

Jeff Maul
Lincoln Convention and Visitors Bureau
1135 M Street, Suite 300
Lincoln, NE 68501

Dear Jeff,

April 28, 2017

On behalf of the Lied Center for Performing Arts, I am pleased to submit this grant request of \$175,000 to the Visitors Promotion Committee for renovation of the seating in the Lied Center's main concert hall. This request is significantly reduced from last year's request, and it is also important to note that the majority of funding needed for the project has already been committed by community partners. I hope that the committee will decide to support the Lied Center so that it remains one of the top tourist destinations in Nebraska.

The Lied Center still has its original 1990 seating, and after hosting millions of visitors over the past 27 years, the seats are in dire need of repair – the cushions are compacted, the fabric is torn and the springs are in disrepair. With funds already awarded for this project by the Rogers Foundation and additional support from the Friends of Lied and the Hixson-Lied Endowment, the proposed grant will allow the Lied to move forward with this much-needed renovation.

For over two-and-a-half decades, the Lied Center has been one of the biggest tourist attractions in Lancaster County. The Lied Center sees 150,000 visitors per year, over 40,000 of those from outside of Lincoln, and those numbers continue to grow. Visitors come to Lincoln from all over the state, region, country and world to enjoy the Lied's world-class performances by top performing artists like the Joffrey Ballet, Bernadette Peters and Yo-Yo Ma. The Lied Center also continues to host an ever-growing number of people who come to Lincoln for conferences, corporate events and international festivals, including the International Thespian Festival, Christ in Youth and the United Methodist Conference. Not only do the Lied Center's 150,000 annual visitors come for our amazing performances, they stay in downtown Lincoln hotels, they dine in local restaurants, and they spend money at neighborhood small businesses.

VPC's support of the seat renovation project will help ensure more than 12,000 hotel room nights will continue to be booked annually as a result of Lied Center visitors. The project will greatly enhance Lied Center patrons' comfort and overall experience, which in combination with outstanding programming and other venue improvements, will translate into increased use of the facility and more visitors to the area. Neglect of this urgent need will likely have a negative impact on the use of the Lied Center.

The Lied is grateful to the VPC and Lancaster County for its past support and careful consideration of this request. I look forward to answering any questions you or the commissioners may have as you review the details of our proposal.

Sincerely,



William K. Stephan
Executive Director

LANCASTER COUNTY VISITORS IMPROVEMENT FUND
GRANT REQUEST

Name of Organization Friends of Lied - Lied Center for Performing Arts

Contact Person Bill Stephan, Executive Director

Address/City/State/Zip 301 North 12th Street, Lincoln, NE 68588

Telephone 472-4700 Fax 472-2725 Email wstephan2@unl.edu

Organization Status: Non-Profit Association Civic Group Other
(If other, please attach explanation)

Applicant Government/organization Federal ID number 47-0727188

If tax exempt organization, designate IRS classification: 501(c)3 501(c)6.

Provide a detailed description of your exhibit/attraction:

Please refer to attached narrative document: "Detailed Description of Exhibit/Attraction" section

Number of attendees estimated: Out of town 40,000 Local 110,000

Check all that apply:

- Expanding and improving any existing visitor attraction.
 Planning or developing such expansion improvements, exhibits or additions.
 Acquiring or expanding exhibits for existing visitor attractions.
 Promotion and advertising costs associated with such exhibits.

Please describe project as indicated above.

Please refer to attached narrative document: "Description of Project" section

Project Start Date December 2017 Completion Date September 2018

Is this project part of a larger renovation project? no

If yes, please describe the entire project:

As it pertains to the grant related project, provide breakdowns of radio and television advertising, showing individual costs, call letters and cities of origin. Also give breakdowns of magazine advertising by individual publications and costs. Similarly, separate the costs for brochures, travel shows by location, billboard advertising, etc. Include target market demographics. Not Applicable

Total projected budget (attach detailed budget)

Total Revenue \$187,574.13

Total Expense \$362,574.13

How will your project impact new visitor recruitment and lodging tax revenues?

Please refer to attached narrative document: "Project Impact on Tourism" section

Estimated annual visitors: Local 110,000 Outside of Lincoln 40,000

Estimated Annual economic impact of your facility and/or project based on lodging tax use

(Use multipliers listed below)

Is this based on annual use of the facility or for a specific event/exhibition? Annual use

of hotel rooms utilized 12,000 x 350 (* Multiplier – see below)

* National/Regional event Multiplier - \$375 per night

* State event - \$350 per night

* Local event - \$245 per night

TOTAL ECONOMIC IMPACT BASED ON FORMULA \$4,200,000

Is this grant request in addition to other project related grant requests? Not Applicable

If yes, then list other grant requests _____

Grant amount requested from Visitors Promotion Committee

\$175,000

Signature of Applicant Bill Stephen

Date _____

Return Application (s) to:

Lincoln Convention and Visitors Bureau
Attn: Jeff Maul, Executive Director
1135 M St. Suite 300
Lincoln, NE 68501

For more information:

(402) 434-5343

jmaul@lincoln.org

Lied Center for Performing Arts
A Request to the Lancaster County Visitors Improvement Fund
April 2017

Detailed Description of Exhibit/Attraction

As Nebraska's "Home for the Arts," the Lied Center for Performing Arts has enriched the State of Nebraska by providing exceptional experiences in the performing arts since 1990. The mission of the Lied Center is to educate, inspire and entertain the people of Nebraska through the performing arts. Every year more than 150,000 patrons visit the Lied to experience the finest in music, theater and dance, including over 40,000 individuals visiting from outside of Lincoln and Lancaster County. The Lied Center is one of a small number of Lincoln attractions that are top of mind as visitors plan trips to the area.

The Lied Center is the venue of choice for a variety of local, regional and international conferences and special events that bring tens of thousands of visitors to Lancaster County. The largest of these, the International Thespian Festival, brings over 5,000 visitors to Lincoln annually for its six-day gathering at the Lied. The Nebraska State Music Educators Association Conference brings over 2,600 visitors to Lincoln. These two conferences alone account for an estimated 10,000 night stays at area hotels, many of which are booked to capacity as a direct result of these events.

At any major popular performance, as many as 30 percent of the patrons come to Lincoln from outside the county. Marquee performances of national profile, such as Jerry Seinfeld, Merle Haggard, Tony Bennett, *Riverdance*, Mannheim Steamroller and *Matilda the Musical*, make the Lied Center a cornerstone of Lancaster County's tourism industry.

In 2014, the Lincoln Chamber of Commerce awarded the Lied Center the Tourism Development Award for its significant contributions to Lincoln's tourism industry. Top entertainment industry trade publication *Pollstar* has recognized the Lied Center as a Worldwide Ticket Sales Top 100 Theater for the past four years.

Beyond performances on the stage, the Lied Center transforms lives through extensive educational outreach programs for university students, community members and children of all ages. The Lied Center not only presents internationally touring acts, but is also a commissioner of new artistic works. Since the Lied's creation, the Lied has commissioned over 25 new works in music, theater and dance. The Lied has a storied commitment to presenting the greatest artists in the world. Past artists at the venue have ranged from the Bolshoi Ballet and the Jazz at Lincoln Center Orchestra with Wynton Marsalis to the Alvin Ailey American Dance Theater. As part of the University of Nebraska, the Lied Center annually tours international artists across the state to rural communities, enhancing the Lied's statewide profile and paving the way for future visits to the Lied and Lincoln.

The Lied Center features a 2,259-seat main concert hall and a 250-seat black box theater, the Johnny Carson Theater. The venue also features several multipurpose spaces that can be used for special events. The Lied Center is recognized nationally as both a performing arts venue and as a major university presenter. Standing at the center of achievement, creativity, imagination, learning, discovery and diversity in the arts, the Lied is one of the top performing arts venues in the Midwest.

Description of Project

Through the proposed project, the Lied Center will update the seats in the main concert hall, one of the major projects among a long list of comprehensive upgrades to the 27-year-old facility that will keep the venue consistent with its world-class artistic standards and ensure it continues to draw visitors throughout the region.

The Lied Center is still outfitted with its original seats from 1990, which are riddled with broken pads, rips in the fabric and broken springs, and are no longer meeting the standards of comfort and aesthetics generally associated with a major performing arts venue.

The time that Lied patrons spend in their seats significantly shapes their perceptions of the full “Lied Center Experience” and is highly influential on their overall impressions of the venue, as audience surveys continue to indicate.

At 27 years and counting, the seats have reached (or passed) the end of their life expectancy, a process accelerated through increased attendance at the Lied in the past five years. Based on an audience survey conducted in 2014, the lack of comfort of many of the seats was one of the most common customer concerns. Updating these seats – replacing the springs, cushions and seatbacks – will make a far better and lasting impression on the Lied’s entire patron base and ensure return visits. Neglecting this work will erode perceptions of the Lied Center’s prestige and translate into fewer patrons in the long term.

Full seat replacement has been estimated at a minimum of \$1.5 million, nearly five times more than the present proposal for replacement of seat pans and worn and damaged parts and upholstery. Management feels that the venue’s outstanding acoustics should be preserved, and changing the seat composition from metal to plastic would be a risky undertaking, which any new seat model would require. By keeping the current model and replacing worn parts, the acoustic impact of the upgraded seats will be nominal.

While three companies initially indicated they would provide estimates, two of these, American Seating and Hussey Seating, were not able to supply metal seat pans identical to the originals. They proposed plastic replacements that would have an effect on the hall’s acoustics and aesthetics. Only Irwin Seating came back with an estimate that met the conditions set forth. Irwin’s estimate is the basis for the proposal, \$287,673.90 for materials. An additional \$32,000 in estimated labor expenses will be incurred by Lied Center/UNL facilities staff for installation. UNL also requires \$22,377.17 in contingency funding and \$20,523.06 in project management expenses, for a project total of \$362,574.13.

The project will include the purchase of 2,270 and installation of 2,168 seat pans (the metal structure under the seat cushion), including the springs, cushion and upholstery. The 102 additional parts ensure that discontinuation of the model will not affect the Lied’s ability to maintain the seats during their lifetime. This project will retain the existing wood backs, but replace the inner wooden back support structure, as well as all padding and upholstery. The project will include the replacement of 160 outer wood backs, 90 inner wood backs and 100 small and 200 large armrests that have been damaged through the years. The project will reuse the existing seat number plates found on the front of the seats and ensure a fabric and wood stain match that will continue the hall’s classic look.

Seat backs are made of a seven-layer mahogany plywood with a stained outer back, which mounts and attaches by “L” bracket onto the inner back. The inner back is also plywood, which mounts to the seat frames with brackets. The inner backs are curved to mate with the outer backs.

The seat pans include the pivoting mechanism that attaches to the metal frame that, in turn, is attached to the floor of the hall. These pivots are severely worn to the point that many seats no longer fully rotate to an upright position that would allow for safe flow of foot traffic during events and, more importantly, during a fire emergency. These no longer meet the current fire code requirements.

Twenty-five years is beyond the useful life expectancy for this type of seat. The renovation of these seats is necessary for safety, comfort and the overall patron experience. This in turn makes a lasting impact on the venue’s overall reputation and ability to attract visitors.

The work will be completed over the course of about nine months, starting with the manufacturing of the parts in December 2017. We would expect to have parts delivered by March 2018 and begin installation in the summer of 2018, with project completion in September 2018.

In preparation for the celebration of the Lied’s 25th anniversary season (September 2014 – April 2015), several projects were completed to enhance the building and add more space to accommodate growing audiences from Lincoln and beyond. The first ever addition to the Lied Center opened in October 2012. Named the Lied Commons, it averages well over 100 events per year, including musical performances, wedding receptions and dozens of professional meetings and conferences. Through the generosity of the VPC, a brand-new state-of-the-art sound system was installed in the Lied Center’s main auditorium in 2012 to provide improved clarity and sound quality for all amplified performances, and in 2015, the main entrance canopy was replaced, greatly enhancing the aesthetics and safety of the building. A new digital marquee has provided prospective customers with current information about upcoming performances. The roof has been replaced; the HVAC system is being improved; and dozens of additional projects have improved the overall patron experience at the Lied Center. All of these projects have been supported in part or in full by private donations and funding, with a total of almost \$4 million raised to help prepare the Lied Center for its future.

Despite the completion of these essential enhancements, additional projects are needed to maximize each Lied Center patron’s experience, thereby increasing their enjoyment of the performance, with the seating update in the present request at the top of the list of priorities. More than 30 percent of the Lied’s patron base comes from outside of the Lincoln area. In order to make that trip worthwhile, it is necessary to provide a world-class atmosphere and experience for all patrons, from the moment they arrive to their drive back home.

As a self-supporting non-profit with limited public funding support, the Lied Center is challenged to generate funding to cover costs of one-time major capital improvements. Private donors are normally less than enthusiastic about supporting projects like seat renovations, fire panels and water pumps, leaving limited sources of funding for venue revitalization outside of organizations like VPC. The Lied Center has a small maintenance endowment that covers annual repair expenses, but beyond that has little capital to cover major, one-time venue improvements. If the VPC is unable to fund the seat renovation project at the full level of request, the project will have to be delayed for a year or more. With the resources provided by this grant, the seat renovation project will have a positive impact on the Lied Center and surrounding businesses for the next 25 years.

Project Impact on Tourism

The Lied Center is one of Lancaster County's largest tourist attractions. The Lied Center's season of world-class artists brings, on average, over 40,000 visitors annually from outside of Lancaster County to Lincoln. The Lied's ability to ensure return visitors is linked to the perception of the venue's convenience, professionalism and comfort across the entire patron experience. Through word-of-mouth, the reputation of the Lied among existing patrons spreads to prospective patrons. The need to be sensitive to these perceptions is more acute with the opening of the Pinnacle Bank Arena in downtown Lincoln, a state-of-the-art facility often compared to the Lied by visitors, despite its larger size and different overall purpose.

Each year, events at the Lied Center have a great impact on the number of rooms reserved at area hotels. Individuals associated with the Lied Center utilize approximately 12,040 hotel rooms annually. Of those 12,000, approximately 6,500 hotel rooms are reserved by clients that rent the Lied Center for various events. A majority of these clients are affiliated with the International Thespian Festival and the Nebraska State Music Educators Association Conference as well as artists that choose to reserve their own hotel accommodations. The remainder of hotel nights comprise over 500 room nights booked by the Lied Center for season artists and 5,000 more rooms reserved by our patrons. These visitors, in turn, patronize local restaurants, convenience stores and retail shops.

Beyond the presentations on its season calendar, the Lied Center is a venue that plays an important role in the conference business in Lincoln. The Lied is home to a variety of major events and festivals that bring tens of thousands of visitors to Lancaster County, many of whom use area hotels.

Events that will be positively impacted by this proposal include the International Thespian Festival, Nebraska Music Educators Association, Midwest Cup Show Choir Competition and Regional College Theater Festival, as well as many other conferences, meetings, graduation ceremonies and special events.

The upgrades outlined in this proposal will help attract new special events and conferences that bring visitors to Lincoln. Event planners look for and expect venues to have modern, comfortable seating that looks and feels consistent with the standards of the work on stage. Frequently, independent promoters bring marquee performers of international stature to the Lied, such as Jerry Seinfeld and Crosby, Stills & Nash in past seasons. For the Lied to remain attractive to these presenters, the seating upgrade is essential.

Conclusion

The Lied Center remains grateful to the Lancaster County Convention and Visitors Bureau for its past support and for its careful consideration of the present request. The Lied Center takes its role in the economy of Lincoln and Lancaster County very seriously and will always continue to look for ways to enhance the area as a visitor destination. The proposed seating upgrade is essential to the Lied's ability to maintain and contribute to the area's tourism business and economic vibrancy.

**Lied Center for Performing Arts
Concert Hall Seat Replacement and Repair Budget**

Income

Grants - Rogers Foundation	\$ 45,395.60
Hixson-Lied Endowment	\$ 20,000.00
Friends of Lied	\$ 122,178.53

Total Income **187,574.13**

Expenses

Upholstered seats, springs and pans - 2,270	\$ 193,108.90
Upholstered Inner Seat Backs - 1,150	\$ 65,527.00
Outer Seat Backs - 250	\$ 20,500.00
Small Armrests - 100	\$ 1,016.00
Larger Armrests - 200	\$ 2,022.00
Shipping	\$ 5,500.00
Construction Contingency (UNL)	\$ 22,377.17
Project Management/Construction Inspection (UNL)	\$ 20,523.06
Labor - Contract	\$ 20,000.00
Labor - Lied Staff	\$ 12,000.00

Total Expenses **362,574.13**

Surplus/(Deficit) **(175,000.00)**

Amount of Request **175,000**

Lied Center for Performing Arts
Annual Operating Budget
July 1, 2016 - June 30, 2017

		Budget
	Revenue	
1	Ticket Sales	\$ 2,825,401
2	Ticket Fees	\$ 283,065
3	Ad Sales	\$ 103,650
4	Misc. Earned Income	\$ 93,217
5	University Related Income [a]	\$ 375,825
6	Misc. Contributed Income [b]	\$ 17,344
7	Facility Rentals	\$ 676,710
8	University Foundation	\$ 907,515
9	Friends of Lied	\$ 473,000
10	Program Sponsorships	\$ 219,188
11	Grants	\$ 120,407
12	Maintenance Endowment [c]	\$ 151,732
13	Total Revenue	\$ 6,247,052
	Operating Expenses	
14	Salaries/Wages/Benefits	\$ 2,266,880
15	Union Contracted Labor	\$ 188,318
16	Contracted Season Artist Fees	\$ 2,007,856
17	Misc. Contractual Expenses [d]	\$ 294,379
18	Operating Expenses	\$ 378,597
19	Operating Supplies	\$ 126,782
20	Marketing	\$ 650,592
21	Travel	\$ 77,668
22	Items for Resale	\$ 22,750
23	Repair/Maintenance	\$ 158,232
24	Total Operating Expenses	\$ 6,172,052
25	Net Operating Revenue(Expense)	\$ 75,000

Notes:

[a] Funds provided from University departments, includes: masterclass/residency fees, UCARE, student ticket subsidy (CFA), Hixson-Lied & Chancellor's funding.

[b] Arts Across NE partner fees, professional service fees and student ticket subsidies from other universities.

[c] Accumulative activity for the year occurs in the 4th quarter.

[d] Artist hospitality, teaching artists, hotels, shuttle, etc.

Annual Marketing Budget
Lied Center for Performing Arts
July 1, 2016 - June 30, 2017

Postage	\$ 46,795
Publishing/Printing/Photography	\$ 7,500
Promotional Materials	\$ 29,000
Program Book	\$ 61,250
Email Delivery	\$ 9,000
Video Production	\$ 15,647
Ticket Stock Expense	\$ 8,000
General Marketing/PR Expense	\$ 13,100
Broadway Expense	\$ 211,100
Season Shows Expense (Non-Broadway)	\$ 119,400
Brochures, Groups, Single Tickets Expense	\$ 121,500
Rental of Conference Facilities	\$ 600
Web Design Services	\$ 500
All Other Contracted Services	\$ 7,200
Total Marketing Budget ^[a]	\$ 650,592

Notes:

[a] Represents all marketing efforts at the Lied Center related to the annual operating budget.

April 26, 2017

Lincoln Convention and Visitors Bureau
Attn: Jeff Maul, Executive Director
1135 M St. Suite 300
Lincoln, NE 68501

Dear Jeff,

As you know, the Lincoln Community Foundation serves as a connector between the public, private and philanthropic sectors. Our mission connects people who love Lincoln to powerful ways to make a difference. As part of that mission, we partner with several community organizations that have a particularly strong impact in our community. The Lied Center for Performing Arts is one of those organizations.

The Lied Center for Performing Arts not only presents some of the world's most talented artists; they also have a great educational component to their work that reaches audiences throughout the state and beyond. Through collaborative commissions and projects like *Puddin' and the Grumble*, the Lied Center puts Lincoln and Lancaster County in a national spotlight. Pairing this distinction with the strong reputation for a quality patron experience, the Lied Center attracts a large number of visitors from outside Lancaster County. Those visitors utilize hotel rooms, patronize local shops and restaurants and bring significant tax dollars into our community, which contributes to our collective quality of life.

The Lincoln Community Foundation fully supports the Lied Center's proposal for funding through the Lancaster County Visitors Improvement Fund, with the understanding that any dollar invested in maintaining the Lied Center's facilities and ability to present the finest programming will have a positive return on investment within our community. Thank you for considering this investment in Lincoln and Lancaster County.

With appreciation,



Barbara M. Bartle
President
Lincoln Community Foundation





EMBASSY SUITES
HOTEL®

April 28, 2017

Lincoln - Convention Center

Jeff Maul
Lincoln Convention and Visitors Bureau
1135 M St. Suite 300
Lincoln, NE 68501

Dear Jeff,

I am writing this letter of support for the Lied Center for Performing Arts' application to the Visitors Promotion Committee, seeking support for the renovation of the seats in its main concert hall.

As Director of Sales for Embassy Suites Hotel in downtown Lincoln, I am responsible for the hotel's total revenue operations as well as creating a culture of expert service to provide the best guest experience possible. As I see our lodging tax funds allocated to many other non-profit entities for similar capital projects and the Lied Center's request is just as deserving.

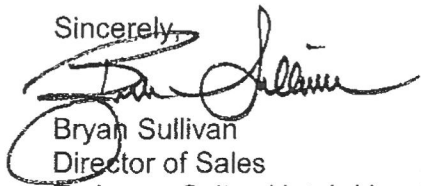
Since 1991, the Lied Center has been one of Lincoln's biggest tourist attractions, playing an important role in the artistic, cultural and economic development of Lincoln. In the 18 years I have been with Embassy Suites, we have benefited from a strong partnership with the Lied Center. Not only do artists and out of town attendees stay in our hotel, our guests also patronize the Lied Center's programming while in Lincoln for a variety of conferences or events.

As a full-service hotel, we are well aware of the economic value created when a large number of people visit the area from out of town. Visitors stay in our hotel, dine in nearby restaurants, and spend money in Lincoln's small businesses. We are privileged to partner with the Lied Center in hosting to an ever-growing number of people who come to Lincoln to attend conferences, corporate events and festivals, including the Regional College Theatre Festival, Nebraska Music Educator Conference, Christ in Youth, International Thespian Festival, and the Midwest Cup Show Choir Competition.

Maintaining the Lied Center's facilities, specifically renovating its seating, plays a vital role in restoring and securing the building for years to come. These kinds of improvements ensure the Lied Center can maintain its unparalleled reputation as an artistic and cultural icon right here, in Nebraska's Capital City.

Thank you for considering the Lied Center's request.

Sincerely,



Bryan Sullivan
Director of Sales

Embassy Suites Hotel- Lincoln

Embassy Suites Hotel & Convention Center • 1040 P Street, Lincoln, NE 68508

Tel: (402) 474-1111 • Fax (402) 474-1144

For Reservations Call: 1-800-EMBASSY • www.embassylincoln.com



April 26, 2017

Lincoln Convention and Visitors Bureau
Attn: Jeff Maul, Executive Director
1135 M St. Suite 300
Lincoln, NE 68501

Dear Mr. Maul,

My partner, Rachel McGill, and I own DISH Restaurant at 1100 O Street in Downtown Lincoln. Our business relies on a long-standing reputation for high-end dining, consistent foot traffic in the downtown area, and the amazing array of cultural events in the heart of the city.

I have been working in local downtown restaurants for more than a decade, so I know that no business can survive in a vacuum. The growth and viability of countless establishments, including our restaurant, hinge on the successes of nearby businesses, concert venues, art galleries, the University of Nebraska-Lincoln, and community supported events in the downtown area. We feel fortunate to have a close relationship with the Lied Center for Performing Arts – one of the most influential and cherished parts of Downtown Lincoln culture.

The Lied Center, through its long-time reputation of bringing world class performances to Lincoln, has become an invaluable part of the Downtown Lincoln community – especially for those looking for the high-end patron experience the Lied provides. This alignment with our clientele makes for a dynamic partnership. The Lied is so important to our business that we mark show dates months in advance and bring on extra staff to accommodate the pre-show rush! (And I know we're not alone!)

The Lied Center also attracts many visitors from outside Lancaster County, many of whom visit our restaurant while here for a show or conference. Over the course of a year, out-of-town patrons of the Lied Center bring a considerable amount of revenue to our restaurant and other hospitality establishments. Additionally, the increase in sales yields significant tax dollars for our community.

I feel strongly about importance of the Lied Center's ability to maintain its top-notch reputation and facilities. I extend my support for the Lied Center's request for grant funding from the Lancaster County Visitors Improvement Fund.

Sincerely,

A handwritten signature in cursive script that reads "Marypat Heineman".

Marypat Heineman
Owner
Dish Restaurant

Internal Revenue Service

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: July 22, 2003

Person to Contact:
Yvette Davis 31-07751
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
47-0727188

Friends of Lied
% Gal McNair
P.O. Box 880151
Lincoln, NE 68588-0151

Dear Madam:

This is in response to your telephone inquiry regarding your organization's tax exempt status.

In November 1994, we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Friends of Lied
47-0127188

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

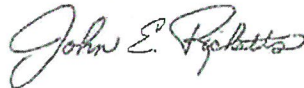
Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services