

OPERA GRAND RAPIDS MEDIA RELEASE

APRIL 23, 2008

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HOME AT LAST . . .

Opera Grand Rapids Closes 40th Anniversary Season With Announcement of Rehearsal Hall Building Project

GRAND RAPIDS – For 40-years Opera Grand Rapids has wandered from empty storefronts, to office suites to rehearse its productions. At the close of its 40th Anniversary Season, Opera Grand Rapids is proud to announce its intent to purchase land that will become its first permanent home.

Opera Grand Rapids recently entered into a buy-sell agreement regarding a portion of a parcel of land located on East Fulton, just West of Carlton SE. The property is currently owned by the Gilmore Collection, which includes local developer John F. Gilmore, who has a long history of supporting Opera Grand Rapids, serving as the Company's first President in 1967.

Under the terms of the buy-sell agreement, Opera Grand Rapids intends to purchase the parcel for \$300,000 to build its first permanent home, which will include a rehearsal hall, costume shop, property storage and offices. The building will be named The Betty Van Andel Opera Center (BVAOC), in honor of one the Company's most avid supporters.

Betty Van Andel was a member of the Opera Grand Rapids Board of Trustees from 1981 to 1990. In 2001, the Jay and Betty Van Andel Foundation awarded Opera Grand Rapids a 1 Million dollar gift to jumpstart the building project. Since the announcement of this gift, the Company has focused on becoming fiscally solvent, to create a solid foundation from which to launch the construction of the BVAOC. In 2005 the Company established a reserve fund as a safeguard against future long-term deficits, and, in 2006 it retired a long-standing deficit of more than \$500,000, allowing it to operate debt free. An adherence to careful budgeting and fiscal responsibility has allowed the Company to end its last three seasons in the black.

With this solid fiscal foundation, Opera Grand Rapids is prepared to build, maintain and operate the BVAOC.

To complete the BVAOC, Opera Grand Rapids has launched a Capital Campaign with a goal of \$1,950,000. As of mid-April the Company has raised more than \$1,360,000 or roughly 70% of its campaign goal.

“We have 100% participation from our Board, who has contributed more than \$100,000 towards the project,” said Opera Grand Rapids Executive Director John Peter Jeffries.

Fundraising for the BVAOC will continue throughout the spring and summer. Ground breaking for the project is expected to take place in the summer, with plans for the Company to occupy the facility by 2009.

“This is a critical opportunity for us to get out in front of the community and let people know who we are, and how important having an opera company is for the city,” said Opera Grand Rapids Development Chair, Win Irwin. “A lot of people don't understand that we are not a touring show that pops into town. Having this space will allow us to display the magic of building a unique show right here in Grand Rapids.”

Opera Grand Rapids will close it's 40th Anniversary season with Richard Wagner's *The Flying Dutchman*, May 2 and 3 at DeVos Hall. The production, which is currently in rehearsals, will feature a national cast, a chorus of 70 local singers, high-tech projected scenery and the music of the Grand Rapids Symphony.

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The company

Opera Grand Rapids (OGR) is Michigan's oldest professional opera company, providing the residents of West Michigan and beyond with high quality performances since 1968. It draws ticket buyers from 48 counties across the Lower Peninsula, eight other states and one Canadian province. Presentations are locally produced, featuring outstanding vocal artists from around the world, singing with a strong local chorus, accompanied by the superb musicians of the Grand Rapids Symphony Orchestra. In addition to its main stage productions, OGR annually offers a limited range of educational and outreach programs.

The need

Throughout its forty-year history, the Opera has led a nomadic existence. All of its operations have been housed in rented or borrowed facilities. The office spaces have moved frequently – three times in the past ten years. Rehearsals are held in a variety of different locations, usually vacant store fronts. In the past six years, the company has held its rehearsals in twelve different spots that were often secured at the very last moment. The costume shop has led a similarly vagrant existence, being housed in a new location for nearly every show. Many of the rehearsal and costume shop spaces were only marginally adequate, but were used because they were the only spaces available. The lack of permanent facilities has meant that for every production OGR must load in and set up both its rehearsal hall and costume shop all over again, investing labor and money in spaces it does not own, which adds further to the cost of each show.

Currently the company has to lease space to provide educational or public programming. This constriction significantly limits the ability of the Opera to expand its educational programs, special events, fundraisers, and additional opera programming without the need to rent and try to schedule off-site facilities.

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Specific facility needs include the following:

- **Rehearsal space** – 60' x 80' uninterrupted by columns or pillars with 16'-20' ceilings, with bathrooms for 80 – 100 people, and good heating and cooling systems.
- **Costume shop** – 1,000 sq. ft., with windows for natural light, electrical power for sewing machines, sinks, counter space, two fitting rooms, and space for notion and fabric storage.
- **Costume storage** – **1,000-1,200 sq. ft. of secure storage, with appropriate racking system and strong climate control.** At present, OGR's costumes and accessories are stored in the basement and attic of its costumer.
- **Scenery and properties storage** – **600-800 sq. ft. of clean, dry and secure storage space for frequently used scenic elements and props.** OGR will likely always need to maintain some off-site scenery storage, but having the most frequently needed set pieces and props safe and readily available for use in rehearsals would be a big help. Some of the company's property has been rendered useless or stolen from the current leaky and insecure warehouse.
- **Three private, soundproof practice rooms** – **Two 100 sq. ft. rooms, and one 150 sq. ft. room, each equipped with upright pianos.** At present, OGR goes without these spaces or improvises them from space designed for other purposes. Often there are no spaces adjacent to the rehearsal hall where performers can warm up or receive vocal coaching. Also, the two smaller rooms will serve as the company's music library and the larger space as an auxiliary meeting room.
- **Office and meeting spaces** – **approximately 1,800 sq. ft., including offices for seven staff members; three additional open work stations for stage management, volunteers and interns; and adequate machine room and office storage spaces.** None of OGR's rented office space has fully met the company's needs. Its current offices are cramped and inefficient.
- **Upgraded phone and computer systems.** OGR's phone system needs to be replaced and virtually all of its computers are antiquated second- or third-hand machines, which require frequent, costly maintenance.
- **Flexible meeting/rehearsal space** – **approximately 800 sq. ft.** This space will allow for the rehearsal of two sections of the chorus at the same time and accommodate meetings of the board of trustees. Seldom does OGR have the capability of holding two rehearsals simultaneously. Frequently, it must rent or borrow off-site space for committee and board meetings.

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- **Safe, secure parking on site – Adequate parking for staff members and daytime ticket buyers, along with additional daytime spaces for visiting artists and evening spaces to accommodate artists and chorus members.** OGR currently rents parking for its staff on the west side of the Grand River, a walk of about ten to fifteen minutes from the office adding to the time it takes staff members to get to and from off-site meetings. Visitors to its offices, including ticket buyers, must pay for downtown parking in one of several crowded and expensive nearby lots or drive around trying to find on-street metered parking.
- **Space for more education and public programs.**
- **Catering kitchen facilities.** A well-equipped kitchen will allow the company to hold fundraising and social events on-site, saving the rental of auxiliary space.
- **Establish Opera Grand Rapids identity in the community.** Its rented, low-visibility office, rehearsal, and costume shop spaces are not readily identifiable as belonging to OGR. None provide a location to which the company can be proud to invite the community nor is adequate or appropriate for educational programs.

The solution:

Opera Grand Rapids has developed plans for the Betty Van Andel Opera Center, a two-story, facility of approximately 14,000 sq. ft., located on East Fulton Street, just west of Carlton SE. The Opera Center will provide a permanent home for the company's offices, rehearsals, property storage, and costume shop. It will also give the company a facility in which to offer expanded array educational and public programming.

The Betty Van Andel Opera Center will free OGR from having to locate, negotiate for, rent and equip temporary spaces for every production saving hundreds of hours and thousands of dollars annually.

Building Timeline:

Opera Grand Rapids is working with Beta Design and McGraw Construction on the realization of the plan for the Betty Van Andel Opera Center. The plans and estimates are being finalized. Fundraising will be done over the winter with an eye toward breaking ground in the summer of 2008. The company hopes to occupy the new facility before the end of the year.

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Impact

Impact on Opera Grand Rapids operations:

- A permanent home in a visible location on a busy urban street
- Saving effort and financial resources currently expended in locating, renting, setting up and clearing temporary facilities
- More time, energy and resources will be available to work at improving the quality of its productions
- Better care and handling of costumes
- Provide permanent work and storage space for its two support organizations -- Friends of the Opera and Opera Affiliates
- More convenient parking for volunteers and staff
- A space to hold additional events to raise funds for and awareness of the Opera
- The opportunity to generate revenue by renting the spaces to other organizations

Impact on the community:

- Expansion of children's educational programs:
 - Children's Summer Opera Workshop could grow from one program a season to three or more,
 - more frequent young people's performance programs
 - year-round children's chorus, student workshops and tours;
- Opportunity to hold Master Classes with visiting artists
- Convenient parking for box office visitors, guest artists and chorus members
- Opportunity to present opera recitals with featured local artists
- Opportunity to present opera concerts, bringing opera music to the community
- Space to offer opera courses/study in collaboration with area colleges/universities
- Space to hold the Opera's annual vocal competition
- Space that can be rented by other area organizations
- Revitalization of a piece of property that has stood vacant several years

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Economic Impact:

In the 2007-2008 fiscal year Opera Grand Rapids had a significant impact on the economy of Greater Grand Rapids. The construction of the BVAOC and subsequent expansions in programming by the Company will serve to increase OGR's economic footprint.

- In 2007-2008 OGR spent \$1,288,552 spent on wages, fees, goods and services. A total of \$1,080,883 went to individuals and vendors in West Michigan.
- In 2007-2008 OGR employed 546 people, of whom only 24 were not residents of West Michigan.
- OGR is a growing magnet for cultural tourism, drawing ticket buyers from 45 Counties across the Lower Penninsula, eight other states and one Canadian province. In 2007-2008 more than 512 individuals made trips of more than 50 miles to attend OGR productions. Many of these individuals spend the night in Grand Rapids, adding to the Company's economic impact on the region.

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The costs

Construction:

Land purchase	\$ 300,000
Construction (estimates provided by McGraw Construction)	\$ 1,190,792
Soft costs: furnishings, equipment, arch. fees. etc.	\$ 459,208
Total project costs	\$ 1,950,000

Long Term Costs:

Owning and managing its own building will increase Opera Grand Rapids operating expenses. However, it can also provide opportunities for increased revenues through rentals, special events, and new fundraising activities that may offset some of the increase in costs.

Operating costs:

	<u>Current costs</u>	<u>Costs in BVAOC</u>
Production facilities rental, prep., labor, hauling	\$ 6,010	\$ 0
Warehouse rental	\$ 4,800	\$ 3,000
Office rental	\$ 20,760	\$ 0
Utilities	\$ 1,596	\$ 26,150
Office parking	\$ 4,052	\$ 0
Insurance	\$ 6,423	\$ 8,273
Cleaning	\$ 0	\$ 5,200
Garbage removal	\$ 0	\$ 1,200
Snow removal	\$ 0	\$ 1,000
Building supplies	\$ 0	\$ 3,500
Maintenance	\$ 0	\$ 5,000
Total facilities-related operating costs	\$ 43,641	\$ 53,323

The Capital Campaign

Goal: **\$1,950,000**

Raised as of April: **more than \$1,360,000**

Including: \$100,000 in contributions from OGR's Board of Trustees and \$100,000 from the Grand Rapids Community Foundation.