

**Attached is Additional Information for  
Agenda Item #17: Acceptance of Status  
Report on the Performing Arts Center and  
the Arts Exchange Projects**

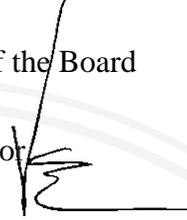
**Board of County Commissioners Meeting on Tuesday, October 23, 2012**

**This document distributed: Friday, October 19, 2012**

# Leon County Board of County Commissioners

October 23, 2012

**To:** Honorable Chairman and Members of the Board

**From:** Vincent S. Long, County Administrator 

**Title:** Additional Information for Agenda Item #17: Acceptance of Status Report on the Performing Arts Center and the Arts Exchange Projects

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<b>County Administrator Review and Approval:</b>	Vincent S. Long, County Administrator
<b>Department/ Division Review:</b>	Alan Rosenzweig, Deputy County Administrator Scott Ross, Director, Office of Financial Stewardship Ken Morris, Director, Economic Development and Legislative Affairs
<b>Lead Staff/ Project Team:</b>	Lee Daniel, Director, Tourist Development Timothy Carlson, Sr. Management and Budget Analyst

Please find attached additional information provided by COCA. Staff continues to work with COCA in finalizing the management review prior to distribution to the Board.

## ARTS EXCHANGE PROJECT

### **PROJECT MISSION:**

To be a center ...

for performing artists to have adequate spaces to create, ~~to live,~~ and to work;

for local non-profit arts organizations to be nurtured and to seek mutual success;

for cultural tenants to find affordable prices while the Arts Exchange maintains a sound operating plan;

for a growing variety of exceptional entertainment through which the community will be inspired and connected through the performing arts.

### **OVERALL PROJECT GOALS:**

- Provide anchor tenants with facilities designed to specifically meet their needs in a long term rental relationship.
- Provide economies of scale through office rentals made available to COCA, the Tallahassee Ballet, the Boys' Choir of Tallahassee and local non-profit arts organizations at below market rate with shared administrative costs; provide co-location advantages for marketing, bulk purchasing and increased opportunities for the development of collaborations that will benefit the long term health of the non-profit arts organizations as well as provide the community with increased entertainment products.
- Encourage and facilitate partnerships between cultural tenants to create and enhance their success and their contributions to the community.
- Provide mid size and small flexible performance spaces that can be utilized simultaneously and for multiple purposes.
- Design and build these spaces to encourage an intimate connected focus between performer and audience; with high-quality acoustics and comfortable surroundings for the audience; appropriate and well thought out design and functional elements of backstage and public spaces, and, state of the art technical features in order to provide for the delivery of superior quality performances.
- Develop a year round professional \*regional theatre company that will bring a new level of theatre to the area, create jobs in the performing arts, generate ongoing revenue for the Arts Exchange and impact the local economy with jobs, sales of goods and increased tourism.

## ***PROJECT MANAGEMENT GOALS***

During the pre-development Phase, COCA will provide the management for the Arts Exchange, a project that will address the critical needs in the community for rehearsal and small performance space as well as create economy of scale opportunities for multiple arts organizations. New build or adaptive reuse will both be considered. Multiple staff members of COCA will be called on to provide their unique experience and skills to provide some of the expertise normally necessary to hire outside consultants to provide.

## ***PRE-DEVELOPMENT PHASE OBJECTIVE***

COCA, along with Artspace Projects, Inc. will secure private funds that will enable the completion of the pre-development deliverables as outlined by Artspace Projects, Inc. in their contract with COCA.

<b>STATUS of ARTS EXCHANGE PROJECT</b>			<b>OCTOBER 2012</b>
<b>Individual Milestones for Pre-development Phase</b>	<b>Status</b>	<b>Changes to original plans</b>	
Complete Artist Market and User Survey	done	User needs and facilities needs were evaluated in 2005 for the Citizen's Committee and again in 2010 as work began on the details of the functional program.	
Complete Housing Market Survey to assess the depth of the market, demand for space, demographics and specific needs of the market	done		
Complete Real Estate Market Survey to determine market lease rates for retail and housing	done		
Complete a written plan to raise additional funds for pre-construction phase and construction.	done		
Obtain Site Control (through option agreement)	done	One site was originally considered under option agreement with the City but when a potential buyer was identified by the City an alternative site was offered for the Project. A new option agreement was signed. It was necessary to re-do some site planning items causing some delay to the initial planning timeline.	

Milestones/Timelines- continued 2

<p>Complete preliminary Environmental Study to delineate assets and liabilities of potential site and determine land use issues prior to the proposed transfer of ownership of the property to Artspace, Inc.</p>	<p>done</p>	<p>Also necessary to carry out twice with the change to the site.</p>
<p>Prepare a successful Low Income Housing Application to State of Florida</p>		<p>The State of Florida put a freeze on applications from Leon County for Low Income Housing tax credits preventing an application to be submitted for three years. In 2011 Artspace relinquished the option on the land on Railroad Avenue to City due to the State freeze on Leon County Affordable Housing applications making it impossible for Artspace Projects, Inc. to proceed with Housing component. The option on the site was returned to the City by Artspace in agreement with COCA primarily because the size of the site was no longer appropriate for the project.</p>
<p>Identify finance/funding options for large non-residential component (Creative Work Center)</p>	<p>done</p>	<p>A funding plan was established for the Creative Work Center with donor capacity research was carried out and other public and private options researched. Simultaneously operating funding options were also researched.</p>
<p>Obtaining preliminary commitments from banks and tax credits</p>	<p>done</p>	<p>Artspace had received approval from the Bank Of America for one million dollar for housing component; The Federal Home Loan Bank, applied to by Artspace, had awarded the project the largest grant for a project of this kind that Artspace was aware of; the Ford Foundation had initiated conversations with Artspace about another million for the project as a whole including the Creative Work Center and Housing component. All were lost due in 2012 when the State of Florida failed to remove the freeze on applications for Affordable Housing.</p>

Milestones/Timelines- continued 3

<p>Assembling of Architect and engineering team</p>	<p>done</p>	<p>Following an RFQ and the submission of applications from local and national firms, Gilchrist, Ross, Crowe were selected as the lead Architects. The full team includes: Gilchrist, Ross, Crowe Architects for architectural and design services ;Genesis Group (for civil engineering, landscape architecture, and site and environmental planning; H2 Engineering for mechanical and electrical engineering; Bliss &amp; Nyitray, Inc. or structural engineering; Theatre Collaborative Consultants for design of the black box theatre; and Creative Acoustics for architectural and theatre acoustics.</p>
<p>Development of Schematic designs</p>	<p>done</p>	
<p>Development of concept renderings and elevations</p>	<p>done</p>	<p>accomplished twice, once for each site</p>
<p>Creation of detailed functional program, reviewed by potential tenants for input and changes</p>	<p>done</p>	<p>This Functional program has been essential as new opportunities in site and adaptive re-use potential are analyzed. The Tallahassee Ballet has also been able to utilize the data to communicate space needs and make considerations for alternatives should the full project not be developed. COCA has worked with Leon County Schools and the Boys' Choir of Tallahassee to locate a space for them at Nims Middle School which also benefits the students at that school with the creation of a new performing arts program COCA staff helped develop. This will also impact the Space requirements for the Creative Work Center by a reduction of 16,000 fewer square feet.</p>

Milestones/Timelines- continued 4

<p>Creation of Construction cost estimates</p>	<p>done</p>	<p>Culpepper Construction provided local information to Artspace as they analyzed construction estimates. Artspace was underway with several projects across the country at the time and could also utilize that information as well. Gilchrist, Ross, Crow consulted with COCA providing new build as well as adaptive re-use estimates for the Creative Work Center component.</p>
<p>Development of operating pro forma</p>	<p>done</p>	<p>Created over seven times in differing schemes as a variety of sites, new build and adaptive reuse possibilities were considered</p>
<p>Development of operating plan for non-residential and residential as a key to long term vision for and sustainability of project. Must be re-evaluated each time changes are made to square footage and type of build, location and other factors that may impact operating.</p>	<p>done</p>	<p>Also created for differing opportunities and possibilities which included smaller land footprints, adjustments to square footage.</p>
<p>Development of ownership plan for development</p>	<p>done</p>	<p>While Artspace was still involved with the project a plan for ownership had been detailed. After their departure, several plans are under consideration dependent upon results of proposal to the Florida Center and other issues.</p>

Milestones/Timelines- continued 5

<p>Plan for Promotion and Publicity to begin upon completion of pre-development work with potential users and Citizen Steering Committee. This promotion would begin after the pre-development phase rather than prior to in order to have a product informed with the deliverables accomplished during this phase. Fundraising would then begin for the capital costs now with a more specific expectation of what those will really be to provide to potential donors.</p>	<p>on hold</p>	<p>As talks were initiated again in 2012 with the Florida Center for Performing Arts and Education to consider working together on a joint plan and the County's Management Review was under way, this promotional work was put on hold.</p>
<p><b>Timeline</b></p>	<p>Range of Dates</p>	
<p>Committee of Citizens is appointed by the City and County to create recommendation for the space and they complete their work.</p>	<p>2004-2008</p>	<p>As recommended in the Cultural Plan (4.4.4) part of COCA's contract with the City and County was to staff the committee developing this project.</p>
<p>Artspace Projects, Inc. agree to be developers</p>	<p>2007</p>	<p>The nations leading non profit developer of spaces for arts selects Tallahassee's Arts Exchange project as their next project.</p>

Milestones/Timelines- continued 6

<p>Committee recommends that COCA serve as Project Manager and City and County concur.</p>	<p>2008</p>	<p>COCA accepts responsibility and seeks private funds, as recommended in the Cultural Plan (6.7.6) to do so. COCA also continues and expands further its other programs and services related to the City and County contract for which Cultural Plan funds have been awarded.</p>
<p>Private funds are earned from a successful grant submitted by COCA to the Knight Foundation; a Boards of Director's Campaign with contributions from COCA and Arts Exchange Anchor Tenants; Park for the Arts Exchange (football parking) carried out with volunteers who will be future users of the facility.</p>	<p>2008-2009</p>	<p>COCA was awarded \$150,000 more than requested in its application to the Knight Foundation. A large percentage of the matching funds required were contributed by Chair of the Committee to be awarded in four annual installments.</p>
<p>The Arts Exchange Project is selected as one of five outstanding projects in nation by the American Architectural Foundation to participate in their Sustainable Cities Design Institute.</p>	<p>2009</p>	<p>Artspace Projects; Dave Gilchrist and Richard Crowe, Project Architects; and Peggy Brady, Executive Director of COCA attended the three day Sustainable Cities Design Institute, all expenses paid by the AAF to receive the recognition for the project and to benefit from the experts assembled in urban design, affordable housing, arts centers and sustainable design.</p>

Milestones/Timelines- continued 7

<p>Margo Bindhardt, major donor to the project becomes ill. A ceremonial groundbreaking is held in her honor at the project's site. It is attended by local government representatives, arts organizations and the Secretary of State. Soon thereafter Margo passes away.</p>	<p>2009</p>	<p>Work is well underway. The family changes the terms of the pledge payout to lump sum payment in December 2012 rather than four annual payments. In order to complete the work as outlined in the Knight Grant and as understood by the donor, COCA advances funds from its reserves to cover the expenses. The Pledge is confirmed each year by external auditor to allay risk. It was planned that the reserve advanced and expenses covered by COCA during these years would be refunded upon payment of full pledge anticipated for December 2012. Full payment was received early in August 2012.</p>
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Milestones/Timelines- continued 8

<p>Proposals developed to combine efforts with Florida Center for Performing Arts</p>	<p>2010</p>	<p>COCA developed a proposal and presented it to the Chair and members of the Executive Committee of the Florida Center for Performing Arts in 2010. The proposal included consideration of locating adjacent to the Johns property on the City owned Chevron property. The plan would have allowed for the construction of the rehearsal spaces projected in the Arts Exchange project to also serve the needs of the larger theatre proposed by the Florida Center. The Arts Exchange would provide a smaller performance space meeting different but critical needs as well. The combined efforts were proposed to be phased, with the Arts Exchange components beginning immediately since the predevelopment work had prepared it to be able to proceed with construction. COCA believed that this would bring the community a small but important component preceding the larger future space. The proposal was not accepted by the Board of the Florida Center. In March of 2012 the COCA Board began the effort to ask them to reconsider the proposal and make suggestions for ways the two projects could work together. No agreement has been reached.</p>
<p>The Arts Exchange Pre-development Phase Goals and Objectives are accomplished</p>	<p>2012</p>	<p>Project succeeds in meeting its goals for the pre-development phase. Full payment of the pledge was received early in August 2012. All funds were allocated to the Arts Exchange expenses and COCA's reserve has been refunded.</p>

Milestones/Timelines- continued 9

<p>The Arts Exchange project has successfully completed Phase One and has reached the evaluation point to determine whether to enter Phase Two. COCA continues its work to address the still existing critical needs for this kind of space in the community. The COCA Board agreed to wait for the Management Review that began in November 2011 and the talks with the Florida Center to conclude prior to entering the evaluation for the next phase to begin.</p>	<p>2012</p>	<p>COCA continues its to address the still existing critical space needs for in the community. Several vacant properties have been reviewed, new operating pro formas developed, square footage analyzed and potential for sustainability under review. COCA assisted the Boys' Choir of Tallahassee, one of original anchor tenants of the Project, with establishing a new home at Nims Middle School. The Tallahassee Ballet, also an original anchor tenant, is utilizing some of the work achieved for the Functional program of the project to understand and analyze their current needs for new space. A new proposal for a Downtown Theatre has been considered as the Black Box component envisioned by the Arts Exchange. Meridian Plaza Building has been discussed for potential compatible use meeting some of the needs identified in this project as well as those support needs for the Meridian Plaza Amphitheatre.</p>
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**Challenges from 2007-2012**

<p>Site change due to City potential sale of original site caused project to be delayed for eighteen months</p>
<p>Delays due to state rules changes for affordable housing caused a need to extend the option agreement with the City on the site for over two and a half years. As a result of the State's rule change the project eventually lost Artspace Projects who could no longer accomplish the Housing Component. They are still interested in working on that component should the State change its rules.</p>
<p>Delay in receipt of the pledge dollars, originally expected annually over a four year period of time, caused COCA to borrow from its reserve to pay for costs associated with carrying out the work of the project with the annual confirmation by auditors that the pledge would be received in December 2012 to reimburse those advanced funds.</p>

Milestones/Timelines- continued 10

When Artspace, Inc. left the project it required more work for COCA staff to do to complete the objectives of Knight Grant related to pre-development. COCA staff accomplished this work without impacting the expanded programs and services it provides through contracts with the City and County and funding received from the state for its Local Arts Agency service.

Two \$100,000 Challenge grants earned by COCA through State programs were not funded due to the Legislatures 92% cut to arts funding.

Confusion in public mind between the Arts Exchange and the Florida Center project.

## Funding Summary

### Arts Exchange Project

(not reported in detail in the Agenda Item probably because no Tourism Tax  
Funds have been applied to the Arts Exchange Pre-development Phase

<b>Private Funding</b>		
<b>2006-2012</b>	\$ 665,489.00	combination of grants, private funds, events, and boards of anchor tenants campaign
<b>Other</b>		
<b>2006-2012</b>	\$ 53,418.00	combination of city, county, state, COCA generated revenue and COCA reserve

**BELOW:** Included only to prevent confusion since the Florida Center numbers are included in the same Agenda Item. None of these dollars have been applied to the Arts Exchange project. These figures do not appear to include the private dollars raised by the Florida Center, only the funds allocated from the Tourism revenue.

### Performing Arts Center Project

(as reported in Agenda Item)

<b>CRA-Tourism Tax revenue</b>		
2005-06	\$ 186,800.00	for site analysis/facility needs
3/08-9/09	\$ 562,500.00	fundraising efforts and operating
"October 2008	\$ 562,496.00	fundraising efforts and operating
"October 2011	\$ 215,000.00	fundraising efforts and operating
"October 2012	\$ 149,700.00	fundraising efforts and operating
	<b>\$ 1,676,496.00</b>	
<b>Also</b>		
2009	\$ 508,425.00	demolition of Johns Building

## Agenda Item # 17

### Status of the Arts Exchange Project

The following are clarifications provided by COCA to this item's agenda material for the October 23, 2012 meeting of the Board of County Commissioners.

Some of these responses are essential to provide factual content and others are important to assist with a more accurate interpretation of fact.

Text in Black ink is directly from Agenda Item 17.

Text in blue is COCA's Response.

Public meetings were held and input was given regarding the initial needs of the local art organizations and artists. After substantial art organization needs and facilities/space research and surveys, two components of the project were identified:

1. The Creative Work Center – includes rehearsal spaces, black box theatre, commercial space, and shared administrative space **for multiple organizations.**

**Issue #1: This component also included stand alone space for both The Tallahassee Ballet and The Boys Choir of Tallahassee. Since then, COCA has assisted the Boys Choir in locating at Nims Middle School and beginning an expanded Performing Arts program there.**

2. Affordable Housing – a living/work facility for artists who qualify by need. In late 2006, COCA entered into an initial contract for \$2,500 with ArtSpace Projects, Inc., a non-profit developer of arts spaces and housing, for a one-day consulting visit. ArtSpace Projects, Inc. was brought in for its expertise and existing blueprint from having created 18 similar projects across the United States. From the 2006 meeting, a report was prepared by Artspace outlining the market, site, financial, and leadership analysis for the Arts Exchange project (Attachment #5). While, overall the report was positive, regarding the viability of the project, some initial concerns were expressed with regards to adequate financing being available (both private and public), the need for strong leadership, and the “somewhat hidden and dispersed” existing local arts community.

**Issue #2: This statement is inconsistent with the Report written by Artspace and attached that this comment references. Stated here as concerns, the report instead addresses each of these areas in this way.**

-with regards to adequate financing being available (both private and public)

**the Artspace report says, “We are unsure whether the community can draw on sufficient philanthropic support (or other sources) to fill a project gap. Identifying the potential resources to capitalize the commercial space for the arts is critically important to the next step. This financial analysis, which will examine all projected costs and sources of revenue, would be completed as a part of a feasibility scope of work. This next step would be taken, only if the market survey positively supports the project concept, which we believe it will”.**

**These are unknowns at this point in the project, not concerns. It goes on to say “Artspace believes that the project concept involving the redevelopment of an underutilized city-owned property in a light industrial section of the community is sound. Clearly, based upon the needs assessment, the market exists**

for a multi-function arts campus/park to serve the space needs of a number of vital non-profit organization. “

-with regards to... the need for strong leadership...

The Artspace report says, “There is strong local arts leadership in COCA that has done a great deal of planning, thinking and organizing around the (sic) Arts Exchange development. The work COCA has completed is impressive and demonstrates engaged local leadership from their staff and board”. It also states, “The Council on Culture & Arts (COCA) is clearly key to the continued leadership of this project. Artspace supplements but does not substitute for local, passionate leadership which Tallahassee clearly has”.

-with regards to the “somewhat hidden and dispersed” existing local arts community.

The Artspace report says, “While Tallahassee is the capital city and has two major universities and a strong community college, the arts are somewhat hidden and dispersed. All three higher educational institutions have fine arts and performing arts programs but it is not yet understood how these programs and their students and professors interact with the larger arts community. These links should continue to be capitalized upon.” The statement does not imply concern it states a need to capitalize on university resources. In another statement regarding the local arts community the report says, “The individual arts community (representative of all disciplines of arts) appears to be strong enough to warrant deeper investigation in a feasibility scope of work.” That, in addition to the others does not indicate concerns.

Initial estimates placed the total costs of the Arts Exchange project at \$33 million, with the project located on Gaines Street on property acquired from the City of Tallahassee. In an attempt to secure funding for anticipated predevelopment costs, COCA applied for, and was awarded, a \$375,000 grant from the Knight Foundation in December of 2007 (Attachment #6). The grant stipulated that expenditures from the grant funds could be spent on specific predevelopment activities; such as, conducting housing and real estate market surveys, conducting an environmental study, obtaining site control, leveraging grant dollars, assembling architect and engineering teams, and developing schematic designs.

Issue #3: In the interest of a status update COCA fulfilled the requirements of the Knight Grant, reported to the Knight Foundation on the use of the Knight funds, which were also audited by Carroll and Company, CPA's and the grant was closed in 2009.

By 2008, a formal contract was agreed upon with Artspace (Attachment #7).

Issue #4: While the Contract with Artspace was not signed until 2008, the work to be accomplished with Artspace was a part of the application to the Knight Foundation. COCA waited to enter any contract with them until after the grant award was approved.

This contract was for a total of \$500,000 to cover out-of-pocket costs and expenses related to a feasibility study and pre-construction services.

Issue #5: This is true but it should be noted that the contract with Artspace was much more specific and included most of the deliverables listed about for the Knight Foundation grant.

COCA would initially pay Artspace \$100,000, and the remaining balance of the contract would be paid in two \$200,000 installments as soon as certain agreed upon deliverables regarding design/financial analysis and financing/fundraising objectives were met. To date, \$375,000 has been paid to Artspace for services rendered in accordance to the contract. As of December 2011, COCA did not have any further outstanding financial obligation to Artspace.

Issue #6: While COCA did not have any further outstanding financial obligations to Artspace for the \$500,000 contract, COCA did assume the commitment to accomplish some of the deliverables anticipated to be performed by Artspace within that contract.

Over a period of four years, multiple changes to the project occurred, as financing attempts failed, and securing a site location was unsuccessful (Attachment #8).

Issue #7: Financing attempts cannot be categorized as a failure. Artspace was very successful in lining up financing from multiple banks and was negotiating with a Major National Foundation for another large donation. The rule change, made by the State of Florida affecting Leon County's eligibility to make application for Housing tax credits for affordable housing, prevented Artspace from accessing those financing opportunities lined up to support the project. The failure was at the state level to prevent already earned financing opportunities from being accessed. Fundraising for the Arts Exchange Creative Work Center component was and is still in the silent phase. It cannot be considered as failing until it has begun.

Securing a site location was not unsuccessful as it is presented here. It was in fact accomplished early in the project. The site itself changed to an alternative site. However, the option agreement with the city stayed in place until 2012 when Artspace and COCA opted out of the option due to the Affordable housing restriction. The size of the site was no longer determined to be optimal for the project without that component. Artspace sent a letter to the city requesting an end to the option. But, site control as defined by the banks and foundations did exist up to that point.

In 2010, COCA submitted, and was approved for, a \$1,000,000 grant for the Arts Exchange housing component from the Federal Home Loan Bank for affordable housing. This award was contingent upon a successful application to Florida Housing for tax credits.

Issue #8: This paragraph contradicts the former statement made in this agenda item that financing attempts failed. It is also incorrect in that COCA did not submit an application. All of the funding for the Housing Component was being raised by Artspace who had earned this funding as well.

Applications to Florida Housing have been denied on the grounds that a majority of Tallahassee/Leon County is designated a limited development area and therefore ineligible for tax credits (unless it's a planned homeless or very low income community). Due to the Florida Housing decision, COCA has not received any of the grant funds from the Federal Home Loan Bank.

Issue #9: Due to this rule change, not only were applications prevented from being submitted but it made it impossible for Artspace to continue with this Affordable Housing component without the state's funding as leverage and match to other financing successfully earned. As a result of the State ruling the project was no longer eligible to receive the bank funds.

Similar attempts to secure Challenge Grants from the State of Florida, while placing high on the State ranking list, fell through due to state budget cutbacks. No other significant funding sources were secured to finance the Arts Exchange project.

Issue #10: All the funding needed for the pre-development phase of this project was earned through private funds, grants and other earned revenue initiated by COCA. Public fundraising for the second phase would not begin until this work was completed. The only efforts to secure funding during this time were to pay for the expenses of the Pre-development phase which was successful.

Concurrent to the funding issues, the option for the original Gaines Street location became unavailable, with the city offering an option on an alternative location on Railroad Avenue. Gaines Street location site planning and predevelopment resources were redirected, where possible, and new plans and schematics were developed for Railroad Avenue.

Issue #11: This paragraph contradicts the above paragraph that states "securing a site location was unsuccessful". There were no funding issues concurrent with the original Gaines Street location change to another site. The funding issues with the State occurred only following the site planning and other work done on the second site.

Most recently, a possible relocation to the Miracle Theatre was considered and resources were expended on a basic construction cost analysis. Consideration of this site was dropped after another tenant leased this site.

Issue #12: A proposal for the Miracle Theatre space was but one of the recent considerations. A proposal was presented to the Florida Center for Performing Arts in 2012 to consider the site adjacent to the Johns property. That proposal was presented again in June of 2012. A building on North Monroe was also considered but deemed to be unsatisfactory. Most recently an existing facility identified with the help of Commissioner Akinyemi's committee and the Economic Development Council was studied and is still in the consideration stage with The Tallahassee Ballet.

In May 2012, the option for the current Railroad Avenue location with the City was terminated, due to a lack of funding, and the continued denial of project tax credits from the State Housing decision on affordable housing in Tallahassee/Leon County.

Issue #13: As stated above for issue #7 the option agreement with the city for the Railroad Avenue site stayed in place until 2012 when Artspace and COCA requested an end to the option due to the size of the site no longer being considered optimal for the project without the Housing component. Artspace sent a letter to the City requesting an end to the option.

In light of the recent events, plans for the Arts Exchange Project have been scaled back.

This statement is accurate as it relates to the unfortunate loss of the Housing Component but it is also true for some positive reasons as well. The Arts Exchange project has been a flexible project from its inception. It can be accomplished with a wide range of total cost, determined by many factors. The adaptive reuse possibilities of course can be done for far less than new build and have been considered seriously. The project was created to address needs in the community and as such has adapted to those changing needs. In the case of the square footage, with the successful location for a home for the Boys Choir at Nims Middle School, 16,000 sq. ft. has been eliminated. That scaling down was due to a very positive outcome for one of the original anchor tenants for this project.

Without adequate financing, COCA has dropped the housing component of the project and plans to focus on the creative work center component. Presently, no location has been identified for the creative work center and a lack of public and private financing remains a major issue.

Issue #14: As stated above many times, the housing component was dropped solely because of the State of Florida's rule change which made it impossible for Artspace to complete a project like they have in almost every other state. It was anticipated that had the rules been changed back there would have been adequate financing to complete that component of the project.

The Creative Work Component of the project is what COCA was primarily managing from the beginning. As stated above, the Pre-development phase has been completed. Delays certainly hampered the initial timeline, along with changing sites and other challenges. But this project is not alone in that kind of challenge during these past five years which also included the recession. The “lack of public and private financing” has not yet been tested since the major fundraising effort has not begun. The private funding effort for the first phase was successful.

On September 28, 2012, a draft report of the COCA management review was submitted to the organization for review and comment. The completed management review was to be brought to the Board at its October 23, 2012 meeting; however, COCA requested additional time to respond in order for their board to review the report.

Issue #15: The document delivered to COCA on September 28 gave COCA a deadline of Oct 9 for a response. That being 7 work days, an organization with a volunteer Board would not have had time to convene and analyze a 42 page document that was created over the past 12 months. County Staff agreed but in order for them to provide the adequate time it would mean the item could not be raised at the October 23 Commission meeting.

The management review has an entire section on the Arts Exchange project and three preliminary recommendations. One of the preliminary findings is that the Board may want to reconsider allocating a half-cent of the fifth-cent bed tax to the Arts Exchange project at a future workshop, now scheduled for December 11, 2012. The entire management review and COCA’s response will be presented at the Board’s November 13, 2012 meeting.

Issue #16: The Management Review has an entire section on the Arts Exchange much of which is the exact content of this agenda item. COCA is disappointed that content from the DRAFT review would have been used in this Agenda material without the response COCA was promised it would have time to provide. Whether a recommendation is preliminary or not, it is a part of the DRAFT review and as such was provided to you without COCA response. COCA was not aware of the agenda item until it had been published, and, at that time, County staff did alert COCA to it. As you see from this paper there were many, many discrepancies, most of which would have been clarified with COCA’s response. Many statements that appear here as conclusions are provided with omissions of key information which if included might allow for different conclusions to be drawn. While some of the clarifications presented here could seem insignificant, the devil is in the details as they say.

COCA has provided A Status Report on the Arts Exchange Project to County staff and we hope it will assist you with your interest in understanding the progress of this project.