

Public support for Tuacahn Center for the Arts

Honorable County Commissioners, Mayors and City Council Members, I urge you to seriously consider this statement concerning Tuacahn Center for the Arts and act quickly on their behalf.

Celebrating its twentieth year Tuacahn finds itself in desperate need of financing for critical maintenance, upgraded equipment, expanded seating and additional rehearsal and retail space. In the last three years they have raised much of their needed funding through private sources but falling short have now come to us for additional help.

With a very narrow window of opportunity for work to be done on the facility extending only from November through April construction must begin in late October. To meet that schedule they need to have a bond in place by the end of September. Why not postpone it until next year? Sadly more than half a million dollars of their committed private funding will disappear if the October deadline is not met.

You may ask why the urgent need, why have they not prepared for this eventuality? Since its inception Tuacahn has required revenue beyond that which ticket sales generated just to remain in operation. That money has historically come from donations large and small. Their major donors have been called upon numerous times, perhaps too often, and that resource is no longer viable. Experiencing shortfalls every year and borrowing to capacity for short term needs there has been nothing left for a sinking fund dedicated to the repair and replacement of aging infrastructure. They have on average covered all of their operating expenses and paid for half of their needed capital improvements each year with sales revenue; it's the other half of the capital improvement costs that's catching up to them. They've gotten by until now because the facility was new but twenty years has taken its toll. The seating, parking lot, roofing and mechanical systems are wearing out and improving sound and lighting technologies have left them far behind. To remain a viable professional theater they simply can't wait any longer to resolve these issues. That is why they are forced to appeal to us for public support.

Why should the public be willing to provide any funding to assist what appears to them to be a profitable business? In the first place Tuacahn is not a traditional business and in the second place it is not profitable. It is a 501(c)3 not for profit arts organization with a self declared mission to provide high quality entertainment to all who come. It fulfills that mission well, but the very patrons they serve have limits on their entertainment budgets so ticket prices cannot be arbitrarily raised beyond a certain point or Tuacahn will lose them as customers. Ticket prices are scrutinized each year and are set at the highest level the market will bear. They're stuck with the reality that musical productions and concerts are not necessities like bread or gasoline. Disposable income will simply gravitate elsewhere if their product is overpriced.

Perhaps the answer that question can be found in this analogy. It is as though a generous benefactor approached us and declared that he was willing to donate an economic engine to us worth over twenty five million dollars with the promise that it would produce three times that amount in economic impact every year from then on. He would even set up a non-profit organization to run the engine for us since we knew nothing about that particular kind of equipment. All that we would be required to do to receive this gift is to agree to help maintain it. What governmental entity in its right mind would not jump at the chance to receive such a gift?

In reality that is precisely what Hyrum and Gayle Smith among others have done for Washington County. Beyond paying to construct the Tuacahn Center for the Arts they stepped in and rebuilt it after a devastating flood and have infused needed capital over a period of years to keep it in operation. Now Tuacahn is able to cover nearly all its expenses through ticket sales, but repair or replacement of critical infrastructure and the long overdue expansion of their facilities will not occur without outside help.

Tuacahn creates by far the largest economic impact of any arts organization in the State bringing more visitors from out of the area to stay in local hotels and eat in local restaurants than any other. And yet it has always received the least amount of public funding. Virtually every significant arts organization in Utah receives both State and local support, some to the tune of several hundred thousand to well over a million dollars annually. Long overlooked Tuacahn will simply not survive unless that dynamic changes. Hopefully it has begun at the State level but Tuacahn's needs go well beyond what the State can provide.

Enter the RAP tax. I'm sure all of our cities have more places to use RAP revenue than it will fund. But as we discuss its distribution I hope we won't turn a blind eye to Tuacahn. There will be a lot of pressure to spend every penny elsewhere but I can't think of anything worse than ultimately losing the second largest economic driver in the County next to Zion National Park and a major source of regional recognition and pride due to our failure to support it. In other counties where a similar tax has been approved by the voters forty to sixty percent of the revenue generated has gone toward arts related causes. Here it is much different. Tuacahn will be competing with many other 501(c)3s for the fifteen percent that has been designated for that purpose. The County will most certainly help but not to the level needed for Tuacahn to remain sustainable so our cities are being called upon to fill the void.

Arguable St. George City and perhaps Washington City are the greatest beneficiaries of hotel room tax and restaurant sales tax. Hopefully they will pledge significant financial support to Tuacahn if only for that reason, but why the rest of us? Like most of your communities Ivins City receives very little financial benefit from Tuacahn, but the other intangible benefits we receive are enormous. I've included a letter from Stan Castleton the developer of Sentierre who states that Tuacahn is a major reason his group chose to

locate their facility here. They will not be alone. Other development groups looking our direction will surely be influenced in the same way. And how many people now vacation here or have purchased a home here after coming to see a production at Tuacahn?

As generous as it would be to make an annual donation to Tuacahn it does little good in their effort to bond for the needed improvements. As you are well aware a bond requires a committed revenue source over its duration. Thus what needs to take place in the next month is for the County and each of our communities to pledge an amount that we are willing to pay for the next twenty years to support Tuacahn so those pledged amounts can be used to secure their bond. We each need to do this by resolution so it becomes an official action that the bonding companies can rely on. In that same time frame we also need to enter into an interlocal agreement documenting the details and terms of our support. It is likely that Ivins City would be willing to serve as the agent to secure the conduit financing on their behalf. Our first bond payment will not come due until after the first of next year so sufficient revenue will have been collected to cover the obligation. All that is needed now is the commitment resolution and the interlocal agreement.

Tuacahn executives will be willing to meet with each of you to provide information and answer questions as you do your due diligence on this issue. You can reach Kevin Smith their CEO at (435) 652-3307 to schedule them to be present at one of your upcoming meetings. I appeal to each one of you to give this matter the attention it deserves and to be sensitive to the time constraints associated with it. You are welcome to contact me Chris Hart at (435) 632-9410 for any further insights. Thank you so much for your consideration.

Chris Hart
Mayor, Ivins City