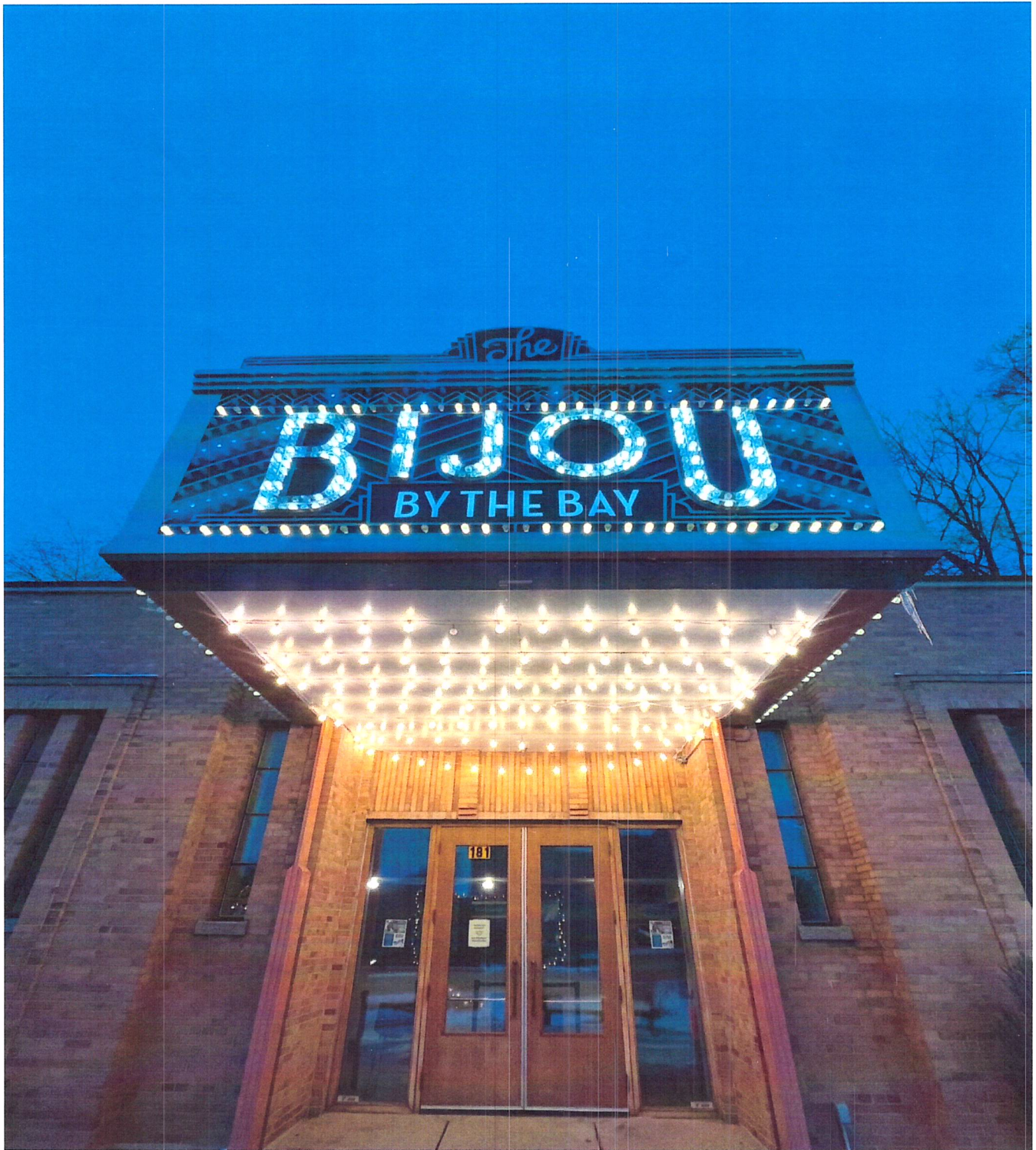
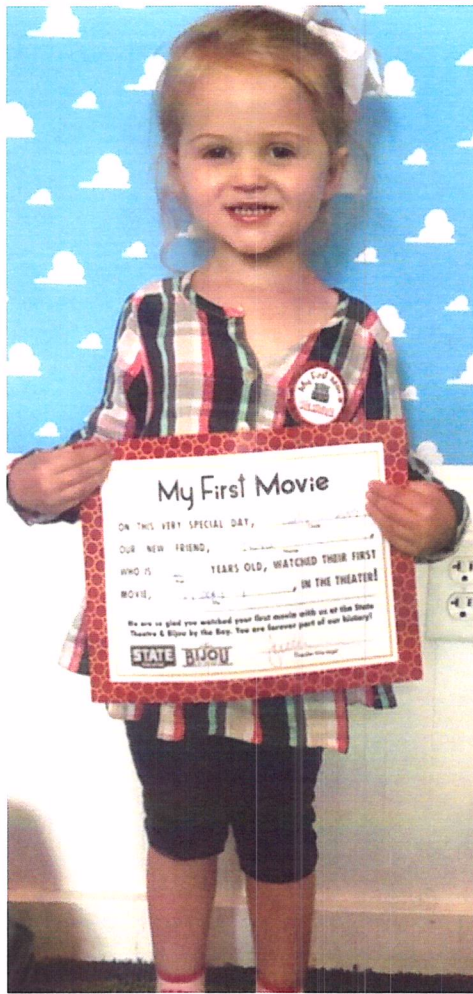




**BIJOU BY THE BAY
ANNUAL REPORT
TO THE CITY OF TRAVERSE CITY
DECEMBER 2022**



INTRODUCTION

The Traverse City Film Festival is in its ninth year of successfully operating the volunteer-run, community movie house, the **Bijou by the Bay**. The Bijou is housed in the old city-owned Con Foster Building in Clinch Park — a 1938 WPA edifice which, after years of being closed and in disrepair, the nonprofit Traverse City Film Festival offered to raise and spend nearly one million dollars as a gift to the City and save the Con Foster building by fully restoring it, bringing it up to 21st century specs and code with all new electrical, heating, cooling, plumbing, a new roof, doors, windows, a total structural and safety overhaul and new restrooms that would be open for the public in Clinch Park to use. The Film Festival offered to do this at **zero expense** to the City or to the taxpayers. In fact, as the Con Foster building was already draining thousands of dollars of city funds and city employees' time just to maintain an unused building, the Festival offered to shoulder this burden and reduce this annual cost to the City budget to **\$0** as the TCFF would cover all year-round maintenance and upkeep costs, all utility and security costs, and all costs to maintain the city grounds the building sits on.

In addition, the Film Festival offered to pay for and renovate the building and turn it into a world-class nonprofit year-round art house movie theater AND an annual official location as part of the world-renowned Traverse City Film Festival each summer.

The City accepted this generous offer from TCFF, and the Bijou Theater now operates under a Management Agreement with the City of Traverse City. The current agreement is an amendment to the 2013 Con Foster Building Management Agreement approved in December 2021, which extends the performance period to July 2033.

When the Bijou opened in 2013, it not only met its promise of being open 200 days a year, but from 2013 until March 15, 2020 (when the Governor shut down all movie theaters in the State of Michigan due to the Covid-19 pandemic), the Bijou was actually open for an average of **363 days** a year for those **6 and 1/2 years**.

The Bijou, and its sister theater, The State Theatre, as with all movie theaters across America (both independently-owned and national corporate chains), have faced unprecedented challenges over the past 33 months during the Covid-19 pandemic.

FORCE MAJEURE CLAIM

Due to the ongoing worldwide health crisis, the Bijou by the Bay movie attendance followed the nation-wide trend of decreased pandemic attendance. The local AMC movie chain theater today is open for only 60% of the showtimes it once offered in pre-pandemic days. All indoor businesses, restaurants and gathering places have seen a similar drop off, especially amongst older adults. Even church attendance, according to a recent article in the TC Ticker, is down all across the region with 30% to 50% of parishioners and congregants preferring to worship at home via Zoom.

But things lately seem to be getting better. TCFF programs the Bijou weekly, offering a wide selection of first-run and classic films, including free admissions on some weekends. Daily attendance at the Bijou is now nearing our per-show numbers in 2019. We project that the Bijou theater will have been opened at least 121 days for the 2022 calendar year (182 days if you count the final two months of 2021 when the Bijou and the State were able to reopen after a downturn in the area's Covid cases).

We fully expect and plan to have the Bijou open for at least 200 days in 2023 (pending no further shutdowns due to the pandemic or other force majeure).

We are invoking a claim under the force majeure component of our Management Agreement to forego the 200-day requirement for 2022 due to the ongoing coronavirus public health emergency. The pandemic public health emergency has been in continuous effect since January 31, 2020. The most recent 90-day renewal of the national emergency status was made by Xavier Becerra, Secretary, Health and Human Services, effective October 13, 2022.

The TCFF Board of Directors and Board President, Michael Moore, along with our dynamic team, including our new Executive Director, Angie Forton, will continue to program Just Great Movies for the Bijou in 2023. Ms. Forton brings to our team a deeply-rooted commitment to community and public service and over twenty years in human resources, both in the private and public sectors.

TCFF remains committed to continuing our mission of offering to our community throughout the year a uniquely original experience to movie-goers at affordable ticket prices. TCFF has and will continue to offer exciting, fresh, diverse movie-programming for our community and a first-class, singular experience for movie-goers of all ages. We are proud to make Clinch Park a place for residents and tourists alike to use **all 52 weeks of the year**, a true year-round park, not just open on the 77 days each year that the beach has a paid lifeguard and the water is warm enough in which to take a beautiful blissful plunge! Even those just passing through on the federal parkway (which extends from Canada to Mobile, AL, on the Gulf of Mexico), what they see as they pass by Clinch Park is a theater that says this is a town that appreciates art, history and its own little slice of Hollywood on one of our amazing Great Lakes. It's an honor for TCFF and its thousands of local donors, volunteers and patrons to be part of this unique and vibrant community. We look forward to bringing the City even more good news at the end of 2023.

Signed,

Board of Directors,
The Traverse City Film Festival



Governor William Milliken, first President of the Friends of the Traverse City Film Festival, cutting the ribbon on the Grand Opening Night of the Bijou by the Bay, 2013. Also pictured, Founder Michael Moore; Mary Alice Kane, a 1943 usher at the Lyric (State) Theatre; TC Mayor Jim Carruthers

(Note: The Con Foster Building Management Agreement stipulates notifications to and approval by the City for any significant facility improvements or modification. The extensive HVAC structural change anticipated in the 2021 FIRST AMENDMENT TO AGREEMENT FOR CON FOSTER BUILDING MANAGEMENT were not made. Instead, the replaceable air filters were upgraded to a MERV-13 rating to improve air quality. This change required no structural modification to the HVAC system and did not rise to a level that would require notification or approval.)



The State and Bijou Theaters are expected to sell their two-millionth ticket of admission sometime in 2023 — the result of record-setting audiences attending 17 Traverse City Film Festivals, nearly 17 years and thousands of movies at the 107-year old historic State Theatre and 8 years of “Just Great Movies” at the Roosevelt-era Bijou by the Bay theater. Analysts have estimated that the theaters and the festivals have generated and contributed more than \$200 million to the local economy since 2005. This, in addition to increasing the overall downtown presence of citizens, shoppers, diners and tourists, causing new businesses to open and thrive, plus inspiring other new events and activities that have launched here since the first film festival. The presence of TCFF has contributed not only to the overall quality of life that has enhanced our community but it has also created untold financial value to the homeowners who live here and added significant funds to the tax-base — which in turn has helped to insure the continued and lasting legacy of Traverse City having the best schools, libraries, higher education, the arts, sports and the greater enjoyment for all the people of the beautiful outdoors of the Traverse City region.