Budget and Finance Committee
Jim Gray
Linda Gorton
Chuck Ellinger
Ed Lane
Kevin Stinnett
George Myers
Andrea James
Julian Beard
Tom Blues
Peggy Henson

AGENDA

BUDGET AND FINANCE COMMITTEE

February 24, 2009

1:00 P. M.

1. Equine Task Force Recommendations – Dr. Stevens
   - Equine Action Items for Urban County Council Consideration (pg. 1)

2. Financial Reports and Discussion – Koch/Fister

3. Lyric Theater Business Plan – (pgs. 2 – 76)

EQUINE TASK FORCE
John Gaines and Stallions

Budget and Finance Committee
February 24, 2009

Equine action items for Urban County Council Consideration:

1. Initiate with the State Economic Development Office a multicounty effort supported by Fayette, Woodford, Scott and Bourbon Counties to enhance efforts to help the thoroughbred breeding activities,

2. Initiate consideration to establish an advocacy group of people and organizations concerned with thoroughbred breeding for ongoing input.

3. Initiate partnership with University of Kentucky for support of UK's activities related to the horse industry in the Commonwealth .

4. Initiate an analysis and support for financing incentives of breeding and racing incentives.

5. Initiate a review of eligibility for Industrial Revenue Bonds for financing infrastructure of horse facilities such as the horse hospitals.

6. Maintain surveillance of and seek increased financial support for Purchase of Development Rights program.

7. Monitor tourism and branding efforts such as the "Blue Horse" and the collective efforts of the Lexington Convention And Visitors Bureau with the KY Thoroughbred Breeders and Owners to establish a horse farm visitors schedule.

8. Monitor potential state support for economic efforts as they relate to our signature equine industry (both legislative and financial).

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Lexington-Fayette Urban County Government

Jim Newberry, Mayor

February 9, 2009

Dear Councilmembers:

In 2008 the Council requested that the Lyric Theatre Task Force put together a business plan for operating the Lyric Theatre. The delivery of the business plan is the final step before a Council vote on the release of $6 million Council approved in the FY09 budget for Lyric renovation and construction. The Task Force retained AMS Planning and Research to prepare this business plan. Please find enclosed a copy of the business plan.

As you know, the Lyric project has been in the works for many years and successive Mayors and Councils have repeatedly assured the public of their commitment to restoring it. Under the 1997 agreement with the state, which grew out of the redevelopment of the block where the new courthouses now stand, we must complete the project by January 2010, or incur significant fines. Consequently, construction must begin as soon as possible.

Considerable public funds have already been spent on acquiring the Lyric and adjacent property, architectural plans and studies. Nearly 3,000 citizens have been engaged in the process so far. Furthermore, several studies have been completed or are currently underway in which the Lyric Theatre is listed as an important component of our downtown revitalization efforts.

The enclosed report contains an informative fact sheet that summarizes the history of the project. Most notably, the Council unanimously approved the conceptual design for approximately $6 million in 2006, and approved construction funds in the current FY09 budget.

While all of our projects must be evaluated in light of current budget constraints, I continue to support the Lyric Theatre project and believe we should move forward at this time. Further delay would be costly and will erode the commitment we made to the state and to the community.

A reimbursement resolution will be coming forward to you for your consideration on Tuesday, February 17. For many years we have heard calls for more cultural offerings and a wider diversity of cultural offerings in the downtown area, particularly in the East End. It is now time for us to address those calls by honoring the commitments made in the past.

Please let me know if you have questions. Thank you for your consideration of this important project for our community.

Sincerely,

Jim Newberry

Jim Newberry, Mayor

Cc: Lyric Theatre Task Force

Lexington-Fayette Government Center
200 East Main Street • Lexington, Kentucky 40507 • (859) 258-3100 • FAX (859) 258-3194
mayor@lfucg.com

LYRIC THEATRE

To: The Honorable James Newberry
Council Members, Lexington-Fayette Urban County Government

From: Lyric Theatre Task Force

Date: January 26, 2009

Re: Lyric Theatre Project

This memorandum is in response to the request made by Council that the Lyric Theatre Task Force present a business plan for operating the Lyric Theatre as a final step before releasing the funds for the $6 million capital projects presented to you and approved unanimously for formal resolution on October 10, 2006.

As you may recall, we hired an independent Company, AMS Planning and Research, who prepared the attached report which provides details as to the project background, as well as a projected business plan and projected operating budget for operating the Lyric. As you will note, the report projects that a subsidy of approximately **$157,000** will be required from local government for annual operating and maintenance which is very much on par with other community arts facilities supported by LFUCG.

Having completed the request from Council, the purpose of this letter is to formally request approval to proceed with all aspects of the project, as provided for within the FY 2009 LFUCG Capital Improvement Plan budget.

This will enable us to:

- Fulfill our obligations under the Memorandum of Understanding (MOU) including the requirement to complete the project **January 27, 2010** or otherwise incur fines of $500 per day beyond timeframe ($15,000 per month/$182,500 per year). The facility design is complete (a copy is attached for your information) and the project is ready to be bid. The project construction must begin in early 2009 in order to attempt to meet the MOU deadline.
- Make a needed investment in the vision for East End, Third Street Corridor, and Legacy Initiatives in time for the Equestrian Games.
- Fill a niche needed in the arts and cultural community.
- And perhaps most importantly, honor the commitment made to our community.

We are confident that the Lyric Theatre, in addition to creating jobs in this time of economic hardship, will be a culturally vibrant asset to the community from day one, and a visible symbol of inclusion by bringing together community members, arts organizations, business entities and educational efforts. Through this facility, we intend to demonstrate that honoring the historic past of a people, provides a strong foundation upon which to build a more positive community for the future.

The members of the Task Force have worked tirelessly because we believe so strongly in the vision for the new Lyric Theatre, for it is unlike any facility in the city or region. We believe NOW is the time to begin the realization of this historic project.

The Lyric Theatre Task Force appreciates the confidence you have placed in us to bring forth a beautiful facility and requests prompt action to move into the construction phase.

Respectfully submitted,

Lyric Theatre Task Force Members

Attachments: The Vision for the Lyric Theatre
Lyric Theatre Fact Sheet
Design Layout
AMS Planning and Research Business Plan

LYRIC THEATRE

Lyric Theatre Task Force

Juanita Betz-Peterson, Chair
Charlie Boland
Jean Brannen
George Brown
Jim Carroll
Mattie Fox
Anissa Franklin
Julian Jackson
Andrea James
Robert Jefferson
Freda Meriwether
S. T. Roach
William Blair Scott, Jr.
Joe Smith
Barry Stumbo
Gene Woods

The Vision for the Lyric Theatre

The vision for the Lyric Theatre is unlike any facility in the city or region. The Lyric Theatre shall be a culturally vibrant asset to the entire community, which from opening day, honors the desires expressed at several public community meetings, while serving the broader community of entertainers, educators, civic leaders and citizens. The Lyric Theatre shall also skillfully integrate for-profit business practices and principles into it's artistic mission.

The facility is located in a racially diverse area of town. Prominent African American churches and funeral homes are nearby, as well as a new elementary school, community centers, the Urban League and a medical facility operated by the University of Kentucky.

It is located within walking distance of a number of new housing developments spanning from the Midland Avenue/3rd street area, to the lofts being built on and near Main Street. It is in walking distance of the new CentrePointe Development. The facility is also in close proximity to the campuses of the University of Kentucky, Transylvania University and the future site of the BCTCS campus.

The Lyric Theatre is uniquely positioned to be a cultural hub of activity for our city's many diverse populations. The Lyric Theatre activities will exemplify practices of inclusion by bringing together community members, arts organizations, business entities and educational efforts. Through this facility, we will demonstrate that honoring the historic past of a people, gives a strong foundation upon which to build a more positive community for the future.

The Lyric Theatre is located in an area rich with African American History. This history converges with the history of the broader community. The second horseracing track, in this the *Horse Racing Capitol of the World*, was located in the community near the Lyric Theatre location. The African American Museum portion of the facility is uniquely positioned to include this and other regional history of African Americans and Kentuckians alike.

There is also ample exhibit space for a variety of permanent and traveling exhibits of various genres recognizing a great diversity of many cultural and community perspectives.

The facility features two performance spaces. The first is the 550 seat theatre located in the renovated historic building. It will have an expanded stage which accommodates music and dance performance, plays, film/video screenings, and speakers.

The smaller performance area and multi-purpose space, located in the new building extension, accommodates audiences of 145-180. If Chairs only should accommodate a maximum of 300.The staging area is suitable for poetry performance, dance, musicians, disc jockeys and speakers. This same space will be used for receptions, meetings and other gatherings.

LYRIC THEATRE

FACT SHEET

Lyric Theater Thumbnail History
- Operated 1948 – 1963
- 2nd District Retirees Activate – 1990
- Lyric Project Embraced – 1992
- Brazley Brothers Report – 1993
- State Cultural Facility MOU – 1997

LFUCG Acquisition of Theater Property

The theater was acquired through an eminent domain proceeding that began April 30, 1997 and was concluded on September 27-28, 2005, more than 8 years in length. During this time frame the building suffered significant further deterioration.

Memorandum of Understanding (MOU) Timeframe

Acquisition of the property set into motion a timeframe for completion that is outlined in a MOU with the state (see below). The MOU timeframe is as follows, (with specific dates projected and added in):

- July 27, 2005 — Theater Acquired
- August 3, 2007 — Plans to State
- January 27, 2008 — Begin Construction
- January 27, 2010 — Complete Project

Penalty for non-compliance is $500 per day beyond timeframe ($15,000 per month / $182,500 per year).

Memorandum of Understanding (MOU) with Commonwealth of Kentucky

Originally dated January 22, 1997, and amended June 28, 2002, with regard to the Lyric Theater facility The MOU addressed a number of cultural facility projects and investments to be undertaken by the Lexington Fayette Urban County Government (LFUCG) in lieu of a central facility at the former Ben Snyder block. All projects have been completed except for the Lyric Theater, due to the lengthy legal process of acquiring the facility through an eminent domain proceeding. Under the MOU, the theater is to be restored as an African American museum. Minimum LFUCG investment is $1 million *(1995 dollars)*; LFUCG has set aside $1.26 million already, used primarily to acquire theater ($240,000), adjacent property ($295,000), and pay for professional services ($350,000 architectural; $25,000 legal; $55,000 programming / business plan; $6,000 engineering / appraisal).

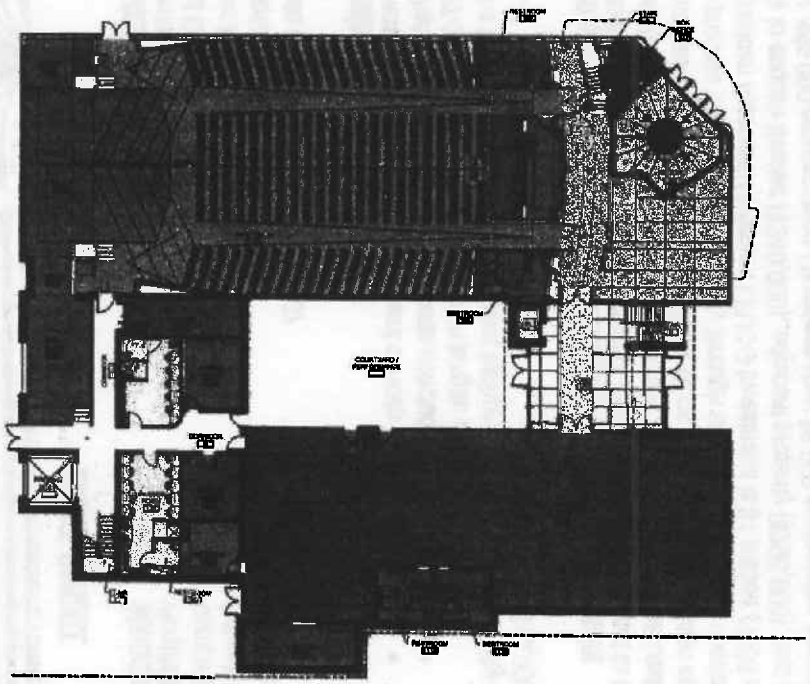
Lyric Theater Task Force / Public Input Process

The Lyric Theater Task Force was appointed in October, 2005 and charged by LFUCG to develop a long-term sustainable plan for the theater property in compliance with the MOU terms and provisions. The stated mission of the Lyric Theater Task Force is *"to bring forth an exciting facility redevelopment plan that reflects and respects the theater's rich African American cultural heritage, while providing a slate of sustainable new opportunities for community use of the facility that complies with the governing state agreement"*. The task force's initial report was issued to the LFUCG Council on October 10, 2006. The $6 million conceptual design presented was approved unanimously by formal resolution. The original 1995 investment amount under the MOU is clearly not enough to do a viable redevelopment of the theater as a community cultural facility. It is also clear that a stand-alone African-American Heritage Museum at this location would likely not be able to survive. To generate a sustainable facility for the long-term, several community needs would have to be met through the project. Thus the redevelopment concept that gives the best chance for success includes live performance theater (550 seats), African American Heritage museum, and a substantial amount of community flexible space. The building design will also be LEED Certified (a green building), the first such project for LFUCG. Task Force activities to date include:

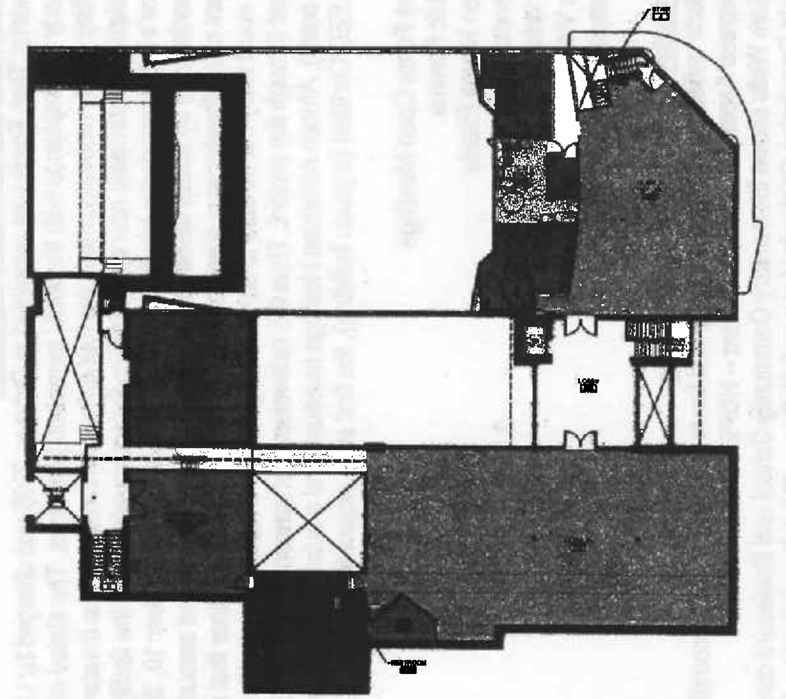
- Task Force Open Meetings — 36
- Public Forums — 6
- Open House Events — 5
- Attendance — 2,900
- Technical Studies / Reports — 4
- Site Visits / Facility Consults — 7
- Newspaper Articles / Editorials — 11

Current & Ongoing Related Community Efforts

Additional efforts underway in the community that focus importance on the completion of the Lyric Theater:
- Bluegrass Aspendale Redevelopment – HOPE VI
- William Wells Brown Elementary Community School and Boulevard connecting Midland to Loudon
- Knight Foundation Center for Legacy Initiatives – Third Street Corridor from Elm Tree Lane to Midland
- Isaac Murphy Community Garden – Bill Strickland program expansion
- Downtown Master Plan – Lyric Property represents NE corner connecting downtown to neighborhood
- LexArts Long Term Cultural Facilities Plan – Lyric has unique niche and can complement other facilities



1 A1.0 FIRST FLOOR PLAN & SITE



2 A1.0 SECOND FLOOR PLAN & SITE

PROGRAM LEGEND

- THEATRE
- STAGE
- DRESSING ROOM
- SUPPORT SPACES
- GREEN ROOM
- MUSEUM
- MULTI-PURPOSE SPACE
- LOBBY
- RESTROOMS
- CIRCULATION
- LIGHTING & PROJECTION
- CONCESSIONS
- TICKET BOOTH
- OFFICE

Tate-Hill-Jacobs: Architects
346 East Main Street • Lexington • Kentucky • 40507
Telephone 859•252•5894 Facsimile 859•253•1607

REFERENCE FLOOR PLANS
LYRIC THEATRE RENOVATION & ADDITION
300 East Third Street
LEXINGTON, KY 40508

A1.0

AMS
PLANNING & RESEARCH
for the Arts and Entertainment Industries

Lyric Theatre – Lexington, Kentucky
Business Plan

Commissioned by Lexington Fayette County Urban Government (LFUCG)

FINAL SUMMARY REPORT
January 2009

Connecticut
Missouri
California

ams-online.com

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CONTACT INFORMATION

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I. Introduction

Background[1]

The Lyric Theatre was opened in December 1948 at 300-306 East Third Street. The theatre was constructed in an area almost exclusively occupied by African American residencies and businesses, and was marketed as a new entertainment facility for the African American community. Due to the prevailing cultural practice of segregation at the time, and the limited opportunities that existed for African Americans to participate in the social and entertainment life of the community, this theatre quickly became a crown jewel for African American society. The theatre featured first-run movie releases, live entertainment provided by almost every great African American artist of the time, as they traveled the circuit between major cities such as Chicago and Atlanta, and a variety of community activities such as beauty pageants and other celebrations. It became known in the life of Lexington's African Americans as "the place to see and be seen."

The theatre operated for a bout a dozen years as a cultural magnet, before beginning to fall into lesser demand. With the advent of civil rights legislation in the late 1950s/early 1960s and the accompanying changes to cultural practices and traditions, venues that had been historically off-limits to African Americans were now open. With the large increase in entertainment choices and options, the Lyric Theatre no longer received the same level of support and interest from the African American community, and began a period of decline. It was finally closed in 1963 and has sat dormant since that time.

In the 1980s Lexington Fayette Urban County Government (LFUCG) reached an agreement with the Commonwealth of Kentucky for construction of a major downtown cultural center. Over time, the location for this proposed facility became instead the site of the new Fayette County Courthouse. In the process of changing its agreement with state government, LFUCG committed to fund and provide a number of stand-alone cultural facilities in lieu of one major center. The Lyric Theatre is one of the projects committed to under the new agreement with the state. Initial funding has been provided, which was partially utilized to acquire the property through a contentious eminent domain proceeding with the prior owner. The prior owner had, over the course of the past few years, stripped the facility back down to a shell, removing almost all of the original historical fabric of the theatre. A new roof was provided, but not before damage from the elements had taken a significant toll. LFUCG acquired title to the property in September 2005.

Although on a historical time-frame the theatre's initial run was relatively short-lived, the significance and importance of the Lyric Theatre to the African American

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[1] From the Lyric Theatre Multi-Purpose Arts Facility RFP, January 31, 2008, issued by LFUCG

community is extremely high. It stands as a symbol of African American society and success under a former way of life, now passed. But the remembrance of that time and the desire to see the theatre stand again in honor of its African American heritage, only now as a new multi-purpose arts facility for the entire community, is very strong.

Memorandum of Understanding (MOU) with Commonwealth of Kentucky

Originally dated January 22, 1997, and amended June 28, 2002, with regard to the Lyric Theatre facility The MOU addressed a number of cultural facility projects and investments to be undertaken by the Lexington Fayette Urban County Government (LFUCG) in lieu of a central facility at the former Ben Snyder block. All projects have been completed except for the Lyric Theatre, due to the lengthy legal process of acquiring the facility through an eminent domain proceeding. Under the MOU, the theatre is to be restored as an African American museum.

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The Lyric Theatre Task Force was appointed in October 2005 and charged by LFUCG to develop a long-term sustainable plan for the theatre property in compliance with the MOU terms and provisions. The stated mission of the Lyric Theatre Task Force is "to bring forth an exciting facility redevelopment plan that reflects and respects the theatre's rich African American cultural heritage, while providing a slate of sustainable new opportunities for community use of the facility that complies with the governing state agreement".

The Task Force's initial report was issued to the LFUCG Council on October 10, 2006. The $6 million conceptual design presented was approved unanimously by formal resolution. As the initial report states, the original 1995 investment amount under the MOU is clearly not enough to do a viable redevelopment of the theatre as a community cultural facility. It is also clear that a stand-alone African-American Heritage Museum at this location would likely not be able to survive. To generate a sustainable facility for the long-term, several community needs would have to be met through the project. Thus the redevelopment concept that gives the best chance for success includes live performance theatre (approximately 550 seats), African American Heritage museum, and a substantial amount of community flexible space. The building design will also be LEED Certified (a green building), the first such project for LFUCG. Task Force activities prior to this study included:

☐ **Task Force Open Meetings**	**28**
☐ **Public Forums**	**6**
☐ **Open House Events**	**4**
☐ **Attendance**	**1,900**
☐ **Technical Studies / Reports**	**4**
☐ **Site Visits / Facility Consults**	**7**
☐ **Newspaper Articles / Editorials**	**10**

The Approved Concept

As of May 2008 the program for the renovated Lyric Theatre calls for an addition of 16,000 square feet to complement the existing building of 13,000 square feet, for a total gross building area of 29,000 square feet. An outdoor courtyard of about 2,000 square feet is also included. The building will consist of:

- A 588-seat theatre
- A 2,000 square foot Museum (on second floor of new building, with African-American themed permanent exhibits and space for traveling exhibitions)
- A multi-purpose room of approximately 3,800 square feet
- Public and support spaces (restrooms, box office, backstage, dressing rooms, green room, kitchenette, museum store)

Business Plan

AMS Planning & Research was retained by Lexington Fayette County Urban Government (LFUCG) to undertake a Business Plan for the renovated Lyric Theatre.[2] Working under the direction of LFUCG staff and the appointed Task Force, the study consisted of:

- a series of interviews with civic, community, and arts/cultural leaders
- an assessment of the "competitive" (and complementary) venues in the market
- demographic and lifestyle analysis of the resident population
- an assessment of prospective "user" (e.g., theatre renter) needs for the venue
- a series of case studies with comparable theatres and African-American cultural centers
- a series of planning meetings with the Lyric Theatre Task Force
- development of alternative operating scenarios and a stable year pro forma budget for a preferred scenario

[2] It is important to note that AMS's engagement did not call for any analysis or judgment as to the feasibility or viability of the Lyric Theatre project. The consultants were directed to prepare a series of operating scenarios for the preferred building concept which had been determined by LFUCG, the project architect, and the Lyric Theatre Task Force.

General and Limiting Conditions of this Report

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this report; however, factors exist that are outside the control of AMS that may affect the estimates and/or projections noted herein. Estimates, assumptions and other information for the plan have been developed by AMS based on information provided by the LFUCG, the project architect, and from independent research efforts as well as our knowledge of the industry. No responsibility is assumed for inaccuracies in reporting by the client, or any other data source used in preparing or presenting this plan. This report is based on information that was current as of December 2008 and AMS has not undertaken any update of its research effort since this date. All operating cost and revenue estimates are in 2008 dollars.[3]

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[3] Because future events and circumstances, many of which are not known as of the date of this report, may affect the estimates contained therein, no warranty or representation is made by AMS that any of the projected values or results contained in this plan will actually be achieved. Possession of this report does not carry with it the right of publication thereof or to use the name of "AMS Planning & Research" without first obtaining the prior written consent. No abstracting, excerpting or summarization of this report may be made without first obtaining the prior written consent of AMS. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of AMS. This plan is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

II. Leadership Interviews

Interviews with a selection of key civic and community leaders revealed a series of issues that were considered during the planning process, summarized here:

The Community

- The Lyric Theatre is seen as a major component of the Third Street Corridor project, being supported through the Knight Foundation's Legacy Initiative funding as part of the community's preparation for the 2010 World Equestrian Games. Encompassing some $40-50 million in investment, with the Lyric at one end of the project boundary, the corridor includes:
  - William Wells Brown Community School (will have ~23%+ space devoted to community use, including kitchen and computer room)
  - Isaac Murphy Memorial Art Garden
  - Charles Young Center – formerly used for Parks & Recreation activity, there is currently a planning process underway to help determine its future use
  - East End Small Area Plan (underway, by EHI Consulting) falls within Third Street Corridor area
- Downtown development is a prominent aspect of Lexington's current arts/cultural focus, with new housing, retail, and multi-use projects complemented by a downtown Streetscape project (installing new sidewalks and other improvements by 2010)

- We received many, many positive comments about the Lyric Theatre project, its significant place as a cornerstone of the Third Street Corridor revitalization, and its importance to Lexington's African-American community. Comments from our interviewees (that we did not include in our summary) included sentiments such as:
  - "The facility is seen as an icon for the community"
  - "It will be good to have jazz at the Lyric because people will be excited to attend in a place where it once was offered"
  - "There are lots of creative people in the neighborhood who would use the space"
  - "Now is a good item for the renovation"
  - "I've been impressed with the inclusiveness of the process and with the meetings about the theatre being held in the area of the theatre. Those running the show have been good listeners."

Arts & Culture

- Many of those interviewed discussed the track record and general fiscal health of several other Lexington-area museums/cultural projects, and specifically, those that were funded under the same MOU between the city and state:

    - The UK Basketball Museum (funded through the MOU) recently announced its impending closure after 10 years. It was generally described as being in poor location (high traffic only 15 nights/year during basketball games), having few community ties, coupled with unrealistic attendance projections (anticipated 100,000/year and saw 27,000 visitors last year).

    - The Lexington History Museum at the Old Courthouse is also reportedly struggling; the building requires some $10-15 million of renovation work, and the Museum is widely seen as not working there.

- A few people spoke about community festivals that take place in the Lyric Theatre neighborhood:

    - The annual Roots & Heritage Festival (early September) has a $100,000 budget (including in-kind contributions) and draws up to 50,000 over two days, featuring two outdoor stages

    - A Martin Luther King Festival is held each February

Competitive

- Most interviews included comments about the "competitive" (and/or complementary) situation with regard to other performance and exhibit venues in the Lexington area. The consultants, with the assistance of city staff, began developing an inventory of performance spaces, which led several to question whether or not many performance spaces are accessible by/rentable to other arts groups. There is a widespread perception that many of the venues are heavily scheduled by resident companies leaving few available (and/or desirable) rental dates. Comments about some specific venues included:

    - The 816-seat Kentucky Theatre features several concert series and first-run films, overseen by KT Management group.

    - The 1,027-seat Opera House is operated by the Civic Center Corporation (an arm of LFUCG). It is reportedly the only union house and is currently undergoing a multi-million dollar renovation (seats, etc.). There are funds available (source, amount unknown) to subsidize its use for community-based arts groups.

- The Dame – a downtown night club situated on a block that might be redeveloped, bringing into question its future programming/location.
- A few commented that some recently-built large suburban churches are well-equipped with sound, lights, projection screens, etc.
- The Lexington Children's Theatre building (approx. 39,000 square feet) has annual occupancy costs (utilities, maintenance, etc.) of about $100,000. The theatre company operates with 12 full-time staff which does not include a facilities or maintenance manager
- A few interviewees reported there was some discussion in the community about the need for a new performing arts center in the 3-3,500 seat range.
- There is a new privately-owned banquet facility nearby in a former funeral home, and other banquet/event sites in the community (two country clubs, hotels, Bluegrass Hospitality restaurants with private rooms Sal's, Malone's, etc.)

- A report by the Downtown Entertainment Task Force is expected shortly, which is expected to address primarily issues of liquor licenses, entertainment venues, downtown parking, and other related issues.

Project Concept & Prospective Users

- Many spoke of the Lyric theatre building's rich history – built in 1948 with no balcony (as opposed to segregated balconies), it was a tour stop for many prominent black entertainers. Closed since 1963, fewer and fewer remember it as an active venue.

- Many of those interviewed expressed serious concerns about the availability of parking near the venue. Views range from "people will manage to find parking, as they always do during the Roots & Heritage Festival" to "people will not want to walk even a few blocks from a parking spot to the Lyric, especially after dark."

Parking problems

- As it regards the proposed museum/exhibit component of the Lyric project, several described a potential interpretive "hook" as being the history of African-American horse industry workers (e.g., jockeys, trainers, etc.) many of whom were from the Lyric Theatre neighborhood since the community's original race track was nearby at the site of the new community school. One suggested that the UK Museum Studies Program might represent a potential partner in terms of archives/museum component of the Lyric project.

- It is important to note that the consultants interviewed several community and civic leaders who don't believe the Lyric project is sustainable or drive at all by "need," but rather, by "emotion and nostalgia." There are some very strong sentiments and arguments against the project; many express serious caution/reservations.'

- A great many of those interviewed expressed the sentiment that "we don't need another community center or 'rental house,'" suggesting that the Lyric Theatre project must identify producing and/or presenting arts/cultural organizations as programmers rather than rely solely on rentals and community types of uses for a multi-purpose space.

- Each of the interviews included a question about potential future programming, uses and/or users of the Lyric, with several suggestions (to be confirmed, augmented by Prospective User Survey also underway by AMS):
    - Is there an opportunity for rental of social dancing space (e.g., contra dancing draws ~100 every Friday to Arts Place rehearsal room)
    - Some suggest local jazz musicians are in need of a venue/club
    - The annual Fashion Show produced at the Holiday Inn draws some 500
    - The African-American Forum-sponsored African American Ball draws ~900-1,000 at the Civic Center (not a likely Lyric use)
    - The Annual Urban League Dinner at the Civic Center draws ~700 (not a likely Lyric use)
    - The Urban League Young Professionals Gala (around NYE) is typically held at a hotel drawing ~400 (not a likely Lyric use)
    - The African-American Forum rented the Opera House for a recent Najee concert
    - The Black Achievers group has most recently used the auditorium at Transy
    - The Charles Young Dancers (30-40 kids, 500 costumes) have reportedly lost their home at the Charles Young Center and are in need of performance and/or rehearsal space
    - Other ideas on prospective users/uses:
        - Potential for "LexJam3" with roots music
        - Latino Festival
        - Film
        - Mecca Dance Group
        - Lexington Ballet
        - Fraternity Unity Breakfast (currently at Heritage Hall)

- Some suggested that Fayette County public schools might be a logical partner in the Lyric project, but there are differing opinions with respect to whether or not most/all schools have suitable performance spaces and/or would consider use of an off-site venue. Some noted that Dunbar HS has a wonderful performance space while most elementary schools have gyms with stages. The Honors Choir was noted to perform one off-site concert each y ear in a church or at Singletary at UK.

- A few other specific issues were introduced by interviewees:
  - The idea of flexible (as opposed to fixed) seating concept piqued the interest of several community leaders as a potentially distinguishing factor that might help the Lyric find a niche among performance spaces in the region
  - There is significant concern that there is no strong arts presenter in town; while the Opera House does 5 Broadway shows, almost all of the rest of its activity are rentals.
  - A few spoke of their desire to "re-envision use of the multi-purpose space as more of a 'living laboratory' with cooking classes, integrating visual art into the community," and so on rather than just programmable, flexible space for meetings, events, and so on.
  - Some suggest street-level retail should be included to help assure on-going street level activity at the building.
  - One interviewee noted her strong opposition to the sale of alcohol at the Lyric.

Potential Models

- Several committee members and/or leadership interview participants noted other African American museums and/or cultural centers, and/or other arts facilities, as potential models for the Lyric, many of which had been personally visited.
  - Madame CJ Walker Center, Indianapolis, Indiana
  - Muhammad Ali Center in Louisville, Kentucky
  - National Underground Railroad Freedom Center in Cincinnati, Ohio
  - Jazz and Negro Leagues Museums in Kansas City, Missouri
  - GW Carver Museum in Austin, Texas
  - Apollo Theatre in New York City
  - Theatres with African American programming (e.g., Bogart in Cincinnati, Park West in Chicago, etc.)

Key Observations and Issues

From the interviews a series of key themes begins to emerge:

- The appropriate mix of programming at a 588-seat renovated Lyric Theatre is a major question for many in the community who assume a mix of produced, presented, and rental events at the venue. **The theatre's potential to occupy a programming niche, both within the African-American community, and within Lexington's overall cultural ecology, is an important question to be addressed through the Business Plan process.**

- The specific functions of the proposed Multi-Purpose Room (currently 3,872 square feet) are another source of concern for many in the community who expressed the sentiment that "we don't need another community center" given the nearby Charles Young Center (exploring its own future re-use options), and the "widespread availability of community meeting and event rooms" at Community Ventures, the Library, the new community school, and other buildings. Whereas many would hope the multi-purpose space might be an ideal location for African-American social events, many of these programs are likely already too large for the Lyric's multi-purpose space (e.g., Balls, Dinners routinely drawing 400-1,000 people to area hotels). Or, smaller events (such as family reunions) often want the full service offerings of hotels (guest rooms, meeting rooms, catering, etc.).

- There were several key points made about the Lyric Theatre in relation to the programming, governance and operating models of other "MOU Projects" (e.g., Lexington History Museum, UK Basketball Museum) and other LFUCG-owned and/or operated cultural venues (e.g., Opera House, Artsplace, Downtown Art Center, Kentucky Theatre, etc.). Issues range from the wide variety of management agreements and financial arrangements (with LFUCG) to the overall need for a Facilities Masterplan covering potential efficiencies from shared management, marketing, and/or other services, and/or the establishment of a cultural district (that might include funding, marketing, operating, programming, or other components). **The stated expectation that the Lyric develop a "self-sustaining operating model" is seen as unrealistic by most given the local government's subsidy of most other cultural venues.**

III. Market Analysis

AMS undertook a demographic and lifestyle analysis of the resident population in the Lexington-Fayette CBSA (market area, as defined by the US Census Bureau), and Fayette County proper, along with data for the state of Kentucky. The following chart illustrates key demographic measures:

SUMMARY OF KEY DEMOGRAPHICS			
Variable	Fayette County	Lexington-Fayette CBSA	State of Kentucky
2007 Estimated Population	270,396	436,861	4,215,340
2000 Population	260,512	408,326	4,041,769
Median Age	35.1	35.6	37.5
% Generation Y (5-17 yrs)	21.1%	21.0%	20.3%
% Generation X (18-34 yrs)	31.3%	30.4%	27.9%
% Baby Boomers (35-59 yrs)	24.3%	25.0%	26.2%
% Mature (60+ Yrs)	10.7%	10.9%	12.9%
Median Household Income	$46,190	$47,263	$40,311
% over $75,000	23.2%	24.3%	18.8%
% with College Degree	36.7%	30.3%	17.4%
Households with Children	29.8%	33.0%	35.2%
% Black	13.5%	10.3%	7.4%
% Asian	3.0%	2.1%	1.0%
% Hispanic (all races)	5.2%	4.2%	2.1%

The MRI Profiles for arts activity in Lexington (where 100 = average) show that the population in the Lexington-Fayette CBSA rates only slightly lower than for Fayette county as a whole, but both the county and CBSA have higher indices for arts/cultural consumption patterns than does the state as a whole, as noted in the chart below.

Lifestyle Attribute	Fayette County	Lexington-Fayette CBSA	Kentucky State
Belong to an Arts Association (A)	89	85	72
Buy Classical Music (A)	93	87	79
Go to Live Theater 1yr (A)	98	91	79
Go to Museum 1yr (A)	95	93	80
Go to Rock/Pop Concert (A)	103	96	79
Go to Music/Dance Performance (A)	97	93	84
Interested in the Arts (A)	97	95	90

The consultants also looked at the Prizm lifestyle segmentation of households in the market area. According to Prizm, every household in the US is classified into one of 66 distinct segments based on product preferences, leisure activities, and other attributes. Data are drawn from US Census Bureau records (e.g., Age, Income, Race, Employment, Education, etc.); matters of public record (e.g., real estate, births/deaths, etc.), and through syndicated market research. (These data are provided for information purposes only and represent no judgment on market quality).

PRIZM NE PROFILE REPORT

Lexington-Fayette CBSA vs. State of Kentucky

Seg. #	Segment Title	Kentucky State Base Count	Kentucky State Base %Comp	Lexington-Fayette Analysis Count	Lexington-Fayette Analysis %Comp	%Pen	Index
9	Big Fish, Small Pond	32,479	1.9%	4,160	2.3%	12.8%	122
10	Second City Elite	13,533	0.8%	4,478	2.5%	33.1%	315
12	Brite Lites, Li'l City	[illegible]	0.7%	[illegible]	2.6%	41.7%	[illegible]
19	Home Sweet Home	24,630	1.5%	4,571	2.6%	18.6%	176
20	Fast-Track Families	39,099	2.3%	4,284	2.4%	11.0%	104
24	Up-and-Comers	13,884	0.8%	5,896	3.3%	42.5%	404
27	Middleburg Managers	26,477	1.6%	6,104	3.4%	23.1%	219
30	Suburban Sprawl	20,035	1.2%	4,382	2.5%	21.9%	208
36	Boomtown Singles	19,649	1.2%	9,592	5.4%	48.8%	464
41	Sunset City Blues	25,059	1.5%	5,500	3.1%	22.0%	209
47	City Startups	15,120	0.9%	11,265	6.3%	74.5%	709
48	Young & Rustic	53,548	3.2%	5,242	2.9%	9.8%	93
50	Kid Country, USA	30,989	1.8%	4,942	2.8%	16.0%	152
53	Mobility Blues	22,145	1.3%	5,568	3.1%	25.1%	239
60	Park Bench Seniors	15,941	0.9%	5,1[illegible]	2.9%	32.5%	309
	Total		21.4%		48.0%		

Brief descriptions of the top lifestyle segments are provided here:

- Segment 9: - Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, belonging to country clubs, maintaining large investment portfolios and spending freely on computer technology.
- Segment 10: - There's money to be found in the nation's smaller cities, and you're most likely to find it in Second City Elite. The residents of these satellite cities tend to be prosperous executives who decorate their $200,000 homes with multiple computers, large-screen TV sets and an impressive collection of wines. With more than half holding college degrees, Second City Elite residents enjoy cultural activities -from reading books to attending theatre to dance productions.
- Segment 12: - Not all of the America's chic sophisticates live in major metros. Brite Lights, Li'l City is a group of well-off, middle-aged couples settled in the nation's satellite cities. Residents of these typical DINK (double income, no kids) households have college educations, well-paying business and professional careers and swank homes filled with the latest technology.
- Segment 19: - A Widely scattered across the nation's suburbs, the residents of Home Sweet Home tend to be upper-middle-class married couples living in mid-sized homes with few children. The adults in the segment, mostly between the ages of 25 and 54, have gone to college and hold professional and white-collar jobs. With their upscale incomes and small families, these folks have fashioned comfortable lifestyles, filling their homes with toys, TV sets and pets.
- Segment 20: - With their upper-middle-class incomes, numerous children and spacious homes, Fast-Track Families are in their prime acquisition years. These middle-aged parents have the disposable income and educated sensibility to want the best for their children. They buy the latest technology with impunity: new computers, DVD players, home theatre systems and video games. They take advantage of their rustic locales by camping, boating and fishing.
- Segment 24: - Up-and-Comers is a stopover for young, midscale singles before they marry, have families and establish more deskbound lifestyles. Found in second-tier cities, these mobile, twentysomethings include a disproportionate number of recent college graduates who are into athletic activities, the latest technology and nightlife entertainment.
- Segment 27: - Middleburg Managers arose when empty-nesters settled in satellite communities which offered a lower cost of living and more relaxed pace. Today, segment residents tend to be middle-class and over 55 years old, with solid managerial jobs and comfortable retirements. In their older homes, they enjoy reading, playing musical instruments, indoor gardening and refinishing furniture.
- Segment 30: - Suburban Sprawl is an unusual American lifestyle: a collection of midscale, middle-aged singles and couples living in the heart of suburbia. Typically members of the Baby Boom generation, they hold decent jobs, own

older homes and condos, and pursue cocooning versions of the American Dream. Among their favorite activities are jogging on treadmills, playing trivia games and renting videos.

- Segment 35: - Affordable housing, abundant entry-level jobs and a thriving singles scene –all have given rise to the Boomtown Singles segment in fast-growing satellite cities. Young, single and working-class, these residents pursue active lifestyles amid sprawling apartment complexes, bars, convenience stores and laundromats.
- Segment 41: - Scattered throughout the older neighborhoods of small cities, Sunset City Blues is a segment of lower-middle-class singles and couples who have retired or are getting closed to it. These empty-nesters tend to own their homes but have modest educations and incomes. They maintain a low-key lifestyle filled with newspapers and television by day, and family-style restaurants at night.
- Segment 47: - In City Startups, young, multi-ethnic singles have settled in neighborhoods filled with cheap apartments and a commercial base of cafes, bars, laundromats and clubs that cater to twentysomethings. One of the youngest segments in America –with ten times as many college students as the national average- these neighborhoods feature low incomes and high concentrations of Hispanics and African-Americans.
- Segment 48: - Like the soap opera that inspired its nickname, Young & Rustic is composed of young, restless singles. Unlike the glitzy soap denizens, however, these folks tend to be lower income, high school-educated and living in tiny apartments in the nation's exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars and dating.
- Segment 50: - Widely scattered throughout the nation's heartland, Kid Country, USA is a segment dominated by large families living in small towns. Predominantly white, with an above-average concentration of Hispanics, these young, these working-class households include homeowners, renters and military personnel living in base housing; about 20 percent of residents own mobile homes.
- Segment 53: - Young singles and single parents make their way to Mobility Blues, a segment of working-class neighborhoods in America's satellite cities. Racially mixed and under 25 years old, these transient Americans tend to have modest lifestyles due to their lower-income blue-collar jobs. Surveys show they excel in going to movies, playing basketball and shooting pool.
- Segment 60: - Park Bench Seniors typically are retired singles living in the racially mixed neighborhoods of the nation's satellite cities. With modest educations and incomes, these residents maintain low-key, sedentary lifestyles. Theirs is one of

the top-ranked segments for TV viewing, especially daytime soaps and game shows.

Market Analysis Summary

The demographic and lifestyle analysis reveals a few key considerations for the Lyric Theatre project:

- The population in the CBSA, and in Fayette County in particular, is quite well educated, with 30% and 37%, respectively, holding at least an undergraduate degree, a measure often associated with arts participation.

- The African-American population in Fayette County (13.5%) and in the CBSA (10.3%) is relatively small (about 43,000 persons in the CBSA) compared to other markets in which African-American themed museums and cultural centers are located (see comparables section).

- Arts participation indices for the County and CBSA are close to national averages with most scores in the high 90s (100 being average).

- The most predominant lifestyle segments in the CBSA are Boomtown Singles (5.4%) and City Startups (6.3%); these two segments together account for nearly 12% of the market area population. These segments are noted for young, multi-ethnic singles, for whom entertainment and nightlife are important considerations. The segment descriptions make particular note of leisure activities that involve bars, cafes, and clubs that "cater to twentysomethings." The Lyric Theatre's programming approach should take these young singles into account in order to be successful.

- There are also segments of the population that fall into several young family segments (Home Sweet Home, Fast-Track Families, Middleburg Managers) for whom family-focused programming should be considered.

IV. Competitive (complementary) Venues

The consultants explored existing performance spaces in the area, and noted the following:

- Opera House, 1,027 seats – Reported to be very expensive for non-profit users given the union contract.
- Singletary Center Concert Hall, 1,487 seats, University of Kentucky – Most user groups reported that all UK venues are difficult to access for outside rentals given priority for University uses.
- Singletary Center Recital Hall, 383 seats, University of Kentucky.
- Downtown Arts Center Black Box, 250 seats – At 250 seats (along with other smaller venues, such as ArtsPlace and Carriage House Theatre), the Downtown Arts Center theatre is much smaller than the envisioned 588-seat capacity at the Lyric.
- Arts Place, 250 seats
- Carriage House Theatre, 110 seats
- Carrick Theatre, 270 seats, Transylvania University – As with the UK venues, performance spaces at Transylvania University are used for student and faculty events as priorities.
- Haggin Hall, 1,050 seats, Transylvania University
- Lucille Little Theatre, 150 seats, Transylvania University
- Kentucky Theatre, 816 seats – Primarily a cinema with limited stage capabilities, the Kentucky Theatre is rarely available for outside rentals given its contracts with film.
- State Theatre, 350 seats – Home to the Woodsongs program on Monday nights.
- Lexington Children's Theatre, 300 seats – Owned and operated by the organization itself, and rarely available for rentals.
- Lexington Public Library Theatre, 140 seats

This inventory of other performance venues in Lexington is provided for information purposes only. As noted earlier in the report, AMS's engagement did not call for any judgment on the feasibility of the Lyric Theatre project; it was

determined by the Task Force, LFUCG, and project architect, that the 588-seat capacity would make best use of the existing building.

That being said, however, AMS's research with prospective user organizations (including some commercial promoters) noted that the 588-seat capacity does fill a niche in the community, and may be very attractive to promoters of jazz, blues, and other specialty-music programming.

V. User Needs Analysis

AMS surveyed a range of potential arts/cultural and other community user groups (renters) for the renovated Lyric Theatre based on lists provided by LFUCG, LexArts, and members of the Lyric Theatre Task Force. (While our inquiry focused on uses for the 588-seat theatre, we also covered potential usage of the multi-purpose space. Given the Task Force's plans for exhibitions at the Museum space, we did not attempt to survey prospective users regarding renting the exhibition space.)

Initial emails were sent to 63 organizations and individuals, with three follow-up e-mail messages sent to non-responding groups. Almost twenty individuals and groups responded to these initial contacts with about half indicating no potential use for the venue. About 40 follow-up telephone calls were made to those who had not responded to the initial e-mail contacts, with an additional eight interviews conducted by phone.

Notes on Prospective Usage

Prospective users of the renovated Lyric indicated a range of specific needs by discipline:

- For Musical Theatre organizations, use will be dependent on the availability of fly space (for scenery handling), an orchestra pit and/or ample backstage and wing space
- For Vocal Music Concerts (choral), an orchestra shell and acoustics suitable for vocal music are important concerns
- For Dance organizations, a sprung wood floor and minimum stage size of 40 x 50 feet (to accommodate large casts and recitals) will be required for many prospective uses

Several organizations indicated no current or projected need for use of the Lyric Theatre performance space, due largely to having their venue needs met elsewhere (e.g., their own and/or smaller venues), and/or not having programs that require a theatre space. These groups include Cathedral of Christ the King Concert Series, Lexington Chamber Chorale, Southwind Drum & Bugle Corps, Jazz Arts Foundation, Center for Family & Community Services, Lexington Center for Old Music, and LexMark.

A few organizations were not able to specify prospective usage at this time. The African-American Forum noted its future use will be dependent on "the final configuration of the space, cost of using, and the flow of the space." Others, including the Lexington Vintage Dance Society and Kentucky League of Cities, indicated some possible interest but were not able to quantify their interest as of the time of this study.

Schedule of Projected Use

Of those organizations that did specify a number of prospective annual uses for performance, rehearsal and/or tech days, and/or meetings/events (in the multi-purpose room), the following chart illustrates the range (from low to high) in each of these categories:

Organization Name	Performance		Rehearsal/Tech		Meetings/Events	
	Low	High	Low	High	Low	High
Bluegrass Youth Ballet	5	7	4	5	0	0
Ctr. for Family & Community Svcs.	0	0	0	0	10	25
Friends of the Arts Schools	0	2	0	2	0	0
Kentucky League of Cities	N/A	N/A	N/A	N/A	5	10
Kentucky Repertory Dance Theatre	0	2	0	2	0	0
KY McTeggart Irish Dancers	2	5	5	10	0	0
Lexington Brass Band	2	4	0	0	0	0
Lexington Singers	3	5	25	30	0	0
Living Arts & Science Center	3	4	0	4	0	0
MLK Jr. Cultural Center	3	5	0	0	2	5
Roots & Heritage Festival	3	5	2	4	2	4
Paragon Music Theatre	8	24	12	40	0	0
Totals	29	63	48	97	19	44

Keeping in mind that these figures represent non-profit rentals only, we have identified between 29 and 63 annual performance dates in the theatre with an additional 48 to 97 rehearsal/tech dates. This projected schedule of use does not include commercial event rentals by concert promoters or presented events for which the Lyric Theatre management will assume financial risk. These additional categories of use are accounted for in the operating projections section of the report.

VI. Comparable Venues

Based on input from the Task Force and the consultants' own research, a number of venues were considered as possible comparables for case studies. The key criteria for selection as models included a performance space of around 600 seats (and/or renovation of an historic theatre) and programming with an African-American focus. In addition to those venues that we studied, a few others in larger markets and/or with larger auditoria were also considered, including the Madame CJ Walker Cultural Center in Indianapolis, with 935 seats, the Lincoln Theatre in Washington, DC, with 1,237 seats, and the Apollo Theatre in New York City with 1,506 seats.

A few smaller venues were also considered, but ultimately considered too small for good comparison, including the Douglass Theatre in Macon, Georgia (332 seats) and the 400-seat Ritz Theatre & La Villa Museum in Jacksonville, Florida.

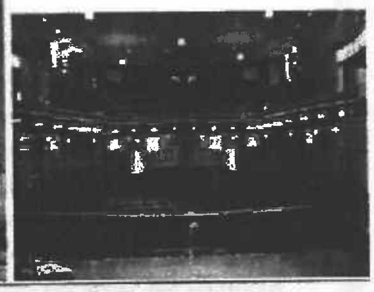
In the section that follows, key data for a selection of venues, aspects of which may serve as models for the Lyric in Lexington, are presented.

Morton Theatre, Athens, GA	
Market Size	177,237 (Athens-Clarke County CBSA)
Background	1910 vaudeville and movie theatre, renovated in 1980s by non-profit Morton Theatre Corp., with state and federal funds, and passage of special purpose local options sales tax. In 1993, Athens-Clarke County government took ownership and provides staff for theatre to function as a community performing arts center, while the non-profit Morton Theatre Corp. develops programming.
Seats	• 500 seats
Facility	• Theatre, conference room, and adjacent Pharmacy (available for concessions, receptions).

Staff	• 3 full-time staff (all employees of Athens-Clarke County government):
	  • Executive Director
	  • Technical Director
	  • Theatre Assistant

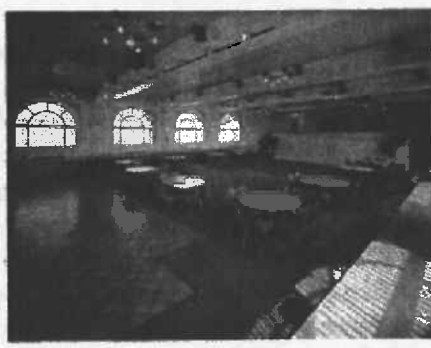
Budget	• Total operating budget = $126,000 (not including personnel expenses) • Athens-Clarke County budget provides $92,000, which covers maintenance, repairs, utilities, supplies, etc. • Morton Theatre Corp. budget is $34,000 • Sources of income are almost entirely rentals. 90% of rental income goes back into general county funds. • Other income sources are fees charged for contracted services (stagehands) and donations. Donations are currently minimal, but a future goal is to apply for more grants and increase those funds • County pays for major building maintenance, but requests have to

	get approved as part of overall budget, and the theatre's needs get placed low on the priority list
Governance	• Owned by Athens-Clarke County Government, part of Leisure Services Department, Arts Division. • Managed by the Morton Theatre Corporation, non-profit 501c3.
Presenting Season	• Morton Theatre is exclusively a rental facility. They do no programming or presenting (although they are looking into doing some presenting in the future, especially for the theatre's 100th anniversary in 2010).
Usage	• Theatre fills 160-170 days a year with rentals: local and regional performing groups, as well as a few national touring groups. Also some private parties, weddings, etc. • Since the theatre is busy enough with rentals, it's hard to justify the additional expenses of doing their own programming. • Theatre renters are primarily local arts groups; other renters include a touring national children's theatre group, weekly Sunday morning church service, and some University of Georgia groups. • Two groups that are also part of the Arts Division (Athens Creative Theatre Group and East Athens Dance Group) are regular renters and pay a reduced rate.
Educational Programs	• None offered
Other/Misc.	• Parking is an issue. They are downtown, without their own parking lot. The theatre partners with a nearby lot for their events (there is also some street parking). He strongly suggests developing a partnership with a parking facility operator, if the theatre doesn't have its own parking lot.

Images	 

King Arts Complex, Columbus, OH	
Market Size	1,733,942
Background	1925 Pythian Temple & Theatre, renovated in 1987-89
Mission	*To preserve and celebrate the cultural and artistic heritage of African-Americans and the African-American experience, while developing greater understanding and harmony among all people.*
Seats	• 444 seats
Facility	• Theatre, multi-purpose room (with small stage), dance studio, ballroom, boardroom, art gallery
Staff	• 14 full-time, 8 part-time includes ▪ Executive Director + 1 PT assistant ▪ Development Director + 1 PT assistant ▪ Finance Director + 2 PT assistants ▪ Marketing/Membership Director ▪ Performing Arts Director + PT box office assistant, contract technicians ▪ Education/Cultural Arts Director + 1 PT assistant, contract curator

	▪ Creative Arts Director ▪ Operations Director ▪ Facilities Director + 2 FT facilities crews + PT maintenance/custodial shifts • She feels staffing is too low. Given the amount of programming they do, she would like an additional person in each area. They are trying to cut back on programming to not over-extend staff (for example, doing fewer, larger art exhibits, and fewer concerts, but with bigger names, to draw more people to fewer events).
Budget	• Total operating budget = $1.45 million • Capital money (primarily state funds) has typically been easier to come by than operating funds. • Largest source of earned income is from facility rentals. • No regular source of public funds. They do get county funds for low-income enrollees in their camps (40% of enrollees are eligible), and also apply to local and state arts councils for grant funds.
Governance	• Private 501c3
Presenting Season	• Programming includes: First Thursday Concert Series, Jazz on the Avenue, local and touring artists, film series, outdoor summer concert series, special events (MLK Day open house, health & fitness expo), art exhibits in gallery (six changing exhibits, organized by King Arts Center and some traveling) • Approx. 50 programs/events presented annually including: o Aaron Diehl & the New York Connection o Byron and Blue: the Byron Stripling Quartet, featuring "Blue Lou" Marini o Muntu Dance Theatre of Chicago o B-3 Battleground: Tony Monaco & Gene Ludwig, & Gene Walker o Otis Sallid's Gospel!Gospel!Gospel! o A Soulful Christmas

Usage	• They have some regular renters of the theatre (Conservatory of Music, dance schools), but bulk of their rentals are private individuals or organizations holding receptions, parties, prayer breakfasts, etc. • They find that the size of their theatre limits rentals – it's often too small at 444 seats.
Educational Programs	• Children's arts classes and summer, winter, and spring break camps
Other/Misc.	• Membership program with benefits including discounts to performances and educational programs, invitations to special events, discounts for collaborative programs at the Wexner Center for the Arts
Images	  

Gem Theatre (American Jazz Museum), Kansas City, MO	
Market Size	1,977,557
Background	1912 movie house, renovated in 1997 by city.
Seats	• 512 seats
Facility	• Theatre, Mezzanine (decorated with classic photos of guest jazz performers), Board Room (seating capacity: 15-20), Meeting Room (seating capacity 75, with sound, lighting, a/v, retractable projection screen, wireless internet)
Staff	• 1 Full time Technical Director, hires technical staff on contract for each show, as needed • Several museum staff also have responsibilities for Gem Theatre (Event Coordinator schedules rentals, building and maintenance staff handle upkeep and cleaning, etc.)
Budget	• Programming budget for annual Jammin' at the Gem series = $125,000
Governance	• Gem Theatre is part of American Jazz Museum (private 501c3), funded within overall museum budget, and run by museum staff (whose duties include other museum functions as well as theatre).
Presenting Season	• American Jazz Museum's annual jazz concert series, Jammin' at the Gem (6-show series) • Season tickets ($210/$185 members) include 6 concerts, pre-show receptions with free glass of wine, invitations to AJM Jazz House Parties, registration to win CD package, Museum discounts.
Usage	• Rentals include community events, privately booked shows and theatre and dance productions
Educational Programs	• Offered by Museum's education department

Images	

Attucks Theatre, Norfolk, VA	
Market Size	1,661,759 (Virginia Beach et al CBSA)
Background	1919 vaudeville and movie theatre, owned by non-profit Crispus Attucks Cultural Center, which was formed to renovate theatre (with city and state funds). Reopened in 2004.
Seats	• 624 seats
Facility	• theatre, lobby, first floor meeting room, second floor banquet hall
Staff	• 2 full-time CACC staff: Manager, Assistant Manager • City Dept of Cultural Facilities, Arts & Entertainment staff serve Attucks Theatre along with other venues – Event Coordinator, Marketing Manager, cleaning crew, engineering and production crew
Budget	• Theatre is operated by city with city funding. Rentals cannot cover operating costs • City provides a subsidy to help balance budget ($275,000 in first season, $335,226 in second season, $468,398 in third season)
Governance	• Owned by non-profit Crispus Attucks Cultural Center; CACC employs city to book and maintain theatre; as part of original operating agreement, city will take over ownership of theatre in 2009. • The city's Department of Cultural Facilities, Arts and Entertainment runs the Attucks, as well as six other city-owned performing arts

	venues. (Scope Arena, Prism Theatre at Scope Arena, Wells Theatre, Harrison Opera House, Chrysler Hall, Harbor Park)
Presenting Season	• City presents Discovery Series (10 shows, 5 blues, 5 indie/folk) • CACC presents a few shows (e.g. "Black Nativity") • Other programming includes local/regional arts groups (Virginia Gospel Competition, Mid-Atlantic Black Film Festival), and touring bands (Over the Rhine, the Avett Brothers)
Usage	• CACC has arts incubator tenants (small community theatre, African Dance group), who use space for rehearsals and performances. • Theatre is primarily a rental house. • Facilities are rented for corporate, city functions, private events, weddings, etc.
Educational Programs	• Children's summer youth camps, workshops, classes.
Other/Misc.	• 2007 *Virginian-Pilot* newspaper article describes theatre's struggle to attract audiences and need for increasing city subsidies.
Images	

Presented Touring Artists

The Lyric Theatre Task Force was specifically interested in what touring artists were presented by the comparable venues studied and others that were considered for study. As noted earlier, most of the comparable venues present programming with an African-American focus due to the historical nature of the venues and/or the markets in which they are located. Therefore, many of the touring artists that are presented are African American or targeted toward an African American audience. They include:

- **Rachelle Ferrell**
- **Bobby "Blue" Bland**
- **Ahmad Jamal**
- **Porgy and Bess**
- **Parliament Funkadelic**
- **Neo Soul Artist KEM**
- **The Baba Ishangi African Dancers**
- **Jeffrey Osborne**
- **August Wilson's "The Piano Lesson"**
- **Alicia Keys**
- **Preservation Hall Jazz Band**
- **Omar Sosa**
- **The Swell Season**
- **Dianne Reeves**
- **Duke Ellington Jazz Festival**
- **Savion Glover**
- **Kirk Whalum (Saxophone)**
- **Wayman Tisdale (Bass)**
- **Bobby Blue Bland**
- **Dallas Black Dance Theatre**
- **Shangri-La Chinese Acrobats**
- **Patti LaBelle Concert gala**
- **Kentucky State University Concert Choir**
- **Complexions Contemporary Ballet**
- **Nilaja Sun's "No Child"**
- **Monterey Jazz Festival 50th Anniversary Tour**
- **Harlem to Hollywood: The Malik Yoba Experience**
- **An Evening with After 7 & Vesta**
- **A Tribute to James Brown**
- **Peking Acrobats**
- **Jazz at the Lincoln Center with Wynton Marsalis**
- **Philadanco**

Fees for presenting touring artists are always negotiable based on tour itineraries and other factors. The consultants explored costs for a selection of touring artists based on conversations with artist managers. Of those who were willing to quote specific artist fees and other expenses, we learned the following:

- Ahmad Jamal (who played the 400-seat Ritz Theatre) charges $18,000 per concert plus air fare (1 business class, 4 coach), a 4-5 star hotel for two nights (1 suite plus 4 rooms), ground transportation, catering and backline.

- The Dallas Black Dance Theatre (which performed at the Madame CJ Walker Center in Indianapolis) quotes rates ranging from $9,000 (full-concert performance) to $25,000 for a week-long residency.

African-American Themed Traveling Exhibits

In addition touring performing artists, the consultants sought to quantify the cost of traveling exhibitions of visual art and artifacts which are envisioned to be a cornerstone of the African-American "Museum" at the renovated Lyric Theatre. Costs and square footage requirements for several African-American themed exhibitions are presented here; most also require that shipping costs be paid in addition to rental fees, and most are for a 10-week loan period.

- Ancestry & Innovation: African American Arts from the American Folk Art Museum, requires 3,000 sq. ft. of exhibit space, cost is $25,000 for 10 weeks

- 381 Days: The Montgomery Bus Boycott Story, requires 3,500 sq. ft., and costs $5,000 for 10-weeks

- Freedom's Sisters occupies 2,500 sq. ft., and costs $3,500 for 10 weeks

- Let Your Motto Be Resistance: African American Portraits, requires 350 linear feet and costs $5,000

- Quilting African American Women's History consists of 50 quilts and costs $12,500

- Soul Sanctuary: Images of the African American Worship Experience requires 166 linear feet and costs $12,500

- Soul Soldiers: African Americans and the Vietnam War, 205 linear feet, $12,500

- In Concert: Photographs by Annette Brown, 300 linear feet, $4,000

- Color in Freedom: Journey Along the Underground Railroad, 190 linear feet, $6,500 for 8 weeks (plus shipping)

VII. Operating Projections

AMS prepared an operating plan for a stable year of operation at the Lyric Theatre, assumed to be the third year after opening. Working with the Lyric Theatre Task Force, we first explored three potential operating scenarios, based largely on information culled from the comparable venues studied. In all of the scenarios (and the preferred scenario, discussed below), LFUCG is assumed to be the building owner with the potential for contracting with a non-profit organization for operation of the venue (to be determined at a future date). In addition, per the Lyric Theatre Task Force and LFUCG staff, LFUCG is to cover the costs of building occupancy (e.g., utilities, maintenance, and insurance) estimated at approximately $188,000 annually.

1. The "Non-Profit Cultural Center" model of operation is based on average staffing levels from the three most applicable model case studies, those being the Attucks Theatre (Norfolk, VA), Morton Theatre (Athens, GA), and King Arts Complex (Columbus, OH). (The fourth model case study, of the Gem Theatre in Kansas City, MO, was not considered due to its being only one component of a much larger organization, the KC Jazz Museum). The chart below illustrates the respective staffing levels, annual budgets, and primary program activities of these three venues.

	Morton	Attucks	King
Staffing	3 Full-Time	2 FT plus City Staff - Event Coordinator - Marketing Manager - Janitorial	14 FT, 8 PT: - FT Dev't + Ass'ts - FT Finance + 2 Ass'ts - FT Facilities + 2 FT crew-
Budget	$325,000 approx.	$500,000 city subsidy plus other costs	$1.45 million
Programs	Rentals Only	Presenting and rentals	Presenting and rentals

The non-profit cultural center scenario is based largely on the Attucks staffing, budget, and programming levels, and calls for:

- Six full-time staff (Executive Director, Operations/ Technical Director, Marketing & Outreach Coordinator, Development Director, Administrative Assistant, and Event Services Manager)
- 12 presented events annually (at an average cost of $12,500 in artist fees)
- Expenses of $858,000, revenues of $283,000, leaving an annual shortfall of $574,000.

- After factoring in LFUCG subsidy of building occupancy costs (of $188,000 annually), the operating deficit drops to $397,000 (revenues covering 54% of expenses).

2. Based on direction from the Lyric Theatre Task Force, a scenario for a "Reduced Non-Profit Cultural Center" was developed, with reduced staffing and salary levels (e.g., from five full-time and two part-time staff, to three full-time and three part-time staff). In this operating model, expenses of $738,000 are offset by $471,000 in revenues, for an annual shortfall of $267,000 (revenues covering 64% of expenses).

3. A third "Primarily Rental Venue" scenario consisted of the same staffing levels as in Scenario 2, but with fewer presented programs (six annually) and more rentals by commercial promoters (55 annually). This model projects $634,000 in expenses and $532,000 in revenues, and an annual shortfall of $102,000 (revenues covering 84% of expenses).

Some Technical Assumptions

There are some important criteria with respect to the building itself that are assumed as part of any of the operating scenarios:

- The Lyric Theatre will require certain technical capabilities in order to host rentals by commercial promoters and to present a full range of touring artists. Professional sound, light, and rigging systems, and capable professional staff to operate these systems, are assumed.

- For some of the prospective commercial rentals, broadcast-quality sound and lighting grid, multiple power sources, and high-speed internet connections, will also be required.[4]

- Most prospective users, be they non-profit cultural organizations, touring artists, or commercial promoters, will require sufficient dressing room and other support space (e.g., green room). As an alternative to providing sufficient star and chorus dressing rooms, use of overflow space in the multi-purpose room may suffice, but will also limit rentals of the multi-purpose room when it is required for performer support.

[4] AMS was not able to review detailed technical specifications of the proposed renovation covering sound, lighting, and rigging systems, and other broadcast requirements (e.g., power sources, internet connections, etc.). The client is strongly encouraged to seek input from qualified theatre consultants and prospective users to ensure that the capital investment and technical specifications of the building are is sufficient to allow for these prospective uses.

- Many prospective users are careful to point out that their prospective rental of the Lyric Theatre is premised on the provision of parking options that are perceived as safe and convenient.

A Preferred Scenario

Based on a series of meetings with the Lyric Theatre Task Force, the consultants were directed to prepare an operating scenario for the Lyric Theatre to operate primarily as a rental venue, with minimal professional staffing, a modest presenting program, and the assumption of some 30 rentals by commercial promoters in a stable year of operation (essentially, scenario 3 with a more conservative estimate of commercial rentals). The details of this preferred scenario are discussed here:

Assumptions

Key operating assumptions include:

- Theatre rental rates of $1.00/seat per use (for local non-profit groups), $1.50/seat for other non-profits, $2.50/seat for commercial performances and $3.00/seat for commercial non-performance uses.

- Multi-purpose room rental rates of $250 for non-profits and $500 for commercial renters.

- Fringe benefit rates of 25% for full-time staff.

- Concessions averaging $3 per transaction, based on 50% of audiences purchasing concessions, and a 50% profit margin.

Expenses

- Building occupancy costs have been calculated at $6.49 per square foot including janitorial, utilities, maintenance (supplies and contracts), grounds and security, and insurance. At 29,000 square feet, annual costs total $188,000.

- Staffing consists of three full-time staff (Executive Director, Operations/Technical Director, and Marketing/Development Director) and four part-time positions (Administrative Assistant, Event Services Manager, Front-of-House Manager, and Box Office Manager).

- Contract staff persons paid hourly would include box office and front-of-house staff, stage-hands and stage managers paid on an hourly basis for performances and rehearsals.

- Administrative overhead includes publications, telephone and office equipment, supplies, dues and subscriptions and travel, at about $33,000 a year.

- Artist fees ($75,000) would cover about six touring artist presentations at an average cost of $12,500, plus marketing and production costs (an additional $45,000).

- An annual allowance of $25,000 for traveling exhibits would cover 2-3 shows each year.

- Total expenses, therefore, for a stable year of operation, are $628,000.

Revenues

- Theatre rentals totaling $104,000 annually would consist of about 85 non-profit performance rentals, 30 commercial performance rentals, and additional income from rehearsal and tech dates.

- A total of 48 multi-purpose room rentals (24 non-profit, 24 commercial) is projected to earn some $38,500 in a stable year.

- Ticket sales from presented shows would generate about $46,000 (with an average of 65% of capacity sold), and net concession income would be expected to return about $24,000. Box office ticket surcharges ($1 per ticket sold) are anticipated to return an additional $32,000 in income.

Total income of $470,674 (including $188,000 in building occupancy subsidy from LFUCG) compared to expenses of $628,027 leaves an annual operating shortfall of about $157,000 (revenues covering 75% of expenses).

As noted earlier, these projections would be for a stable year of operation; additional start-up costs would be assumed in the first few years (of $100-150,000 annually, based on the assumption that commercial rentals would grow over time as promoters became familiar with the Lyric as a rental venue), and during the fundraising and capital development period.

The chart below illustrates the summary operating pro forma for the Task Force-preferred scenario.

Lyric Theater, Lexington, Kentucky	
SCHEDULE 2: SUMMARY PRO FORMA	Stable Year
OPERATING REVENUES	
Rental Income	$148,870
Chargebacks & Cost Recovery	$31,238
Ticket Sales	$45,864
Concessions (Net Revenue)	$24,211
Box Office Ticket Charges	$32,281
LFUCG Occupancy Cost Subsidy	$188,210
TOTAL OPERATING REVENUES	$470,674
OPERATING EXPENSES	
Personnel	$230,111
Administrative Overhead	$40,800
Programming	$139,000
Occupancy	$188,210
Expense Contingency @ 5%	$29,906
TOTAL OPERATING EXPENSES	$628,027
Operating Revenue as % of Expenses	74.94%
OPERATING DEFICIT	$157,353

Job Descriptions

The preferred scenario calls for three full-time and three part-time staff positions, with other staff on contract and/or paid hourly (e.g., event services staff, front-of-house staff, and box office staff). The positions are as follows:

Full-Time Positions

- Executive Director
- Operations/ Technical Director
- Marketing & Development Director

Part-Time Staff Positions

- Event Services Manager
- Front-of-House Manager
- Box Office Staff

The following summary descriptions should be considered in light of these proposed staff positions.

Executive Director

The Executive Director has the overall operational responsibility for the Theatre-Museum complex including development, marketing, production, programming and facilities management. The Director's responsibility, and challenge, will be to ensure fulfillment of the Lyric's mission within its budgetary goals while serving user organizations and the overall community. In addition to the operational and budget responsibilities, the Director is actively involved in public relations and artistic supervision. Duties/responsibilities would include:

- Plans, organizes, directs, supervises and coordinates the operations and activities of the Lyric Theatre. Responsible for supervision and oversight of business operations including preparation of the annual budget; management of the box office and ticket sales systems; negotiation and execution of facility rentals and performance of other duties as required.

- Locates, attracts, and schedules the productions of performances/exhibits at the Theatre, negotiates all production contracts and agreements (for presented events and community renters).

- Supervises marketing activities and preparation of publicity regarding the Theatre's activities.

- Develops, recommends and implements long-range planning activities for the Theatre. Supervises the maintenance of facilities; prepares budget recommendations and controls expenditures.

- Provides supervision for the artistic direction of the Theatre. Develops and maintains positive relations with community groups. Coordinates the Theatre's activities with relevant LFUCG departments, community organizations, and other relevant entities.

- Manages and supervises support staff; oversees the financial activities and reporting; maintains master events calendar. Prepares report and studies as required.

- Represents the Lyric Theatre on citizen advisory groups, as assigned. Maintain a thorough knowledge of available community cultural arts resources.

- Participate in meetings, training, seminars, events, etc., as appropriate. Drive to distant sites, as well as local sites, as required. This position requires evening and weekend duties.

Operations/ Technical Director

The Operations/Technical Director supervises and oversees the technical side of the theatre and museum facility and is responsible for supervising technical setup and breakdowns, rehearsals, performances and performance turnarounds, from "load-in" to "load out." The Technical Director is proficient in areas, including lighting, sound and sets, as well as maintenance and repair, and represents a highly-skilled position to maintain and operate the sophisticated technology in the theatre and museum, and oversight for security, building systems (HVAC, etc.), management of contract maintenance staff, and other related functions. The Director will be the Theatre's principal liaison with its rental clients, charged with coordinating with the technical staff of facility users. Venue scheduling, logistical planning, and rental user contract administration and coordination will be among this director's responsibilities. Specific duties include:

- Responsible for the daily technical operation of the Theatre programs and projects including lighting and sound.

- Determines the necessary technical supports, such as lighting, sound, staging, and special needs, necessary for events and performances presented at the Theatre in advance of production dates.

- Designs, sets up, maintains, and operates lighting and sound systems for theatre, dance, music and other productions, classes, and events. Assists guest designers and artists with technical matters.

- Orients facility renters and visiting productions to safety, technical characteristics and other areas of facility operations; facilitates the use of the Theatre's technical facilities by resident companies and artists and others engaged by or renting the facility.

- Oversees local user groups in their assembly, construction, set design and/or modification of scenery for all theatre productions.

- Manages lighting and sound aspects for all theatre productions. Manages the technical aspects of productions and interface with external producers/directors.

Marketing/Development Director

The Marketing/Development Director is responsible for all marketing of presented performances taking place in the facility, as well as marketing of the facility as an entity (including its Museum and Special Event rental functions). The Marketing Director interfaces with an Advisory Board and other oversight bodies (e.g., LFUCG) to coordinate marketing materials for special fundraising events. Working with outside users to ensure the marketing materials are consistent with facility policies is also a Marketing/Development Director duty.

The Marketing/Development Director will work in close collaboration with the theatre's users and presenters to develop and promote the public image of the Lyric, direct press and media inquiries, develop the Theatre's website and collateral materials, market the venue as a rental facility, and initiate outreach programs. Other duties would include:

- Create, write and prepare publicity, including press releases, informational brochures, newsletters, web site and other communications in support of Lyric Theatre performances, exhibitions, and special events.

The Lyric Theatre will undertake annual fundraising to support its operations. This position coordinates all development activity, establishes long- and short-term development goals with Executive Director and identifies target sources of funding (e.g., corporate, foundation, government, etc.) While the Executive Director will play a significant role in the annual fundraising effort, the chief of Development is responsible for ensuring coordination of fundraising efforts, sharing resources and information, donor recognition and benefits.

The Marketing/Development Director also works on an annual season ticket campaign, special fundraising events, and a membership program.

Administrative Assistant

An Administrative Assistant assists the Executive Director, Marketing/Development Director and other professional staff with tasks as assigned that would include building scheduling, office management, meeting schedules, light bookkeeping, and project research.

Part Time Positions

Event Services Manager

In order to earn income from event rentals, a part-time event services manager is required to market and provide services to building renters. The Event Services Manager is expected to be "on duty" for all Lyric Theatre special events and multi-purpose room rentals. While not having direct responsibility for parking and security, the Manager will liaise with the appropriate government departments to ensure that parking and security services meet the demands of Lyric patrons.

Front-of-House Manager and Staff

The Front-of-House Manager schedules, coordinates and supervises ushers for performances, coordinates distribution of programs, assists patrons with special requirements, coordinates the start of performances with stage personnel, and coordinates general emergency procedures (fire evacuation, severe weather and power outages, etc.). Recruitment and coordination of volunteer ushers will be among the primary responsibilities of this position. The Front of House Manager will be charged with ensuring the quality of the overall customer experience, including donor services, ticketing, hospitality and fulfilling special accommodations, and supervising hourly house management staff.

Box Office Personnel

Box Office personnel maintain and operate the ticketing system, produce ticket sales reports and respond to patron issues. The Lyric is envisioned to operate and control ticketing for all presented activities held at the Theatre, and for some portion of rentals. Box Office staff will be responsible for ticketing, group sales, subscription, web sales, patron data management, event financial settlement, and overseeing hourly staff and/or volunteers. Box Office staff will be the liaison with the ticketing system vendor (contract services or in-house), other community point of sale locations, secondary market ticketing service vendors, and presenters and promoters for end-of-event settlements.

Other Potential Sources of Income

The consultants explored other potential sources of income to help offset expenses and lessen the anticipated annual operating shortfall. These are discussed below:

- Higher Theatre Rental Rates – The Lyric could increase the cost of renting the facility, but feedback from potential user groups (mostly local non-profit arts/cultural organizations) suggests concern about being able to afford to use the venue. For commercial promoters, familiarity and a comfort level with the building will reportedly take some time to nurture, so that market is unlikely to bear a higher cost of renting the facility (at least through its third-fourth year of operation).

- Higher Multi-Purpose Room Rental Rates – The Lyric will compete with area hotels and banquet facilities for special event rentals, and is at somewhat of a disadvantage in terms of proximate parking. (In addition, several of those who were interviewed for this study note that hotels often provide banquet rooms at no cost given the purchase of catering services and often a block of hotel rooms for family reunions and related events.) In addition, many of the other special event venues in Lexington have larger capacities, and are priced competitively:
    - $700 at Lebanese American Country Club
    - $500 at The Thoroughbred Center (seats 200)
    - $1,500 at Signature Club (seats 350)
    - $2,500 at Carrick House (seats 500)
    - $350/$125 (non-profit) at Arts Place

- Additional Theatre Rentals – The consultants undertook a fairly extensive survey of local non-profit arts/cultural groups and many organizations are finding their venue needs met at other locations. Additional theatre rentals may be possible but would likely require "access grant" subsidies.[5]

- Additional Multi-Purpose Rom Rentals – The projected event rentals of 4/month is already ambitious. More activity (especially simultaneous use of the multi-purpose room and theatre) will tax parking and would require additional Event Services staff.

- Sponsorships – The Lyric could offset some of the cost of its presenting series of touring artists through the development of corporate sponsorships.

- Annual Fundraising – The projected shortfall is based only on projected income earned through rentals, ticket sales and surcharges, concessions sales, and a subsidy of building occupancy costs by LFUCG. The Lyric Theatre would be eligible for a variety of contributed income sources from corporate, foundation, and individual giving.

- Concessions – The projections for concessions sales are already ambitious at 50% capture rate and 50% cost-of-goods-sold, and the consultants don't think it is likely that additional income can be earned in this area.

- Gift Shop/Retail – While some museum (and a very few Performing Arts Center) gift shops can be profitable, they tend to be in high-traffic urban areas. A modest gift shop at the Lyric would require staffing and is not likely to generate much revenue to offset costs.

[5] Some local arts agencies (e.g., arts councils) and local governments (e.g., Arlington County, Virginia) have funds available, on a competitive grant application basis, to subsidize use of performing arts facilities. Often referred to as "access grants," LFUCG may wish to consider this option in the future.

- Additional Programming – The Lyric could consider adding additional programming, such as film series. According to AMS's research, a film series would at best likely break-even, but with some additional income from concessions (that would likely be offset by additional staffing costs).

- Memberships – Another source of contributed income might be to offer Lyric Theatre memberships. The consultants could envision a scenario where 400 family members at $50/year could yield some $20,000 in income. Memberships would need to provide some benefits (i.e., discount tickets, special member events, etc.) and would require significant staff resources for marketing.

- Museum Admission Fees – As currently envisioned, the Lyric Theatre's African-American Museum would not charge an admission fee. The Lyric could institute an admission charge for school tours, groups and individuals, but other museums in the market (e.g., Lexington History Museum, UK Art Museums) currently offer free admission. The Lyric could charge only for special traveling exhibitions.

- Endowment Campaign – An endowment could be raised that might return up to 5% annually (although the recent economic downturn makes any future income difficult to estimate at this time). If an endowment of $1 million could be raised initially, and return some $50,000 annually, the Lyric would be facing an annual fundraising goal, separate from memberships, sponsorships, and an annual campaign, of about $105,000. An endowment of $2 to $2.5 million would essentially have the Lyric operating on a break-even basis after an annual contribution from the endowment interest.

- Preferred Caterer – Given that the Lyric's multi-purpose room will (along with its kitchenette) allow for special events and small banquets, management could enter into a contract with a preferred caterer (or more than one company) in return for an annual fee or percentage of catering income.

Pre-Stable Year Scenario

The operating projections are based on a "stable" year of operation, generally assumed to be the third year after opening. Based on AMS's research with potential commercial renters of the theatre, many suggest that highly discounted rental rates will be required during the initial years to build a base and comfort level with the building and its management. In the preferred scenario, rental income of approximately $65,000 is projected from commercial users (for performances, rehearsal/tech days, and non-performances) in the stable year. The Lyric Theatre should be advised that rental income in the first two years will likely not achieve this level; an additional $25,000-$75,000 in "access grant" subsidies may be required in order to make renters "familiar with the room" (as noted by one prospective commercial renter in Lexington). In addition, start-up development and marketing costs may total an additional $25-50,000 annually during the initial two years of operation.

VIII. Next Steps

The operating projections in this report are based on data from interested user groups, and input from the Lyric Theatre Task Force, but to our knowledge, no statistically-projectable market research has been undertaken to specifically determine the market's program interests, price thresholds, incentives and barriers for attendance. The consultants recommend that LFUCG consider commissioning a program of primary market research to adequately understand needs and interests of the overall market and specific segments, so that future Lyric Theatre programming has the best potential for success.

IX. Supporting Materials

Please note: A number of additional support materials and documents have been submitted under separate cover and are not included with this Summary version of the final report.

Lyric Theater, Lexington, Kentucky	
SCHEDULE 1: KEY ASSUMPTIONS	
PERFORMANCE SPACE ASSUMPTIONS	
Theater Seating Capacity	588
Theater Rental Rates	
Local Non-Profit Per-Seat Rent	$1.00
Other Non-Profit Per-Seat Rent	$1.50
Commercial Performance Per-Seat Rent	$2.50
Non-Performance (Corporate) Per-Seat Rent	$3.00
Multi-Purpose Room	
Non-Profit Rental Rate	$250.00
Commercial Performance / Banquet Rate	$500.00
Hourly Rehearsal Rate	$25.00
Gallery	
Reception (4 hour) Rate	$250.00
ECONOMIC ASSUMPTIONS	
Fringe Benefits Rate	25%
Contingency % of Operating Expenses	5%
Average Concession Transaction	$3.00
Concession Capture Rate	50%
Concession Contribution Margin	40%
BUILDING ASSUMPTIONS	
Square Footage	29,000
Occupancy Costs per Sq. Ft., calculated	$6.49

Lyric Theater, Lexington, Kentucky	
SCHEDULE 2: SUMMARY PRO FORMA	Stable Year
OPERATING REVENUES	
Rental Income	$148,870
Chargebacks & Cost Recovery	$31,238
Ticket Sales	$45,864
Concessions (Net Revenue)	$24,211
Box Office Ticket Charges	$32,281
LFUCG Occupancy Cost Subsidy	$188,210
TOTAL OPERATING REVENUES	$470,674
OPERATING EXPENSES	
Personnel	$230,111
Administrative Overhead	$40,800
Programming	$139,000
Occupancy	$188,210
Expense Contingency @ 5%	$29,906
TOTAL OPERATING EXPENSES	$628,027
Operating Revenue as % of Expenses	74.94%
OPERATING DEFICIT	$157,353

Lyric Theater, Lexington, Kentucky		
SCHEDULE 3: REVENUE SUMMARY		
	Reference	Stable Year
Facility Rental		
Theater	Utilization	$104,370
Multi-Purpose Room	Utilization	$38,500
Gallery/Lobby	Utilization	$6,000
Costs Recovered from Renters	Chargebacks	$31,238
Sub-Total, Facility Rental		$180,108
Other Operating Revenue		
Lyric Presentations Ticket Sales	Attendance	$45,864
Food/Beverage, Net	Concession/Box Office	$24,211
Box Office Ticket Charges	Concession/Box Office	$32,281
Sub-Total, Other Operating Revenue		$102,356
LFUCG Occupancy Cost Subsidy	Expenses	$188,210
TOTAL OPERATING REVENUES		$470,674

Lyric Theater, Lexington, Kentucky		
SCHEDULE 4: EXPENSE SUMMARY		Stable Year
Personnel	**Reference**	
Compensation - Staff	Staffing	$230,111
Sub Total, Personnel		*$230,111*
Administrative Overhead		
Printing Fees	Staffing	$4,500
Postage & Mailing	Admin Exp.	$4,500
Public Relations/Special Events		$7,500
Equipment/Supplies	Admin Exp.	$10,400
Travel, Subscriptions, Licenses	Admin Exp.	$8,500
Telephone	Admin Exp.	$5,400
Equipment Repair & Replacement		$5,000
Sub Total, Admin. Overhead		*$40,800*
Programming		
Artist Fees		$75,000
Production Costs		$20,000
Gallery Exhibits		$25,000
Marketing		$19,000
Sub Total, Programming		*$139,000*
Occupancy		
Janitorial		$45,530
Utilities		$54,520
Maintenance, Supplies, and Contracts		$36,250
Grounds and Security		$17,400
Insurances and Bonding		$34,510
Sub-Total, Occupancy		*$188,210*
TOTAL OPERATING EXPENSES		**$598,121**
Expense Contingency @ 5%		$29,906

Lyric Theater, Lexington, Kentucky

SCHEDULE 5A: THEATER RENTAL RATE SCHEDULE

Rate Code	Description	Capacity	Per-Seat Charge	Amount
1	Local Non-Profit - Performance Rate	588	$1.00	$588
2	Local Non-Profit - Non-Perf./Tech/Rehearsal	588	$0.50	$294
3	Commercial Rentals - Performance Rate	588	$2.50	$1,470
4	Commercial Rentals - Tech/Rehearsal/Non-Perf.	588	$1.25	$735
5	Convention Meetings/Lectures/Non-Perf. Uses	588	$3.00	$1,764

SCHEDULE 5B: OTHER SPACE RENTAL RATE SCHEDULE

Rate Code	Description	Amount
6	Multi-Purpose Room Non-Profit	$500
7	Multi-Purpose Room Commercial	$1,000
8	Multi-Purpose Room Hourly Rate	$25
9	Gallery 4 Hour Rental	$250

Lyric Theater, Lexington, Kentucky

SCHEDULE 6: RENTAL ADDITIONS / CHARGEBACKS

			Stable Year		
	Fee	Frequency	# of Events	Fee	Amount
Labor Chargebacks	$150	100%	119	$150	$17,850
	Fee	Frequency	# of Events	Fee	Amount
Custodial Fees	$75	100%	119	$75	$8,925
	Avg. Charge Per Event	Frequency	# of Events	Fee	Amount
Equipment Rental	$75	50%	119	$75	$4,463
TOTAL RENTAL ADDITIONALS					$31,238

Lyric Theater, Lexington, Kentucky

SCHEDULE 7: UTILIZATION SUMMARY	Stable Year	
	USES	Rental Charge
Theater		
TOTAL LYRIC PRESENTATIONS	12	$0
TOTAL NON-PROFIT USES	85	$39,690
TOTAL OTHER USES	44	$64,680
TOTAL - Theater	141	$104,370
Multi-Purpose Room		
NON-PROFIT RENTALS	24	$12,000
COMMERCIAL RENTALS	24	$24,000
Hourly Rentals @ $25	100	$2,500
TOTAL - Multi-Purpose Room	124	$38,500
Non-Performance Spaces		
GALLERY/LOBBY RENTALS	24	$6,000
TOTAL - NON-PERFORMANCE SPACES	24	$6,000
TOTAL EVENTS	289	
TOTAL RENTAL EVENTS / RENT	277	$148,870

Lyric Theater, Lexington, Kentucky

SCHEDULE 8: THEATER UTILIZATION PROJECTIONS	Rental Rate Code	Stable Year		
		Uses	Rental Rate	Rental Charge
Lyric Presentations - Performance	n/a	6	$0	$0
Lyric Presentations - Rehearsal / Tech	n/a	6	$0	$0
TOTAL NCC PRESENTATIONS		12		$0
Local Non-Profit - Performance	1	50	$588	$29,400
Local Non-Profit - Tech/Rehearsal	2	35	$294	$10,290
TOTAL LOCAL NON-PROFIT		85		$39,690
Commercial Rentals - Performance	3	30	$1,470	$44,100
Commercial Rentals - Tech/Rehearsal	4	4	$735	$2,940
Convention Meetings/Non-Perf.	5	10	$1,764	$17,640
TOTAL OTHER USES		44		$64,680
TOTAL PERFORMANCE DAYS		85		
TOTAL EVENT DAYS		141		$104,370

Lyric Theater, Lexington, Kentucky

SCHEDULE 9: THEATER ATTENDANCE PROJECTIONS	Avg. Ticket Price (2008 $$$)	Avg. % Sold	Stable Year: Adjusted Avg. Ticket Price	Stable Year: Projected Attendance	Stable Year: Projected Ticket Sales
Lyric Presentations	$25	65%	$20.00	2,293	$45,864
Local Non-Profit - Performance	n/a	60%	n/a	17,640	n/a
Commercial - Performance	n/a	70%	n/a	12,348	n/a
TOTALS				32,281	$45,864

Lyric Theater, Lexington, Kentucky

SCHEDULE 10: OTHER SPACE UTILIZATION PROJECTIONS	Rental Rate Code	Stable Year: Uses	Stable Year: Rental Rate	Stable Year: Rental Charge
MULTI-PURPOSE SPACE RENTALS				
Non-Profit	6	24	$500	$12,000
Commercial Reception	7	24	$1,000	$24,000
Hourly Rentals	8	100	$25	$2,500
TOTAL MULTI-PURPOSE ROOM RENTALS		148		$38,500
OTHER SPACE RENTALS				
Lobby/Gallery	9	24	$250	$6,000
TOTAL OTHER USES		24		$6,000
TOTAL EVENTS		172		$44,500

Lyric Theater, Lexington, Kentucky

SCHEDULE 11: CONCESSION SALES & BOX OFFICE REVENUE

		Stable Year: Tickets	Stable Year: Sales
TICKETS SOLD		32,281	$45,864

	Transaction Average	Capture Rate	Concession Sales
Food & Beverage			
Theater Patron Sales	$3.00	50%	$48,422
Contribution Margin		50%	$24,211

	Tickets	Box Office Share	Per-Ticket Charge	Revenue
Box Office	32,281	100%	$1.00	$32,281

Lyric Theater, Lexington, Kentucky	
SCHEDULE 12: ADMINISTRATIVE EXPENSE DETAIL	Stable Year
Overhead	
Telephone - (based on headcount)	$5,400
Postage & Mailing - Gen'l	$4,500
Printing & Copying, General	$4,500
Travel, Meetings, Mileage	$3,000
Publications & Subscriptions	$1,000
Memberships & Dues	$2,500
Licenses/Fees/Permits	$2,000
Office Supplies (based on headcount)	$5,400
Equipment Repair/Maint./Support	$5,000
TOTAL ADMIN. & FIN.	$33,300

Lyric Theater, Lexington, Kentucky			
SCHEDULE 13: STAFFING AND COMPENSATION	BASE SALARY	% Taxes & Benefits	Stable Year
Executive Director	$50,000	25%	$62,500
Operations/ Technical Director	$34,650	25%	$43,313
Marketing & Development Director	$38,500	25%	$48,125
Administrative Assistant (PT)	$15,000	12%	$16,800
Event Services Manager (PT)	$15,000	12%	$16,800
Event Services Staff (Hourly)	$9,000	12%	$10,080
Front-Of-House Manager (PT)	$4,128	12%	$4,623
FOH Staff (PT)	$12,384	12%	$13,870
Box Office Staff (PT)	$12,500	12%	$14,000
TOTALS	$191,162		$230,111

Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Key Demographic Indicators

	Fayette County	Lex-Fay CBSA	Kentucky
2007 Estimated Population	270,396	436,661	4,215,340
Age Analysis:			
# of Children, Ages 5-14	31,276	53,486	540,531
% Children, Ages 5-14	11.6%	12.2%	12.8%
# of Adults, Ages 35-59	94,992	155,091	1,498,288
% Adults, Ages 35-59	35.1%	35.5%	35.5%
# of Adults, Ages 60+	40,640	67,126	758,590
% Adults, Ages 60+	15.0%	15.4%	18.0%
2007 Estimated Households	114,894	178,724	1,699,590
Income Analysis:			
# of Households with Income > $75,000	26,702	43,362	319,683
% Households with Income > $75,000	23.2%	24.3%	18.8%
Median Household Income*	$63,608	$61,631	$48,607
***half above, half below**			
Average Household Income (mean)	$82,189	$77,347	$61,867
% 2003 Households Below Poverty	7.9%	8.0%	12.7%
Educational Attainment			
% Adults (25+) with Bachelors Degree or Higher	36.7%	30.3%	17.4%
Race/Ethnicity			
% Population Hispanic (independent of race)	5.2%	4.2%	2.1%
% Population Black/African American	13.5%	10.3%	7.4%
% Population Asian/Pacific Islander	3.0%	2.1%	1.0%
Marital Status & Children			
% Single	31.3%	27.5%	22.3%
% Married	52.8%	56.6%	60.0%
% Previously Married	15.9%	15.9%	17.8%
# of Households with Children	34,191	59,328	605,049
% Households with Children	29.8%	33.2%	35.6%
Travel Time to Work, 2007 Pop. 16+ Yrs.			
% Less than 15 minutes/Work At Home	427.8%	0.0%	4.0%
% 60+ Mins. Travel to Work	81.4%	0.0%	0.4%
Average Commute Time (in minutes)	*25.4*	*0.0*	*22.9*

Data reflect resident population only. Transient populations (e.g., seasonal residents, students) are not included. Data source: Claritas, U.S. Census, and updates.

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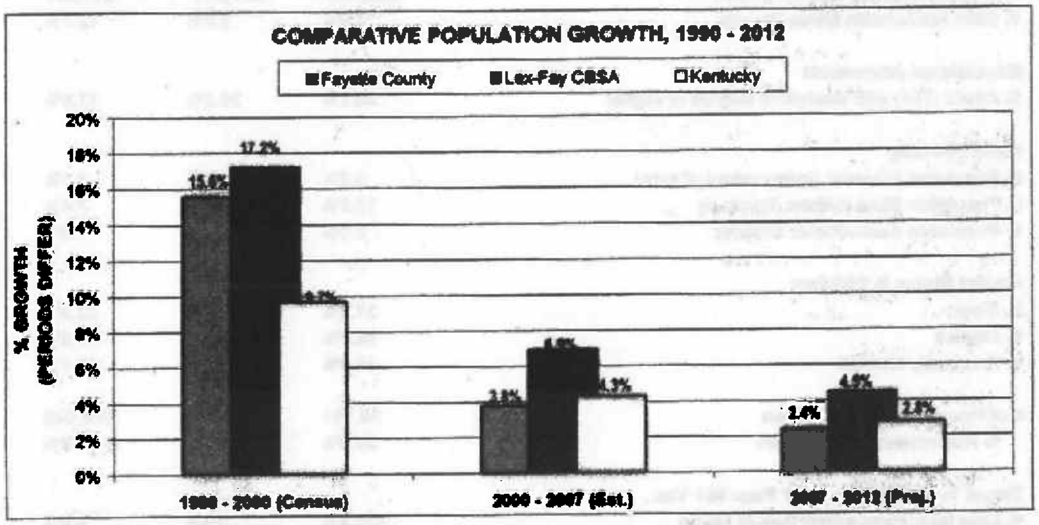
Population and Growth

	Fayette County	Lex-Fay CBSA	Kentucky
POPULATION			
2012 Projection	276,993	456,306	4,333,290
2007 Estimate	270,396	436,661	4,215,340
2000 Census	260,512	408,326	4,041,769
1990 Census	225,366	348,428	3,685,296
Growth 2007 - 2012	2.4%	4.5%	2.8%
HOUSEHOLDS			
2012 Projection	118,911	186,397	1,765,734
2007 Estimate	114,894	178,724	1,699,590
2000 Census	108,288	163,854	1,590,647
1990 Census	89,529	134,077	1,379,782
Growth 1990 - 2000	21.0%	22.2%	15.3%
POPULATION GROWTH			
Change in Population, 1990-2000, Est.	35,146	59,898	356,473
Change in Population, 2000-2007, Est.	9,884	28,335	173,571
Change in Population, 2007-2012, Proj.	6,597	19,645	117,950
Cumulative Change in Pop., 1990-2012	51,627	107,878	647,994

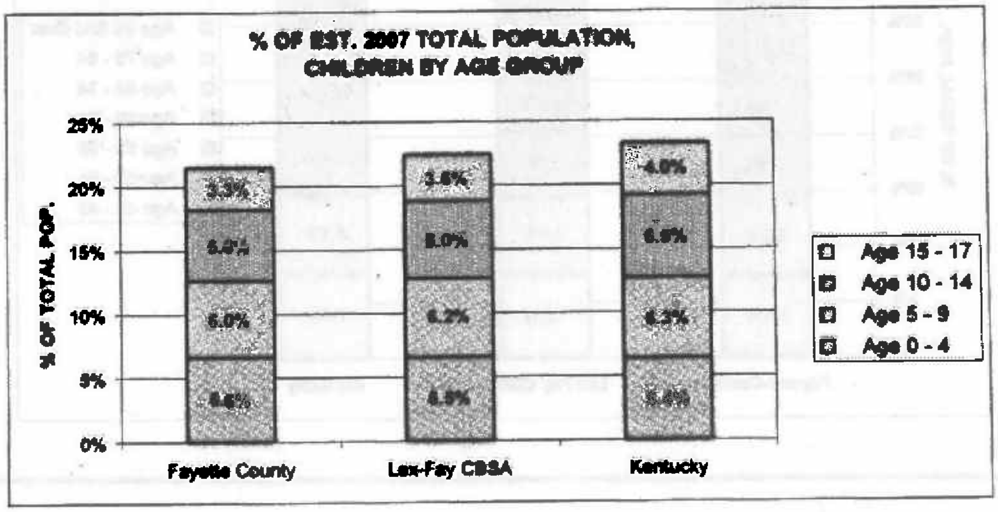


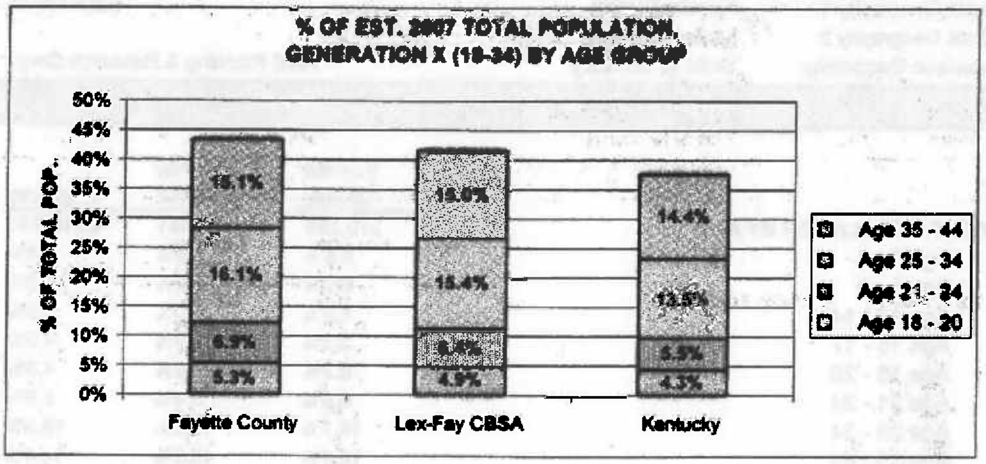
Demographic Summary Report

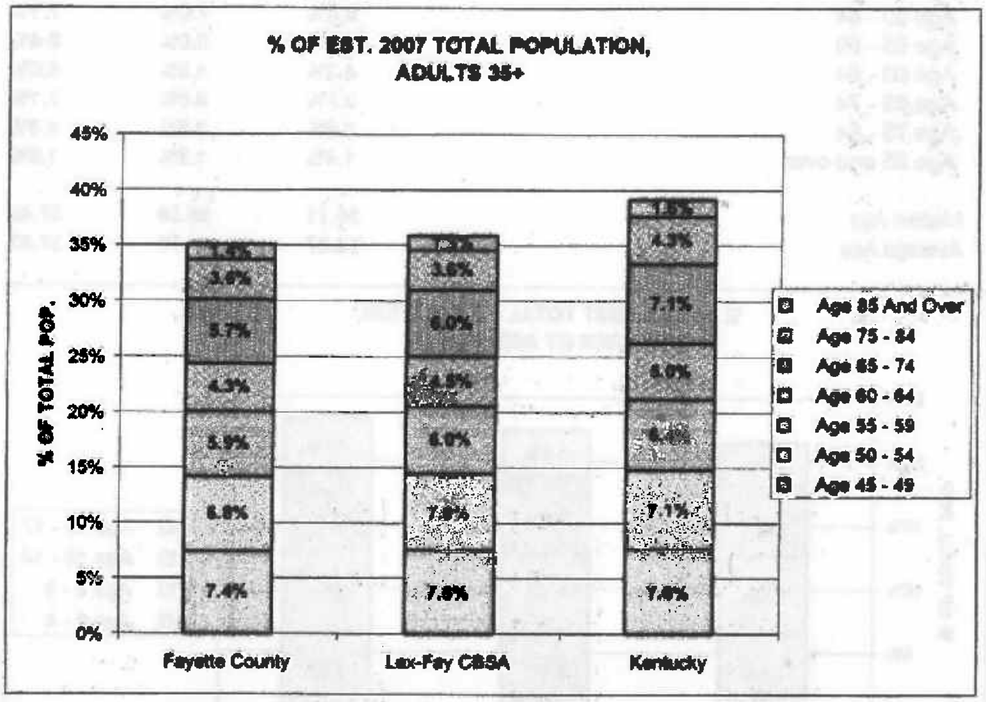
Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Age

	Fayette County	Lex-Fay CBSA	Kentucky
2007 EST. POPULATION BY AGE	270,386	436,661	4,215,340
Age 0 - 4	6.6%	6.5%	6.4%
Age 5 - 9	6.0%	6.2%	6.3%
Age 10 - 14	5.6%	6.0%	6.5%
Age 15 - 17	3.3%	3.6%	4.0%
Age 18 - 20	5.3%	4.9%	4.3%
Age 21 - 24	6.9%	6.4%	5.5%
Age 25 - 34	16.1%	15.4%	13.5%
Age 35 - 44	15.1%	15.0%	14.4%
Age 45 - 49	7.4%	7.5%	7.6%
Age 50 - 54	6.8%	7.0%	7.1%
Age 55 - 59	5.9%	6.0%	6.4%
Age 60 - 64	4.3%	4.5%	5.0%
Age 65 - 74	5.7%	6.0%	7.1%
Age 75 - 84	3.6%	3.6%	4.3%
Age 85 and over	1.4%	1.3%	1.6%
Median Age	35.11	36.59	37.46
Average Age	36.57	36.72	37.97




% OF EST. 2007 TOTAL POPULATION,
GENERATION X (18-34) BY AGE GROUP
% OF TOTAL POP.
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
16.1%
15.4%
14.4%
13.5%
5.5%
5.3%
4.9%
4.3%
Fayette County
Lex-Fay CBSA
Kentucky
Age 35 - 44
Age 25 - 34
Age 21 - 24
Age 18 - 20

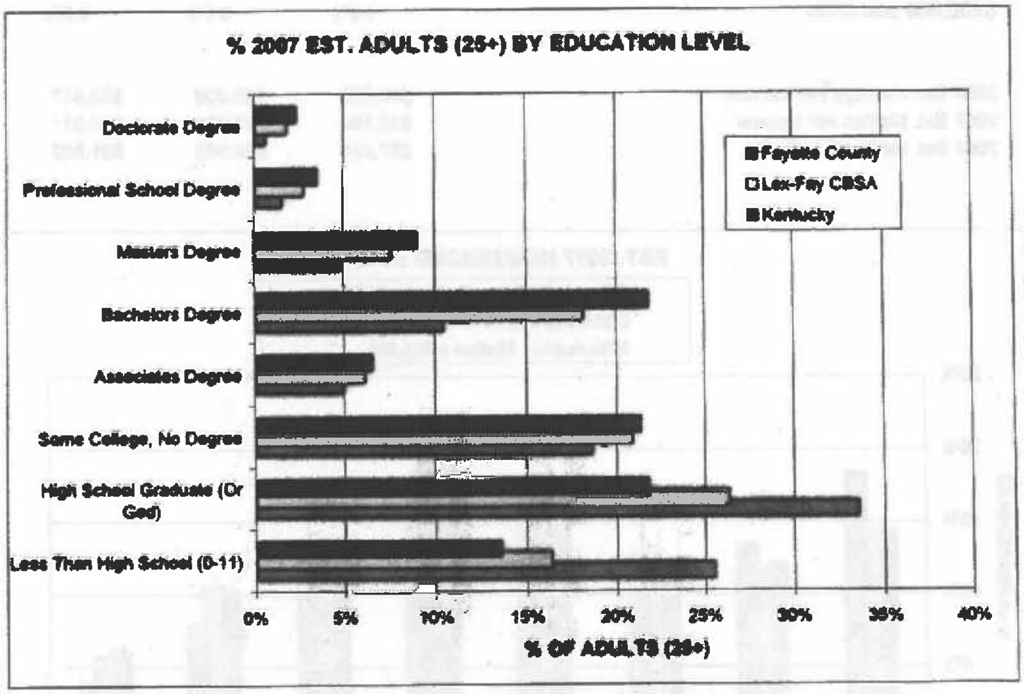

% OF EST. 2007 TOTAL POPULATION,
ADULTS 35+
% OF TOTAL POP.
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
3.6%
5.7%
4.3%
5.9%
6.8%
7.4%
3.6%
6.0%
4.5%
6.0%
7.8%
4.3%
7.1%
7.1%
Fayette County
Lex-Fay CBSA
Kentucky
Age 85 And Over
Age 75 - 84
Age 65 - 74
Age 60 - 64
Age 55 - 59
Age 50 - 54
Age 45 - 49

Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Educational Attainment

	Fayette County	Lex-Fay CBSA	Kentucky
2007 EST. POPULATION (25+) BY EDUCATION LEVEL	179,293	299,306	2,825,324
Less than 9th grade	4.9%	6.2%	11.5%
Some High School, no diploma	8.7%	10.1%	14.0%
High School Graduate (or GED)	21.8%	26.4%	33.5%
Some College, no degree	21.4%	20.9%	18.6%
Associates Degree	6.5%	6.2%	4.9%
Bachelors Degree	21.8%	18.1%	10.5%
Masters Degree	9.1%	7.6%	4.8%
Professional School Degree	3.5%	2.7%	1.5%
Doctorate Degree	2.3%	1.8%	0.6%

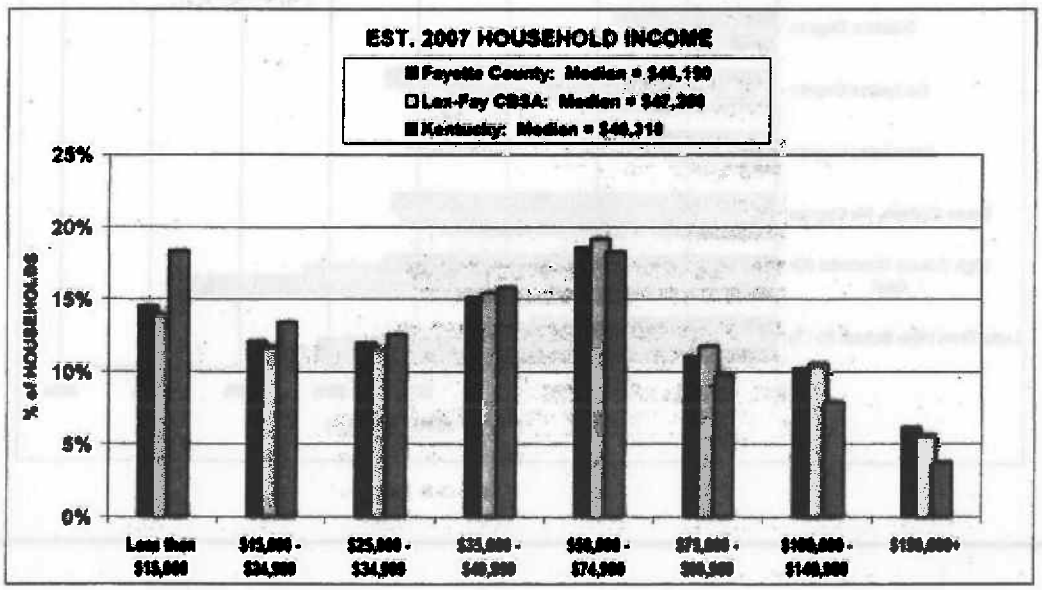


Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Income

	Fayette County	Lex-Fay CBSA	Kentucky
2007 EST. HOUSEHOLDS BY INCOME	114,894	178,724	1,699,590
Less than $15,000	14.3%	14.0%	18.4%
$15,000 - $24,999	12.1%	11.7%	13.4%
$25,000 - $34,999	12.0%	11.7%	12.6%
$35,000 - $49,999	15.2%	15.5%	15.8%
$50,000 - $74,999	18.6%	19.2%	18.3%
$75,000 - $99,999	11.1%	11.7%	9.8%
$100,000 - $149,999	10.3%	10.6%	7.9%
$150,000 - $249,999	4.1%	3.9%	2.6%
$250,000 - $499,999	1.5%	1.3%	0.9%
$500,000 and more	0.6%	0.5%	0.3%
2007 Est. Average HH Income	$63,956	$63,359	$53,817
2007 Est. Median HH Income	$46,190	$47,263	$40,311
2007 Est. Income Per Capita	$27,626	$26,302	$21,952

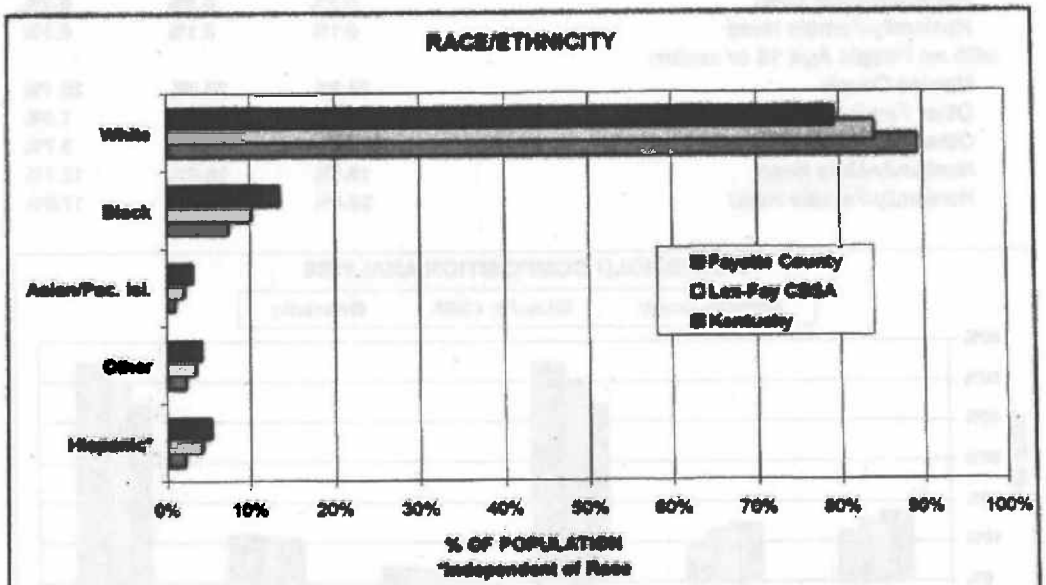


Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Race

	Fayette County	Lex-Fay CBSA	Kentucky
2007 ESTIMATED POPULATION	270,396	436,661	4,215,340
White	79.3%	84.2%	88.3%
Black	13.5%	10.3%	7.4%
Asian & Pacific Islander	3.0%	2.1%	1.0%
Other Races	4.1%	3.4%	2.2%
Hispanic Origin (Independent Of Race)	5.2%	4.2%	2.1%
2007 HISPANICS BY RACE	14,140	18,209	87,248
White Alone	57.8%	56.2%	54.8%
Black	2.8%	2.6%	3.7%
Other	39.4%	41.2%	41.4%
2007 EST. POP. BY HISPANIC OR LATINO BY ORIGIN	270,396	436,661	4,215,340
Not Of Hispanic Origin	94.8%	95.8%	97.9%
HISPANIC OR LATINO:	14,140	18,209	87,248
Mexican	71.4%	72.4%	54.3%
Puerto Rican	5.8%	5.2%	9.7%
Cuban	2.8%	2.5%	5.9%
Other Hispanic	20.3%	19.9%	30.1%



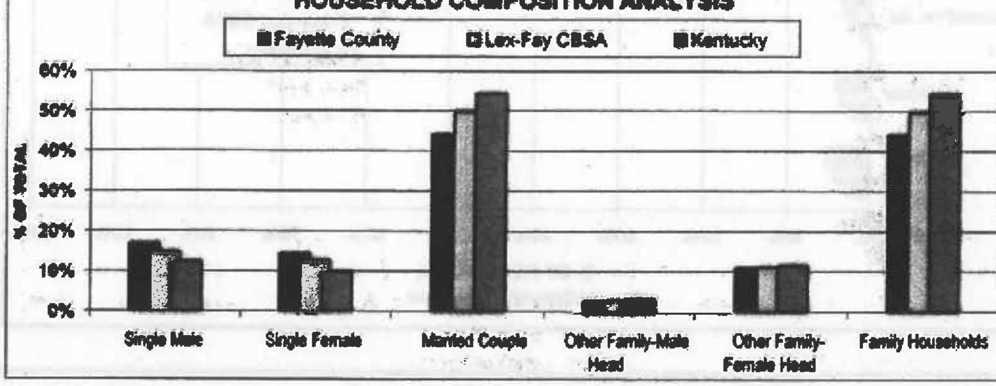
Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Marital Status & Household Composition

	Fayette County	Lex-Fay CBSA	Kentucky
MARITAL STATUS PERSONS 15+	221,171	354,586	3,405,567
SINGLE MALE	16.9%	14.8%	12.3%
SINGLE FEMALE	14.4%	12.7%	9.9%
MARRIED	47.2%	51.7%	55.7%
PREVIOUSLY MARRIED MALE	5.5%	5.4%	6.1%
PREVIOUSLY MARRIED FEMALE	10.4%	10.5%	11.7%
HOUSEHOLDS WITH CHILDREN UNDER 18 (2006)			
TOTAL HOUSEHOLDS	114,894	178,724	1,699,590
HOUSEHOLDS WITH CHILDREN	34,191	59,041	598,845
% HOUSEHOLDS WITH CHILDREN	29.8%	33.0%	35.2%
% MARRIED COUPLE FAMILY	44.2%	49.7%	54.4%
HOUSEHOLDS BY TYPE			
with 1 or more People Age 18 or under:	114,894	178,724	1,699,590
Married Couple	20.4%	23.4%	25.3%
Other Family-Male Head	1.6%	1.6%	2.2%
Other Family-Female Head	7.4%	7.6%	7.8%
Nonfamily-Male Head	0.3%	0.3%	0.3%
Nonfamily-Female Head	0.1%	0.1%	0.1%
with no People Age 18 or under:			
Married Couple	23.9%	26.3%	29.1%
Other Family-Male Head	1.4%	1.4%	1.5%
Other Family-Female Head	3.5%	3.4%	3.7%
Nonfamily-Male Head	19.1%	16.0%	13.1%
Nonfamily-Female Head	22.4%	19.7%	17.0%

HOUSEHOLD COMPOSITION ANALYSIS



Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Property Values & Housing Stock

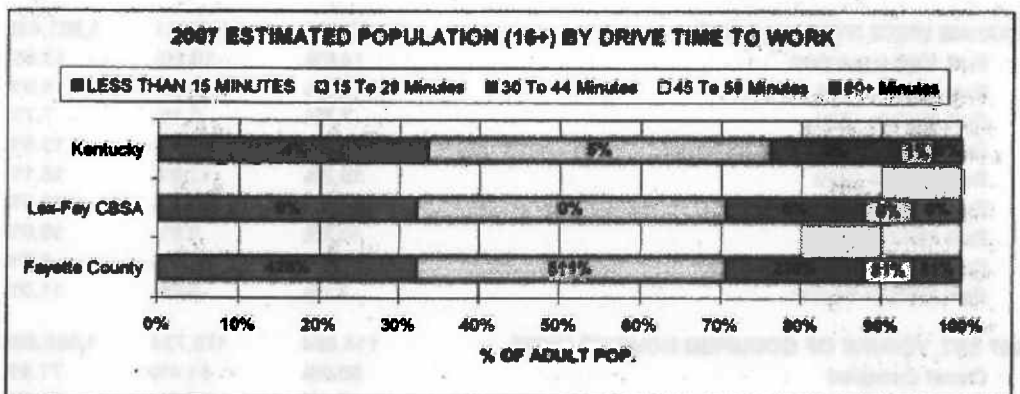
	Fayette County	Lex-Fay CBSA	Kentucky
OWNER OCCUPIED PROPERTY VALUES	65,375	109,741	1,214,993
Less than $20,000	1.41%	2.04%	6.60%
$20,000 - $39,999	1.27%	2.35%	8.86%
$40,000 - $59,999	2.53%	3.44%	9.79%
$60,000 - $79,999	5.67%	6.25%	10.98%
$80,000 - $99,999	11.37%	11.51%	12.41%
$100,000 - $149,999	32.99%	31.74%	24.50%
$150,000 - $199,999	17.89%	17.52%	12.24%
$200,000 - $299,999	15.39%	14.54%	9.06%
$300,000 - $399,999	6.19%	5.66%	3.04%
$400,000 - $499,999	2.30%	2.23%	1.06%
$500,000 +	3.00%	2.66%	1.45%
2007 MEDIAN PROPERTY VALUE	$142,071	$138,444	$102,791
YEAR ROUND UNITS IN STRUCTURE	127,119	195,851	1,883,433
1 Unit Attached	4.7%	4.5%	2.1%
1 Unit Detached	58.5%	63.1%	66.4%
2 Units	5.0%	5.1%	3.1%
3 to 19 Units	21.4%	17.0%	11.4%
20 to 49 Units	4.0%	2.9%	1.3%
50 or More Units	5.1%	3.5%	1.9%
Mobile Home Or Trailer	1.4%	3.9%	14.0%
Boat, RV, Van, etc.	0.0%	0.0%	0.1%
SINGLE/MULTIPLE UNIT RATIO	1.79	2.38	3.95
HOUSING UNITS BY YEAR BUILT	127,119	195,851	1,883,433
Built 1999 to present	14.0%	16.0%	12.6%
Built 1995 to 1998	7.9%	8.8%	8.8%
Built 1990 to 1994	7.7%	8.1%	7.7%
Built 1980 to 1989	15.4%	14.8%	13.5%
Built 1970 to 1979	18.2%	17.8%	18.1%
Built 1960 to 1969	14.9%	13.0%	12.4%
Built 1950 to 1959	10.2%	8.8%	10.0%
Built 1940 to 1949	4.6%	4.4%	5.9%
Built 1939 Or Earlier	7.1%	8.6%	11.0%
2007 EST. TENURE OF OCCUPIED HOUSING UNITS	114,894	178,724	1,699,590
Owner Occupied	56.9%	61.4%	71.5%
Renter Occupied	43.1%	38.6%	28.5%

Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

No. of Vehicles & Travel Time To Work

	Fayette County	Lex-Fay CBSA	Kentucky
2007 EST. HOUSEHOLDS BY NO. OF VEHICLES	114,894	178,724	1,699,590
NO VEHICLES	7.4%	7.2%	9.0%
1 VEHICLE	38.2%	34.6%	32.7%
2 VEHICLES	40.5%	41.6%	39.9%
3 VEHICLES	11.0%	12.9%	13.7%
4 VEHICLES	2.3%	2.8%	3.5%
5 OR MORE VEHICLES	0.7%	0.9%	1.2%
2007 EST. POPULATION 16+ BY TRAVEL TIME TO WORK	139,297	220,808	1,864,573
LESS THAN 15 MINUTES	427.8%	0.0%	4.0%
15 - 29 MINUTES	511.4%	0.0%	5.1%
30 To 44 MINUTES	229.9%	0.0%	1.9%
45 To 59 MINUTES	80.8%	0.0%	0.5%
60 OR MORE MINUTES	81.4%	0.0%	0.4%
EST. AVERAGE TRAVEL TIME IN MINUTES	25.4	0.0	22.9
2007 EST. POPULATION 16+ BY TRANSPORTATION TO WORK	143,056	226,964	1,906,959
DROVE ALONE	80.5%	80.8%	80.5%
CAR POOLED	11.0%	11.6%	12.5%
PUBLIC TRANSPORTATION	1.2%	0.8%	1.1%
WALKED	3.7%	3.2%	2.2%
MOTORCYCLE	0.1%	0.1%	0.0%
BICYCLE	0.5%	0.4%	0.1%
OTHER MEANS	0.4%	0.4%	0.7%
WORKED AT HOME	2.6%	2.8%	2.7%

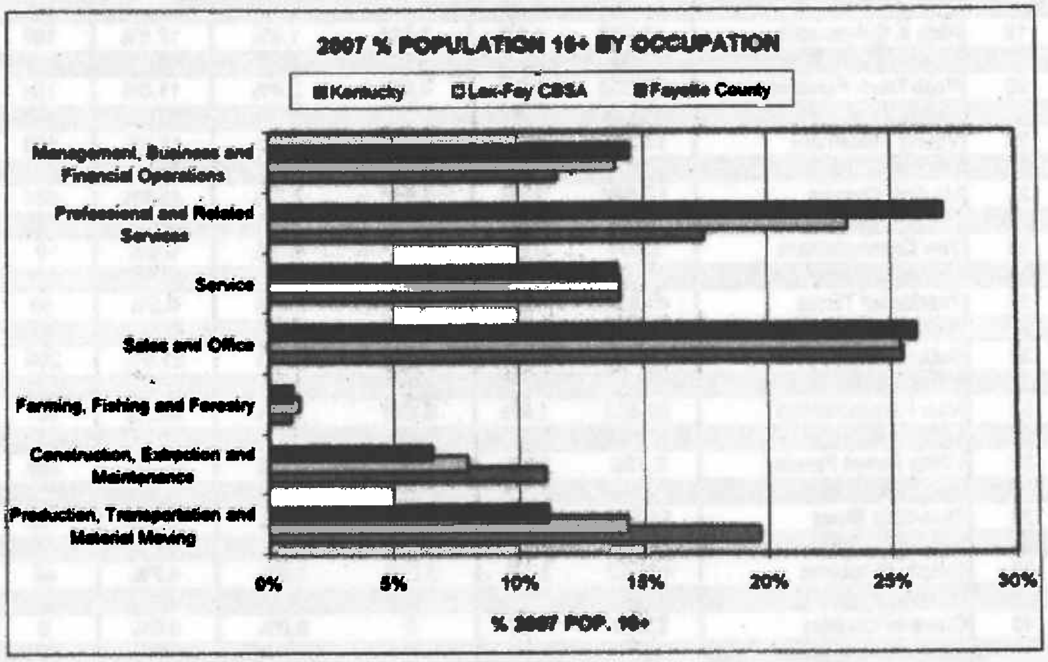


Demographic Summary Report

Analysis Geography 1:	Fayette County	12/30/2008
Analysis Geography 2:	Lexington-Fayette CBSA	
Comparison Geography:	State of Kentucky	AMS Planning & Research Corp.

Occupation

	Fayette County	Lex-Fay CBSA	Kentucky
2007 EST. POPULATION 16+ BY OCCUPATION	145,485	230,694	1,925,897
EXECUTIVE AND MANAGERIAL	14.4%	13.9%	11.5%
PROFESSIONAL AND RELATED SERVICES	27.1%	23.3%	17.4%
SERVICE	13.9%	14.0%	14.0%
SALES AND OFFICE	26.0%	25.4%	25.4%
FARMING / FISHING / FORESTRY	1.0%	1.2%	0.9%
CONSTRUCTION / EXTRACTION / MAINTENANCE	6.5%	7.9%	11.0%
TRANSPORTATION AND MATERIAL MOVING	11.1%	14.3%	19.7%



PRIZM NE PROFILE REPORT

Lexington-Fayette CBSA vs. State of Kentucky 12/30/2008

		Kentucky State		Lexington-Fayette			
Seg. #	Segment Title	Base Count	Base %Comp	Analysis Count	Analysis %Comp	%Pen	Index
1	Upper Crust	10,560	0.6%	1,748	1.0%	16.6%	157
2	Blue Blood Estates	5,929	0.4%	1,268	0.7%	21.4%	203
3	Movers & Shakers	9,553	0.6%	2,468	1.4%	25.8%	246
4	Young Digerati	1,346	0.1%	0	0.0%	0.0%	0
5	Country Squires	20,7[illegible]	1.2%	2,601	1.5%	12.6%	119
6	Winner's Circle	6,852	0.4%	2,121	1.2%	31.0%	294
7	Money & Brains	2,814	0.2%	0	0.0%	0.0%	0
8	Executive Suites	6,839	0.4%	1,724	1.0%	25.2%	240
9	Big Fish, Small Pond	32,479	1.9%	4,160	2.3%	12.8%	122
10	Second City Elite	13,533	0.8%	4,478	2.5%	33.1%	315
11	God's Country	12,710	0.8%	3,366	1.[illegible]	26.5%	252
12	Brite Lites, Li'l City	11,072	0.7%	4,613	2.6%	41.7%	396
13	Upward Bound	7,7[illegible]	0.5%	1,222	0.7%	15.7%	150
14	New Empty Nests	14,251	0.8%	1,720	1.0%	12.1%	115
15	Pools & Patios	18,972	1.1%	2,430	1.4%	12.8%	122
16	Bohemian Mix	2,161	0.1%	0	0.0%	0.0%	0
17	Beltway Boomers	11,780	0.7%	1,369	0.8%	11.6%	111
18	Kids & Cul-de-sacs	18,736	1.1%	3,285	1.8%	17.5%	167
19	Home Sweet Home [redacted]	24,630	1.5%	4,577	2.6%	18.6%	176
20	Fast-Track Families	39,099	2.3%	4,284	2.4%	11.0%	104
21	Gray Power	9,894	0.6%	1,524	0.9%	15.4%	146
22	Young Influentials	15,809	0.9%	2,121	1.2%	13.4%	128
23	Greenbelt Sports	14,526	0.9%	3,259	1.8%	22.4%	[illegible]
24	Up-and-Comers	13,884	0.8%	5,896	3.3%	42.5%	404
25	Country Casuals	34,[illegible]	2.0%	3,329	1.9%	9.6%	91
26	The Cosmopolitans	3,601	0.2%	0	0.0%	0.0%	0
27	Middleburg Managers	26,477	1.6%	6,104	3.4%	23.1%	219
28	Traditional Times	43,678	2.6%	2,719	1.5%	6.2%	59
29	American Dreams	6,603	0.4%	0	0.0%	0.0%	0
30	Suburban Sprawl	20,035	1.2%	4,392	2.5%	21.9%	208
31	Urban Achievers	3,981	0.2%	0	0.0%	0.[illegible]	0
32	New Homesteaders	32,452	1.9%	3,432	1.9%	10.6%	101
33	Big Sky Families	47,024	2.8%	3,068	1.7%	6.5%	62
34	White Picket Fences	9,126	0.5%	1,209	0.7%	13.3%	126
35	Boomtown Singles	19,649	1.2%	9,592	5.4%	48.8%	464
36	Blue-Chip Blues	14,796	0.9%	2,262	1.3%	15.3%	145
37	Mayberry-ville	58,252	3.4%	3,952	2.2%	6.8%	65
38	Simple Pleasures	46,557	2.7%	2,204	1.2%	4.7%	45
39	Domestic Duos	20,674	1.2%	2,254	1.3%	10.9%	104
40	Close-In Couples	8,963	0.5%	0	0.0%	0.0%	0
41	Sunset City Blues	25,009	1.5%	5,509	3.1%	22.0%	209
42	Red, White & Blues	27,443	1.6%	2,907	1.6%	10.6%	101
43	Heartlanders	55,249	3.3%	2,[illegible]	1.6%	5.2%	49

44	New Beginnings	17,548	1.0%	2,982	1.7%	16.8%	160
45	Blue Highways	63,814	3.8%	1,420	0.8%	2.2%	21
46	Old Glories	14,594	0.9%	2,356	1.3%	16.1%	154
47	City Startups	15,120	0.9%	11,265	6.3%	74.5%	709
48	Young & Rustic	53,548	3.2%	5,242	2.9%	9.8%	93
49	American Classics	14,715	0.9%	1,282	0.7%	8.7%	83
50	Kid Country, USA	30,989	1.8%	4,942	2.8%	16.0%	152
51	Shotguns & Pickups	63,539	3.7%	1,856	1.0%	2.9%	28
52	Suburban Pioneers	18,143	1.1%	2,635	1.5%	14.5%	138
53	Mobility Blues	22,145	1.3%	5,568	3.1%	25.1%	239
54	Multi-Culti Mosaic	16,552	1.0%	0	0.0%	0.0%	0
55	Golden Ponds	31,201	1.8%	858	0.5%	2.8%	26
56	Crossroads Villagers	149,823	8.8%	2,656	1.5%	1.8%	17
57	Old Milltowns	39,369	2.3%	3,046	1.7%	7.7%	74
58	Back Country Folks	126,452	7.4%	948	0.5%	0.8%	7
59	Urban Elders	6,265	0.4%	0	0.0%	0.0%	0
60	Park Bench Seniors	15,941	0.9%	5,186	2.9%	32.5%	309
61	City Roots	15,173	0.9%	0	0.0%	0.0%	0
62	Hometown Retired	17,214	1.0%	3,118	1.7%	18.1%	172
63	Family Thrifts	16,648	1.0%	3,922	2.2%	23.6%	224
64	Bedrock America	101,710	6.0%	3,474	1.9%	3.4%	32
65	Big City Blues	4,679	0.3%	0	0.0%	0.0%	0
66	Low-Rise Living	14,317	0.8%	0	0.0%	0.0%	0
	Total	1,698,590	100.0%	178,724	100.0%	10.5%	100

PRIZM NE PROFILE REPORT

Fayette County vs. State of Kentucky 12/30/2008

Seg. #	Segment Title	Kentucky State Base Count	Kentucky State Base %Comp	Fayette County Analysis Count	Fayette County Analysis %Comp	%Pen	Index
1	Upper Crust	10,560	0.6%	1,748	1.5%	16.6%	245
2	Blue Blood Estates	5,929	0.4%	1,268	1.1%	21.4%	316
3	Movers & Shakers	9,553	0.6%	2,467	2.2%	25.8%	[illegible]
4	Young Digerati	1,346	0.1%	0	0.0%	0.0%	0
5	Country Squires	20,730	1.2%	896	0.8%	4.3%	64
6	Winner's Circle	6,852	0.4%	2,120	1.9%	30.9%	458
7	Money & Brains	2,814	0.2%	0	0.0%	0.0%	0
8	Executive Suites	6,839	0.4%	1,724	1.5%	25.2%	373
9	Big Fish, Small Pond	32,473	1.9%	1,180	1.0%	3.6%	54
10	Second City Elite	13,533	0.8%	4,075	3.6%	30.1%	445
11	God's Country	12,710	0.8%	1,887	1.6%	14.9%	220
12	Brite Lites, Li'l City	11,072	0.7%	4,456	3.9%	40.3%	595
13	Upward Bound	7,763	0.5%	986	0.9%	12.7%	188
14	New Empty Nests	14,251	0.8%	1,720	1.5%	12.1%	179
15	Pools & Patios	15,972	1.1%	2,430	2.1%	12.8%	189
16	Bohemian Mix	2,161	0.1%	0	0.0%	0.0%	0
17	Beltway Boomers	11,780	0.7%	1,369	1.2%	11.6%	172
18	Kids & Cul-de-sacs	18,736	1.1%	3,262	2.9%	17.5%	259
19	Home Sweet Home	24,630	1.5%	4,558	4.0%	18.5%	274
20	Fast-Track Families	39,099	2.3%	110	0.1%	0.3%	4
21	Gray Power	9,694	0.6%	1,524	1.3%	[illegible]	228
22	Young Influentials	15,809	0.9%	2,121	1.9%	13.4%	198
23	Greenbelt Sports	14,526	0.9%	1,706	1.5%	11.7%	174
24	Up-and-Comers	13,884	0.8%	5,840	5.1%	42.1%	622
25	Country Casuals	34,730	2.0%	294	0.3%	0.9%	13
26	The Cosmopolitans	3,601	0.2%	0	0.0%	0.0%	0
27	Middleburg Managers	26,477	1.6%	5,678	4.9%	21.5%	317
28	Traditional Times	43,578	2.6%	505	0.4%	1.2%	17
29	American Dreams	6,603	0.4%	0	0.0%	0.0%	0
30	Suburban Sprawl	20,035	1.2%	4,388	3.8%	21.9%	324
31	Urban Achievers	3,981	0.2%	0	0.0%	0.0%	0
32	New Homesteaders	32,452	1.9%	171	0.2%	0.5%	8
33	Big Sky Families	47,024	2.8%	369	0.3%	0.8%	12
34	White Picket Fences	9,126	0.5%	931	0.8%	10.2%	151
35	Boomtown Singles	19,649	1.2%	9,331	8.1%	47.5%	[illegible]
36	Blue-Chip Blues	14,798	0.9%	2,262	2.0%	15.3%	226
37	Mayberry-ville	58,252	3.4%	105	0.1%	0.2%	3
38	Simple Pleasures	46,557	2.7%	152	0.1%	0.3%	5
39	Domestic Duos	20,674	1.2%	2,254	2.0%	10.9%	161
40	Close-In Couples	8,963	0.5%	0	0.0%	0.0%	0
41	Sunset City Blues	25,009	1.5%	4,671	4.1%	18.7%	276
42	Red, White & Blues	27,443	1.6%	210	0.2%	0.8%	11
43	Heartlanders	55,249	3.3%	150	0.1%	[illegible]	4

44	New Beginnings	17,548	1.0%	2,952	2.6%	16.8%	249
45	Blue Highways	63,814	3.8%	77	0.1%	0.1%	2
46	Old Glories	14,594	0.9%	2,356	2.1%	16.1%	239
47	City Startups	15,120	0.9%	11,179	9.7%	73.9%	1094
48	Young & Rustic	53,548	3.2%	169	0.2%	0.3%	5
49	American Classics	14,715	0.9%	1,282	1.1%	8.7%	129
50	Kid Country, USA	30,989	1.8%	166	0.2%	0.5%	8
51	Shotguns & Pickups	63,539	3.7%	25	0.0%	0.0%	1
52	Suburban Pioneers	18,143	1.1%	2,628	2.3%	14.5%	214
53	Mobility Blues	22,145	1.3%	4,669	4.1%	21.1%	312
54	Multi-Culti Mosaic	16,552	1.0%	0	0.0%	0.0%	0
55	Golden Ponds	31,201	1.8%	59	0.1%	0.2%	3
56	Crossroads Villagers	149,823	8.8%	74	0.1%	0.1%	1
57	Old Milltowns	39,369	2.3%	107	0.1%	0.3%	4
58	Back Country Folks	126,452	7.4%	35	0.0%	0.0%	0
59	Urban Elders	6,265	0.4%	0	0.0%	0.0%	0
60	Park Bench Seniors	15,941	0.9%	4,612	4.0%	28.9%	428
61	City Roots	15,173	0.9%	0	0.0%	0.0%	0
62	Hometown Retired	17,214	1.0%	2,240	2.0%	13.0%	192
63	Family Thrifts	16,648	1.0%	3,266	2.8%	19.6%	290
64	Bedrock America	101,710	6.0%	58	0.1%	0.1%	1
65	Big City Blues	4,679	0.3%	0	0.0%	0.0%	0
66	Low-Rise Living	14,317	0.8%	0	0.0%	0.0%	0
	Total	1,699,590	100.0%	114,894	100.0%	6.8%	100

PRIZM NE PROFILE REPORT

Fayette County vs. Lexington-Fayette CBSA 12/30/2008

Seg. #	Segment Title	Lexington-Fayette Base Count	Lexington-Fayette Base %Comp	Fayette County Analysis Count	Fayette County Analysis %Comp	%Pen	Index
1	Upper Crust	1,748	1.0%	1,748	1.5%	100.0%	156
2	Blue Blood Estates	1,268	0.7%	1,268	1.1%	100.0%	156
3	Movers & Shakers	2,468	1.4%	2,467	2.2%	100.0%	155
4	Young Digerati	0	0.0%	0	0.0%	0.0%	0
5	Country Squires	2,601	1.5%	896	0.8%	34.5%	54
6	Winner's Circle	2,121	1.2%	2,120	1.9%	100.0%	155
7	Money & Brains	0	0.0%	0	0.0%	0.0%	0
8	Executive Suites	1,724	1.0%	1,724	1.5%	100.0%	156
9	Big Fish, Small Pond	4,160	2.3%	1,180	1.0%	28.4%	44
10	Second City Elite	4,478	2.5%	4,075	3.6%	91.0%	142
11	God's Country	3,366	1.9%	1,887	1.6%	56.1%	87
12	Brite Lites, Li'l City	4,613	2.6%	4,456	3.9%	96.6%	150
13	Upward Bound	1,222	0.7%	986	0.9%	80.7%	126
14	New Empty Nests	1,720	1.0%	1,720	1.5%	100.0%	156
15	Pools & Patios	2,430	1.4%	2,4[illegible]	2.1%	100.0%	156
16	Bohemian Mix	0	0.0%	0	0.0%	0.0%	0
17	Beltway Boomers	1,369	0.8%	1,369	1.2%	100.0%	156
18	Kids & Cul-de-sacs	3,285	1.8%	3,282	2.9%	99.9%	155
19	Home Sweet Home	4,571	[illegible]	4,558	4.0%	99.7%	155
20	Fast-Track Families	4,284	2.4%	110	0.1%	2.6%	4
21	Gray Power	1,524	0.9%	1,524	1.3%	100.0%	156
22	Young Influentials	2,121	1.2%	2,121	1.9%	100.0%	156
23	Greenbelt Sports	3,259	1.8%	1,706	1.5%	52.4%	81
24	Up-and-Comers	5,896	3.3%	5,840	5.1%	99.1%	154
25	Country Casuals	3,329	1.9%	294	0.3%	8.8%	14
26	The Cosmopolitans	0	0.0%	0	0.0%	0.0%	0
27	Middleburg Managers	6,104	3.4%	5,678	4.9%	93.0%	145
28	Traditional Times	2,719	1.5%	505	0.4%	18.6%	29
29	American Dreams	0	0.0%	0	0.0%	0.0%	0
30	Suburban Sprawl	4,392	2.5%	4,388	3.8%	99.9%	155
31	Urban Achievers	0	0.0%	0	0.0%	0.0%	0
32	New Homesteaders	3,432	1.9%	171	0.2%	5.0%	8
33	Big Sky Families	3,068	1.7%	369	0.3%	12.0%	19
34	White Picket Fences	1,209	0.7%	931	0.8%	77.0%	120
35	Boomtown Singles	9,592	5.4%	9,331	8.1%	97.3%	151
36	Blue-Chip Blues	2,262	1.3%	2,262	2.0%	100.0%	156
37	Mayberry-ville	3,952	2.2%	105	0.1%	2.7%	4
38	Simple Pleasures	2,204	1.2%	152	0.1%	6.9%	11
39	Domestic Duos	2,254	1.3%	2,254	2.0%	100.0%	156
40	Close-In Couples	0	0.0%	0	0.0%	0.0%	0
41	Sunset City Blues	5,500	3.1%	4,671	4.1%	84.9%	132
42	Red, White & Blues	2,907	1.6%	210	0.2%	7.2%	11
43	Heartlanders	2,846	1.6%	150	0.1%	5.3%	[illegible]

44	New Beginnings	2,952	1.7%	2,952	2.6%	100.0%	156
45	Blue Highways	1,420	0.8%	77	0.1%	5.4%	8
46	Old Glories	2,356	1.3%	2,356	2.1%	100.0%	156
47	City Startups	11,265	6.3%	11,179	9.7%	99.2%	154
48	Young & Rustic	5,242	2.9%	169	0.2%	3.2%	5
49	American Classics	1,282	0.7%	1,282	1.1%	100.0%	156
50	Kid Country, USA	4,942	2.8%	168	0.2%	3.4%	5
51	Shotguns & Pickups	1,856	1.0%	25	0.0%	1.4%	2
52	Suburban Pioneers	2,635	1.5%	2,628	2.3%	99.7%	155
53	Mobility Blues	5,568	3.1%	4,669	4.1%	83.9%	130
54	Multi-Culti Mosaic	0	0.0%	0	0.0%	0.0%	0
55	Golden Ponds	858	0.5%	59	0.1%	6.9%	11
56	Crossroads Villagers	2,656	1.5%	74	0.1%	2.8%	4
57	Old Milltowns	3,046	1.7%	107	0.1%	3.5%	5
58	Back Country Folks	948	0.5%	35	0.0%	3.7%	6
59	Urban Elders	0	0.0%	0	[illegible]	0.0%	0
60	Park Bench Seniors	5,186	2.9%	4,612	4.0%	88.9%	138
61	City Roots	0	0.0%	0	0.0%	0.0%	0
62	Hometown Retired	3,118	1.7%	2,240	2.0%	71.8%	112
63	Family Thrifts	3,922	2.2%	3,266	2.8%	83.3%	130
64	Bedrock America	3,474	1.9%	58	0.1%	1.7%	3
65	Big City Blues	0	0.0%	0	0.0%	0.0%	0
66	Low-Rise Living	0	0.0%	0	0.0%	0.0%	0
	Total	178,724	100.0%	114,894	100.0%	64.3%	100