



**St. Columba and the Grand Halle
Business Plan
Johnstown, Pennsylvania**



prepared by
The Southeastern Theatre Conference
2017

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Executive Summary

The Johnstown Steeples Project is an ambitious undertaking with the potential to galvanize and capitalize on several cultural initiatives already underway in Cambria City. In interviewing business, political and cultural leaders, our consulting team observed a consistent pragmatism that clearly recognized the multiple challenges of this community that has experienced economic decline and various levels of resulting social distress. With few exceptions, however, that pragmatism was accompanied by determination and a highly organized effort through Vision 2025 to enlist the participation of all segments of the community in re-inventing the city. Johnstown is at a crossroads: the choices and investments made in the next 5-10 years will determine its character for a generation.

In this environment, the Steeples Project is clearly one of the agents of change. With other non-profit organizations in Cambria City it has the potential to transform this historic district of the city and play a leading role in the revival of Johnstown. While medicine, business and sports support the downtown business district, Cambria City can become a destination for festivals, performing and visual arts, museums, and historic architecture. As that identity takes hold, other businesses will follow to supply the services, dining, and shopping needs of the increasing number of visitors and residents.

Our study verifies the existence of a sufficient market for Cambria City as a cultural destination. We have recommended a business structure for the Steeples Project that we believe is feasible. Although it and other cultural groups in the City are non-profit organizations, we want to emphatically make the point that “not for profit” is not a sound business strategy. Cultural and charitable organizations require as much business strategy, informed self-interest, and hard calculation as any for-profit business. Financial survival and stability is a pre-requisite for the creation and continuance of inspiring cultural programs. One of the key strategies we recommend, therefore, is a program structure for the Steeples Project that has 5 separate products. This will diversify its risk and enable it to experiment with the mix of different products as it discovers how they can be most effective. The willingness to be flexible in the first years of the operation, to change, and find the best combination of programs is very important. The strategic development of partnerships within Johnstown and in the surrounding region is also a key ingredient to the success of the project. There are not enough resources in Johnstown alone to support a robust cultural district. It will need significant tourism, both individuals and organized groups. Because of this it is vitally important that the Cambria County Convention and Visitors Bureau be a particularly active and engaged partner, not only for the Steeples Project but for the combined attractions of Cambria City. The recent significant increase to the CVB's budget, therefore, is fortuitous.

The time frame for realizing the potential of a Cambria City Cultural District including a fully operational Steeples Project will likely be 5-7 years. Most significant cultural development projects, large and small, have similar gestation periods and, in some cases, take 10-15 years before all the elements fall into place. This time is not only needed for the capital restoration of buildings. It should be used productively to start testing programming in the spaces available, acquiring staff expertise, fostering the needed partnerships, and building the brand image of Cambria City as a cultural destination. This ground work will ensure that when the facilities are physically ready, the organization is prepared to open strongly. The full-fledged Steeples Project will amount to a major product launch, and this preparation will ensure it is a successful one.

Consulting Team

This study has been prepared under the direction of the Southeastern Theatre Conference, Inc. (www.setc.org). The consulting team consists of **Dr. Michael Hardy**, director of Michael Hardy Management LLC and the Institute of Outdoor Theatre; **Dr. Larry Gustke**, Professor Emeritus, North Carolina State University, and Department of Parks, Recreation and Tourism Management; and **Betsey Horth**, Executive Director, Southeastern Theatre Conference and Creative Leadership consultant. Advising the team were **Dr. David Wohl**, Dean College of Visual and Performing Arts, Winthrop University; and **Clay Thornton**, Marketing Director, SETC.

Introduction

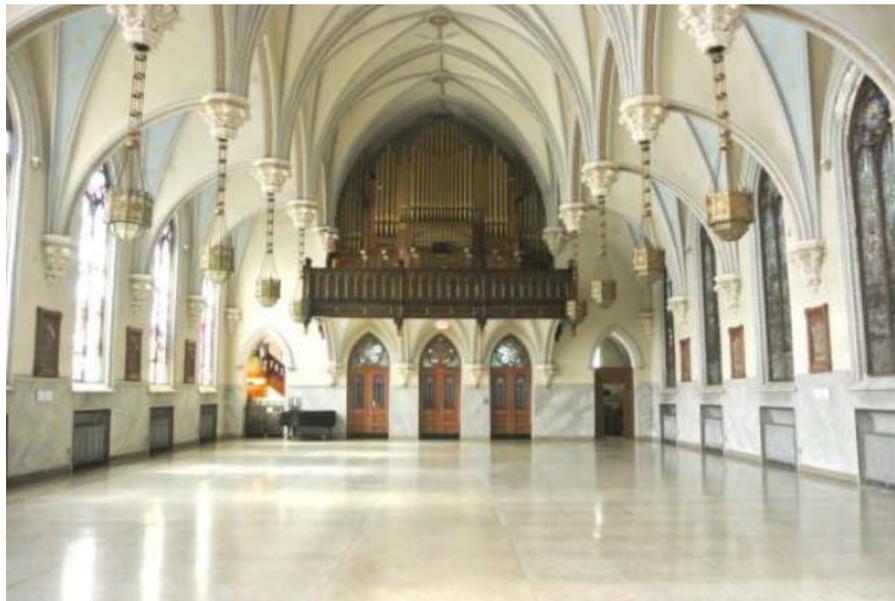
1901 Church, Inc. is a 501(c)(3) nonprofit corporation based in Jennerstown, PA and operated by a Board of Directors drawn from Johnstown, PA. Currently its main activity is the Steeples Project (www.steepleproject.org) in Johnstown's Cambria City, a historic district listed on the National Register of Historic Places and an emerging cultural district. The Steeples Project now seeks to renovate and repurpose two former Catholic churches: St. Columba and Grand Halle.¹ This operating feasibility study recommends a single management entity for these two properties together with an integrated business plan. The major components of the study are a pro forma operating budget for the first three years of operations, a programming plan, and a marketing and tourism study. Throughout our report this management entity will be referred to as the Steeples Project with the individual churches specified as needed. The scope of this operational plan does not include architectural feasibility, capital cost estimates or capital fundraising strategies which are being addressed separately by the corporation. The following sections of this report detail the management, programming and financial underpinnings for the Steeples Project and the marketing and tourism potential in the region which can support it together with an estimate of its economic impact.

Although they were both active churches, the Steeples Project's two buildings have distinctly different characteristics that have informed the client's adaptive reuse plans for each of them.

The Venues

Grand Halle

Grand Halle is described in detail, including a 2015 architectural conditions report, at <http://www.steepleproject.org/grandhalle.php>. It features an open Gothic-arched interior with a vaulted ceiling that blends into window bays.



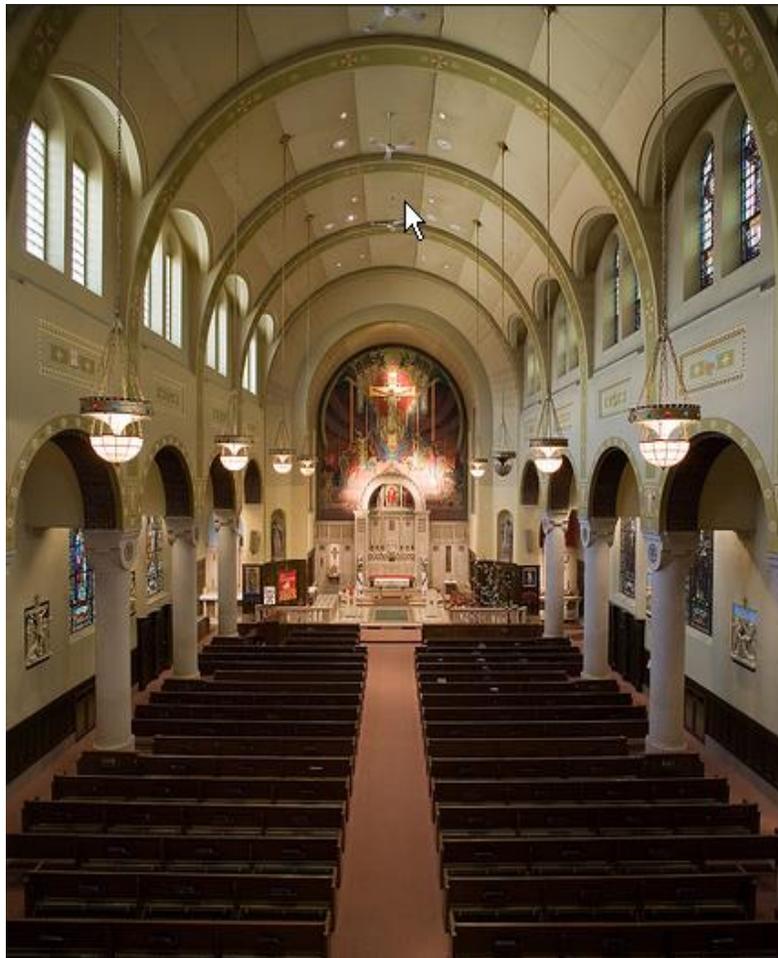
Grand Halle

¹ 1901 Church, Inc. sold a third Cambria City church building, the former SS. Casimir and Emerich, to a private developer in 2015 and owns one other former church, the original 1901 Church which is in Jennerstown, PA.

The large volume single room, arched ceiling and terrazzo floor combine to create an acoustic environment with a reverberation time of several seconds. This acoustic favors organ and choral music presentations where the reverberant mixture of harmonics enhances the effect of the music. Solo vocalists, unamplified guitar or other solo string or wind instruments could also be effective here. It is not suitable, however, for events requiring amplification, speech (amplified or unamplified), or music featuring percussion, brass, or dynamic rhythmic complexity that will sound too “muddy” to be appreciated. The types of events which can be effectively presented in this impressive space, in addition to certain music concerts, include rituals, such as weddings, social occasions, food and beverage events, arts and crafts shows, and a variety of community gatherings. Conversations within small groups of people work well, but speeches to large groups should be kept simple and short.

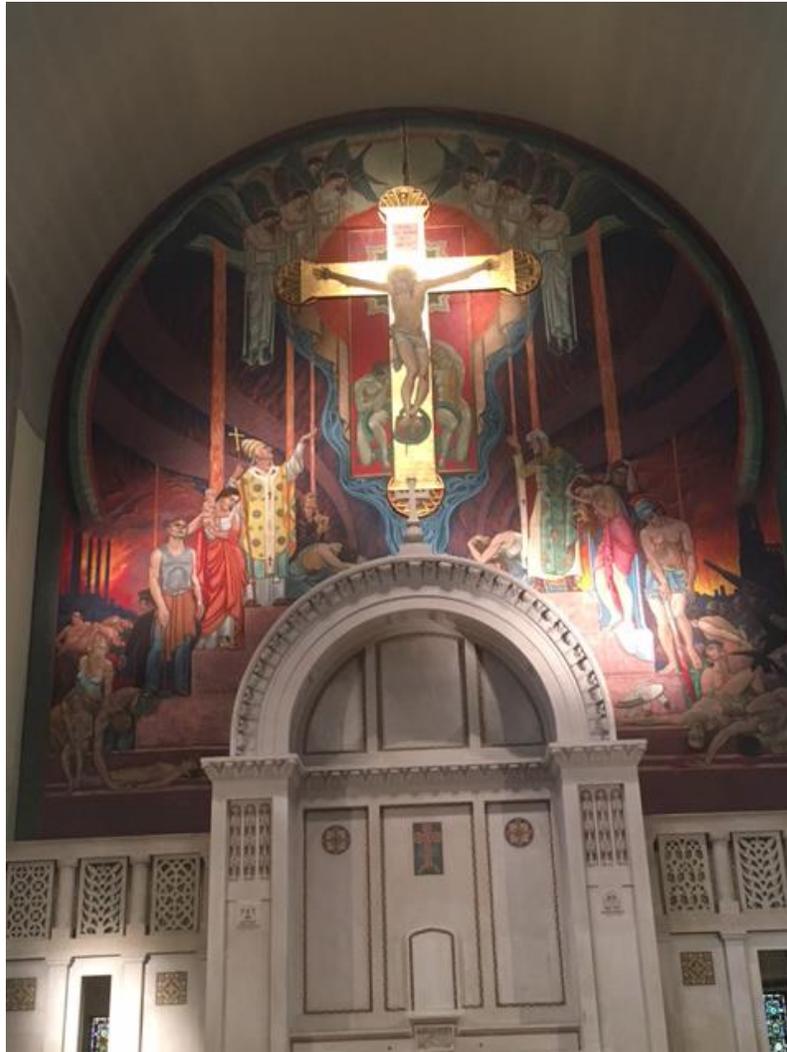
St. Columba

The Steeples Project vision for this Lombard Romanesque church is to create a theatre space within the church that can be used for a variety of performances and events including an historical drama depicting Johnstown’s rich immigrant history. The physical arrangement of the church features a large central nave flanked by aisles on either side.



St. Columba

Described at <http://www.steepleproject.org/columba.php> and currently being evaluated in a separate architectural feasibility study, St. Columba features liturgical artist Felix Lieftuchter's magnificent large oil-on-canvas mural on the apse wall titled "Christ and the Angels." The lower-left corner of the mural, reminiscent of later Diego Rivera political murals, features a silhouette of a steel mill, an industrialist and struggling immigrant workers.



Felix Lieftuchter Mural

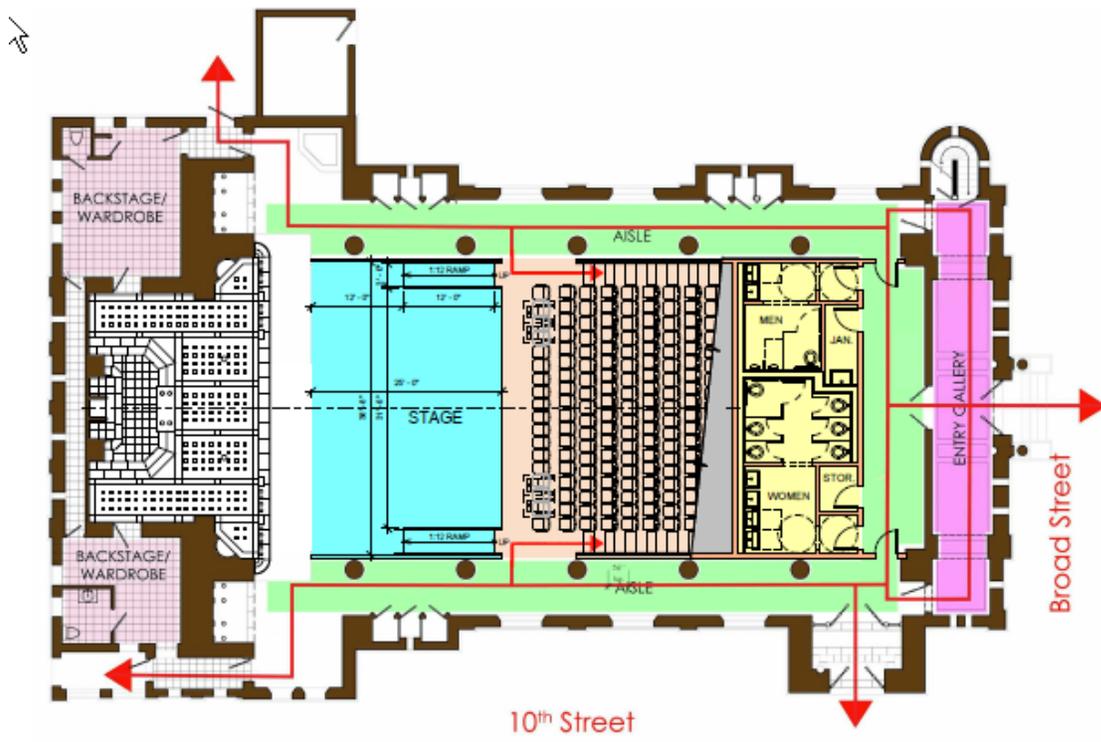
The ceiling of the nave and aisles consists of painted canvas, much of which is currently peeling away revealing deteriorated insulation and a steel superstructure. This suggests an opportunity to significantly improve the acoustics of the room which are already considerably drier than Grand Halle, by replacing the insulation with acoustically absorbent material to further dampen sound and reduce echo. Afterwards, new canvas can be re-applied and the original paint scheme can be recreated. Pending the review of a professional acoustician, this should make the space quite acceptable for events which would not work in Grand Halle: theatre, speech, amplified music, film, jazz, blues, and orchestra. In addition, private rentals and social events can also be supported.



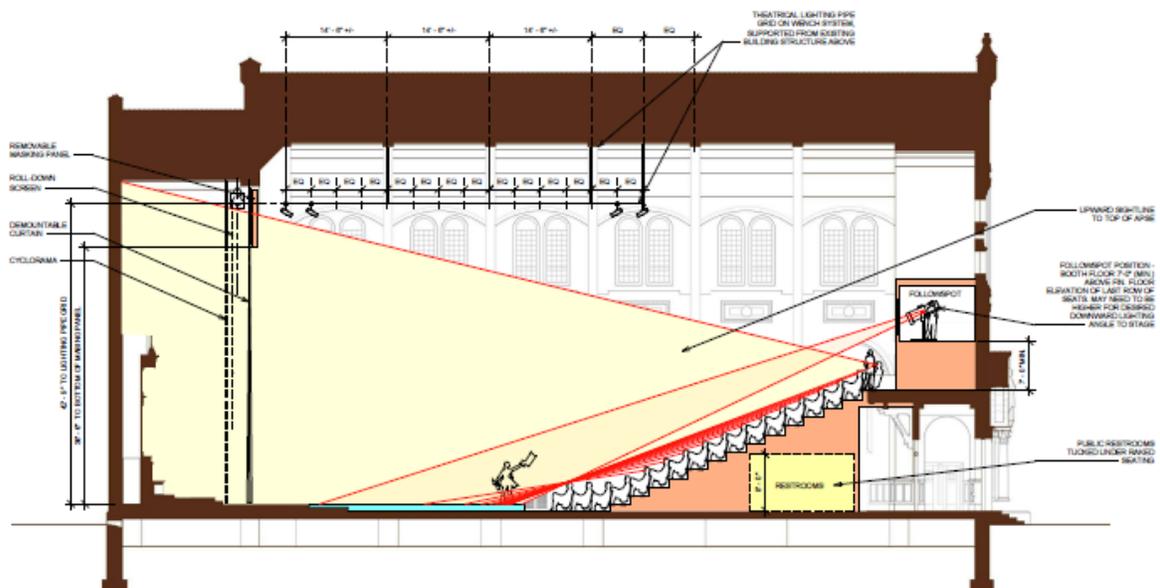
Ceiling of St. Columba Nave

Robert Long and Kurt Wehmann of Theatre Consultants Collaborative conducted a study demonstrating that a 300-seat seating bank can be created with a 25' x 30' stage while leaving the distinctive mural and altar area intact.

MAIN LEVEL FLOOR PLAN - PROPOSED CONDITIONS



LONGITUDINAL SECTION - PROPOSED CONDITIONS



By altering this arrangement slightly with the addition of tables and chairs, the theatre setting can be easily converted to a cabaret style venue seating 200, allowing for events with food and beverage service. The placement of a grid above the stage allows ample hanging space for theatrical lighting and speaker clusters. In addition to its acoustic clarity, this theatre would provide excellent sightlines and technical support for a wide range of theatre, music, and dance events.

As envisioned, the two churches can be effective and strikingly beautiful facilities that can accommodate a wide range of complimentary programs. The facilities lack an area to support offices, rehearsals, dressing rooms, green room, general work space, and storage. There is no space in either church for such activities, and it will be difficult though not impossible to function without it. Ideally some portion of an adjacent building can be acquired to serve this function, and the consulting team has discussed those possibilities with the Steeples management.

Additionally, when the final designs are developed, particular attention should be paid to the audience's need to mix and mingle in a public space. Although space for a lobby in the interior of St. Columba is limited, it may be possible to enclose an area on the outside for this purpose. Social interaction is an inherent part of attending the performing arts and has the added benefit of encouraging concession sales.

The Potential of the Steeples Project

In virtually all our interviews we were told that Johnstown faced many challenges today and was being challenged to find ways to rebound from its significant post-industrial decline. The community's civic, political, business and cultural leaders are focused on this problem, and the ambitious Vision 2025 process (<https://johnstown25.com/>) has been designed to address it in a systematic and inclusive series of initiatives. The opinions we encountered included a predictable mix of optimistic and pessimistic attitudes, but the prevalent mindset appeared to be a dogged determination to effect positive change. The Steeples Project itself is an example of that determination. There are encouraging indications that the initiatives underway today in Johnstown could reach a tipping point in the next several years, and that the city will find the keys to a reinvigorated future and a brighter economic outlook. If it does, we believe that three of the most important drivers will be health care, outdoor recreation, and culture.

Richard Florida's [Cities and the Creative Class](#) (2005) and many other books, articles, websites, and organizations have assembled the evidence and made the case that the cultural richness and variety of a community are necessary for economic success. The Cambria City district of Johnstown with the Steeples Project, Bottle Works Arts on Third Avenue, VOMA, Dance Works, JAHA, and Casimir Cultural Center are perfectly positioned to provide this impetus in Johnstown. Emerging partnerships and joint programming between these entities indicate a positive self-awareness of their collective potential as well as the necessary willingness to concentrate more on cooperation than competition. Too often arts groups suffer from a limited resources mentality in which anything shared with others will mean less for themselves. The Cambria City cultural groups rightly take the opposite attitude of "more is more" with the expectation that resources will expand if they work together.

Further enriching the cultural potential of Johnstown are a number of long-standing performing and presenting organizations such as the Pasquerilla Performing Arts Center;

Community Arts Center; Band of Brothers Shakespeare Inc.; the Johnstown Symphony, Concert Ballet, Concert Series; and 1st Summit Arena @ Cambria County War Memorial. Most of these organizations are open to producing programs or partnering with the Steeples Project on a variety of cultural projects.

The Steeples Project recognizes this and is an active participant in the discussions and planning for the development of Cambria City as Johnstown's primary cultural district. As programming, tourism, and attendance increase through the efforts of all the organizations in the district, new businesses and restaurants will also come in to meet the needs of the visitors. This pattern of development driven by cultural activity can be seen in cities across the country.

Management

For the Steeples Project to take its place as a significant cultural organization and partner with other cultural and civic organizations in the region, it will need strong and consistent leadership and management. To establish, maintain and expand the level of programming recommended by this study, management will have to focus on several goals:

- Providing excellent and consistent customer service for every event and every encounter with the public
- Building, training, and retaining skilled staff and dedicated volunteers
- Cooperating with other cultural organizations for the greater good while remaining mindful of its own need to thrive financially
- Cultivating and sustaining the core of reliable programming partners
- Developing strong business practices for contract negotiations, purchasing, accounting and box office
- Maximizing the numbers of days the facilities are in use
- Being clear-eyed and realistic about program choices and willing to let things go that are not working
- Giving constant attention to marketing, fundraising, and sponsorship efforts

These goals are necessary for the most important result: building a local and regional reputation as a high-quality operation and destination attraction.

Partnerships

Successful organizations and particularly new ventures depend on a network of supporters and partners to thrive. It should become part of the organization's culture to identify and cultivate mutually beneficial partnerships. As noted earlier, the Steeples Project recognizes this and has already done an excellent job particularly at the local level. During this study, many organizations and individuals were interviewed, and a list of them is included in the appendices of this report. Some of them, such as the Mountain Playhouse and Band of Brothers, have already expressed serious interest in working in the St. Columba theatre, and their interest is shown in the programming plan of this report. Almost all of those interviewed, however, were supportive and have a sincere interest in being involved or helping at some level.

Beyond Johnstown and the immediate region there may be other potential partners or connections who, if approached carefully, could become useful allies. Because Johnstown is a small city whose resources are somewhat limited, such external partnerships could be particularly valuable. Pittsburgh, as the nearest major city, is an obvious area to explore, and foundations there are already on the Steeples Project's radar as potential funding

sources. The kinds of resources that partners can offer are not limited to financial support. Trained interns, shared programming or booking, technical or management advice, and personnel referrals can all be useful. Mutual benefit is always a good foundation for partnerships, and the Steeples Project should consider what it can offer in return. Students at universities teaching theatre production or arts management can benefit from well-designed internships or summer jobs. An organization booking a traveling show may be able to negotiate a lower fee if the act can be offered two or three consecutive performances at venues within easy driving distance. Organizations whose missions include public service could fulfill those missions by extending a helping hand to a regional arts organization. The key in exploring these possibilities is to do the homework required to understand as much as possible about a potential partner before approaching them. When the initial contact is made, it helps if it can be done through a referral from someone the prospect already knows. The initial conversations should always be an exploration: where might the prospect's interests coincide with those of the Steeples Project? What do they need? Too often groups approach a potential partner completely focused on their own needs, and this does not provide the basis for a good relationship.

In Pittsburgh, Point Park University has an excellent dance and theatre program, and Carnegie Mellon is nationally known for its arts and arts management programs. The August Wilson Center, part of the Pittsburgh Cultural Trust, has a theatre with the same seating range as St. Columba and exceptionally strong programming. Outside of Pittsburgh, Seton Hall University in Greensburg programs the Palace Theatre through the Westmoreland Cultural Trust. These organizations have strong resources, and probably none of them either knows about the Steeples Project or has an obvious reason to partner with it. This is the challenge in developing contact with new people and groups: it requires patience and a willingness to persevere. The rewards may come slowly, but in the long term a strong network of partners can make success much more likely.

Programming Plan

The primary engine of any theater's business plan is its utilization: how many times it is being used for rehearsals, performances, or other events. Together with attendance, this factor directly drives virtually every source of revenue and much of its expense. To prepare a reasonable estimate of the future utilization for the Steeples Project, our consulting team interviewed local and regional arts organizations in addition to reviewing the bookings and presentations of other venues in the region. We analyzed the characteristics and interests of local and regional residents as well as available area resident and tourist data to form an opinion about attendance potential.

Our observations about the potential for audience support can be found in the Marketing and Tourism sections of this report including a detailed analysis of the available data and the anecdotal information from our interviews. To help explain the strategy of the programming mix recommended in this report however, one part of those findings is that there are three different sources of potential audiences for the Steeples Project:

- Local residents of Johnstown (including individuals and groups from clubs, retirement homes, etc.)
- Regional audiences (see Tables 1-3 in Audience Potential)
- Tourism

A fourth category that we considered is school children attending extra-curricular programs during the academic year.

Another finding from our interviews is that there are several arts organizations who expressed interest in performing in St. Columba either with their existing work or by producing new material specifically for the venue. Often, this was work which could not be done well in their existing spaces either because of seasonal considerations² or because a venue with the size and characteristics of St. Columba does not presently exist. The professional capacity and track records of these organizations indicate the existence of potentially strong resident groups and artistic partners.

It is also the case that not all organizations interviewed were enthusiastic about the Steeples Project. These groups, albeit a minority of the total interviewed, worried that St. Columba would cannibalize what they perceived as a limited local audience to the detriment of their existing programs. This combination of positive and negative views about new arts projects is not uncommon and, in fact, usually arises with any project that represents change. There is always tension between new visions and a known status quo, and it is important to recognize that tension and find ways to reduce it. The Programming Plan recommended in this report has attempted to do this while addressing all the interests and needs that have been expressed. There is no denying, however, that a new performance venue in Cambria City will bring change.

The Programming Plan represents a conservative estimate of the Steeple Project's future utilization. It is based on the existing rental program at Grand Halle, the verbal expressions of interest from our interviews, and our judgment of how many events the market can support. The key features of this plan are:

- The programs are divided into five distinct groups, each with its own type of financial structure and each targeted to a different market. This distributes program and financial risk across five "product lines" as opposed to complete reliance on only one
- Three of the five groups consist of daytime events and leave the evenings open for other uses. Therefore, on many days two separate events can take place if desired
- The numbers of events in each category are at the low end of what we think will be feasible after a few years of operations and audience development
- Although the Steeples Project budget depends on the performance of all the program groups, it carries 100% of the financial risk on only two

The five programs groups are:

1. Steeples presented events
2. Broad Street Regional Drama Co-Pro
3. School Programs Co-Pro
4. Event Rentals
5. Architectural Tours

Before describing each of these groups, it is helpful to clarify some terminology. There are generally three different types of relationships a venue can have with any event: Presenting it, Producing it, and Renting to it.

Presenting

Presenting is done by a venue or an agent renting a venue. When an event is presented, the venue/agent contracts with an artist or group to perform and agrees to pay a fee for the

² For instance, a theatre performing in an outdoor space did not have an indoor venue, and a theatre with a summer season for tourists was closed for the winter.

performance. The fee can be a fixed amount, a percentage of the box office, or a combination of both. The artist or performing group brings the event which they have created and are compensated by the fees they collect on tour. Whether the venue/agent makes or loses money depends on whether it earns enough (through ticket sales and sponsorships) to cover the artist fee and related event costs. In this relationship, the venue or agent is the presenter and carries 100% of the financial risk for the event. This risk can be shared if two or more organizations agree to co-present and share profit or loss according to some negotiated percentage.

Producing

When an event is produced, it is created as a new work by a producer, usually with an artistic team. The producer attempts to recover the creative costs and make a profit by raising money, securing a venue and selling tickets, touring the work, licensing the work, or all of these. The production can be complex, such as creating a new musical comedy, ballet, or opera; or it can be simpler such as rehearsing existing material for a new show. The entity acting as the producer is the one at risk. A producer can be a single person, a team, or even a corporation (i.e. Disney's The Lion King). In a co-production, multiple producers agree to share this risk according to a negotiated percentage.

Renting

A venue may rent its facility to either a presenter or producer in which case the renter has the risk while the venue collects its rent and legitimate house costs. Rent can be a flat fee or a percentage of the box office or a combination of the two. House costs, in addition to rent, include costs for ticketing, marketing, and certain fees to offset facility-related costs such as utilities and custodial. Typically, the venue also earns the revenues spent by the audience for parking and concessions. Revenues from merchandise sales are negotiable, with the venue entitled at least to its costs in providing space and sales personnel. After the rent and costs are deducted, the net ticket revenues are paid out to the renter.

There are a variety of hybrid combinations of these three basic financial arrangements, and anything that can be negotiated is fair game. But presenting, producing, and renting are the three standard types of business relationships in performing arts venues.

The financial pro forma for this study is detailed in an Excel workbook that will be described in this report. Each of the five types of programs are summarized on this workbook's sheet labeled 'Programs' and the detail with numbers of performances, ticket prices, attendance, and fees are in the 'Utilization and Fees' worksheet. Throughout the workbook, data for each of the five types of programs is highlighted in the same color for easy reference.

1. Steeples Presented Events

In this group of programs, the Steeples Project acts as a presenter, selecting or assembling a collection of concerts and events with a total of 29 performances. These consist of jazz and blues concerts, choral, chamber music, comedy, and special events (such as the St. Nick's event in Grand Halle). With attendance ranging between 40-60% of the venue's capacity, the Steeples Project is projected to earn a modest surplus of \$13,000 on total net revenues of \$52,000. The total attendance for these performances is projected at 3,300 for an average per show audience of 114.

2. Broad Street Regional Drama Co-Pro

The plans for converting St. Columba to a theatre include presenting historical and regional themes focused on, but not limited to productions centered on the immigration story, the Johnstown flood, the mill, the mines, and other pertinent events and experiences that are unique to the region. The theme of the immigration story has been a leading premise for initial program development for St. Columba. Immigration already has a regional emphasis as recognized through the Heritage Discovery Center, the Wagner-Ritter House and Cambria City's festivals. Two regional theatre organizations, the Mountain Playhouse and Band of Brothers, have indicated their interest in possibly providing the artistic experience needed to create immigration driven play. Additional productions would allow additional thematic historical connections, targeting visitors who tour the Flood Museum, Flight 53 Memorial Plaza and other sites that, each year, bring thousands of tourists to the region.

Together with the Architectural Tours (see below), productions would primarily rely on the tourist market. Productions could take a number of forms and change periodically to provide fresh material for tourists returning from year to year. In the pro forma this is presented as a co-production between the Steeples Project and an artistic partner(s).

Initial considerations suggest that performances would run during the summer months from June to mid-August as a 45-minute production scheduled in late morning and marketed to tour buses and other visitors together with a luncheon somewhere in Cambria City. Performed Thursday through Sunday, the shows are scheduled for 40 performances for the season budgeted at 65% of capacity. Total seasonal attendance would be 7,800 (an average of 195 per performance) at a ticket price of \$15. The net after \$33,000 expenses is estimated at \$65,320 to be split 50:50 between Steeples and its partner(s). (Note: this co-production arrangement is notional and no agreements have been made.)

3. School Programs Co-Pro

In several of our interviews, enthusiasm was expressed for programs with the public schools to expose children to a variety of types of theatre including Shakespeare. The Band of Brothers Shakespeare Company led by Laura and Brad Gordon have indicated a strong interest in developing such a program based on their long careers in public school teaching and their active producing theatre company. Based on those conversations we have projected a school program co-produced with Band of Brothers with three performances per week. Performed for five weeks each semester, it would be offered to school groups at \$10 per student. At 50% attendance, this would expose 4,500 students to theatre each year. The program would generate a \$32,000 surplus to be shared between Steeples and Band of Brothers. The school event, like the summer season immigrant production, would take place in the morning.

4. Event Rentals

This category of performances includes a variety of plays and concerts from local and regional arts organizations and presenters who have expressed interest in having events either in St. Columba or Grand Halle. In the pro forma, ticket prices and attendance have been estimated based on a combination of these groups' past experience and the likely appeal of the type of production. Never an exact science, these are only estimates and a dozen variables from the show's title to the weather would affect the actual results. Nonetheless, our estimates are on the conservative side and based, so far as possible, on the groups' experience in the Johnstown market. It should be added that because these are existing groups with significant histories of local and regional performances, they will bring

an audience of their regular patrons, in effect a built-in market. The groups generally prefer paying a rent that is based on a percentage of their actual ticket sales, rather than a fixed rate. Accordingly, the rent is calculated as 12.5% of gross ticket sales. (A fixed rental rate of \$150 per day is used for days needed for rehearsals.) The pro forma lists each of these groups individually with their estimate of how many performances they might like to give and a specific ticket price and percentage attendance for each. When a group indicated a certain number of performances for the first year to possibly be increased in future years, the lower number was used. Together, these programs would generate 57 performances and bring in 9,700 audience members with an average seating capacity of 55%. They would gross \$198,000 in ticket sales and earn \$156,000 after rent and facility fees are deducted. Between this group, the Broad Street Regional Drama, and the School Program, the Steeples Project would transfer \$215,000 in revenues to participating local and regional arts organizations.

5. Architectural Tours

Based on the interest expressed in several interviews, this study recommends the development of an architectural tour of the churches and the historic district of Cambria City. This would be marketed to bus tours and individual tourists, preferably in a package that would include a meal and other events being produced in the Cambria City arts district. The tour should be designed and scripted by a professional architectural historian and led by volunteer docents from the community, like art museum tours. The historic district of Cambria City is a legitimate and unique attraction in and of itself, and the Steeples Project is the appropriate leadership organization to start this program. With virtually no cost after the initial tour is designed, this program can be a regular feature of any visit to Johnstown or the region. Current tourist statistics for the local 'Inclined Plane' attraction combined with documented tour buses to the region show 125,000 visitors each year. If only 10% of that number take the architectural tour, with a \$3.75 ticket cost, the program will generate \$47,000 per year.

Combined, the five program groups will generate an attendance of 37,500 for the first year. That attendance will be drawn from several different market groups:

Groups	Attendance	Percentage
Tourists	20,300	54%
Local and Regional	12,835	34%
Schools	4,500	12%

Audience Potential

Johnstown, PA is a community that provides different activities and experiences for local residents, residents of the region, and visitors to the community. The Steeples Project can play a significant role in providing venues in which events, performances, and tours will be enjoyed by residents and visitors to the community. Concerts, dance recitals, entertainment, weddings, festivals, entertainment, and tours of the restored churches will provide unique experiences that can be enjoyed by everyone. The project will add to the diverse mix of performing arts venues, museums, a baseball stadium, an outdoor amphitheater, the unique "Inclined Plane," an active downtown, diverse eateries, and a history of the ethnic diversity.

Audience Data and Characteristics

There is no magic formula for estimating the potential audience/attendees (local residents, residents from surrounding counties, and visitors to the community) that might attend meetings, events, entertainment, or performances at Steeples venues. However, reviewing demographics and data that describe residents and people that already visit the area can help identify the ability of people to purchase tickets, and an interest in attending such events. The indicators that are useful and were reviewed to identify potential demand for the Steeples Project venues were:

1. The population of counties (the geographic areas) from which ticket purchasers might come and in which facility users might reside. Specifically, residents of a market area within 100 miles of Johnstown (Table 1) and the population of counties that include the major highways that provide access to Johnstown and Cambria County. These are an indicator of the potential number of people (attendees and market) for the Steeples Project venues.

Table 1: The Steeples Project			
Population of Counties Within 100 miles of Johnstown, PA			
(2010 US Census of Population, 2016 Census Estimates of Population)			
County	Population	2016 Pop Estimate	% Change 2016 to 2010
Adams	102,180	102,180	0.8%
Allegheny	1,223,348	1,225,348	0.2%
Armstrong	68,940	66,486	-3.6%
Beaver	170,539	167,429	-1.8%
Blair	127,078	124,650	-1.9%
Bedford	49,762	48,325	-2.9%
Butler	183,862	186,847	1.6%
Cambria	143,674	134,732	-6.2%
Cameron	5,085	4,677	-8.0%
Centre	153,981	161,464	4.8%
Clarion	39,989	38,513	-3.7%
Clearfield	81,644	80,596	-1.2%
Clinton	39,241	39,233	0%
Crawford	88,765	86,257	-2.8%
Cumberland	235,408	248,506	5.6%
Elk	31,946	30,480	-4.6%
Fayette	136,607	132,733	-2.8%
Forest	7,716	72,321	-5.1%
Fulton	14,844	14,640	-1.4%
Greene	38,686	37,197	-3.8%
Huntingdon	45,913	45,634	-0.9%
Indiana	88,891	86,364	-2.8%
Jefferson	45,199	44,073	-2.5%
Juniata	24,640	24,836	0.9%
Lawrence	91,108	87,924	-4.2%
Lycoming	116,111	115,248	-0.7%
McKean	43,450	41,883	-3.6%
Mercer	116,638	112,913	-3.2%
Mifflin	46,682	46,342	-0.7%
Perry	45,965	45,820	-0.3%
Potter	17,458	16,885	-3.3%
Snyder	39,702	40,468	1.9%
Somerset	77,748	75,061	-3.5%
Union	44,949	45,565	1.4%
Venango	54,983	52,582	-4.4%
Warren	41,815	40,025	-4.3%
Washington	207,820	207,981	0.1%
Westmoreland	365,169	355,458	-2.7%
(38 Counties)			
Total	4,457,536	4,487,676	
Percent of the State		35.1%	-1.9%

2. The population of counties which include highways access to Johnstown, (Table 2) and the driving time to Johnstown (Table 3) are shown below. Both tables show data that indicate the audience and user potential (market) within a reasonable 2- hour driving time of Johnstown.

Table 2: Population of Counties That Include Highway Access to Johnstown, PA

	2010 Pop.	Estimate 2016	Change
Allegheny			
Pittsburgh Metro Stat Area (MSA)	1,223,348	1,225,348	0.2%
Bedford			
Bedford Area	49,762	48,325	-2.9%
Blair			
Altoona Area, Hollidaysburg Area	127,078	124,650	-1.9%
Cambria			
Johnstown Area, Ebensburg Area	143,674	134,732	-6.2%
Cumberland			
Carlisle Area	235,408	248,506	5.6%
Centre			
State College Area, Bellefonte Area	153,981	161,464	4.8%
Dauphin			
Harrisburg Area, Hershey Area	268,100	273,707	2.1%
Fayette			
Uniontown Area, Connellsville Area	136,607	132,733	-2.8%
Fulton			
McConnellsburg Area	14,844	14,640	-1.4%
Huntingdon			
Huntingdon Area	45,913	45,634	-0.9%
Indiana			
Indiana Area	88,880	86,364	-2.8%
Perry			
New Bloomfield Area	45,965	45,820	-0.3%
Somerset			
Somerset Area	77,748	75,061	-3.5%
Westmoreland			
Pittsburgh MSA	365,169	355,458	-2.7%
Total	2,976,477	2,972,442	
Percent of the State		23.3%	
State Total	12,702,379	12,784,227	

Table 3: Travel Distance and Driving Time – PA Counties That Include Highway Access Corridors to Johnstown, PA

County Major City	Travel Distance & Travel Time
Allegheny Pittsburgh Metro Stat Area (MSA)	66.9 mi - 1 hr 23 min
Bedford Bedford Area	40.7 mi - 53 min
Blair Altoona Area, Hollidaysburg Area	44 mi - 52 min
Cambria Johnstown Area, Ebensburg Area	In Cambria County
Cumberland Carlisle Area	124 mi - 2 hrs 18 min
Centre State College Area, Bellefonte Area	85.3 mi - 1 hr 31 min
Dauphin Harrisburg Area, Hershey Area	137 mi - 2 hrs 26 min
Fayette Uniontown Area, Connellsville Area	62.1 mi - 1 hr 32 min
Fulton McConnellsburg Area	72.6 mi - 1 hr 30 min
Huntingdon Huntingdon Area	68.7 mi - 1 hr 25 mi
Perry New Bloomfield Area	127 mi - 2 hrs 28 min
Somerset Somerset Area	32 mi - 35 min
Westmoreland Greensburg, Pittsburgh MSA	44.4 mi - 1 hr

3. The median incomes of residents that reside in the counties along the highways that provide access to Johnstown are shown in Table 4. Six of the counties have a population that has a median income higher than the State’s median income. This is an indicator of the ability to purchase tickets for events or performances that might be held in the Steeples Project venues.
4. The education levels of the potential ticket buyers who live in the 14 highway access counties are also shown in Table 4. Nine of the counties have a high school completion percent that is higher than the state’s. Similarly, the percent of BA (college) graduates is higher than the state’s for 5 of the most populated counties among the 14. Also, there are a total of 75 colleges and universities of

different sizes in the 14 counties. These figures are important because there is a strong correlation between level of education and support for the arts and for venues like the Steeples Project. Research conducted on arts supporters and theater attendees have found that the supporters and attendees have a higher education level than those who do not support them.

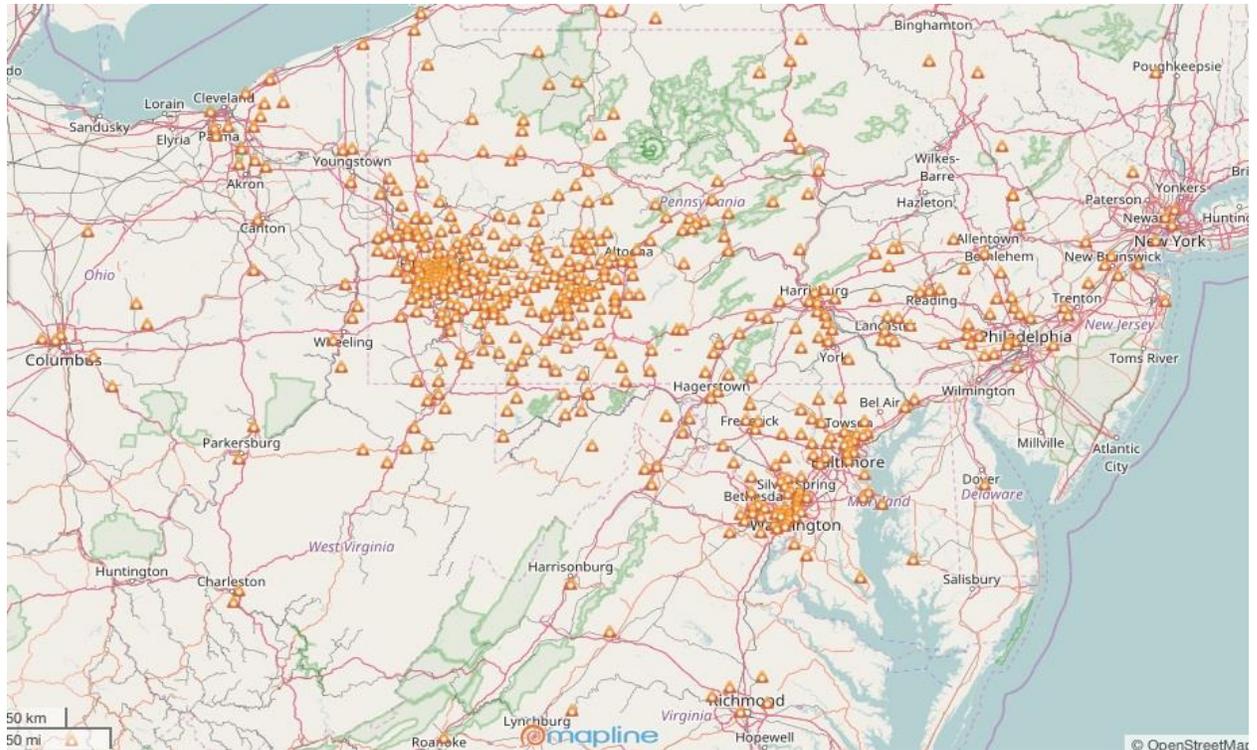
5. The poverty levels of residents for the 14 highway access counties also shown in Table 4. Five of the 14 counties, which include the most populated counties, have a “percent population level below poverty” that is lower than the state’s. This is also an indicator of the ability of potential attendees to purchase tickets for performances, tours, and events.

Table 4: Population, Income, Education and Poverty Levels of 14 Access Counties

County Area	2016 Pop Est.	Median Inc. 2010	% HS Grads	% BA Degree	Coll. & Univ.	% Below Poverty
Allegheny Pittsburgh Metro Stat Area (MSA)	1,225,348	\$53,040	93.5%	37.8%	32	12.2%
Bedford Bedford Area	48,325	\$45,930	86.0%	13.5%	5	13.9%
Blair Altoona Area, Hollidaysburg Area	124,650	\$43,981	90.5%	19.6%	1	15.3%
Cambria Johnstown Area, Ebensburg Area	134,732	\$42,107	89.6%	19.1%	5	14.9%
Cumberland Carlisle Area	248,506	\$61,820	91.5%	32.7%	7	7.3%
Centre State College Area, Bellefonte Area	161,464	\$52,186	93.2%	41.4%	7	16.1%
Dauphin Harrisburg Area, Hershey Area	273,707	\$53,754	88.8%	28.4%	3	13.6%
Fayette Uniontown Area, Connellsville Area	132,733	\$39,636	86.8%	14.2%	2	20.1%
Fulton McConnellsburg Area	14,640	\$48,311	85.1%	13.1%	0	11.6%
Huntingdon Huntingdon Area	45,634	\$44,396	88.8%	14.3%	2	14.3%
Indiana Indiana Area	86,364	\$45,195	88.5%	22.6%	4	18.2%
Perry New Bloomfield Area	45,820	\$57,177	88.5%	16.0%	0	9.6%
Somerset Somerset Area	75,061	\$44,587	86.5%	15.3%	0	14.4%
Westmoreland Pittsburgh MSA	355,458	\$52,247	92.7%	26.4%	7	11.3%
Total	2,972,442	State Average	State Average	State Average	State Total	State Average
Percent of the State	23.3%	\$48,883	89.3%	22.5%	75	13.2%
State Total	12,784,227					

6. Zip codes for attendees to the Annual Flood Festivals. This provides an indicator of points of origin and travel distance for people that have previously visited Johnstown. Similarly, the zip codes of attendees to a theatre in the region also provide an understanding of the origin of potential Steeples Project venue attendees. Both sets of zip code data are useful for identifying potential geographic markets for the Steeples Project.

AmeriServ Flood City Music Festival (Reach) Attendee Zip Codes 2012 – 2015



**Top Ten Zip Codes of Origin for Regional Theatre Attendees
Based on Ticket Sales Data**

Rank	City	Zip code
1	Johnstown, PA City in Cambria County	15904 15905
2	Somerset, PA Borough of Somerset County	15501
3	Boswell, PA Borough of Somerset County	15531
4	Greensburg, PA City in Westmoreland County	15601
5	Ligonier, PA Borough of Westmoreland County	15658
6	Pittsburgh & East Liberty City in Allegheny County East Liberty - East End of Pittsburgh	15206
7	Windber, PA Borough of Somerset County	15963
8	Stoystown, PA Borough of Somerset County	15563
9	Derry, PA Borough of Westmoreland County	15627
10	Friedens, PA Somerset Township in Somerset County	15541

Note - The rank is based on an average of 2015 and 2016 ticket sales data.

7. Visitation to heritage sites of both national and regional significance within a reasonable driving distance to Johnstown, PA such as the Johnstown Flood National Memorial, the Flight 93 National Memorial, and the Allegheny Portage Railroad National Historic Site also indicate market potential for the Steeples Project. The volume of visitors at these sites provides some insight into the potential number of visitors that might be attracted to events held at Steeples Project venues (Table 5).

Table 5: Recreation Visits to Selected National Park Service Units in Pennsylvania

Flight 93 National Memorial		Johnstown Flood National Memorial		Allegheny Portage Railroad National Historic Site	
Year	Memorial	Year	Memorial	Year	Historic Site
2007	143,725	2007	126,066	2007	123,215
2008	136,091	2008	135,308	2008	113,991
2009	149,668	2009	114,350	2009	118,931
2010	137,837	2010	100,799	2010	107,363
2011	265,246	2011	105,906	2011	118,410
2012	317,926	2012	123,081	2012	138,864
2013	265,924	2013	121,923	2013	107,977
2014	284,226	2014	141,354	2014	172,883
2015	337,217	2015	163,431	2015	168,433
2016	385,123	2016	154,931	2016	189,371
Ten Year Average	242,298		128,715		135,944

Recreation Visits = Adjusted traffic counts times average number of visitors per vehicle.

The National Park Service also reports that approximately **1,500 motor-coaches** visit the Flight 93 memorial last year. Using a conservative average motor-coach ridership of 40 (which is conservative less than the actual motor-coach capacity of 42 – 59 seats per coach), the market potential could be 60,000 attendees to Steeples Project venues.

8. Profiles of visitors to the Johnstown Flood Memorial provide information about the travel and spending behavior of visitors to the area that are potential visitors to Steeples Project venues (Table 6). This information was used to estimate visitor party size, length of stay, visitor spending, and to identify other places or attractions visited in the region.

Table 6: Selected Profile Data from 2005 Visitor Study of JFM

58.0% visitors from PA
49.0% were 41-65 years old
63.0% some college or higher
First visit to site – one day visit
2.5 average visitors per party
57.0% visited Flood Museum
56.0% interested in guided tour of historic attractions
67.0% families
15.0% were 66 + years old
\$128.69 spending in area
69.0% children in party
57.0% visited Inclined Plane
28.0% visited Flight 93 Memorial
\$12.00 fee for guided tour acceptable to visitors

9. Profiles of visitors to the tourism regions in PA, as reported in the 2014 Longwoods, International study of PA visitors (conducted for the PA State Tourism Office) (Table 7), also help identify the behavior and spending patterns of visitors to Cambria County and the Alleghenies Region.

Table 7: Selected Profile Data from Longwood’s International 2014 Visitors to Pennsylvania

Selected Factors that influence visits to the Allegheny Region on PA (includes Johnstown and Cambria County)
1. Affordable attractions and events – 56.0%
2. Within a two-hour drive from home – 41.0%
3. Lots of cultural things to see and experience – 36.0%
4. Lots of historic things to see and do – 35.0%
Distance travelled by visitors to PA
1. 54.0% travelled 100-299 miles
2. 21.0% travelled 50–99 miles
2.2 is the average number of nights stayed in PA by visitors
3.4 was the average party size – with 2.5 adults and 0.9 children

10. Visitation (ridership) to the Johnstown’s “Inclined Plane” also provides some indication of the potential volume of visitors that might be attracted to Steeples Project venues (Table 8). Their proximity to the Plane and the Johnstown Heritage Discovery Center represents a potential market from which to attract attendees to the events and performances offered at Steeples Project venues.

Table 8: Inclined Plane Ridership for 2011 - 2017, Johnstown, PA

Year	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017
Jul	12,950	13,564	11,352	3,120	12,999	10,467
Aug	15,662	17,302	11,825	11,558	11,449	10,052
Sept	7,081	7,631	5,477	6,171	6,979	5,118
Oct	8,746	8,667	7,357	7,776	6,918	6,217
Nov	5,763	4,992	3,647	3,546	4,443	4,184
Dec	4,315	3,011	2,580	2,043	2,950	2,550
Jan	445					
Feb	1,479	1,409	571			
Mar	4,055	2,653	2,356	1,604	630	112
Apr	6,410	4,868	4,981	2,492	2,172	4,589
May	11,562	9,039	9,510	NO	4,628	10,037
Jun	16,466	13,848	11,105	5,360	12,100	13,380
Total	94,934	86,984	70,761	43,670	65,268	66,706

Average 71,387

Note - The average included an estimate for May 2014-2015 and the low total for 2014-2015.

NO - Not Open

- Occupancy rate of the hotels/motels in Cambria County is also an indication of the volume of visitors to the county and they represent potential visitors to Steeples Project for various events (Table 9). The average annual occupancy for the 10 properties listed in the county ranged from a high of 57.0% in 2016 to a low of 50.6% in 2013. The average over the last 8 years was 54.1%. This average represents high occupancy in the summer and fall seasons and much lower occupancy in the winter and spring. It may also represent that there may be a 10-15% room supply available during the summer and fall seasons and a much larger supply available for winter and spring seasons. The available supply could service additional overnight tourist visitors that might visit or attend an event at the Steeples Project venues.

Table 9: Existing Hotel Supply for Cambria County (Johnstown), PA
 (Source - Johnstown Train Station Reuse Study - PA DOT 2017)

Year	Supply Room Nights	Demand Room Nights	Percent Occupancy	Average Room Rate
2010	189,800	106,603	56.2%	\$83.36
2011	189,800	107,793	56.2%	\$85.15
2012	189,800	99,631	52.5%	\$88.19
2013	189,800	92,026	50.6%	\$91.71
2014	189,800	98,410	51.8%	\$94.83
2015	189,800	106,362	56.0%	\$101.65
2016	194,473	111,470	57.0%	\$104.86
2017	223,745	117,200	52.4%	NA
		Eight Year Average	54.1%	

NA - Not Available

12. The arts and the cultural activities in a community are often stated as the reasons that residents and visitors like a community. A 2015–2016 study from Americans for the Arts describes both the economic value and the jobs derived from strong cultural amenities and the arts.³ Nationally, arts and cultural amenities are estimated to have an economic value of \$135.2 Billion, and they contribute \$22.3 Billion in tax revenue to local, state, and the federal government. A sub-study for Cambria County reported that the economic value of the arts and cultural activities was \$34,157,920. Of that total, \$25,007,884 was estimated to be spending by arts and cultural audiences in the county. In addition, \$1,320,000 was generated in local government revenue, and \$2,177,000 was generated in state tax revenue. Also, the spending of Cambria County visitors that visited to attend arts and cultural events was more than twice that of residents.

The Steeples Project will attract residents and visitors who will spend money on the performing arts. By offering a range of activities such as concerts, recitals, school arts performances, a variety of plays, and a heritage play, the Steeples Project venues will contribute to the economic vitality of Johnstown, Cambria County, and the surrounding area. An estimate of the increase of the economic value to the county is explained later in this report (see *Economic Impact*).

Audience Potential Conclusions - Based On Indicators of Market Potential

1. The Steeples Project will add excellent new attractions that will add to the mix of arts and cultural venues that currently attract residents and visitors to Cambria County

³ The Americans for the Arts study uses a different model for economic impact than the one explained in the Economic Impact section of this report. We have used is a more conservative model, the MGM2 model developed for National Parks.

- and the region. It will attract both residents and visitors and add to the critical mass of attractions in the county.
2. The population is large enough within the region to attract attendees to Steeples Project venues. A total of 4,487,676 or 35.1% of Pennsylvania residents live within 100 miles of Johnstown and Cambria County. Almost three million (a potential market of 2,972,442 – 23.3% of PA population and 66.2% of the counties within 100 miles of Johnstown) reside in the counties that contain highway access to Johnstown and Cambria County.
 3. There are already a substantial number of visitors that come to Johnstown, Cambria County, and the counties in the region. In addition, data and information from multiple sources provide evidence that these visitors are interested in history, heritage, and the arts. Therefore, Steeples Project programs that include special events, offering a range of performing arts, and presenting a heritage play that attracts visitors is achievable. To attract attendees, the performances and productions must be of the highest quality.
 4. The success of Steeples Project will depend on attracting residents, regional residents from surrounding counties, and tourists visiting the area.
 5. The success of the Steeples Project will also depend on an effective marketing program. Potential local audiences and visitors from outside the region will need accurate and timely information about the events and programs. Creating awareness and providing information about Steeples Project performance offerings and special events will require a community and regional effort. The Steeples Project marketing staff will need to form partnerships with other community arts groups, cultural organizations, and tourism groups to be successful.
 6. Marketing assistance from the Cambria County Convention and Visitors Bureau, focused and specifically targeting the group-tour market, will be essential. In addition, developing a partnership with the Laurel Highlands Visitors Bureau and its partners, and with the tourism marketing partners of the Alleghenies Region will be very valuable. Without such support and partnerships the success of the Steeples Project is problematic or unlikely.
 7. A large proportion of the population within a reasonable driving distance of Johnstown has the ability to purchase tickets to support arts and cultural events.
 8. A large proportion of the population along the highway access corridors to Johnstown is well educated which is a solid gauge of the potential for them to attend and support arts and cultural events. Similarly, there are a substantial number of colleges and universities (72) in the counties within a reasonable driving distance of Johnstown. The college and universities also represent a substantial potential market of arts and cultural events attendees.
 9. The large number of people that already visit attractions in the region such as National memorials and historic sites; local attractions such as the Inclined Plane; the Johnstown Flood Museum; the Heritage Discovery Center; and arts performances represent a potential market for the Steeples Project.
 10. The lodging supply in the region is large enough to accommodate additional visitors especially in the shoulder seasons of winter, and spring. Current occupancy averages would support the conclusion that there is a small capacity (10% - 15%) of supply for available rooms for the spring and summer seasons.
 11. The economic impact of the Steeples Project to the choice of “things to see and do” for residents and visitors could be significant. Spending by residents and visitors will add to the economic diversity and vitality of the county and the region.

Marketing the Steeples Project

St. Columba, as a new performing arts venue in Johnstown, PA will host arts events, entertainment, and performances that will enhance the quality of life for the citizens, visitors from outside the county, and visitors from outside the region. Together with Grand Halle, St. Columba will be a remarkable addition to the mix of arts events, arts venues, cultural amenities, and heritage resources in the region. Filling those venues with quality performances and events, and informing potential audiences about them, will require a strong marketing effort. The majority of the performing arts events will be in St. Columba, so naturally a good deal of the marketing focus will be on that venue. But Grand Halle will also host a variety of private and public events. Consequently, it will be important to continually tie both venues to the brand of the Steeples Project while making it clear where individual events will be. The brand challenge here is similar to that of a performing arts center that has several distinct halls (Lincoln Center includes the Metropolitan Opera, David H. Koch Theatre, Avery Fischer Hall, and over 20 other venues and programs). For the purposes of this report, we will identify the individual venues by name when needed, and use the Steeples Project when we are referring to the overall organization.

Marketing is a set of activities engaged in by agencies to communicate the value and benefits of the products, services, or facilities they offer to the general public. Marketing is a broad term that includes branding, messaging, pricing, positioning, sales, promotions and any other activity whose purpose is to create a transactional relationship between a consumer and a product. The trial, use, or purchase of the products, services, or facilities is often dependent on the crafting of informative and creative messages that effectively communicate to potential customers or users.

For the organization's messaging to be effective, it needs to understand who the most receptive markets will be and why. In the case of the performing arts, travel, and the majority of private event rentals, the primary market is usually female. There are an overabundance of books and websites about the psychology of gender marketing but, for the purposes of this report, suffice it to say that the organization's main message points should be periodically tested in both female and male focus groups. Without belaboring the point: arts marketing is different from sports marketing.

In addition, patronage and attendance at the cultural events and performances associated with the Steeples Project will require effective communications about those events and performances. The Marketing strategies and tactics suggested below should help drive the patronage and attendance for the facilities.

Marketing Strategies for the Steeples Project

1. Attract county residents to attend performances, events and entertainment held at St. Columba and Grand Halle
2. Attract visitors to Johnstown and Cambria County to enjoy the performances, events, and entertainment offered at both venues
3. Attract patrons and participants of the diverse arts community and cultural programs to perform at and attend a diverse range of events. Attract performers and arts groups to present at St. Columba
4. Ensure that the tourism industry, associations and members of the arts community, community leaders, and the citizens of Cambria County are informed about the plans and development of the Steeples Project

5. Develop an understanding of the people that participate in the programs, productions, and events offered at the venues. Such an understanding will ensure the Steeples Project becomes an organization and a tradition that meets the cultural and heritage needs of the residents and visitors to the community

These strategies will be accomplished by engaging in the following tactics.

Marketing and Promotion

1. Develop a newsletter or progress report that communicates the progress of the refurbishment and development of the venues. Communicate the key information contained in the newsletter to county residents and the arts community. Both of these should be distributed by e-mail and available on the Steeples Project Web site.
2. Feature each venue in the Cambria County Visitors Guide and include it in the promotional material for Explore Altoona and the Laurel Highlands Visitors Bureau and on all of the web sites as one of the “things to see and do” in Johnstown and Cambria County. In addition, place an advertisement in each of the guides. Inclusion in Explore Altoona and Laurel Highlands promotional materials may require membership in those destination marketing organizations.
3. Initiate and maintain a web site that showcases the Steeples Project and provides all of the basic information needed by residents and visitors to attend an event or visit. Ensure that the site is informative and easy to use to get key information about purchasing tickets, location, programs, and hours of operation.
4. Create and place rack cards in the tourist information racks located in the major attractions, hotels/motels, restaurants and businesses in the area. Distribution may be possible through tourism partners or a regional brochure distribution company.
5. Hold periodic public meetings to report progress, answer questions, and solicit input from the community about the project. Invite the press as well. These could be quarterly briefings at first and more frequent during the last 12-18 months before opening. They might also dovetail with hard hat concerts once the restoration has begun. Building support from the residents of Cambria City in this way will be particularly important.
6. Initiate a graphic identity in the form of a logo or symbol that will become easily recognizable representing the venues as former churches and now as exciting venues for performing arts and special events. This should appear on all print materials, and on or in all promotion materials. The logo’s design should reflect the common mission of the Steeples Project while specifically identifying the individual locations of the two venues.
7. Stories in local newspapers and in the arts publications should appear 18 months prior to the first opening performance at St. Columba. Articles showcasing the uniqueness of both venues and a schedule of future events and performances should also appear in every arts publication.
8. Purchase advertising in “local” and regional publications (newspapers, magazines, flyers) that showcase Steeple Project productions and special events.

9. Produce promotional materials such as T-shirts, buttons, badges, decorative pins to be worn by employees, the Steeples Project Board Members, members of the arts community and the tourism industry. These should be worn for a year before opening night, throughout the season, and in future seasons.
10. Establish a “speakers bureau” composed of staff members and board members. Schedule the speakers to meet with groups to inform them about the programs, activities, events, and role in the community. Targeted groups could include tourism industry partners, community and civic groups, and professional associations. For example, the Johnstown area contains 50 separate veterans groups that represent a large target market and could be instrumental in developing strong word of mouth.
11. Create a marketing and promotion advisory committee to help guide and provide advice about how to effectively market both venues to residents and potential visitors to the area. The committee should include an arts representative, a media professional, and a tourism professional. This is an advisory committee that would work closely with the Steeples Project’s sales and marketing staff

Data Collection and Analysis

1. Develop an arts and tourism database of partners and interested parties within the region, the state and the nation. Develop a comprehensive social media strategy (for an excellent summary go to <http://www.outdoor-theatre.org/conference-highlights/> and click on “Trends in Social Media”). Communicate updates on the restorations, featured performances and performers, and special events. Communicate regularly (monthly) with these supporters and potential audiences/markets. Start developing the database and sending messages 18 months prior to the opening of St. Columba.
2. Initiate a visitor and patron database and actively manage it to inform visitors from outside Cambria County as well as the arts and tourism community in the Allegheny Mountains and Laurel Highlands regions about the range of programs, activities, and events. The database could be very useful for communicating “last minute” ticket availability information to potential customers.

Sponsorships and Collaborations

1. Cultivate a strong working partnership with the Greater Johnstown / Cambria County CVB, Explore Altoona, and the Laurel Highlands Visitors Bureau. Work closely with these destination marketing organizations to package and market an experience at the venues as part of their group sales efforts. This may involve product development such as a “unique” tour, lunch, cabaret performance, or experiences for the groups that will be visiting Johnstown or Cambria County.
2. Negotiate sponsorship and naming opportunities for the venues with corporations or agencies that will be recognized by residents and visitors to the area. This will create revenue and will also enhance brand awareness and recognition of the overall project and each of the venues and sponsors.
3. Support the tourism attractions in the area. Support a philosophy that “a rising tide floats all boats” when thinking about residents and visitor promotion efforts

4. The managing executive or the marketing staff should be active on area arts and tourism groups, coalitions, or committees to ensure that lines of communication are maintained between these groups.
5. Blocks of tickets strategically distributed to sponsoring corporations or civic and religious groups can also be very useful in motivating people to come in the venues for the first time. Similarly, ticket and dinner packages with local restaurants can build mutually beneficial partnerships.
6. When possible, participate in co-operative advertising campaigns organized and implemented by the area destination management organizations. At a reasonable cost co-op ads provide valuable reach and presence in the marketplace often not affordable to individual agencies or attractions.

Media

1. Expand current relationships with local print and electronic media professionals in the area to ensure that stories about St. Columba appear in the media. Media coverage prior to, during, and following the grand opening night will be invaluable in helping reinforce the value of the Steeples Project and the arts to the community. Additionally, these relationships can ensure the timely broadcasting of public service announcements about the Steeples Project. Promotional commercials could also be produced in cooperation with arts presentations and performances. Ticket giveaways in groups of two or four tickets have proven to be especially effective on radio.
2. Develop a relationship with the local PBS (Public Television - WQED Pittsburgh and WQEZ – FM Radio Johnstown) radio and television stations to ensure the annual broadcast of a program that features both venues and upcoming productions. This should be aired at strategic times to help ticket sales and attendance. A special program showcasing the immigrant production should be developed and used for educational and promotion purposes.

Tours, Galas, and Open Houses

1. Plan a pre-opening night gala celebration for donors, sponsors, and local leaders and officials. Media representatives (newspapers, radio, television) should also be invited to this event.
2. With support and possible cost sharing of the Greater Johnstown / Cambria County CVB, develop a “fam tour” (familiarization tour) of the Steeples Project for tourism front-line employees and members of the arts community to ensure they are knowledgeable about the facility. If it is not possible to hold the fam tour at the Church or the tour is poorly attended, develop an electronic version of the tour and distribute it to front line tourism employees (hotel/motel front desk staff, restaurant wait staff, museum tour guides, etc.). Periodically offering comp tickets to front line staff can be a very effective way of creating an enthusiastic volunteer sales force.
3. The Cambria County CVB can help identify the key people that should participate in the fam tour or should receive electronic copies of the tour. A virtual reality tour could also be provided on the Steeples Project web site and could be used for training and general sales purposes.

4. Create a “fam tour” for local residents, especially for Cambria City residents. Such an event can help them become familiar with the refurbished venues and their range of programs and services. Local residents can be the best “word-of-mouth” promoters of the project. This could also be an opportunity to do a little “hospitality training” with residents to ensure they are strong and knowledgeable ambassadors.
5. Hold a pre-opening night tour or an arts performance for Cambria County tourism professionals and the arts community to introduce them to each venue and its range of programs and services. The Greater Johnstown / Cambria County CVB, arts partners, or a corporate sponsor might be a good partner that could help underwrite the cost of such an event. Even before the opening “hard hat concerts” on the construction site can be a great attention getter.
6. Cultivate the concept of “tours of Johnstown’s churches” (see Architectural Tours in the Programming Plan). Introduce, organize, and manage a tour experience of the many churches of Johnstown. As a unique experience for especially architects and aficionados of church architecture, a tour experience could showcase Grand Halle and St. Columba. A small fee could generate some revenue, but most importantly the tour(s) would focus on the churches as unique performance and event spaces. Providing leadership in the creation of these tours could help establish the Steeples Project as a major player in providing unique experiences for residents and tourists.

Special Events and Projects

1. Create a “Homecoming Event or Festival” that invites former residents of the area to return to Johnstown to meet friends and celebrate their home community. The exposure and visibility of such an event would be an excellent way to “get the word out” about the Steeples Project. A potential partner to help establish such an event should be the Greater Johnstown / Cambria County CVB. This kind of special event is an excellent way to communicate and reinforce the value of St. Columba and the arts to both residents and visitors. Participants of the event often become the source of information about the “things to see and do” in a community. They tell friends, relatives, and co-workers about the interesting and fun experiences they had in Johnstown.
2. Use St. Columba as a “workshop venue” for the performing arts. Provide master classes and seminars about all aspects of the performing arts. An example of a workshop could be the Steeples Project Story: The Uniqueness and Challenges of a Church as a Performing Arts Venue. A fee could be charged for the workshop, which would produce additional revenue for the budget. In addition, the visibility resulting from media coverage would be very valuable. These programs can also be developed for presentation at such national arts conferences as SETC, USITT, and TCG. If the Steeples Project can acquire a national reputation that can significantly enhance its ability to acquire major grants in the future.
3. Establish a research/evaluation program that tracks and monitors the impact of all promotion and marketing efforts. Simple efforts such as counting participants/tickets, collecting the zip codes of attendees and ticket purchasers, and program/event satisfaction surveys should help gauge the impact of programs and events. Periodically, attendees and participants should also be interviewed to identify the perception of each Steeples Project venue as an arts and performance venue.

Guidance and assistance about how to conduct these kinds of evaluation can be acquired from arts and tourism industry partners that already do it. Also, community colleges, and colleges often have marketing teachers who are looking for projects for their students. This type of evaluation should be done on both residents and visitors and visitors that purchase tickets and participate in the Steeples Project's programs or events.

Specific Research/Evaluation Methods for Measuring Marketing Tactics Effectiveness

"You can't manage what you can't measure" is a philosophy espoused by effective managers and executives. As applied to marketing - effective marketing is dependent on monitoring and tracking the impact of your marketing tactics. Evaluating and researching the impact of the marketing tactics suggested here is critical to the success of the marketing tactics applied to the Steeples Project.

The basic metric of the success of the marketing tactics suggested above will be tickets sold and the revenue resulting from the performances presented. Measuring the effectiveness of the marketing tactics will help with the refinement of the tactics and ultimately impact ticket sales. Any basic ticketing software can produce extremely useful reports that can easily compile much of the needed data which is already in the system. In addition, many ticketing systems can include or add on surprisingly sophisticated CRM (Customer Relationship Management) systems to further extend management's ability to assess and fulfill their patrons' interests.

Therefore, we suggest that the marketing staff focus on conducting the following evaluation projects.

1. A survey of St. Columba and Grand Halle attendees designed to identify the following basic information -
 - a. Party size
 - b. How did they hear about the venue and the production or event they attended
 - c. Demographics (Age, Income, Education)
 - d. Zip code--Origin, travel time/distance, geographic markets
 - e. Repeat visits--Brand loyalty
2. Identifying the perceived quality of the experience at the venue – Conduct short informal interviews conducted at the theatre or an e-mail questionnaires sent to audience members the day after the performance -
 - a. This would focus on rating the quality of the performance and the facility
 - b. Audience opinions – liked and disliked attributes of their experience
 - c. This could include opinions about the hospitality and services
3. Zip Code collection and analysis of attendees
 - a. When mapped, the zip codes would depict the geographic reach and penetration of the marketing tactics
 - b. Combining the zip code data with the answer to the question; how did you hear about the program or venue? Answers to both these questions will help identify the impact of various advertising and promotion efforts.
4. A survey of the population of Cambria County -
 - a. This should be designed to determine if the messages about the Steeples Project are reaching core markets

These four basic marketing research approaches will yield data and information that the marketing staff can use to assess the impact of most of the tactics suggested above. We suggest that the marketing staff focus on conducting research as outlined in items 1, 2, and 3 above during the first three years after opening. Tracking zip codes should be ongoing and can be easily managed through the ticketing system.

A marketing research project based on item 4 should be conducted every three years. Results of this research can also be used to assess the perceived value of St. Columba as a performing arts venue in Cambria County and the region. A similar survey should measure the competitive effectiveness of Grand Halle as both a private rental and event venue. Technical assistance on questionnaire design, interview design/scripts, audience sampling, and social media impact can be acquired from arts groups in the area and from the Institute of Outdoor Theatre and the Southeastern Theatre Conference

Strategies, Tactics, and Evaluation Priorities

It would be impossible for a new operation to carry out all the strategies, tactics, and evaluation activities listed above. Marketing committee recommendations and funding limitations will influence the initial set of marketing efforts launched by the Steeples Project's manager and marketing staff. We suggest that as the refurbishment of St. Columba advances, that a priority list of marketing activities be developed based on the two major goals of creating an awareness of the venues as performing arts and events venues and developing partnerships that facilitate creating that awareness. The first priority should be to establish an awareness of the venues in the community and as a tourism experience for visitors.

Many of the other tactics and evaluation activities listed above should be integrated into future venue and program development as the Steeples Project evolves into a mature arts operation and visitor attraction. All the activities will add to the long-range success of the project and will require the support and creative energies of both arts and tourism partners.

Many organizations and non-profit groups often neglect the evaluation and tracking of the value and impact of their programs. In today's "age of accountability" and questioning "what have you done for me lately" it is critical that such programs and events be monitored and evaluated to ensure feedback that will result in success and future support. We encourage the development team and the manager to ensure that evaluation will be as key a component of the Steeples Project as the selection of the events and performances that it will host.

Pro Forma Budget

The calculations forming the financial basis of the business plan are found in an interactive Excel workbook (SteepleBusinessPlan.xlsx) consisting of seven different worksheets that are described in this section of the report. It is interactive in the sense that many of its assumptions can be changed with the results seen immediately in the budget's summary. Ticket pricing, number of performances, attendance percentages, and a variety of fees are examples of factors that can be modified in this way. Because of these features, the pro forma can be used both as a predictive tool before the Steeples Project begins and to learn and project from actual experience after it has opened. Whereas the pro forma now is based on an average percent attendance of 55%, for instance, if actual experience shows it to be more or less than that amount it will be easy to project that change for a future season.

The same is true with expenses, so that the pro forma can function as an increasingly accurate budgeting tool in successive years. In planning future seasons, this can enable management to quickly assess the financial impact of “what if?” discussions.

Budget Summary

The Budget Summary worksheet pulls in most of its revenue numbers and many of its expense numbers from the other worksheets in the pro forma. The rationale behind those numbers can therefore be found by studying the details of each subsidiary worksheet. Where a number does not have a source from another worksheet (e.g. utilities, insurance, and facility maintenance), it has been based on information received in an interview (as noted) or a reasonable assumption by the consultants for an operation of this size.

Some lines in the budget summary appear in a shaded color which identifies them as pertaining to one of the five types of programming described in the Programming Plan. This color pattern continues in all the detail worksheets. It facilitates studying the pro forma on a computer, allowing the reader to quickly associate a given series of numbers with its program group.

Based on all the assumptions of the pro forma, the budget summary shows that the Steeples Project will have a deficit in the first year of operations. In subsequent years we expect to see this deficit decrease as revenues increase. In practice, we expect that management and the participating organizations will review their results each year and adjust based on that experience. The budget also assumes employment of all five recommended staff members (see page 43) in the first year of operation which we don't expect to be likely.

Operating Budget Summary			
	Year One	Year Two	Year Three
Revenue			
NAGBOR	339,016	355,966	373,765
Box Office transfers	(214,048)	(224,750)	(235,988)
Rental Income-Public	53,891	56,585	59,414
Rental Income-Private	47,550	49,928	52,424
Facility Use Fee	31,419	32,990	34,639
House Recovery Costs	56,202	59,012	61,962
Architectural Tours	46,875	49,219	51,680
Building Sponsorship	25,000	26,250	27,563
Steeple Program Sponsorships	42,500	44,625	46,856
Sub-total	428,404	449,824	472,315
Expense			
Permanent Staff	205,663	211,832	218,187
Event Staff	12,690	13,071	13,463
Facility Maintenance	10,000	10,300	10,609
Utilities	30,000	30,900	31,827
Steeple Presented Events Expense	38,750	39,913	41,110
BSRD Show Expense	33,000	33,990	35,010
School Show Expense	12,500	12,875	13,261
Architectural Tours Promotion	5,000	5,150	5,305
Wedding/Corporate Rental Expense	5,700	5,871	6,047
Technical Maintenance	5,000	5,150	5,305
Box office expenses	24,385	25,117	25,870
Marketing	15,000	15,450	16,223
Equipment	7,500	7,725	7,957
Dues and Subscriptions	2,500	2,575	2,652
Audit	8,000	8,240	8,487
Legal	2,500	2,575	2,652
Taxes			
Insurance	22,500	23,175	23,870
Travel-Transportation	2,500	2,575	2,652
Office Supplies	2,500	2,575	2,652
Postage	500	515	530
Interest Expense	1,000	1,030	1,061
Miscellaneous	5,000	5,150	5,305
5% Contingency	11,692	12,043	12,419
Sub-total	463,879	477,796	492,454
SURPLUS (LOSS)	(35,476)	(27,972)	(20,139)

Utilization

In this worksheet, all the details regarding the number of events and the revenue they will generate are calculated. Most of the revenue lines in the budget summary are pulled from this sheet. Each line item in the Budget Summary is listed and explained below.

NAGBOR

This is an industry abbreviation that stands for “**Net Adjusted Gross Box Office Receipts.**” It represents the total (gross) box office receipts minus the venue charges for rent and/or other facility-related fees. In this pro-forma those charges include rent and a facility use fee. Those charges are explained below in the revenue items of ‘Rental Income-Public’ and ‘Facility Use Fee.’

Box Office Transfers

After all house fees and rents have been deducted from the gross box office sales, the net revenue is paid to outside producing or co-producing group. It is therefore a deduction from the revenue generated by the venue. The amount transferred to the outside group is its NAGBOR less the House Recovery Costs (see below). For event revenues earned by the presentations of co-promotions of Steeples Project, the net revenues are retained by the organization and not transferred out.

Rental Income-Public

This line is the sum of rents charged to performance events for the use of the facility. (The event pays the rent, and the venue earns that revenue.) In this plan there are two types of rent: rent for performances and rent for rehearsals. Most of the groups interviewed for this study preferred to pay rent as a percentage of their ticket sales, rather than a flat rate. Accordingly, all ticketed events are charged rent as 12.5% of gross ticket sales. The only flat rate is for days used for rehearsals where there are no ticket sales, and that rate is \$150 per rehearsal day. In the Utilization worksheet, the rent for each ticketed event is itemized under two columns: BO as split (12.5%) and Rent (for rehearsals). This rent is deducted from gross box office revenues as part of the calculation of NAGBOR. Both the 12.5% rate and the daily \$150 rehearsal rate can be changed in the workbook’s assumptions, and the change will flow up to the budget summary.

Rental Income-Private

The Steeples Project currently charges rent for private events, chiefly weddings, and will have the potential to increase this aspect of its activities when St. Columba is renovated with a functional stage and technical equipment. The pro forma establishes different rental rates for private and corporate events in the “Rental Rates” worksheet and estimates the number and type of these events in the Utilization worksheet.

Facility Use Fee

This fee is a standard industry practice through which the venue recovers wear and tear costs of the use of its facilities. It is a flat dollar fee ranging from \$1.00-4.50 per ticket issued in venues throughout the country. There are a variety of reasons this is separate from rent. One is that some users prefer to quote the fee as an add-on to the customer at the box office while others just build it in to the ticket price. It also applies to comp tickets which have no other value. These and other distinctions have largely been lost since the practice began several decades ago, but may be helpful in explaining the fee to user

groups. In this pro forma, a facility use fee is \$1.25 per ticket for all ticket issued by the box office. Like other charges it can be adjusted in the workbook. In addition to rent, the facility use fee is deducted from gross ticket sales as part of the NAGBOR calculation.

House Recovery Costs

There are four other ways venues earn revenue, and they are combined under the term “House Recovery Costs.” Two of these revenue sources are paid by the producer/presenter of the event, and two are earned from the customer.

- Paid by the customer
 - Box Office service charge. A service charge, in this case 7%, is assessed on the total of each ticket order. The customer pays this amount on top of the ticket price as if it were a tax. It is a revenue item for the venue.
 - Concessions profit. The best way to estimate this revenue is by assigning a “per cap” (per capita) number for all ticket holders. In the industry, this can range between \$1.00-\$3.00 with higher numbers where alcoholic beverage are sold. The per cap number in this workbook is \$1.25.⁴
- Paid by the event (as a deduction from revenue)
 - Ticket printing charge. The standard charge here is for \$.10 for each ticket printed by the box office. The rationale is that it covers costs for ticketing stock, printers, and toner. It is one of the charges that helps a box office become a revenue center in the operation.
 - Credit card surcharge. Virtually all ticket sales today are paid for by credit card. The venue pays a negotiated rate of a few percentage points to a merchant account that provides it with the credit card service. This surcharge adds .5% to the rate it pays its merchant account and charges the total to its user groups, so that it earns a little bit on each transaction.

Note: The question always arises of whether the venue itself should pay these various fees for the events which it produces or presents, in effect taking money out of one pocket and putting it in another. We recommend that it do so for two reasons:

1. All the fees represent the cost of doing business and provide an important source of funds for managing the facility. Not charging them to self-produced events would distort the cost of putting on shows, and contribute to a natural tendency to over program without providing for the building’s basic needs.
2. When explaining the costs to outside users, it helps to make the point that the venue itself pays these costs because the facility needs the revenue to continue operations.

Architectural Tours

A guided tour of the Cambria City historic district in general and the historic churches in particular, is a concept suggested in several of our discussions for a new tourist attraction. This would be booked by groups of tourists, organizations, or available at regular times on demand. The tour would be designed by a professional architect historian with a script developed for training volunteer docents. At a cost of \$3.75 per participant, the estimated revenue from this program is based on drawing 10% of the documented number of annual tourists to the Johnstown area. Although it should be expected that the Convention Visitors Bureau would take the lead on marketing this program, the expense budget of the pro forma

⁴ Although we strongly recommend that the Steeple Project acquire a liquor license and sell alcoholic beverages at appropriate events, the per cap for concessions is not based on that. If it were, the per cap number would be closer to \$3.00.

includes a small amount for promoting it. This tour could be a stand-alone event or combined with other performances (the BSRD show) or a meal. It would be available year-round, but primarily active during the tourism season. A unique feature of this program is that it could be started at any time and would not need to wait for the St. Columba renovation. This would be useful in ramping up the management of the new Steeples Project staff team, earning some money, and building cooperative programming with the other Cambria City cultural organizations.

Building Sponsorship

The pro forma assumes that the Steeples Project will be a highly visible presence in Johnstown, attracting additional tourists and contributing to the revitalization of the community. In the words of the Johnstown 2025 Vision document, “Johnstown’s transformation will require broad based community commitment and cooperation on projects that will remake Johnstown into a thriving and resilient city.” As such, it is reasonable to assume that the project can attract strong business sponsorship support, and the pro forma conservatively estimates this at \$25,000 for the first year.

Steeple Program Sponsorships

Sponsorships and grants should also be attainable for the individual program areas that will have clearly different profiles and appeals. The pro forma assigns the following goals for three of these programs:

- \$10,000 for Steeples Presented Events. 29 performances of jazz, blues, classical and comedy events
- \$25,000 for the Broad Street Regional Drama Show. 40 performances during the summer season
- \$7,500 for the School Program. 30 performances for school children throughout the school year

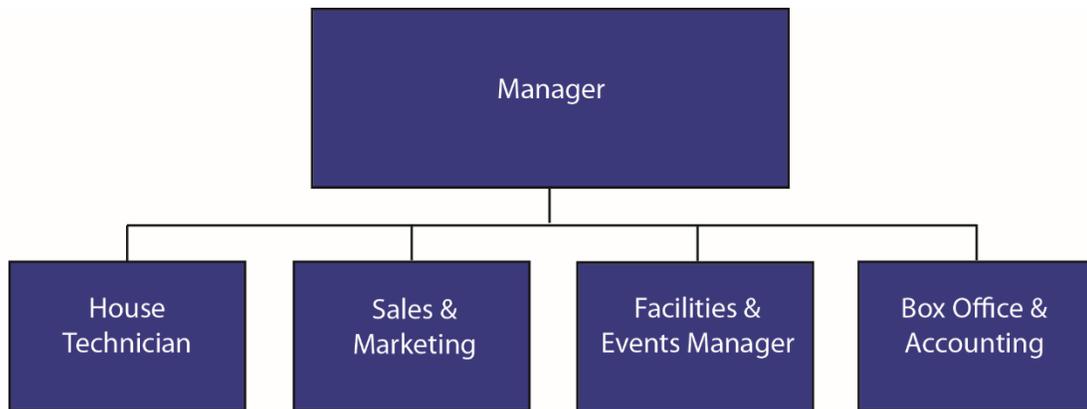
The Utilization worksheet is the most complex in the pro forma, but its level of detail is necessary to clearly show the assumptions on which the revenue projections are made as well as making it possible to change those assumptions and quickly see the results. As described above, the revenue generated by each fee can be changed immediately by increasing or decreasing the fee. The box office revenue for each group of shows is determined by how many people will buy tickets. That number is derived by assigning the percentage of the capacity of the total seating in the theatre sales are projected to reach. The column where this percentage is listed is in a drop-down box where any percentage from 10% to 100% can be chosen. When the percentage is changed, not only do the gross box office receipts change, but every attendance-related revenue item from every fee also changes and is rolls up to the budget summary.

Programs

This worksheet summarizes details from the Utilization sheet by program group. It includes the number of performances and estimated attendance (based on the assigned percentage of the house) and summarizes the revenue and expense items for that group. Some expense budgets are explained in pop out comments for individual items.

Staffing

The pro forma envisions a minimum staff of five persons.



Brief job descriptions for each position are included in the Appendix. Including fringe benefits estimated at 16.5% of the annual salaries, these positions account for \$205,663 annual expense. Part time personnel for the front of house staff on events (ushers, ticket takers, etc.) are also estimated and represent an annual cost of \$12,690. It is assumed that a volunteer organization will supplement this part time staff.

Note: It is highly unlikely that all five positions would be necessary in year one. Nevertheless, the budget in this version of the report includes all five positions at full estimated salaries in the first year and subsequent years of operation.

Assumptions and Policies

This worksheet summarizes the different fees and suggests some basic policies for the management of the facilities.

Ticket Pricing and Rental Rates

These two worksheets set the proposed rental rates for different categories of rentals and compare ticket prices from other organizations in the market with those being proposed for the Steeples Project.

Economic Impact

Many communities list economic development as one of the chief reasons for investing in a community development project such as a performing arts center or a theatre because it is a way of adding to the quality of life in a community and it contributes to the economic development of the community. Expenditures by audiences and event attendees for services and products like lodging, gas, local transportation, retail purchases, eateries, entrance or user fees, souvenirs, and gifts are but a few of the most obvious economic contributions to the community, county, and the region. Other economic benefits include increases in employment, an influx of visitor dollars from outside of the region, an increase in tax revenue, a diversification of the economic base, and greater visibility for the community throughout the region and the state. Economic impact statistics that illustrate these sorts of impact are valuable for describing the impact and in-kind support necessary for the development of community projects.

Visitors to any city or community produce a secondary economic impact over and above their initial expenditure required to visit (fuel sales, food and beverage sales, lodging sales, and entertainment costs), which is usually calculated by using what is called an economic

“multiplier.” These secondary outputs (sales) and earnings (wage and salary income) come from indirect and induced spending. Indirect spending occurs as businesses (in this case, the Steeples Project) purchase goods and services from local suppliers, which generates additional sales. Suppliers must, in turn, purchase goods and services from their suppliers. During the secondary impact process, sales are generated in addition to those produced by the initial attendee or visitor expenditures. This chain of buying and selling continues until the initial visitor purchase completely “leaks” out of the area through taxes, purchases from outside the areas (imports), business savings and payments to employees.

Another type of secondary impact is the induced effect on sales. It results from the spending of the employees who provide services and products to visitors, and their suppliers who spend part of their earnings in the area. This spending itself generates supplementary sales. The sum of the indirect impact and induced effect constitutes the total secondary impact of visitor expenditures to a community.

Economic Impact Models and Estimates

Many communities have also discovered the benefits of promoting their heritage, unique personages, and the performing arts because these amenities can contribute to the unique sense of place of the community and attract visitors that will spend money. This will also be true of the Steeples Project.

There are different methods for estimating the economic impact of visitor spending. Often, planners, economists, tourism attraction developers, and arts groups use approaches based on input-output models. According to the late Dr. Daniel Stynes, Professor, Department of Park, Recreation and Tourism Resources at Michigan State University:

“An input-output model is a representation of the flows of economic activity within a region. The model captures what each business or sector must purchase from every other sector in order to produce a dollar’s worth of goods or services. Using such a model, flows of economic activity associated with any change in spending may be traced either forwards (spending generating income which induces further spending) or backwards (visitor purchases of meals leads restaurants to purchase additional inputs -- groceries, utilities, etc.). By tracing these linkages between sectors, input-output models can estimate secondary effects of visitor spending, often captured in the form of multipliers. Popular input-output modeling systems include IMPLAN, RIMS II, and REMI.”

“Secondary effects of visitor spending are of two types: indirect and induced. Indirect effects are the changes in sales, income or jobs in sectors within the region that supply goods and services to the recreation/tourism sectors. The increased sales of linen supply firms resulting from more motel sales is an indirect effect of visitor spending. Induced effects are the increased sales within the region from household spending of the income earned in the tourism and supporting sectors. Motel or park employees spend the income they earn from tourists on housing, utilities, groceries, etc. These represent induced effects of the visitor spending.”

“Multipliers capture the size of the secondary effects, usually expressed as a ratio of total effects to direct effects. Total effects are direct effects plus the secondary (indirect plus induced) effects. A sales multiplier of 2.0, for example, means that for every dollar received directly from a visitor, another dollar in sales is created within the region through indirect or induced effects. Multipliers are frequently misunderstood and misused and must be

understood and applied with the context of the input-output models from which they are derived. A complete discussion of multipliers is beyond our scope here, but we will attempt to clarify the two most common sources of abuse by introducing the "capture rate" and discussing differences between the basic types of multipliers. Abuses largely come down to what a given type of multiplier should be multiplied by."

"Multipliers should generally NOT be multiplied by total visitor spending. A sales multiplier is multiplied by a change in final demand within the region to yield the total change in sales including direct, indirect, and induced effects. Due to the way that input-output models are structured, all visitor spending does not accrue to the region as final demand. The primary problem is with retail purchases of goods. For goods that are manufactured outside of the region, only the retail margin and perhaps some portion of the wholesale and transportation margins appear as final demand for the region. The cost (producer price) to the retailer or wholesaler of the good itself leaks immediately out of the region's economy. The capture rate measures the portion of visitor spending that accrues to the region as final demand. Only the spending that is "captured" by the local economy should be multiplied by a sales multiplier."

"An example should illustrate. Suppose a tourist purchases a camera for \$100 while on a trip to the region. Assume the retail margin is 30%, or \$30. Assume the wholesaler and shipper resides outside the local area, as does the company that manufactured the camera. The direct effect or final demand change in the local region is only \$30, the other \$70 immediately goes outside the region to cover cost of the good and shipping and wholesale. The \$30 that does accrue to the region is placed in the retail trade sector. The input-output model examines the businesses that the retail store buys goods and services from to estimate indirect effects and uses the portion of the \$30 that goes to wages and salaries of employees to estimate induced effects. Assume that a gross sales multiplier for the retail trade sector including both indirect and induced effects is 2.0, i.e., every dollar of sales in retail trade creates another dollar of spending through secondary effects. Notice that the total impact on the region is not two times the original \$100 in spending, but instead two times the \$30 captured by the local economy = \$60. We get the correct result if we multiply visitor spending times the capture rate times the sales multiplier. An adjusted or 'effective spending' multiplier equal to the capture rate times the sales multiplier can be multiplied by visitor spending to yield the correct impact."

"Besides sales multipliers, one can also produce income and employment multipliers. There are two quite distinct kinds of income and employment multipliers. Ratio type multipliers like the sales multiplier are simply the ratio of total income (or jobs) to the direct income (or jobs). These multipliers should be multiplied by the direct income or jobs to yield a total. Keynesian income or employment multipliers (also called response coefficients) are ratios of total income (or jobs) to direct sales. Keynesian multipliers estimated from an input-output model must be adjusted by the capture rate before multiplying them times visitor spending."

Using the input-output model called IMPLAN, created by the U.S. Forest Service and maintained by the Minnesota IMPLAN Group, Inc. (IMPLAN® is an economic impact assessment modeling system. IMPLAN allows the user to easily build economic models to estimate the impacts of economic changes in their states, counties, or communities.) Dr. Stynes developed an Excel spreadsheet for estimating the economic impact of visitor spending on a region. The Stynes model is a derivation based on the IMPLAN model.

It requires data on visitor spending and the economic multipliers for various sectors influenced by visitor spending in a region. The model is named MGM2 and has been used extensively by the U. S. National Park Service to estimate the impact of visitor spending in communities and regions in which national parks are located. The MGM2 model was used because it is anticipated that a large number of people residing in the region and visiting the region will attend arts and heritage attractions/events while visiting the national park units contained in the region. According to the 2015 Johnstown Flood National Memorial Visitor Study, a high percentage of visitors to the Memorial also visited heritage and arts attractions/ in the region. For residents and visitors to the region, the parks, heritage attractions, and arts amenities are all part of the things to “see and do” in the region. The Steeples Project will have a direct benefit from this pattern.

In addition, the MGM2 model provides a **conservative** estimate of the impact of a heritage tourism attraction. (For more detailed information about the input-output model refer to <https://msu.edu/user/stynes/main.htm> Daniel Stynes, Michigan State University.)

Estimated Impact of the Steeples Project

Using data on types of visitors or attendees (residents, day trippers, and overnight guests), the duration of a visit for each type, visitor spending, average visitor party size, and economic multipliers that represent the ripple effect of visitor spending on the economy, the MGM2 model was applied. All the data were derived from the information provided by the Greater Johnstown / Cambria County CVB and numerous sources outlined in the Audience Potential section of in this study. The data was used to develop reasonable (conservative) estimates of residents, day-tripper, and visitor spending. The estimates were used in the application of the economic impact model described in the section below.

The average length of stay for day-trippers and visitors from surrounding counties was one day and the average party size was assumed to be 3 people. The average spending for each visitor group/party was based on data described in the Audience Potential section of this study. For residents, the average spending was \$80, while it was \$120 for day-trippers from surrounding counties. This includes ticket purchases, miscellaneous expenses (eating out or souvenirs and travel costs).

The average length of stay for overnight visitors was 2.2 days (two nights) with an average party size of 3 people. The overnight spending used in the estimates was \$280, which includes the price of tickets and other traveler expenses.

The economic multipliers used in the estimates were conservative averages developed for the MGM 2 model.

The average ticket price was assumed to be \$20 or \$25 depending on the kind of performances or events. The table below shows the estimated impact of the attendee spending for different mixes or types of visitors (including residents, day-trippers from surrounding counties, and overnight visitors).

The spending and total impact for the Steeples Project is shown in the table below. School Shows are not included because the revenue from ticket sales does not add to the economic impact in the county or the region. The impact for the Architectural Tours is for attendance only because we believe that most of those visitors will be in transit through the area and move on to other activities after the tour.

Economic Impact of Steeples Project Programs - Spending, Jobs, and Economic Value

<i>Program Potential Attendance</i>	<i>% Res/Day</i>	<i>% Visitor</i>	<i>Audience Spending</i>	<i>Jobs</i>	<i>Value Added To Community</i>	<i>Total Economic Value</i>
Steeples Presented						
3,200	50%	50%	\$285,000	8	\$234,000	\$413,000
	40%	60%	\$322,000	9	\$264,000	\$467,000
	30%	70%	\$392,000	11	\$321,000	\$569,000
BSRD Show						
7,800	50%	50%	\$695,000	18	\$570,000	\$1,008,000
	40%	60%	\$810,000	23	\$664,000	\$1,175,000
	30%	70%	\$968,000	26	\$793,000	\$1,404,000
Events Rented, Co-Pro						
9,575	50%	50%	\$837,000	24	\$686,000	\$1,214,000
	40%	60%	\$995,000	28	\$815,000	\$1,442,000
	30%	70%	\$1,152,000	32	\$943,000	\$1,670,000
Architectural Tours						
12,500	50%	50%	\$87,000	2	\$71,000	\$126,000
	40%	60%	\$101,000	3	\$83,000	\$147,000
	30%	70%	\$116,000	3	\$95,000	\$168,000
Grand Total						
	50%	50%	\$1,904,000	52	\$1,561,000	\$2,761,000
	40%	60%	\$2,228,000	63	\$1,826,000	\$3,231,000
	30%	70%	\$2,628,000	72	\$2,152,000	\$3,811,000

% Res/Day = % Resident and Day-trippers, % Visitors = % Overnight Visitors
Jobs = Jobs supported

The largest impact shown in the above table is \$3,811,00 for a 30%/70% mix of attendees. This impact consisted of \$2,628,000 in spending and a value added to the community of \$2,152,000. The smallest impact would be for a 50%/50% mix of attendees, or \$2,761,000. This would be \$1,904,000 in spending and \$1,561,000 in value added to Johnstown and Cambria County. In practice, the programs will probably have different attendee mixes, so different impacts can be gamed by selecting different mixes for each program. The impact figures shown above are in 2017 dollars and could increase by 10% to 15% over the next 3 - 5 years.

Appendix

Job Descriptions

Performing arts organizations come in all sizes from all-volunteer staffs to hundreds of paid professional and technical staff. The Steeples Project does not have a large budget, but there are two venues with a programming mix that is sufficiently complex to require a dedicated full-time staff supplemented by volunteers and interns. As the business plan develops, more staff could be required as the work load increases from more programs.

Manager

The manager of the project will have the usual executive functions of such a position but also must be capable of a good deal of hands-on work in all areas of the organization. A small staff must be able to pull together during peak activity periods without much regard for traditional jurisdictions. Consequently, the most effective management style will be consensual and participatory. The manager will also serve at the pleasure of the non-profit board of directors, a relationship that needs a consensus builder, a diplomat, and a self-starter. The primary responsibilities of the manager are:

- Strategic planning for all aspects of the organization
- Serving as the primary interface between the organization and the community and region
- Leading, managing and coordinating the work of the staff
- Establishing operations policies
- Overseeing the preparation of all budgets
- Developing and reviewing timely monthly financial reports with budget-to-actual comparisons
- Preparing final reports on all Steeples-presented events
- Exercising oversight over all aspects of event production and audience hospitality and safety
- Selecting and negotiating the events presented by the organization, including all contractual and technical details
- Cultivating close and supportive ties with the primary cultural organizations who will use the facilities
- Working with staff to develop and execute special events both onsite at the both venues and throughout the Cambria City cultural district where the technical expertise of Center staff may be useful
- Becoming an active member of the business and tourism community and other performance venues while promoting Johnstown as a cultural destination

Qualifications: Ideally, the manager should have several years of previous experience in a senior management role in an events-oriented business. Alternatively, significant volunteer leadership experience and a strong aptitude for management and team-building coupled with practical common sense and a willingness to adapt and learn can produce a good manager.

Facilities and Events Manager

A full-time position in charge of managing both buildings' facilities to include custodial services and maintenance both of the structure and grounds. Event logistics range from meeting with clients and determining their needs to delivering a successful event. The FEM should possess the expertise to advise both staff and clients on the most effective ways to

utilize space and resources, identify potential problems or issues and suggest solutions. This individual will be responsible for monitoring events either personally or through staff oversight and should possess strong people skills and a commitment to customer service. Deep respect for and knowledge of the buildings, their requirements and their quirks is important.

House Technician

This position should have specific training in all aspects of event production with an emphasis on lighting and audio support. An MA or MFA degree from an accredited university theatre program plus prior experience out in the field are highly desirable. In addition to technical skills and the ability to quickly solve production problems, the house technician should be a service-oriented individual able to work cooperatively with the variety of other technicians and crews who will come into the facilities with outside events. Supervisory skills are also important. This position should also be responsible for all safety practices in the facilities. Events attracting large numbers of people have many potential hazards, and audience and performer safety is of paramount importance.

Sales and Marketing

The staff member in charge of communications, sales, and marketing should be an excellent speaker and writer with strong previous experience in the communications field. The Steeples Project, because of its program structure, will have a number of distinct markets to attract from school children to cultural tourists to music, dance and theatre aficionados. This staff member should be able to demonstrate a high level of skill in both planning and the execution of plans for multi-media campaigns, product launches, video and social media communication, website development, and e-commerce. A working knowledge of SEO and SEM ('search engine optimization' and 'search engine marketing') will also be important. Comfortable giving formal presentations to social clubs, veterans groups, and sophisticated business executives, this individual should also play a large role in fundraising and sponsorship development, which also depend on effective marketing.

Box Office and Accounting

While box office management, business management, and accounting are usually divided between different staff, they are obviously closely related and need to be combined in this small organization. Besides being numerate, this manager should have reasonably strong computer systems management skills. And because of the box office function, this staff member also needs to be comfortable meeting the public and handling customer and vendor relationships. Because of its direct contact with customers, the box office works closely with marketing and it is extremely important that public information about events be accurately and timely communicated to the box office. An outside accountant may be necessary to supplement the work of this one staff member, particularly in preparing periodic reports and audits. But the staff member must be capable of entering financial data accurately into whatever accounting system is used as well as working with the box office computer program to set up, manage, and close out events as they occur. Because this position has complete access to the finances of the organization, the manager, the board treasurer, and the outside accountant must exercise oversight and provide structural checks and balances.

A general rule of thumb is that staff members other than the manager should not deal with individual board members except at the direction of the manager. This is to avoid undercutting the manager's authority or inadvertently creating communications problems. Nonetheless it is a good practice to identify one staff member, in this case most likely to be

either the marketing or financial staff, who is authorized to speak to the chairman of the board if the manager is seen to be engaging in unethical or illegal behavior. In practice, this whistleblower function would rarely if ever be used, but it is still prudent to have.

At the risk of being repetitious, one of the most important qualities any staff can develop is the capacity to work together as a close-knit team. This is even more important with a small staff where everyone must not only pull their own weight but support and respect the others. It is not an exaggeration to say that the organization's success or failure will depend on how well this is accomplished.

Project Interviews

The following individuals were interviewed as part of this study. The Steeples Project and this consulting team thank them for their valuable contributions to this work.

Laura Argenbright, Executive Director, Bottle Works / Arts on Third Avenue
*Scott Becker, Board of Directors, 1889 Foundation
Mike Bodolosky, Director, Pasquerilla Performing Arts Center
*Richard Burkert, Executive Director, JAHA
Patty Carnevali, Executive Director, Mountain Playhouse
Mike Friedhofer, Director of Architecture, Landmarks SGA LLC
Jeanne Gleason, Community Leader, member Pennsylvania Council of the Arts
Laura and *Brad Gordon, Co-Directors, Band of Brothers Shakespeare Company
Dave Hurst, Executive Director, Steeples Project
Mark Ickes, Executive Director, Explore Altoona DMO
Frank Janakovic, Executive Director, Alternative Community Resource Program
Ryan Kieta, Facilitator, Vision 2025
Arch Liston, City Manager, City of Johnstown
Kevin McMahon, President, Pittsburgh Cultural Trust
*Teresa Marafino, Producer, Mountain Playhouse
Dennis Mical, Director, VOMA
Mark Pasquerilla, CEO, Pasquerilla Enterprises
Rosemary Pawlowski, Director, JCB Dance Works
Lisa Rager, Executive Director, Greater Johnstown / Cambria County CVB
*Kim Rauch, Grand Halle Program Manager
Stephen St. John, General Manager, War Memorial Arena Cambria County
Clyde Thomas, Director, Johnstown Concert Series
Michael Walther, Executive Director, Johnstown Symphony

** Member of the Board of Directors of 1901 Church, Inc.*

Programmatic Resources

The following websites and organizations can offer valuable ideas, resources, or support to the Steeples Project.

Road Scholar: One of the premier cultural tourism organizations:

<https://www.roadscholar.org/>

Senior Tour Vacations: <http://seniortours.com/>

Tom Tom Founders Festival: <https://tomtomfest.com>

Steeple on St. Francis: <http://www.thesteeplemobile.com/>

EmcArts: <http://www.emcarts.org/> (includes grant making for organizational projects)

American Playwriting Foundation: <http://www.americanplaywritingfoundation.org/the-relentless-award.html>

Public-Works program at The Public Theatre: <https://www.publictheater.org/Programs--Events/Public-Works/>

Southeastern Theatre Conference: www.setc.org

- Playwriting program
- New Play Award
- Ready to Publish Program
- Connecting to SETC's playwrights, academic institutions that teach playwriting
- IOT Conference: Site-Specific Theatre, October 17 - 19, 2017 in Serenbe, GA
- Seeking talent for interns
- Seeking talent from MFA programs for staff recruitment

Americans for the Arts: <http://www.americansforthearts.org/>

Tourism and Audience Information

National Park Service Visitor Studies: <https://sesrc.wsu.edu/national-park-service-projects/>

Visitor Use Statistics, National Park Service: <https://irma.nps.gov/Stats/>

Census of Population, Quick Facts:

<https://www.census.gov/quickfacts/table/PST045216/00>

2015 Economic Impact of Travel in PA, Tourism Economics, Oxford Economics:

<https://visitpa.com/articles-research-statistics>

2014 Traveler Profiles for PA, Longwood's, International: <https://visitpa.com/articles-research-statistics>

<https://visitpa.com/articles-research-statistics>

Travel Time and Distances, Map Quest: – [http: www.mapquest.com](http://www.mapquest.com)

Additional Data

Inclined Plane Ridership 2011 – 2017: Cambria County Transit Authority 2017.

Zip Code Origin of Regional Theater Attendees -Provided by a Regional Theatre located in Cambria County, PA.

Johnstown Train Station Reuse Study, Site Condition and Analysis, PA DOT, KSK, Urban Partners.