

AMERICAN RESCUE PLAN ACT Expenditure Request

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SECTION 1: PROGRAM OVERVIEW/ELIGIBILITY

Lee County is the recipient of Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act (ARPA) of 2021. The Lee County Board established an ARPA Committee to make recommendations to the Board on funding allocations which meet eligibility guidelines and respond to local needs. Pursuant to the Act, funding objectives include supporting the COVID-19 Public Health Response, addressing negative economic impacts, replacing public sector revenue loss, premium pay for essential workers, and water, sewer, and broadband infrastructure.

For more information on U.S. Treasury's ARPA guidelines and eligibility go to: [U.S. Treasury - ARPA Information](https://www.treasury.gov/press-releases/Pages/arpa-information.aspx). For information on the Lee County ARPA program, email Sara Leisner, Lee County ARPA Grant Coordinator at arpa@countyoflee.org.

SECTION 2: REQUESTING AGENCY/DEPARTMENT CONTACT INFORMATION (PLEASE PRINT)

Agency Historic Dixon Theatre Group Agency Phone (815) 508-6324
Agency Address 114 S Galena Ave, Dixon, IL 61021
Agency Representative Jeremy Englund Title Board of Directors - Secretary
Representative Email jeremy.englund@dixonnow.com Phone 815-284-3361

SECTION 3: REQUEST OVERVIEW

Brief Description of Project/Expenditure: The Dixon Historic Theatre EDA - Travel, Tourism, and Outdoor Rec Grant Match C

Estimate of the Timeline for Project/Expenditure: EDA Project will start in 2022. The proof of grant match is needed upon gr

ARPA Category this Expenditure Falls Under:

- | | |
|---|--|
| <input type="checkbox"/> Support COVID-19 Public Health Response | <input type="checkbox"/> Premium Pay for Essential Workers |
| <input checked="" type="checkbox"/> Address Negative Economic Impacts | <input type="checkbox"/> Water and Sewer Infrastructure |
| <input type="checkbox"/> Replace Public Sector Revenue Loss | <input type="checkbox"/> Broadband Infrastructure |

Have you sought other funding or matching funds for this project? ☒ Yes ☐ No

If yes, from where: The City of Dixon has committed \$100,000 and the theatre has \$100,000 towards the \$300,000 ma

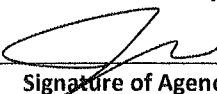
Total Project Cost: \$ 1,500,000 ARPA Funding Request: \$ 100,000 Other Funding/Match: \$ 200,000

SECTION 4: DETAILS OF PROJECT/EXPENDITURE (ATTACH TO THIS APPLICATION)

Please attach a narrative detailing the project, including an explanation of how this expenditure meets the ARPA eligibility guidelines, any additional details on the project costs (including if the cost is an estimate), other funding sources, and the project timeline. Attach the narrative along with all supporting documentation to this application.

SECTION 5: SIGNATURE

I hereby depose and say that I am an authorized representative of the Agency, that I have read this application, that I have personal knowledge of the contents thereof, that the same is true in substance and fact, and that I will comply with all grant and reporting requirements to Lee County on behalf of the Agency.

 3/21/2022
Signature of Agency Representative Date

Email this application and all supporting documentation to Sara Leisner, Lee County ARPA Grant Coordinator at arpa@countyoflee.org.

Dixon Theatre Background:

The Dixon Opera House opened in 1876, and operated until it was completely destroyed by a fire in early 1920. In late 1920, Leonard G. Rorer, manager of Dixon's Family Theatre, announced he had purchased the site of The Dixon Opera House in downtown Dixon "for the purpose of erecting the finest show house to be found between Chicago and Des Moines and from Rockford to LaSalle". On March 15, 1922, the Dixon Evening Telegraph announced the opening of The Dixon Theatre. The newly constructed Dixon Theatre had cost \$200,000 to build (equivalent to \$3 million today). It was designed in an Italian Renaissance style by local architect, William J. McAlpine, who had also been responsible for the Lee County Courthouse, the Old Post Office, and the Dixon National Bank, among other buildings.

The Dixon Theatre was constructed entirely of fireproof materials, brick, terracotta, concrete, steel, and terrazzo. The building differed in design from most theaters of the time as there is an apartment above the lobby and storefronts on either side. The architectural treatment of the interior had an understated elegance with fine decorative features. The crowning glory of the Theatre was a large dome in the center of the ceiling with a sky treatment, which retains beautiful acoustics. The Theatre also features a large stage, orchestra pit, and a 1924 organ.

The Rorer family owned and operated the theater for nearly 30 years. Early show bills featured several vaudeville acts, a seven-piece orchestra and frequently a motion picture. The 1924 organ accompanied the early silent films until talking pictures arrived in 1929. Many local people have fond memories of dates at the movies and many area young people were introduced to plays, opera, and ballet at The Dixon Theatre. Among one of the most famous events was the premier showing of the film of Ronald Reagan's "International Squadron". Through changes of ownership, The Dixon continued to serve as a movie house until 1984 when the final movie was shown and the theater closed.

In October 1985, Dixon Theatre Renovation, Inc. (DTRI) signed a lease-purchase agreement and The Dixon Theatre once again became a showcase for the performing arts. DTRI and the Lee County Civic Center Authority shepherded this wonderful building through nearly 35 years of almost continuous use as a performing arts center. Volunteers, along with generous contributors, renovated the theater and returned it to its position as a fine cultural asset that the entire Sauk Valley area could enjoy and be proud of.

In October 2019, the Historic Dixon Theatre Group, a 501(c)3 nonprofit corporation, took over the ownership and operation of the Dixon Historic Theatre. The Dixon Historic Theatre is owned and operated by the Historic Dixon Theatre Group. The board is appointed by the Mayor and City Council of the City of Dixon, but operates as an entirely independent body while maintaining a successful public/private partnership.

Geographical Definition of the Region to be Served by the Investment Project:

The proposed EDA-funded Dixon Theatre renovations will be made at the Historic Dixon Theatre, located at 114 S. Galena Avenue in Downtown Dixon, Illinois. Most visitors to the Dixon Theatre are residents of the Blackhawk Hills Regional Council area in northwest Illinois, which is comprised of Lee, Jo Daviess, Carroll, Ogle, Stephenson, and Whiteside counties.

Describe and Outline the Scope of Work for the Proposed EDA Investment:

The Historic Dixon Theatre Group, in partnership with the City of Dixon, is seeking \$1.5M in EDA Travel, Tourism, and Outdoor Recreation grant funding assistance for the planned renovation of the Dixon Historic Theatre. The Theatre, almost 100 years old, is in need of renovations. The proposed renovation project will consist of masonry to ensure a structurally sound building, installation of a new roof, and updates to the paint, flooring, seats, orchestra pit, lighting, and plumbing.

The specific project components that will be renovated with EDA funds include:

- Masonry tuckpointing and repair
- Storefront replacement
- Roof and parapet coping repair and replacement
- South wall drainage
- Restoration and replacement of doors
- Terrazzo repair and cleaning
- Carpet runner replacement
- Brass railing restoration
- Stage resurfacing and framing
- Plaster patching and painting
- Restroom plumbing and light fixture replacement
- Seating repair and replacement
- Lamp replacement

Economic Development Needs:

Does the Region in which the project will be located have a Comprehensive Economic Development Strategy?

Yes. The Region is part of the Blackhawk Hills Regional Council Economic Development District, and is included in the Comprehensive Economic Development Strategy (CEDS) for Northwest Illinois 2019-2024.

The proposed project is a part of the 2019-2024 Comprehensive Economic Development Strategy (CEDS) for Northwest Illinois, as put together by the Blackhawk Hills Regional Council. Completion of the proposed Dixon Theatre renovations will revitalize the tourist, culture, and performing arts industries, all of which will serve as economic catalysts for the region.

Describe the Economic Conditions of your Region. Define the Economic Development Need to be addressed by the proposed EDA Investment and how the proposed investment will address that need.

In the defined geographical region, all six of the Blackhawk Hills Economic Development District (EDD) counties have a median household income (MHI) below that of the United States at \$62,843 and the State of Illinois at \$65,886. The Per Capita Income (PCI) of each County is

also below that of the United States (\$34,103) and the State of Illinois (\$36,038), with the exception of Jo Daviess County at \$34,437. The Poverty Rate in the geographical region is on-par with the State and Nation, with Ogle and Jo Daviess counties being the only two with poverty rates below 10%. Workforce issues in this defined Northwest Illinois region include: unfilled job openings, regulatory (or perceived regulatory) hurdles, underemployment, real wage growth, shrinking labor force, immigration/visas, targeted populations (such as the incarcerated), and border county issues.

Location	MHI	PCI	Poverty Rate	Unemployment Rate
Carroll County	\$52,410	\$29,166	11.1%	3.1%
Lee County	\$58,194	\$29,984	12.0%	3.4%
Ogle County	\$60,986	\$31,397	9.4%	4.4%
Jo Daviess County	\$57,946	\$34,437	9.3%	3.2%
Stephenson County	\$48,805	\$27,911	11.5%	4.1%
Whiteside County	\$54,232	\$29,856	11.4%	4.0%
State of Illinois	\$65,886	\$36,038	11.5%	6.0%
United States	\$62,843	\$34,103	11.4%	4.2%

*Source: US Census Bureau <https://www.census.gov/>; Unemployment Data from Bureau of Labor Statistics

In the City of Dixon itself, the Median Household Income is \$47,171, the Per Capita Income is \$23,165, the Poverty Rate is 14.5%, and the current unemployment rate is 5.2%. Dixon's tourism and cultural industries took a major economic hit when the pandemic struck. Tourist facilities were closed to visitors, the Dixon Theatre was shut-down, and businesses throughout the downtown were closed or open for limited drive-up services. The impact of COVID on the City of Dixon was most identifiable with the unemployment rates. Dixon started 2020 with a 4.1% unemployment rate – as the pandemic endured and businesses shuttered, the City hit a record high unemployment rate of 12.8% in April 2020.

The defined geographic region has a well-established professional and community-based arts, culture, and music events/venues reputation. The Hospitality and Tourism industries are vital to the region's economic development success, as they are supported in this region by unique architectural, geological, and historical assets. The northwest Illinois region is home to some of the most popular tourism destinations in the State of Illinois; Galena is the #2 tourism destination in the entire state, after Chicago. The City of Dixon itself is one of the Top Ten tourism destinations in the state. However, the tourism, cultural and creative industry economies are also some of the sectors hardest hit by the Covid-19 pandemic and subsequent lockdowns. The Dixon Theatre was closed to the public from March 2020 through September of 2021, with a brief opening for 2 events in June and July of 2021.

The northwest Illinois region needs a strong Tourism industry to serve the economic development needs of the region. The proposed renovations to the Dixon Theatre will help revitalize the tourism industry for the region, and serve as an economic catalyst for recovery from the pandemic by supporting a well-developed creative economy that creates and encourages local employment opportunities, socioeconomic development, innovation, and cultural preservation within a region like Dixon's. The arts also offer economic diversification

opportunities and can rapidly recover from economic downturns without being anchored down by other slow-recovering sectors, or being subject to other sectors' volatility.

Describe the Applicant's Capability to Administer, Implement, and Maintain the Project:

The Historic Dixon Theatre Group, in partnership with the City of Dixon, has the ability and capacity to manage this grant. If awarded this funding, the Historic Dixon Theatre Group and the City of Dixon will work together to effectively manage the grant and successfully perform each phase of work on the project. The Historic Dixon Theatre Group's Board of Directors will work side by side with City Manager Danny Langloss and Public Works Director Matt Heckman as Project Managers for this project, serving as EDA's primary contacts and responsible for submitting all required reporting paperwork, contract documents, quarterly reports, financial reports, progress reports, and ensure that all requirements of EDA's Investments are followed. Both the Historic Dixon Theatre Group and the City of Dixon have extensive experience facilitating and managing renovation and redevelopment projects such as the proposed project, and will utilize that experience to support the most effective and strategic use of the grant funds.

Strategic Partners and Organizations to be Engaged in this Project:

The Historic Dixon Theatre Group will be working with the City of Dixon and Dixon Chamber of Commerce & Main Street on the proposed project. The Dixon Theatre is owned and operated by the Historic Dixon Theatre Group, the lead applicant. The City of Dixon is a vital partner of the Historic Dixon Theatre Group, providing annual funds to the Dixon Theatre for operation. For the 2021 – 2022 event season, the City of Dixon has contributed \$200,000 to help the Dixon Historic Theatre Group recover from the financial devastation caused by the COVID-19 pandemic. The Canterbury Foundation and Dixon Stage Left have contributed \$100,000, each, for a total of \$200,000. The private contributions were earmarked to finance staffing and other necessary upgrades to the historic theatre.

The Dixon Chamber of Commerce & Main Street will be involved in the project as partners to both the City and the Theatre Group, assisting with promoting the Dixon Theatre as a tourism attraction destination. All three of these groups have been working together on the proposed renovation project since its inception, and will be involved throughout the entire project, through completion.

EDA's Recovery and Resilience Investment Priority:

The Dixon Theatre's home is located in downtown Dixon, Illinois – Dixon is characterized by its rural atmosphere and punctuated by unique cultural and historical attractions. Located along the scenic Rock River in northwestern Illinois, Dixon is a thriving community of 16,000, and serves as the county seat of Lee County. At the hub of four major highways and one interstate, Dixon is the economic center of the county and an important focus for agriculture, industry, service, retail, recreation and residential growth.

The defined geographic region has a well-established professional and community-based arts, culture, and music events/venues reputation. However, the tourism, cultural and creative industry economies are also some of the sectors hardest hit by the Covid-19 pandemic and

subsequent lockdowns. The Dixon Theatre was closed to the public from March 2020 – September 2021, with a brief opening for 2 events in June and July of 2021.

The proposed Dixon Theatre renovation project will help the region recover and become more resilient because it will enable the Dixon Theatre to grow, adapt, and serve a vibrant arts and cultural community in the region that will act as an economic catalyst to the tourism industry, helping it thrive.

The performing arts and related creative industries that would showcase at the Dixon Theatre are a substantial economic driver – it is an industry that supports jobs, generates governmental revenue through sales tax, and is the cornerstone of the tourism industry. The arts provide inspiration and joy to patrons, beautify public spaces and downtowns, and strengthen the social fabric of communities. The arts also employ people locally, purchase goods and services from local businesses, make communities more vibrant, and attract and support tourism. This event-spending by arts audiences generates valuable revenue for local businesses such as restaurants, retail stores, hotels, and parking garages. Supporting arts and cultural organizations also provides rewarding employment for builders, plumbers, accountants, printers, and many more local businesses that directly support the Theatre and tourism related to the Theatre.

Meaningful community and economic development support the regional resiliency of people and the places they use. Resiliency that strengthens a community is influenced, in part, by progress stemming from active partnerships, projects, programs, and policies. These “4 Ps” can lead to opportunities created, people supported, and places improved. For instance, imagine attending the newly established performing arts camp put on at the Dixon Theater. This is a program for kids and teenagers that might encourage startup culture, lead to the creation of previously unimagined jobs, and fill vacant storefronts near the Theater. In this instance, a new idea and home-grown enterprise at the Theatre leads to economic diversification and local ownership, things likely to help a region weather future economic shocks. Moreover, the progress made towards resiliency may also enhance quality of life, resulting in a future where the regional vision is more thoroughly realized.

Efforts to Enhance business retention and expansion to strengthen these sectors; Adapt business retention and expansion programs to assist economic recovery post-disruption:

The proposed Dixon Theatre renovations will allow for the Theatre staff to adapt their business retention and expansion programs to assist economic recovery post-disruption. For example, by completing the renovation project, the Theatre will be able to host more local and traveling theater shows, live music ventures, and host comedians, speaking engagements, and leadership conferences. With the proposed improvements, the Dixon Theatre staff will be able to expand their Summer Theatre Camp and Children’s Theatre productions. The expanded use of the Theatre will necessitate the building of a flexible and resilient workforce that can better shift between jobs or skills based upon the types of shows being produced by the Theatre at the time. This employment flexibility will eliminate any employment being threatened through specific job-driven skills.

Promoting business continuity and preparedness:

The proposed renovations will positively impact the Theatre's ability to stay open and continue operating as pandemic affects linger or resurface.

Economic Impacts:

Dixon is the economic and tourism center of Lee County – the City welcomes over 150,800 annual visitors. Once renovated, the Dixon Theatre is anticipated to bring in 19,600 visitors annually. For 2022, the Dixon Theatre is anticipating putting on over 40 individual events. Based on these initial estimates, the renovated Dixon Theatre could increase visitation to Dixon by at least 25%.

Not only will the improvements to the Dixon Theatre increase visitation, but it will greatly enhance the experience of those visiting the area. Utilizing performance measures that the State of Illinois Tourism Office uses, the following economic impacts are anticipated for the proposed improvements at Dixon Theatre:

At Full Capacity, we can anticipate the following economic impacts:

- 916 seats at Dixon Theatre x \$35 average ticket price = \$32,060 in revenue at the theater per event
- There are 40 events planned for 2022 – including multiple performances of the 40 events, this will average 50 events for the year. $\$32,060 \times 50 = \mathbf{\$1,603,000}$ in spending at the Dixon Theatre, at full capacity.
- The average direct spend in the Dixon area per person for a meal before or after a Dixon Theatre performance is \$40 (depending on activities and dining choices). For each event, $\$40 \times 916$, a total of \$36,640 in spending at local restaurants is expected.
- With 50 events planned for the year ($\$36,640 \times 50$), a total of **\$1,832,000** is expected
- 5,000 annual overnight visitors are expected to stay in Dixon in association with a visit to the Dixon Theatre. With a \$165 average spent on hotel, dining, and activities = **\$825,000** direct spend in the Dixon area (depending on activities, hotel, and dining choices)
- **Anticipated annual economic impact of the Dixon Theatre project: \$4,260,000**

At 75% Capacity, we can anticipate the following economic impacts:

- 916 total seats available at Dixon Theatre x \$35 average ticket price. At 75% capacity, 687 seats will be filled: $687 \times \$35 = \$24,045$ in revenue at the theater per event
- There are 40 events planned for 2022 – including multiple performances of the 40 events, this will average 50 events for the year. $\$24,045 \times 50 = \mathbf{\$1,202,250}$ in spending at the Dixon Theatre, at 75% capacity.
- The average direct spend in the Dixon area per person for a meal before or after a Dixon Theatre performance is \$40 (depending on activities and dining choices). For each event, $\$40 \times 687$, a total of \$27,480 in spending at local restaurants is expected.
- With 50 events planned for the year ($\$27,480 \times 50$), a total of **\$1,374,000** is expected
- 5,000 annual overnight visitors are expected to stay in Dixon in association with a visit to the Dixon Theatre. With a \$165 average spent on hotel, dining, and activities = **\$825,000** direct spend in the Dixon area (depending on activities, hotel, and dining choices)

- **Anticipated annual economic impact of the Dixon Theatre project: \$3,401,250**

The proposed Dixon Theatre renovation project consists of 23,254 total square feet, and the estimated cost is estimated to be \$46.47 per square foot. The size of the Theatre itself measures to approximately 0.25 acres, with an estimated total cost of \$1,500,000. **The estimated economic impact per acre for the proposed project is \$6,000,000.**

Job Creation:

The proposed job creation for this project includes the following:

- Dixon Theatre Staff Job Creation: 1 FTE
- Dixon Theatre Staff Job Retention: 3 FTE, 2 PT
- Construction Job Creation: 50 FTE
- Indirect Job Creation: 25 FTE

The proposed renovation of the Dixon Theatre will directly affect the Arts, Culture, and Tourism industries in the Dixon region, and directly accomplish identified goals of the region:

- Mitigating geographic isolation by building connections
- Diversifying regional economies by attracting visitors, businesses and investment
- Injecting pride and enlivening the community
- Improving quality of life
- Promoting inclusivity

Development and construction of high-performance and resilient infrastructure and buildings to mitigate future risk and vulnerability:

With this project, the Historic Dixon Theatre Group is making a proactive investment in community resiliency. Infrastructure resilience is the ability to reduce the magnitude and/or duration of disruptive events. The effectiveness of a resilient infrastructure or enterprise depends upon its ability to anticipate, absorb, adapt to, and/or rapidly recover from a potentially disruptive event. The proposed renovations will afford the Dixon Theatre the ability to maintain critical operations and functions in the face of a disruption. The building renovations and the design of the infrastructure will eliminate any structural vulnerability that the Theatre currently possesses. In terms of resourcefulness, the Theatre will be implementing roofing systems that will allow business continuity during the continuing pandemic affects.

Proposed Project Schedule:

The proposed Project Schedule is as follows:

- EDA Grant Submittal: December 15, 2021
- Grant Award: June 2022
- Bid Project: August 2022
- Award Project: October 2022
- Construction Starts: January 2023
- Project Closeout: December 2023