

Sara Bloom's responses to questions asked by the Commissioners at the Public Hearing, Sept 15, 2021

Request for \$1M for development of the Saco Island East property in collaboration with the startup of the American Festival Theater/Southern Maine Conference center based in an iconic high end hotel/parking garage.

The \$1M from the York County Commissioners ARP funding is **targeted to be used towards the cost of building a Seawall around the perimeter, an extension of Riverwalk around the interior of the Seawall, a safe sidewalk to Saco, and the closing off of the entrance-exit to Saco Island East at the blinker to auto traffic, converting it to pedestrian traffic only.** We will include the cost of relocating entrance-exit for auto traffic in the building costs of our parking garage.

1. It is imperative to the success of our startup performing arts cultural tourism business that we **file Form 1023** when we apply for nonprofit status for the Theater, which can take between 3 and 6 months for processing and approval could take up to a year.

Quoting BoardEffect.com: "Nonprofits that choose to file Form 1023-EZ may put themselves at a disadvantage when it comes to fundraising. Major donors are often familiar with the difference between Form 1023 and Form 1023-EZ. Some donors are looking for assurance that the nonprofits they support have been **thoroughly vetted by the IRS.**"

Thus our asking Heart of Biddeford to serve as our fiscal umbrella for the two-year R&D planning period is the wisest pathway forward since we will be raising approx \$100M to complete our proposal by 2025, a process that will be well-served by having time to file Form 1023.

2. Please refer to the document titled American Festival Theater Timeline which I sent to the Commission on September 14, 2021 and to page 14 of our Powerpoint to see the calculation, contingent on being granted the \$2M R&D funding from the state ARP funds to start up this fall, **of a minimum of \$24M will be held in escrow by November 2022 if we presell 1/2 the house of the gala August 2025 opening season** and request 1/2 to be placed in escrow by Nov 2022 and the second half by May 2024. Pre-paying is standard practice in Bayreuth.

This is based on the sales price of \$1000 per seat but if we were to charge an average of \$3500 per seat as they do in Bayreuth, we will have in escrow 3.5 times those figures by November 2022. I have sent you documents verifying that the Bayreuth Opera Festival receives 500,000 requests each year for just 56,000 tickets available, at the \$3500 fee and higher. This is big business. We expect to charge higher than the conservative figure of \$1000 that I used above; charging higher fees depends on allowing Maestro to hire more expensive soloists, conductors, stage directors, costume and set directors, likely stealing many away from Bayreuth while also discovering important new talent, but I thought it best to use a conservative figure of \$1000 for now.

Please remember that each night of the annual 30-day Festival we will reserve 200 complimentary seats for senior citizens, students, interns, merchants, and dignitaries at a loss to us of at least \$6M each season.

By waiting until we have pre-sold 1/2 of the house (by the middle of the 2-year R&D planning period) **we can recruit high-powered trustees** to serve on our nonprofit Board of Directors which will help us enormously to hit artistic and financial goals, bringing in \$1B in sales of goods and service to the state in our very first season, 2025 and increasing from there.

3. We have done our due diligence not only artistically but also in terms of setting up a new profitable performing arts cultural tourism business and we have listened to our advisors. It was Mat Eddy, Economic Development Director of Biddeford who suggested the **for-profit/non-profit partnership** of the Theater and Conference Center **to stabilize our operating costs**. He convinced us of the wisdom of this suggestion.

Additionally, the for-profit Conference Center is our only card to play in inviting the current owner to the table to discuss locating his current proposed residential development elsewhere and partnering with us on the hotel-conference center business to make it financially attractive for him to do so. **It would work for you to grant the \$1M to our project contingent on the owner agreeing to this arrangement.**

4. Mayor Casavant has reviewed all of our proposal, including the building of a new parking garage designated to the Theater and Conference Center businesses. He wrote in his last Mayoral Update:

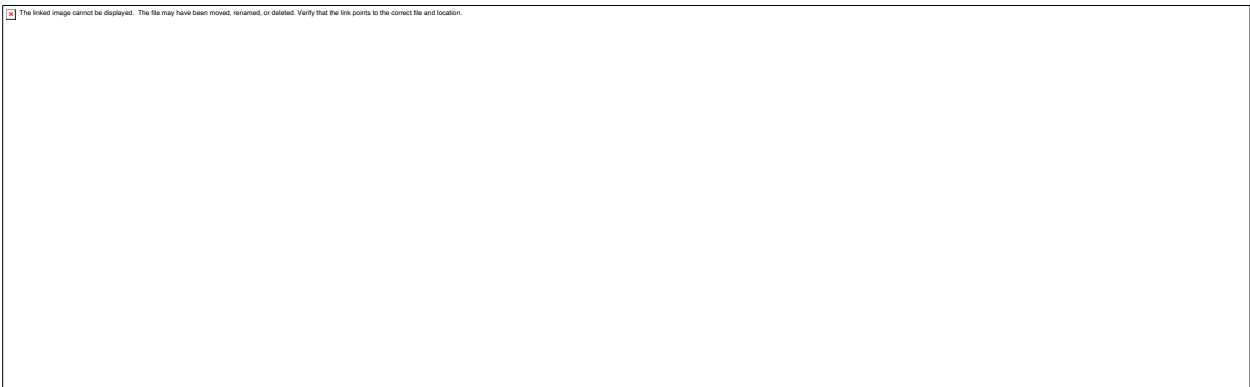
--the Maine Energy site: This is a major game changer. The entire Pearl Street area is going to be redefined and rebuilt. **Up to five new buildings will be constructed on the land. They will be on either side of the parking garage.** I know the developers, Brian Eng and Jim Brady. I have seen their workmanship on other projects. They take great pride in what they do. Imagine, for a moment, a totally redeveloped Pearl Street area, with pedestrian access, not only through the mill district, but along the Riverwalk, towards the west and the Eastern Trail, or towards the east and Mechanics Park. Imagine the mill district and the downtown being viewed as one zone of the city, for dining, living, shopping and recreating. Imagine more shops on Main Street, catering to the expanding new residents who live in the mills and who will patronize those shops and restaurants, without the need for cars.

When I wrote to him yesterday specifically to ask him whether he felt that our building a parking garage in conjunction with the Conference Center-hotel-Theater on Saco Island East would weaken the chances of routinely filling the new 640-space Biddeford Parking Garage, his response was:

"The parking garage was planned and constructed based upon the development and economic activity of the city's mill space. Maximum occupancy of the mills and the new buildings planned on the old Maine Energy site will necessitate usage of most of the spaces in the new

garage. In fact, because of increased economic activity in the abutting downtown, the city is investigating the construction of a second garage in the upcoming years. Development activity on Saco Island will have no negative effect on the viability and vitality of the Biddeford Parking Garage.

Furthermore, using a parking garage located over 1/2 mile from a hotel or Conference Center or an 1800-seat Theater is not considered best practices in performing arts cultural tourism/hotel/conference center guidelines.



And let me remind you, please, that since we have already supported LD1046, we will qualify to use the Federal Pay for Success grant program to build our garage.

5. **The building of a Seawall** around Saco Island East is something that members of the Saco Planning Board brought up in a Public Hearing that I audited as being missing from the current owner's development proposal. We agree with that Planning Board member that it should be done sooner rather than later after the inevitable erosion to that fragile coastline has happened and feel that it is a good use of York County Commissioners ARP funding since our proposal will be an economic driver for the twin cities of Saco and Biddeford as well as the entire County of York and **should start out as ecologically safe.**

6. There is no public access, no Riverwalk, no public space for citizens to use on Saco Island East in the current owner's development proposal. We will welcome citizens to the **Riverwalk** we will build, our outdoor amenities such as the firepit and lobster shack as well as use of our hotel and indoor dining. It is **a magnificent property that we would share with** our hotel clients, our conference attendees, our theater-goers, and **the public.**

7. If the current owner becomes our business partner, we assume that we will inherit the **soil quality studies and remediation recommendations** that the current owner has commissioned; we budgeted \$250k from the \$2M ARF R&D grant for "permits, brownfield, taxes, etc." as stated in the American Festival Theater timeline I sent to you on 9/14/21.

8. If the current owner becomes our business partner, we assume that we will also inherit the **traffic studies** that he has commissioned. We feel that our **closing the entrance/exit to Saco Island East at the blinker to auto traffic** will be an improvement over his current proposal.

9. While I personally, like you, would like to see all of the many requests you have received from established nonprofit social services be funded, we feel that the **\$1M we have pledged to donate annually to a non-profit** that brings aid to homeless, addicted, and hungry people and others in need will repay the \$1M we are requesting today many times over. The signing into law of LD1046 in July 2021 demonstrates our commitment to this pledge.

10. There are several urgent conversations that this nation needs to have in order to become our best selves, including on the topic of slavery being an accepted practice in America beginning in 1619. Another is the slippery slope of the nationalism that Richard Wagner felt deeply about his native Germany, and expressed in his music, tragically ending in the abyss of the Holocaust, fostered in part by the collusion of his children and his grandchildren with the Nazis. One member of our leadership wrote:

My personal feeling is that exposing the world to the conflict and paradox that Wagner represents is far better than burying it or letting memory fade. The paradox is between artistic greatness and a weak sense of universal humanity. How his work was (ab)used by others, including his relatives, propagandistically is something for which they must answer.

The reflections that Maestro Leon Botstein made during his symposium at Bard College in 2016 on the co-opting of Puccini and his music by Mussolini are long forgotten. What America needs is not a well-intended but occasional look at this issue, but a robust and ongoing examination and discussion of the slippery slope from self-justified feelings of nationalism to the commission of atrocities. Richard Wagner died 6 years before Adolf Hitler was born. **It was not he, it was his relatives. But not all of them. We must not let the evil ones own his genius, his music, or his innovative design of the world's most magnificent opera theater, a modernized replica of which will be the draw of our destination tourism proposal.**

Eva Wagner Pasquier was actually barred from Bayreuth by her sister and is currently an advisor to the Metropolitan Opera. Her cousin Gottfried Wagner continues to spend his life lecturing and writing, taking responsibility for the family's evil abuses of their Grandfather's art.

We will give a platform to the courageous among them who speak truth to power.

By hosting an annual symposium concurrent with the Opera Festival, we will become one of the most important musical and intellectual centers of the state, the nation, and the world by what we create on Saco Island East if the above identified contingencies fall into place.

Innovation and creativity combine to become the pathway to our collective growth as Americans, deeply rooted in solid fiscal planning that fosters economic growth and prosperity.