



Star Theatre Feasibility Study

Virginia Tech Center for Economic and Community Engagement

William N. Ferris, Kit Friedman, Jason Schwartz, Hye-Jeong Seo, Allison Ulaky

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Executive Summary

First opened in 1947, the Town of Stuart's Historic Star Theatre screened films and hosted live entertainment, drawing in locals and out-of-town visitors to the historic venue. With the theater newly renovated, the purchase of the historic facility could provide the Town with a cultural anchor that would serve as a community-oriented center for concerts, movies, town gatherings, and other events, while simultaneously supporting Stuart's historic downtown redevelopment effort.

The Town of Stuart, Virginia, has contracted the Virginia Tech Center for Economic and Community Engagement (CECE) to conduct a feasibility study regarding purchase and operation of the Historic Star Theatre. The Town of Stuart intends to operate the theater in a profitable manner that also supports local business through increased downtown vibrancy and tourism. To conduct its feasibility study, the Virginia Tech Center for Economic and Community Engagement participated in site visits throughout Stuart and surveyed citizens in Stuart on their spending habits and interest in participating in Star Theatre events. CECE conducted a market feasibility study and economic impact analysis of the theater and its proposed operations, as well as framed its reasonable footprint of interest throughout the region. CECE also surveyed and interviewed peer theaters throughout the region to identify best practices related to operations, funding, and programming. These findings determined the overall feasibility of the Star Theatre.

Findings suggest the Theatre to be a strong option for community development, with residents and partner organizations expressing strong support for the project. Economic impact analysis suggests the theater may create 10.96 full-time jobs and have a total direct effect of \$174,929 annually, serving as a destination icon for the Town of Stuart, as well as supporting area businesses in tourism and other clusters.

Final recommendations include further researching grant opportunities the town can pursue, building partnerships with other local organizations, further engaging with the school system to create more interest, and leveraging the strong community support for the Star Theatre.

Introduction

In partnership with the Town of Stuart, the Virginia Tech Center for Economic and Community Engagement (CECE) began a feasibility study in August of 2022 to evaluate if the Star Theatre’s purchase would be a viable decision for the town. Objectives of the study included determining the potential economic and community impact of the Star Theatre, as well as identifying best practices that would support successful theater operation. This was done by analyzing the return on investment the Town of Stuart may receive from purchasing and operating the Star Theatre under current and projected economic conditions, as well as by surveying and interviewing key stakeholders, residents, and comparable theaters. CECE used the findings from this research to provide the Town of Stuart with recommendations regarding the feasibility of purchasing and operating the Star Theatre.

1. Research Approach to Arts-oriented Development

Arts-oriented development can initiate positive community change via job creation, downtown revitalization, and development of a stronger cultural sector. Such initiatives have a low-risk, high-reward appeal, and residents rarely object to additional art, music, and festivals in their town.¹ However, care must be taken to ensure that the arts do not become a symbol of divide for those who are and are not able to access them due to affordability and accessibility constraints.²

When developing the arts, local governments must consider their constituents and how arts development will benefit them and their community. Artists and municipalities have much to offer each other, as both are committed to improving local social problems and overall community livelihood.³ Local governments especially can benefit from the arts by learning creative ways to increase civic participation, improve community outreach, think outside of the box to solve problems, and have a deeper understanding of the community’s identity.⁴ In order to bring vibrancy into a town, it is important to work with the assets that already exist within the community.

Communities that focus on projects and programs surrounding arts and culture believe they will result in positive economic impacts, including attracting specific populations and tourists, while also supporting local jobs.⁵ These jobs include both artists and jobs at community businesses that may receive increased foot traffic. In a case study of Roanoke, Virginia, attention to both the hard infrastructure of the facility itself but also attention on strengthening social capital, collaboration, and local networks were

¹ Stephenson, M. & Tate, S. (2015). Introduction: The Place of the Arts in Community Identity and Social Change. In Stephenson, Max, Jr. and Scott Tate (Eds). *Arts and Community Change* (pp.1-10). Routledge Publishers.

² Stephenson, M. & Tate, S. (2015). Introduction: The Place of the Arts in Community Identity and Social Change. In Stephenson, Max, Jr. and Scott Tate (Eds). *Arts and Community Change* (pp.1-10). Routledge Publishers.

³ Cohen-Cruz, Jan and Rad Pereira. (2022). *Meeting the Moment: Socially Engaged Performance, 1965 – 2020, by Those Who Live It*. New York: New Village Press.

⁴ Cohen-Cruz, Jan and Rad Pereira. (2022). *Meeting the Moment: Socially Engaged Performance, 1965 – 2020, by Those Who Live It*. New York: New Village Press.

⁵ Tate, S. (2015). Shaping the Artful City: A Case Study of Urban Economic Reinvention. In Stephenson, Max, Jr. and Scott Tate (Eds). *Arts and Community Change* (pp. 108-134). Routledge Publishers.

prioritized to grow the arts as a driver of development.⁶ The importance of leadership and organization building was also critical to the government's success in its arts-based approaches.

Projects surrounding community-cultural development can take many forms: they can be celebrations of the local population's interests and traditions, can focus on history of the place, can highlight issues to be addressed, and more.⁷ But, this development can only be sustained with grassroots community involvement in the planning process. While tourists may serve as spectators to performances, residents take on the additional responsibility and role of conveying and witnessing their community identities in the local acts that perform. Fostering these connections when developing and creating arts programs and institutions is an important part of the process.⁸ These practices were taken and considered in the approach used in this feasibility study and the final recommendations given.

CECE collected quantitative and qualitative data using a mixed methods approach to develop recommendations for the operation of the Star Theatre and the feasibility of the Town of Stuart purchasing the theater. CECE began by analyzing national and regional industry trends in arts, entertainment, and recreation-related industries to gain insight on both current demand and forecasted trends. CECE then conducted a market analysis to measure demand in specific drive time radiuses and demands by different segments of the population compared to Patrick County, the state, and the nation. Data on events previously held in Stuart also contributed to this analysis.

CECE then analyzed eight peer theaters' operations to compare the market and revenue potential for the Star Theatre and to learn about operations and budgeting best practices. These theaters were selected due to their non-profit structure as a means of serving as models for what the Star Theatre could achieve. CECE surveyed thirteen theaters to learn more detailed information. These theaters were selected due to affiliation with the League of Historic American Theatres, their location in North Carolina and Virginia regions that could be comparable to Stuart, Virginia, and having operational and programmatic structures similar to those that the Star Theatre aims to achieve. This information contributed both to the market analysis and to recommendations made in the business model and uses of the space.

Finally, CECE distributed a survey to residents and conducted interviews with stakeholders to determine the public's opinion of and interest in the Star Theatre. In total, residents completed 313 surveys (and provided 231 additional partial responses), addressing questions including events interested in attending, willingness to spend, and more to measure local interest in the Star Theatre. CECE conducted 16 interviews with stakeholders; these stakeholders were chosen from a list provided by One Family Productions and included representatives from local arts organizations, local business owners, and other community leaders. These interviews further provided opinions on uses of the space, involvement of local organizations in partnerships and downtown development, and provided the opportunity to discuss in more depth the Star Theatre opening and how that could benefit the local community.

⁶ Tate, S. (2015). Shaping the Artful City: A Case Study of Urban Economic Reinvention. In Stephenson, Max, Jr. and Scott Tate (Eds). *Arts and Community Change* (pp. 108-134). Routledge Publishers.

⁷ Cocke, D. (2015). Community Cultural Development as a Site of Joy, Struggle, and Transformation. In Stephenson, Max, Jr. and Scott Tate (Eds). *Arts and Community Change* (pp. 136-165). Routledge Publishers.

⁸ Cocke, D. (2015). Community Cultural Development as a Site of Joy, Struggle, and Transformation. In Stephenson, Max, Jr. and Scott Tate (Eds). *Arts and Community Change* (pp. 136-165). Routledge Publishers.

Using this information, CECE conducted a cost-benefit analysis to determine performance forecast and potential budget for the Star Theatre. The data collected all led to the final determinations regarding the feasibility of the Town’s purchase and operation of the Star Theatre.

2. Regional Overview

2.1. Demographic Trends

Stuart, Virginia, is the county seat for Patrick County and is located in the southwest portion of the state. Populations for the town and surrounding county are expected to decline over the next five years. The Town of Stuart is located within a 30-minute drive of the population centers of Martinsville, which has a population of approximately 73,000, and Mt. Airy, which has a population of approximately 71,000. The Town of Stuart is also located within an hour of the metropolitan areas of Winston-Salem, with a population of approximately 681,000, and Blacksburg-Christiansburg, which has a population of approximately 165,000.

Table 1. Population

Total Population	Star Theatre 40 minute Drive	Stuart Town, VA	Patrick County, VA	Virginia	USA
2022	106,512	1,420	17,308	8,744,590	335,707,897
2027	104,966	1,411	17,118	8,856,660	339,902,796
2022-2027 % Change	-1.5%	-0.6%	-1.1%	1.3%	1.2%

Source: Esri Business Analyst, 2022

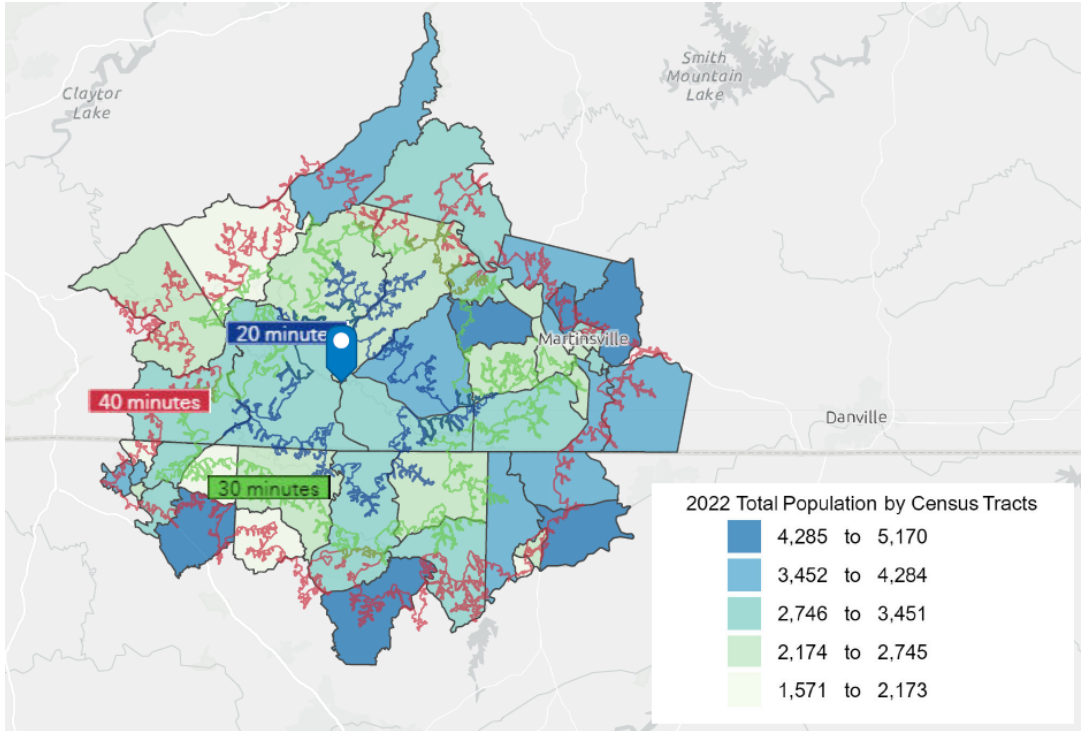


Figure 1. Population

Source: Esri Business Analyst, 2022

The majority of the population in the Town of Stuart and its vicinity are White (not Hispanic). In the 40-minute drive radius ‘White (not Hispanic)’ remains the largest racial group at 80% of the population and followed by Black or African American just under 15%. Table 2 displays the racial demographic breakdown for different geographies. Figures 2 and 3 illustrate the racial breakdown for the largest two demographics of White and Black or African American populations within a 40-minute drive.

Table 2. Racial Demographics

Race	Star Theatre 40 minute Drive	Stuart, VA	Patrick County, VA	Virginia	USA
White (Not Hispanic)	80.1%	82.7%	88.5%	58.6%	57.8%
Hispanic	4.6%	4.2%	3.2%	10.5%	18.7%
Black or African American	14.8%	8.5%	4.7%	18.3%	12.1%
American Indian	0.2%	0.1%	0.1%	0.2%	0.7%
Asian	0.5%	0.3%	0.2%	7.1%	5.9%
Pacific Islander	0.0%	0.1%	0.0%	0.1%	0.2%
Some Other Race	2.7%	0.7%	0.4%	0.5%	0.5%
Two or more races	1.6%	3.3%	2.8%	4.7%	4.1%

Source: American Community Survey 2010 (40-minute Drive), 2020 Decennial Census (all other categories)

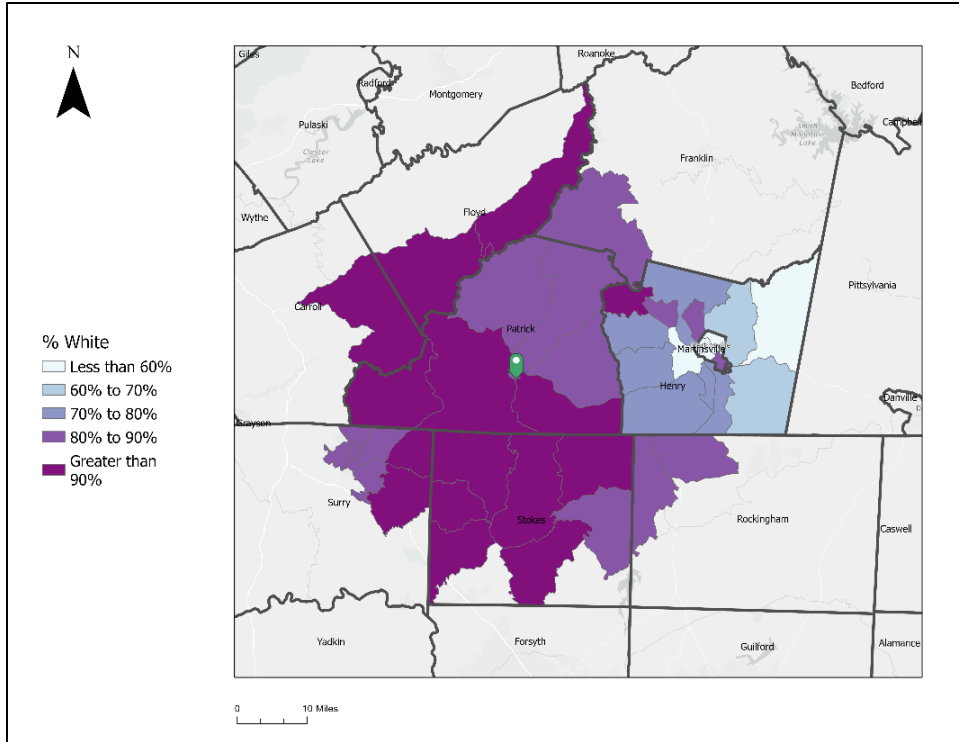
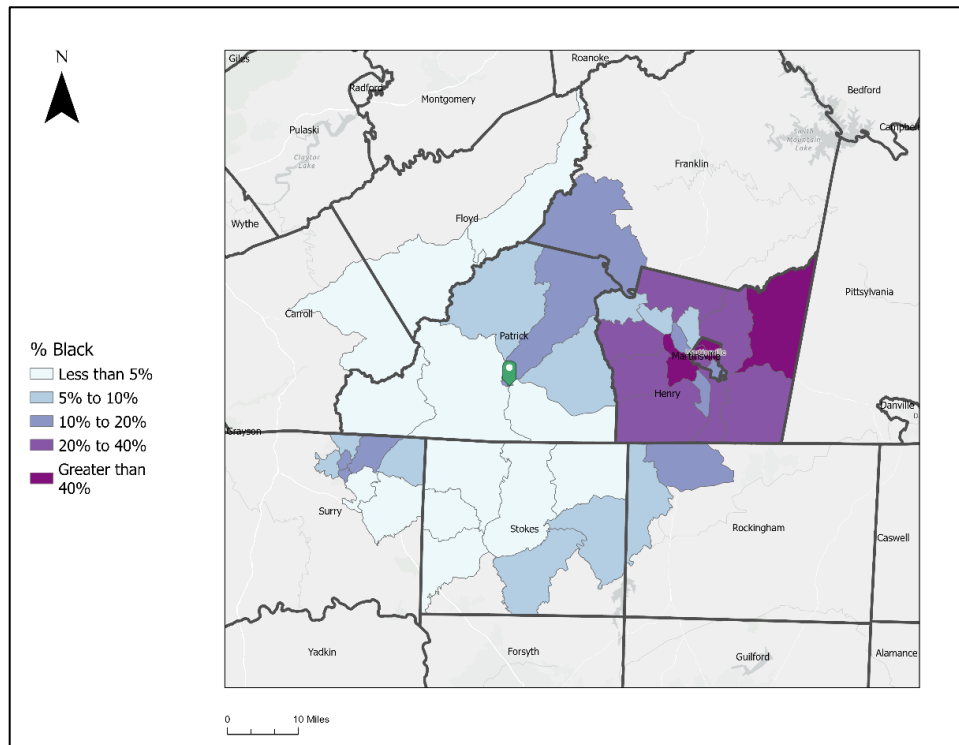


Figure 2. Census tracts within 40-minute drive radius, % white
Source: American Community Survey, 2020



Figures 3. Census tracts within 40-minute drive radius, % Black
Source: American Community Survey, 2020

The population of the area in and around Stuart is much older than those of the state and country. The median age for the population of Patrick County is 50 and the age cohorts with the highest populations in the county are those between ages 60-64 and 65-69. Western areas of Patrick County have higher percentages of people over 60 relative to eastern areas of the county.

Table 3. Age

5 Year Age Cohort	Star Theatre 40 minute Drive	Stuart Town, VA	Patrick County, VA	Virginia	USA
Age 0-4	4.7%	4.4%	4.2%	5.6%	5.8%
Age 5-9	5.2%	4.9%	4.8%	5.9%	6.1%
Age 10-14	5.4%	5.1%	5.0%	6.2%	6.2%
Age 15-19	4.8%	3.9%	4.2%	6.3%	6.3%
Age 20-24	4.5%	4.8%	4.1%	6.5%	6.5%
Age 25-29	5.7%	5.1%	5.2%	6.8%	7.0%
Age 30-34	5.8%	5.1%	5.1%	7.0%	6.9%
Age 35-39	5.5%	4.7%	5.1%	6.9%	6.7%
Age 40-44	5.6%	5.6%	5.8%	6.4%	6.2%
Age 45-49	6.2%	6.4%	6.7%	6.1%	5.9%
Age 50-54	6.9%	4.4%	6.7%	6.3%	6.1%
Age 55-59	7.4%	7.2%	7.7%	6.7%	6.5%
Age 60-64	7.9%	8.1%	8.4%	6.4%	6.4%
Age 65-69	7.3%	6.7%	8.2%	5.6%	5.6%
Age 70-74	6.3%	6.6%	7.5%	4.5%	4.6%
Age 75-79	4.8%	6.4%	5.5%	3.1%	3.2%
Age 80-84	3.0%	4.5%	3.1%	1.9%	2.0%
Age 85+	2.9%	5.9%	2.8%	1.8%	2.1%
Median Age	47.2	49.9	50.0	39.2	38.9

Source: Esri Business Analyst, 2022

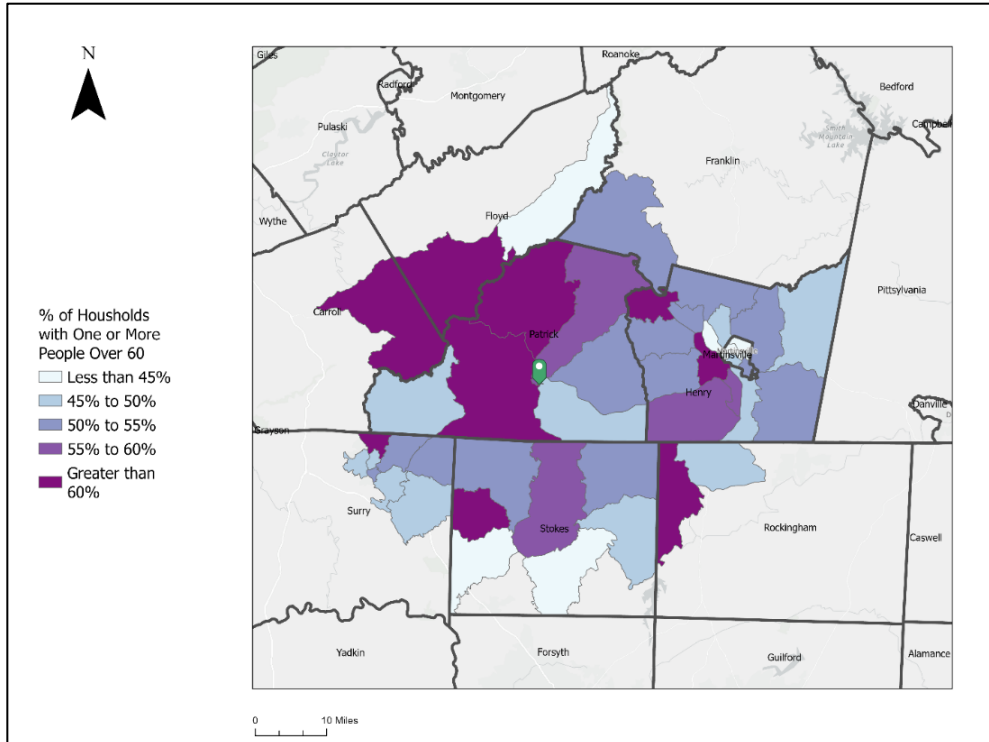


Figure 4. Census tracts within 40-minute drive radius, % of households with one or more people over 60
 Source: American Community Survey

The Town of Stuart has slightly higher educational attainment at the postsecondary level than Patrick County, but Stuart is behind the state and country (Table 4). The majority of those in and around Stuart have not attained a postsecondary degree. There are, however, a number of concentrated clusters of populations with greater educational attainment within a 40-minute drive of the Town of Stuart.

Table 4. Educational Attainment

Attainment Level	Star Theatre 40 minute Drive	Stuart Town, VA	Patrick County, VA	Virginia	USA
Less than 9 th Grade	6.1%	6.9%	6.3%	3.2%	4.1%
9-12 Grade/No Diploma	10.7%	11.2%	11.3%	5.7%	5.9%
High School Diploma	27.0%	23.4%	27.1%	19.7%	23.1%
GED/Alternative Credential	7.5%	8.2%	8.2%	4.0%	4.0%
Some College/No Degree	19.6%	19.4%	18.9%	17.3%	18.3%
Associate's Degree	12.2%	12.0%	11.4%	8.8%	9.4%
Bachelor's Degree	11.1%	10.9%	10.2%	23.3%	21.7%
Graduate/Professional Degree	5.8%	8.0%	6.6%	18.0%	13.4%
Any Postsecondary Degree	29.1%	30.9%	28.2%	50.1%	44.5%

Source: Esri Business Analyst, 2022

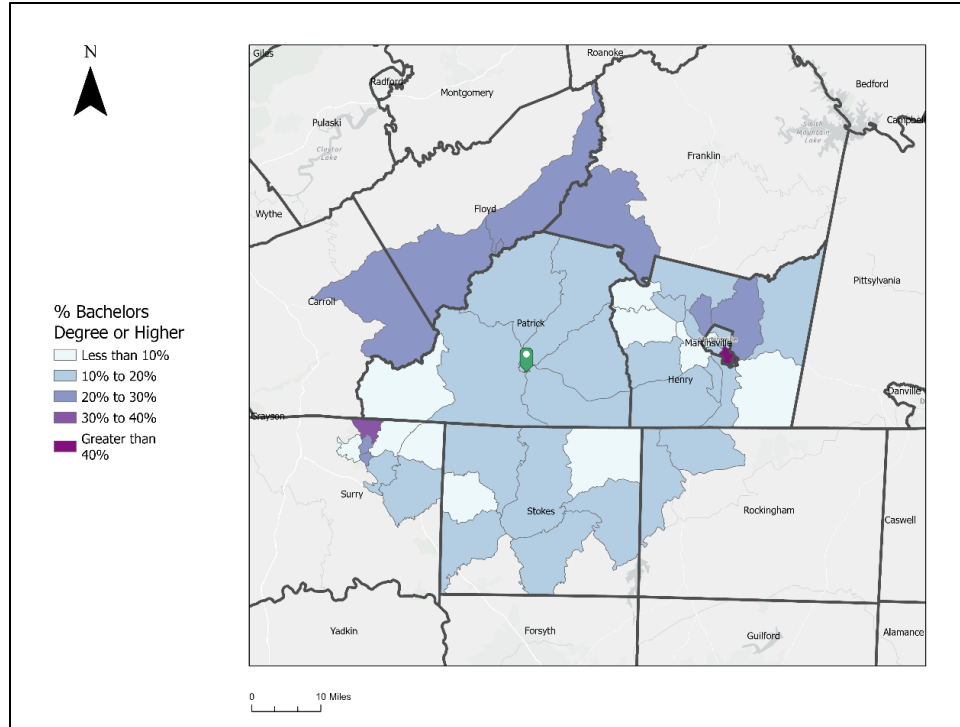


Figure 5. Census tracts within 40-minute drive radius, % with bachelor’s degree or higher
 Source: American Community Survey

Median incomes in Stuart, Virginia, lag those of surrounding Patrick County (Table 5). The population in Patrick County has lower levels of disposable income relative to the entire state and to the United States (Table 6). Areas with the highest median household income within a 40-minute drive radius are in the southeast areas of Patrick County and the city of Martinsville as well as southern portions of Stokes County, NC (Figure 6).

Table 5. Household Income

HH Income	Star Theatre 40 minute Drive	Stuart Town, VA	Patrick County, VA	Virginia	USA
less than \$15,000	14.7%	18.8%	13.9%	6.9%	8.6%
\$15,000-\$24,999	14.9%	18.4%	13.7%	6.2%	7.2%
\$25,000-\$34,999	10.4%	14.4%	10.3%	6.6%	7.5%
\$35,000-\$49,999	13.2%	9.9%	13.2%	10.0%	11.1%
\$50,000-\$74,999	20.0%	16.3%	20.6%	15.7%	16.9%
\$75,000-\$99,999	11.4%	9.0%	12.6%	12.9%	13.2%
\$100,000-\$149,999	10.4%	9.0%	9.9%	17.8%	17.2%
\$150,000-\$199,999	2.1%	1.4%	3.0%	10.3%	8.4%
\$200,000 or greater	2.9%	2.7%	2.8%	13.7%	9.9%
Median Household Income	\$45,478	\$33,542	\$48,320	\$82,443	\$72,414
Average Household Income	\$64,303	\$56,922	\$65,965	\$121,628	\$105,029

Source: Esri Business Analyst, 2022

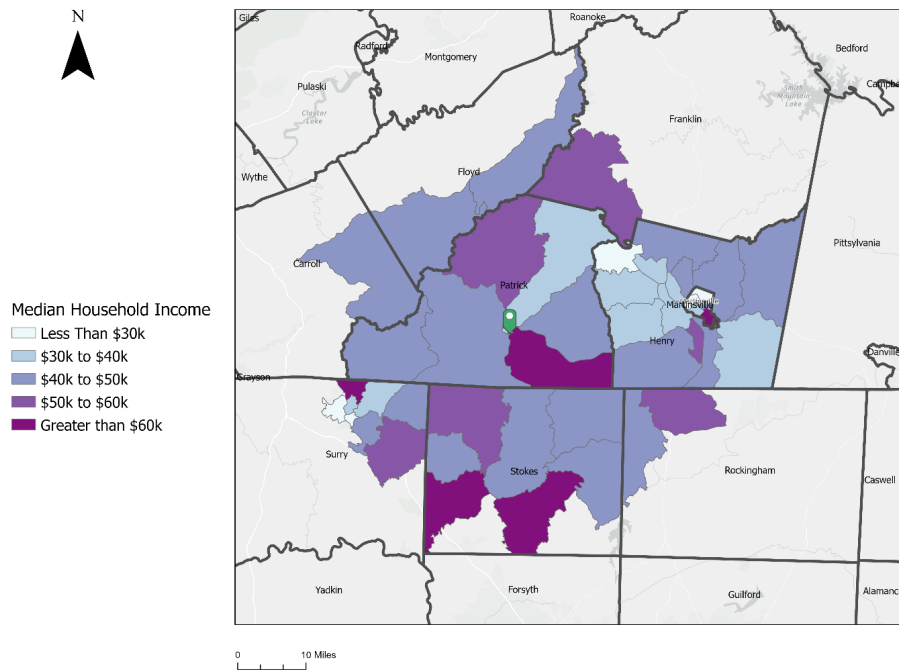


Figure 6. Census tracts within 40-minute drive radius, Median Household Income
 Source: American Community Survey, 2020

Table 6. Disposable Household Income

Disposable Income	Star Theatre 40 minute Drive	Stuart Town, VA	Patrick County, VA	Virginia	USA
<\$15,000	17.3%	21.8%	16.3%	7.9%	9.8%
\$15,000-\$24,999	16.7%	21.4%	15.7%	7.9%	8.8%
\$25,000-\$34,999	12.4%	13.0%	12.6%	8.7%	9.3%
\$35,000-\$49,999	16.2%	12.6%	16.2%	12.5%	13.7%
\$50,000-\$74,999	20.2%	16.6%	21.8%	19.8%	19.4%
\$75,000-\$99,999	7.6%	5.8%	7.0%	11.3%	12.1%
\$100,000-\$149,999	6.8%	6.1%	7.7%	18.5%	16.4%
\$150,000-\$199,999	1.5%	1.4%	1.5%	7.1%	5.4%
\$200,000+	1.4%	1.3%	1.2%	6.2%	5.0%
Median Disposable Income	\$37,558	\$29,465	\$38,957	\$64,007	\$58,350
Average Disposable Income	\$49,811	\$44,522	\$50,801	\$86,000	\$78,104

Source: Esri Business Analyst, 2022

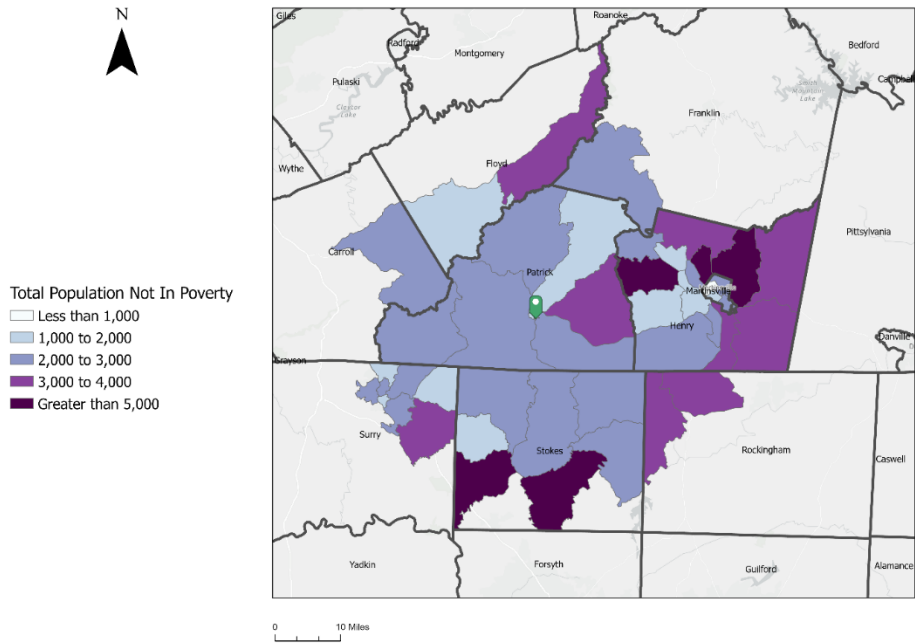


Figure 7. Census tracts within 40-minute drive radius, Total Population Not in Poverty
 Source: American Community Survey, 2020

2.2. Industry Trends

The Virginia Tech Center for Economic and Community Engagement identified three industry groups that could be affected by Star Theatre activities: 1) Direct industry consisting of art, entertainment and performance industry 2) Indirect industry consisting of food and accommodation 3) Induced industry consisting of any other industry affect by sales increase. Table 7 below highlights sales and jobs in Patrick County by industry. Patrick County’s limited industry size and associated jobs suggest a need to increase industry sales as a means of supporting job-growth, as well as increasing regional industry employment concentration.

Table 7. Sales and Jobs for selected NAICS for direct, Indirect and Induced Industry

NAICS	Description	2021 Total Sales	2016 Jobs	2021 Jobs	2026 Jobs	2016 2021 % Change	2016 2026 % Change
	Art, Entertainment, and Performance Industry						
512131	Motion Picture Theaters (except Drive-Ins)	\$0	0	0	0	0%	0%
561920	Convention and Trade Show Organizers	\$63,165	2	3	3	68%	95%
711110	Theater Companies and Dinner Theaters	\$109,422	3	2	3	(32%)	(27%)
711120	Dance Companies	\$0	0	0	0	0%	0%
711130	Musical Groups and Artists	\$29,635	2	1	1	(38%)	(44%)
711190	Other Performing Arts Companies	\$0	0	0	0	0%	0%
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	\$7,376	0	1	2	0%	0%

711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities	\$148,132	1	3	4	156%	159%
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	\$0	6	0	0	(100%)	(100%)
711510	Independent Artists, Writers, and Performers	\$567,042	35	28	21	(19%)	(40%)
713990	All Other Amusement and Recreation Industries	\$114,499	3	2	2	(48%)	(41%)
	Food						
722310	Food Service Contractors	\$377,345	3	6	6	66%	82%
722320	Caterers	\$168,246	2	3	3	59%	68%
722330	Mobile Food Services	\$955,661	121	14	16	(89%)	(86%)
722410	Drinking Places (Alcoholic Beverages)	\$0	0	0	0	0%	0%
722511	Full-Service Restaurants	\$5,901,111	89	117	158	31%	77%
722513	Limited-Service Restaurants	\$5,612,409	98	76	69	(22%)	(29%)
722514	Cafeterias, Grill Buffets, and Buffets	\$0	0	0	0	0%	0%
722515	Snack and Nonalcoholic Beverage Bars	\$0	0	0	0	0%	0%
	Accommodation						
721110	Hotels (except Casino Hotels) and Motels	\$24,789,079	26	189	416	621%	1492%
721191	Bed-and-Breakfast Inns	\$0	0	0	0	0%	0%
721199	All Other Traveler Accommodation	\$0	0	0	0	0%	0%
721310	Rooming and Boarding Houses, Dormitories, and Workers' Camps	\$0	1	0	0	(100%)	(100%)
		\$38,843,123	394	444	705	13%	79%

Table 8 shows the limited food service industry in Patrick County compared to surrounding counties. According to the U.S. Census Bureau's 2020 County Business Pattern data, Patrick County only has 6 full-service restaurant establishments, while Henry, Franklin, and Carrol Counties have numbers ranging from 16 to 31. The limited-service restaurant industry has a similar pattern. Floyd County is the only adjacent county that has an industry size similar to Patrick County.

Table 8. Industry size of food service in Patrick County compared to surrounding counties

Locality	Full-Service Restaurants (2020)			Limited-Service Restaurants (2020)		
	Number of Establishments	Annual Payroll (\$1,000)	Number of Employees	Number of Establishments	Annual Payroll (\$1,000)	Number of Employees
Patrick	6	743	64	7	1221	112
Henry	21	3524	294	30	8557	673
Franklin	31	6603	403	26	8376	612
Carroll	16	2301	182	10	3642	276
Floyd	9	990	102	4	755	59

* There is a discrepancy between the numbers of food service employees from the Census County Business Pattern data and the numbers of industry jobs from Virginia Employment Commission due to the different data collection methods.

CECE collected a list of lodging businesses located in Patrick County to assess the lodging industry and options available for potential visitors. The inventory of lodging businesses in Patrick County shows that the area provides limited lodging options. There are only two motels and one resort accessible online in Patrick County. The county has a decent accommodation capacity for Vacation Rental, B&B, Homestay, and Campground; however, those accommodations vary seasonally, meaning the county has limited availability depending on the season.

Table 9. Patrick County lodging business inventory summary (includes Airbnb accommodations)

Accommodation Type	Number of Businesses	Capacity
Motel	2	N/A
Vacation Rental/B&B/Homestay	16	68 persons
Cabin/Cottage	16	97 persons
Campground	4	N/A
Resort	1	N/A

* There is a discrepancy between the industry data from Virginia Employment Commission and the lodging business inventory due to the different classifications of lodging types.

Table 10. Patrick County lodging business inventory

	Accommodation Name	Type	Capacity
1	Cottage with Lovely Front Porch in the Blue Ridge Mountains of Virginia	Vacation Rental/B&B/Homestay	9 persons
2	Uptown Suites of Stuart	Vacation Rental/B&B/Homestay	2 persons
3	Thompson House Cottage	Vacation Rental/B&B/Homestay	3 persons
4	Lily Cove Cottage	Vacation Rental/B&B/Homestay	2 persons
5	Wolf Creek Farm	Vacation Rental/B&B/Homestay	7 persons
6	Tsuga on the Ridge	Vacation Rental/B&B/Homestay	8 persons
7	Charming Hillsville Home on Blue Ridge Parkway!	Vacation Rental/B&B/Homestay	10 persons
8	Secluded Creekside Cabin/Cottage & Cottage w/Hot Tub!	Vacation Rental/B&B/Homestay	4 persons
9	Redbud Lane	Vacation Rental/B&B/Homestay	2 persons
10	Valley View Laurel Fork	Vacation Rental/B&B/Homestay	2 persons
11	Nature Lovers Suite Rental in the Heart of the Mountains of Woolwine, Virginia	Vacation Rental/B&B/Homestay	3 persons
12	Cozy Mountain Get Away with a Magnificent View	Vacation Rental/B&B/Homestay	4 persons
13	Pet Friendly Mountain Mann Retreat	Vacation Rental/B&B/Homestay	2 persons
14	Dutchies View Bed & Breakfast	Vacation Rental/B&B/Homestay	2 persons
15	Breathtaking Views At This Mountain Top Oasis Near The Blue Ridge Parkway!	Vacation Rental/B&B/Homestay	4 persons
16	Amazing View from this Cozy Mountain Get Away on Blue Ridge Parkway	Vacation Rental/B&B/Homestay	4 persons
17	Pet Friendly Rustic Cabin/Cottage Get-A-Way	Cabin/Cottage	6 persons
18	Secluded Cabin/Cottage Nestled in the Woodlands of Meadows of Dan, Virginia	Cabin/Cottage	8 persons
19	Large, Stunning Cabin/Cottage with Breathtaking View of Piedmont, Pilot Mountain	Cabin/Cottage	12 persons
20	Pet Friendly Mountain View Cabin/Cottage	Cabin/Cottage	6 persons

21	The Enchanted Cottage	Cabin/Cottage	4 persons
22	Pet Friendly Mill Meadows Cabin/Cottage	Cabin/Cottage	6 persons
23	Pet Friendly Bear Ridge Cabin/Cottage Retreat	Cabin/Cottage	6 persons
24	Pet Friendly Mountain Village Log Cabin/Cottage	Cabin/Cottage	6 persons
25	Panther Creek Cabin/Cottage	Cabin/Cottage	4 persons
26	Pet Friendly Incredible Sunsets & Spectacular Views	Cabin/Cottage	5 persons
27	Pet Friendly Hillside Hideaway Cabin/Cottage	Cabin/Cottage	6 persons
28	Cabin/Cottage Retreat - Finnish Sauna on Blue Ridge Parkway	Cabin/Cottage	6 persons
29	Crooked Road Cabin/Cottage - Clean, Air-Conditioned, Near Wineries, Floyd, Hiking	Cabin/Cottage	5 persons
30	Cottage on a private lake in the Blue Ridge Mountains of Virginia	Cabin/Cottage	5 persons
31	Family-Friendly Bed and Breakfast Cottage Rental near Mt. Airy in Virginia	Cabin/Cottage	7 persons
32	Pet Friendly Kalah Cottage	Cabin/Cottage	5 persons
33	Primland Main Lodge	Resort	26 rooms
34	Primland Cottages	Resort	32 units
35	Primland Tree Houses	Resort	3 units
36	Primland Mountain Homes	Resorts	11 homes
37	Fairy Stone State Park	Campground & Cabin	N/A
38	Deer Run Campgrounds	Campground	N/A
39	Goose Point Park	Campground	N/A
40	Meadows of Dan Campground	Campground	N/A
41	Virginian Motel	Motel	N/A
42	Blue Ridge Motel	Motel	N/A

3. Market Analysis

3.1. Market Segment Overview and Opportunity

Market analyses for performing arts centers are traditionally focused on population, employment and income. Historically, increases in attendance for live performances are largely driven by population growth and increased educational attainment. Lower population growth and shifts in the population characteristics could impact attendance. However, these factors cannot completely predict successful outcomes for all performing arts markets. Performances have proliferated at local levels in very small organizations with limited budgets.⁹

⁹ McCarthy, K. F., & Brooks, A. (2001). The Performing Arts: Trends and Their Implications. RAND Corporation. https://www.rand.org/pubs/research_briefs/RB2504.html

There is a growing body of research analyzing the impact of arts and cultural investment activities in rural areas to foster a fertile ecosystem for creativity, innovation, and prosperity. The benefits of arts and cultural placemaking can be wide ranging and impactful across regions. Some of the benefits of arts and cultural creative sector investments include stimulating business activity, harnessing existing cultural assets for economic growth, and fostering a desirable quality of life for residents and a destination appeal attractive to visitors.¹⁰

The investments made since 2003 to brand the Crooked Road Heritage Music Trail in Southwest Virginia has helped communities share their rich musical traditions and culture to the world. The annual impact of all the Crooked Road programming is \$9.2 million and 131 jobs.¹¹ Though Patrick County sits on the Southeastern edge of the Crooked Road, the county lacks an indoor performance venue outside of the Willis Gap Community Center and Stables Saloon at the Primland Resort, indicating that the Star Theatre could address a currently unmet demand. While these venues delight visitors, they may be able to capture all the market demand for performing arts venues in the region. The Willis Gap Community Center is a small community center without a dedicated performance venue, proper acoustics, and seating arrangements. A show at the Stables Saloon at Primland Resort is well above the price point to make it accessible to many with family style meals costing \$65 per person.¹² The Star Theatre could serve as a venue for people that would like a more atmospheric venue than the Willis Gap Community Center, but do not want the luxury experience at Stables Saloon.

A performance center could help retain younger people in the area, dissuading them from moving to larger metropolitan areas. A recent study of the migration decision making processes in Eastern Kentucky found that many young adults contemplated explicit and implicant messages about belonging to their local area. They contextualized messaging in sexuality, gender, politics and religion as key drivers in whether they would stay in an area. This study showed that personal and cultural feelings were more influential on young adults' migration decisions than economic opportunities.¹³ The Star Theatre would provide opportunities for people to develop stronger interpersonal connections, engage in cultural reflection, and create opportunities to feel welcome in the community.

Population, employment, and income are noted as primary factors for a performing arts center market followed by proximity to other metro areas, transportation, complementary attractions, and level of support from community.¹⁴ Demographic trends shown in Section 1.1 highlight population, employment and income while Section 4 highlights the other important factors.

Table 11 highlights local spending and attendance for live theater and movies. The 40-minute market has lower spending on theater events and a lower proportion of adults visiting theater events compared to Virginia and the U.S. However, this does not necessarily mean limited demand for art events in the

¹⁰ National Governors Association. (2019). Rural Prosperity Through The Arts & Creative Sector. <https://www.nga.org/ruralarts/>

¹¹ Lyon-Hill, S., Dowd, F., & Burke, P. (2016). An Economic Impact Analysis of The Crooked Road: Virginia's Heritage Music Trail. <https://thecrookedroadva.com/about/>

¹² Stables Saloon at Primland | Auberge Resort Collection. (n.d.). Auberge Resorts. <https://auberesorts.com/primland/dine/stables-saloon/>

¹³ Sears, J. (2022). Working out place: Processes of migration decision making and resistance in Appalachian Kentucky. *The Journal of Rural and Community Development*, 17(4), 50–72.

¹⁴ McCarthy, K. F., & Brooks, A. (2001). The Performing Arts: Trends and Their Implications. RAND Corporation. https://www.rand.org/pubs/research_briefs/RB2504.html

area. A lower proportion of adults visiting theaters could result from a lack of theater programming in the area.

Table 11. Live Theater and Movie Theater Market Analysis Metrics

Site	Star Theater 40 minute Drive	Patrick County, VA	Stuart Town, VA	USA	Virginia
2022 Spending on Entertainment/Recreation (Avg)	\$2,529.67	\$2,660.25	\$2,205.52	\$3,670.87	\$4,266.38
2022 Spending on Tickets to Theatre/Operas/Concerts (Avg)	\$44.15	\$38.89	\$40.64	\$91.80	\$105.10
2022 Spending on Tickets to Movies (Avg)	\$30.97	\$28.96	\$28.72	\$63.12	\$72.15
2022 Went to Live Theater Last 12 Mo (%)	6.19%	4.90%	6.35%	10.07%	11.23%
2022 Went to Live Theater Last 12 Mo	5,362	707	75	26,452,594	773,000
2022 Attended Dance Performance Last 12 Mo (%)	2.36%	2.49%	3.05%	3.13%	3.27%
2022 Attended Dance Performance Last 12 Mo	2,049	360	36	8,223,411	225,231
2022 Attended a Movie Last 6 Mo (%)	42.19%	41.31%	44.20%	47.95%	49.30%
2022 Attended a Movie Last 6 Mo	36,551	5,966	522	126,023,078	3,394,342
2022 Attended Movie Once a Week or More Last 90 Days (%)	1.15%	1.18%	1.02%	1.42%	1.42%
2022 Attended Movie Once a Week or More Last 90 Days	994	171	12	3,731,198	97,647
2022 Attended Movie 2-3 Times a Month Last 90 Days (%)	1.64%	1.32%	2.29%	2.36%	2.35%
2022 Attended Movie 2-3 Times a Month Last 90 Days	1,417	191	27	6,198,926	161,959
2022 Attended Movie Once a Month Last 90 Days (%)	3.24%	2.89%	2.79%	4.81%	5.02%
2022 Attended Movie Once a Month Last 90 Days	2,808	418	33	12,643,361	345,446
2022 Attended Movie < Once a Month Last 90 Days (%)	30.54%	30.87%	32.35%	33.00%	34.49%

Source: Lightcast Economic Data, 2022

3.2. Peer Performing Arts Centers Performance and Market Overview

In order to evaluate the potential revenue for the Star Theatre, a total of eight comparable nonprofit theaters were selected for review. Based on 990 tax data, these theaters had pre-pandemic total yearly revenues ranging from \$42,000 to \$3.1 million.¹⁵ Theatreworks Community Players in Martinsville, VA had the lowest revenue, and the Paramount Theater in Charlottesville had the highest revenue. All theaters saw large decreases in program service revenue during the pandemic (Table 12). Some of the theaters saw increases in contributed revenue during the pandemic to make up for the lowered

¹⁵ Suozzo, A. et al. (2023). Nonprofit Explorer. <https://projects.propublica.org/nonprofits/>

program service revenue (Table 13). By 2020 all the theaters had program service revenue make up less than 40% of the total revenues (Table 14).

Table 12. Comparison Theater Program Service Revenue

	Program Service Revenue (\$)		
	2018	2019	2020
Community Arts Center Foundation (Prizery) (South Boston, VA)	129,743	160,025	20,741
Earle Theatre (Surry Arts Council) (Mt Airy, NC)	949,248	829,535	
Grandin Theater (Roanoke, VA)	737,980	843,684	272,939
Lee St Theater (Salisbury, NC)	313,401	-	-
Lincoln Theater (Marion, VA)	155,570	158,930	43,629
Millwald Theater (Wytheville, VA)	-	0	0
Paramount Theater (Charlottesville, VA)	1,590,229	1,959,731	148,206
Theatreworks Community Players (Martinsville, VA)	34,020	17,110	0

Table 13. Comparison Theater Contributed Revenue (grants, donations, gifts)

	Contributed Revenue (\$)		
	2018	2019	2020
Community Arts Center Foundation (Prizery) (South Boston, VA)	393,209	204,310	192,706
Earle Theatre (Surry Arts Council) (Mt Airy, NC)	669,523	2,185,073	
Grandin Theater (Roanoke, VA)	175,879	377,575	441,342
Lee St Theater (Salisbury, NC)	69,857	-	-
Lincoln Theater (Marion, VA)	91,860	105,310	115,201
Millwald Theater (Wytheville, VA)	-	836,243	524,347
Paramount Theater (Charlottesville, VA)	998,017	1,215,457	1,818,544
Theatreworks Community Players (Martinsville, VA)	37,093	25,005	22,685

Table 14. Theater Program Service Revenue as % of Total Revenue

	% Program Service Revenue		
	2018	2019	2020
Community Arts Center Foundation (Prizery) (South Boston, VA)	25%	44%	10%
Earle Theatre (Surry Arts Council) (Mt Airy, NC)	59%	28%	-
Grandin Theater (Roanoke, VA)	81%	69%	38%
Lee St Theater (Salisbury, NC)	82%	-	-
Lincoln Theater (Marion, VA)	63%	60%	27%
Millwald Theater (Wytheville, VA)	-	0%	0%
Paramount Theater (Charlottesville, VA)	61%	62%	8%
Theatreworks Community Players (Martinsville, VA)	48%	41%	0%

Total expenses for comparison theaters are shown below in Table 15. The Star Theatre would have expenses on the lower end of the comparison theaters. Salaries and compensation make up a significant portion of expenses for each of the theaters (Table 16). Multiple theaters rely on volunteers to help lower overall expenses.

Table 15. Comparison Theater Total Expenses

	Total Expenses (\$)		
	2018	2019	2020
Community Arts Center Foundation (Prizery) (South Boston, VA)	465,188	482,074	142,778
Earle Theatre (Surry Arts Council) (Mt Airy, NC)	1,353,340	1,237,228	-
Grandin Theater (Roanoke, VA)	929,089	1,014,721	535,187
Lee St Theater (Salisbury, NC)	493,288	-	-
Lincoln Theater (Marion, VA)	281,665	308,829	213,013
Millwald Theater (Wytheville, VA)	-	35,917	35,073
Paramount Theater (Charlottesville, VA)	2,590,199	3,468,229	1,565,255

Theatreworks Community Players (Martinsville, VA)	97,889	57,033	33,915
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Table 16. Comparison Theater Salaries and Compensation Expenses

	Salaries and Compensation Expenses					
	2018	2018 % of Total Expenses	2019	2019 % of Total Expenses	2020	2020 % of Total Expenses
Community Arts Center Foundation (Prizery) (South Boston, VA)	116,457	25.0%	110,290	22.9%	64,730	45.3%
Earle Theatre (Surry Arts Council) (Mt Airy, NC)	718,319	53.1%	703,810	56.9%	-	-
Grandin Theater (Roanoke, VA)	286,572	30.8%	316,637	31.2%	203,249	38.0%
Lee St Theater (Salisbury, NC)	118,864	24.1%	-	-	-	-
Lincoln Theater (Marion, VA)	74,625	26.5%	72,916	23.6%	29,002	13.6%
Millwald Theater (Wytheville, VA)	-	-	0	0.0%	0	0.0%
Paramount Theater (Charlottesville, VA)	1,424,854	55.2%	1,544,402	44.5%	936,563	59.8%
Theatreworks Community Players (Martinsville, VA)	0	0.0%	0	0.0%	0	0.0%

The peer theaters analyzed offer a variety of performances at different price points. Larger theaters such as the Paramount Theater had a wider range of ticket prices. On the low end of ticket prices, the Paramount Theater offered free streams of the 2022 World Cup. On the high end of ticket prices were the VIP tickets for the Talmi Entertainment Nutcracker in Charlottesville, VA that cost \$175. Other theaters had a narrower range of ticket prices such as the Lee St Theater in Salisbury, NC which had tickets that cost between \$20 and \$25. A full list of comparable theaters and ticket prices for selected shows are in Appendix C. The Star Theatre would likely find success with lower priced tickets \$25 or less in order to appeal to the local market. Live shows and theater that would attract an audience from further away could offer higher ticket prices, perhaps with reduced rates for Patrick County residents or members of the Star Theatre if the town were to do an annual membership.

CECE used ArcGIS Community Analyst to evaluate the market for each comparable theater. ArcGIS Community Analyst was used to capture the number of people living within 20 and 40-minute drive time of each theater. It was also used to identify the total number of businesses and number of employees within a 20 and 40-minute drive (Table 17). The population within the drive time radii represent

potential local visitors while the total number of businesses and employees represent the monetary potential of donor organizations for each theater.

Table 17. Total Population, Number of Business, and Number of Employees within 20- and 40-Minute Drive Time Radius

Location	Theater	Radius					
		20 min: Population	20 min: Businesses	20 min: Employees	40 min: Population	40 min: Businesses	40 min: Employees
South Boston, VA	Community Arts Center Foundation (Prizery)	18,080	909	11,460	97,508	3,761	41,916
Mount Airy, NC	Earle Theatre (Surry Arts Council)	52,163	2,256	23,409	262,882	9,935	125,706
Roanoke, VA	Grandin Theater	194,840	8,403	149,156	286,673	11,160	181,574
Salisbury, NC	Lee St Theater	100,873	4,195	51,809	769,335	28,671	328,732
Marion, VA	Lincoln Theater	21,665	884	10,513	87,331	4,150	50,962
Wytheville, VA	Millwald Theater	18,296	1,101	15,794	105,413	4,366	57,807
Charlottesville, VA	Paramount Theater	118,263	6,556	103,240	258,676	11,320	157,123
Martinsville, VA	Theatreworks Community Players	47,124	2,006	23,560	177,739	6,638	75,480
Stuart, VA	Star Theatre	8,509	392	3,832	107,001	4,501	45,445

In comparison to the other theaters the Star Theatre has one of the smallest markets. The theaters in larger markets generally had larger revenues (Figure 8, 9). However, the market size does not correlate exactly to the revenue, as some theaters occupy a different role in the community. The Paramount in Charlottesville has a capacity of 1,100 and hosts large acts with ticket prices greater than \$40 in addition to various movie screenings with lower ticket prices. In comparison, the Grandin Theater in Roanoke has a capacity of 323 and hosts smaller performances with lower ticket prices. Despite being in a larger market, the Grandin Theater occupies more of a niche role in the community and thus generates less revenue.

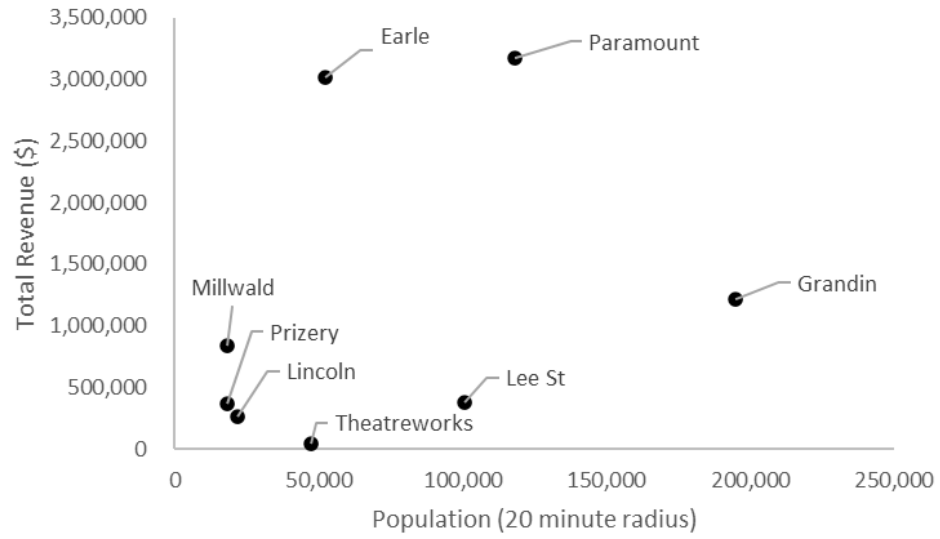


Figure 8. Drive Time Population (20-minute radius) and Comparison Theater Revenue

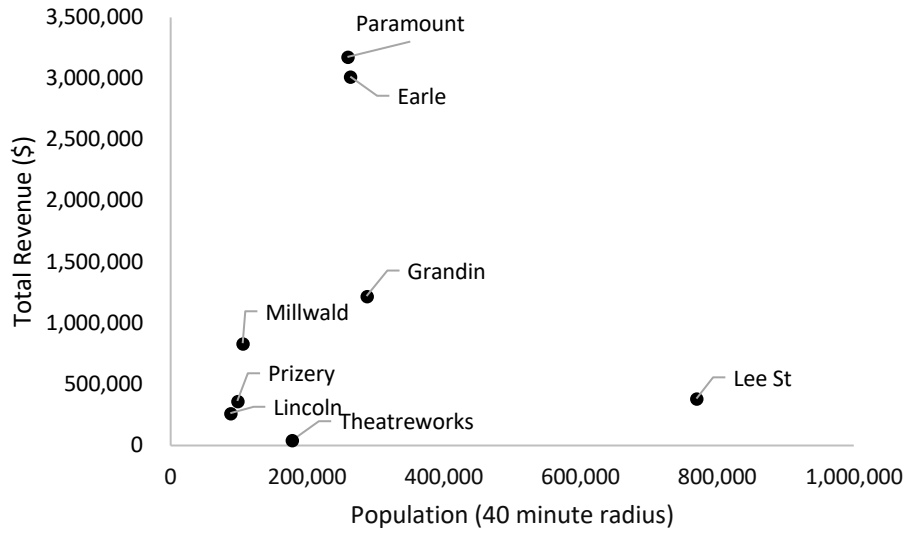


Figure 9. Drive Time Population (40-minute radius) and Comparison Theater Revenue

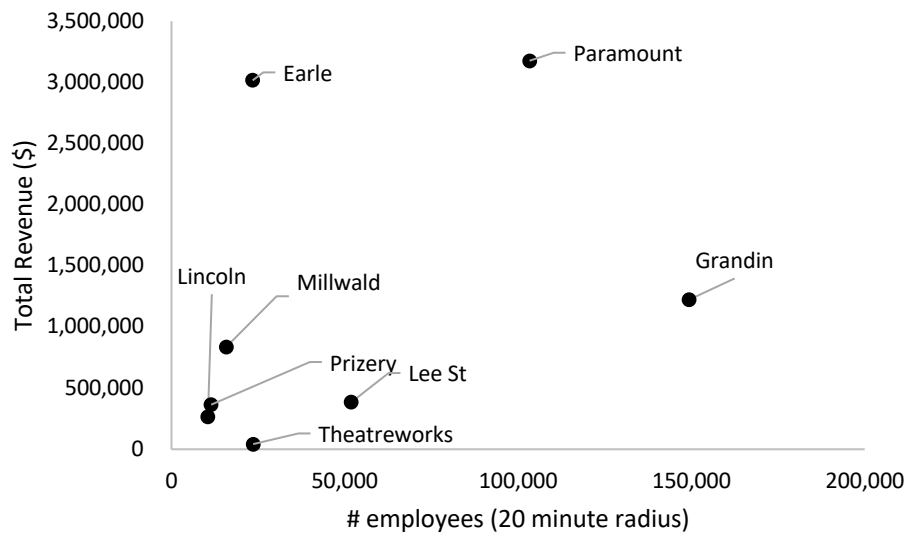


Figure 10. Number of Employees (20-minute radius) and Comparison Theater Revenue

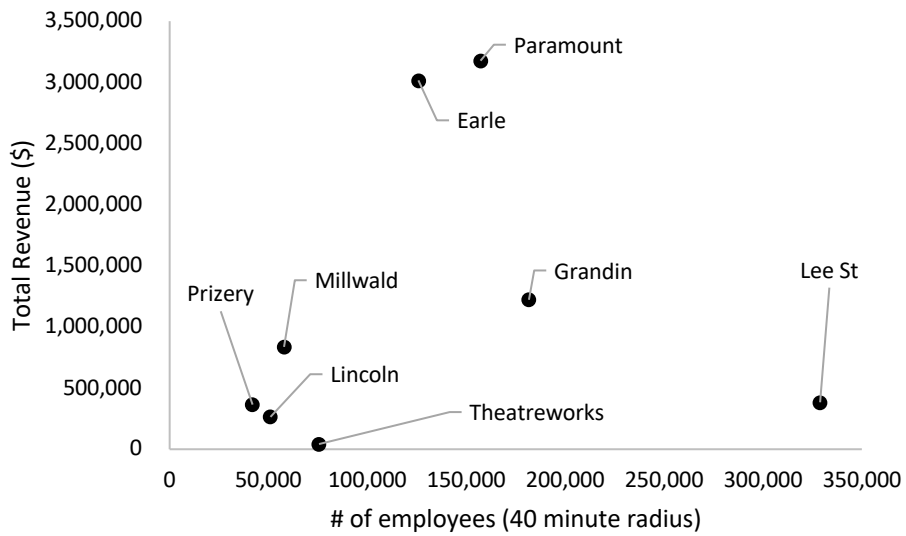


Figure 11. Number of Employees (40-minute radius) and Comparison Theater Revenue

4. Business Model Insights from Peer Survey

4.1. *Comparable Business Models of Small-Town Rural Theaters and Community Arts Centers*

CECE analyzed insight from comparable theaters' completed surveys to establish trends in theater operations to support the Town in ensuring the Star Theatre's success, should the Town choose to purchase the Theatre. The survey generated insight from 13 theaters in North Carolina and Virginia regions comparable to where the Star Theatre is located.

In general, respondents indicate that peer theaters generally own (78%), rather than rent (22%) their theaters. Peer theaters rely heavily on grants, sponsorships, and donor funding to operate. The majority of these funds come from established relationships, rather than new outreach. This suggests that the continuity of these funds could serve as important hedges against economic volatility that might affect theater attendance. However, if donors, sponsors, and grant programs are also affected by economic shocks, recessions, or other periods of market volatility, it could still affect theater viability.

Theaters generate revenue from ticket and merchandise sales, as well. Theaters typically offer classic concessions, though a select number of peers also offer beer, wine, and full-bar service. Please note this is an additional cost to the theater, but the alcohol license does open doors for many other events. The Virginia Alcoholic Beverage Council Authority (VA ABC) administers licenses to retail businesses selling beer, wine, and mixed drinks for on-premises consumption based on capacity. For the Star Theatre, this license would cost approximately \$1,980, not including additional application fees, the cost of a background check, and local licensing fees.¹⁶ On some occasions, theaters generate revenue by receiving a portion of performers' merchandise sales.

There is strong overlap between what community members in Stuart, Virginia, are willing to pay for live events, as determined by the resident survey, and what peer theaters typically charge for such events, as determined by the comparable theater survey.

As presented in Figure 12, Stuart's community is willing to support a variety of events at a range of price points. These budgets coincide strongly with the prices that peer theaters charge for admission to their events (Figure 13).

¹⁶ Virginia Alcoholic Beverage Control Authority. (2023). *Application for Retail License*. <https://www.abc.virginia.gov/library/licenses/pdfs/val/retail-license-application.pdf>

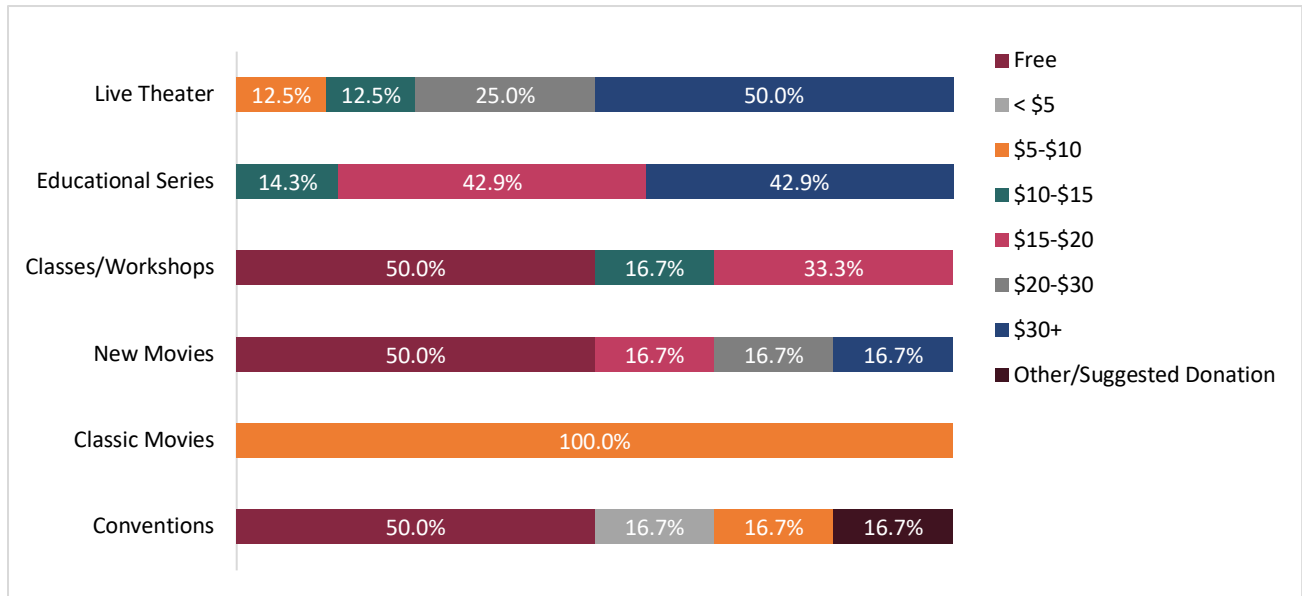


Figure 12: How Much Do You or People in Your Community Spend on Event Tickets?

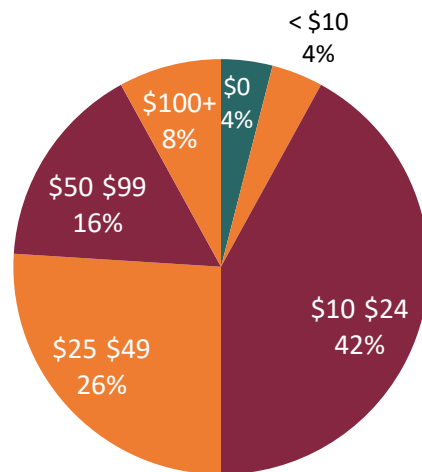


Figure 13: Ticket Prices for Events at Peer Theaters

4.2. Best Practices and Uses for the Space

The comparable theatre survey revealed the number of events offered. Peer survey respondents identify live musical events and live theater performances to be the ‘flagship’ offerings at the core of peer theaters’ operations. Every theater surveyed hosts events centered around live music. Classic movies are offered more commonly than newer movies, with only 33.3% of respondents stating they

offer new movie showings. Respondents that chose “Other” included renting their venue for birthday parties, meetings, or weddings. Space rental is a common practice among peers.

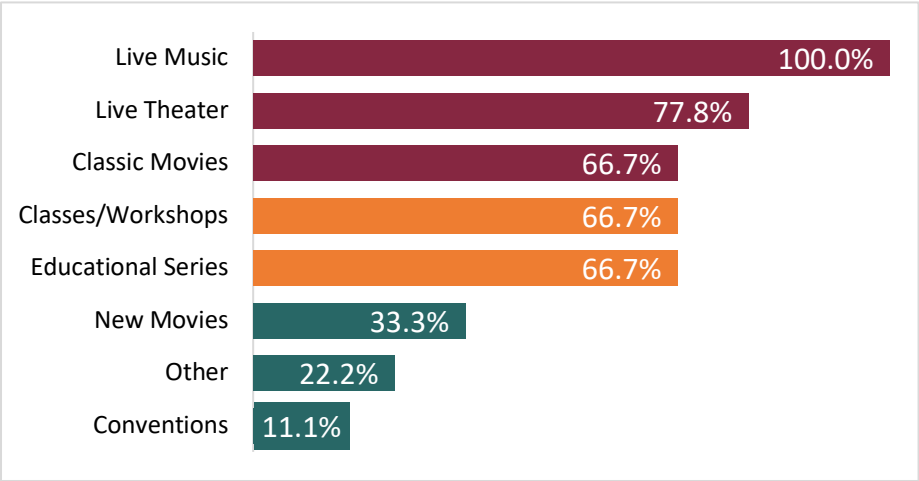


Figure 14. Events Offered by Comparable Theaters

5. Insights from Resident Survey and Interviews

5.1. Events Desired by the Local Community

The resident survey showed that while the bulk of responses came from residents of Stuart, a large portion of participants from the West Piedmont region, including Martinsville, Ararat, and localities in Henry County, as well as some adjacent counties in North Carolina were also captured. Of the collected zip codes, 26 of the 433, or 6%, hailed from outside of the region.

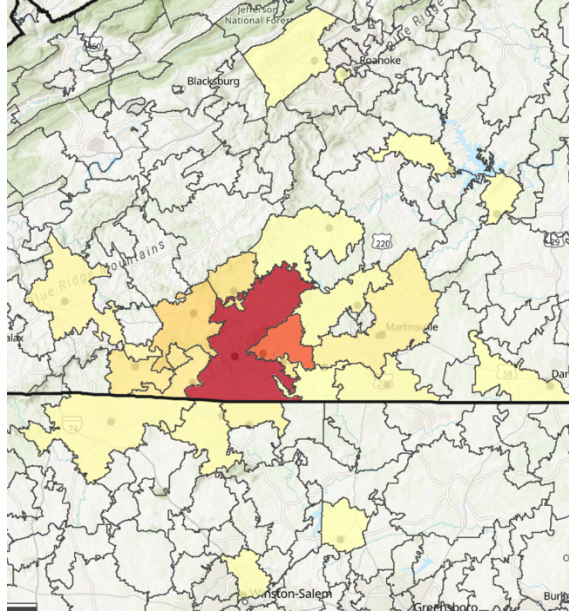


Figure 15. Geographic Distribution of Survey Respondents

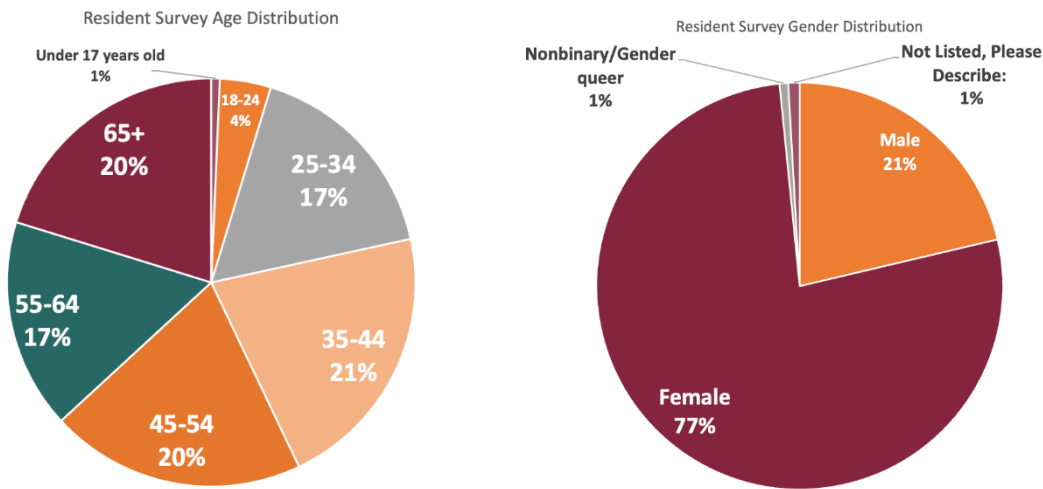


Figure 16: Age and Gender Distribution of Resident Survey Respondents

Participants reported an average travel time of 57 minutes to attend community social events. When asked where they typically attend such events, top locations were Floyd County, Franklin County, Patrick County, North Carolina, the Greater-Roanoke Area, and other locations (including Martinsville, Danville, Blacksburg, Richmond, Tennessee, and Northern Virginia). North Carolina and Floyd County are the two most frequently reported locations among survey participants, with 44% and 42% of responses flagged in those categories. Notably, Patrick County is the least frequently reported, with 14% of respondents indicating they regularly attend community events in the county, despite most respondents living within Patrick County. The Star Theatre may fill this niche for community entertainment and retain residents' recreation and tourism dollars, all while saving residents time and money spent on travel.

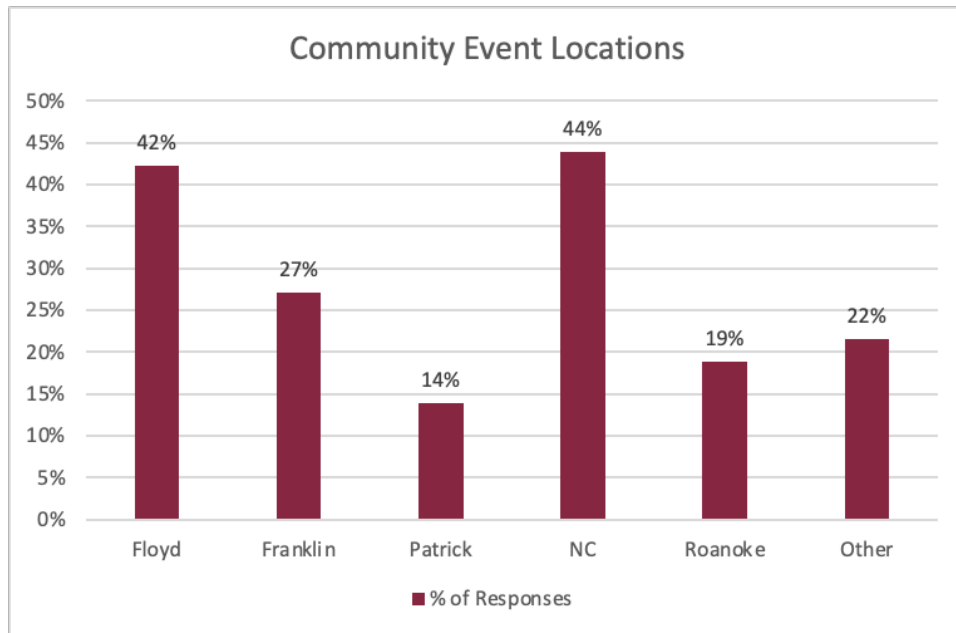


Figure 17. Locations Respondents Travel to for Events

The resident survey showed that Stuart’s residents voiced interest in events similar to those held by comparable theaters. This highlights an opportunity to learn from comparable theaters on how they host their events successfully. Live music performance, live theater, and movie screenings were the most popular choices; if the Star Theatre were to host these types of events locally, residents would be interested in attending, minimizing the drive-time distance they must travel to attend such events. The theater presents an opportunity to indirectly stimulate the local service economy, as 94% of participants indicated that they visit other businesses in the area (such as restaurants and bars) when attending events.

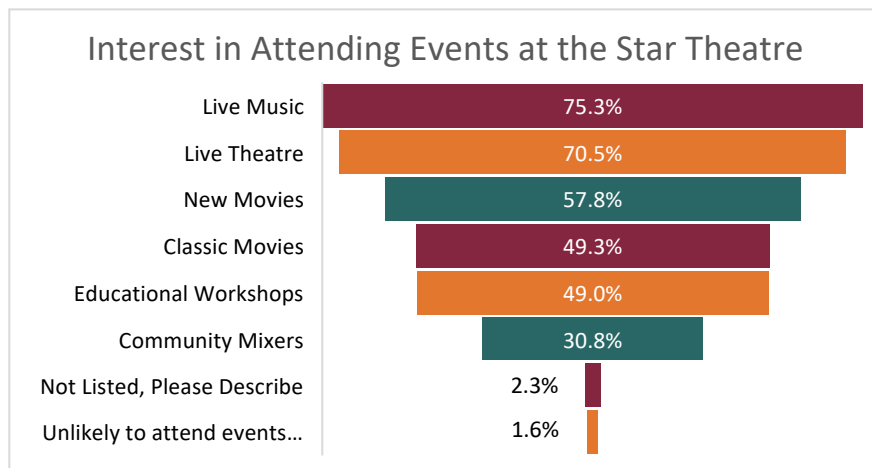


Figure 18. Respondents Likely to Attend Events

Interviews with stakeholders confirm that these events will be feasible to put on, as willing stakeholders throughout the region vocalize interest in offering events at the Star Theatre. In every interview, music events were mentioned as the types of events that stakeholders envisioned the Star Theatre primarily hosting. Stakeholders stated an interest in having a variety of musical genres to appeal to various age groups, and offerings can range from local and regional acts that the local population may already be familiar with, and national acts to attract non-local attendees to the theater. However, when considering acts to bring to the theater, it is important to consider how ticket prices, depending on the scale of the act, may deter locals from attending performances. Having a combination of local and national groups would provide a range of ticket prices that can attract different populations to attend.

The Patrick County Music Association is one local organization that regularly puts on music events. Performances have been held in the Rotary Building; one interview respondent stated that they did not understand why PCMA does not utilize the Star Theatre. The Rotary Building is not conducive to musical events, and although there is space and parking availability, the theater would be a better location for such events. There is an opportunity and interest for PCMA to move performances from the Rotary Club into the downtown area, where attendees could then take advantage of nearby restaurants and other shopping experiences in the area. With the Farmer's Market across from the Star Theatre, there is also an opportunity to host larger events with performances outside in the market space and inside the theater.

Partnering with other arts organizations downtown can create an arts district in Stuart. Calliope, Circus of the Arts Center and Bull Mountain Arts Center are two arts centers located in downtown Stuart near the theater. The building for the two organizations is currently undergoing renovations and the space will be open within the next year. Calliope will operate as a bookstore that also sells arts supplies and local art, and the space will have classrooms, a stage, and a gallery. The Chamber of Commerce will be in the downstairs of the building, with Reynolds Homestead's Creative Arts Center moving upstairs. Reynolds Homestead is based in Critz, VA, but operates an arts center in Stuart. The Center is interested in operating a children's theater program, rehearsing in their building, and using the Star Theatre as its performance venue. Collaborating with these three organizations for events and programming was discussed in interviews to further expand the arts downtown.

Stakeholders also described building off the theater's charm, character, and history by having a vision of replicating what was done in the past, especially in regards to movies and live theater. In interviews, four stakeholders were interested in showing old, classic movies, and stated the potential of offering a dinner with a show. One suggestion was to add risers to the theater that could easily be moved to clear the space, if needed. Another stakeholder suggested having movies during the week, with larger events on the weekends, and offering discounts for high school students to provide them with a place to go during the summer months especially. As the town does not have a movie theater, the Star Theatre could meet local demand for movies, should it provide new and/or classic film screenings. Licensing costs for movies are highly variable depending on the film, production company, age of the film, etc., but would present another expense for the theater.

With live theater, there is currently no dedicated space in the town for productions. One stakeholder stated that if they wanted to see live theater as a family, they would have to travel to Mt. Airy, Martinsville, or Blacksburg to see a show. There are few local theater groups in Stuart, Virginia. The local drama society BRATs, Once Upon a Blue Ridge, and Patrick County Players were noted as organizations that used to put on shows in the town, but stakeholders were unaware if these groups were still active, as they did not have a dedicated rehearsal or performance space. Patrick County High

School also lost their theater program due to a lack of staffing. Four interviewees stated interest in youth productions, gaining participation from the schools and homeschool community to program shows. Reynolds Homestead's Creative Arts Center located downtown could be utilized as a rehearsal space for children's theater, putting shows on at the Star Theatre.

Dance performances could also be a potential use of the space. However, there may be some limitations due to the stage. The floor must be safe and level; most dance performances are on Marley vinyl floors as they are durable floors that are less slippery than wooden floors. Both dance and theater productions require adequate dressing areas. The lack of backstage space and wings to the sides of the stage may be a challenge for set changes and for performers entering/exiting the stage. Patrick County Dancing Arts Center is the local dance studio and could utilize the space if these considerations are taken. However, the size of the Star Theatre's stage limits the number of performers, especially during high-intensity dance routines with lots of movement. Currently, the dance studio hosts its annual recitals at Patrick Henry Community College, out of consideration for the venue's size, seats, and equipment. The studio notes that smaller performances may be held at the Star Theatre but will likely hold its annual recital at the larger Community College. A holiday show was one suggestion, where both live performers and dance numbers create a large show for the community each holiday season.

Respondents also noted that the theater could be used to host community events. Ideas for community events included the following:

- Hosting political debates
- Hosting events to highlight local history through viewing historical videos of the town and what makes different parts of Patrick County unique
- Hosting events related to America250, which creates programming to commemorate the 250th anniversary of the United States
- Hosting craft fairs and art events, and collaborating with Calliope
- Hosting catered dinners with other events and collaborating with other town events, such as showing a festive movie during the Apple Dumpling Festival or hosting Christmas events
- Providing programming aimed at youth, such as community nights tailored to their interests, open mics, and more to have activities outside of school

Respondents discussed using the Star Theatre as a rental venue for wedding receptions, class reunions, or other events. However, there was concern regarding rental affordability, as one individual feared the pricing model would prove to be inaccessible to the community, as with other venues in the area. The Rotary Building, for example, is roughly \$100 per day, and Reynolds Homestead is \$400 a day for rentals, which is not affordable for the community. It was suggested that the rental be around the \$100 range. Ensuring that the price is accessible would assist with the space being rented more often. Reviewing peer theater rental pricing may inform a profitable yet accessible rental model to maximize community access and the use of the space.

A final suggestion for using the Star Theatre was to associate the venue with the Crooked Road. Currently, Stuart does not have an official venue that could be advertised on the Crooked Road with a permanent address. Incorporating the Theatre on the Crooked Road would provide additional exposure and promotion opportunities to attract crowds familiar with the Crooked Road. Three stakeholders stated an interest in having the Star Theatre become a part of the Crooked Road; however, one stakeholder stated this should be a long-term goal. The opportunity to leverage the brand of the Crooked Road and have that be part of the marketing strategy offers opportunities for the venues, but the venue must be well-established. A more realistic opportunity would be to align events with the upcoming 20th anniversary of the Crooked Road, which could begin the conversation of collaboration.

Recognizing the mission of a larger-scale organization such as the Crooked Road and aligning the strategy of the Star Theatre to complement that mission could assist in that process as well, once the Star Theatre is an established venue.

Stakeholders stressed the importance of keeping the Star Theatre as a multi-purpose facility, where seating can be rearranged and open the opportunities for the space. The Rotary Building was mentioned as the only space in the town that is multi-use, but having a more attractive venue for people to visit would be more ideal. The multitude of events that can occur at the Star Theatre makes it an attractive venue and can create an environment for community-oriented events.

5.2. Marketing and Outreach Strategies

Peer theaters regularly rely on social media for marketing. Peer theaters also rely on word of mouth, networking with other organizations, and performers’ marketing efforts to generate attention. Theaters also use print and radio as a means of reaching customers.

According to the resident survey, participants reported that they primarily hear about community events via social media and word of mouth. As shown in Figure 19, newspaper ads accounted for 15% of respondent awareness—greater than expected, given the decline of print media. When asked what prevented residents from attending events, 14% of respondents indicated a lack of awareness of the events in the first place. Additional text entries noted the Chamber of Commerce email list and newsletter as a valuable resource for disseminating marketing materials. The local radio station, WHEO (92.7 FM, 1270 AM) presents another opportunity to raise community awareness of events and opportunities to engage with the theater. Conversations with Stuart Virginia business leaders (Chamber of Commerce, etc.) suggest these methods of outreach may be of particular relevance to the operation of the Star Theatre, given their established role in marketing throughout Stuart, Virginia.

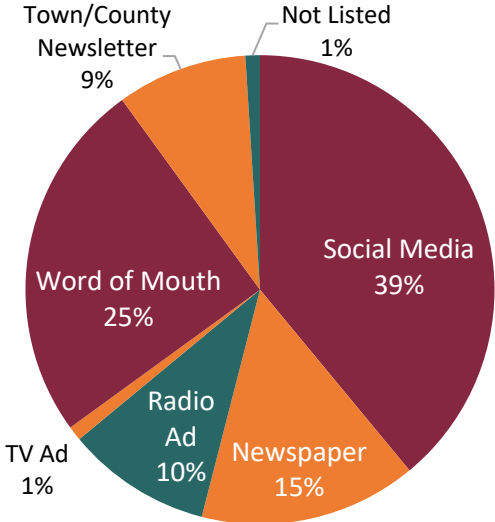


Figure 19. How Do You Hear About Community Events?

5.3. Challenges to Operations

Stakeholders mentioned common challenges that must be addressed to successfully operate the Star Theatre. Parking and accessibility were the most mentioned challenges, mentioned by nine out of the 16 interviewees, as the theater does not have a dedicated parking lot, there is minimal street parking, and parking lot usage is not well defined. Safely walking downtown is a related challenge, as respondents felt cars drive too fast downtown and there is no safe crosswalk or other opportunity for pedestrians to safely cross. Furthermore, the sidewalks surrounding the theater are not ADA-accessible, and the nearby parking lot behind the farmers market is situated atop a steep hill, making it difficult for people with mobility impairments to get from their vehicles to the theater and vice versa.

Another frequently mentioned challenge was lodging in Stuart, especially when considering non-local attendees. There are not many lodging options for visitors to stay within the town, deterring visitors from traveling to the area. Primland Resort is one option but is not affordable for most guests wishing to stay one night. The Virginian is the local motel located uptown; however, respondents were hesitant to recommend the motel as a lodging option for visitors. Three respondents stated that the motel has a negative reputation and is an “eyesore to the town.” Uptown Suites is the final rental option in the town, but has limited opportunity to accommodate overnight stays, serving longer-term clientele instead. These lodging challenges can impact the Star Theatre’s ability to draw in non-local attendees and capture any additional visitor spending for the town and county. While some visitors may come for a Star Theatre event, they will most likely stay and spend their money in Martinsville or elsewhere with better accommodations.

Challenges to the Star Theatre’s operations may also include ensuring necessary equipment and space are available for performers. The size of the stage may deter large performances, and both wing space on the sides of the stage and the dressing rooms must be renovated to ensure performers have a place to wait when not on stage. Making sure there is proper sound equipment and lighting and the stage floor is level will be necessary so performers can safely perform. Ensuring the structure and conditions of the theater are safe and considering the long-term sustainability of operations are hurdles to overcome when operating a new business.

One interview respondent believed that ticket pricing may be a challenge, as local patrons are used to free musical performances and events by One Family Productions and Patrick County Music Association. Local patrons may not be able to afford high ticket prices or be interested in attending a performance if priced high. As such, the Star Theatre should provide events with a range of prices and balance smaller acts, which are likely to serve chiefly the community, with larger acts, which may draw non-local attendees from beyond the region.

Finally, three out of 16 interview respondents felt that the Star Theatre would not face any unexpected challenges. They believed that issues would not be different than what other venues typically face and having strong local support can assist in overcoming challenges.

5.4. Community Benefit and Support

Survey participants indicated overwhelming community support for the revitalization of the Star Theatre, with 92% of respondents (out of 245) answering positively when asked to describe what reopening the theater would mean for the town. Notably, residents emphasized not only the value of

the Star Theatre as a cultural institution and community gathering place, but also as a source of new jobs, tax dollars, and tourism revenue to stimulate the local economy beyond the theater itself. In describing the town, many respondents reported a feeling of untapped potential—a region with rich cultural heritage of music, art, and strong community values but lacking an outlet through which to showcase and cultivate local talent. As with any publicly funded endeavor, a degree of citizen pushback is to be expected. Participants responding negatively to the prospect of the theater’s revitalization, accounting for 5% of responses, cite concerns over the cost of purchasing and operating the theater as an unwise investment, coupled with the declining, aging population and lack of accessible parking as potential barriers to its success. Roughly 3% of survey participants responded neutrally or did not address the question.



Figure 20. Word Cloud generated from 50 most common words used to describe Stuart and the surrounding area

The majority of interviewees shared the pride they have for their town and how the theater can offer a space for celebrations and community. One respondent stated that the theater “gives us locals a place to enjoy a show, to enhance our lives and bring other visitors to spend money in our county and maybe fall in love with it and move here as well and create a ripple effect.” Respondents saw value in opening the theater with building a greater sense of community in Stuart through having an official gathering place. Creating family-friendly programming was seen as a benefit as well to provide activities for the younger population. Complementing Calliope, Bull Mountain Arts, and Reynolds Homestead’s programs, rather than competing, can also create more opportunities for growing arts programming downtown.

6. Revenue and Cost Estimates

The Town of Stuart’s manager provided projected earned and contributed revenues for the Star Theatre, as shown in Tables 18 and 19. The monthly forecasted revenue of \$16,550 is a reasonable estimate, provided there are a steady stream of events. With a seated capacity of 260 people (which includes 211 downstairs and 49 in the balcony), there is ample space for revenue generating events and shows. For example, for an open mic event to reach \$300/month in revenue, then there would need to be at least 1 open mic event per month with an average ticket price of \$5 with just 30% of the

downstairs capacity. Regional and national shows could also hit their respective revenue forecasts. A regional show with an average ticket price of \$10 could hit \$1,500/month in revenue with 70% of the downstairs capacity and 10% of the balcony capacity. A national show could hit the \$4,000/month in revenue with an average ticket price of \$30 with a 60% downstairs capacity and 20% capacity on the balcony. There are multiple combinations of ticket prices and attendance that would enable the forecasted revenues to be met.

Table 18. Client-Provided Forecasted Program Service Revenues

Earned Revenue (Nonprofit) / Sales (for profit)	Yearly Forecasted	Monthly Forecasted
Product / Service A: Open Mic	\$3,600	\$300
Product / Service: Regional/Local Show	\$18,000	\$1,500
Product / Service: National Show	\$48,000	\$4,000
Product / Service Rentals	\$7,500	\$625
Beer/Wine Sales	\$50,000	\$4,167
Food/Concessions	\$42,000	\$3,500
Memberships	\$10,000	\$833
Merchandise Sales (t-shirts, hats)	\$3,000	\$250
Classes / workshops rentals	\$3,500	\$292
Season Passes	\$8,000	\$667
Movie Passes	\$5,000	\$417
Total	\$ 198,600	\$ 16,550

In addition to program service revenue, it is important that the Star Theatre generate sufficient grant funding and contributed revenue. Based on data from ArcGIS Community Analyst shown, the previous market analysis section of this report, there are over 390 businesses within a 20-minute drive and 4,500 businesses within a 40-minute drive. While the total number of businesses is lower than comparable theaters, the contributed revenue forecasts are achievable.

Table 19. Client Provided Forecasted Contributed Revenue

Grants/Contributions	Yearly Forecasted	Monthly Forecasted
Business Contributions	\$10,000	\$833
Foundation Grants	\$5,000	\$417
Government grants / support	\$5,000	\$417
Individuals (donations and membership fees)	\$5,000	\$417
Sponsorships	\$20,000	\$1,667
Other	\$3,000	\$250
Total Grants/Contributions	\$ 48,000	\$ 4,000

The town manager provided fixed costs and variable expenses are shown in Tables 20 and 21. Total estimated yearly costs are \$249,385. These costs and expenses are reasonable estimates and in line with comparable theaters. Staff salaries account for 50% of the fixed costs. Fees paid to book artists, lighting and sound producers account for just over 55% of the variable expenses. These two buckets are important costs associated with running a theater. One of the largest draws for people to attend a show is the specific performing acts offered. In order to book and manage performances, staff must maintain strong relationships with people in the performing arts industry and have a grasp of the local target market.

Table 20. Client Provided Estimated Fixed Costs

Fixed Costs	Yearly Forecasted	Monthly Forecasted
Start Up and Prototype expenses	\$28,085	\$2,340
Business Insurance	\$750	\$63
Rent	\$17,500	\$1,458
Utilities (Water, Electric, Trash, and Sewer)	\$ 9,000	\$750
Website hosting & internet service	\$2,050	\$171
Full Time Employee Salary	\$ 32,000	\$2,667
Part time Employee Salary	\$ 15,000	\$1,250
Individual Contractor	\$ 10,000	\$ 833
Fixed Costs Total	\$ 114,385	\$ 9,532

Table 21. Client Provided Estimated Variable Expenses

Variable Expenses	Yearly Forecasted	Monthly Forecasted
Loan payment	\$5,000	\$417
Artist/Lighting/Sound	\$75,000	\$6,250
Fees to Contractors (Cleaning, Pest Control, HVAC)	\$3,500	\$292
Marketing (design, printing)	\$5,000	\$417
Office Supplies	\$2,500	\$ 208
Professional Development (training, classes)	\$500	\$42
Professional fees: Accounting/legal	\$500	\$42
Promotion & advertising	\$3,000	\$250
Repairs / maintenance	\$1,500	\$125
Supplies (Toilet Paper, Paper Towels, Kitchen Supplies, Soap, Cleaning Supplies)	\$3,000	\$250
Food/Beverage (\$20k Beer/wine, \$15k concessions)	\$35,000	\$2,917
Variable Expenses Total	\$134,500	\$11,208

7. Regional Economic Impact

7.1. Regional Economic Impact Analysis

An economic impact analysis estimates the total dollars, jobs, and household income generated in an economy due to a new activity or intervention. In this case, the new activity is the Star Theatre; money is only counted that comes into the region as a result of the theater opening.

The direct effect is the direct impact resulting from the change; the direct effects are expenses generated by the operation of the Star Theatre and spending by different types of Star Theatre visitors. The indirect effects are the additional sales, incomes, or jobs that supply goods and services to the new activity. The induced effects are the increased spending in the region due to the increased household income that may result from both the direct and indirect effects. By opening the Star Theatre, there are immediate (direct) impacts on the sales and jobs created, and impacts that ripple down into other industries (indirect) or the new spending that may occur (induced).

CECE took the projected expenses from Stuart’s town manager as well as estimated tourist spending from Virginia Tourism Corporation to analyze the Star Theatre’s possible economic impact on Patrick County and surrounding counties. Those attending events hosted by the theater were the visitors (local and nonlocal) counted in the analysis. Those attending events when the theater would be rented by another party were not counted due to the limited information about the types of events.

First, CECE analyzed the impacts of the theater’s programmatic spending. After, CECE estimated potential visitor spending outside of the theater events. Star Theatre visitors were split by travel type using day travel and overnight travel profile data published by Virginia Tourism Corporation (VTC), including Lodging, Food & Beverage, and Retail Purchase expenditures. Because these dollar estimates were at the State level, estimates were adjusted for Patrick County using the Cost-of-Living Index. As a next step, CECE analyzed the origins of visitors to the Front Porch Fest, an annual event held in Stuart, and estimated the proportion of local attendees and nonlocal attendee (visitor) types to gain an understanding of the visitor ratio at other Stuart events. Finally, CECE estimated the annual visitor spending based on the number and type of visitor.

7.2. Analysis Inputs

7.2.1. Estimate Star Theatre Direct Impacts due to Programming

CECE assigned individual cost and expense items to IMPLAN industry codes based on the descriptions from the client provided financial plan in order to conduct a regional impact analysis. To avoid double counting, business insurance, professional service fees, and marketing materials in start-up expenses were excluded and the same item in fixed costs remained. The theater expects \$20,735 in one-time expenses, and \$215,800 in annual costs (deposits and loan payment excluded).

The theater also expects 4,920 annual attendees including 720 for Open Mic Night events, 1,800 for regional/local shows, and 2,400 for national shows (Table 23).

Table 22. Star Theatre Cost/Expense by Industry Categories

Type	Industry (Classified by IMPLAN software)	Cost
<i>Prototype and Start-up Expenses</i>		
One-time	Wholesale - Household appliances and electrical and electronic goods	\$16,000.00
One-time	Other support services	\$1,200.00
One-time	Internet publishing and broadcasting and web search portals	\$1,200.00
One-time	Marketing research & all other miscellaneous professional, scientific, & technical services	\$835.00
One-time	Retail - Furniture and home furnishings stores	\$750.00
One-time	Advertising, public relations, and related services	\$500.00
One-time	Wholesale - Other durable goods merchant wholesalers	\$150.00
One-time	Printing	\$100.00
One time	Total	\$ 20,735.00
<i>Fixed Costs and Variable Expenses</i>		
Annual	Promoters of performing arts and sports and agents for public figures	\$75,000
Annual	Full-time Employment	\$32,000
Annual	Part-time Employment	\$15,000
Annual	Retail - Food and beverage stores	\$35,000
Annual	Other real estate	\$17,500
Annual	Local government electric utilities	\$9,000
Annual	Printing	\$7,500
Annual	Services to buildings	\$13,500
Annual	Wholesale - Professional and commercial equipment and supplies	\$3,000
Annual	Advertising, public relations, and related services	\$3,000
Annual	Internet publishing and broadcasting and web search portals	\$2,050
Annual	Maintenance and repair construction of nonresidential structures	\$1,500
Annual	Insurance carriers, except direct life	\$750
Annual	Marketing research & all other miscellaneous professional, scientific, & technical services	\$500
Annual	Accounting, tax preparation, bookkeeping, and payroll services	\$500
Annual	Total	\$215,800

Table 23. Sales and Attendees Forecast

Product	Price	Monthly Unit	Total Annual Attendee
Open Mic Night	\$5.00	60	720

Regional/Local Show	\$10.00	150	1,800
National Act Show	\$20.00	200	2,400
Rental	\$250-\$1,000.00	1	N/A
Total			4,920

7.2.2. Visitor Spending Estimation by Travel Type

CECE collected and analyzed Virginia Tourism Corporation’s (VTC) data on the Overnight Visitor Travel Profile and Day Visitor Travel Profile in CY 2021 to estimate visitor spending patterns. According to the VTC, the average day-travel party in 2021 comprises 2.7 persons (2.0 adults and 0.7 children) and spends an average of \$189.00 per Travel. The average overnight-travel party in 2021 is comprised of 3.0 persons (2.2 adults and 0.8 children) with an average of \$493.00 spending for the mean 3.3 nights.

CECE converted the average party expenditure during travel to the 1-night spending per person. Overnight travel has less average spending compared to day travel despite extra spending on lodging. This is likely because, typically, about 48% of overnight visitors’ main purpose of a trip is visiting friends and relatives, which reduces the party’s direct expending on food and beverage, retail, transportation, and recreation. In this case, however, the draw will be the Star Theatre events regardless of whether the visitor has family and friends in the region. Thus, it is likely that potential overnight visitor spending could be greater than these estimates.

Table 24. Average expenditure of day travel in Virginia

Expenditure Type	Average Per Party Expenditure (Mean travel size: 2.7)	Individual Expenditure
Lodging	-	-
Transportation within state	\$41.00	\$15.19
Food & Beverage	\$66.00	\$24.44
Retail Purchase	\$50.00	\$18.52
Recreation/sightseeing/entertainment	\$32.00	\$11.85
Total	\$189.00	\$70.00

Table 25. Average expenditure of overnight travel in Virginia (conservative estimation)

Expenditure Type	Average Per Party Expenditure (Mean Travel size: 3.0)	Party 1 night Expenditure	Individual 1 night Expenditure
Lodging	\$204.40	\$61.94	\$20.70
Transportation within state	\$54.00	\$16.36	\$5.47
Food & Beverage	\$123.00	\$37.27	\$12.46
Retail Purchase	\$67.00	\$20.30	\$6.79

Recreation/sightseeing/entertainment	\$47.00	\$14.24	\$4.76
Total	\$493.00	\$150.12	\$50.18

Table 26. Average expenditure of day travel and single overnight travel expenditure per individual in Virginia

Expenditure Type	Average Day Travel Individual Expenditure	Average Overnight Travel Individual Expenditure
Lodging	-	\$20.70
Transportation within state	\$15.19	\$5.47
Food & Beverage	\$24.44	\$12.46
Retail Purchase	\$18.52	\$6.79
Recreation/sightseeing/entertainment	\$11.85	\$4.76
Total	\$70.00	\$50.18

CECE converted the average travel expenditures in Virginia to those in Patrick County by using the Cost-of-Living index published by the Council for Community and Economic Research (C2ER) to obtain more accurate spending estimates in the region.

Table 27. Cost-of-living index

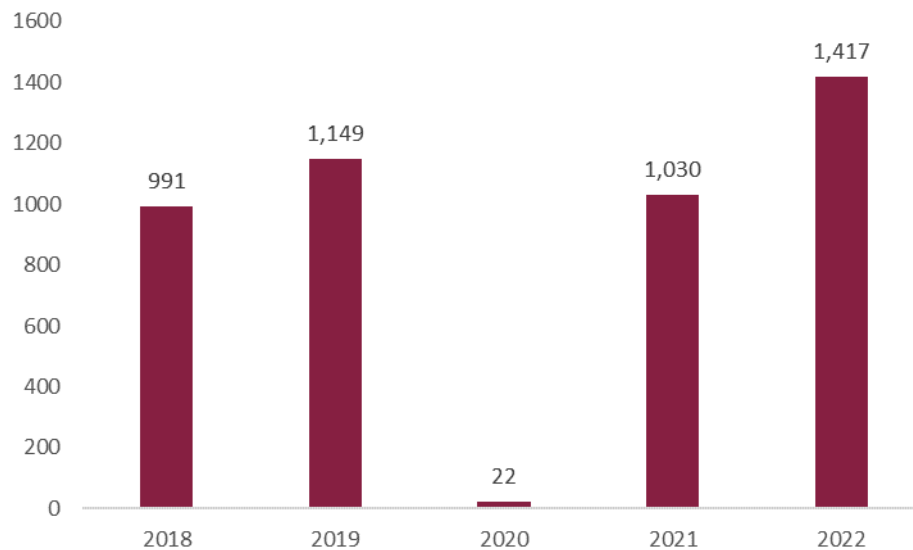
	Virginia	Patrick County, Virginia
COL Index	102.1	97.1

Table 28. Average expenditure of day travel and single overnight travel expenditure per individual in Patrick County adjusted for the Cost-of-living index

Expenditure Type	Day Travel Expenditure Estimates Per Individual in Patrick County	Overnight Travel Expenditure Per Individual in Patrick County
Lodging	-	\$19.69
Transportation within state	\$14.45	\$5.20
Food & Beverage	\$23.24	\$11.85
Retail Purchase	\$17.61	\$6.46
Recreation/sightseeing/entertainment	\$11.27	\$4.53
Total average	\$66.57	\$47.72

7.2.3. Visitor Composition Estimation

CECE analyzed data that tracks visitor attendance to regional events in Stuart to determine the different segments of visitor types. Front Porch Fest (FPF) is a flagship event hosted by One Family Productions and held in Stuart since 2018. Except for 2020 when event attendance was heavily disturbed by the COVID-19 pandemic, FPF has decent attendance rates, which tend to increase compared to the previous year, likely due to word of mouth from the previous year's attendees.



*Figure 21. Visitors Trends of Front Porch Fest in Stuart (2018-2022)
The number of visitors in 2020 affected by COVID-19 travel restrictions

CECE conducted a spatial analysis of FPF 2022 attendee data. A total of 1,417 attendees in 2022 were from 99 different origins. 142 of them were not tracked. CECE identified the numbers of attendees within three geographical areas: 1) less than 40-minute drive time area (Local travel area), 2) between 40-minute and 3-hour drive time area (Day Travel area), and 3) more than 3-hour drive time area (Overnight travel area). Visitor origins are geocoded and merged with the 40-minute and 3-hour drive time areas. The visitor origin map below shows that a large portion of visitors originated from Washington, DC, Richmond, VA and Virginia Beach, VA, and Atlanta, GA, in addition to the 40-minute and 3-hour drive time proximities.

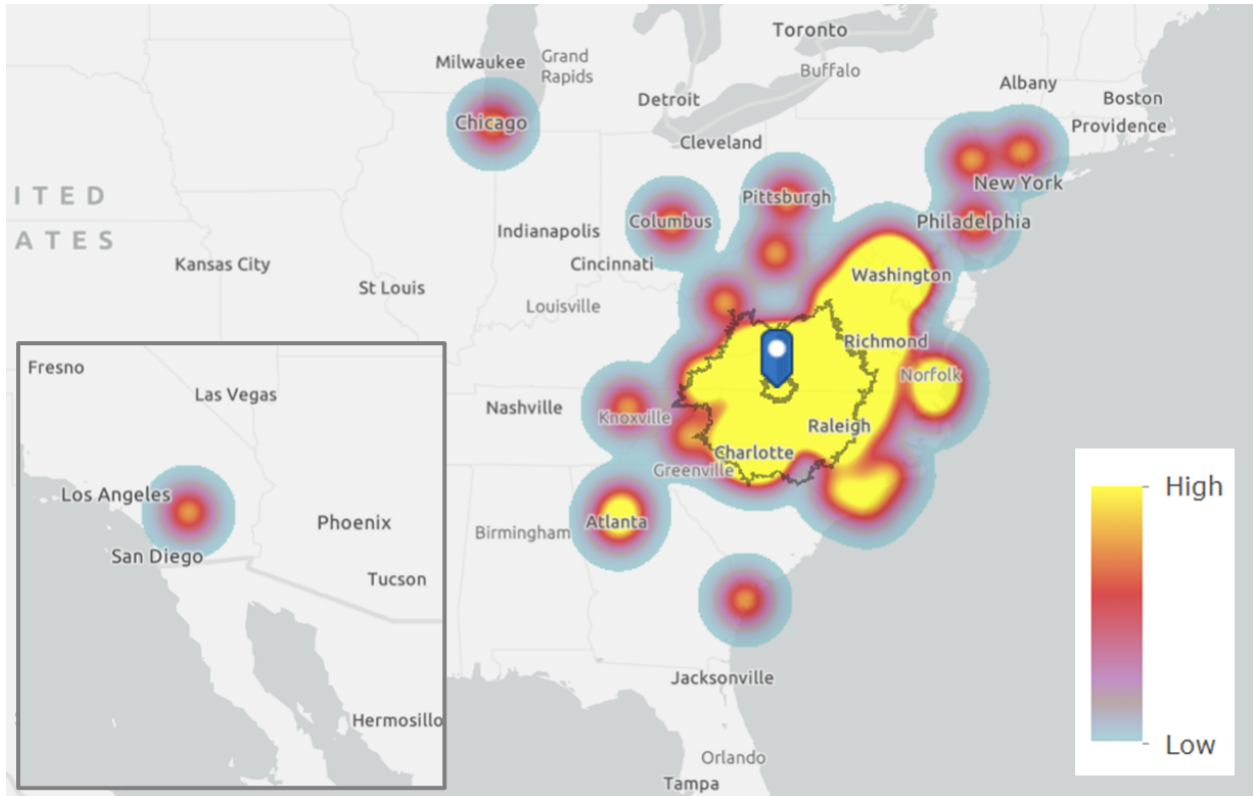


Figure 22. Front Porch Fest Visitor Origin Map

Table 29 shows the total count of attendees and the percentage of them among origin-known-visitors for each area. Of attendees, 11% were from the local area, and 25% were from the 3-hour drive time area, including Charlotte and Raleigh, NC. The rest of them (64%) were from a more than 3-hour drive time area across the nation.

Table 29. Origin-Known Visitors

Attendee origin	Number of attendees	% among origin known attendees
Local travel area	141	11% (141 out of 1,275)
Day travel area	317	25% (317 out of 1,275)
Overnight travel area	817	64% (817 out of 1,275)
Origin Unknown	142	-
Total	1,417	

7.2.4. Visitor Spending Forecast

Based on the attendee origin analysis results above, CECE estimates visitor proportions by travel type and applied it to the product attendee plan (Table 30). While attendees to Regional/Local shows and National Act shows are calculated using the visitor proportion by travel type, Open Mic nights are

expected to comprise local attendees. Considering that Front Porch Fest is a weekend long event while many regional/local shows and national act shows could be one-off events, the analysis estimates proportions of overnight visitors for these shows to be 32%, 1/2 of the visitor proportion gained from the visitor analysis. The remaining attendees are equally assigned to the local travel and day travel categories. Because there is not a local travel profile that exists, CECE uses one-third of the day travel costs as expenditure for this type of travel. Although local travels are expected to generate economic impacts through economic activities such as dining out and retail purchase, there is no evidence that these impacts are solely caused by Star Theatre. These local travels could have dined out in the region anyway. To provide conservative estimates, CECE assumes that only half of the local attendees contribute to the tourist spending. Table 31 shows the forecasted annual spending generated during travels to Star Theatre events.

Table 30. Number of Attendees forecasted by event

	Open Mic Night	Regional/Local Show	National Act Show	Total Annual Attendee by Travel Type
Annual Attendee predicted in Star Theatre financial plan	720	1,800	2,400	4,920
Local Travel (27%)	720	487	650	1,857
Day travel (41%)	0	736	981	1,717
Overnight Travel (32%)	0	577	769	1,346

Table 31. Forecasted annual spending generated during travels to Star Theatre events

Expenditure Type	Local Travel*	Day Travel	Overnight Travel	Total
Lodging	-	-	\$19.69	\$19.69
Food & Beverage	\$7.75	\$23.24	\$11.85	\$42.84
Retail Purchase	\$5.87	\$17.61	\$6.46	\$29.94
Forecasted Annual Attendee	1,857	1,717	1,346	4,920
Newly Generated Lodging	\$0.00	\$0.00	\$26,502.74	\$26,502.74
Newly Generated Food & Beverage	\$7,195.88	\$39,903.08	\$15,950.10	\$63,049.06
Newly Generated Retail Purchase	\$5,450.30	\$30,236.37	\$8,695.16	\$44,381.83

7.3. IMPLAN Model

7.3.1. IMPLAN Input

CECE employed IMPLAN software to create the regional economic impact model. IMPLAN is a widely used software in academic and professional research and relies on industry sales and/or employment data to provide estimates of direct, indirect, and induced effects of industry spending. Direct impacts are all employment, sales, and spending within the designated area due to the given event or organization being studied (i.e. the Star Theatre). In this case, the direct effects are sales and employment generated by the operation of the Star Theatre and spending by different types of Star Theatre visitors. CECE used Patrick County and its surrounding Virginia counties (Patrick, Carroll, Floyd, Franklin, Henry) as an impact region because it is not realistic to expect visitor spending and theatre expenses to be solely contained within Patrick County, particularly considering the limited presence of lodging in the county. Food and beverage inputs are equally allocated to full-service and limited-service restaurant industries because the two industries have a similar presence in the region in terms of the industry size.

Table 32. IMPLAN input impact item

Impact	Industry (Classified by IMPLAN software)	Estimate
Star Theatre One-Time Costs and Expenses	394 Wholesale - Household appliances and electrical and electronic goods	\$16,000.00
	478 Other support services	\$1,200.00
	438 Internet publishing and broadcasting and web search portals	\$1,200.00
	468 Marketing research & all other miscellaneous professional, scientific, & technical services	\$835.00
	403 Retail - Furniture and home furnishings stores	\$750.00
	465 Advertising, public relations, and related services	\$500.00
	396 Wholesale - Other durable goods merchant wholesalers	\$150.00
	152 Printing	\$100.00
Star Theatre Annual Costs and Expenses	500 Promoters of performing arts and sports and agents for public figures	\$75,000
	406 Retail - Food and beverage stores	\$35,000
	447 Other real estate	\$17,500
	533 Local government electric utilities	\$9,000
	152 Printing	\$7,500
	476 Services to buildings	\$13,500
	393 Wholesale - Professional and commercial equipment and supplies	\$3,000
	465 Advertising, public relations, and related services	\$3,000

	438 Internet publishing and broadcasting and web search portals	\$2,050
	60 Maintenance and repair construction of nonresidential structures	\$1,500
	444 Insurance carriers, except direct life	\$750
	468 Marketing research & all other miscellaneous professional, scientific, & technical services	\$500
	456 Accounting, tax preparation, bookkeeping, and payroll services	\$500
Star Theatre Annual Employment	496 Performing arts companies (Full-time Employment)	\$32,000
	496 Performing arts companies (Part-time Employment)	\$15,000
Visitor Spending	508 Other accommodations	\$26,503
	509 Full-service restaurants	\$31,525
	510 Limited-service restaurants	\$31,525
	411 Retail – General merchandise stores	\$44,382

7.3.2. IMPLAN Results

The created IMPLAN model estimates the ripple effects that direct employment, sales, and spending have in the region. Indirect effects capture spending by the initially impacted industries and those spending impacts on subsequent supply chain industries, or businesses receiving money from the Star Theatre and its visitors. For instance, visitor spending on local restaurants creates indirect effects by increasing spending of restaurants on local food, followed by farmers spending on local farm supplies. Induced effects capture the spending by employees of these direct and indirect businesses. Employees spend a portion of their earnings for goods and services in the local economy. At each stage of this spending cycle, additional spending within the regional economy is generated, while some money is spent outside the region (known as “leakage”). Total economic output is the sum of direct, indirect, and induced effects. Total jobs created as a result of this dollar spending as well as household income are also estimated and contribute to the overall economic impact of Star Theatre. The results show that the total economic output resulting from the opening and operation of the Star Theatre is \$2,087,892 annually for Patrick County and surrounding counties’ economies. The inputs added by Star Theatre will create 10.96 full time jobs, and county households receive about \$331,4067 as a result. Considering that the Star Theatre largely affects food and accommodation industries, this estimate may indicate a greater number than 10.96 *part-time* jobs covered by the labor income.

Table 33. IMPLAN economic indicators by Impact

Impact	Employment	Labor Income	Output
Direct Effect	4.67	\$191,114.87	\$1,426,513.37

Indirect Effect	5.57	\$116,729.68	\$559,434.89
Induced Effect	0.72	\$23,562.02	\$101,943.96
Total Effect	10.96	\$331,406.57	\$2,087,892.21

The IMPLAN model also estimates revenue to Sub-county, County, State, Local, and Federal governments, as a result of Star Theatre’s economic impact. An estimated \$32,970 in taxes goes to governments annually due to Star Theatre activity through employee compensation, production and imports, households and corporations. According to the detailed tax impact report on IMPLAN, negative tax incomes appearing at county and state levels are not due to actual tax losses, but to newly generated employment in the performing arts company’s industry, which is likely to receive tax subsidies from the government.

Table 34. IMPLAN tax income by impact

Impact	Sub County General	County	State	Federal	Total
Direct Effect	\$(1,270.23)	\$(36,774.92)	\$(32,835.86)	\$57,471.58	\$(13,411.78)
Indirect Effect	\$13.07	\$438.97	\$4,052.57	\$27,710.80	\$32,215.43
Induced Effect	\$141.90	\$4,131.01	\$5,178.99	\$4,714.18	\$14,166.33
Total Effect	\$(1,115.27)	\$(32,204.94)	\$(23,604.30)	\$89,896.56	\$32,969.98

These analyses include the impact of one-time prototypes and startup costs. Excluding these costs, the second year expects a total economic effect of \$2,076,507 and tax revenue of \$31,947, both slightly lower than the opening year.

8. Final Recommendations

8.1. Feasibility of Purchasing and Operating the Star Theater

Based on comparative analysis of revenues and costs, the feasibility of owning and operating the Star Theatre is promising provided the events draw in the projected attendees in this report. While the Star Theatre would be smaller than many other peer theaters analyzed in this study, there are examples of similar smaller performing arts venues that operate and add value to their communities. The Star Theatre can keep costs low by offering smaller performances that match the target demographics of the area and then expand to more well-known artists once a reputation is built. By having lower priced tickets, i.e. those that are \$25 or less, the theater would appeal more to the local market, as shown by the pricing structure of the comparable theaters. The Star Theatre can book more well-known performances as it grows and matures in its operations. While many performing arts theaters are struggling to return to pre-COVID levels of revenue, there is great latent regional demand for live performances in the Southern Virginia region. People are eager to see live performances as evidenced by the responses from the local community outreach, and the community sees value in having a venue downtown.

In terms of financial feasibility, the Town of Stuart has the appropriate funds available to purchase the Star Theatre. Regardless, it is important to consider grant funding to prepare for long-term operations. The Tobacco Commission would be one option for the town to consider. Also, meeting with Patrick County Tourism to discuss collaboration and funding opportunities would be an option. The tourism department is interested in promoting the Star Theatre and using the venue as a way to attract visitors to the town; discussions with the department would be important to have in order to learn other ways to obtain funding as well. Similarly, partnerships with regional private businesses and organizations would increase the success of the Star Theatre. Coordinating programming, event schedules, and packages with other local organizations to provide more reasons for people to visit and stay in Stuart for multiple days would benefit the town overall. These joint partnerships would increase the likelihood for success.

According to the results of the regional economic impact analysis, the Star Theatre's economic activities are expected to bring a promising economic impact to industries in Patrick County and surrounding areas and tax revenues for governments. However, these results assume that local businesses and industries fulfill the demands of new visitors in the hospitality and other required industries. Analysis of local industry indicates that Patrick County has limited choices of restaurants and accommodations, potentially spilling economic opportunities into neighboring areas. It is necessary to plan and support the development of industries and businesses at the local level along with the operation of the Star Theatre.

8.2. *Best Uses of the Space*

Considering the interests of residents, success seen by comparable theaters, and potential for long-term sustainability, CECE concluded that the best uses for the Star Theatre would be keeping the space as a multi-use facility specializing in live music performance, live theater, and movie screenings, with frequent community-related events held as well. Survey responses indicated high demand for these events with 75.3% of respondents saying they would attend live music performances, 70.5% of respondents would attend live theater, and 57.8% of respondents would watch current movie screenings. These types of events would likely have the highest attendance at the Star Theatre and would potentially have the greatest sources of ticket revenue. However, residents also expressed interest in attending a variety of events in general at the Star Theatre.

In addition to being used for arts-related events, the Star Theatre can also be used to host community events and function as a gathering place. Gathering spaces are limited in Stuart; respondents saw value in the theater as a place to build a greater sense of community in Stuart. For many, the theater could be an official, designated gathering place where residents can meet, relax, and celebrate their community.

Partnering with local organizations such as Patrick County Music Association, Calliope, Bull Mountain Arts, and Reynolds Homestead Creative Arts Center can assist in programming and growing the arts downtown. Respondents stressed importance in diversifying the types of events held; there needs to be daily use of the space so that people potentially could have a reason to enter the theater every day. Annual events that people are aware of is also important, and the potential for longer-term rental opportunities such as a gift shop, a coffee shop, or a museum inside to attract people into the theater when events are not held can continue to draw in visitors. Community-buy-in for the space will be necessary to operate the theater; this does not include solely those who are passionate about attending events, but also having evolving ideas on how the theater can continue in the future.

Local demand is clearly shown based on responses from the resident survey and stakeholder interviews. By having a local venue to host performances and events, drive-time distance for residents to attend events will be minimized and more resident money will be retained in the region for additional economic impact. Currently, with an average drive-time of 57 minutes, residents are traveling to and spending money in North Carolina and Floyd County for events; a local venue with a diverse range in performances can meet this demand.

The economic impact of the theater's success will not only affect the town, but the county as a whole. Working with Patrick County Tourism will be necessary to achieve this, and the theater can be endorsed and promoted by the department to draw more people into the county. Collaborating beyond the town limits can spread awareness of the theater and create a space to celebrate the culture found in Patrick County. In this case, a strong and deliberate marketing campaign for the Town of Stuart, the county, and the Star Theatre is necessary.

8.3. *Additional Considerations*

As mentioned, there are many potential challenges to operating the Star Theatre that must be addressed for the theater to be a successful operation. As it stands, there are concerns that the sidewalks surrounding Stuart are not ADA compliant. Particularly given that many theater events have the potential to generate substantial interest among older citizens, Stuart should invest resources into ensuring sidewalks and theater access are ADA-compliant (See Appendix Figure B.2). Doing so will have important implications for equity and should increase theater attendance. Furthermore, improving sidewalk infrastructure and curb access should allow musical acts and other groups to move equipment more readily into the Star Theatre for setup. Working with VDOT or developing a comprehensive plan to make downtown safer for pedestrians and cyclists could improve accessibility and safety concerns.

Parking remains a challenge. While there is room for parking across the street at the Farmers' Market, there are concerns that the road on which potential attendees must walk to go between the theater and their cars is very steep and lacks a clear pedestrian crosswalk for on-coming cars. This could be a challenge for all attendees, but especially those with mobility concerns. Dedicating spaces in front of the theater for ADA parking can assist those with limited mobility. There is one curb cut near the Calliope space that could be used for attendees in a wheelchair. The Calliope parking lot can hold 45 spaces; a formalized partnership with Calliope could allow theater attendees to park in that lot, drawing people to both businesses. Utilizing a shuttle service was another suggested option to better connect the uptown and the downtown and provide parking off-site, such as in lots uptown or by the rail trails, especially those parking larger campers or buses. There are concerns that this may detract from attendees' experiences by having to park further away, should they be unable to park nearby or onsite. The shuttle option should be for overflow parking and ensuring there are adequate spaces nearby the theater should be a priority.

The lodging challenge is also a large deterrent to drawing a non-local crowd to the theater. As mentioned in Section 5.3, the Virginian is the local motel in Stuart; The Town of Stuart should work with new management at the Virginian to offer an opportunity to improve visitors' stays. Creating packages with local Airbnb's to advertise both theater events and local lodging options could increase awareness of lodging options for larger parties. When considering where non-local artists may stay, one suggestion was to renovate the space next to the theater so the second floor could be the artists' accommodation.

There are several concerns regarding the Star Theatre building itself, which should ideally be addressed prior to commencement of operations. CECE's expertise and ability to suggest improvements is limited.

However, CECE acknowledges that the upstairs balcony space may require a higher balcony rail to avoid attendees from falling. Improving bathroom ventilation and economizing backstage space for performers should also be considered. Other infrastructural concerns, such as mold, water, and roofing issues discussed during the site visit are beyond the scope of CECE’s expertise.

8.4. Recommendations for Next Steps

It is recommended that the Town of Stuart pursue the following next steps to operate and purchase the Star Theatre:

- Further research grant opportunities that the town can pursue to ensure long-term sustainability of the Star Theatre’s operations.
- Build partnerships to coordinate promotional efforts, usage of the venue, and creating packages. This includes working with:
 - Patrick County Tourism to promote the Star Theatre and assist with funding opportunities.
 - Calliope Circus of the Arts, Bull Mountain Arts, and Reynolds Homestead Creative Arts Center for programming, parking, and downtown development efforts. In the long-term, building an arts council, similar to the Stokes County Arts Council in Danbury, NC, can help solidify these relationships.
 - Patrick County Music Association, Patrick County Dancing Arts Center, and other local artists for events.
 - Fairy Stone State Park and Goose Point Park to attract visitors to the downtown.
 - Dining options such as the Stuart Tap House and lodging options like local Airbnbs to create packages and encourage attendees to stay in Stuart after an event.
 - Crooked Road Heritage Music Trail. Although the venue must develop a reputation to be further involved with the trail, beginning those conversations early can be beneficial.
- Further engage with the school systems to create more interest among the youth for attending the theater:
 - Programming for youth is important as currently there are limited options for activities for young people in the town. Engaging with the youth to learn what they would like to attend at the Star Theatre can assist with this programming and increase interest among families.
 - Patrick County High School needs a drama department and the town lacks theater groups. Partnering with Reynolds Homestead to create a children’s theater group can assist with that demand and provide an additional space for performances.
- Leverage the strong community support for the Star Theatre to create a robust volunteer network as a means of reducing the Theatre’s operational costs.

Appendix A. Resident Survey

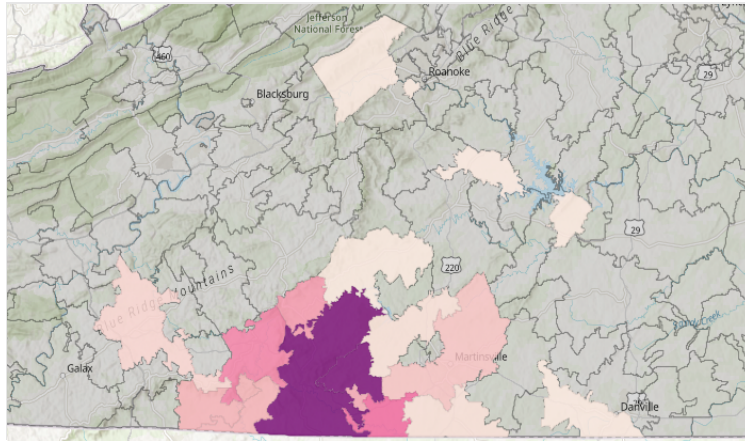


Figure A.1. Resident Survey Respondent Zip Codes

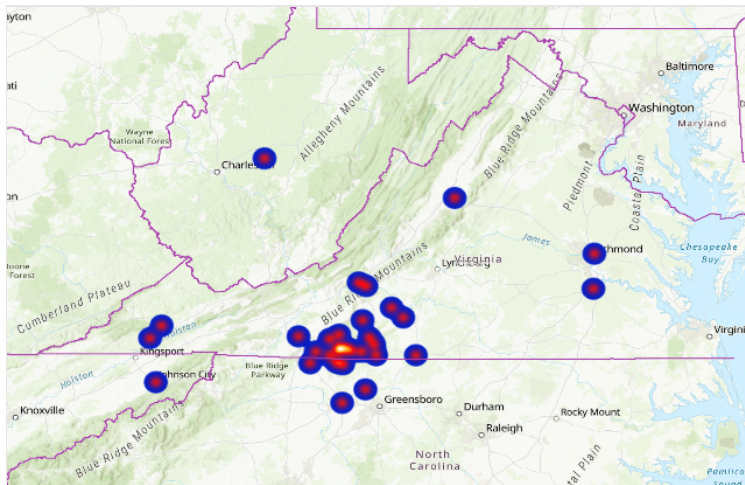


Figure A.2. Resident Survey Respondent Zip Codes

Appendix B. Comparable Theater Survey

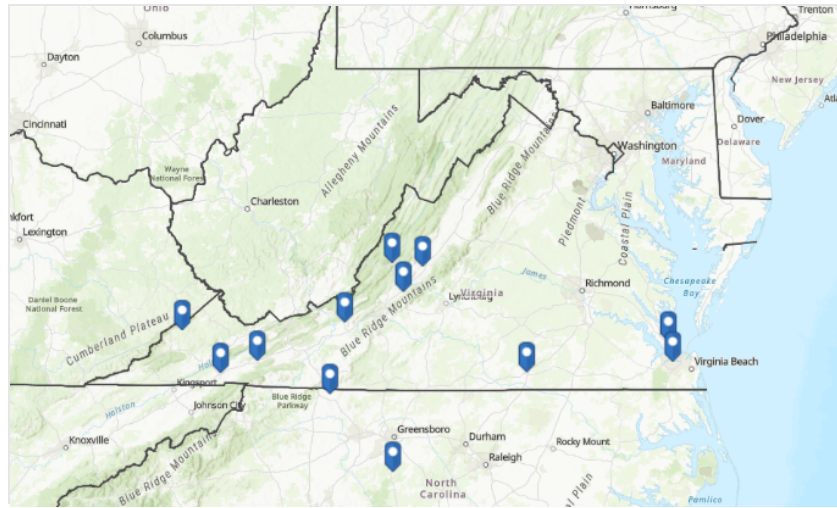


Figure B.1. Peer Theaters in Survey

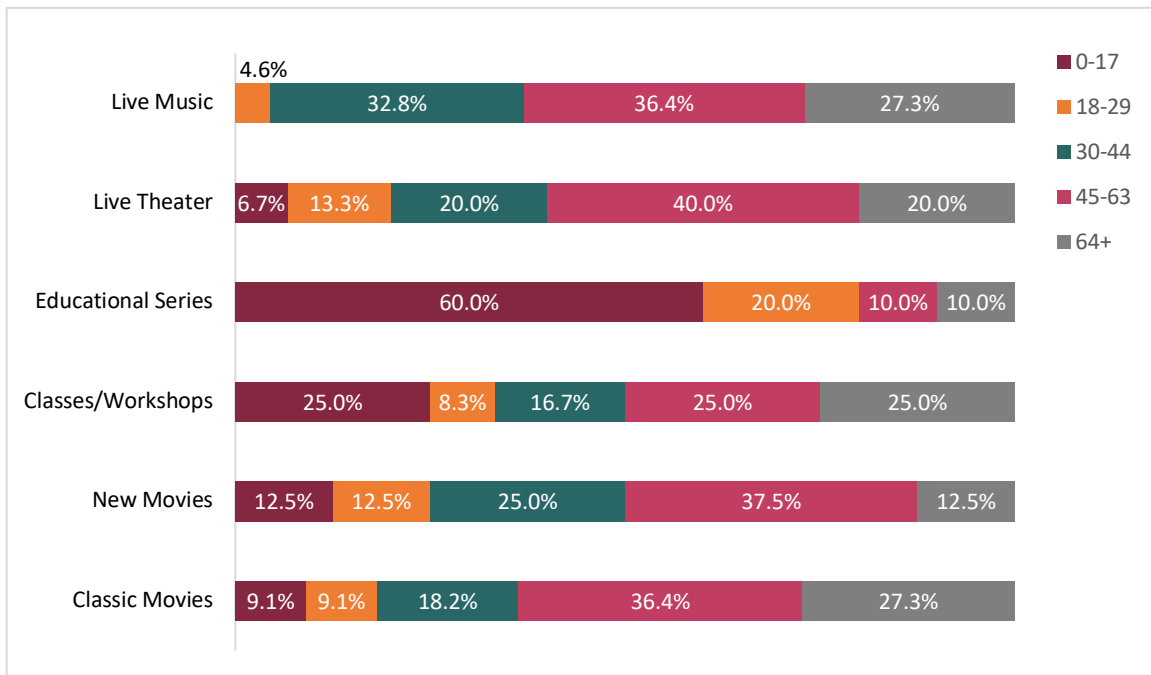


Figure B.2. Age Breakdown of Event Attendees at Comparable Theaters

Table B.1. Peer Theaters Contacted Via Survey

Name	Location
Barter Theatre	Abingdon, VA
Ashland Theatre	Ashland, VA
The Lyric Theatre	Blacksburg, VA
The Cameo Theater	Bristol, VA
Lemon Tree Gallery and Studio	Cape Charles, VA
Jettie Baker Center	Clintwood, VA
Rex Theater	Galax, VA
The Lime Kiln Theatre	Lexington, VA
The Lincoln Theatre	Marion, VA
Lee Theatre & Community Center	Pennington Gap, VA
The Commodore Theatre	Portsmouth, VA
Pulaski Theatre	Pulaski, VA
The Grandin Theatre	Roanoke, VA
The Prizery	South Boston, VA
The Colonial Center for Performing Arts	South Hill, VA
Wayne Theatre Ross Performing Arts Center	Waynesboro, VA
The Reeves Theater & Café	Elkin, NC

Note: Not all theaters provided insight.

Appendix C. Comparable Theater Analysis

Table C.1. Comparable Nonprofit Theaters Analyzed

Name	Location
Community Arts Center Foundation (Prizery)	South Boston, VA
Earle Theatre (Surry Arts Council)	Mt. Airy, NC
Grandin Theater	Roanoke, VA
Lee St. Theater	Salisbury, NC
Lincoln Theater	Marion, VA
Millwald Theater	Wytheville, VA
Paramount Theater	Charlottesville, VA
Theatreworks Community Players	Martinsville, VA

Table C.2. Comparable Nonprofit Theater Ticket Costs: Prizery

Community Arts Center Foundation (Prizery)	Cost
The Art of Historical Interpretation Workshop with Nathan M. Richardson	\$20
Frederick Douglass Speaks on Democracy	\$10
Steinway Artist: Robin Spielberg	\$36

The Danville Symphony Orchestra Presents Born in Bethlehem	\$25
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Table C.3. Comparable Nonprofit Theater Ticket Costs: Earle Theatre

Earle Theatre (Surry Arts Council)	Cost
Murder Mystery Dinner	\$50
Elf The Musical Jr	\$20
Balsam Range	\$40-\$60
Christmas with the Embers ft. Craig Woolard	\$25-\$30
Breaking Up Christmas ft. Larry & Martha and the Blue Ridge Girls	\$10-\$12
Riders in the Sky 2023	\$55-\$65
The Allen boys Sacred Steel Band	\$12-\$15
Henry Box Brown, "One Noble Journey"	\$10
The Morris Family Band	\$15
Rhonda Vincent and The Rage	\$40-\$60

Table C.4. Comparable Nonprofit Theater Ticket Costs: Grandin Theater

Grandin Theater	Cost
Nights of Grief and Mystery	\$49
Orange Culture - Live at the Grandin	\$15
The Room and Miracle Valley	\$23
The Faith Works Project	\$13
Classic Film Series	Free
Palmyra	\$22
Steve Hofstetter: Me, Myself, and Id	\$27-\$52

Table C.5. Comparable Non-Profit Theater Ticket Costs: Lee St. Theater

Lee St. Theater	Cost
Godspell	\$25
Four Old Broads	\$20
Wait Until Dark	\$20
Lend Me A Tenor	\$20
Spotlight Series A Doll's House	\$20
The Imaginary Invalid	\$20

Table C.6. Comparable Non-Profit Theater Ticket Costs: Lincoln Theater

Lincoln Theater	Cost
Crystal Gayle	\$40-\$52
Killer Beaz	\$38-\$55
Ricky Skaggs & Kentucky Thunder	\$40-\$60
Christmas with the Church Sisters	\$20
Rhonda Vincent A Bluegrass Christmas Celebration	\$32-\$47
Larry Gatlin	\$38-\$55
James Gregory	\$44-\$58
Big Head Todd and the Monsters	\$43-\$58

Table C.7. Comparable Nonprofit Theater Ticket Costs: Millwald Theater

Millwald Theater	Cost
Scott Fore with Hayne Henderson	\$25-\$100
Pam Tillis Beeles & Bows	\$27-\$67

Table C.7. Comparable Nonprofit Theater Ticket Costs: Paramount Theater

Paramount Theater	Cost
Step Afrika	\$30-\$45
Straight Line Crazy	\$15
United Nations of Comedy T	\$40
Met Live in HD: La Traviata	\$25
Talmi Entertainment Nutcracker	\$30-\$175
World Cup	Free
Exhibition on Screen Cezanne	\$15
Polar Express	\$8
Paramount Presents: Chunky Shrapnel	\$13
The Oratorio Society Christmas at the Paramount	\$36-\$54

Table C.8. Comparable Nonprofit Theater Ticket Costs: Theatreworks Community Players

Theatreworks Community Players	Cost
Music in the Box: Wild Ponies	\$15

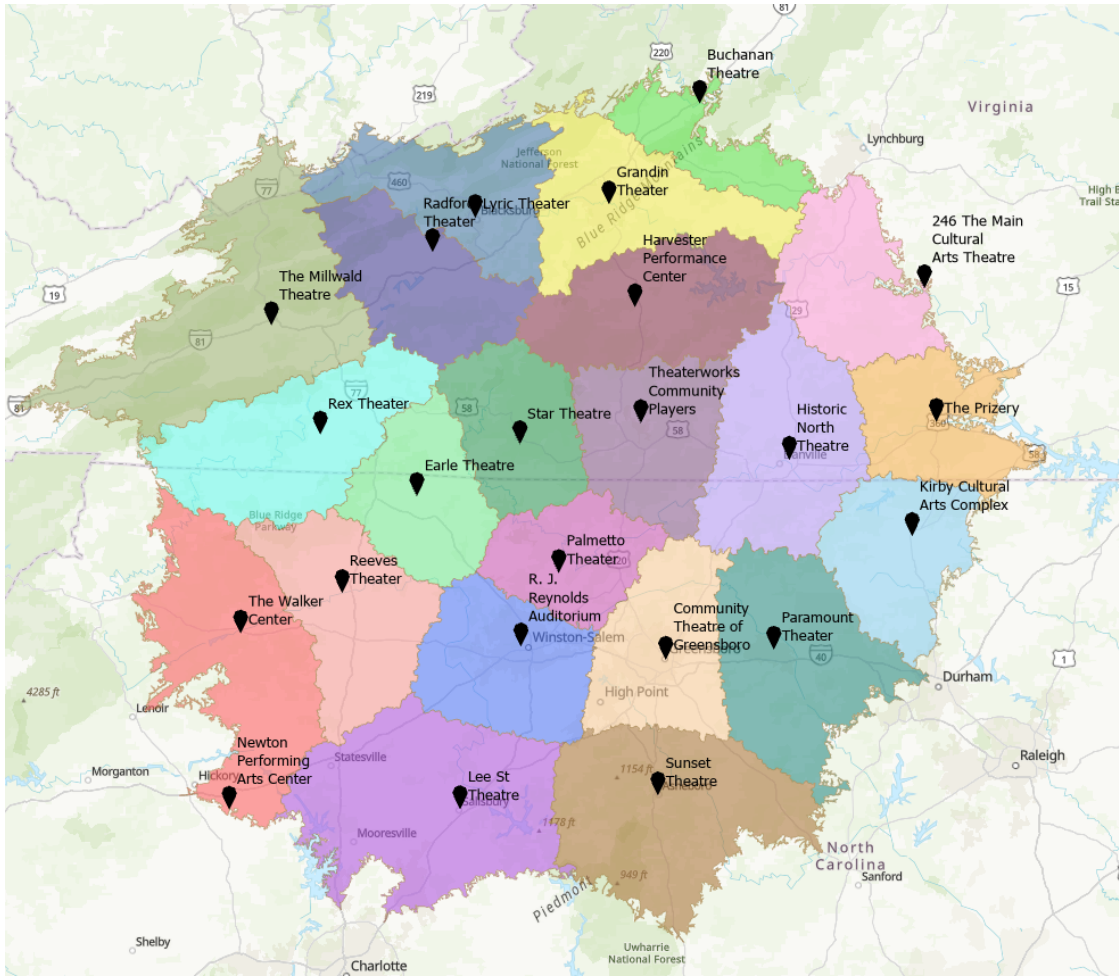


Figure C.1. Catchment Areas for Local Theaters