

TRCC Advisory Board
October 31, 2012
Salt Lake County Government Center, N2003
2:00 PM

Board Members

Present: Kelvyn Cullimore – Chair
Vasilios Priskos – Vice-Chair
Zeke Dumke
Andrew Stephenson
Darrel Smith
Mary Draper
Ralph Becker
JoAnn Seghini

Absent: Russ Wall

Also Present: David Delquadro, Sally Jacobson, Brad Kendrick Council Office; Darrin Casper, Mayor’s Office; Erin Litvack, Phil Jordan, Cami Monk Community Services Department



Board Member Kelvyn Cullimore, Chair, presided.



Welcome/Introductions



Approval of Minutes

Board Member JoAnn Seghini, seconded by Board Member Zeke Dumke, moved to approve the minutes from the June 11, 2012 TRCC Advisory Board meeting.

The motion passed unanimously.



Update on Cultural Facilities Support Program

Board Chair Kelvyn Cullimore stated the Cultural Facilities Support Program (CFSP) stemmed from the Salt Lake County's Cultural Master Plan. The CFSP is the process in which cultural projects are reviewed and recommended to receive funding from the County. The TRCC Fund is one possible funding source for projects that receive a favorable recommendation. Even though the TRCC Advisory Board is independent of the CFSP process and TRCC does have a representative that sits on the CFSP Advisory Board. That representative is Board Member JoAnn Seghini.

Board Member Vasilios Priskos asked what the TRCC Advisory Board's role is when a project is not recommended for funding.

Ms. Erin Litvack, Director Community Services, stated the TRCC Advisory Board's role is to advise the County Council on TRCC Fund expenditures. If a project were not recommended, there would not be a proposed TRCC Fund expenditure and the Board would not be asked to review the project. In addition, not all recommended projects will come through this Board. An example of this is the Utah Performing Arts Center. This recommended project was able to utilize an alternate source of funding outside of the TRCC Fund and because of this; the TRCC Advisory Board did not review the project.

To add some background to the program and the process it is important to look back at where this program started. A number of years ago the county in partnership with many of the cities completed a Cultural Master Plan for Salt Lake County. As part of the master plan, there was a recommendation for a nonpolitical process that would examine cultural projects. Each project would be review based on its merits including community support along with a number of other criteria. The process contains two steps. The first step is a staff level feasibility review. The second step is a review by an Advisory Board made up of 11 members that make a recommendation to the County Mayor and Council.

Board Member JoAnn Seghini presented the list of projects and along with the CFSP Advisory Board's recommendations.

<u>Applicant</u>	<u>Requested</u>	<u>Recommended</u>
Hale Center Theatre	\$35,000	No
Masonic Center Restoration Fund	\$21,250	No
Cottonwood Heights	\$500,000	No
Living Planet Aquarium	\$1,000,000	Yes
Masonic Center Restoration Fund	\$320,000	No
South Salt Lake City	\$494,000	No
Salt Lake Arts Academy	\$592,067	No
Salt Lake Film Society	\$379,000	No
Salt Lake Acting Company	\$62,820	Yes
South Salt Lake City	\$325,000	No
Taylorville City	\$3,408,951	No
The Leonardo	\$187,500	No
Utah Symphony, Utah Opera	\$51,000	No
Utah Arts Alliance	\$19,906	Yes

Board Member Priskos asked whether the no recommendation for the Cottonwood Heights project was because there were architectural issues with the project or because of the support demonstrated in the application. There are a number of reports that demonstrate the need for projects like this. The Board should not need to verify individual demand when there is overwhelming evidence of need for this type of project.

Board Chair Cullimore stated he had heard the reasons that this project did not receive a recommendation was because there was a lack of community support and because the city did not have a crew to run the auditorium. He had also heard the auditorium was too large and that if there was room for addition space for storage or rehearsal then it might have been recommended.

Mr. Phil Jordan Director of Center for the Arts stated one of the things the committee looks for in reviewing the applications is the amount of demonstrated community support presented in the application. Staff did communicate Cottonwood Heights to try to get the community need portion of the application better defined. The largest piece of missing information was in regards to what other groups, besides the Arts Council, would utilize the facility along with how they would use it.

Board Chair Cullimore stated he would have liked to see more interaction between the staff and the applicant when there is the need for more information. He also stated that the requirement standard for demonstrating community support might be too high.

Ms. Litvack stated she had inquired about this recommendation when she first saw it and was told one of the concerns was that the facility was originally slated to be a 600-seat auditorium. The proposed project would increase that size to 1100 seats. There is not anything in the master plan that references a need for a theater of this type or size. The stated need is for theaters in the 500 and even up to the 800-seat range. There was concern that the need to increase the size of the theater was not demonstrated.

Board Member Priskos stated it was disheartening to see that this project was turned down. The need in the community is there for projects like this and it should be easier for them to receive funding.

Board Member Dumke asked whether the Living Planet Aquarium Project was already underway, what the cost is and how much public funding is being devoted for the project. He stated he was surprised by the positive recommendation for this project given the size of the request and the amount of public funds that it had already received. The one million requested represents a large percentage of the total amount that was recommended.

Board Member Darrel Smith replied the groundbreaking was last week and the total cost for the project is approximately 14 million. The state contributed two million last year.

Ms. Litvack stated the projects have not yet received funding recommendations from the Mayor. They have only received recommendations from the CFSP Advisory Board stating they are worthy of funding. When the board reviews projects they do not consider the size of the financial request in their recommendations only whether the project meets the

criteria. It will be up to the Mayor to recommend and the Council to decide whether a project is actually funded.

Board Chair Cullimore asked how does the Living Planet Aquarium meet the criteria for a cultural facility, it appears that it would more likely be a ZAP recipient.

Mr. Jordan stated the question of whether the aquarium was a cultural facility or not was one of the first questions the board looked at. To answer this they turned to the master plan. This project did have a number of components that would be utilized by various arts groups.

Board Member Ralph Becker asked why the Masonic Temple application was denied.

Board Member Seghini stated it was not make clear how the facility would be made available for use as a cultural facility and the applicant was asked to provide further information and apply next year.

Board Member Mary Draper asked for clarification in regards to the duties of the TRCC Advisory Board and the Cultural Facilities process.

Ms. Litvack stated they were not asking the board to take any action at this time. The presentation is only informational. Once the Mayor has proposed his budget, the TRCC Advisory Board will then be asked to weigh in and give a recommendation to the Council regarding the funding for all of the projects that have been proposed to receive funding out of the TRCC Fund.



Update on the Capital Theatre Project

Board Chair Cullimore stated that last year there was approximately eight million dollars allocated towards remodeling the Capital Theatre and the board has requested an update for the project.

Ms. Litvack stated the county had just received news that they did receive New Market Tax Credits (NMTC) for this year. This was because Ballet West had not raised the full amount of the money they needed for their share of the project. NMTCs are only given to projects that have all of their funding in place. The NMTC program is on track to be renewed and the county is optimistic to receive the NMTCs next year. The county has also applied for Historic Tax Credits in the amount of \$1.7 million. Ballet West has raised \$13.8 million in pledges and of that they have monetized \$10.5 million. With the NMTCs they should be fully funded.

\$2.8 million of the \$8 million has already been spent in the design of the project. The design for phase 1 is complete. Phase 1 includes updates to the interior of the theatre. Phase 2 will include a restructuring of the seating to include cross aisles, better sightlines and bringing the theatre up to ADA compliance. The project is on budget and five contractors have been prequalified.

At this point, the Council will need to revisit the project to see if they will want to continue with the project since the NMTCs were not received this year but are expected to be available next year.

Board Chair Cullimore asked how the new Utah Performing Arts Center (UPAC) would affect the Capital Theatre.

Ms. Litvack replied the Capital Theatre has always been home to Ballet West and the Utah Opera. They have first priority to the calendar and are residents and tenants to the theater. Once the UPAC is built, the county will be able to right size the theatre and utilize it for the events that fit within the theatre. The UPAC will be much larger and will be able to give priority to Broadway in a way the Capital Theatre is unable too. Financially the Capital Theatre will see a one million dollar revenue decline. Some of this decline will be made up thru backfilling the theatre with events that currently are not being presented at the theatre. This will make up \$400,000; the remainder will be made up thru an agreement with the UPAC in which \$600,000 of the operating revenue will flow thru to the county.

Board Member Dumke asked in regards to the \$2.8 million that has already been spent, does this board need to amend its earlier motion in regards to the \$8 million that was contingent upon receiving NMTC.

Ms. Litvack replied half the money that has been spent was contributed by the ballet. It would be helpful to have the support of the TRCC Advisory Board.

Board Member Dumke seconded by Board Member Becker moved to support the county in the way the county is proceeding in the allocation of the \$8 million from the TRCC Fund that is dedicated to the Capital Theatre and to extend the timeframe for another year. Recognizing that completing the deferred capital maintenance is a priority for the county.

Motion passed unanimously



Overview of TRCC Fund's 2013 Budget

Mr. Darrin Casper, Chief Financial Officer, presented budget projection handouts. Sales tax is rising but is still below 2007 levels. Due to feedback received from this board, the Mayor is proposing a new approach to deferred capital maintenance; \$8.5 million is budgeted from the TRCC for this purpose. This year the Mayor is honoring the commitment he made to this board last year to reduce the subsidy from the TRCC Fund to Parks and Recreation by \$3.75 million.

The \$8.5 million amount dedicated to deferred capital maintenance was arrived at thru conversations with county facility experts. They calculated the amount needed to maintain the TRCC related facilities was \$7 million annually but because the county was already behind in maintenance, \$8.5 million was needed to bring to facilities up to a fully maintained state.

In addition to the \$8.5 million, a couple revolving funds are being setup to facilitate the replacement of small equipment.

Board Member Becker asked if it would be possible to raise user fees for some of the facilities and then dedicate that increase towards capital maintenance.

Ms. Litvack replied the county has looked at the fees that are charged and feel the county is currently charging the maximum amount that can be sustained by the community. All of the fees are currently used to keep the subsidy from the TRCC down.

Board Chair Cullimore stated he would like to see an annual target increase of \$2 million in the fund balance to provide for cultural facility needs around the valley. To accomplish this, the deferred maintenance could be reduced by the amount needed.

Board Member Dumke stated there needs to be a way for this board to have the discussion every year on the whether the \$8.5 million for deferred maintenance is the correct amount or whether some of that money should be dedicated towards other projects throughout the county.

Board Member Seghini seconded by Board Member Priskos moved to support the 2013 budget as approved and to reduce the \$8.5 million for deferred capital maintenance to \$6.5 in the long-range plans and revisit the amount every year.

Motion passed unanimously

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Board Chair Cullimore stated that if the Mayor includes any of the cultural projects in the budget he should submit those projects he will be including to the Board, which will then provide feedback.

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Board Member Becker seconded by Board Member Dumke moved to adjourn.

Motion passed unanimously

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Meeting adjourned at 5:30 P.M.