



ready + able

Center for the Arts: Stability Campaign

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snapshot

The new Center is for *everyone*.



ready + able

a campaign to protect our \$21 million investment

1 retire construction debt
\$3 million

2 working capital fund
\$1.5 million

total | \$4.5 million

building summary

Total debt	\$4,466,197.74
Pledges pending + current account balance	\$1,501,365.76
Remaining debt	\$2,964,831.98
Campaign goal	\$3,000,000.00

Eliminating our debilitating debt is The Center's **only path** to recovery and financial stability.

operations summary

Operating debt + FY21 budget	\$2,358,403.91
Projected revenue + current account balance	\$929,253.97
Operating need	\$1,429,149.94
Campaign goal	\$1,500,000.00

Operations fundraising will enable The Center to be **ready and able** to return to full strength when the pandemic is over.

timeline

october	initial debt reduction donor discussions
november	reach 60% of debt goal (\$1.8 m)
december	pay down highest-interest loans
	initial operations support donor discussions
january	complete debt servicing goals (\$3 m)
march	reach 60% of operations goals (\$900k)
may	complete operating support campaign (\$1.5 m)
	reveal ready + able donor wall recognition

how you can help

- I. **debt, ops,** or both
- II. **pledge to challenge**
- III. **pay off commitment**
- IV. **debt reduction now.**
operating support later.



overview

The Center is a place for **everyone** to experience the transformative power of art.

Whether you have loved Crested Butte for 50 years or for five minutes, and independent of the address on your driver's license, The Center was built for **you** and through **your generous support**.

Over the past seven years, The Center raised the funds necessary to open this iconic gathering place for this remarkable community. The journey was difficult, and not without its share of highs and lows, including construction delays, the departure of staff leadership, lost revenue, destruction of theatre seats before they were shipped, orchestra pit malfunctions, competition for philanthropic dollars, and, of course, an unprecedented worldwide health crisis.

But The Center **is** open; in spite of the ups and downs, the victories and mistakes, this building is open and is, even now, bustling with life, creativity, and joy. Dance and yoga classes, family films and watercolor painting classes, weddings and small gatherings of friends—all of these things (and more) are the hallmarks of a **successful campaign** and a remarkable community effort. (See Appendices 2 and 5)

Through a combination of **charitable donations, grants, and loans**, The Center generated just over **\$21 million** (\$21,270,128) for the campaign: \$19.6 million in *hard costs* (construction, equipment, FF&E, etc.) and \$1.6 million in *soft costs* (marketing, fundraising, interest payments, etc.). (See Appendix 4)

total phase I project costs		
	Hard costs	\$19,672,166.63
	Soft costs	\$1,597,960.92
	Total	\$21,270,127.55
total capital campaign income		
	Contributed	\$16,947,372.69
	Borrowed	\$4,322,754.86
	Total	\$21,270,127.55

But The Center's fundraising journey isn't over just yet.

Difficult decisions, made in the face of a range of fundraising and construction challenges, have left The Center with **debt** that must be retired. And due to myriad unforeseen complications (including the covid-19 pandemic), The Center must also raise funds to support our **operations**.

This is a pivotal moment for The Center. To ensure the future of this new home for the arts and culture in Crested Butte, we are launching the **Ready + Able Stability Campaign, with two specific goals:**

First, retire our debt via \$3 million in new contributions.

Second, prepare for our future via \$1.5 million in new contributions for operational needs.

digging deeper

On December 3, 2019, our new state-of-the-art building officially opened. Even before that date, the number of people served annually had **increased more than 45%** since we launched the capital campaign in 2013. (See Appendix 1) The Center was growing, and growing fast. In fact, in spite of the pandemic, The Center hosted almost as many events in July 2020 as the same period in 2019! (See Appendix 2) Revenue, however, was **dramatically reduced** due to pandemic restrictions on safe gathering.

When the pandemic arrived in mid-March, The Center responded decisively, revising programming to comply with Public Health Orders and significantly adjusting operations to fit the financial reality of severely reduced earned revenue. (See Appendix 2) As it became clear that the pandemic would affect operations for many months (and perhaps years), we began to plan for a different future.

The first reality we have to face is that, without our anticipated revenue, building and operating debt are debilitating The Center.

Under normal circumstances, The Center could have retired this debt. But between the negative impacts of construction delays and the pandemic on earned revenue, we are stuck. Current debt service payments are 33% of the Center's **reduced** operating budget. This is, given the current moment, quite simply unworkable.

Eliminating our debilitating debt is the Center's only path to recovery and financial stability.

With the generous support of our donors and patrons, we must first act swiftly to retire this debt and protect the \$21 million investment in the new building as we ensure continued fulfillment of our mission.

Next, we must address the significant decrease in our operating budget to ensure that The Center is able to re-open, strong and prepared to meet a huge demand for sorely missed programming once the pandemic is over.

Before the pandemic, earned revenue generated from ticket and bar sales at Center-produced events comprised more than 40% of The Center's operating budget. In 2019, The Center generated \$125,000 in bar sales alone and enjoyed more than \$888,000 in total earned revenue. The remainder of our operating budget was funded by donations and sponsorships. (See Appendix 3)

Now, under current Public Health Orders restricting the size and manner of gathering, the Center is simply unable to generate earned revenue at previous levels, and we do not anticipate a return to "normal" programming before summer 2021.

Once the pandemic is over, or once restrictions on gatherings are lifted, The Center must be ready to hire new staff to meet the sudden demand. (See Appendix 7) This is not currently possible. We need funds to cover both ongoing operating costs and increased costs once we can return to full capacity.

Raising funds for current and future operating costs means The Center will be ready and able to return to full strength once pandemic restrictions are lifted.

The Center conducted a transparent and realistic assessment of dollars needed to survive the immediate crisis and be positioned to thrive when the pandemic has passed. That includes:

- Current internal operations and planned needs for future staffing;
- Drastically reduced operating costs for a period, followed by a "ramp up" in costs;
- Realistic and conservative revenue projections through October 31, 2021 (the end of our next fiscal year);
- Outstanding and confirmed future building pledges; and
- New pledges.

goal 1: debt retirement

outstanding payments			
	Lender	Amount	Notes
	Architect	\$125,315.74	
loan repayment			
	Local Bank I	\$3,063,750.00	Construction loan + 6 months interest
	Board Personal Loan I	\$404,048.00	Construction loan + accrued interest to date
	Board Personal Loan II	\$435,726.00	Construction loan + accrued interest to date
	Local Bank I	\$419,230.86	Theatre technology loan
	Dell Business Credit Card	\$6,541.14	Computers/FF+E
	Travel Reimbursement	\$11,586.00	Construction project management
	Total Debt	\$4,466,197.74	Total loans/debt plus outstanding payments
pledges: debt servicing			
	Pending Pledges 2020-2021	\$520,000.00	
	Current Account Balance	\$56,365.76	9/30/20 Statement
	Campaign Gift Oct. 2020	\$425,000.00	
	Pending Campaign Gift	\$500,000.00	
	Current Balance + Pledges Receivable	\$1,501,365.76	
	Total Debt	\$4,466,197.74	
	Remaining Debt to Service	\$2,964,831.98	
	Campaign Goal	\$3,000,000.00	

goal 2: operating support (through october 31, 2021)

current operating debt + expense			
	Lender/Source	Amount	Notes
	Local Bank I	\$184,759.31	Operating Line of Credit
	Local Bank II	\$48,644.60	Operating Line of Credit
	Small Business Administration	\$150,000.00	Economic Impact Disaster Loan (EIDL)
	FY 2020 Operating (Oct 2020)	\$75,000.00	
	FY 2021 Operating Budget	\$1,400,000.00	
	Working Capital Fund	\$500,000.00	
	Total Debt + Expense	\$2,358,403.91	
pledges + income: operating needs			
	Front Row FY 2020	\$40,000.00	
	Front Row FY 2021	\$250,000.00	
	Operating Revenue FY 2020	\$50,000.00	Earned and contributed, projected
	Operating Revenue FY 2021	\$275,000.00	Earned and contributed, projected
	Cash On Hand	\$214,253.97	9/30/20 statements
	Restricted Gift: Operating	\$100,000.00	Salary support
	Total Pledges + Income	\$929,253.97	
	Total Operating Need	\$2,358,403.91	
	Remaining Operating Need	\$1,429,149.94	
	Campaign Goal	\$1,500,000.00	

campaign goals

debt servicing	\$3,000,000
operating needs	\$1,500,000
total campaign	\$4,500,000

timeline

sept 2020	<ul style="list-style-type: none"> Finalize campaign details including priority of debt repayment schedule Schedule meetings with lead donors for Debt Servicing Campaign
oct 2020	<ul style="list-style-type: none"> Continue discussions with donors for Debt Servicing Campaign Goals Begin discussions with previous donors related to pledge receipt schedule Begin programming and staffing expansion planning for post-pandemic
nov 2020	<ul style="list-style-type: none"> Reach 60% of Debt Servicing Goal (\$1,800,000) Pay down highest-interest rate loans to reduce impact on operating costs as new funds become available
dec 2020	<ul style="list-style-type: none"> Begin meetings with donors for Operating Support Needs Continue discussions with donors for Debt Servicing Campaign Goals
jan 2021	<ul style="list-style-type: none"> Complete Debt Servicing Campaign Goals (\$3,000,000) Pay off remaining debt (dependent on receipt of previous pledges) to reduce impact on operating budget Continue discussions with donors for Operating Support Goals
feb 2021	<ul style="list-style-type: none"> Revisit discussions with previous donors related to pledge receipt schedule
mar 2021	<ul style="list-style-type: none"> Reach 60% of Operating Support Campaign Goal (\$900,000)
apr 2021	<ul style="list-style-type: none"> Continue discussions with donors for Operating Support Goals
may 2021	<ul style="list-style-type: none"> Complete Operating Support Campaign (\$1,500,000) Reveal Ready + Able Donor Recognition

campaign targets

	debt retirement	operating support
Lead Challenge Donor	1 @ \$1,000,000	1 @ \$400,000
Major Donor	4 @ \$250,000	5 @ \$100,000
Supporting Donor	5 @ \$100,000	6 @ \$50,000
Sustaining Donor	5 @ \$50,000	10 @ \$20,000
Donor	10 @ \$20,000	10 @ \$10,000
Donor	5 @ \$10,000	
	\$3,000,000	\$1,500,000

contribution options

I. debt servicing, operations, or both

Every donor has a different passion: supporting The Center's long-term financial health by providing funds for debt reduction, funding specific aspects of our operations and programming, or a combination of both. Contributed funds can be allocated to whichever need best fits with your goals and your hopes for the future of The Center.

II. pledge to challenge

We understand that donors may wish to pledge funds towards our goals, but only fulfill those pledges once the entire amount is reached. These pledges are remarkably useful for us in leveraging additional support, so if a "pledge to challenge" is more comfortable for you, please don't hesitate to discuss this with us.

III. pay off commitment

In both of our campaign categories, there are specific loans or costs that a donor can agree to "pay off" on our behalf. We encourage you to consider if a specific line of credit, loan, or operating cost might be of interest to you, particularly if your donation results in a reduction in our interest payments on our lines of credit or loans.

IV. debt reduction now | operating support later

A commitment to debt reduction now with a follow-up pledge to support our operating needs in the future is also very useful. A donor may wish to divide their gift in two: helping to service our immediate debt reduction needs now, with a second gift, in six-to-eight months, to support our operating needs.

more information

Appendices with more detailed information are available upon request.

- Appendix 1** People served at The Center, then and now
- Appendix 2** The Center's immediate response to the coronavirus pandemic (mission-driven and financial)
- Appendix 3** Earned revenue vs. donations
- Appendix 4** Phase I project costs
- Appendix 5** Center-produced pandemic programming, March-October 2020
- Appendix 6** Rentals, 2020-2022
- Appendix 7** Post-pandemic schedule, summer 2020 and winter 20-21
- Appendix 8** Executive Director hiring – press release

contribution commitment form

I/We pledge to help the Crested Butte Center for the Arts get **READY + ABLE** through a generous donation of \$ _____

Name(s): _____

Mailing Address: _____

City/State/Zip: _____

Email: _____ Phone: _____

Your contact information will never be shared or traded

Name(s) as I/we wish to be publicly acknowledged:

I/we wish to remain anonymous.

Please apply my gift to the following fund(s): (Note amounts if splitting between funds)

Debt retirement campaign: _____ % of gift, or \$ _____ of gift

Operating support campaign: _____ % of gift, or \$ _____ of gift

Payment/Pledge details:

I am enclosing/mailling a check for the full amount, payable to *Center for the Arts*

I pledge installments of \$ _____ made monthly/quarterly/semi-annually
to be completed by _____ (date - no later than August 31, 2021). (circle)

Please charge my credit card \$ _____ one time/monthly/quarterly/_____
(circle)

Name as it appears on card: _____

Card number: _____ Exp date: _____ CVC: _____

Authorized Signature: _____

Printed Name: _____ Date: _____

Benefits of this donation, such as inclusion on a donor wall, naming opportunities, etc., will be detailed in a separate document.

Please Note: All Ready & Able Campaign Pledges MUST be fulfilled by August 31, 2021, or if a challenge pledge, when the challenge has been met.

Please mail all checks to: Center for the Arts | PO Box 1819 | Crested Butte, CO 81224