

# PROPOSAL FOR THE OPERATION AND MANAGEMENT OF THE CHATEAU THEATER



“Cultural and Economic Sustainability”

STEPHEN R. BARLOW

DANIEL VAN HOOK

SPECTRUM PRO AUDIO

Proposal for the Operation and Management of the Chateau Theater.  
“RFP”

To: City of Rochester Common Council. “City”

From: Stephen R. Barlow / Daniel Van Hook / Spectrum Pro Audio.  
“Operators”

Dear City:

By the time you have completed and absorbed the content of this RFP, you will understand:

- Why we, the operators, are uniquely qualified to operate and manage the Chateau Theater.
- Our plans to provide existing and future content to the Mayo visitors and the Rochester community.
- Our synergistic and collaborative approach, which will allow us to deliver the highest quality, most efficient content.

This RFP will completely address each and every issue in the following documents:

- This Request for Proposal
- The City of Rochester Strategic Priorities 2021-2023
- The Operating Agreement to be executed upon successful acceptance by both parties.

The specific points addressed in IVA and IVB of the RFP, and each clause of the Operating Agreement will follow after a more general narrative that speaks of our approach and our unique talents, experience, and perspective. Commentary will flow.

We are here to address opportunities. Commentary on the Rochester Arts Community is meant to be descriptive and positive - not critical. The only criticism you will see is in regards to the pedestrian, static, and poorly researched and executed Webb study of 2016 and its multitude of flaws in content and methodology. The report is already outdated. The Council and City Administration of today was not part of the 2016 Webb Study. You did not authorize it, you did not approve it, and you have no incentive to justify it. You have every reason to ignore it.

Let us move on.....

## CHATEAU OPERATION AND MANAGEMENT:

The New Chateau will target two customer bases:

- Visitors
- Community

It will be a flexible, transforming, dynamic operation over time as needs and demands change. This includes the changing demographics of the Mayo visitor, seasonal requirements, and day-to-day opportunities. Let us begin with the Mayo Visitors, the group that presents the largest opportunity.

Mayo Visitors:

A Mayo Visitor will be a likely customer from Monday through Thursday from 9:00am until 4:00pm. As they walk to the East end of Peace Plaza, they will notice the inviting Marquee “Chateau Theater” with its bright lights and old-fashioned manual letters. They will think that this place may be special, a blend of tradition and creativity. As their curiosity is aroused – for the initial encounter, they will become a regular after their first attendance – they will see a menu of today’s events, ever changing, always cool. A \$5.00 pass gives them in and out privileges for the day. (Note: we may charge \$10.00 for the day - \$25.00 for the week).

Foyer:

As they enter, they will see a gallery of art; an exciting display created by the “Local Artist of the Week”. Signs stating that the art was produced at the Rochester Art Center, or the soon to be better operated Riverview Suites at the Mayo Civic Center, or the Main Floor of the Castle. Produced there. Displayed here. Encouragement, maps, displays, and such to motivate the Mayo Visitors to include these destinations into their schedule while they are here. Canvas and Chardonnay and other private studios and galleries will be welcome. All of these sites are close - two or three blocks from the Chateau. (See Appendix B) Those with cars may be interested in 125 Live or some of the other art studios around town.

The “Local Artist of the Week” is designed to honor local artists of excellence. Their art will be displayed and for sale. Photographers, Clay Artists, Painters, Sculptures, Mixed Media, begins to show what our local creative culture can do. We initially envision one artist per week, but we may adjust as quality and demand is identified. We suggest that the “Local Artist of the Week” attend much of the showing, 9:00 – 4:00 Monday through Thursday. They can animate their display by creating during their week. They can set up an easel, a pottery wheel, and such.

## Main Room:

As the customers exit the foyer and enter the main room, they will gasp at the beauty of the well-maintained and spotless interior of the Historic Chateau Theater. They will realize that they are in a special place.

There will be an area for food and beverage consumption, “curbside pick up” and “to go” items purchased at our local restaurants and coffee shops. Some restaurants may choose to deliver.

There will be a screen to show excellent quality and high-resolution films.

There will be a stage for performances and seminars.

There will be an area for meditation and solitude.

There will be an area for reading. Books checked out at the excellent Rochester Public Library will be encouraged.

The Content will be ever changing. Flexible. Unique.

We envision a typical day to include something like this: Begin with a short film produced locally by Tyler Aug, for example, updated maybe monthly that highlights the activities going on around town. Restaurants, Coffee Shops, Hotels, and Shops may wish to sponsor such a film. Imagine a video Visitor Magazine. We plan to show it twice a day, morning and afternoon.

We will have a schedule of public domain, classic movies throughout the week, probably twice a day.

Poets and writers will be invited to present a short live performance.

Speakers may give a talk on current and interesting topics.

Local Musicians – “Coffee Shop” types that will prosper within the existing acoustics of the Chateau can display their talents and will be invited to sell their CD’s and merchandise during their scheduled time.

We will invite stage performers to promote their productions currently playing at the Rochester Civic Theater, or Rep, or some other venue. Modern acting Troupes such as Calliope, Absolute, Immersion Youth Repertory, and others can film a scene or number from their rehearsal or live production. We will show the recording. We may be able to do an occasional live performance scene.



We, as the operators, will coordinate all of this immense activity. We have so much space within walking distance. Mayo Civic Center, Mayo Park, Rochester Civic Theater, Rochester Art Center, Rochester Public Library, the Castle, and the Downtown Hotels, Restaurants, and Businesses. We will collaborate with them all and provide daily content to the Mayo Visitors and our customers.

#### Mayo Visitors Trends:

It can be tricky to predict future content, but there are two trends that should be addressed. One is the proliferation of “Pop-up” businesses. Bricks and motor are losing ground to the Pop-ups. You will notice many examples of this, a few are:

- The recent ForWard Concerts in the Park. They drew as many fans as a nightclub or concert hall.

- Our Pandemic Pictures Present Drive In Movies at the Olmsted County History Center. We drew more viewers than any movie house.

- Thursdays Downtown, Night Market, Rochester Fest, Gold Rush Days, Rochester Farmers Market,....the list goes on.

We hope to address this by our continuing evolving content. We hold flexibility as a key to the success of the operation and management of the Chateau.

The second major trend is in the nature of the Mayo patient. We are witnessing a stronger orientation to more complicated medical service. For example, Mayo recently announced a major commitment to the Proton Beam facility. Patients will be arriving from a further distance and staying longer. This may mean that the Mayo visitors will be more inclined to be engaged in the community rather than be entertained. The visitors may desire to sit on various Ad Hoc Advisory boards. They may wish to be a temporary volunteer. Maybe coordinate with a local pet rescue and offer a Therapy dog for a week or month or so. Using your imagination, you can visualize a variety of offerings that can be promoted at the Chateau Theater.

Engagement will become more attractive than entertainment.

#### Community:

We plan to provide major components in addition to the aforementioned Mayo Visitors: Let us describe them as “Private” and “Public”.

## Community – Private – Hotels:

We currently have an excellent working relationship with all of the major downtown hotels. They each have a professional sales force designed to keep their ballrooms and meeting rooms fully engaged. We plan to add the Chateau Theater to the mix. Kahler Heritage Hall, Marriott Ballroom, Hilton Noseworthy Hall, are all filled with activities. We would offer the Chateau Theater as an option for special bookings. We would maintain the calendar, and communicate availability. Weddings, Dances, Events, Quinceanera, Bar Mitzvah, Bat Mitzvah, Proms, Reunions - the list goes on.

All of the Hotels can provide food and beverage service, all of them are close. We expect Downtown bookings to increase because of this collaboration. As hotel revenues increase, so do the city tax collections.

## Community – Private – Non-profits:

Major community organizations may book the Chateau Theaters through the hotels or directly through us. We would be a viable alternative as an example, for the Gift of Life, Festival of Trees, Chair Affair, and the countless other fundraising events in the community.

## Community – Public:

We expect to work with many public events. We have an excellent working relationship with the Rochester Downtown Alliance and can envision collaborating with them during many current and future events, such as Social Ice, Irish Festival, and Thursday's Downtown.

We are fully accustomed to putting on major events. We will manage and operate the calendar. We have the ability to fill in openings if and when they occur.

We have the furniture, fixtures, and equipment to provide an excellent space. We have the experience and expertise. We have the connections. This is what we do.

## THE OPERATORS:

Both Daniel Van Hook “Dan” and Stephen R. Barlow “Steve” have a national reputation but remain loyal to their hometown of Rochester. Both realize that you can build things – shiny new big things. You can book acts: local, regional, and national acts – we have both successfully done so. But it is extremely difficult to operate things. There are always more developers, agents, and financiers than operators. Operations. This is where we excel.

You may know Dan as the owner / operator / CEO of Spectrum Pro Audio and Spectrum Audio Visual. There is no one better at Staging, Sound, and Lights in the area. You may not know he has an 11-year run with Coca Cola USA co-designing, co-operating, and activating the Coca Cola Beach Spring Break on South Padre Island, Texas (aka "The Largest Spring Break on the Planet" per The Discovery Channel and MTV). With his 1,800 square foot roof and stage system and his massive sound system, Dan and his team kept the party going daily for a 30 - 40,000 audience of mostly college partiers. Six days a week for 3 ½ weeks every March until suspended by Covid-19. Google: Coca Cola Beach.

Highlighted among other national projects, Dan also partners with the Water Lantern Festival, recently Voted #1 by USA Today as "Best Cultural Festival in the USA". We have scheduled the Water Lantern Festival for the next two weeks at the Statue of Liberty then Queens, New York.

[www.WaterLanternFestival.com](http://www.WaterLanternFestival.com)

People throughout the country that want quality go to Dan, and Spectrum Pro Audio first. Without the Pandemic, he is booked over two dozen weekends annually. New York, Texas, major metropolitan areas. Dan routinely services festivals for over tens of thousands of people. He is committed to curtailing his out of town business in order to devote his time and expertise to the operation and management of the Chateau Theater.

Locally, Dan has contracts to provide Audio-Visual Services for most of the major downtown hotels. He is a major sponsor and past co-chair of Festival of Trees, along with being a long-time sponsor and operations partner of fundraising events for Gift of Life House, Ronald McDonald House, Boys and Girls Club, Hiawatha Homes, History Center of Olmsted County, Women's Shelter, March of Dimes, and most other local non-profit organizations. He still likes personally doing A Chair Affair and Berne Outdoor Concert and Pizza series.

Dan provides equipment to most of the local Theater groups. He is the go-to guy for wireless microphone systems within an 80-mile radius of Rochester. This month he provided 13 wireless microphones to the Calliope Theater Troupe for their production of "Head over Heels", and 11 to the Rep Theater. Both sounded perfect.

To offer the Rochester Community a Covid-19 safe entertainment option, we recently developed and activated Pandemic Pictures Present Drive In at the History Center. The quality on the 50-foot outdoor screen was spectacular.

You will see Dan's fingerprints all over the City.

You may know Steve as the owner / operator of Barlow Foods, once one of the highest traffic count stores in the State. Barlow Foods had more customers

making a purchase during any given week then the top circulation of the local newspaper. He sold more locally grown produce in a month than the Rochester Farmers market did in a season. In the early years of recycling, his Recycling Center recycled more tonnage than Olmsted County. Steve is accustomed to identifying a need, and then providing the service in a high traffic, quality manner. Steve booked large bands and events at Barlow Plaza with attendance in the thousands.

Outside of Rochester, Steve has been a member of the Tropic Theater in Key West and a sponsor of the Key West Literary Seminar. He has been on the board of the start up Ocean Reef Community Center. He was a “Friend of the Sheldon” Theater in Red Wing during their recent remodel. Sam Brown’s excellent Big Turn Music Festival in Red Wing enticed Steve to be an annual volunteer and financial supporter since it’s inception in 1998.

Local Non-profit support includes helping the Channel One Food Shelf get off the ground. He recently was instrumental in starting “Thrive” Family Center at Christ United Methodist Church. This now open facility is designed to help “Break the Cycle of Poverty” in Rochester. Steve chaired the United Way Campaign a few years ago when it was a major source of funding for thirty-five agencies. We collected a record amount of donations that year.

Steve’s activity regarding local Arts includes currently holding a board position on Rochester Civic Music and Calliope Theatre. He once served for six years during the remodel and glory years (mid to late ‘90’s) of the Rochester Civic Theater. The Rochester Civic Theater was self supporting and economically sustainable during his entire term. Steve was a major donor to the Rochester Art Center. He financially helped get the building built, all the time unsuccessfully asking, “What’s going IN the Building?”.

Steve commissioned the first mural in Rochester to be painted on one of his buildings at Barlow Plaza. Many of you may remember it. Easily viewed on a high traffic corner, it was one of the most viewed pieces of public art for many years.

Steve commissioned and collected a vast quantity of Art, which he recently donated to the Mayo Clinic. He remains a Major Benefactor.

The one time that Steve booked the Mayo Civic Center for an event was for the celebration of the 25<sup>th</sup> Anniversary of Barlow Foods in Rochester. We used to have a variety of food samples in the store for the customers to experience. That Saturday, we had a mega-sampling event at the Civic Center with music and prizes, etc. The Director of MCC at the time thought it had the highest single day attendance record. Maybe it still does.

Still recognized as the “go to” guy for many projects in this community. His knowledge of customer behavior, marketing, finance and accounting, human relations, and design is perfect for the Operation and Management of the Chateau Theater.

#### CITY OF ROCHESTER FOUNDATIONAL PRINCIPLES AND STRATEGIC PRIORTIES:

We the operators have read and embraced the Strategic Priorities as outlined. The priority of most relevance to us is “Quality Services for Quality Living”. We agree with the four areas of Focus:

- Cultural and Recreational Opportunities that Provide Access and Equity.
- The Organization and Services Reflect Changing Demographic and Needs Identified by Community.
- Operations are Sustainable, Integrated, and Easy to Navigate, and
- Service Delivery is Optimized, Cost Effective, and Reflects on Foundational Principles.

We have been advocates of Diversity, Equity, and Inclusion throughout our history. We will continue that path.

Our philosophy and plan for holistic and collaborative efforts with other organizations: City Departments, Non-Profits, and Businesses will enable us to create Economic and Cultural sustainability.

We believe that an entity must have economic viability to have legacy value. We know how to do that. We also understand that once a building is built and a contract is signed, the operation must now operate successfully and efficiently within those confines. Economic sustainability is crucial if you wish to not create problems for future decision-makers.

We have been long-term advocates for an increased “Cultural Quality of Life” in our community. Culture Quality metrics are tricky, and may not be reliable to use. That will not deter from our effort to continually attempt to achieve this worthy goal.

#### SPECIFICS TO THE REQUEST FOR PROPOSAL:

##### SECTION IV: Proposal Requirements:

Section IV A: Each Proposal must be accompanied by an applicant background statement that includes the following information:



- Firm / Organizational Name, including partners, if applicable. We may end up one of two ways: We will either incorporate as a new LLC entity, which will be owned by only Daniel Van Hook and Stephen R. Barlow, or we will make this a division of the existing Spectrum Pro Audio company, which again will be owned only by the two of us.
- Address, contact name, phone number, and e-mail addresses for the applicant.
 

Stephen R. Barlow 1586 Salem Court SW  Rochester, MN 55902 (305) 393-6927 <a href="mailto:SBarlow99@Gmail.com">SBarlow99@Gmail.com</a>	Daniel Van Hook 20 2 <sup>nd</sup> Ave SW 55902 (Downtown Office) Rochester, MN (507) 242-6868 <a href="mailto:Dan@SpectrumProAudio.com">Dan@SpectrumProAudio.com</a>
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- Structure of firm / organization. We will be a Limited Liability Corporation.
- Years that Firm has been in business. SpectrumProAudio has been in business for over 25 years.
- Names of Firm's Directors. Dan and Steve.
- Financial information in the form of a current financial statement and balance sheet. We will be happy to provide you all of the financial information you require. We assure that whatever final form our operating entity takes; it will be capitalized to your expectations.
- Listing of Any Actions ..... None. Neither professionally nor personally.
- Listing of any Litigation ..... Again, None. Neither professionally nor personally.
- Names of Persons who can be contacted as references. See Appendix A
- Demonstration of ability to obtain all insurance coverage applicable to the proposal. We will show proof of insurance, and the ability to obtain all requested insurance coverage.

SECTION IV B: A Description of the intended use of the building must be submitted:

- Building Operations and Improvements..... Specifically, in addition to the narrative written above, let us address your questions: We will be responsible for the highest quality of daily and routine maintenance. We plan to use no outside services. We plan no Capital Improvements. A standard use and standards clause in the operating agreement should satisfy the City.
- Management of Event Activities. We plan to be "hands-on" operators successfully providing and coordinating the previously discussed events and activities.

- Applicant's Qualifications. As previously discussed, we have combined to own and operate large, complicated events and entities. This is in our wheelhouse.
- Sales and Marketing Plan. Our Revenue will come from five main sources:
  - Mayo Visitors daily passes.
  - Chateau Share of Hotel Bookings.
  - Sponsors and Advertisers.
  - Rent from other than Hotel Bookings.
  - Internally produced activities.
 We will use all advertising and promotional materials at our disposal to create awareness and generate traffic. We will cross promote with the other organizations described earlier.

## SECTION V: GENERAL TERMS AND CONDITIONS:

The Request for Proposal has a section regarding General Terms and Conditions. There are four main points we would like to discuss in this section:

- Term
- Improvements
- City Financial Oversight
- Protecting Trade Secrets

We have read this section in its entirety and agree with the remainder of the other points as written.

### TERM

We propose a rolling three year contract.

We agree to a three-year prime operating agreement. We wish the extensions to the Prime to work as follows: at the end of every year, both parties mutually agree to add another year. Mutually, both sides must agree to the one-year extension.

For example: Assume a 1/1/22 start date. The Operating Agreement would be valid for all of 2022, 2023, and 2024. At the end of the first year, 2022, we mutually agree to add another year, 2025. At the end of 2023, we mutually agree to add another year, 2026. And so on, and so on.

If at any time either party wishes to not extend another year, the Operating Agreement would expire at the end of the Prime and existing renewal. For

example, if we agreed to add 2025, but at the end of 2023 either party decided not to add 2026, the Operating Agreement would expire at the end of 2025.

Again - mutual. Either side can elect not to roll the addition year for whatever reason.

The rolling three year contract versus the three year prime with a three year option provides two major accomplishments. Let me explain from both points of view:

The Operators: We will be booking events through the hotels and other private and public organizations. We want to have confidence that we can book future dates. With a rolling three-year Operating Agreement, we will know exactly which dates we can book. We can always book out between two and three years. This becomes increasingly important to us because the term clause as written (Three Prime with a Three Option) precludes us to book out towards the end of the Prime Term.

The City: We believe this proposal is advantageous to the City primarily to give flexibility to the use of the Chateau Theater over time. If for whatever reason the City wishes to invoke a change in use from our contract, this makes it easier.

For example, let's assume that as part of the Michael's project the City decides it wants to perform a major remodel to the Chateau, and it no longer desires us to occupy. The City can take the position not to renew an extra year, and will know exactly when we will vacate the building. We would agree while we are operating to allow architects and builders and subcontractors to reasonably enter and inspect. The time it typically takes to complete the drawings, obtain a successful bid, and secure financing usually falls within the term guidelines we have discussed.

We can be in there successfully operating while this is going on.

This also works if the City decides to update and create a better Webb report, and wants the flexibility to pursue that option.

#### IMPROVEMENTS:

We plan no Capital Improvements.

First of all, the Chateau Theater doesn't need Capital Improvements to be vibrant. Secondly, we only have it for three years.

That said, let us make sure both sides are in agreement to the language. We believe there is a difference between Capital Improvements and Deferred Maintenance. Let us explain the way we define both.

Capital Improvements are items that are made at the request of the tenant (executed with landlord permission, of course).

If we wish to make the building better, that is up to us. This usually takes some form of leasehold improvements. In this case, the expansion and upgrade of the restrooms would be the prime example. The restrooms as is are working. If we want to increase to capacity for the Chateau and make it better, that is a Capital Improvement. We have read and understood all of the language pertaining to Capital Improvements, including proof of funding, permits, City approval, etc. We intent to comply if the need arises.

Deferred Maintenance items are those expenditures that are required but not at the request of the tenant. There are standards to be met between City and Tenant. These typically include roof leaks, structural damage, and Heat, Ventilation, and Air Conditioning (HVAC).

The most likely issue in our case is with regards to the HVAC. If we elect to change the system: for example, add solar panels to provide heat; that is our option and would be considered a Capital Improvement. If the HVAC system doesn't work, that is a deferred maintenance item and would need to be addressed. Typically after both sides agree that there is an issue; cost and term are the two items most discussed. Hypothetically, if the Chateau HVAC is a deferred maintenance item, we would discuss the cost to repairing, portion of cost that would be considered an upgrade, and useful life of the repair. Both sides usually come to a resolution, and I would expect us to do so, also.

#### CITY FINANCIAL OVERSIGHT:

We are big fans of City Financial Oversight and plan to not just comply, but to be a shining example to other City entities. So many of the concerns over the Rochester Art Center and Rochester Civic Theater could have been avoided at the time with proper City Financial Oversight. We wish to provide useful, true quarterly reports to the City that becomes the norm. We are accustomed to providing updates to lenders and other concerned parties. As proven successful businessmen, we fully intend to comply with your request.

#### PROTECTING TRADE SECRETS:

We have no trade secrets to protect. Our operating philosophy is one of less protection. We are not fans of exclusivity clauses, guaranteed contracts, radius clauses, and the like. We believe they can make you lazy. And we as operators are anything but lazy.

## OPERATING AGREEMENT DISCUSSION:

There are Forty-Seven clauses and two exhibits to the old Operating Agreement between EDG and the City. The sample Operating Agreement is absorbed into the EDG, which seems to be more complete. Using the EDG Operating Agreement, let us comment on a few of the clauses. Clauses without a comment are in agreement with us; some just need to be personalized with our name and dates.

1,2,3: OK

4. Term; Option to Renew: We would like to change to the rolling Three-year as discussed earlier.

5,6,7: OK

8. Shared Profits: This, or something similar to this is OK with us.

9. Oversight: We like the way this is written. You will receive full cooperation from us.

10. Utilities: We are in agreement to the format of the utilities clause. Both parties may want to review and update the numbers. We assume that they are close to \$2,900 per month, but we both may want to check.

11, 12, 13: These all have to do with repair and maintenance and are all in general agreement by us.

14. Property Taxes: 90 day termination as an option to cure is difficult for us. We need to honor our future bookings. We will request that changes in Property Tax structure be resolved during the one-year mutually agreed option cycle.

15. Use Clause: This clause is generally acceptable as written. We will have to make specific updates, minor, all of which should be acceptable by City.

16. Activation Goals: We will be happy to sign an Activation Goals Clause. Ours will have to fit with our operation, but it should be satisfactory to both parties.

17. Assignment Clause: We see no issues here.

18. Improvement: We expect to make no Capital Improvements. We will probably need to get a typical engineering report. The engineering report will allow us to sign the "As Is" clause. No City Improvements should be necessary. We already own the needed furniture, fixtures, and equipment, including lights and sound.



19. Business Signage: This seems fine. We assume the current marquee meets City requirements.

20. Alterations: This all seems fine.

21. City Access: OK

22 and 23. Tenant and City Insurance Clause. This all seems typical and reasonable.

23 through 47: There is a lot here, but it all seems typical and agreeable to us.

Exhibit One - Operator Area: Will we be allowed to perform outside of the building? We can envision tie-ins to outside events (Social Ice) where it may make sense to use the space under the marquee. Also, we may wish to coordinate music and other content to be performed under the marquee. We would like to keep that as a discussion item. If allowed, we may need to expand the green line, or add another permitted use area with defined restrictions.

Exhibit Two - Utilities: As mentioned earlier, both may wish to update these figures.

## SECTION II: THE OPPORTUNITY AND PROJECT OBJECTIVES:

We wish to join the City of Rochester, Destination Medical Center, and the other Stakeholders as the Operating Partner of the Historic Chateau Theater. We respect the unique potential and location as an exceptional opportunity for the enrichment of the City and community. The historical preservation is of utmost importance to us.

As the Operating Partners, we pledge to:

- Manage the day-to-day building operations of the Chateau Theater in a cost-effective manner.
- Work strategically to achieve a high level of activation of the building for events not to exceed current building capacity.
- Create a vibrant entertainment, education, and cultural hub in the Heart of the City.
- Develop and implement strategies to engage with existing community groups and attract new partners and events.
- Support the City's investment in Chateau Theater through exercising the highest standard of maintenance and preservation of the building.
- Create unique options that accomplish the goals in unconventional ways.

As the Operating Partners, we pledge to follow the guiding principles for programming and use of the Chateau Theater, including to:

- Focus on consistent and regular activation within the existing space.
- Create a sense of welcoming and belonging which celebrates community and provides flexible programming and space.
- Encourage inclusivity through culturally and artistically diverse programming and use.
- Make strategic investments to facilitate the operation of the current space including technology, staging, furniture, fixtures, and equipment, and restrooms to support additional occupancy.
- Make asset preservation investments, including HVAC upgrades and ongoing historic preservation.
- We contemplate minimal capital investment, and will insure long-term economic and cultural sustainability.
- Ensure a partnership with the City to utilize and program the space.

#### CULTURAL AND ECONOMIC SUSTAINABILITY:

With us, the Operators, activating the Chateau Theater, we can assist in the process of moving the visitors and community from a passive to an increasingly active cultural role. Active, engaged participants will help achieve cultural and economic sustainability. Our vision and process can be described as the “Five E’s”. They are:

-Entertain

-Entice

-Enhance

-Enrich

-Engage

Large attendance figures and a satisfied customer base come when you adequately ENTERTAIN them. This can be accomplished through the venue, a cheap price, and a popular product. This is your cover bands and tribute bands. This is an abundance of musicals. More craft than art. Romance novels. It takes little effort by the customers. It is passive. You sit and watch. The experience is pleasant, but rarely memorable. The attendance figures are here. Ratings. Hits. Sales. This, however, is only the beginning.

An operator with higher goals and standards will see this as an opportunity to ENTICE these customers to try something more. Encourage them to set the bar higher. Maybe they will listen to a cover band and be curious about the

original. They could watch a movie and be encouraged to check out the book. Customers may be watching passively, but be enticed to up their game.

As the customer wishes to ENHANCE their cultural awareness, they may become more involved. They may seek out a higher art form rather than be satisfied with what is currently available. Once the customers are looking for a more enhanced experience, they can tell the difference between pure entertainment and the return from a personal investment into cultural involvement. They began to desire more Minneapolis rather than Duluth in their Rochester activity. As an operator, you must keep exceeding expectations. The bar is continually raised. Customers keep having higher expectations, the operator keeps exceeding them. It is a tremendous cycle.

As visitors and community experience a more critical, discriminating cultural environment, they ENRICH their quality of life. They want better content. Many of the visitors are already there. We believe it can be reached by the Rochester community. It is the antithesis of apathy and mediocrity. We believe "Good" is the enemy of "Great".

The people can ENGAGE in a cultural community and provide and receive so much many rewards. They are discriminating and aware. They are critical and knowledgeable. They participate. They appreciate. They are culturally active. The operators will be rewarded for keeping up and continually raising the bar. We have a plan that can incorporate these objectives and provide a tremendous amount of long-term benefit and vibrancy to all.

An engaged community will be culturally and economically sustainable.

## SUMMARY:

We are uniquely qualified to operate the Chateau Theater.

- We have the vision.
- We have a proven track record.
- We are capable and knowledgeable.

We have an excellent understanding of the Rochester Community Customer.

We can best provide existing and future content to the Mayo Visitors and the Rochester Community.

We have a synergistic and collaborative approach that will allow us to deliver the highest quality, most efficient content.

Thank you for your consideration, we are

*Stephen R. Barlow*

*Daniel Van Hook*

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Stephen R. Barlow

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Daniel Van Hook

September 20, 2021

Rochester, Minnesota

APPENDIX A  
LIST OF REFERENCES

-Jacob Malwitz: (507) 538-2293. Executive Engagement Direct of Mayo Clinic.  
[Malwawitz.jacob@Mayo.edu](mailto:Malwawitz.jacob@Mayo.edu)

-Pastor Elizabeth Macaulay: (612) 419-3135. Former Lead Pastor of Christ  
United Methodist Church. [EMacaulay17@Gmail.com](mailto:EMacaulay17@Gmail.com)

-Teresa Blyth: (507) 280-6200. Director of Sales at Kahler Grand, Marriott,  
Kahler Inn and Suites Hotels. [tblythe@kahlerhospitalitygroup.com](mailto:tblythe@kahlerhospitalitygroup.com)

-Soulaïman Bahalla: (507) 285-2775. Director of Banquets at Kahler Grand,  
Marriott, Kahler Inn and Suites Hotels. [sbahalla@kahlerhospitalitygroup.com](mailto:sbahalla@kahlerhospitalitygroup.com)

-Joe Powers: (507) 254-8164. Owner / Operator of Powers Ventures.  
[Joe@powersventuresmn.com](mailto:Joe@powersventuresmn.com)

-Chris Hesby: (507) 358-7747. General Manager of Catering at Powers  
Ventures. [Chris@powersventuresmn.com](mailto:Chris@powersventuresmn.com)

## APPENDIX A

### LIST OF REFERENCES (CONTINUED)

-Becca Tesch: (507) 951-3644. Director of Downtown Sales at Hilton and Doubletree Hotels of Rochester. [Rebecca.Tesch@Hilton.com](mailto:Rebecca.Tesch@Hilton.com)

-Richard Bernik: (507) 289-8866. General Manager of Best Western Apache. [GM@BestWesternRochester.com](mailto:GM@BestWesternRochester.com)

-Linda Smith: (507) 287-8444. Owner / Operator of Optical Vision with Flair. [Linda@opticalvisionflair.com](mailto:Linda@opticalvisionflair.com)

-Wayne Gannaway: (507) 282-9447 ext.115. Executive Director of History Center of Olmsted County. [Execdirector@olmstedhistory.com](mailto:Execdirector@olmstedhistory.com)

-Dirk Erickson: (507) 382-9299. Owner / Downtown Developer of Bryk on Broadway. [DErickson55@Hotmail.com](mailto:DErickson55@Hotmail.com)

-Mary Wilder: (507) 535-1014. Executive Director of Gift of Life Transplant House. [MWilder@gift-of-life.org](mailto:MWilder@gift-of-life.org)

-Lindsey Birre: (507) 601-8871. Development Director of Hiawatha Homes and Festival of Trees. [LBirre@Hiawathahomes.org](mailto:LBirre@Hiawathahomes.org)

-Jay Rourke: (786) 493-8105. Former Broker of Real Estate Company of the Florida Keys (Steve Barlow owned and co-operated Enterprise). [Jayrourke5@gmail.com](mailto:Jayrourke5@gmail.com)

-Nate Sorensen: (435) 890-2098. Executive Director of Water Lantern Festivals. [Nate@waterlanternfestival.com](mailto:Nate@waterlanternfestival.com)

-Annie Mack: (507) 513-8667. Musician. [AnnieMackBand@yahoo.com](mailto:AnnieMackBand@yahoo.com)

-Dawn and Bob Sanborn: (507) 319-0484. Owner / Operator of Dawn Sanborn Photography. Help found "ArtRageous". Bob is Local Musician. [Outtathebarn@msn.com](mailto:Outtathebarn@msn.com)

-Tom Rinkoski: (507) 601-7895. Founding Member of Calliope Theatre Troupe. [Tegemea@Gmail.com](mailto:Tegemea@Gmail.com)

-John Sievers: (507) 398-7210. Musician. [Siev0044@umn.edu](mailto:Siev0044@umn.edu)



## APPENDIX B

### CULTURAL CENTERS CLOSE TO THE CHATEAU THEATER

Mayo Civic Center

Rochester Public Library

RiverView Suites

Mayo Auditorium

Mayo Park

The Castle

Rochester Art Center

Rochester Civic Theater





## APPENDIX C

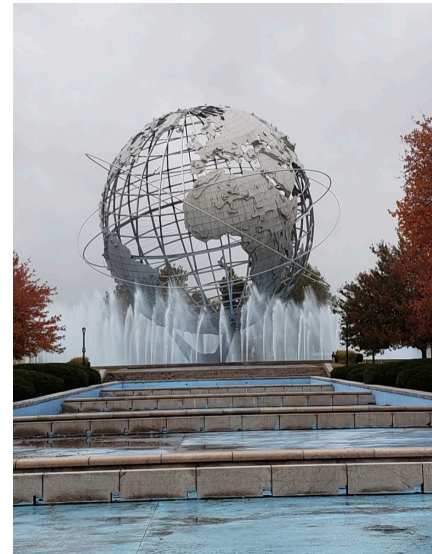
### RECENT ACTIVITY

[www.WaterLanternFestival.com](http://www.WaterLanternFestival.com)



Scheduled 9/25/21

Expected Paid Attendance of 10,000



Scheduled 10/3/21

Expected Paid Attendance of 10,000



Berne Wood-Fired Pizza. Opening Day. June 2, 2021. Est. attendance 1,000.



Bonus Page





Pandemic Pictures Presents. 2020 Average Paid Attendance 250.



Water Lantern Festival. Kansas City. 7/26/19.



Water Lantern Festival. Cleveland. 8/17/19.