

**WHEELER OPERA HOUSE  
MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

**DATE:** Wednesday, August 12, 2009  
**TIME:** Noon  
**LOCATION:** Rio Grande Place  
**PRESENT:** Board Members: Ron Erickson, Chairperson  
Brian O'Neil, Vice Chairperson  
Matthew Loden, Ex Officio  
Pamela Cunningham  
Barbara Conviser  
Cathy Markle, Secretary  
Bruce Fretz  
Nickolas Erickson, Student Representative

Wheeler Staff: Gram Slaton, Executive Director  
Heather Larson, Senior Operations Manager  
Rose Bennett, Senior Finance Manager

City Staff: Randy Ready, Assistant City Manager

**RECORDED BY:** Jeanne Kayne, Administrative Assistant

**I. CALL TO ORDER**

Chairperson Erickson called the meeting to order at 12:05 pm. Erickson's first order of business was to introduce the newest members of the Board: Bruce Fretz who replaced Jane Battagila, and new student representative, Nickolas Erickson. Brian O'Neil was introduced as a member who has been re-appointed. Introductions of all the Board members ensued; Markle, Conviser, and Cunningham voiced concern and opposition to the appointment of the student representative, as he is the Chairperson's son. Chairperson Erickson suggested that any opposition to the appointments be directed towards City Council as they are the deciding factor in the appointments. He went on to explain the Board does not have the right to appoint a replacement member, a student representative or an ex officio.

**II. APPROVAL OF JUNE 24, 2009 MINUTES**

Chairperson Erickson called for the approval of minutes from June 24, 2009. Markle made the motion to approve with the amendment of removing Howie Mallory as being in attendance at the last Board meeting; O'Neil accepted the amendment and seconded the motion. The minutes were unanimously approved with the acceptance of Cunningham who abstained.

**III. FINANCIALS**

Erickson said it was nice to see the fund balance at \$27.2 million. Slaton stated that in a month where there was no activity revenue other than processing fees the Wheeler managed to add a quarter million dollars to its bottom line. That's encouraging as we get closer to the \$30 million dollar ceiling given to the architectural team, and less we have to worry about a debt issue.

**IV. EXECUTIVE DIRECTOR'S REPORT**

Slaton welcomed the new members of the Board. He then distributed the MountainSummit brochures to the Board.

- The first MountainSummit Festival is underway, with a truly exciting lineup of films and speakers, and Slaton hoped that the Wheeler could rely on the Board to help promote it. An eight-page program/sales brochure will be inserted into the Aspen Times on the 14<sup>th</sup> and 21<sup>st</sup>. The Wheeler has also brought Aspen Film in as a program sponsor for “Big River Man,” which is a film AF really wanted but we got. Our hopes for a free concert at the end of the Thursday program didn’t come together, which probably was a blessing considering how late it feels like we are in this game.
- The video piece is done and running on Plum TV. People who have seen it are very impressed with it, including Kip Hubbard, deputy director of the Aspen Historical Society.
- 21CMP news: We received conceptual approval on Tuesday, August 5<sup>th</sup>, after much back and forth about size, mass, and program. Ultimately we lost the fourth floor with its artist housing and public amenity. Also, this has become a much more expensive early process than we had hoped, with all the additional adjustments to program, etc., that Historic Preservation and/or Planning & Zoning requested for subsequent meetings. Since we clearly at this point cannot fairly make a November 2009 ballot question, Slaton has instructed the creative team to forego the breakneck pace that we’ve been doing and slow down, take time to think through the issues, and come up with a good solid design, defensible numbers, and strategic plan that keeps us in the drivers seat instead of the other way around.
- Also, while we were at the League of Historic American Theatres conference in Cleveland, Heather Larson and Slaton went to a seminar on tax credits, which could provide some financial relief for our project. The selling of tax credits is a strategy used by many theatres fifty years and older that are doing substantial capital improvements and expansions, and can provide up to 20% of the funding for a project. It is an arcane but perfectly legal process with many hoops to jump through, including setting up two shell corporations so that the sale of the credits is properly done, but in our case could net \$4 million or more and thus could potentially close the perceived funding gap for our project.
- Anecdotal evidence from discussions with arts groups in town seem to indicate that the summer season wasn’t the disaster that many were braced for. Theatre Aspen has been quite pleased with sales, numbers have been relatively strong for Aspen Santa Fe Ballet, and at least head counts for Jazz Aspen Snowmass’ June festival were impressive. The sales figures are reflected in our box office commissions and processing fees, which were almost at their full-year budget amount by the end of July. We are also hearing (and seeing) that we have a good number of summer guests in town, although they are not spending for retail and also are buying groceries instead of dining out. A mixed bag for the town, but at least the arts numbers appears to be solid.

Loden commented on the summer, saying that 10% down is the new flat. He went on to state that all the work done pre summer season was effective and that they were pretty accurate for where they thought they would be which was down from summers past. Compared to other music

festivals and classical music arts organizations they are still in a strong position. They are making changes to 2010 to make sure they have more flexibility.

Markle asked about the tax credit and asked if it was applicable even if it's a municipal project. Slaton responded that it was. Markle asked if we have been able to pursue the lead that was discussed in regard to the utilities and doing purchase agreements. Slaton said it was still an avenue to consider.

Loden asked what effect the current economy will have to the arts grants. Slaton stated the only impact he can foresee would be when the two lease spaces are pulled offline. He said it was discussed with the old City Council and they implied that those numbers might have to be made up out of the general fund. Loden questioned that taking into consideration the political climate does it look like the distribution from the Wheeler will be the same to the arts groups? Slaton responded that the Wheeler will for 2009 through 2011 maintain the level at the current \$400,000, and that it might be 2012 that takes the impact but he said he hoped for recovery after that.

**V. ACTION ITEMS.** None.

**VI. INFORMATION AND DISCUSSION ITEMS.**

**Draft of Goal Statement**

Goal Statement draft was again tabled until the next meeting.

**Update 21<sup>st</sup> Century Master Plan –**

Erickson raised concern that at the last P&Z/HPC meeting, Kent Reed (Hudson Reed Ensemble) expressed that the City memo for the application for the expansion did not making mention of the small local groups. Erickson commented that it is this type of perception that needs to be corrected. Slaton responded that in fact the smaller arts groups have backed the project by signing the declaration, including Kent Reed, and that the smaller arts groups have been actively pursued for engagement throughout the process.

Cunningham agreed with Erickson that there are still misconceptions held by the public. Markle reminded the Board that part of the criteria for the selection of the architect groups was to provide an outreach program. She stated that there is still a need for an organized information campaign and outreach program to educate both the public and arts groups. Slaton stated that Roland + Broughton held an open house to provide information to the public. Slaton responded to Markle that due to the constant redrafting of the project, the public information campaign was completely compromised and will be picked up again when deemed strategic to do so.

Erickson recognized the problem and suggested that the Board discuss ideas for an outreach program to help solve these problems. Fretz suggested that a strategic plan for public education be developed. He thought it important to utilize the results from the Venturoni survey. Erickson asked Markle to work with Fretz making a strategic plan.

Erickson said that Ready at the direction of City Council had a telephone survey executed to monitor public sentiment for the expansion. Markle and Erickson asked why the Board was not more involved. Ready responded that City Council gave a clear directive to take a formal poll on community sentiment on the expansion, and that this was requested on July 7<sup>th</sup>, with the directive for Ready to get the results compiled back to Council and the Board ideally by the end of August. The questionnaire went through six iterations, and there were three separate emails requesting Board input. This was the purpose and timing of this project and the results of this survey will provide information regarding where there is confusion, opposition, and support.

O'Neil said he would be willing to help educate seniors in regard to the 21st Century Master Plan. O'Neil said he felt that this is a group which is often overlooked, yet they are avid voters.

Ready mentioned that Slaton was working on a programming statement at his request, which would clearly state the policy towards usage of both Wheeler venues. Slaton said that he checked with other venues while at the League of Historic American Theatres Conference and that there is no venue that he can find which has a policy statement in regard to programming or booking.

Erickson said that the tax credit program looked very interesting, but he was concerned it was set up for private organizations. He felt that the Wheeler being a public facility owned by the community is a unique situation, which needs to be looked at by both the Finance Director and the City Attorney. Slaton explained there has already been a conversation between a tax credit professional and him about eligibility for the Wheeler. Erickson cautioned the possibility of shortcomings with involvement of federal government and their statutes; however, it's a wonderful possibility that could provide for any shortfall we have in our budget and it would be preferable to going out and getting a bond.

Erickson asked Ready about our status with Seamus Henchy and whether or not we have a contract with them. Slaton answered that we do not have a contract and that the scope of work has changed several times, and that the Wheeler is the test case for the new construction model for the City. There has been an education curve of how best to use this owner rep component of the creative team. Contracts have been sent out and there have been small language changes and we go before City Council to get approval August 24<sup>th</sup>.

Ready said the next Wheeler Board Meeting will be September 9<sup>th</sup> when City Council will be invited to attend. Linda Venturoni of Venturoni & Associates will present the results of the phone survey. September 14<sup>th</sup> is the conceptual approval with City Council. This will be a resolution and does not automatically require two readings, but will be available for public comment. Erickson urged everyone to reach out to the public and get people to that meeting.

#### **VII. MEMBERS COMMENTS:**

Conviser voiced concern and frustration when asking City Council what happened in regard to the reappointment of former Board member Jane Battagila. She has received no response and felt it irresponsible and discourteous to a volunteer not to at least respond.

Erickson thanked Slaton for posting the Board meeting into the weekly schedule.

#### **VIII. CITIZEN COMMENTS:** None.

#### **IX. OLD BUSINESS UPDATE:** None.

#### **X. NEW BUSINESS:** None

#### **XI. ADJOURNMENT.**

Erickson called for a motion to adjourn. Cunningham made the motion to adjourn. Markle seconded the motion. The meeting was adjourned at 1:55 pm.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, SEPTEMBER 9<sup>TH</sup>, 2009, IN THE WHEELER SECOND FLOOR LOBBY.**