

Chehalem Cultural Center ARPA Request

PROJECT:

[Community Performing Arts Wing](#)

JUSTIFICATIONS:

List your justifications here and address the following points where relevant. Try to explain what the issue is. Naturally it must be related to attempts to “respond to the economic and public health impacts of COVID19”.

- How it addresses one of these issues specifically.
- Why it needs to be done.
- What is included in the cost.
- An estimate (if known) of how long it might take to implement.

The Chehalem Cultural Center (CCC) is revitalizing 9,167 square feet of our historic Central School building into a Community Performing Arts Wing (CPAW). Our region lacks a quality mixed use, mid-sized performance venue outside of educational institutions. Our 85,000 annual visitors look to CCC as the place to experience live theatre, dance, and music and for many community members, CCC is their entry point to the arts. By renovating the building’s original 250-seat theatre and building a movement studio adjacent to our existing second-floor classrooms, the project will stimulate economic development by growing our educational offerings and increasing access to an expanded wealth of cultural offerings for more people and a greater diversity of community members and guests in our community alike. The project will create a valuable resource to serve local and visiting audiences; incubate local performance groups; support local artists, teachers, and schools; foster youth student performers; celebrate diverse cultures; bring in regional and national talent; draw visitors to Newberg; and energize the local economy.

Crucially, this project responds directly to, “the economic and public health impacts of COVID19” by making a dramatic positive economic impact in Newberg. To demonstrate this impact CCC commissioned an economic impact analysis from industry leader ECONorthwest in June of 2020. A complete copy of this study can be found [here](#). In summary, ECONorthwest finds there is demonstrated demand in Newberg and across our region for this project and that it will contribute substantially to the local economy.

The study states that initial construction will create \$7,110,694 in direct spending and secondary impact in the community and support the equivalent of 48 full time jobs. Beyond the initial spending of construction, the study concludes that the project will have long lasting economic benefit to Newberg. The economic impact analysis finds that, by the fifth year, the Community Performing Arts Wing will bring over \$2 million in additional spending annually, enough to support

17 more jobs than otherwise, to Newberg and Yamhill County. That impact will be repeated in future years, as long as the CPAW continues to perform accordingly.

What is particularly important from a purely economic development standpoint, is that over time, there will be dynamic impacts to Yamhill County and Newberg in particular. In 2015, Americans for the Arts conducted their [fifth Arts and Economic Prosperity Study](#) and found that the average event attendee in Yamhill County spends \$31.22 on their way to and from the event they were attending. Money brought to local restaurants, shops, and residents can stimulate investments that will expand businesses and lead to community improvements. Gradually, this will encourage increased tourism and greater investment in local community activities. These dynamic impacts are gradual, their scope unquantifiable, but direction clearly positive.

This project has been years in the making, having been on the drawing board since the organization was founded in 2005 and the multistage redevelopment of the 44,000 square-foot Central School building was put into motion. Phases I and II are now complete with the first-floor art studio classrooms, galleries, ballroom, and culinary enrichment center. Together these phases of construction have generated millions of dollars in economic development in Newberg and CCC has a successful track record of bringing renovations online and operationalizing them. There is demonstrated demand in Newberg and across our region for the CPAW. Support for the project is strong in the community and letters of support from [Chehalem Valley Chamber of Commerce](#), [Newberg Downtown Coalition](#), [Taste Newberg](#), [City of Newberg](#), [Chehalem Parks and Recreation Department](#), [Newberg Cultural District](#), and others are available upon request.

To date CCC has successfully raised \$4,850,000 in cash and commitments toward its \$5,316,000 projected cost including a \$500,000 challenge grant from the MJ Murdock Charitable Trust. An investment of \$250,000 from the City of Newberg will be matched 1:1 by the Trust.

Summary of Project Budget

Total Project Cost: \$5,316,000

Amount Requested from City of Newberg: \$250,000

Expenditures: City of Newberg funds will be applied to hard construction costs

Estimation of Project Timeline

Construction Start: June 2022

Construction End: June 2024

PROJECT SUSTAINABILITY:

List your explanations here around these issues.

- How will the project bring long lasting economic recovery benefits to Newberg?

- Are local or minority vendors involved?
- Please describe its sustainability if applicable.

CCC is an anchor organization in Newberg and is a significant force in driving downtown business; this project will have long lasting economic benefits to Newberg. One of the City of Newberg's priority objectives is to grow the positive economic tourist imprint here by developing activities and entertainment, especially evening events, to encourage visitors to stay overnight. Yamhill County draws culinary and wine-country tourists from across the region and even from around the world. Newberg has a luxury destination spa as well as other excellent lodging. If, after dinner, these visitors can attend a quality live performance indoors, they are even more likely to stay in Newberg rather than leave the county for lodging in Portland. This project also dovetails with the objectives of Taste Newberg and The Chehalem Valley Chamber of Commerce, the latter having previously stated, "Any improvement for or investment in the Cultural Center becomes a measurable investment in our community."

Regarding our business plan for the theatre, the [ECONorthwest study](#) includes a 5-year pro forma (table 6). The projected changes in unrestricted assets will be negative the first year, be largely unchanged the second, and rise above the breakeven point when sales stabilize in year three. Typically, small non-profit theatres operate at roughly breakeven. CCC's theatre should be able to reach breakeven by year three and exceed breakeven after, in large part due to considerable production leverage with other ongoing organizational activities. In year five, revenue is projected to exceed \$500,000, expenses total \$365,940 and unrestricted assets total \$134,405. The theatre will have cost advantages many theatres do not enjoy. Although CCC will pay for construction, the development will be turned over to the Chehalem Park and Recreation District, who will be responsible for upkeep of the facilities and will also cover a portion of utilities and a share of the janitorial work. Thus, there is no depreciation in the forecast and ongoing capital expenditures incurred by CCC will be quite modest.

In their Economic Impact analysis, ECONorthwest concludes that execution risk is minimal and they have confidence that the projections in their report will be met. The report notes that, "unlike more speculative theatre proposals, Chehalem Cultural Center has a very successful ten-year track record. They have steadily increased the number of visitors. They have in-place experienced management and systems. They have a stellar reputation for quality with programming oriented to the needs of all residents of Yamhill County and beyond."

This project fulfills CCC's ongoing mission to "inspire and enrich lives", in this case by connecting the community with the wealth of artists that our region has to offer. Our growing performing arts offerings are a particularly popular and galvanizing part of our heritage events and cultural programming; and this project has been designed with and for the community. In developing this project we have consulted the many local and regional artists who have performed at CCC as well as performance companies and spaces, including Willamette



Shakespeare and Chehalem Valley Dance Academy. With a new movement studio we can expand our educational offerings to encompass dance and theatre arts classes and workshops with visiting artists; and local performers and students will have facilities for professional training, rehearsing and presenting. Nearby Portland is rich with theatre and dance companies and music ensembles who are keen to bring their shows to Newberg; and their performances in the new theatre will create artist-in-residence opportunities for them to teach and mentor local talent.

Equally important, the new facilities will provide an empowering platform for our community to see themselves on stage, celebrate local culture, and engage in creative dialogue. Equity is at the forefront of all programming decisions we make and sharing our spotlight with minority and otherwise marginalized communities within our own is a major focus of the project when fully operationalized. Local performance artists and groups will have a valuable resource where they can develop work, expand their audiences, and cross-pollinate ideas. Additionally, our educational and performance programming have immense synergetic potential to create new opportunities for mentorship, grow our outreach offerings, and deepen our work with local teachers and schools to enhance performing arts education in Newberg. We believe that the new classes and performances this project affords will expand the positive impact on the thousands of established visitors to the center and reach thousands of new attendees.

ARPA EXPENDITURE CATEGORIES (EC):

Primary EC Code: 2.10 Aid to Nonprofit Organizations

Secondary EC Code: 2.11 Aid to Tourism, Travel, or Hospitality

This proposal is submitted and approved by,

A handwritten signature in black ink, appearing to be "SAB", written over a horizontal line.

Executive Director
Chehalem Cultural Center