

THE GUTHRIE

THE ECOSYSTEM OF THE GUTHRIE THEATER

Regional theater
is a magnet
for economic
development



BY KEVYN BURGER
PHOTOS BY JOEL SCHNELL



NEIGHBORS

LEFT: LOBBY OF AMERICAN ACADEMY OF NEUROLOGY; TOP: SPOONRIVER; RIGHT, BRENDA LANGTON FROM SPOONRIVER AND ACADEMY CEO CATHERINE RYDELL, IN HER LOBBY.

With its three stages, innovative presentations of groundbreaking new work and revivals of the classics, the Guthrie Theater continually polishes its reputation. The theatrical influence of the architectural gem on the Mississippi boasts an international reach.

The 54-year-old theater has also exerted a profound economic impact on the city it calls home.

In the eleven years since it moved from its original Vineland Place location to the riverfront, the Guthrie has become a magnet to pull residential, commercial and office development to the riverfront. It is credited as a major player in transforming an underperforming corridor into one of the city's liveliest and most lucrative arteries.

"The Guthrie is one of our cultural anchors that provides a platform to a larger audience. It raises our brand; today we are competing globally," says Gülgün Kayim, Minneapolis' director of Arts, Culture and the Creative Economy.

Although the Guthrie is set up as a not-for-profit organization, it's an artistic engine that sparks and fuels many for-profit contractors, ancillary businesses and neighbors.

According to the Minnesota Arts Board, attendees at nonprofit arts events drop an average \$22.87 per person — not including the price of admission — on parking, hotels, restaurants and souvenirs.

But when the Guthrie's glamorous new \$125 million building opened its doors to audiences in 2006, there were few businesses nearby pre-

pared to capitalize on its presence. Chef Brenda Langton was among the first to take a chance; she launched her restaurant, Spoonriver, across the street while the theater was still under construction.

"It was so dead, you could walk for blocks and see nothing but surface parking lots," she says. "I remember the day they peeled the protective paper off the big mirrored exterior panels. I saw my restaurant's reflection and I was so delighted that I burst into applause, all alone on the plaza."

She's not alone any more. Spoonriver has built a loyal clientele and Langton went on to launch the popular Mill City Farmer's Market, attracting foodies to the plaza. The Mill City Museum arrived along with several other eateries. Patrons who stroll past the adjacent Gold Medal Park can pop into Izzy's Ice Cream.

"It's full speed ahead and the Guthrie spurred it. With the performance space going every night of the week, we are definitely tied to them. We entertain people from all over the world," says Langton.

Today, it's not unusual to see notable directors, playwrights and performers strolling down Second Street on their way to work at the theater. Along with the Guthrie's permanent staff of 150, it also has 350 freelance or part-time artists, actors and skilled craftsmen on its payroll at any given time.

"The arts create solid, middle-class jobs. The city has defined the creative sector as providing a strategic advantage in its comprehensive plan for economic development. We want to continue to leverage the sector and bolster it," Kayim says.

"I saw my restaurant's reflection [on the Guthrie] and I was so delighted that I burst into applause."

—BRENDA LANGTON,
SPOONRIVER



THE GUTHRIE BY THE NUMBERS

In its 2015-16 season, on a budget of \$28 million, the Guthrie reported a surplus of \$47,408.

The theater mounted 29 productions that drew 380,000 patrons with 90,000 of them given free or subsidized tickets through the Guthrie's educational outreach.

In both the number of productions and the audiences attracted, those numbers place it in the very top tier of the nation's regional theaters — along with the likes of Chicago's Steppenwolf Theatre or La Jolla Playhouse in San Diego.

"The Guthrie has been very smart from day one. It was one of first theaters to establish an endowment, which is an important part of our financial operation, and has grown to one of the nation's largest," notes Jennifer Bielstein whose official title is managing director. As part of the senior leadership team, Bielstein operates like the Guthrie's COO, overseeing business functions including finance, IT, marketing and HR as well as visitor services.

In 2016, that endowment provided \$2.2 million in investment income to support operations; the theater also collected \$1 million from concessions, the gift shop and rentals, and \$10 million in contributions.

"We are a handmade art form. Skilled artisans create all the sets and wigs and sound elements; it's not a factory or an assembly line. We stage shows with larger casts that make larger demands for scenery and costumes. Es-

entially, we create a new product almost 30 times a year," Bielstein explains.

Ticket sales cover only half the production costs, so the theater relies on contributions from individuals, foundations and government sources.

"We're always looking for revenue, always trying to be creative to subsidize the work we do," Bielstein says.

The Guthrie's 64-person volunteer board of directors oversees the theater's finances, including fundraising. A seat on the board is a plum position that attracts a high-powered group of business leaders, attorneys, lawmakers, philanthropists and others with clout.

"We look for people who can give or get resources and can connect to others who have a passion for what we do," says Y. Marc Belton. The retired General Mills executive served as a board member for a decade before becoming its chair last year.

Like lighting designers and prop masters, the Guthrie board does its work out of the view of the audience. Belton, who calls individual board members "ambassadors" for the Guthrie, believes their strict attention to the behind-the-scenes work of governance, budgets and planning also contributes to theater magic.

"Having that solid financial platform is essential to being able to put great work on the stage," he says. "It's a responsibility and an honor to help the theater fulfill its mission in the community."

1,000,000

DOLLARS FROM CONCESSIONS

380,000

PATRONS

90,000

SUBSIDIZED TICKETS

PHOTOS COURTESY OF THE GUTHRIE



2016 BUDGET

\$28 MILLION

2016 SURPLUS

\$47,408

29

PRODUCTIONS
IN 2016



COST OF CONSTRUCTION

\$125 MILLION

PER PERSON

\$22.87

AVERAGE COST AT
NON-PROFIT ARTS
EVENTS

10

MILLION \$ OF
CONTRIBUTIONS



64

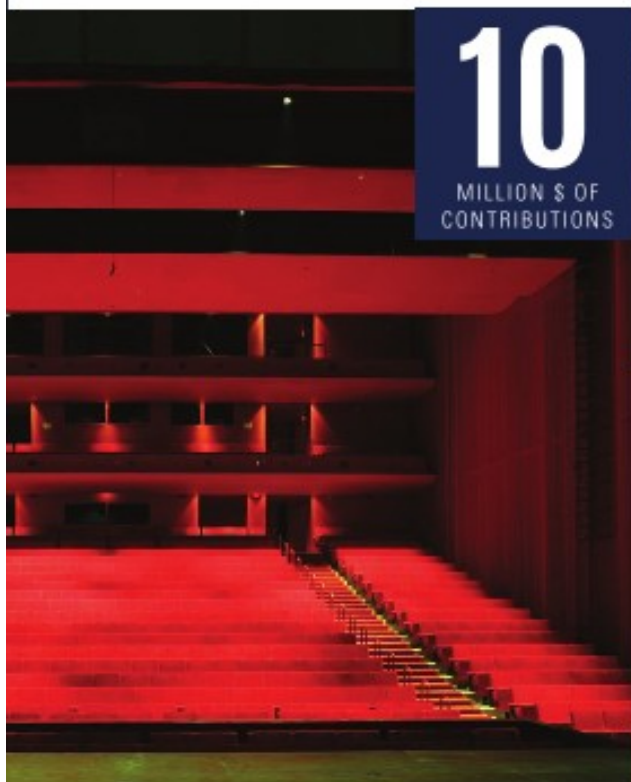
MEMBERS OF VOLUNTEER BOARD

150

PERMANENT STAFF

350

FREELANCE/PART-TIME ARTISTS, ACTORS & SKILLED CRAFTSMEN



LIVE & WORK BY THE GUTHRIE

Keller Williams real estate agent Cynthia Froid, who maintains an office a strategic stone's throw from the theater, is the top residential real estate performer in the Mill District, selling scores of loft-style living spaces to moneyed professionals and empty nesters.

"The Guthrie's move to the river anchored its reputation as an institution willing to take risks. The leaders had a lot of foresight," said Froid. "The residential boom has followed. Dollars are pouring into the neighborhood. Had the Guthrie not instigated it, who knows if this would have happened?"

Last year, Froid broke her own record for residential sales; her individual tally stood just shy of \$50 million and her group closed on \$80 million, with almost all of it in the tony condo buildings that line the river banks.

"My goal in 2016 was \$40 million and I thought I was dreaming with that number," she confessed. "People like to say, I live by the Guthrie."

Froid was an early player in landing listings as new structures shot up or old warehouses were redeveloped, and she now helms a hard-charging team of seven. She herself sold two Mill District properties that made 2016's list of the top ten most expensive homes to close in the Twin Cities area. That includes the transaction at the very top of the list, a \$6.3 million penthouse in the Washburn Lofts building a half-block from the Guthrie.

"The other eight properties were in the western suburbs. In the past, people spending that kind of money bought Lake of the

Isles or Lake Minnetonka. It says something that they want to invest in the riverfront," Froid continued.

The land rush extends beyond condos featuring exposed brick and stunning views.

In 2010, the American Academy of Neurology decided to build its headquarters on a lot across the street from the Guthrie. At that time, there were no construction cranes hovering over the Minneapolis skyline; when the five-story space was completed two years later, it became the first office building to be constructed downtown since the city's economic downturn after 9/11.

"Our organization was growing. We'd been renting in St. Paul but we wanted our own space," said Academy CEO Catherine Rydell.

"The CFO who'd worked with real estate advisors and had looked all over the cities took me out to see eight properties. When we pulled up in front of the Guthrie, which was the fourth stop, I looked at that dirt-filled lot and said, that's it. We're home."

Rydell valued the transit options, the nearby restaurants and the beauty of the historic neighborhood. She liked the capacity for growth on the site; employment in the 62,000 square foot building has expanded from 120 to over 180.

The presence of the theater was the real draw.

"Every year, we bring in a thousand neurologists from all over the world. They're highly educated, culturally astute professionals and they know the Guthrie. They're thrilled to have an opportunity to see a performance while they're here attending meetings. It inspires them to keep coming back."





"The Guthrie's move to the river anchored its reputation as an institution willing to take risks. Had the Guthrie not instigated it, who knows if this would have happened?"

—CYNTHIA FROID



RESOURCE LIST

■ SPOONRIVER

750 SOUTH 2ND ST., MINNEAPOLIS
612.436.2236 // SPOONRIVER.COM

■ AMERICAN ACADEMY OF NEUROLOGY

201 CHICAGO AVE., MINNEAPOLIS
800.879.1960 // AAN.COM

■ MILL DISTRICT CITY APARTMENTS

225 PORTLAND AVE., MINNEAPOLIS
612.424.9201
VILLAGEGREEN.COM/MINNEAPOLIS

■ STONE ARCH LOFTS

600 SOUTH 2ND ST., MINNEAPOLIS
952.843.9993
STONE-ARCH-LOFTS.COM

■ GOLD MEDAL PARK

2ND ST AND 11TH AVE. S.,
MINNEAPOLIS
612.904.5607
[NPS.GOV/MISS/PLAYYOURVISIT/
GOLDMEDAL.HTM](http://NPS.GOV/MISS/PLAYYOURVISIT/GOLDMEDAL.HTM)

■ IZZY'S ICE CREAM

1100 2ND ST. S., MINNEAPOLIS
612.206.3356 // IZZYSICECREAM.COM

■ MILL CITY FARMER'S MARKET


704 SOUTH 2ND ST., MINNEAPOLIS
612.341.7580
MILLCITYFARMERSMARKET.ORG

■ MILL CITY MUSEUM

704 SOUTH 2ND ST., MINNEAPOLIS
612.341.7555 // MILLCITYMUSEUM.ORG



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CYNTHIA FROID, MILL CITY MARKET, IZZY'S
ICE CREAM & ISTOCK.COM/PHOTOSBYJIM



**“We’re always
looking for
revenue, always
trying to
be creative to
subsidize
the work we do.”**

—JENNIFER BIELSTEIN
MANAGING DIRECTOR, GUTHRIE

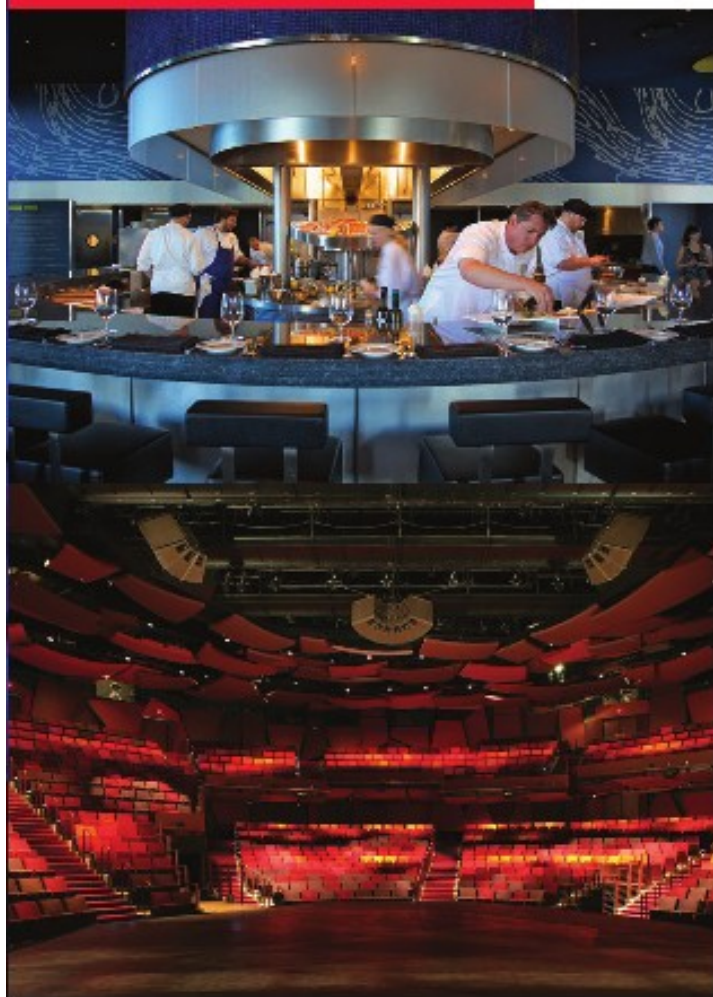


"We look for people who can give or get resources and can connect to others who have a passion for what we do,"

—Y. MARC BELTON

CHAIR, GUTHRIE BOARD OF DIRECTORS

TAKING A BOW



PHOTOS COURTESY OF THE GUTHRIE

Despite its strong financial, artistic and historic foundation, the Guthrie, like other established cultural landmarks, faces uncertainty. It is not immune to the accelerating pace of change and the generation shift that is transforming all institutions.

Nationally, the number of season ticket holders at theaters, orchestras and operas is falling and the Guthrie is among the companies seeing such a decline. Guthrie subscribers dropped to 19,200 in 2015-16; ten years ago that number stood at 25,000.

But the Guthrie has successfully bucked other worrisome trends. The people in the seats increased in its last season, with shows playing to an 84% capacity compared to 76% in the previous season. The number of donors contributing to the Guthrie also rose, from 4,154 to 4,793.

"We feel a huge responsibility for every penny entrusted

to us," says managing director Jennifer Bielstein. "We believe we are great stewards of this community's resources."

With the theater passing its tenth birthday in its new location, theater management used its annual report to warn that "significant maintenance requirements (will) naturally arise," requiring a plan to address these capital expenditures.

Meanwhile, the Guthrie's board of directors is in the midst of a long-range strategic planning process to keep the theater on its steady footing.

"I always say the Guthrie has an embarrassment of riches, but we can't be a fortress or we lose our relevance and vitality. We are here to embrace and shape the changes we face," adds board chair Belton. "We are shaping the agenda and adding our input into the future vision of the theater, and the impact of our decisions could last five, ten or 50 years." ■