

October 10, 2011

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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

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

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)

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.

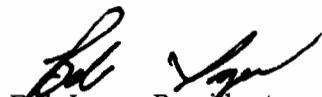
Commission Presentation

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.