

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

DATE: Wednesday, August 11, 2010

TIME: Noon

LOCATION: Wheeler Lobby

PRESENT: Board Members: Ron Erickson, Chairperson
Brian O'Neil, Vice Chairperson
Cathy Markle, Secretary
Bruce Fretz
Pamela Cunningham

Absent: Richard Cohen
Matthew Loden, Ex-Officio
Nickolas Erickson, Student Rep.

Guests: Steve Bossart, Capital Asset Project Manager

Staff: Gram Slaton, Executive Director
Heather Larson, Sr. Manager - Operations
Rose Bennett, Sr. Manager - Finance

RECORDED BY: Heather Larson, Sr. Manager - Operations

I. CALL TO ORDER

Chairperson Erickson called the meeting to order at 12:03 pm.

II. APPROVAL OF JUNE 28, 2010, MINUTES

Chairperson Erickson called for the motion to approve the minutes of June 28, 2010. Fretz made the motion to approve the minutes, and O'Neil seconded the motion. The vote was four for approval, none against, and one abstention due to absence.

III. FINANCIALS

Chairperson Erickson pointed out that at the 58% mark for the year, he believed the Wheeler was performing well. Cunningham asked if the City of Aspen (COA) had done any pro-forma work in terms of back-up long-range operating planning in the event that Amendments 60 and 61 meet with voter approval in November, that this work was being done by other governmental entities that she knew of. Markle added her concerns, and Slaton said that he would request information from City Finance Director Don Taylor and pass his response along to the Board as soon as he receives it. Markle further asked if COA was considering tapping Wheeler funds for the possible purchase of either the Droste property or the Given Institute, and whether with the recent focus put on the use of Wheeler funds whether this would be a legal use of those moneys or not. Slaton responded that he believed use of Wheeler funds was addressed in the 2002 Endowment ordinance, which was revoked by City Council at the Wheeler board's request late last year, whereas the original 1979 ordinance did not address use of excess Wheeler funds, possibly because the authors of that document thought it unlikely that there would ever be such moneys available. Slaton said that he would add this question to his note to Don Taylor.

IV. EXECUTIVE DIRECTOR'S REPORT

Duncan Webb recently reported that he remains on schedule for delivering his draft-final report to City Council on September 21st. The plan is to link that presentation of his report into an Open House. Duncan has had Harry Teague helping to assess various off-site locations and buildings for presentation to City Council as recommended alternatives to construction on the Wheeler parcel.

Markle asked if the Board would be able to review the presentation before it was given to Council, and Slaton said that he would pass it along to the Board just as soon as he had it. Markle and Cunningham asked if there was a ranking of suggested alternative sites for the Wheeler if an expansion onto the adjacent parcel was not deemed appropriate. Bossart said that Webb (with Teague) was considering all sites in town, including several that had not been considered previously, such as City Hall, while several others that they had reviewed were no longer available, but there would be no preferred ranking to his knowledge. Cunningham asked if the properties immediately south of the Wheeler might be reconsidered now that the developer of the former D19 space was without a client with a valid liquor license. Bossart reiterated that there was a list of sites in Webb's report, and that this list was without consideration of present status. Some discussion ensued as to whether the Board should have input into the final presentation by Webb or whether this should be a completely arms-length, independent report. The board was reminded that they had had a very positive influence into the final presentation of the draft report back in June, and that this might be beneficial again.

The Wheeler is well underway with our two remaining summer festivals (MountainSummit and the 7908 Songwriters Festival). The 2010 Rooftop Comedy Festival was a serious disappointment, with poor attendance despite a very popular free picnic event on the Thursday night, and a large outlay for advertising in and outside of the valley. We were disappointed with the quality of performers as well, particularly the "names" that Rooftop added to the lineup. Our greatest disappointment, though, was with Rooftop itself, which obligated us to commitments that took us far over budget, could not deliver us a festival on time for marketing purposes, and created internal problems through poor communications that resulted in duplication of effort for us and irritation for some Aspen vendors. We had already resolved before the festival got started that we would need to reassess our relationship with Rooftop, as well as stick to our guns about moving the festival in-season and not at a time when we were directly competing with sports events, the Tony Awards, and a problematic weekend. After the festival, we presented two alternatives for Rooftop if they wanted to continue doing a festival in Aspen, neither of which was acceptable. We have agreed to go our separate ways, and the Wheeler will be producing its own festival, without an outside corporate partner, for March 16 – 19, 2011.

Fretz asked how ticket sales were for the MountainSummit festival, and Slaton responded that it was slow to start, but not unlike sales for other film festivals such as Aspen Film's Filmfest, which would only now be being announced relative to its performance dates.

David Corwin of Metropolitan Theatres Corporation is protesting the manner in which the Cinema Services RFP was conducted. Slaton spoke at length to Dave about this before he submitted this letter; however, Slaton stands by how we conducted the review and believes that if Metropolitan's RFP had been of sufficient interest, we would have chosen to question it more closely, but that that was not the case.

Jeanne Kayne is no longer with the Wheeler, as of July 13. We cannot comment on this process at this time because some details of it remain unresolved. We will begin a search for a

replacement staff person, most likely in a different administrative support position, in the early fall, once we have gotten through our festivals and personal business and can settle in for the coming presenting year.

Slaton expressed his hope that the Board had all had time to explore the Wheeler's new website and ticketing software. We believe that the transition had gone quite smoothly and now brings us current with patron expectations, with a better informational flow and new features such as print-at-home ticketing. We had one bump with the Aspen Writers' Foundation as we transitioned clients into the new ticketing software for their summer seasons, but that has all been smoothed out and AWF has come back to us as a client. Theatre Aspen, Aspen Santa Fe Ballet, and The Aspen Institute have all lauded our box office staff as well as the new software in making their summer seasons a great and streamlined success story.

V. ACTION ITEMS None.

VI. INFORMATION ITEMS AND DISCUSSION ITEMS

Aspen Art Museum Approval and Possible Impact

Slaton reported that the special City Council meeting on August 2nd over the possible settlement of the Wienerstube lawsuit resulted in the approval for the Aspen Art Museum to purchase that property for construction and relocation of the AAM into the downtown core. This means that a City-owned building that can easily be transformed into a small flexible-configuration theatre will be coming open in a few years. Wheeler staff has done a thorough crawl-through of the AAM building, and notes the following:

1. The building has no interior supports, which means that sightlines can be wide open and unobstructed (unless posts are needed for a balcony). This is highly unusual in older buildings, particularly fairly wide ones that we could consider for conversion.
2. The second floor could be completely torn out and redone as a balcony without any compromising of the load-bearing structure.
3. The eastern half of the building is historic, but the western half is not and could be torn out and planned for a variety of uses consistent with the program we identified for a Wheeler expansion.
4. There is sufficient office space in the southern eave of the second floor for the Wheeler to relocate some or all of its administrative offices, if that was found to be in our best interests.
5. The AAM building is well isolated from downtown noise while also being on a main bus line and within easy walking distance of the downtown parking garage.
6. If the AAM building was found to be the best location for a Wheeler expansion, we would still likely need to go to the voters for approval of using RETT funds for improvements and offsite operations, but the cost of the conversion should be significantly smaller than that for the Wheeler parcel and more palatable for the voting public.
7. The City's financial department, in its latest long-range plan, has identified only \$23 million that could be applied to a Wheeler expansion (due to cutbacks in projections for the RETT in future years); however, this \$23 million does not include \$2 million currently set aside as a separate project for codes work and remodeling of the basement and lease spaces, if that is the direction City Council wishes us to go.

Discussion ensued, with concern expressed about voicing our interest in the AAM property too early and by doing so effectively killing any further consideration by City Council for development of the Wheeler parcel. Fretz wished to note that anytime an organization is considering an ancillary facility at a distance from its parent, that staffing costs would be increased and need consideration in any pro-formas being generated in association with the project. Bossart said that this was something Webb was expected to include in its report. Erickson noted that there are three to four other organizations interested in the site, and that the Wheeler should perhaps begin working on a position paper. Cunningham expressed her strong conviction that COA should invest in having an outside engineer perform soils and geotechnical testing on the site before any user further consider it for occupancy after the AAM leaves it, that the site is known for being on a flood plain. Both Fretz and Erickson expressed that the Board should meet on this shortly after the Webb presentation and Council input, likely at the regular October meeting date. Slaton noted that he would be out of town on personal business, but that the board could certainly meet without his being there. A thumbnail examination of a likely timetable for the AAM moving into downtown was explored, and it was determined that they are at best several years away from leaving the building and having it available for redevelopment. Slaton noted for the Board that whether the Wheeler was allowed to use the AAM building to satisfy many of its programming needs, it should still be looked at as part of a two- or three-phase master project, including redevelopment of the Wheeler's basement and first-floor lease spaces, and development of the Wheeler parcel to alleviate space and codes issues relative to the historic building.

VII. MEMBERS COMMENTS None.

VIII. CITIZEN COMMENTS None.

IX. OLD BUSINESS UPDATE

It was noted that two seats on the Wheeler board will be up for appointment or reappointment, and that interested parties should contact Kathryn Koch at the City Clerk's Office. Markle suggested that there are youth organizations in town that are trying to connect students with businesses, and Cunningham noted that the Wheeler should contact Aspen arts organizations to aid in the recruiting process.

X. NEW BUSINESS None.

XI. ADJOURNMENT

Erickson called for a motion to adjourn. Cunningham made the motion to adjourn, and O'Neil seconded. The meeting was adjourned at 1:02 pm.

THE NEXT MEETING IS SCHEDULED FOR MONDAY, SEPTEMBER 20th, 2010, IN THE WHEELER SECOND FLOOR LOBBY WITH WEBB MANAGEMENT AT 6:00 PM. [WEBB WILL PRESENT TO CITY COUNCIL ON TUESDAY, SEPTEMBER 21ST.]