high-quality facility, particularly in the 600+ capacity range.
- * There is an opportunity in the market for a downtown facility that presents film. This need was also addressed in the DMC Development Plan Draft, which indicated that a particular opportunity might exist for an IMAX or experiential theater.
- * There is a gap in the meeting and event facility inventory for a seated event space with a capacity between 400 and 900 seats and banquet space with a capacity between 550 and 900 seats.

User Demand Analysis

We gathered information on demand in Rochester for performance space, considering who needs space, what it is needed for, and how often it is needed. Our research indicated that there is considerable demand for space in Rochester on the part of 23 separate entities. In total, potential users have demand for 667 days of use: 119 days for rehearsal/tech, 170 days for performances, and 378 days for other activities. Mayo Clinic has the most demand at 180 days. This demand is primarily for meetings, events, and other Clinic functions. There are, however, an additional 68 days of demand from the Clinic's Lavins Center for Humanities in Medicine, 12 of which are for performances. Other groups with significant demand include the Rochester Convention and Visitors Bureau, City of Rochester Music Department, Rochester Rep, Rochester Public Library, University of Minnesota-Rochester, and Northland Words. It is important to note that demand exists for small performance and teaching space, as well. Research indicated approximately 262 days of use a year, although it is likely that this number is actually much higher.

We also inquired about ideal seating capacity. This research suggested that a facility with 500 to 700 seats has the most demand at 425 days of use. The greatest number of groups, however, has demand for a facility with a capacity of 200 to 350 seats.

While there are a number of different ways in which a theater can be activated, we conclude that the Chateau could be animated through the following models, with an orientation towards daytime and informal programming:

1. **The multiple user model:** Multiple user groups using the facility for rehearsals, performances, meetings, events, and more;
2. **The key partnerships model:** Two or three primary users activating the facility with a complementary set of activities;
3. **The dominant user model:** One organization provides most of the facility's programming, while leaving availability for community use;
4. **The exclusive user model:** An organization is the only organization to use the facility;
5. **Presenting for the market:** The facility manager or a partner books touring arts and entertainment in response to perceived audience demand; and,

6. **The schoolhouse model:** The facility manager and partners program the venue with educational programs.

Review of Potential Community Benefits + Impacts

Finally, the renovated Chateau Theatre could have significant positive effects on Rochester and the region and is in line with multiple previous plans and studies, including:

- * **Downtown Rochester Master Plan Report (2010):** The Downtown Rochester Master Plan presents a vision for downtown Rochester. Among its goals for the community, the plan aims to:
 - “Build upon historic buildings and landmarks that contribute to Rochester’s history and culture”;
 - “Create a vibrant, economically healthy downtown that is walkable, liveable, and [that] promotes human interaction”; and,
 - It identifies an opportunity for a Riverfront + Arts District.

- * **DMC Development Plan, Vol. II (Sec 5-6)—Draft:** This draft of the DMC Development Plan identifies Peace Plaza as the “true heart” of the DMC. It argues that, “Enhanced public areas and new development would strengthen Peace Plaza as the symbolic heart of the city with new attractions and features at key places along its length”.
 - The plan makes the Chateau Theater a crucial part of the overall design and cultural experiences offered in Peace Plaza.
 - Goals that could be impacted by the rehabilitation of the Chateau include:
 - “Design open spaces and social hubs (public indoor and outdoor spaces) that encourage social interaction and connectivity,” and
 - “Focus on strategies to attract, retain, and foster the development of a highly skilled workforce.”

Anecdotal research also revealed a number of additional benefits and impacts. They are as follows:

- * Providing the community with a gathering space that is not associated with a religion;
- * Supplementing arts education in the schools through presented programs and educational programming opportunities;
- * Creating a space where Mayo patients can find things to do during the day;
- * Drawing traffic to downtown Rochester during the weekend; and,
- * Adding value to the community.

Conclusions + Recommendations

All of this led us to conclude that the rehabilitation of the Chateau Theater is feasible in terms of the likely market response and its potential impacts on the community. On that basis, we recommended that the Chateau should be renovated as a functional and flexible performance, meeting, and event space. Specific recommendations include:

- * The Chateau should be as flexible and functional as possible so that it can be used by the Lavins Center for Humanities in Medicine in the morning for a workshop and a performance at noon, hold a Rochester Community Education lecture or Library program in the afternoon, and be used that same night for a Music Department concert or Mayo Center event. Physical characteristics for such a space should include flexibility at the orchestra level so that it can accommodate tables and chairs, a partial fly to be used by some theater and dance groups, decent wingspace, and acoustics that are oriented towards amplified sound but that can work well for unamplified sound, too.
- * The facility should have as many seats as possible.
- * There should be excellent food and beverage options (perhaps even a café) that are available throughout the day.
- * More than a traditional performing arts space, Chateau operations should resemble a public space. It should be activated with happenings throughout the day, but should also have designated space where both locals and visitors can go to grab a coffee and simply sit. In a sense, the Chateau should function as an indoor extension of the Peace Plaza (or vice versa).

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