

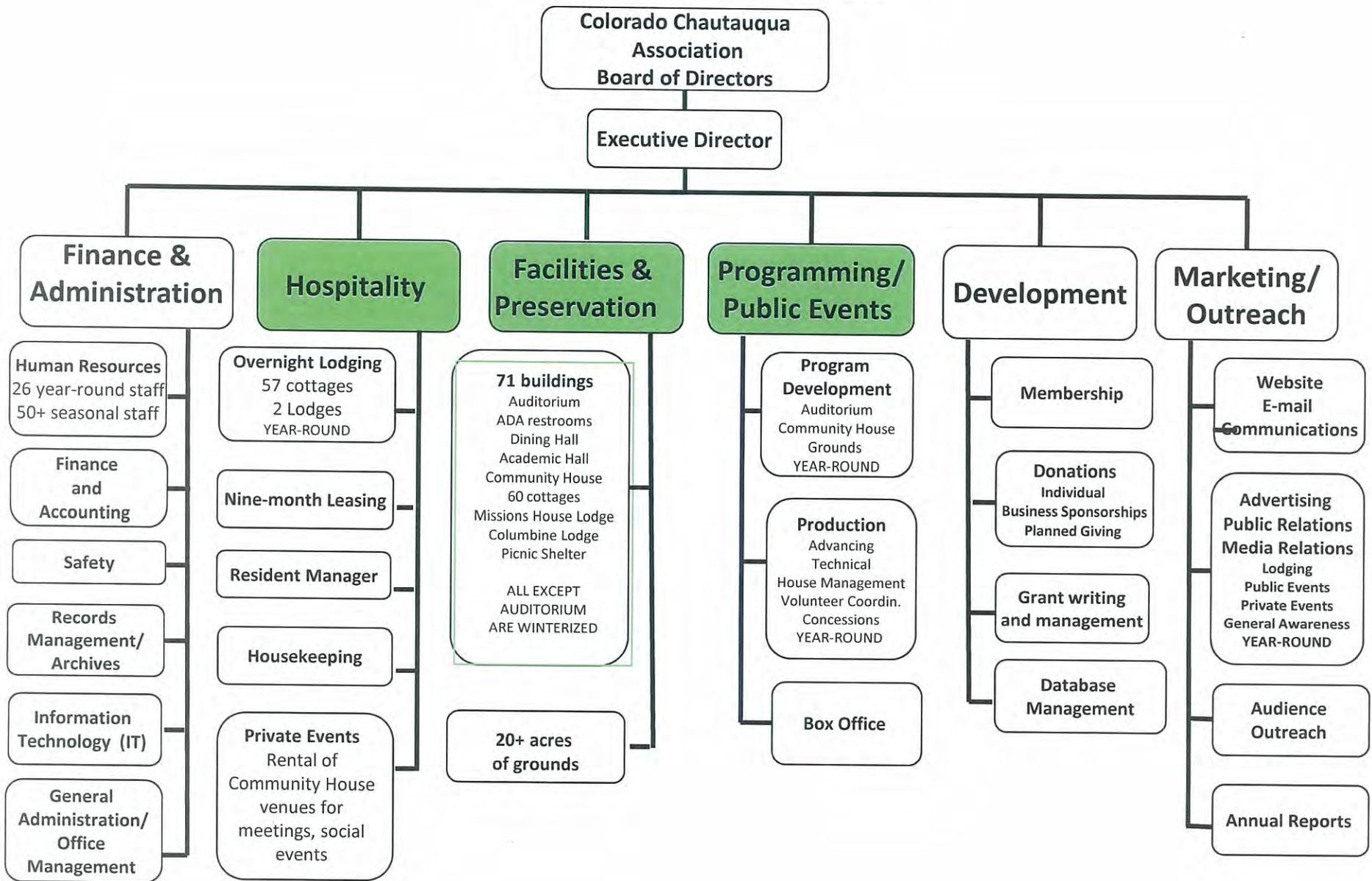


The mission of the Colorado Chautauqua Association is to preserve, perpetuate and improve the site and spirit of the historic Chautauqua by enhancing its community and values through cultural, educational, social and recreational experiences.

Statement of Values: The chautauqua experience is based on lifelong learning, love of nature, voluntary simplicity, and music, oration and the arts. Historic significance, traditions, cultural relevance, respite and enrichment are among the community benefits provided by the Colorado Chautauqua.

Adopted by unanimous vote of the Board of Directors on October 16, 2006

CCA ORGANIZATIONAL FUNCTIONS 4/1/15



## People Served by CCA in 2014

Lodging Guests	29,218
Lease tenants	50
Dining Hall patrons	169,768
Public Program tickets (paid) (including CMF)	45,242
Estimated free attendance	10,753
	<hr/>
	255,031

### Chautauqua Cultural Residency (aka Lodging)

“Cultural residency” at the Colorado Chautauqua reflects the opportunity to stay in historic buildings within the National Historic Landmark district and participate in (and even contribute to) the cultural tradition of Chautauqua. CCA offers year-round short- and long-term rentals in our refurbished historic cottages and lodges. During the summer months (June - August), 57 cottages, the Missions House Lodge and the Columbine Lodge are available for rental on a nightly basis, with longer-term leases available September through May.

In 2014, CCA hosted 12,705 room nights, with 29,218 overnight guests from many states, the District of Columbia, Canada and other countries. Of the guests paying for those room nights, more than 40% were from Colorado - the single largest state “contributor”, followed by Texas, California and New York (edging out Illinois).

Monthly nightly lodging occupancy rates (based on number of cottages and lodge rooms available in that month) ranged from a low of 37% in January 2014 to peak occupancy of 86.7% in July 2014. Including lease tenants, CCA’s annual average occupancy is 75%.

### 2014 Public Programs

**121 cultural and educational programs with total attendance of 45,242**

- Programs included concerts (including Colorado Music Festival (CMF), an independent not-for-profit organization), dance, author forums, space series, artistic life series, theater and film
  - 60 events in the Auditorium
  - PLUS 37 CMF rehearsals in the Auditorium free and open to the public
- 61 events in the Community House/Picnic Shelter
- City Residents Served - estimated approximately 65% of all ticket purchasers were from addresses within the City of Boulder

## Low Cost & Free Rentals to Non-profit, Educational & Government Organizations

In 2014, CCA provided reduced rate or free rentals to 56 area nonprofit or governmental entities and 22 educational organizations including; City of Boulder (multiple departments), UCAR, AIM House, Youth Summit, CU- Boulder (multiple departments), Boulder Valley School District (multiple departments) Teach for America, Institute for Generative Leadership, Boulder Rotary Club, Adventure Rabbi, Jarrow Montessori, Boulder Yamagata Friends, Strive Prep Leadership, Boulder Public Library, Sierra Club, St. Vrain Valley School District, Superior Elementary, and Earth Vision.

CCA also leased to Colorado Music Festival the following venues at a substantially reduced rate: the Auditorium for approximately 37 rehearsals and 24 concerts; the Community House Meadows Room for Young People's Concert costume storage; and Cottage 200 for green room use for 41 days.

## **Partnerships with Other Arts and Cultural Organizations**

Colorado Music Festival, Nobody In Particular Presents (NIPP), eTown, Three Leaf Concepts, CU LASP, UCAR, Cleo Parker Robinson Dance Ensemble, Boulder Book Store, New Vista High School, Colorado Hip-Hop Collective, Theatre-Hikes Colorado, Stories on Stage, REEL Rock Film Tour, CU School of Education, Historic Boulder Inc. and VIA Mobility Services.

## **Community Support in 2014**

In 2014, CCA provided support to community nonprofit, educational and government organizations including; ArtReach - Community Tickets Program, Bicycle Colorado, BMoCA, Boulder Ensemble Theatre, Boulder Public Library, Boulder Rotary Club, Boulder Shelter for the Homeless, Boulder Valley School District, Boulder Valley Women's Health Center, Boulder Yamagata Friends, Butterfly Pavilion, Catamounts, Circle of Care - Elder Enrichment Program, City of Boulder (multiple departments), City of Boulder Office of Arts and Culture - Community Cultural Plan, Climate Colorado, , Colorado Mountain Club, Colorado Music Festival, Colorado Preservation Inc., CU- Boulder, Cyclists for Lyons, Dumb Friends League, Earth Vision, Edison Elementary School, Global Village Academy, Historic Boulder, Inc., Intercambio, Jarrow Montessori, JCC-Boulder, Laramie Plains Museum, Rocky Mountain Bird Observatory, Sierra Club, Stories on Stage, Superior Elementary, Teach for America, The Studio School, UCAR, Volunteers for Outdoor Colorado, St. Vrain Valley School District, and the YMCA.

## CCA Employment

In 2014, CCA employed 22 year-round FTEs and 45 seasonal and part-time employees.

## CCA Taxes Paid

<u>Accommodations and Sales Taxes Paid by CCA:</u>	<u>2013</u>	<u>2014</u>
City of Boulder -- Accommodations	\$145,916	158,953
City of Boulder -- Sales	1,775	447
Total paid by CCA to the City of Boulder:	\$147,691	159,400
State of Colorado --Sales	\$94,096	101,009
Total accommodations and sales taxes paid by CCA:	\$241,787	260,409

In addition to the sales and accommodations taxes paid by CCA, CCA's lessee Three Leaf Concepts paid sales taxes associated with the Dining Hall operations 1/1/14 through 12/31/14.

Chautauqua Dining Hall - Sales taxes paid to City	\$69,935	85,937
Dining Hall - Sales taxes paid to State of CO	\$53,138	107,805
TOTAL FROM CDH:	\$123,073	\$193,742

Total sales and accommodations taxes generated from the Colorado Chautauqua in 2014:	\$454,151
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**Ad Valorem Property Taxes:** CCA pays property taxes on all CCA-owned improvements on 67 tax parcels within its leasehold (that is, cottages, lodges, Community House, Primrose Apartments, upper tennis court/basketball court) (*Note: The 39 private cottage owners also pay property taxes on their improvements on City-owned land subleased from CCA.*) The property tax burden on the nonprofit CCA has grown substantially over the last 19 years.

1994 taxes paid in 1995	2013 property taxes paid by CCA in 2014
\$17,646	\$121,010

2014 CCA Sources and Uses of Funds  
(before depreciation)

SOURCES OF FUNDS:

Hospitality (lodging and private events)	52% *
Public Events	17%
Contributions	15% *
SCFD	10%
Subleases	5%
Memberships	1%

USES OF FUNDS:

Facilities (buildings and grounds) (operating and capital expenses)	28%
Public Events	24%
Hospitality	27%
Administration	13%
Marketing	6%
Development	2%

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- In 2014, CCA received a one-time grant of \$675,000 for Auditorium interior improvements that skews the percentages of Hospitality and Contributions vs. a typical year. In a typical year, Hospitality accounts for 60-65% of revenues generated.

**CCA Investment in Preservation and Maintenance  
of the Colorado Chautauqu's Facilities and Grounds for Active Use**

Total expenditures on repair and maintenance, capital replacement and capital additions for 67 CCA-owned structures plus the City-owned buildings and structure on 20+ acres of grounds has included:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
R&M Operating Expend.	\$621,396	\$679,197	\$641,656	\$599,661	\$660,912
Capital Expenditures	\$482,374	\$405,742	\$548,783	\$592,149	\$529,448

**Value of Fixed Assets Less Accumulated Depreciation  
and Dollars Spent on Capital Improvements  
From Audited Financial Statements 1996-2013**

Fiscal Year	Fixed Assets less Accumulated Depreciation	Dollars Spent on Capital Improvements
1996	2,371,757	481,078
1997	2,645,333	415,397
1998	3,011,191	537,613
1999	3,098,653	335,216
2000	3,396,034	519,628
2001	4,056,714	911,566
2002	4,281,625	509,600
2003	4,321,853	398,415
2004	4,246,919	247,852
2005	4,186,518	263,214
2006	4,072,982	329,188
2007	4,206,658	505,464
2008	4,374,098	584,793
2009	4,311,540	390,543
2010	4,335,387	482,374
2011	4,285,725	405,603
2012	4,200,628	548,783
2013	4,183,616	592,149
2014	4,107,575	529,448
<b>Net Increase in Asset Value 1996-2013</b>		<b>1,735,818</b>
<b>Total Spent on Capital Improvements 1996-2013</b>		<b>8,987,924</b>

B-built  
P-purchased  
M-moved to site

CCA  
CHAUTAUQUA COTTAGE BUILT/PURCHASE HISTORY

Year	B, P, M	Period Total	Running Total	CCA Rental Pool	Comments	STEVE WATKINS 6/17/2010
1910	B	10	10		411, 511 (identical); 409, 413, 503, 505, 506, 507, 508, 509 (identical)	
1915				39		
1919	B	11	21		211, 213, 215, 217, 218, 220 (identical); 25, 26, 27, 701, 703 (identical)	
1920				48		
1925	B	10	31		3, 300, 405, 407, 415, 417 (identical); 3A, 222, 603 (identical); 5A	
c.1926	P	1	32		30 from Ft. Worth Teachers	
1926				50		
1928	demo	-1	31		5A demolished for Blanchard 5; replaced Avondale 5 and 5A	
1930	P	1	32		501 from San Antonio Teachers	
c.1930	P	1	33		219	
1931				30		
1940	P	2	35		304, 306 from C.E. Snyder for \$750	
c.1940	P	7	42		13A, 13B, 22, 23, 302, 311, 502	
1940				43		
1941	P	2	44		19 from Joe A. Ivey for \$250; 314 from Olive Wells for \$250	
c.1941	P	1	45		21	
c.1942	P (?)	1	46		512 moved from Kinnikinic to present location - had been 17 (between 16 and 18)	
1944		1	47		100 - City transferred title to CCA	
1947				36		
1949	P	1	48		13 from Mrs. Alta Stanard for \$4500	
c.1954	P	1	49		510	
1954	M	2	51		216, 802 from CU	
1954				53		
1956	M	4	55		212/214, 809/810 (two duplexes) from CU	
1960	P	1	56		106 from Mr. Nunnelee for up to \$2500	
1961	P	2	58		306 for \$3500 from Mr. Wier; 401 for \$1700 from W.C.T.U.	
1963				58		
1998	P	1	59		200 from City for \$84,000 in conjunction with Ranger Cottage (built 188?; hardly any orig. left by 1946)	
2001	P/S	0	59		Purchased 6 from Cantwells and sold 13B to Schwares	
2002	M	1	60		811 from Grandview at CU	
				58	100 leased to CMF for admin offices and 200 used by resident manager	

## THE CCA-COTTAGE OWNER RELATIONSHIP

### *A legal and a spiritual bond*

- **39 of 99 cottages at Chautauqua are privately-owned.**
  - Some have been passed down through families for generations.
  - Some have turned ownership several times over the years.
  - Some were purchased by the current owners.
    - 16 of 39 current cottage owners have purchased (not family) since 1981.
    - 11 of the 39 current cottage owners have purchased since 2000, a few by families who had a prior rental or ownership history at Chautauqua.
  
- **The private owners own the cottage improvements on City-owned land that they sublease from CCA.**
  - The private owners pay sublease rent to CCA - \$108,171 in 2015.
    - Sublease rent ranges from \$2,073 to \$3,444 annually, with an average sublease rent of \$2,774, in 2015.
    - Rental rate increases annually by a CPI number.
  - Cottage owners contribute to CCA's common area maintenance (i.e., grounds) expenses - \$29,918 in 2015.
  - Cottage owners also pay for services they receive (mail, snow removal, trash/recycling, cottage inspections, etc.) - \$16,629 in 2015.
  - Cottage owners pay a \$100 annual programming fee for which they receive free or discounted tickets to all silent films, dance programs and Community House programs.
  - All owners/signers on a sublease are required to be CCA members and pay annual dues ranging from \$25 - \$75.
    - As members, the owners can participate in the annual election of CCA board members.
    - Per the CCA Bylaws, the Chautauqua Cottagers Association (association of owners and renters) appoints one member to the 15-person CCA BOD.
  - The private cottage owners pay property taxes on their improvements.
  - Purchase prices for cottages privately purchased (vs. inherited) since 1981 have ranged from \$25,000 (sold earlier this year for \$435,000) to \$990,000 (on a purchase for \$49,500 in 1990).
  
- The City-CCA lease and each sublease requires CCA approval prior to assignment of a sublease and gives CCA a right to purchase if owner selling outside of "fourth degree of consanguinity" pursuant to a prescribed process.
  - Policy adopted by the CCA BOD allows ownership to be held in a limited liability corporation (LLC) of which CCA is a non-financial partner.
  - A desire to hold cottage ownership in trusts has been expressed but not yet approved by CCA.
  
- Cottage owners often serve as unofficial Chautauqua ambassadors, offering directions, advice, history lessons and good cheer to first-time and returning visitors and ensuring the promulgation of Chautauqua heritage and traditions.

**Colorado Chautauqua Association (CCA)**  
**Statement re: Cottage Acquisition Strategy and Purchase Authority**

As approved at the CCA BOD meeting on April 28, 2015

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**History of CCA Acquisition of Privately-owned Cottages** - In the last 20+ years, CCA has acquired only ONE privately owned cottage (i.e., Cantwell/6), and from a willing seller. During that time, CCA considered and declined to purchase six other privately-owned cottages.

**Philosophy of Cottage Acquisitions** - CCA values private ownership of Chautauqua cottages to perpetuate Chautauqua's history and cultural residency traditions. We value the intent expressed in the current City-CCA lease to maintain cottage ownership in families, as evidenced by the fourth degree of consanguinity detail. Cottage purchases are made by CCA for strategic reasons only and are evaluated on a case-by-case basis.

**Strategic Reasons for Acquiring Cottages -**

1. Preserve historic and/or cultural value (e.g., Cantwell Cottage purchase in 2002)
2. Physical Consolidation -
  - To improve operational efficiencies
  - To improve guest experience
  - To eliminate conflicts with privately-owned cottages
  - To better utilize adjacent public buildings and/or spaces
3. Possible expansion of non-lodging use -
  - Interpretation - house museum (e.g., Gwenthean)
  - Maintenance/housekeeping facility
  - Lodging check-in
  - Meeting/gathering space or other hospitality use
  - Offices as necessary

**Note -**

- CCA can acquire a cottage ONLY if the owner(s) wish to sell the cottage outside of the fourth degree of consanguinity.
- CCA cannot compel the sale of any cottage.
- CCA purchases cottages at fair market value (FMV).
- CCA would consider exchanging a CCA owned cottage for a privately owned cottage for strategic and financial reasons

The CCA Board of Directors agreed with the recommendation of the Strategic Planning Committee that CCA retain right to purchase authority.

The CCA Board agreed to the request of the Cottage Owners to eliminate the language in the current lease that prohibits consideration of bona fide offers in determining purchase price for cottage purchases.

# CHANGE MANAGEMENT

## CCA STEWARDSHIP OVER THE COURSE OF THE CURRENT LEASE TERM

### Mid/late 1990s into early 2000s -

- Preparations for Chautauqua's centennial in 1998
- CCA qualifying for Scientific and Cultural Facilities District (SCFD) funding at a Tier II level.
  - The SCFD opportunity led to winterization of the Community House because year-round programming was required.
- Dining Hall winterized for year-round use in 1998 at the request of a new operator after a century of summer-only usage; liquor license procured.
- Academic Hall winterized to accommodate year-round staff,
- Missions House Lodge winterized; cottage furnishings upgraded to create a better guest experience and broaden the appeal of Chautauqua lodging
- 2002 - started experimenting with year-round nightly lodging and year-round rental of venues for non-CCA meetings and private events

### 2004 - CCA BOD adopted a *Strategic Planning Framework* to guide all decision-making:

- *Chautauqua is a retreat experience providing respite and enrichment.*
- *The purpose of CCA is to manage and preserve the historic grounds and facilities and the cultural experience of Chautauqua Park.*
- *CCA focuses on maintaining and enhancing the historic natural and cultural ambience of Chautauqua.*
- *Chautauqua's core constituents are cottage owners, summer renters, winter residents, members, donors and program attendees. Chautauqua's "publics" (i.e., those groups of people with whom we need to foster and maintain a positive image) include neighbors, the City of Boulder, the historic preservation community, etc.*
- *Chautauqua's target markets are those audiences that will use the facilities for retreat/respice/enrichment experiences. Segments include but are not limited to: the preservation-minded; heritage tourists; people seeking respite and enrichment; families; local organizations (businesses, government, not-for-profits) seeking a place that is "respice" from the normal business environment.*
- *Chautauqua's position in the marketplace is local (plus).*

### 2004 - CCA BOD adopted *Strategic Imperatives - what CCA must do 2005-2010 -*

- *Proactively maintain Chautauqua's grounds and facilities*
- *Hone ambience through more selective programming and implementation of recommendations of the Cultural Landscape Assessment and Plan ("the CLA")*
- *Strike a balance between use and overuse*
- *Tighten internal controls and improve organization infrastructure*
- *Develop a vision that can be communicated*
- *Give recognizable identity that includes what is offered*
- *Have sufficient funds - be financially sound (and address fundraising needs and roles)*

2004 - Chautauqua Park Cultural Landscape Assessment and Plan ("the CLA") completed.

2008 - Interpretive Services Plan updated and subsequently implemented

**2008 - Comprehensive Environmental Sustainability Plan - Results to date include:**

- Buildings - energy performance testing of all cottages; implementation of strategic air sealing program; insulation of all crawl spaces and attics; installation of domestic water conservation fixtures (shower heads, faucets, and high efficiency toilets), high efficiency lighting (CFLs and LEDs), high efficiency boilers, heating systems and tankless water heaters; experimentation with alternative cooling strategies ( evaporative cooling, whole house fans, portable air conditioning); rehabilitation of several cottages awarded EPA's Energy Star rating
- Grounds - installation of high efficiency irrigation systems; timers for outdoor lighting
- Development of a comprehensive storm water management system
- Composting in all buildings, including lodging units

*Through the efforts listed above and education of both staff and guests, CCA has reduced both our energy and water consumption by more than 35%.*

**2010 - "2020 Plan"** - a longer-term vision for Chautauqua's physical, environmental, programmatic and financial sustainability - a dozen desired improvements to pedestrian safety, ADA accessibility and the visitor experience of Chautauqua. Elements implemented to date or currently in progress include:

1. Chautauqua Dining Hall (interior improvements; roof replacement; energy efficiency improvements); creation of Chautauqua General Store in Cottage 100 (2014)
2. Bus/Vehicle Pullout for Loading and Unloading
3. Auditorium Accessible Restrooms
4. West Garden Walk accessibility improvements
5. Ballot Issue 2A projects - new Baseline Road sidewalk, improvements to main entrance, and new pedestrian safety lighting (Phase 1) near Auditorium and Dining Hall

**2011 - Collaborative Stewardship Framework** process, including an inventory of all uses and users at "greater Chautauqua"

**2012-13 Auditorium interior improvements - cooling**

**2013 - City Council adopted "Chautauqua Guiding Principles".**

**2015 - Auditorium improvements - new PA; acoustic panels**

**Ongoing - Chautauqua Coordinating Team of CCA and City staff meets monthly**

# Colorado Chautauqua Association Strategic Plan Overview

## Strategic Imperatives

### RELEVANCE

- Provide “only at Chautauqua” year-round experiences
- Appeal to current and future visitors
- Compete successfully with local dining and private event venues

### OPERATIONAL EXCELLENCE

- Optimize organizational capacity
- Sustain capital and non-capital investments
- Balance use and overuse of buildings and grounds

### FINANCIAL STEWARDSHIP

- Manage resources wisely to ensure financial sustainability
- Maintain adequate reserves
- Ensure transparency in all business operations and financial reporting
- Enhance fundraising activities

### COMMUNITY PARTNERSHIPS

- Reinforce existing partnerships
- Seek out new partnerships in support of CCA mission and goals
- Actively foster relationships to ensure mutually beneficial objectives

## Strategic Initiatives

### CULTURAL PRESERVATION

- Preserve historic, rural, camp-like character of buildings and grounds
- Preserve and perpetuate cultural residency traditions
- Cultivate visitor awareness of Chautauqua’s heritage

### EDUCATION AND OUTREACH

- Educate the broader community about the Chautauqua experience
- Collaborate with others to ensure offerings are inclusive
- Seek opportunities to increase diversity through educational and cultural programming

### INVESTMENT IN BUILDINGS and GROUNDS

- Invest in facilities to optimize use
- Continue to improve infrastructure (Safety, Accessibility, Fire, Flood)
- Address congestion and parking issues

### ENVIRONMENTAL LEADERSHIP

- Reduce energy consumption
- Explore opportunities for producing energy
- Optimize building performance
- Exhibit and share best practices in sustainable development and preservation

4/23/2015

**STRATEGIC PLANNING FINANCIAL SUMMARY**  
**Cumulative Five Year Plan (2015-2020)**  
 \$'s in Thousands

	No Strategic Expenditures	CCA Strategic Expenditures (City of Boulder = 0% of Infrastructure)	CCA Strategic Expenditures (City of Boulder = 100% of Infrastructure)
<b>Beginning cash balance @ 01/01/2015</b>	\$ 2,412	\$ 2,412	\$ 2,412
Net Income before depreciation (1)	3,845	3,845	3,845
Capital Improvement Plan	(3,065)	(3,065)	(3,065)
Operating Expense Reserve (maximum level) (2)	(1,182)	(1,182)	(1,182)
Other adjustments to available cash (3)	(462)	(462)	(462)
<b>Cash available from operations to invest in strategic priorities</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>
<b>Strategic priorities (Infrastructure)</b>			
Utilities undergrounding, storm water management and roadway improvements (4)			
Phase I		1,500	
Phase II		5,000	
Phase III		1,600	
Completion of campus infrastructure improvements and incidentals		900	
<b>Total infrastructure priorities</b>	<b>-</b>	<b>9,000</b>	<b>-</b>
<b>Strategic priorities (other)</b>			
Maintenance facility		1,386	1,386
Primrose rehabilitation		825	825
Cottage purchases		1,500	1,500
<b>Total other priorities</b>	<b>-</b>	<b>3,711</b>	<b>3,711</b>
<b>Total strategic priorities</b>	<b>-</b>	<b>12,711</b>	<b>3,711</b>
<b>Ending cash balance or funding required at 12/31/2020</b>	<b>\$ 1,549</b>	<b>\$ (11,162)</b>	<b>\$ (2,162)</b>

**Assumptions**

(1) Forecasted net income includes the following revenue and expense assumptions:

	Revenue Growth	Expense Growth
2016	4%	3%
2017	3%	3%
2018	0%	3%
2019	0%	3%
2020	4%	3%

-Revenue assumptions include campus disruptions during the period of significant infrastructure improvements starting in 2017 and ending in late 2019

-Expenses are not expected to change dramatically as a result of infrastructure proj

(2) Operating reserve is equal to three months of operating expenses = \$1.2 million

(3) Reserves held on deposit for future lodging reservations = \$.5 million

(4) 2014 Estimate per JVA Comprehensive Infrastructure Master Plan (CIMP)