

<b>CITY OF TALLAHASSEE</b>	
<b>COMMUNITY REDEVELOPMENT AGENCY</b>	
<b><u>COMMUNITY REDEVELOPMENT AGENCY AGENDA</u></b>	
<b><u>ITEM</u></b>	
<b>ACTION REQUESTED ON:</b>	December 14, 2011
<b>SUBJECT/TITLE:</b>	Funding Request From Florida Center for Performing Arts and Education Inc.
<b>TARGET ISSUE:</b>	Economic Development

**STATEMENT OF ISSUE**

The Florida Center for Performing Arts and Education Inc. (FCPAE) has submitted a request for \$149,700 to fund the operational costs of the organization for FY 2011-12 (Attachment 1). The Community Redevelopment Agency (CRA) has provided funding for the FCPAE in previous years using revenue from the one-cent of tourist development tax designated for the development and operation of a performing arts center in the Downtown Community Redevelopment District.

The CRA provided \$562,500 in February of 2008, and \$215,000 in 2010 to support the FCPAE in its efforts to raise public and private funds to finance the construction of the performing arts center. The 2010 grant agreement with FCPAE expired on September 30 2011.

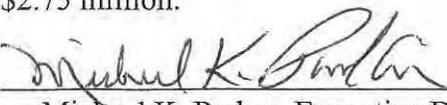
In a related action, the City of Tallahassee has executed a real estate option agreement with FCPAE which allows the organization to purchase the vacant John's Building site as the site for the performing arts center if they can achieve established fundraising goals.

**RECOMMENDED ACTION**

Option 1: Authorize the City Manager or her designee to execute an agreement with the Florida Center for Performing Arts and Education Inc. in the amount of \$149,700 for the period of October 1, 2011 through September 30, 2012.

**FISCAL IMPACT**

Funding will be drawn from the Tourist Development Tax revenue collected to support the Performing Arts Center. The current uncommitted balance of funding available is approximately \$2.75 million.

  
\_\_\_\_\_  
Michael K. Parker, Executive Director  
Tallahassee Community Redevelopment Agency

  
\_\_\_\_\_  
Anita Favors Thompson  
City Manager

For information, please contact: Michael Parker, Executive Director 891-6457

## **SUPPLEMENTAL MATERIAL/ISSUE ANALYSIS**

### **HISTORY/FACTS & ISSUES**

In 2003, the City and County adopted Capital Culture: A Cultural Plan for the Future of the City of Tallahassee and the Capital Area. This cultural plan outlined a series of actions and policies that should be pursued to further cultural development in the community. One element of that strategy recommended, “The City develop a plan for the construction of a performing arts venue.” At that time, a number of the citizen volunteers that had participated in the development of the cultural plan began to develop a strategy for creating a performing arts center.

In 2004, the City, County, and Community Redevelopment Agency entered into an interlocal agreement that governed the creation and operation of the Downtown Community Redevelopment District. One component of that agreement was the addition of one cent to the Tourist Development Tax for use in developing and operating a Performing Arts Center. The agreement stipulated that the Community Redevelopment Agency Board was responsible for the allocation of funds collected by the additional penny in Tourist Development Tax revenue.

In 2005, the Redevelopment Agency authorized an agreement with the Cultural Resources Commission to hire a consultant to develop the preliminary plans for a Tallahassee Performing Arts Center. Theatre Projects Consultants Inc. developed a preliminary plan that recommended the construction of a 242,000 square-foot facility that would include a 2,200-seat performance hall and 700-seat multipurpose theatre. The consultant’s study also recommended that the new facility be placed on the “John’s Building block”. This is a 2.65-acre downtown parcel that the City acquired from the State, and is the block bound by Gaines Street, Duval Street, Madison Street and Bronough Street.

In 2006, the Florida Center for the Performing Arts and Education Inc. (FCPAE) was formed. This nonprofit organization was created to promote the development of the Tallahassee Performing Arts Center.

In 2007, the City granted an option agreement to FCPAE to allow them to purchase the “Johns Building block” for the proposed performing arts center. The option agreement allowed the FCPAE five years to demonstrate that they can accumulate the necessary resource to purchase the site and construct the facility. In 2010, the City extended the option agreement term for two years until 2014.

On February 25, 2008, the Redevelopment Agency approved an agreement with the FCPAE to provide \$562,500 allocated from the designated Tourist Development Tax revenues to allow them to hire a professional staff and launch a public marketing campaign (Attachment 3). Prior to that date, all of the activities of the organization had been performed by volunteers. The agreement for that funding was for an 18-month period and expired on September 30, 2009.

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On October 18, 2010, the Redevelopment Agency approved a second agreement with FCPAE to provide \$215,000 from the designated Tourist Development Tax revenue to fund the operating expenses of the organization from October 1, 2010 through September 30, 2011 (Attachment 4).

FCPAE has submitted a request for \$149,700 in funding to support the operational expenses of the organization for the period of October 1, 2011 through September 30, 2012. A detailed budget and proposed performance objectives for the requested funding was also submitted (Attachment 5).

As part of the work provided for in the FY 2010-2011 agreement, FCPAE revised the size and scope of the proposed Performing Arts Center with the intent of significantly reducing the cost of the facility. As a result, the estimated cost of the proposed facility has been reduced from \$113.7 million to \$89.8 million. The FCPAE has also modified their funding strategy for construction of the Performing Arts Center and are seeking to have the Center included in the list of potential projects for the sale tax extension referendum (Attachment 6).

**CHARITABLE CONTRIBUTIONS**

NOT APPLICABLE

**OPTIONS**

1. Authorize the City Manager or her designee to execute an agreement with the Florida Center for Performing Arts and Education Inc. in the amount of \$149,700 for the period of October 1, 2011 through September 30, 2012.
2. Do not approve the FCPAE funding request and provide alternate direction to staff.

**ATTACHMENTS/REFERENCES**

- Attachment 1: FCPAE funding request
- Attachment 2: Amended Option Agreement
- Attachment 3: 2008 FCPAE Contract
- Attachment 4: 2010 FCPAE Contract
- Attachment 5: Letter describing modifications to Center

The **FLORIDA**  
CENTER for Performing Arts  
and Education

*Building the Stage for Our Future*

October 10, 2011

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Tallahassee, Florida  
32304

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2011  
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[www.TheFLCenter.org](http://www.TheFLCenter.org)

County Commissioners  
Leon County Courthouse  
301 S. Monroe Street  
Tallahassee, FL 32301

Dear Commissioners:

On behalf of the Board of Directors of The Florida Center for Performing Arts and Education, Inc. (The Florida Center), thank you for the opportunity to update you on the status of our efforts and share the Theatre Projects Consultants report, with which you have already been provided. The purpose of this letter is to provide you with additional information and make you aware of our progress, as well as the issues and challenges we face in order to continue moving forward with a performing arts center that will enhance the arts and entertainment, provide educational opportunities for students of all ages and fuel economic growth and development in our community.

### **Background**

In 2005, Theater Projects Consultants (TPC) was retained to assist in determining the needs in our community for performance space. The result of this study was a two-venue performing arts center, consisting of a 2,200-seat performance hall and a 650-seat multi-purpose theatre with an estimated construction cost of \$113.7 million, in 2005 dollars. This study was presented and accepted by the City and County Commissioners.

Since 2005, the economic environment has greatly changed. At the time of the study, unemployment was low, population was increasing and fiscal resources were more abundant. The Florida Center Board of Directors recognized that given this change in both resources, and potentially demand, a "second look" at the facility was appropriate at this time.

### **Re-evaluation Process**

TPC was retained to update its study and was tasked first with reassessing the need for additional performing arts venues based on the facilities that exist today and any planned additions or enhancements. Second, TPC was asked in light of the change in the economic environment, what changes could be made to the proposed plan to reduce costs and still plan a facility that met the needs of our community.

TPC interviewed the major performing arts groups including the Tallahassee Symphony Orchestra, Tallahassee Ballet and FSU's 7 Days of Opening Nights. Interviews were also held with Peggy Brady, COCA and The Arts Exchange, and Ron Spencer, Leon County Civic Center, to determine the future facility plans of their organizations. The meeting with Ron Spencer also included a very general

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discussion of possible ways the Civic Center and The Florida Center could combine some operations, such as ticketing, food services, and building maintenance, in order to reduce The Florida Center operating costs.

### **Revised Project**

The re-evaluation resulted in the adoption of the TPC recommended Option 1 by The Florida Center Board of Directors. This option consists of a one-venue facility with a 1,800-seat performance hall/theatre, a rehearsal hall, public areas that can be used for events, and modest, but adequate, administration space and services areas with an estimated total project cost of \$89,875,000 in 2014 dollars. The large performance hall/theatre option was recommended after TPC determined that such a venue was the most crucial community need, while acknowledging that additional venues could be added at a later date, if the need and available funding exists. The consultant was asked to inflate the project from current costs to projected 2014 dollars since the sales tax extension referendum is now anticipated in 2014.

The report provides an outline of scope, amenities and quality of the facility. The direction from the committee to the consultant was, to the extent possible, reduce costs while at the same time, insure the proposed facility meets community demands and is appropriate in terms of furnishings and sound quality. The Board direction was that the building should be handsome, but not extravagant. Sound quality should be very good, but not "world class". Furnishings should be attractive, functional and durable, but should not consider high costs luxury materials (marble, granite, etc.). The final report adopted by the Board includes a description of materials of sound quality consistent with the Board's direction.

### **Funding Plan**

With the revised plan and reduced project costs, it will be necessary to reconsider and revise the previously adopted funding plan. All performing arts centers in the United States have been built with a combination of public and private funds. Given that Tallahassee/Leon County's employment is dominated by government, a mix that includes public support is all the more appropriate for this project. This project cannot be funded without a significant investment of public dollars and the most appropriate primary source is from the sales tax extension. It is also essential that The Florida Center continues to build public support for the project to ensure inclusion in the funding priorities and passage of the referendum by voters. Without inclusion and passage, there is no other viable option for funding the performing arts center now or in the near future.

Additionally, while a portion of the project costs will still be funded with private dollars, it is also necessary to reconsider the timing of private fundraising efforts, due to the difficult state of the economy and the postponement of the anticipated date of the sales tax extension.

When The Florida Center began planning for a private fundraising campaign in September 2008, just prior to the government's announcement in November of that year that the U.S. economy was officially in recession, the sales tax referendum was anticipated in 2010 or 2012. The referendum is now anticipated for 2014, or possibly even 2016. Additionally, The Florida Center Board of Directors strategically decided not to solicit private donations during the worst of the recession in 2009, and also suspended solicitations this year as we undertook the project re-evaluation process with TPC.

However, during 2010, The Florida Center did cultivate and solicit major corporations that are either headquartered in Florida, or have a major presence in Florida, to become Founding Partners by making a \$1 million contribution. Without exception, these prospective donors

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expressed support and interest, but felt the project was too early in its development for them to make a financial commitment. The project failed to enjoy either a commitment from the elected leaders or the public that it would be built. There was no commitment that the project would be included in the sales tax extensions. The public has yet to express through its vote a commitment and if it is approved, there is no commitment as to when it would be built. They expressed an interest and suggested that we continue the discussion after we have a more definitive project. It is simply not feasible for a corporation or grant-making foundation to make legally binding pledges or gifts with these uncertainties and contingencies.

The economy was also cited by many potential donors as a major deterrent. Surveys and studies have shown that charitable giving has dropped significantly in the past several years and is only beginning to improve from the historical lows of the recession.

The Board recommends that the project be included in the sales tax extension as a conditional project. The facility will only be built if the private dollars are raised subsequent to the referendum. If the dollars are not raised, then the dollars would be freed up for other approved projects. Secondly, the Board believes that all fund-raising should be postponed until after the referendum. The Board will be significantly reducing its budget to reflect this revised scope in committee activities.

#### **Public Outreach and Education**

The Florida Center Board of Directors believes the main focus of the organization over the next few years should be in the area of public outreach. Most people in our community do not appreciate the value a performing arts facility will add to the cultural, educational, entertainment and economic well being of our community. Ruby Diamond is not a community facility; it is part of the university and the university's needs get first priority. It will be less and less available to the general public. The Tallahassee Ballet can no longer get dates in Ruby Diamond to perform and the Symphony is very limited in the performing and rehearsal times.

The Committee's primary role will be to engage the community in a public dialogue, in order to build the needed community support for inclusion in the sales tax extension funding priorities and passage of the referendum. These efforts will also result in continued cultivation of prospective donors who will be able to make contributions as the economy continues to recover. The existing Public Outreach and Education Committee will continue and grow its efforts to inform, involve and engage the community in support of The Florida Center.

Since The Florida Center will include a major educational programming component, the Education Committee recently appeared before the School Boards in Leon, Gadsden, Jefferson and Wakulla counties to inform them about the project and ask for their support. Each of the school districts voiced unanimous support for the project with Wakulla County already passing a resolution of support, and discussions are underway with the other school districts to do the same.

With the completion of the TPC study re-evaluation and the completion of a promotional video about The Florida Center, community groups are also being contacted and presentations are being scheduled to inform and garner support.

#### **The Johns Site**

TPC once again reviewed the location for the Performing Arts Facility and again affirmed that the Johns site is the best location. The advantages of this site are (1) 5,000 adjacent parking spaces, (2) excellent visibility of site at the beginning of the Gaines Street cultural corridor, (3)

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under public control, (4) sits in the shadows of the Capital and thus appropriately named the Florida Center, and (4) as a standalone facility will avoid conflicts in parking or activities with other events. The Johns site will encourage foot traffic between it and the downtown area (Gaines Street), which is expected to result in the development of expanded retail activities and restaurants and should contribute to the creation of a vibrant 18-hour downtown.

Given the proposed changes in private funding component of the funding plan a revised option agreement for the site will need to be considered. The committee looks forward in working with the city on the revised option plan.

**Commission Presentation**

The committee looks forward to introducing the revised plan to the community and the presentation to the City and County Commissions this week will be the beginning of our revised project roll out. Given the limitations of time, the primary focus of our presentation will be on the changes to the facility plan and costs. A detailed discussion with the commissions this week encompassing all facets of the project is beyond the allotted time.

A discussion on the other changes outlined in this letter will continue in the near future. The committee remains committed to bringing this project to fruition. In these difficult times it is hard to lift your eyes and to have a vision of the future. It is even harder to make an investment in the future given the pressing needs of today. Failure to invest in our future will relegate our community to yesterday and Tallahassee will fail in reaching it full potential. We believe this project more than any other will make a difference in the quality of life in our community and in facilitating the growth and diversity of our businesses. Today, the internet allows individuals to work from anywhere and it is the quality of life in our community that will attract individuals and businesses to move to Tallahassee.

Thank you for the opportunity to make this public announcement of the revised plan for The Florida Center. We seek your comments, suggestions and guidance, as we work together to continue building the stage for our future and moving forward with this important community project.

Sincerely,



Bob Inzer, President  
The Florida Center for Performing Arts  
and Education, Inc.

AMENDMENT TO OPTION AGREEMENT FOR SALE AND PURCHASE #999020

THIS AMENDMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 2010, between the City of Tallahassee, a Florida municipal corporation, whose address is 300 South Adams Street, Tallahassee, Florida 32301, as "Seller" and the Florida Center for Performing Arts and Education, Inc., a Florida not for profit corporation whose address is 612 South Copeland Street, Tallahassee, Florida 32304, as "Purchaser".

Whereas, the Seller and Purchaser entered into that certain Option Agreement for Sale and Purchase dated March 5, 2007 ("Agreement"), for the real property described therein and for use as a performing arts and education center;

Whereas, the Purchaser has requested extension of the Option Period and the milestone dates and on August 25, 2010, the City Commission approved this request.

Now, therefore, the parties agree to amend the Agreement as follows:

1. Section 2. is hereby deleted, replaced and superceded by the following:
  2. Option Period. The option shall commence March 5, 2007, and shall continue until 12:00 p.m. on July 1, 2014, herein called the "Option Period".
2. Section 4. is hereby deleted, replaced and superceded by the following:
  4. Maintenance of Option. In order to maintain the option, the Purchaser will provide the Seller with appropriate documentation that the following milestones have been met:
    - A. By July 1, 2008, documentation showing Purchaser having begun private fundraising efforts in earnest and having prepared and put in place a financing plan;
    - B. By July 1, 2012, documentation showing the Purchaser having raised in cash or binding commitments or equivalents, 5 million dollars, 25% of the fundraising goal of 20 million dollars; and
    - C. By July 1, 2014, documentation showing the Purchaser having raised in cash or binding commitments or equivalents, 10 million dollars, 50% of the fundraising goal of 20 million dollars.

For purposes of this provision, cash shall mean monies on hand. For purposes of this provision binding commitments shall mean written commitments to provide financial sums to support the Performing Arts Center.

'10 DEC 10 PM 2:34:17

If the Purchaser fails to meet any of these performance milestones, the Seller may, at its sole discretion, terminate the Agreement by giving notice as provided herein.

Unless specifically amended hereby, all other terms and conditions of the Agreement, as amended, shall remain and continue in full force and effect.

**SELLER:**  
City of Tallahassee, a Florida  
municipal corporation

By: \_\_\_\_\_  
John R. Marks, III  
Mayor

**ATTEST:**

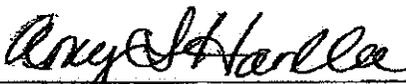
**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Gary Herndon  
City Treasurer-Clerk

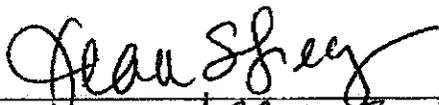
By: \_\_\_\_\_  
James R. English  
City Attorney

**PURCHASER:**  
Florida Center for Performing  
Arts and Education, Inc.

**Witnesses:**

  
\_\_\_\_\_  
Print Name: Amy S. Hardee

By:   
\_\_\_\_\_  
Its: President

  
\_\_\_\_\_  
Print Name: Jean S. Frey

AGREEMENT

THIS AGREEMENT entered into this <sup>24</sup>~~25~~<sup>th</sup> day of <sup>September</sup>~~February~~, 2008 by and between the TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY ("CRA") and the FLORIDA CENTER FOR PERFORMING ARTS AND EDUCATION, INC. ("THE FLORIDA CENTER"), a Florida non-profit corporation.

WHEREAS, Leon County has committed, through its Interlocal Agreement with the CRA and the City of Tallahassee, that 1% of each dollar of Tourist Development Tax revenue collected shall be utilized for costs associated with the construction and operation of a performing arts center and that the CRA shall be responsible for the allocation of those dedicated Tourist Development Tax revenues and those funds are being held in a separate account accruing for this purpose since 2004.

WHEREAS, the CRA and THE FLORIDA CENTER desire to enter into this AGREEMENT regarding the provision of services by THE FLORIDA CENTER using a portion of these funds for the period of March 1, 2008 through September 30, 2009.

NOW, THEREFORE for valuable consideration and mutual promises between the parties hereto, it is agreed upon as follows:

**1. FUNDING.** The CRA hereby agrees to provide to THE FLORIDA CENTER the sum of FIVE HUNDRED SIXTY TWO THOUSAND FIVE HUNDRED and no/100 dollars (\$562,500.00) to be used during the period of March 1, 2008 through September 30, 2009 to (1) administer a public awareness program regarding the need for a performing arts center on Gaines Street; and (2) pursue a private fundraising campaign as outlined in ATTACHMENT "A.". The funds shall be allocated and expended consistent with the approved budget found in ATTACHMENT "B". It is understood that THE FLORIDA CENTER will work to secure additional support dollars of cash and in-kind contributions during the period of March 1, 2008, through September 30, 2009, within the limits of its fundraising policy, to increase its financial stability and performance capability. In the event THE FLORIDA CENTER receives program

income as a result of the required services, such income shall be used by THE FLORIDA CENTER for operating or other program services. Payments under the AGREEMENT shall be made in three (3) installments. The first payment of TWO HUNDRED TWENTY ONE THOUSAND NINE HUNDRED FIVE and no/100 DOLLARS (\$221,905.00) shall be made upon the execution of the AGREEMENT by both parties. A second payment of ONE HUNDRED SEVENTY THOUSAND TWO HUNDRED EIGHTY SIX and no/100 DOLLARS (\$170,286.00) shall be made on October 1, 2008. A third and final payment of ONE HUNDRED SEVENTY THOUSAND THREE HUNDRED NINE and no/100 DOLLARS (\$170,309.00) shall be made on April 1, 2009. The second and third payments will be released provided THE FLORIDA CENTER is in compliance with the terms and conditions of the AGREEMENT.

**2. TIME OF PERFORMANCE.** THE FLORIDA CENTER shall provide said services from March 1, 2008, through September 30, 2009.

**3. PERSONNEL.** THE FLORIDA CENTER represents that it has or will secure, to the extent of funding provided by the CRA for this AGREEMENT, all personnel required for the establishment and maintenance of this program under this AGREEMENT. Such personnel shall not be employees of or have any contractual relationship with the CRA. All services required hereunder will be performed by THE FLORIDA CENTER, or under its supervision, and all personnel engaged in this program shall be fully qualified and authorized under appropriate state and local laws to perform such services.

**4. REPORTS.** Written reports reflecting the overall THE FLORIDA CENTER activities and operation (revenues and expenditures) shall be submitted by THE FLORIDA CENTER to the CRA on the following dates: September 30, 2008; March 30, 2009 and September 30, 2009. The reports shall include funding and related expenditures and shall provide a narrative description indicating the level of performance for the services reflected in ATTACHMENT "A", the budget in ATTCHMENT "B" and shall also document progress in meeting the fund raising milestones contained in the Real Estate Option Agreement with the City of Tallahassee (ATTACHMENT "C"). The reports shall be prepared in a format mutually agreed upon by the CRA and THE FLORIDA CENTER. The Executive Director of THE FLORIDA CENTER will be responsible for the submission of these reports to the CRA.

**5. TERMINATION OF CONTRACT.** If THE FLORIDA CENTER fails to timely and properly fulfill its obligations under this AGREEMENT, the CRA shall have the right to terminate the AGREEMENT by giving written notice to THE FLORIDA CENTER of such termination and specifying the

date of such termination. The effective date of termination shall be at least fifteen days after the date of notice. The CRA shall have the right to set off against any funding the amount of any damage sustained by THE FLORIDA CENTER by virtue of THE FLORIDA CENTER breach of this AGREEMENT. In the event of termination of this AGREEMENT by the CRA, THE FLORIDA CENTER, within fifteen days after notice of termination is received from the CRA, shall pay to the CRA all unexpended funds previously provided by the CRA and shall terminate all work and contracts in regard to this AGREEMENT. Before the AGREEMENT can be terminated pursuant to this paragraph, the CRA must provide THE FLORIDA CENTER with written notice of its intent to terminate the AGREEMENT due to a breach. The notice must detail the nature of the breach. The parties agree that, following receipt of the notice, THE FLORIDA CENTER will have 60 days in which to cure the alleged breach. This AGREEMENT cannot be terminated during this cure period or if appropriate actions are taken by THE FLORIDA CENTER to cure the alleged breach to the satisfaction of the CRA.

**6. CHANGES.** Any substantial change in the scope of the services as outlined in ATTACHMENT "A", the budget expenses in ATTACHMENT "B" or other modification or change in this AGREEMENT is subject to approval by the parties hereto and shall not take effect unless set forth in writing and signed by all parties. Adjustments in line item expenses in ATTACHMENT "B" of TEN PERCENT (10%) or less shall not constitute a substantial change and shall not require prior written approval, but shall be identified in the subsequent periodic reports as provided in SECTION 4 of this agreement. Whether a change is considered to be substantial shall be determined by the CRA Director or his/her designee. Any change in the scope of services to be provided may, if approved in advance by the parties, result in an agreed upon increase or decrease in the compensation provided by the CRA.

**7. AUDIT.** If THE FLORIDA CENTER expends less than \$500,000 in a year from the CRA proceeds, THE FLORIDA CENTER is exempt from the CRA audit requirements for that year. If THE FLORIDA CENTER expends \$500,000 or more in a fiscal year from either CRA, State, or Federal proceeds, an independent public accountant shall be employed to conduct a financial audit of its records. In addition to the above, THE FLORIDA CENTER shall provide the CRA contracting office and the CRA Auditor or designee, for their review, a copy of any audit received as a result of THE FLORIDA CENTER policy; US

Office of Management and Budget Circular A-133, Audit of States, Local Governments and Non-Profit Organizations; or Section 215.97, Florida Statutes, relating to the expenditure of state grants and aids under the Florida Single Audit Act. Such audits shall include or be accompanied by any applicable audit management letter issued and all applicable responses to the independent auditor's findings and recommendations. All audits shall be submitted to the CRA and the CRA Auditor, or designee, within thirty days of receipt of each issued report. The CRA reserves the right to conduct financial and program monitoring and to perform an audit of THE FLORIDA CENTER's records. An audit by the CRA, or designee, may encompass an examination of all financial transactions, all accounts and reports, as well as an evaluation of compliance with the terms and conditions of the AGREEMENT.

**8. ASSIGNMENT.** THE FLORIDA CENTER shall not assign or transfer, or otherwise convey any interest in this AGREEMENT without the prior written consent of the CRA. The CRA and THE FLORIDA CENTER each binds itself, successors, or assigns to the fulfillment of all obligations under this AGREEMENT.

**9. INSURANCE AND INDEMNIFICATION.** THE FLORIDA CENTER will obtain and maintain at its own expense, and throughout the term of this AGREEMENT, commercial general liability insurance, naming the CRA as an additional insured, with a liability limit of no less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate. Each Party, to the extent permitted by Florida law, shall indemnify and hold harmless the other Party against any injury or damage to person or property and any cause of action or expense arising there from (including but not limited to cost and attorney's fees) caused by an act or omission of an officer, official, or employee of the indemnifying Party relating to the performance by that party of its obligations under this AGREEMENT; provided, however, that this provision is not intended to constitute a waiver of limitation of the CRA's sovereign immunity beyond that set forth in Section 768.28, Florida Statutes. The Party seeking indemnification agrees to notify the other Party as soon as practical of any such claim, demand, or cause of action for which the former Party will request indemnification. If, by agreement between Parties, one Party undertakes, at its sole expense, the defense of any such claim, demand, or cause of action, the Party seeking indemnification shall cooperate with the other Party in regard to its defense of the same.

**10. ATTORNEY'S FEES.** Nothing in this Agreement shall be construed to deny either party the right to seek what legal remedies are available to them in law or in equity including but not limited to court

costs and any attorney fees as permitted by law for bringing the action against the breaching party for non-compliance with covenants of this AGREEMENT.

**11. EQUAL EMPLOYMENT OPPORTUNITY.** THE FLORIDA CENTER shall not discriminate directly or indirectly, in its employment practices on the grounds of race, color, sex, religion, national origin, age, disability, marital status, or any other characteristic protected by law. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. THE FLORIDA CENTER shall post in conspicuous places, available to employees and applicants for employment, notices as provided by the CRA setting forth the provisions of this non-discrimination clause. THE FLORIDA CENTER shall incorporate this provision in all subcontracts for services provided under this AGREEMENT.

**12. CONTINGENT FEE.** THE FLORIDA CENTER warrants that no persons or company has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees; nor has THE FLORIDA CENTER paid or agreed to pay any person, company, corporation, or firm other than an employee, any fee, commission, contribution, donation, percentage, gift or any other consideration contingent upon, or resulting from, award of this AGREEMENT. For any breach or violation of this AGREEMENT, the CRA shall have the right, without liability and, at its discretion, to deduct from the compensation payable hereunder, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration and any other damages, and shall be responsible for reporting the details of such breach or violation to the proper legal authorities; where and when appropriate.

**13. RECORDS.** THE FLORIDA CENTER shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly the amount received and disposition by THE FLORIDA CENTER of all compensation received for its work and services. The THE FLORIDA CENTER's records shall be subject at all reasonable times to inspection, copy and audit by the CRA and any other authorized representatives. THE FLORIDA CENTER shall preserve and make these records available to the CRA and any of their authorized representatives until the expiration of three years from the date of final settlement, and for such longer period, if any, as is required by applicable statute or lawful requirement in regards to this program.

**14. CONSTITUTIONAL PROHIBITION.** THE FLORIDA CENTER shall not use CRA funds

for the acquisition, construction, reconstruction, rehabilitation, or operation of religious structures for religious purposes.

ATTACHMENT A: EXECUTIVE SUMMARY OF SERVICES AND DELIVERABLES TO BE PROVIDED TO THE CRA BY THE FLORIDA CENTER FOR PERFORMING ARTS AND EDUCATION, INC

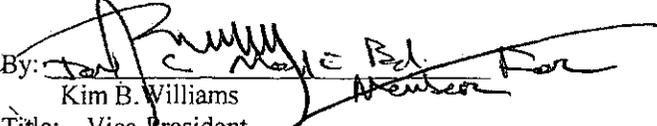
ATTACHEMENT B: ITEMIZED PROGRAM BUDGET

ATTACHMENT C: REAL ESTATE OPTION AGREEMENT WITH CITY OF TALLAHASSEE

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_

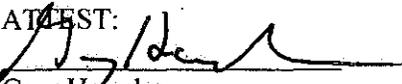
FLORIDA CENTER FOR PERFORMING ARTS  
AND EDUCATION, INC.

By:   
Kim B. Williams  
Title: Vice-President  
Date: June 23, 2008

TALLAHASSEE COMMUNITY REDEVELOPMENT  
AGENCY

By:   
John R. Marks, III, Chair  
Date: 8-18-08

ATTEST:

  
Gary Herndon  
City Treasurer-Clerk

APPROVED AS TO FORM

  
City Attorney

ATTACHMENT A

EXECUTIVE SUMMARY OF SERVICES AND DELIVERABLES  
FLORIDA CENTER FOR PERFORMING ARTS AND EDUCATION, INC.

I. The Florida Center for Performing Arts and Education, Inc. will administer a public awareness program regarding the need for a performing arts center on Gaines Street and pursue a private fundraising campaign.

- Establish office space and move all activity to site.
- Begin recruitment and secure the services of Executive Director
- Design and begin implementation of a public awareness program for the community at large
- Develop five year fundraising objectives and evaluate feasibility of timeline.
- Begin community dialogue by holding two public meetings during the period.

II. Reports and updates specified in this contract will be submitted by the The Florida Center for Performing Arts and Education, Inc. to the CRA Director

ATTACHMENT B

*Florida Center for Performing Arts  
and Education*

**Budget for CRA Funding**

**Proposal**

March 1, 2008 – September 30, 2009

**Income-For this proposal only;  
does not include income  
generated for capital campaign**

	<i>Cash</i>	<i>In-Kind</i>
CRA Revenue Request	\$562,500.00	
Corporate/Business Support		\$125,000.00
Total Cash Income	\$562,500.00	
Total In-Kind/Non-Cash		\$125,000.00
<b>Total Proposal Income</b>	\$562,500.00	

<b>Expenses</b>	<i>Cash</i>	<i>In-Kind</i>
Personnel	\$294,681.00	
Space and Office Costs	\$72,975.00	\$30,000.00
Development Costs	\$70,000.00	\$30,000.00
Marketing Costs	\$42,250.00	\$20,000.00
Capital Costs-Demolition/abatement		\$45,000
Remaining Proposal Expenses	\$82,594.00	
Expenses funded by CRA revenue	\$562,500.00	
Expenses funded through non-cash secured donations		\$125,000.00
<b>Total Proposal Costs</b>	\$562,500.00	

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*The Florida Center for Performing Arts and Education, Inc.*

Budget for CRA  
Detail for Cash Expenses– Funding Proposal  
March 1, 2008 – September 30, 2009

[Attachment to ATTACHMENT B  
Community Redevelopment Agency  
Agenda Item #1  
January 28, 2008]

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**EXPENSES**

**PERSONNEL** **\$294,681**

Executive Director\* \$177,089  
*(based on maximum annual salary of \$125,000)*  
Administrative Ass't\* \$ 49,589  
*(based on maximum annual salary of \$35,000)*  
Taxes/Benefits \$ 68,003  
*(30% of salary)*  
*\*Personnel expenses assume 17 months of salaries*

**SPACE AND OFFICE COSTS** **\$ 72,975**

Rent \$ 17,000  
Utilities \$ 3,825  
Business Phone \$ 7,350  
*(2 lines. Mobile)*  
Internet \$ 2,625  
Maintenance \$ 1,675  
Office Supplies \$ 10,500  
Equipment \$ 15,000  
*(computer(s), fax,  
printer, copier, furniture)*  
Postage/PO Box \$ 15,000

DEVELOPMENT COSTS \$ 70,000

Event Costs \$ 32,500  
*(3 major; numerous  
neighborhood gatherings)*  
Signage \$ 7,500  
*(on site, yard)*  
Materials \$ 10,000  
*(handouts, brochures,  
non-rentals)*  
Rentals for fund-raising \$ 20,000  
*(tents, tables, chairs,  
linens, portalets, lighting,  
PA system, generator,  
Décor, etc.)*

MARKETING COSTS \$ 42,250

Printing publications \$ 32,250  
*(for major donors)*  
Website Administration \$ 10,000

REMAINING PROPOSAL EXPENSES \$ 82,594

Accounting fees \$ 10,000  
Audit Costs \$ 10,000  
Insurance \$ 10,000  
*(Commercial General Liability;  
Board Liability)*  
Recruitment &  
Moving Expenses \$ 10,000  
*(for Executive Director)*  
Contingency \$ 42,594

TOTAL PROPOSAL COSTS \$562,500

ATTACHMENT "C"

OPTION AGREEMENT FOR SALE AND PURCHASE

THIS AGREEMENT is made this 5<sup>th</sup> day of March, 2007, between the City of Tallahassee, a Florida municipal corporation, whose address is 300 South Adams Street, Tallahassee, Florida 32301, as "Seller" and the Florida Center for Performing Arts and Education, Inc., a Florida not for profit corporation whose address is 831 Lake Ridge Drive, Tallahassee, Florida 32312, as "Purchaser".

Whereas, the Florida Center for Performing Arts and Education, Inc., is a Florida not for profit corporation which is organized to promote, finance, construct, and operate a Performing Arts and Education Center within the City of Tallahassee; and

Whereas, the City of Tallahassee has designated the real property described in Exhibit "A" as the preferred site for a performing arts and education center.

Now, therefore, the parties agree as follows:

1. Grant of Option. Seller hereby grants to Purchaser the exclusive option to purchase the real property located in Leon County, Florida, described in Exhibit "A", together with all improvements, easements, and appurtenances (Property) in accordance with the provisions of this Agreement. This Option Agreement becomes legally binding upon execution by the parties but exercise by the Purchaser is subject to prior notification in writing by the Seller that the financial goals referenced in paragraph 4 below have been satisfactorily complied with.

2. Option Period. The option shall commence on the date last executed by the parties and shall continue until 12:00 p.m. on July 1, 2012, herein called the "Option Period".

3. Option Consideration and Option Purchase Price. The sum of \$10.00 and other good and valuable consideration paid by the Purchaser, the receipt whereof is acknowledged by the Seller, shall constitute the payment for the option. The option payment shall be credited against the option purchase price upon closing and otherwise shall not be refundable. The total purchase price shall be \$2,972,000, which after reduction by the amount of the option payment will be paid by the Purchaser through the Seller or Seller's designated agent at closing.

4. Maintenance of Option. In order to maintain the option, the Purchaser will provide the Seller with appropriate documentation that the following milestones have been met:

A. By July 1, 2008, documentation showing Purchaser having begun private fundraising efforts in earnest and having prepared and put in place a financing plan;

B. By July 1, 2010, documentation showing the Purchaser having raised in cash or binding commitments or equivalents, 5 million dollars, 25% of the fundraising goal of 20 million dollars; and

C. By July 1, 2012, documentation showing the Purchaser having raised in cash or binding commitments or equivalents, 10 million dollars, 50% of the fundraising goal of 20 million dollars.

For purposes of this provision, cash shall mean monies on hand. For purposes of this provision binding commitments shall mean written commitments to provide financial sums to support the Performing Arts Center.

5. Use of Property During Term of Option. During the term of the option period, the Seller will maintain the property and retain the complete and unencumbered use of property for municipal purposes. The parties acknowledge that the existing structure, the Johns Building, will be demolished and neither party objects to such action. The Seller shall not unreasonably withhold permission to the Purchaser to utilize the property for signage and other activities associated with fund raising for the proposed Performing Arts Center.

6. Brokers. Seller warrants that no persons, firms, corporations, or other entities are entitled to a real estate commission or other fees as a result of this Agreement or subsequent closing.

7. Non Assignment. This Agreement is made for the express and exclusive purpose of providing a site for a future performing arts center and may not be assigned by Purchaser.

8. Interest Conveyed at Closing. Seller shall execute and deliver to the Purchaser a municipal deed in accordance with Florida Statutes conveying marketable title to the property in fee simple free and clear of all liens, easements tenancies, and other encumbrances, provided, however, that the deed shall contain a restriction of use restricting the property to use as a performing arts center.

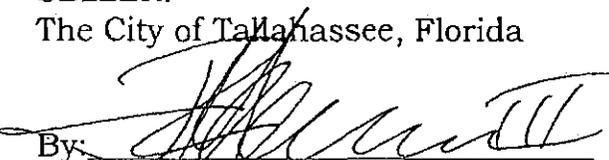
9. Waiver. The Seller may waive strict performance of any covenant or condition of this Agreement but waiver of a prior covenant or condition shall not be construed as a waiver or relinquishment for the future of any such covenant, condition, or right but the same shall remain in full force and effect.

10. Agreement Effective. This Agreement or any modification, amendment, or alteration thereto shall not be effective or binding until it has been executed by all of the parties hereto.

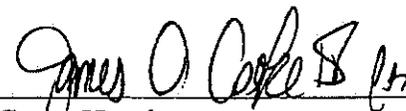
11. Time of the Essence. Time is of the essence, regarding all times set forth in this Agreement.

12. Notice. Whenever either party desires or is required to give notice unto the other, it must be given by written notice and either delivered personally or mailed to the appropriate address indicated on the first page of this Agreement or such other address as is designated in writing by parties to this Agreement.

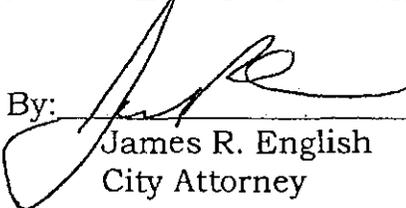
SELLER:  
The City of Tallahassee, Florida

By:   
John R. Marks, III  
Mayor

ATTEST:

By:   
Gary Herdon  
City Treasurer-Clerk

APPROVED AS TO FORM:

By:   
James R. English  
City Attorney

PURCHASER:  
The Florida Center for Performing Arts and Education, Inc.

Witnesses:

  
Print Name: Frederick V. Bateman, Jr.

By:   
Its: Vice President

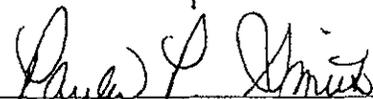
  
Print Name: PAULA P. SMITH

Exhibit "A"

Johns/Clemons Parcel

The following described lands located in the City of Tallahassee, Leon County, Florida:

O.R. Book 282, Page 25

Lot Number 250, Original Plan of the City of Tallahassee, Leon County, Florida, as recorded in Plat Book 1, page 10, in the Office of the Clerk of the Circuit Court in and for Leon County, Florida;

AND

Deed Book 220 Page 306

The West One Half (W ½) of the West One Half (W ½) of Lot 247 of the Old Plan of the City of Tallahassee, Florida, as the same appears of record in Plat Book 1, on page 10, of the public land records of Leon County, Florida;

AND

O.R. Book 261 Page 580

The East Half (E-½) of the West Half (W- ½) of Tallahassee City Lot Number 247, in the Original Plan of the City of Tallahassee, Leon County, Florida;

AND

Deed Book 226 Page 504

The North Half (N ½) of the East Half (E ½) of Lot Number 247 in the Original Plan of the City of Tallahassee, Leon County, Florida;

AND

O.R. Book 225 Page 222

The South Half of the East Half (S ½ of E ½) of Lot Two Hundred Forty-seven (247) in the Original Plan of the City of Tallahassee;

AND

Deed Book 208 Page 381

Johns/Clemons Parcel

A part of Lot Number Two Hundred and Forty-Eight (248), of the Old Plan of the City of Tallahassee, and State of Florida, as follows: Begin at the Southwest corner and run thence East Ninety-five (95) feet, thence run North One Hundred and Thirteen (113) feet, eight (8) inches, thence run West Ninety-five (95) feet, thence run South One Hundred and Thirteen feet, eight (8) inches, to the point of beginning;

AND

Final Judgment at Law No. 10405 dated March 5, 1963

That portion of Lot Number 248, Original Plan of the City of Tallahassee, Florida, described as follows:

Begin at a point 116 feet East of the Northwest corner of Lot Number 248, of the Original Plan of Tallahassee, Florida, and run thence East 54 feet to the Northeast corner of said lot, thence South 170 feet to the Southeast corner of said lot, thence West 75 feet to a point, thence North 113 feet 8 inches to a point, thence East 21 feet to a point, thence North 56 feet 4 inches to the point of the beginning;

AND

Deed Book 204 Page 476

Commence at the Northwest corner of Lot No. 249 of the Old Plan of the City of Tallahassee, Florida, and run thence East 77 feet, to a point which is the point of beginning; from said point of beginning run thence South 105½ feet; thence East 46½ feet; thence North 105½ feet; thence West 46½ feet; to the point of beginning; same being a fractional part of said Lot 249 according to the Old Plan of the City of Tallahassee;

AND

Deed Book 207 Page 366

The fractional part of Lot Number 249 of the Original Plan of the City of Tallahassee, described as follows:

Beginning at a point 123½ feet East of the Northwest corner of said lot, thence South 105½ feet, thence East 46½ feet to the eastern boundary of said lot, thence North to the Northeast corner of said lot, thence West to the point of beginning;

AND

Deed Book 209 Page 463

Johns/Clemons Parcel

All that part of Lot No. 249, of the Original Plan of the City of Tallahassee, described as follows: Commencing at the Northwest corner of said Lot, thence running South 105 feet and 6 inches to a point which is the point of beginning, thence run South 64 feet and 6 inches to the Southwest corner of said Lot, thence run East 170 feet to the Southeast corner of said Lot; thence run North 64 feet and 6 inches, and thence run West 170 feet to the point of beginning;

AND

Deed Book 213 Page 151

All that part of Lot Number 249 of the Original Plan of said City, described as follows, to-wit:

Commencing at the Northwest corner of said Lot Number 249, thence run South 105 feet and 6 inches, thence East 77 feet, thence North 105 feet and 6 inches to the North boundary line of said Lot Number 249 and thence West 77 feet to the point of beginning;

AND

Deed Book 265 Page 9

All that part of Lot Numbered 248 according to the Old Plan of the City of Tallahassee, Florida, described as follows: Begin at the Northwest corner of said lot numbered 248, thence running east 116 feet, thence south 56 feet and 4 inches, thence west 116 feet, thence north along the east side of Bronough Street 56 feet and 4 inches to the point of beginning.

**AGREEMENT**

THIS AGREEMENT ("AGREEMENT") is entered into this 17<sup>th</sup> day of ~~December, 2010~~ <sup>January 11</sup> by and between the TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY ("CRA") and the FLORIDA CENTER FOR PERFORMING ARTS AND EDUCATION, INC. ("THE FLORIDA CENTER"), a non-profit corporation under the laws of Florida.

WHEREAS, the Leon County Commission has committed, through its Interlocal Agreement with the Tallahassee Redevelopment Agency, that 1% of each dollar of Tourist Development Tax revenue collected shall be utilized for costs associated with the construction and operation of a performing arts center and that the CRA shall be responsible for the allocation of those dedicated Tourist Development Tax revenues and those funds are being held in a separate account accruing for this purpose since 2004.

WHEREAS, the CRA and the THE FLORIDA CENTER desire to enter into this AGREEMENT regarding the provision of services with the use of a portion of these funds for the period of October 1, 2010 through September 30, 2011.

NOW, THEREFORE for valuable consideration and mutual promises between the parties hereto, it is agreed upon as follows:

1. **FUNDING.** The CRA hereby agrees to provide THE FLORIDA CENTER the sum of TWO HUNDRED FIFTEEN THOUSAND and 00/100 dollars (\$215,000.00) for the period of October 1, 2010 through September 30, 2011 to develop and administer programs and activities to promote the development of a performing arts center on Gaines Street and pursue a private fundraising campaign as outlined in ATTACHMENT "A.". The funds shall be allocated and expended consistent with the approved budget found in ATTACHMENT B. It is understood that THE FLORIDA CENTER will work to secure additional support dollars of cash and in-kind contributions during the period October 1, 2010, through September 30, 2011, within the limits of its fundraising policy, to increase its financial stability and performance capability. In the event THE FLORIDA CENTER receives program income as a result of the required services, such

income shall be used by THE FLORIDA CENTER for operating or other program services. Payments under the AGREEMENT shall be made in two (2) installments. The first payment of ONE HUNDRED SEVEN THOUSAND FIVE HUNDRED and 00/100 DOLLARS (\$107,500.00) shall be made upon the execution of the AGREEMENT by both parties. A second and final payment of ONE HUNDRED SEVEN THOUSAND FIVE HUNDRED and 00/100 DOLLARS (\$107,500.00) shall be made on April 1, 2011. The second payment will be released provided THE FLORIDA CENTER is in compliance with the terms and conditions of the AGREEMENT.

2. **TIME OF PERFORMANCE.** THE FLORIDA CENTER shall provide said services from October 1, 2010, through September 30, 2011.

3. **PERSONNEL.** THE FLORIDA CENTER represents that it has or will secure, to the extent of funding provided by the CRA for this contract, all personnel required for the establishment and maintenance of this program under this AGREEMENT. Such personnel shall not be employees of or have any contractual relationship with the CRA. All services required hereunder will be performed by THE FLORIDA CENTER, or under its supervision, and all personnel engaged in this program shall be fully qualified and authorized under appropriate state and local laws to perform such services.

4. **REPORTS.** Written reports reflecting the overall THE FLORIDA CENTER activities and operation (revenues and expenditures) shall be submitted by THE FLORIDA CENTER to the CRA on the following dates: January 28, 2011; April 29, 2011; July 29, 2011 and October 20, 2011.

The reports shall include funding and related expenditures and shall provide a narrative description indicating the level of performance for the services reflected in ATTACHMENT "A", the budget in ATTACHMENT "B" and shall also document progress in meeting the fund raising milestones contained in the Option Agreement for Sale and Purchase, as amended, with the City of Tallahassee (collectively ATTACHMENT "C"). The reports shall be prepared in a format mutually agreed upon by the CRA and THE FLORIDA CENTER. The Executive Director of THE FLORIDA CENTER will be responsible for the submission of these reports to the CRA.

5. **TERMINATION OF CONTRACT.** If THE FLORIDA CENTER fails to timely and properly fulfill its obligations under this AGREEMENT, the CRA shall have the right to terminate the AGREEMENT by giving written notice to THE FLORIDA CENTER of such termination and specifying the date of such termination. The effective date of termination shall be at least fifteen days after the date of

notice. The CRA shall have the right to set off against any funding the amount of any damage sustained by THE FLORIDA CENTER by virtue of THE FLORIDA CENTER breach of this AGREEMENT. In the event of termination of this AGREEMENT by the CRA, THE FLORIDA CENTER, within fifteen days after notice of termination is received from the CRA, shall pay to the CRA all unexpended funds previously provided by the CRA and shall terminate all work and contracts in regard to this AGREEMENT.

**6. CHANGES.** Any substantial change in the scope of the services as outlined in ATTACHMENT "A," the budget expenses in ATTACHMENT "B," or other modification or change in this AGREEMENT is subject to approval by the parties hereto and shall not take effect unless set forth in writing and signed by all parties. Adjustments in line item expenses in ATTACHMENT "B" of TEN PERCENT (10%) or less shall not constitute a substantial change and shall not require prior written approval, but shall be identified in the subsequent periodic reports as provided in SECTION 4 of this AGREEMENT. Whether a change is considered to be substantial shall be determined by the CRA Director or his/her designee. Any change in the scope of services to be provided may, if approved in advance by the parties, result in an agreed upon increase or decrease in the compensation provided by the CRA.

**7. AUDIT.** If THE FLORIDA CENTER expends less than \$500,000 in a year from the CRA proceeds, THE FLORIDA CENTER is exempt from the CRA audit requirements for that year. If THE FLORIDA CENTER expends \$500,000 or more in a fiscal year from either CRA, State, or Federal proceeds, an independent public accountant shall be employed to conduct a financial audit of its records. In addition to the above, THE FLORIDA CENTER shall provide the CRA contracting office and the CRA Auditor or designee, for their review, a copy of any audit received as a result of THE FLORIDA CENTER policy; US Office of Management and Budget Circular A-133, Audit of States, Local Governments and Non-Profit Organizations; or Section 215.97, Florida Statutes, relating to the expenditure of state grants and aids under the Florida Single Audit Act. Such audits shall include or be accompanied by any applicable audit management letter issued and all applicable responses to the independent auditor's findings and recommendations. All audits shall be submitted to the CRA and the CRA Auditor, or designee, within thirty days of receipt of each issued report. The CRA reserves the right to conduct financial and program monitoring and to perform an audit of THE FLORIDA CENTER's records. An audit by the CRA, or designee, may encompass an examination of all financial transactions, all accounts and reports, as well as an evaluation of compliance with the terms and conditions of the AGREEMENT.

**8. ASSIGNMENT.** THE FLORIDA CENTER shall not assign or transfer, or otherwise convey any interest in this AGREEMENT without the prior written consent of the CRA. The CRA and THE FLORIDA CENTER each binds itself, successors, or assigns to the fulfillment of all obligations under this AGREEMENT.

**9. INSURANCE AND INDEMNIFICATION.** THE FLORIDA CENTER will obtain and maintain at its own expense, and throughout the term of this AGREEMENT, commercial general liability insurance, naming the CRA as an additional insured, with a liability limit of no less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate. Each Party, to the extent permitted by Florida law, shall indemnify and hold harmless the other Party against any injury or damage to person or property and any cause of action or expense arising there from (including but not limited to cost and attorney's fees) caused by an act or omission of an officer, official, or employee of the indemnifying Party relating to the performance by that party of its obligations under this AGREEMENT; provided, however, that this provision is not intended to constitute a waiver of limitation of the CRA's sovereign immunity beyond that set forth in Section 768.28, Florida Statutes. The Party seeking indemnification agrees to notify the other Party as soon as practical of any such claim, demand, or cause of action for which the former Party will request indemnification. If, by agreement between Parties, one Party undertakes, at its sole expense, the defense of any such claim, demand, or cause of action, the Party seeking indemnification shall cooperate with the other Party in regard to its defense of the same.

**10. ATTORNEY'S FEES.** Nothing in this Agreement shall be construed to deny either party the right to seek what legal remedies are available to them in law or in equity including but not limited to court costs and any attorney fees as permitted by law for bringing the action against the breaching party for non-compliance with covenants of this AGREEMENT.

**11. EQUAL EMPLOYMENT OPPORTUNITY.** THE FLORIDA CENTER shall not discriminate directly or indirectly, in its employment practices on the grounds of race, color, sex, religion, national origin, age, disability, marital status, or any other characteristic protected by law. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. THE FLORIDA CENTER shall post in conspicuous places, available to employees and applicants for employment, notices as provided by the CRA setting forth the provisions of

this non-discrimination clause. THE FLORIDA CENTER shall incorporate this provision in all subcontracts for services provided under this AGREEMENT.

**12. CONTINGENT FEE.** THE FLORIDA CENTER warrants that no persons or company has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees; nor has THE FLORIDA CENTER paid or agreed to pay any person, company, corporation, or firm other than an employee, any fee, commission, contribution, donation, percentage, gift or any other consideration contingent upon, or resulting from, award of this AGREEMENT. For any breach or violation of this AGREEMENT, the CRA shall have the right, without liability and, at its discretion, to deduct from the compensation payable hereunder, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration and any other damages, and shall be responsible for reporting the details of such breach or violation to the proper legal authorities; where and when appropriate.

**13. RECORDS.** THE FLORIDA CENTER shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly the amount received and disposition by THE FLORIDA CENTER of all compensation received for its work and services. The THE FLORIDA CENTER's records shall be subject at all reasonable times to inspection, copy and audit by the CRA and any other authorized representatives. THE FLORIDA CENTER shall preserve and make these records available to the CRA and any of their authorized representatives until the expiration of three years from the date of final settlement, and for such longer period, if any, as is required by applicable statute or lawful requirement in regards to this program.

**14. CONSTITUTIONAL PROHIBITION.** THE FLORIDA CENTER shall not use CRA funds for the acquisition, construction, reconstruction, rehabilitation, or operation of religious structures for religious purposes.

ATTACHMENT A: FY 2011 PERFORMANCE MEASURES

ATTACHEMENT B: ITEMIZED PROGRAM BUDGET

ATTACHEMENT C: OPTION AGREEMENT FOR SALE AND PURCHASE, AS AMENDED

WITNESS:

Amy Hardlee  
Jan Spey

FLORIDA CENTER FOR PERFORMING ARTS  
AND EDUCATION, INC.

By: Bob Inzer  
Title: President  
Date: 12/29/10

TALLAHASSEE COMMUNITY  
REDEVELOPMENT AGENCY

By: John R. Marks, III  
John R. Marks, III, Chair  
Date: \_\_\_\_\_

ATTEST:

Gary Herrdon  
Gary Herrdon  
City Treasurer-Clerk

APPROVED AS TO FORM

[Signature]  
City Attorney

**ATTACHMENT A**

*Building the Stage for Our Future*

## **FY 2011 CRA Performance Measures**

I. The Florida Center for Performing Arts and Education, Inc. will continue and expand efforts to: increase public awareness regarding the need for the performing arts center, further engage the public and educational communities in support of the project, cultivate and solicit private financial support to meet fundraising milestones, and develop Board and organizational readiness to successfully achieve the goals and mission of The Florida Center.

### **A. Education and Public Outreach:**

- Develop and implement a comprehensive PR/Media Plan with the guidance of public relations professionals, recruited to assist with donated services as much as possible.
- Complete production of promotional video to be used for presentations, on the website and sent to prospective donors.
- Expand Speakers Bureau and begin presentations to area School Boards, civic organizations and other community groups, with a goal of at least fifteen (15) meetings during the year.
- Renew emphasis on recruiting Charter and PACTeam members and development of Annual Giving program.
- Increase efforts to support, collaborate and grow relationships with other local arts groups.
- Participate in Tallahassee's Arts in Education week with an event or other appropriate observance.

### **B. Building the Stage for Our Future Campaign:**

- Continue to identify, cultivate and solicit major gift donors for private support.
- Identify, research and initiate contact with at least twenty (20) Founding Partners (\$1 Million+) prospective donors.
- Identify, research and initiate contact with at least fifty (50) \$50,000 - \$999,000 prospective donors.
- Expand Donor Recognition and Stewardship efforts with further development of honorary societies.

### **C. Continue Board Expansion and Organizational Development:**

- Expand Board from 15 to 20 members.
- Conduct annual review of strategic plan and update as needed.
- Join and actively participate in performing arts professional associations, such as International Society for the Performing Arts and The Association of Performing Arts Presenters.
- Research and survey other PAC's to gain insight on challenges facing PAC's such as:
  - Ratio of public/private funding to develop and build
  - Operational deficits and sources of contributed income

II. The Florida Center for Performing Arts and Education, Inc. CEO will meet with the CRA Executive Director and submit status reports on a quarterly basis. The reports will include documentation of activities undertaken to meet the above milestones and overall progress toward the goals outlined in The Florida Center strategic plan.

**ATTACHMENT B**

**THE FLORIDA CENTER FOR PERFORMING  
ARTS AND EDUCATION, INC.**

**FY 2011 Budget  
October 1, 2010 – September 30, 2011**

<b>INCOME</b>	<b>Cash</b>	<b>In-Kind</b>
<b>CRA Funds Balance as of 09/30/10</b>	\$103,239.00	
<b>FY2011 CRA Funds Request</b>	\$215,000.00	
<b>Total Cash</b>	\$318,239.00	
<b>Total In-Kind/Non-Cash</b>		\$96,000.00
<b>TOTAL</b>	\$318,239.00	\$96,000.00

<b>EXPENSES</b>	<b>Cash</b>	<b>In-Kind</b>
<b>OPERATING</b>		
<b>Personnel</b>	\$193,400.00	
<b>Office</b>	\$17,600.00	\$5,000.00
<b>Professional Services</b>	\$47,000.00	\$40,000.00
<b>Auditing</b>	\$9,000.00	\$6,000.00
<b>DEVELOPMENT</b>		
<b>Events</b>	\$36,400.00	\$10,000.00
<b>Printing and Marketing</b>	\$14,800.00	\$35,000.00
<b>Total Cash</b>	\$318,200.00	
<b>Total In-Kind/Non-Cash</b>		\$96,000.00
<b>TOTAL</b>	\$318,200.00	\$96,000.00

**EXPENSES**

***Operating Budget***

**Personnel**

Salaries		\$150,000
<i>Chief Executive Officer</i>	<i>\$115,000</i>	
<i>Executive Assistant</i>	<i><u>\$ 35,000</u></i>	
	<i>\$150,000</i>	

Taxes	\$ 11,400
Benefits	<u>\$ 32,000</u>

**Total Personnel** **\$193,400**

**Office**

Building Rental	\$7,000
Communications – Phone and Internet	\$1,600
Insurance – Property, Liability, D&O	\$3,000
Office Supplies	\$1,500
Postage	\$1,000
Projector	\$2,500
Repairs	<u>\$1,000</u>

**Total Office** **\$17,600**

**Professional Services**

Accounting	\$7,000
Consulting	\$10,000
Public Relations	<u>\$30,000</u>

**Total Professional Services** **\$47,000**

**Auditing** **\$9,000**

***TOTAL Operating Budget*** **\$267,000**

## *Development Budget*

### **Events**

Audio Visual	\$ 4,200
Catering	\$15,000
Insurance	\$ 500
Invitations	\$ 2,500
Parking	\$ 1,000
Photography	\$ 1,000
Programs	\$ 3,000
Rental	\$ 8,000
Signage	<u>\$ 1,200</u>

**Total Events** **\$36,400**

### **Printing and Marketing**

Campaign Materials	\$6,300
Holiday Cards	\$1,500
Website Hosting and Maintenance	\$1,000
Advertising	<u>\$6,000</u>

**Total Printing and Marketing** **\$14,800**

***TOTAL Development Budget*** **\$ 51,200**

**TOTAL BUDGET** **\$ 318,200**

## ATTACHMENT C

AMENDMENT TO OPTION AGREEMENT FOR SALE AND PURCHASE #999020

THIS AMENDMENT is made this \_\_\_\_ day of \_\_\_\_\_, 2010, between the City of Tallahassee, a Florida municipal corporation, whose address is 300 South Adams Street, Tallahassee, Florida 32301, as "Seller" and the Florida Center for Performing Arts and Education, Inc., a Florida not for profit corporation whose address is 612 South Copeland Street, Tallahassee, Florida 32304, as "Purchaser".

Whereas, the Seller and Purchaser entered into that certain Option Agreement for Sale and Purchase dated March 5, 2007 ("Agreement"), for the real property described therein and for use as a performing arts and education center;

Whereas, the Purchaser has requested extension of the Option Period and the milestone dates and on August 25, 2010, the City Commission approved this request.

Now, therefore, the parties agree to amend the Agreement as follows:

1. Section 2. is hereby deleted, replaced and superceded by the following:

2. Option Period. The option shall commence March 5, 2007, and shall continue until 12:00 p.m. on July 1, 2014, herein called the "Option Period".

2. Section 4. is hereby deleted, replaced and superceded by the following:

4. Maintenance of Option. In order to maintain the option, the Purchaser will provide the Seller with appropriate documentation that the following milestones have been met:

A. By July 1, 2008, documentation showing Purchaser having begun private fundraising efforts in earnest and having prepared and put in place a financing plan;

B. By July 1, 2012, documentation showing the Purchaser having raised in cash or binding commitments or equivalents, 5 million dollars, 25% of the fundraising goal of 20 million dollars; and

C. By July 1, 2014, documentation showing the Purchaser having raised in cash or binding commitments or equivalents, 10 million dollars, 50% of the fundraising goal of 20 million dollars.

For purposes of this provision, cash shall mean monies on hand. For purposes of this provision binding commitments shall mean written commitments to provide financial sums to support the Performing Arts Center.

\*10 DEC 10 PM 2:34:17

If the Purchaser fails to meet any of these performance milestones, the Seller may, at its sole discretion, terminate the Agreement by giving notice as provided herein.

Unless specifically amended hereby, all other terms and conditions of the Agreement, as amended, shall remain and continue in full force and effect.

**SELLER:**  
City of Tallahassee, a Florida  
municipal corporation

By: \_\_\_\_\_  
John R. Marks, III  
Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Gary Herndon  
City Treasurer-Clerk

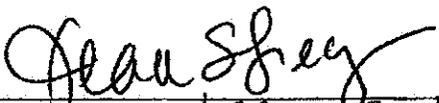
By: \_\_\_\_\_  
James R. English  
City Attorney

**PURCHASER:**  
Florida Center for Performing  
Arts and Education, Inc.

**Witnesses:**

  
\_\_\_\_\_  
Print Name: Amy S. Hardee

By:   
\_\_\_\_\_  
Its: President

  
\_\_\_\_\_  
Print Name: Jean S. Frey

<b>CITY OF TALLAHASSEE</b>	
<b>COMMUNITY REDEVELOPMENT AGENCY</b>	
<b><u>COMMUNITY REDEVELOPMENT AGENCY AGENDA</u></b>	
<b><u>ITEM</u></b>	
<b>ACTION REQUESTED ON:</b>	October 18, 2010
<b>SUBJECT/TITLE:</b>	Funding Request From Florida Center for Performing Arts and Education Inc.
<b>TARGET ISSUE:</b>	Economic Development

**STATEMENT OF ISSUE**

On February 25, 2008, the Tallahassee Community Redevelopment Agency approved a request from the Florida Center for Performing Arts and Education Inc. (FCPAE) for \$562,500 in designated Tourist Development Tax revenue. FCPAE requested the funds to hire a professional staff to provide public information, marketing and fundraising services necessary to develop the proposed performing arts facility. The funding was provided to support FCPAE operating expenses for an 18-month period, March 1, 2008 through September 30, 2009.

The FCPAE has submitted a request for \$215,000 in funding to support their operational costs for the period of October 1, 2010 through September 30, 2011. If approved, this funding would be provided from the designated Tourist Development Tax revenue.

**RECOMMENDED ACTION**

Option 1: Authorize the City Manager or her designee to execute an agreement with the Florida Center for Performing Arts and Education Inc. in the amount of \$215,000 for the period of October 1, 2010 through September 30, 2011.

**FISCAL IMPACT**

The funding will be drawn from the Tourist Development Tax revenue collected to support the Performing Arts Center. The balance of funds available as of September 30, 2010 is approximately \$3.5 million.

  
\_\_\_\_\_  
Michael K. Parker, Executive Director  
Tallahassee Community Redevelopment Agency

  
\_\_\_\_\_  
Anita Favors Thompson  
City Manager

For information, please contact: Michael Parker, Economic Development, (891-8442).

ITEM TITLE: Funding Request From Florida Center for Performing Arts and Education Inc.

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## SUPPLEMENTAL MATERIAL/ISSUE ANALYSIS

### HISTORY/FACTS & ISSUES

In 2003, the City and County adopted Capital Culture: A Cultural Plan for the Future of the City of Tallahassee and the Capital Area. This cultural plan outlined a series of actions and policies that should be pursued to further cultural development in the community. One element of that strategy recommended, "The City develop a plan for the construction of a performing arts venue." At that time, a number of the citizen volunteers that had participated in the development of the cultural plan, began to develop a strategy for creating a performing arts center.

In 2004, the City, County, and Community Redevelopment Agency entered into an interlocal agreement that governed the creation and operation of the Downtown Community Redevelopment District. One component of that agreement was the addition of one cent to the Tourist Development Tax for use in developing and operating a Performing Arts Center. The agreement stipulated that the Community Redevelopment Agency Board was responsible for the allocation of funds collected by the additional penny in Tourist Development Tax revenue.

In 2005, the Redevelopment Agency authorized an agreement with the Cultural Resources Commission to hire a consultant to develop the preliminary plans for a Tallahassee Performing Arts Center. Theatre Projects Consultants Inc., developed a preliminary plan that recommended the construction of a 242,000 square-foot facility that would include a 2,200-seat performance hall and 700-seat multipurpose theatre. The consultant study also recommended that the new facility be placed on the "John's Building block". This is a 2.65-acre downtown parcel that the City recently acquired from the State, and is the block bounded by Gaines Street, Duval Street, Madison Street and Bronough Street.

In 2006, the Florida Center for the Performing Arts and Education Inc. (FCPAE) was formed. This nonprofit organization was created to promote the development of the Tallahassee Performing Arts Center. In 2007, the City granted an option agreement to FCPAE to allow them to purchase the "Johns Building block" for the proposed performing arts center. The option agreement allows the FCPAE five years to demonstrate that they can accumulate the necessary resource to purchase the site and construct the facility. The agreement includes milestones at years 1, 3 and 5 to demonstrate that FCPAE is making sufficient progress in their fundraising to finance the construction of the proposed facility. On August 25, 2010, the City Commission approved a two-year extension to the Option Agreement, which extends the term to July of 2014.

On February 25, 2008, the Redevelopment Agency approved an agreement with FCPAE to provide \$562,500 allocated from the designated Tourist Development Tax revenues to allow them to hire a professional staff and launch a public marketing campaign. Prior to that date, all of the activities of the organization had been performed by volunteers. The agreement for that funding was for an 18-month period and expired on September 30, 2009.

FCPAE has submitted a request for \$215,000 to support their operational expenses for the 2010-2011 fiscal year (Attachment 1). The total proposed operating budget for that time period is

**ITEM TITLE:** Funding Request From Florida Center for Performing Arts and Education Inc.

Page 3

\$318,239 and includes the use of \$103,239 in CRA funding, which FCPAE has retained from the prior funding agreement. A proposed itemized budget (Attachment 2) has been provided and FCPAE has identified \$96,000 in in-kind contributions over the proposed budget period.

FCPAE was granted a two-year extension on their option agreement because they had not been successful in reaching the fundraising goals prescribed in the agreement. FCPAE provided a detailed explanation for their failure to meet the fundraising goals (Attachment 3), which was primarily attributed to the economic downturn and its impact on charitable giving.

In response to the dramatic changes in the economic environment, FCPAE developed a comprehensive strategic plan in 2009 (Attachment 4) to guide the organization to its overall objective of building a performing arts facility. The strategic plan provides itemized tasks to be implemented by 2012 and focuses on: a public awareness campaign regarding the performing arts facility, a financing strategy which includes advocating for the performing arts facility to be included as part of an extension of the 1% local option sales tax, developing the programming that would be offered at the performing arts facility, implementing an aggressive capital campaign to secure the necessary private funding, and developing and strengthening the FCPAE Board of Directors.

A Performing Arts Center is a major element in both the adopted Cultural Plan and the Downtown Community Redevelopment Plan. The interlocal agreement for the Downtown Redevelopment District identifies the Community Redevelopment Agency as the entity responsible for distribution of the Tourist Development Tax funds that have been designated for the Center. FCPAE is an organization established by local residents that are committed to developing a Performing Arts Facility in Tallahassee. The Strategic Plan that has been established by this organization provides a viable method to secure the funding and support for the proposed facility. If approved, the proposed agreement will include performance requirements that will be developed from the elements in the strategic plan.

#### **OPTIONS**

1. Authorize the City Manager or her designee to execute an agreement with the Florida Center for Performing Arts and Education Inc., in the amount of \$215,000 for the period of October 1, 2010 through September 30, 2011.
2. Do not authorize the requested funding and provide further guidance to staff.

#### **ATTACHMENTS/REFERENCES**

1. Funding Request Letter
2. Proposed Itemized Budget
3. Report on Activities
4. Strategic Plan

# THE FLORIDA CENTER FOR PERFORMING ARTS AND EDUCATION, INC.

**FY 2012 BUDGET**  
October 1, 2011 - September 30, 2012

INCOME	CASH	IN-KIND
<b>CRA Funds Requested</b>	<b>\$147 900</b>	<b>\$30,000</b>
<b>CRA Carry Forward</b>	<b>40 300</b>	
<b>Total Cash</b>		
<b>Total In-kind/Non Cash</b>	<b>\$188 200</b>	<b>30 000</b>

EXPENSES	CASH	IN-KIND
<b>Operating</b>		
<b>Personnel</b>	<b>\$101 700</b>	
<b>Office</b>	<b>10 700</b>	<b>\$ 5 000</b>
<b>Professional Services</b>	<b>27 000</b>	<b>19 000</b>
<b>Auditing</b>	<b>7 000</b>	<b>6 000</b>
<b>Misc.</b>	<b>4 000</b>	
<b>Development</b>		
<b>Events</b>	<b>30 200</b>	
<b>Printing and Marketing</b>	<b>10 100</b>	
<b>Total</b>	<b>\$188 200</b>	<b>\$30,000</b>

**Florida Center for the Performing Arts and Education  
Proposed Annual Budget 2011-2012**

<b>Personnel</b>		
<b>Salaries</b>	<b>\$60,000</b>	
<b>Health Care</b>	<b>23,000</b>	
<b>Taxes</b>	<b>3,000</b>	
<b>Other</b>	<b>\$15,000</b>	
<b>Total Personnel</b>		<b>\$101,000</b>
<b>Office</b>		
<b>Rent</b>	<b>\$7,200</b>	
<b>Communications</b>	<b>2,500</b>	
<b>Supplies</b>	<b>1,000</b>	
<b>Total Office</b>		<b>\$10,700</b>
<b>Contractual Services</b>		<b>\$27,000</b>
<b>Auditing &amp; Financial Services</b>		<b>\$ 7,000</b>
<b>Miscellaneous</b>		<b><u>\$ 4,000</u></b>
<b>Total</b>		<b>\$149,700</b>

The **FLORIDA**  
**CENTER** for Performing Arts  
and Education

*Building the Stage for Our Future*

**FY 2012 CRA Work Plan**

***I. The Florida Center for Performing Arts and Education, Inc. will continue and expand efforts to: increase public awareness regarding the need for the performing arts center, further engage the public and educational communities in support of the project, cultivate and solicit private financial support to meet fundraising milestones, and develop Board and organizational readiness to successfully achieve the goals and mission of The Florida Center (TFC).***

**A. Education and Public Outreach**

***1. Continue to develop and implement a comprehensive PR/Media Plan with the guidance of public relations professionals, recruited to assist with donated services as much as possible. This is an ongoing activity as the message and delivery options change based upon changes in the political and economic environment.***

***2. The promotional video has been completed. A power point presentation for presenters is being finalized with the video embedded in the presentation. The powerpoint and video will serve as a basis for presentations to economic, education, civic, political and cultural organizations. It will help insure the message is consistent and important points are covered..***

***3. Expand Speakers Bureau and begin presentations to area School Boards, civic organizations and other community groups, with a goal of at least fifteen (15) meetings during the year.***

***4. Renew emphasis on recruiting Charter and PACTeam members and development of Annual Giving program.***

***5. Increase efforts to support, collaborate and grow relationships with other local arts groups.***

***6. Participate in Tallahassee's Arts in Education week with an event or other appropriate observance.***

***7. Join and actively participate in performing arts professional associations, such as International Society for the Performing Arts and The Association of Performing Arts Presenters.***

***8. Develop linkages for communications and support with the natural advocates for the PFC including; Performing arts organizations, public and private schools, universities and community colleges, business community,***

***8. Develop a program of regular articles distributed to the Tallahassee Democrat on various topics related to the need, benefits to the community, cost and funding of the PFC.***

**B. Building the Stage for Our Future Campaign**

***1. A revised Facilities Plan has been developed and approved. A Revised Financial plan will need to be developed for review and approval by City and County Commissioners..***

***2. Work with City Commission and staff to revise the Option agreement on Johns' Property.***

***3. Attend meetings of the Sales Tax Extension Committee appointed by City and County Commissioners to insure they understand the need for this facility and benefits for our community.***

***4. Expand Donor Recognition and Stewardship efforts with further development of honorary societies.***

**C. Develop the Support Team and Tools to Maintain an Effective Campaign and Organization**

***1. Continue to Expand the Board. Specifically the Board should seek new Board members that reach***

***into a organizations and populations currently not represented on the Board.***

**2. Conduct annual review of strategic plan and update as needed.**

**3. Develop materials specific to various audiences for the PFC**

**4. Research and survey other PAC's to gain insight on challenges facing PAC's such as:**

- Ratio of public/private funding to develop and build
- Operational deficits and sources of contributed income

***II. The Florida Center for Performing Arts and Education, Inc. Campaign Director/CEO will meet with the CRA Executive Director and submit status reports on a quarterly basis. The reports will include documentation of activities undertaken to meet the above milestones and overall progress toward the goals outlined in The Florida Center strategic plan.***

The **FLORIDA**  
**CENTER** for Performing Arts  
and Education

*Building the Stage for Our Future*

October 10, 2011

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Tallahassee, Florida  
32304

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Post Office Box 20012  
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32316-0012

Phone  
850.597.8020

2011  
Board of Directors  
Bob Inzer  
*President*  
David Rancourt  
*Vice-President*  
Frederick Carroll, III  
*Treasurer*  
Timothy D. Edmond  
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Glenda Thornton  
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Kim Williams

Consulting Board  
Frederick Bateman  
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Lois Griffin  
Paul Lewis  
Steve Vancore  
J. Lee Vause, Sr.

Chief Executive Officer  
Jean S. Frey

[www.TheFLCenter.org](http://www.TheFLCenter.org)

County Commissioners  
Leon County Courthouse  
301 S. Monroe Street  
Tallahassee, FL 32301

Dear Commissioners:

On behalf of the Board of Directors of The Florida Center for Performing Arts and Education, Inc. (The Florida Center), thank you for the opportunity to update you on the status of our efforts and share the Theatre Projects Consultants report, with which you have already been provided. The purpose of this letter is to provide you with additional information and make you aware of our progress, as well as the issues and challenges we face in order to continue moving forward with a performing arts center that will enhance the arts and entertainment, provide educational opportunities for students of all ages and fuel economic growth and development in our community.

### **Background**

In 2005, Theater Projects Consultants (TPC) was retained to assist in determining the needs in our community for performance space. The result of this study was a two-venue performing arts center, consisting of a 2,200-seat performance hall and a 650-seat multi-purpose theatre with an estimated construction cost of \$113.7 million, in 2005 dollars. This study was presented and accepted by the City and County Commissioners.

Since 2005, the economic environment has greatly changed. At the time of the study, unemployment was low, population was increasing and fiscal resources were more abundant. The Florida Center Board of Directors recognized that given this change in both resources, and potentially demand, a "second look" at the facility was appropriate at this time.

### **Re-evaluation Process**

TPC was retained to update its study and was tasked first with reassessing the need for additional performing arts venues based on the facilities that exist today and any planned additions or enhancements. Second, TPC was asked in light of the change in the economic environment, what changes could be made to the proposed plan to reduce costs and still plan a facility that met the needs of our community.

TPC interviewed the major performing arts groups including the Tallahassee Symphony Orchestra, Tallahassee Ballet and FSU's 7 Days of Opening Nights. Interviews were also held with Peggy Brady, COCA and The Arts Exchange, and Ron Spencer, Leon County Civic Center, to determine the future facility plans of their organizations. The meeting with Ron Spencer also included a very general

County Commissioners  
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discussion of possible ways the Civic Center and The Florida Center could combine some operations, such as ticketing, food services, and building maintenance, in order to reduce The Florida Center operating costs.

### **Revised Project**

The re-evaluation resulted in the adoption of the TPC recommended Option 1 by The Florida Center Board of Directors. This option consists of a one-venue facility with a 1,800-seat performance hall/theatre, a rehearsal hall, public areas that can be used for events, and modest, but adequate, administration space and services areas with an estimated total project cost of \$89,875,000 in 2014 dollars. The large performance hall/theatre option was recommended after TPC determined that such a venue was the most crucial community need, while acknowledging that additional venues could be added at a later date, if the need and available funding exists. The consultant was asked to inflate the project from current costs to projected 2014 dollars since the sales tax extension referendum is now anticipated in 2014.

The report provides an outline of scope, amenities and quality of the facility. The direction from the committee to the consultant was, to the extent possible, reduce costs while at the same time, insure the proposed facility meets community demands and is appropriate in terms of furnishings and sound quality. The Board direction was that the building should be handsome, but not extravagant. Sound quality should be very good, but not "world class". Furnishings should be attractive, functional and durable, but should not consider high costs luxury materials (marble, granite, etc.). The final report adopted by the Board includes a description of materials of sound quality consistent with the Board's direction.

### **Funding Plan**

With the revised plan and reduced project costs, it will be necessary to reconsider and revise the previously adopted funding plan. All performing arts centers in the United States have been built with a combination of public and private funds. Given that Tallahassee/Leon County's employment is dominated by government, a mix that includes public support is all the more appropriate for this project. This project cannot be funded without a significant investment of public dollars and the most appropriate primary source is from the sales tax extension. It is also essential that The Florida Center continues to build public support for the project to ensure inclusion in the funding priorities and passage of the referendum by voters. Without inclusion and passage, there is no other viable option for funding the performing arts center now or in the near future.

Additionally, while a portion of the project costs will still be funded with private dollars, it is also necessary to reconsider the timing of private fundraising efforts, due to the difficult state of the economy and the postponement of the anticipated date of the sales tax extension.

When The Florida Center began planning for a private fundraising campaign in September 2008, just prior to the government's announcement in November of that year that the U.S. economy was officially in recession, the sales tax referendum was anticipated in 2010 or 2012. The referendum is now anticipated for 2014, or possibly even 2016. Additionally, The Florida Center Board of Directors strategically decided not to solicit private donations during the worst of the recession in 2009, and also suspended solicitations this year as we undertook the project re-evaluation process with TPC.

However, during 2010, The Florida Center did cultivate and solicit major corporations that are either headquartered in Florida, or have a major presence in Florida, to become Founding Partners by making a \$1 million contribution. Without exception, these prospective donors

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October 10, 2011  
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expressed support and interest, but felt the project was too early in its development for them to make a financial commitment. The project failed to enjoy either a commitment from the elected leaders or the public that it would be built. There was no commitment that the project would be included in the sales tax extensions. The public has yet to express through its vote a commitment and if it is approved, there is no commitment as to when it would be built. They expressed an interest and suggested that we continue the discussion after we have a more definitive project. It is simply not feasible for a corporation or grant-making foundation to make legally binding pledges or gifts with these uncertainties and contingencies.

The economy was also cited by many potential donors as a major deterrent. Surveys and studies have shown that charitable giving has dropped significantly in the past several years and is only beginning to improve from the historical lows of the recession.

The Board recommends that the project be included in the sales tax extension as a conditional project. The facility will only be built if the private dollars are raised subsequent to the referendum. If the dollars are not raised, then the dollars would be freed up for other approved projects. Secondly, the Board believes that all fund-raising should be postponed until after the referendum. The Board will be significantly reducing its budget to reflect this revised scope in committee activities.

#### **Public Outreach and Education**

The Florida Center Board of Directors believes the main focus of the organization over the next few years should be in the area of public outreach. Most people in our community do not appreciate the value a performing arts facility will add to the cultural, educational, entertainment and economic well being of our community. Ruby Diamond is not a community facility; it is part of the university and the university's needs get first priority. It will be less and less available to the general public. The Tallahassee Ballet can no longer get dates in Ruby Diamond to perform and the Symphony is very limited in the performing and rehearsal times.

The Committee's primary role will be to engage the community in a public dialogue, in order to build the needed community support for inclusion in the sales tax extension funding priorities and passage of the referendum. These efforts will also result in continued cultivation of prospective donors who will be able to make contributions as the economy continues to recover. The existing Public Outreach and Education Committee will continue and grow its efforts to inform, involve and engage the community in support of The Florida Center.

Since The Florida Center will include a major educational programming component, the Education Committee recently appeared before the School Boards in Leon, Gadsden, Jefferson and Wakulla counties to inform them about the project and ask for their support. Each of the school districts voiced unanimous support for the project with Wakulla County already passing a resolution of support, and discussions are underway with the other school districts to do the same.

With the completion of the TPC study re-evaluation and the completion of a promotional video about The Florida Center, community groups are also being contacted and presentations are being scheduled to inform and garner support.

#### **The Johns Site**

TPC once again reviewed the location for the Performing Arts Facility and again affirmed that the Johns site is the best location. The advantages of this site are (1) 5,000 adjacent parking spaces, (2) excellent visibility of site at the beginning of the Gaines Street cultural corridor, (3)

County Commissioners  
October 10, 2011  
Page 4 of 4

under public control, (4) sits in the shadows of the Capital and thus appropriately named the Florida Center, and (4) as a standalone facility will avoid conflicts in parking or activities with other events. The Johns site will encourage foot traffic between it and the downtown area (Gaines Street), which is expected to result in the development of expanded retail activities and restaurants and should contribute to the creation of a vibrant 18-hour downtown.

Given the proposed changes in private funding component of the funding plan a revised option agreement for the site will need to be considered. The committee looks forward in working with the city on the revised option plan.

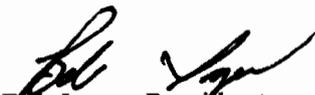
### **Commission Presentation**

The committee looks forward to introducing the revised plan to the community and the presentation to the City and County Commissions this week will be the beginning of our revised project roll out. Given the limitations of time, the primary focus of our presentation will be on the changes to the facility plan and costs. A detailed discussion with the commissions this week encompassing all facets of the project is beyond the allotted time.

A discussion on the other changes outlined in this letter will continue in the near future. The committee remains committed to bringing this project to fruition. In these difficult times it is hard to lift your eyes and to have a vision of the future. It is even harder to make an investment in the future given the pressing needs of today. Failure to invest in our future will relegate our community to yesterday and Tallahassee will fail in reaching it full potential. We believe this project more than any other will make a difference in the quality of life in our community and in facilitating the growth and diversity of our businesses. Today, the internet allows individuals to work from anywhere and it is the quality of life in our community that will attract individuals and businesses to move to Tallahassee.

Thank you for the opportunity to make this public announcement of the revised plan for The Florida Center. We seek your comments, suggestions and guidance, as we work together to continue building the stage for our future and moving forward with this important community project.

Sincerely,



Bob Inzer, President

The Florida Center for Performing Arts  
and Education, Inc.