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# **Economic Impact of the Ute Theatre in Garfield County, Colorado**

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## Executive Summary

The Ute Theatre, now known as the Ute Events Center, has been a cultural and economic asset in Rifle, Colorado, since its establishment in 1948. Built with an investment of \$100,000, the theatre has undergone multiple renovations, reflecting the community's dedication to preserving its historical and cultural value. This report provides a comprehensive overview of the Ute Theatre's historical background, its economic contributions, and the methodologies used to assess its impact on the local economy of Garfield County.

## 1 Introduction

The Ute Theatre, a historic landmark in Rifle, Colorado, has served as a pivotal venue for cultural and social events for over seven decades. Constructed in 1947 and inaugurated in January 1948, the theatre was designed by Don Monson, an Olympic U.S. Nordic ski champion, and constructed under the supervision of Fred Lind, a prominent local figure. The initial construction cost was \$100,000, a significant investment at the time. This report explores the theatre's historical significance, its role in the community, and its economic impact. It also examines the restoration efforts led by the New Ute Theatre Society (NUTS) and the various funding sources that facilitated these renovations.

## 2 Historical Background

The first picture show in Rifle was held in 1911 at the Majestic Theatre. By 1930, the advent of sound movies necessitated the retrofitting of theatres, leading to increased demand for modern cinematic experiences. Fred and Mary Lind, who moved to Rifle in 1935, initially managed two theatres before consolidating their efforts into the Ute Theatre on East 3rd Street. After a fire in 1944, the Linds commissioned the construction of a new theatre on East 4th Street, which opened in 1948.





By the 1970s, the Ute Theatre had undergone significant changes under new ownership, including the replacement of its iconic facade with cedar siding. Despite these alterations, the theatre struggled with maintenance issues and declining patronage. In 2006, the City of Rifle acquired the theatre to prevent its conversion into a thrift store and to preserve its cultural significance.

In 2009, community members formed the New Ute Theatre Society (NUTS) to spearhead the theatre's restoration. Through a combination of state grants, fundraising, and community support, the society successfully renovated the theatre's facade, removed asbestos, and upgraded the interior to reflect its original Art Deco design. The restoration culminated in a grand reopening in May 2014, with the Ute Events Center now serving as a versatile venue for performances, weddings, and community events.



### 3 Economic Impact

To understand the economic impact of the Ute Theatre, we built an input-output model that tracks how spending related to the theatre circulates through the local economy. This process involves several key steps:

1. **Data Collection:** We gathered data on the theatre's operations, visitor spending, and local business expenditures related to theatre events.
2. **Direct Effects:** We identified the immediate economic activities generated by the theatre, such as ticket sales, concessions, and event-related purchases. These direct effects represent the initial economic contributions of the theatre to the local economy.
3. **Indirect Effects:** We examined how local businesses that supply goods and services to the theatre benefit from increased demand. For instance, businesses providing food, maintenance, or technical services experience a rise in sales due to the theatre's operations.
4. **Induced Effects:** We assessed the broader economic impact of increased household income resulting from theatre-related activities. Employees of the theatre and local businesses spend their earnings on housing, food, and other local services, further stimulating economic activity and generating additional income for the community.

Please refer to the Appendix for a detailed review of the Input-Output model used in the study. The three main outcomes to consider are explained in detail below:

1. **Total Impact on Outcomes:** This metric represents the aggregate effect of direct, indirect, and induced economic activities generated by the Ute Theatre. It captures the overall economic output, including total sales, employment, and income generated within the local economy due to the theatre's presence. The total impact reflects the comprehensive contribution of the theatre, encompassing all stages of the economic ripple effect—from initial spending to the broader effects on local businesses and households.
2. **Value Added:** The value added by the Ute Theatre is the net economic contribution it makes to the local economy. In this context, value added refers to the difference between the total revenue generated by the theatre's activities (including ticket sales and concessions) and the cost of intermediate goods and services consumed in the production process (such as food, utilities, and maintenance services). The value-added metric is critical as it shows how much new economic value the theatre generates, contributing directly to the Gross Domestic Product (GDP) or regional economic output.
3. **Earnings:** This measure represents the income generated for individuals employed directly or indirectly by the theatre, including wages, salaries, and proprietor income. Earnings capture



the financial benefits flowing to employees of the theatre, suppliers, and related businesses. It highlights the role of the Ute Theatre in supporting livelihoods and boosting household incomes within the community. These earnings further stimulate the economy as they are spent on goods and services, creating induced economic effects.

The events offered at the Ute Theatre attract visitors from both within and outside Garfield County. As a form of input-output (I-O) modeling, this analysis estimates the economic impact in Garfield County of external visitors to the theatre. External visitors are defined as people visiting the Ute Theatre who reside outside of Garfield County. The economic impact of the Ute Theatre occurs through two channels: 1) from revenue earned by the theatre and 2) from other expenditure by external visitors within Rifle or surrounding cities in Garfield County.

In terms of composition, the total economic impact consists of direct, indirect, and induced effects.

In terms of metrics, we estimate impact for three categories: total output, value added, and labor income as described above.

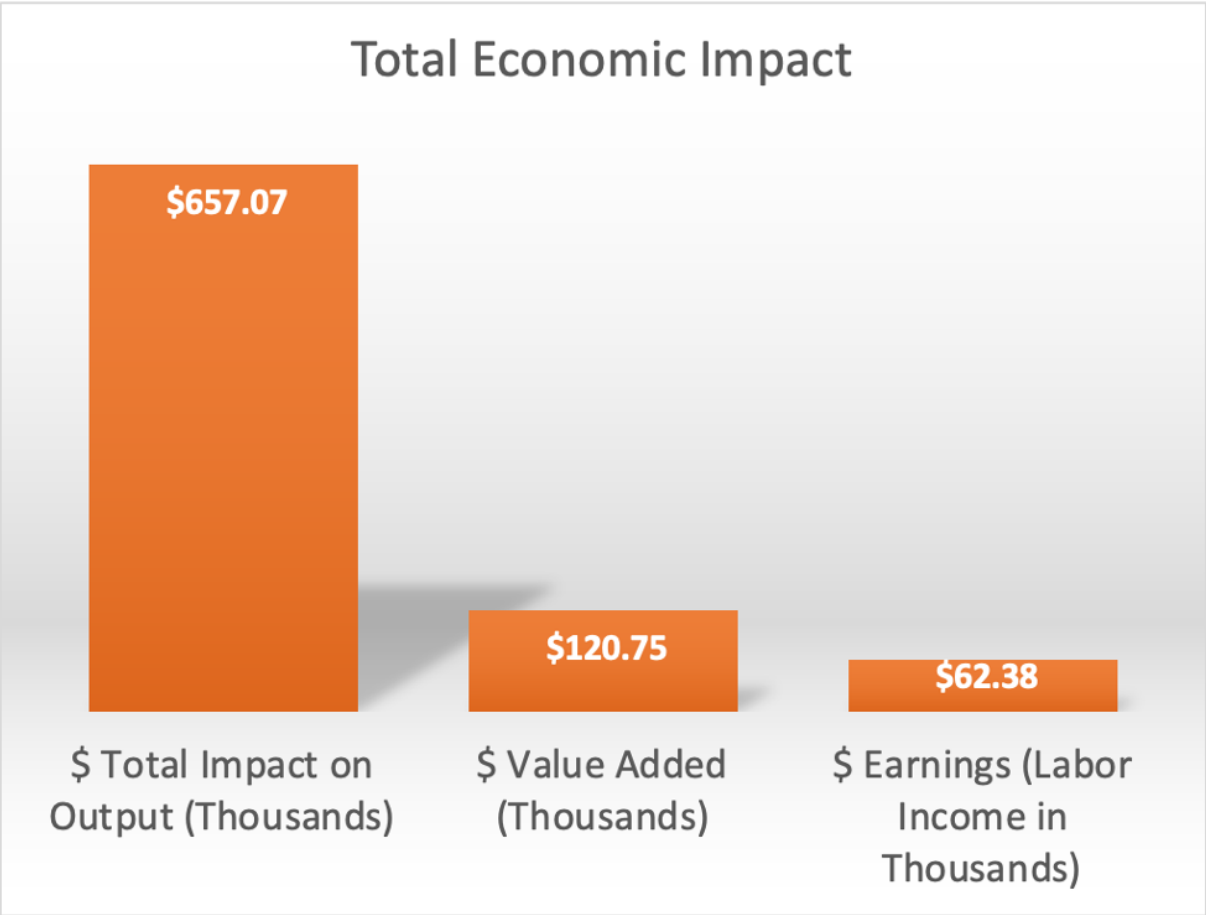
The estimated GDP of Garfield County in 2023 was expected to be \$3.9 billion.

## 4 Findings

To estimate the total economic impact, we analyzed the total annual ticket sales that came from individuals who do not reside in Garfield County. We then input that amount into our model to get the following estimate.



Figure 1: Total Impact of outside visitors in the Ute Theatre in Garfield County



The chart above provides a clear summary of the economic impact of the Ute Theatre on the local economy, broken down into three key measures: Total Impact on Output, Value Added, and Earnings (Labor Income). Each of these metrics captures a different aspect of the theatre’s contribution to the community, and understanding them provides insight into how the theatre supports economic growth and employment.

1. **Total Impact on Output (\$657.07 thousand):** This figure represents the overall economic activity generated by the Ute Theatre. It includes not only the direct revenue from ticket sales, concessions, and events but also the indirect and induced effects of the theatre’s operations. Indirect effects stem from the increased demand for goods and services from local suppliers (like food and maintenance services), while induced effects capture the additional spending by employees and local businesses who benefit from the theatre’s operations. In simpler terms, the \$657K reflects the total value of goods and services produced in the local economy as a result of





the theatre's presence. This represents roughly 0.02% of Garfield's total GDP, and thus, we can interpret this figure as stating that the new visitors the Ute Theatre attracts contribute to roughly 0.02% of Garfield's total GDP.

2. **Value Added (\$120.08 thousand):** This metric represents the net contribution of the Ute Theatre to the economy of Garfield, after accounting for the costs of goods and services (intermediate inputs) used in its operations. The value added of \$120K is an important measure because it shows how much new economic value the theatre creates. This figure includes the earnings of workers (wages), profits retained by the theatre, and any taxes paid to the government. Essentially, it reflects the amount by which the theatre increases the region's GDP, contributing directly to the overall economic health.
3. **Earnings (Labor Income) (\$62.38 thousand):** The earnings value of \$62K captures the total income earned by employees and business owners directly and indirectly associated with the theatre. This includes wages and salaries paid to the theatre's staff, as well as the income earned by individuals working for local suppliers and service providers. This metric is crucial as these earnings are likely to be spent locally on goods and services, further stimulating the economy.

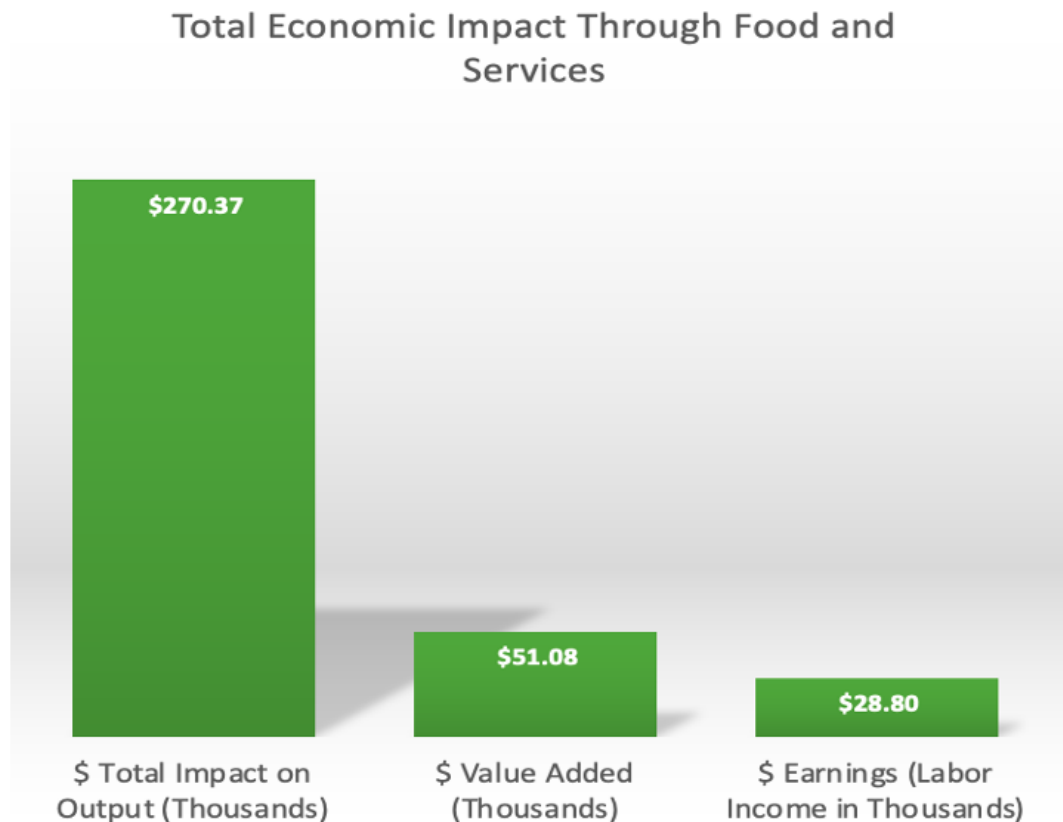
In summary, these figures illustrate the significant economic impact of the Ute Theatre. The total impact on output shows the broad economic activity generated, the value added reflects the net contribution to the economy, and the earnings highlight the direct benefits to local workers and businesses. Together, these measures demonstrate the theatre's role in supporting jobs, income, and economic growth in the community.

We now run another analysis, this time analyzing how the visitors might be spending on other businesses once they arrive at the Ute Theatre. Using the data from the survey we collected, we estimate that an individual will spend, in a very conservative estimate, at least \$20 on food per day. Assuming they leave the same day, we now multiply this by the total number of visitors that came from outside Garfield County. From the data collected by the theatre, we estimate that at the minimum, we had 1516 visitors from outside Garfield in 2023. Thus, we now estimate the economic impact by the Ute Theatre due to the added revenue in the Food and Beverage industry.





Figure 2: Total Impact of outside visitors in the Ute Theatre in Garfield County



From the above figure, we extend the contribution of the Ute Theatre by analyzing how it affects the Food and Beverage sector in Garfield County. We see that the new visitors it gathers from outside Garfield County, and assuming they spend only \$20 on food during their time in Garfield, increases Garfield's economic activity by \$270K and contributes to an increase of Garfield County's GDP by roughly \$50K.

## 5 Moving Beyond the Economic Outcomes - The Ute Theatre's Cultural and Social Significance

To better understand the Ute Theatre's cultural and social significance in Rifle, we also conducted a survey asking customers and nearby business owners several questions about the theatre. We had a total of 73 completed total surveys which we carried out both online and in-person and report some



of the findings in this section. Fred Lind, the original owner, envisioned the theatre as a place where everyone, regardless of their background, could feel welcome. Historically, the theatre has been a venue for various events that bring people together, ranging from movie screenings to dance recitals and community gatherings. From our survey, we found that this ethos continues today, with the theatre hosting a variety of events that cater to diverse audiences and serving as more than just a building that hosts events. The theatre has proved to a center where residents can connect and build lasting relationships. Our study highlights how events hosted at the Ute Theatre, such as weddings, banquets, and community meetings, have been instrumental in creating opportunities for social interaction and networking. These interactions are essential for fostering a strong, interconnected community where people feel supported and engaged.

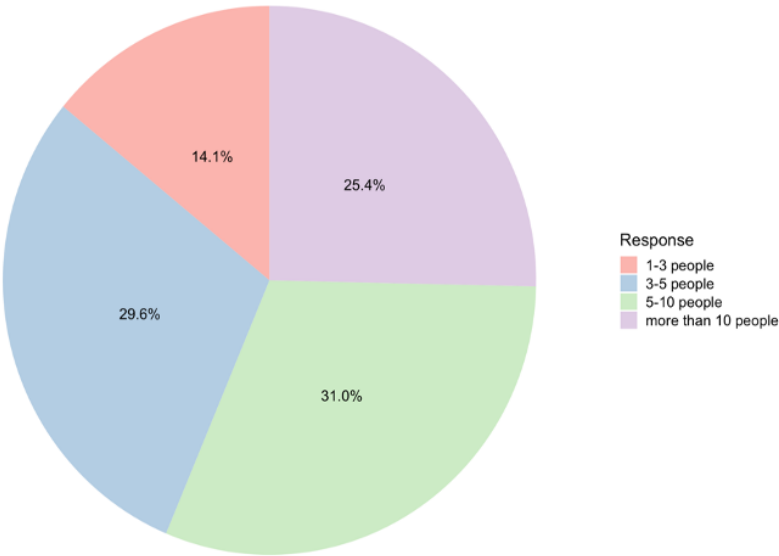
### **Survey Insights:**

Many respondents praised the theatre's historic building and great location, noting it as a "crowned jewel" of Rifle. The intimate atmosphere and excellent acoustics were frequently highlighted as key attractions. Respondents also appreciated the theatre's role in hosting a wide variety of events, from concerts to community gatherings, which contribute significantly to the social fabric of Rifle. They also pointed out how the theatre offers them something to do every weekend without having to leave Rifle.

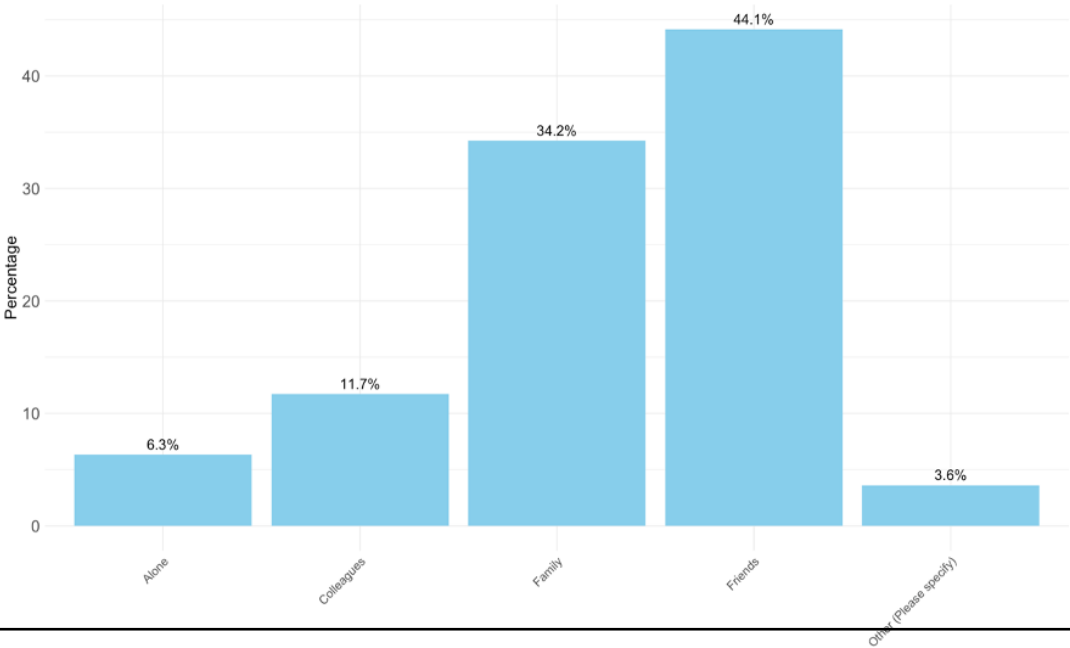
The following figures showcases how the Ute Theatre has been a place for people to get in touch with their community.



During your visit to the Ute Theater , how many people do you typically interact with?

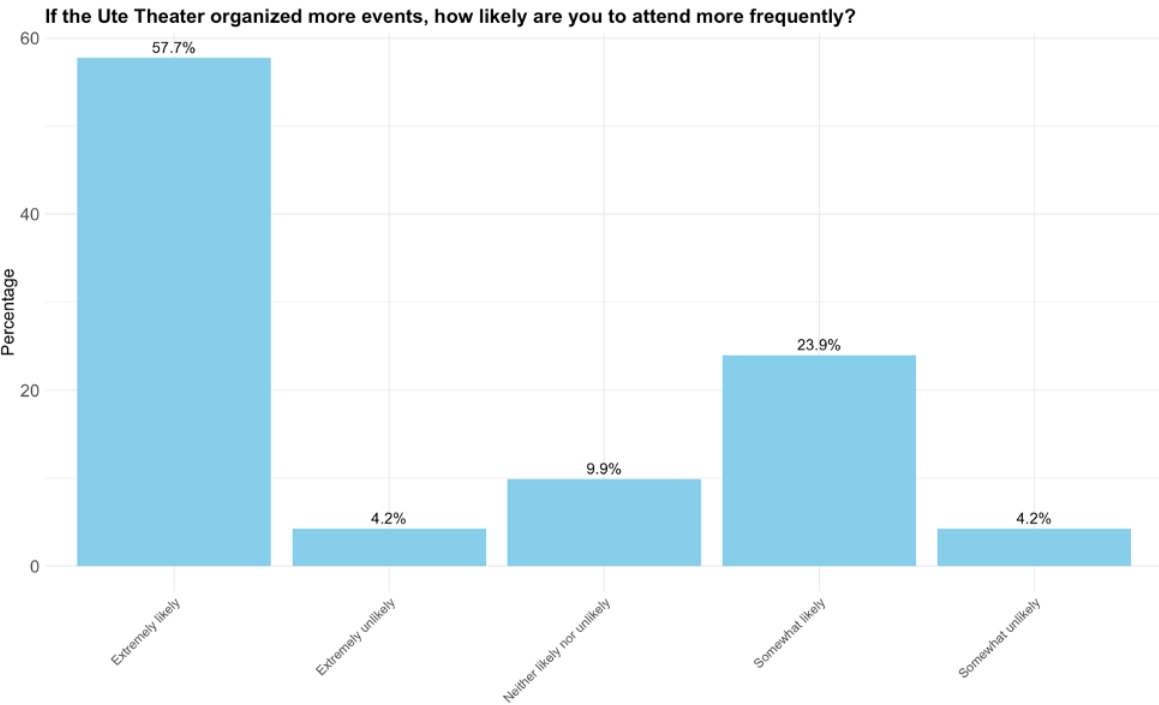
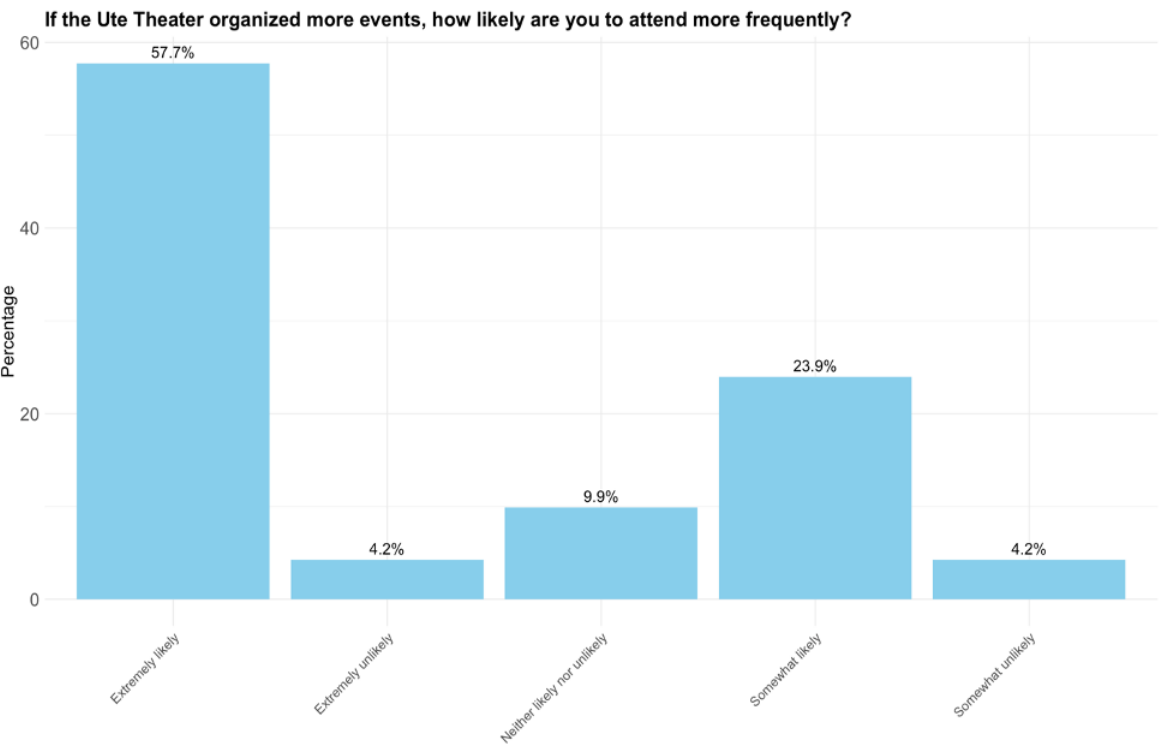


When you visit the Ute Theater , who do you usually come with? (Select all that apply) - Selected Choice



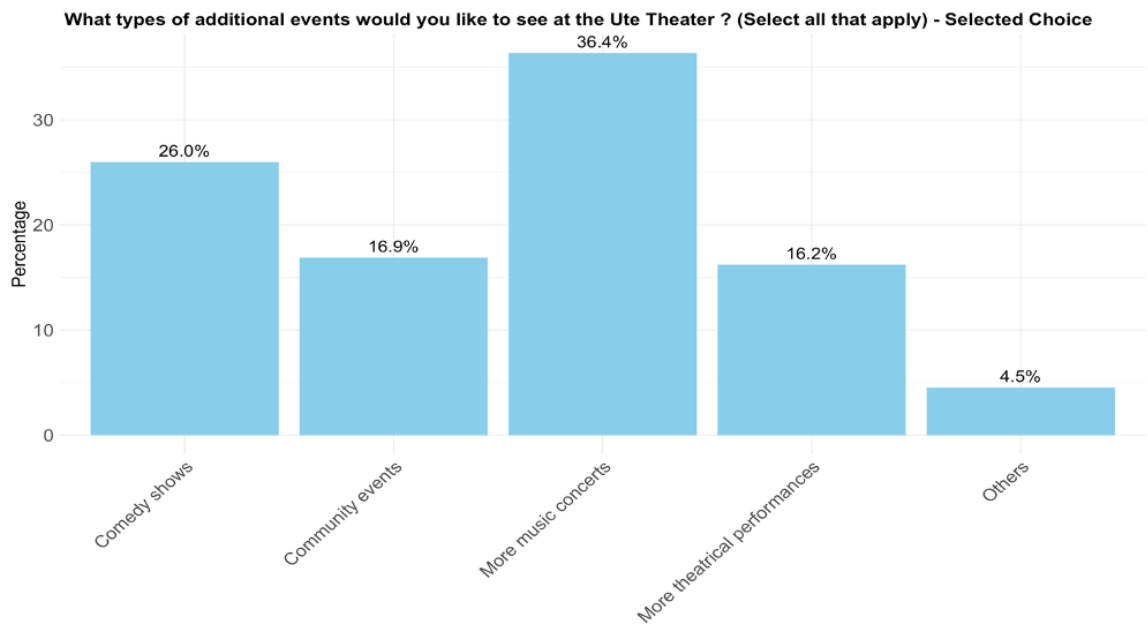
We also asked respondents how their experiences have been, and we find the theatre to be providing great value for money.



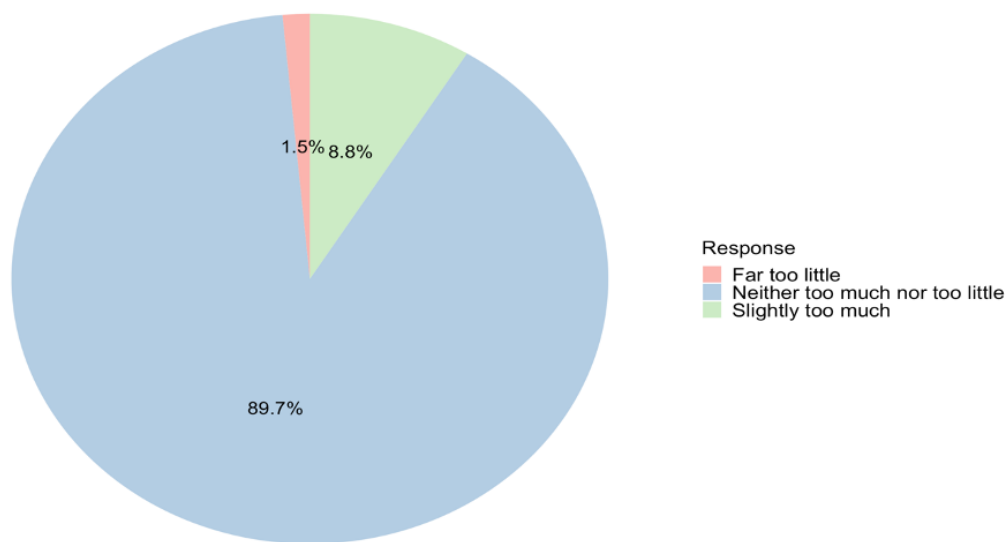


We also wanted to see Ute's for more events and whether people would be interested in them. On that note, respondents highlighted the theatre's potential for greater community engagement. Ideas ranged from hosting more local bands and Spanish language films to organizing annual events like a Mardi Gras party. Increased advertising was also suggested to ensure more residents from outside Rifle are aware of upcoming events.





How do you feel about ticket prices for the event at the Ute Theater ?



From the above two figures, we can see that the Ute Theatre has potential to grow more by adding in more events given they cater to the community interests and keep pricing their events the same rate. Overall, the survey provides documented evidence of how the Ute Theatre has been playing a





pivotal role in bringing people together, serving as an integral part of local life in Rifle.

### **Local Nearby Business Survey Insights:**

During our visit to Rifle, we also had an opportunity to talk to nearby businesses about how they feel about the Ute Theatre. Lia, from The Soap Stable, talked about how she remembers going to Ute for movies as a kid and was amazed by how NUTS has transformed the historical venue. She mentioned how although she did not feel she had more customers coming in during show events given the place closes early at 6pm most days (events at Ute end later than 6pm usually), she highlighted that a lot of nearby business (especially restaurants) are benefiting. Pasang, from Dickey's Barbeque Pit, was able to talk with us as well and confirmed this.

Pasang talked not only about how often the NUTS team contacted their establishment for catering events but also about how the Ute Theatre is an important venue for a small community like Rifle. Pasang talked about how it gives locals a place to be at and also offers a space for large gatherings. To quote him directly, "We get a lot of business from Helen (President of NUTS) and love working with them".

## **6 Conclusion**

The Ute Theatre stands as a testament to the enduring value of cultural and social institutions in small communities. We expect its total economic impact on Garfield County to be approximately \$660K. In terms of how much more money it injects in the county, adding in the Value Added from increased businesses in the Food and Beverages sector due to outside visitors visiting Rifle, we estimate the Ute Theatre to be increasing the GDP of Garfield County by roughly \$170K. This report also presents how the impact of the Ute Theatre goes beyond economic contributions and how it is enriching the lives of residents through a diverse array of events and fostering a sense of community. Continued support and thoughtful improvements will ensure that the Ute Theatre remains a cherished venue for generations to come.



## Detailed Methodological Framework

### A Introduction to Economic Impact Analysis

Economic impact analysis aims to assess the contribution of a specific entity, such as the Ute Theater, to the local economy. This involves understanding how spending associated with the theater flows through the economy, generating various levels of economic activity. A Social Accounting Matrix (SAM) extends the traditional Input-Output (I-O) model to include institutions such as households, governments, and other entities, providing a comprehensive framework for economic impact analysis. We ask the readers to refer to [?] for more in-depth analysis. For a detailed discussion on the difference between economic impact and economic contribution, we refer the readers to [?].

### B Components of Input-Output Modeling

Input-output modeling involves several key components to understand the interactions between different sectors of the economy:

1. **Direct Effects:** These are the immediate economic activities generated by the theater, including operational expenditures, wages paid to employees, and visitor spending on tickets, concessions, and related purchases.
2. **Indirect Effects:** These effects arise from the increased demand for goods and services by businesses that supply the theater. For instance, local suppliers of food, maintenance services, and utilities experience increased business due to the theater's operations.
3. **Induced Effects:** These are the broader economic impacts resulting from increased household income. Employees of the theater and its suppliers spend their income on various goods and services in the local economy, such as housing, groceries, and transportation. This spending generates further economic activity.

### C Methodological Framework

The economic impact analysis of the Ute Theater was conducted using a structured methodological framework based on a SAM. This involves several key steps:

#### C.1 Social Accounting Matrix (SAM) Overview

A SAM is a comprehensive, economy-wide data framework typically represented as a square matrix. It captures all transactions between different sectors, institutions, and factors of production



within an economy. The rows of the matrix represent incomes received by each sector, while the columns represent expenditures.

## C.2 SAM Structure

A typical SAM includes the following accounts:

1. **Activities:** These represent production sectors.
2. **Commodities:** These represent goods and services.
3. **Factors:** These represent labor, capital, and other factors of production.
4. **Households:** These represent income and expenditure of households.
5. **Government:** These represent fiscal operations of the government.
6. **Capital:** These represent savings and investments.
7. **Rest of the World:** These represent international transactions.

## C.3 Building the SAM

1. **Data Collection:** Raw data was obtained from IMPLAN, a comprehensive economic database, which includes information on local spending patterns, employment, and industry linkages. This data was used as a basis for building the economic model.
2. **Input-Output Table:** Construct the initial input-output table from the collected data. This table tracks the flow of goods and services between sectors.
3. **Extension to SAM:** Extend the I-O table to include additional accounts (households, government, etc.). This involves incorporating data on income distribution, government spending, and savings and investment.

## C.4 Mathematical Framework

1. **Matrix Representation:** Let  $Z$  be the matrix of inter-industry transactions, where  $z_{ij}$  represents the value of goods and services sold from industry  $i$  to industry  $j$ .

Let  $x$  be the vector of total output for each industry.

The basic input-output relationship is:

$$x = Z\mathbf{1} + f$$

where  $\mathbf{1}$  is a vector of ones, and  $f$  is the final demand vector.



2. **Technical Coefficients Matrix ( $A$ ):** The technical coefficients matrix  $A$  is derived from  $Z$  as:

$$A = Zx^{-1}$$

where  $x^{-1}$  is the diagonal matrix of the inverse of total output.

This matrix  $A$  shows the input requirements per unit of output for each sector.

3. **Leontief Inverse:** The Leontief inverse matrix  $(I - A)^{-1}$  captures the total (direct and indirect) input requirements for producing one unit of output:

$$x = (I - A)^{-1}f$$

4. **Extending to SAM:** The SAM extends the I-O model to include income distribution and expenditure patterns. Let  $Y$  represent the SAM, where the rows and columns represent different accounts (activities, commodities, factors, institutions, etc.).

The general equilibrium relationship in the SAM can be written as:

$$y = (I - M)^{-1}e$$

where  $M$  is the matrix of average expenditure propensities, and  $e$  is the vector of exogenous injections (e.g., government spending, exports).

Here,  $y$  is the vector of endogenous variables (outputs, incomes, etc.).

## D Analysis by Parts

Analysis by Parts is a detailed approach that breaks down the economic impact analysis into specific components, providing a more granular examination of the theater's contributions. This method is particularly useful for complex economic activities that may not fit neatly into predefined industry categories.

### D.1 Steps for Analysis by Parts

1. **Component Identification:** Identify the specific components of the theater's operations that need detailed analysis, such as capital investments, operational expenditures, and visitor spending.
2. **Separate Analysis:** Analyze each component separately to determine its direct, indirect, and induced effects. For example, evaluate the impact of capital investments in renovations separately from daily operational expenses.



3. **Combining Results:** Aggregate the results of each component analysis to get a comprehensive view of the theater's overall economic impact.

## E Metrics Tracked in Economic Impact Analysis

Several key metrics are tracked in the economic impact analysis to provide a comprehensive understanding of the theater's contributions:

1. **Labor Income:** The total wages and benefits earned by employees as a result of the theater's activities.
2. **Value Added (GDP):** The theater's contribution to the local Gross Domestic Product, reflecting the value added to the economy through its operations.
3. **Output:** The total economic output generated, including all sales and transactions resulting from the theater's activities.

## F Interpreting the Results

The results from the SAM provide a detailed picture of the economic contributions of the Ute Theater. Here's how to interpret the findings:

1. **Direct Effects:** These include the theater's operational expenditures, such as salaries, maintenance, and utility costs. The direct effect is a measure of the initial economic activity generated by the theater itself.
2. **Indirect Effects:** These reflect the increased business for local suppliers due to the theater's operations. For instance, local businesses supplying food, beverages, and maintenance services to the theater will see increased sales.
3. **Induced Effects:** These represent the broader economic impact resulting from increased household income. Employees and suppliers spend their earnings in the local economy, leading to additional economic activity in sectors like retail, housing, and transportation.
4. **Total Economic Impact:** This is the sum of direct, indirect, and induced effects. It provides a comprehensive measure of the theater's overall contribution to the local economy. This includes the total increase in economic output, employment, and income.

