

REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REDEVELOPMENT AGENCY OF CENTERVILLE MEETING AT 6:30 PM ON DECEMBER 17, 2019 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the Redevelopment Agency of Centerville City may be conducted via electronic means pursuant to Utah Code Ann. 52-4-207, as amended. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance, including hearing devices. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Jacob Smith, Centerville Management Services Director, at 801-295-3477, giving at least 24 hours notice prior to the meeting.

The full packet of backup materials can be found at <http://centerville.novusagenda.com/agendapublic>.

Tentative - The times shown below are tentative and are subject to change during the meeting.
Time:

A. NEW BUSINESS

1. CenterPoint Theater
Approve specific budget items requiring RDA approval
2. Minutes Review and Acceptance
December 3, 2019 RDA Minutes

B. ADJOURNMENT

CENTERVILLE

Staff Backup Report 12/17/2019

Item No. 1.

Short Title: CenterPoint Theater

Initiated By: Jansen Davis, Executive Director, CenterPoint Theatre

Scheduled Time:

SUBJECT

Approve specific budget items requiring RDA approval

RECOMMENDATION

Approve the following applicable budget items:

- Section 20 of the Lease Agreement requires the RDA to **APPROVE** any allocation of funds to the Operations Reserve Fund
- Section 22 of the Lease Agreement requires the RDA to **APPROVE** any allocation of funds to the Maintenance Reserve Fund
- Section 24 of the Lease Agreement requires the RDA to **APPROVE** any allocation of funds to the Capital Reserve Fund
- Section 30 requires the RDA to **APPROVE** the final budget for the Maintenance Reserve Fund
- Section 30 requires the RDA to **APPROVE** any portion of the Annual Operating Budget dealing with or relating to the current, future, and on-going maintenance, repair, or replacement of any portion of the Theatre or Site

BACKGROUND

In section 30 of the Lease and Operating Agreement (see attached “Annual Budget Process” document) it states that the Annual Budgets of the Association and any amendments shall be submitted to and reviewed by the RDA and the ACB prior to becoming final. The RDA and ACB have provided input on the proposed budgets. While the RDA is not required to approve the overall budgets for Centerpoint, the Lease Agreement does have other provisions requiring RDA approval of certain parts of the budgets.

ATTACHMENTS:

Description

- ❑ Lease Requirements - Annual Budget Process
- ❑ 2020 Final Facilities Budget
- ❑ 2020 Five Year Maintenance Plan
- ❑ 2020 Final Budget Summary
- ❑ CenterPoint Reserve Funds
- ❑ 2018 Variable Rent Calculation

LEASE AND OPERATING AGREEMENT FOR THE DAVIS CENTER FOR THE PERFORMING ARTS

Applicable Lease Agreement Provisions regarding Budget Process

30. Budget Review and/or Approval. The Association shall prepare and abide by an annual budget or budgets, as more particularly required herein, setting forth a plan of financial operations for the fiscal period, including an estimate of proposed expenditures for given purposes and the proposed means of financing them. All budgets shall be prepared in accordance with standard and generally accepted accounting principles. The Association shall prepare for each budget period, an annual overall operating budget ("Annual Operating Budget") and a budget for the following budgetary funds: (1) the Operations Reserve Fund; (2) the Maintenance Reserve Fund; and (3) the Capital Reserve Fund (collectively referred to as "Annual Budgets"). The Annual Budgets of the Association and any amendments thereto shall be submitted to and reviewed by the RDA and the ACB prior to becoming final. The Association shall prepare budgets for the coming year and submit the same to the RDA and ACB by November 25th. Prior to November 25th, the Association's staff will meet with RDA staff to review those portions of the Annual Budget relating to facilities maintenance. The RDA and ACB shall have until December 10th to review the budgets and to submit any recommended changes to the Association. The final Annual Budgets, as reviewed by the RDA and ACB, shall be adopted by the Association by December 20th of each year. Notwithstanding the forgoing, and for the reasons set forth herein, the final budget for the Maintenance Reserve Fund and any portion of the Annual Operating Budget dealing with or relating to the current, future and on-going maintenance, repair or replacement of any portion of the Theatre or the Site, or any improvements, fixtures, equipment or accessories related thereto, shall be subject to approval by the RDA prior to final adoption by the Association. Such approval shall be provided in accordance with the above-described budget review process and time periods. The required budgetary review and/or approval by the RDA and the ACB as provided herein is not intended to micro-manage operations of the Theatre or to prioritize programs, but is intended to provide the RDA and the ACB with meaningful oversight in order to accomplish the goals and intent for the Theatre, and to provide for timely, appropriate and sufficient maintenance and repair of the Theatre and its facilities. Any amendments to the Annual Budgets shall be subject to review and approval by the RDA prior to final adoption by the Association.

- The Association shall prepare an annual overall operating budget and a budget for each reserve fund account
- The Association shall submit the annual budgets to the RDA and ACB by November 25th of each year
- The Association shall meet with staff prior to November 25th of each year to review those portions of the annual budgets relating to facilities maintenance
- The RDA and ACB shall have until December 10th each year to review the annual budgets and to submit any recommended changes to the Association
- The Association shall adopt the annual budgets, as reviewed by the RDA and ACB, by December 20th each year
- Any portion of the annual budgets dealing with or relating to maintenance, repair or replacement, or improvements and equipment shall be subject to approval by the RDA prior to final adoption by the Association

[illegible]

CPT – 2020 Five Year Maintenance Plan

Carpets

- Lobby Carpets are cleaned at least 6 times each year. Other areas are cleaned 2+ times yearly
- Evaluation/Replacement Consideration for Lobby Carpet - 2021

Lobby Furniture

- Lobby Furniture is cleaned 2+ times yearly
- Replacement will be considered – 2021
 - Replacement is being considered early – Funds are available/Wearing out early

Light Fixtures

- Bulbs are replaced as needed – Taking advantage of RMP incentive for LED replacements – 2019, 2020
- Lobby replacements will be considered – 2021

Seating

- Main Stage Seats are cleaned 1+ times yearly
- Leishman Hall Seats are cleaned 1+ times yearly

Performance Areas

- Barlow Stage area is assessed for repairs 1+ times yearly
 - The Gala Lift has an annual maintenance contract
 - Stage Rigging is professionally inspected annually
 - Repairs/Replacement as needed
 - Draperies are inspected and cleaned of dust annually
 - Overhead doors are inspected annually
 - Repairs and replacement as needed
- Leishman Stage area is assessed for repairs 1+ times yearly
 - The Tension Grid is inspected by staff 1+ times yearly
 - The Tension Grid will be professionally inspected – 2021
 - Draperies is Inspected and cleaned of dust annually

Rehearsal Halls

- Floors are cleaned and resealed every 2 years – 2020, 2022, 2024

Fire Suppression System

- The Fire Suppression System is inspected annually
 - Fire Extinguishers are inspected annually

- Fire Extinguishers will be assessed for replacement – 2021

Handicapped Doors

- Repairs are done as needed
 - Professional inspection – 2021

Windows

- Windows are cleaned 2+ times yearly
 - Replacement/Seal maintenance as needed

Elevator

- A yearly maintenance contract is held for the elevator

Roof

- There is a roof inspection by CPT/City Staff 1+ times yearly

Walls

- Wall repair and painting as needed

Other equipment, fixtures, plumbing, etc.

- Repairs are done as needed

CenterPoint Legacy Theatre Budget		2020 Summary	2019 Budget	Change	% Change
Season Ticket Revenue - Actual		825,000	801,910	23,090	
Single Ticket Revenue		375,000	417,025	(42,025)	
Encore Memberships		9,000	6,000	3,000	
Ticket Exchange Fees		-	-	-	
Show Sponsorships		81,000	90,000	(9,000)	
Season Sponsorships		170,000	-	170,000	
Leishman Hall Revenue		16,880	48,880	(32,000)	
Leishman Hall Misc Revenue		-	-	-	
Academy		508,750	405,625	103,125	
Rentals		25,250	35,375	(10,125)	
Concessions		72,000	72,000	-	
Friend to Friend Ticket Sales		8,000	5,200	2,800	
Annual Fundraising Gala		125,000	125,000	-	
Events (Concerts/Community)		20,000	18,000	2,000	
Miscellaneous Income		10,002	10,080	(78)	
In-Kind Revenue		-	-	-	
Total Operating Revenue		\$ 2,245,882	\$ 2,035,095	210,787	10.36%
Barlow Theatre (Direct Costs)		541,280	514,438	26,842	
Leishman Hall		21,154	43,746	(22,592)	
Academy		368,755	312,451	56,303	
Rental Expenses (Facility, Costume, Props)		14,188	13,525	663	
Concessions		51,448	51,984	(536)	
Production Overhead Costs		337,129	228,726	108,403	
Total Direct Costs		\$ 1,333,953	\$ 1,164,870	169,083	
Marketing		170,977	145,350	25,626	
Development		189,402	160,212	29,190	
Box Office		114,545	114,494	51	
Administrative		275,715	265,028	10,688	
Facilities		365,904	333,591	32,313	
Total Admin Expenses		\$ 1,116,543	\$ 1,018,675	97,868	
Total Operating Expenses		2,450,496	2,183,546	266,951	12.23%
Depreciation		61,866	47,088	14,778	
Total Expenses		\$ 2,512,362	2,230,634	281,729	12.63%
Net Income From Operations		(266,480)	(195,539)	(70,942)	36.28%
Other Non Operational Items:					
Individuals and Small Corporation Donations		37,000	40,000	(3,000)	
Foundations/Corporations/Grants/RAP Tax		149,000	172,000	(23,000)	
Total Donations		\$ 186,000	212,000	(26,000)	-12.26%
Interest Earnings		15,600	18,889	(3,289)	-17.41%
Net Income		\$ (64,880)	\$ 35,350	(100,231)	-283.54%
Other Items:					
Maintenance reserve funding		22,459	22,471		Based on 1% of revenue
Operation reserve funding		-	-		
		(87,339)	12,879		

CenterPoint Theatre Reserve Fund Report

11/26/2019

Maintenance Reserve Fund	\$	326,817.35
Operations Reserve Fund	\$	193,920.80
Capital Reserve Funds	\$	42,950.88

CenterPoint Legacy Theatre

Variable Rent Calculation for Calendar Year 2018

Revenues	2,413,372
Expenses	<u>(2,204,050)</u>
Net Income	209,322
 Reserved Donations	 <u>(23,119) *</u>
2018 Net Revenue	186,203
 Maintenance Reserve Funding - 6/25/18	 (19,805)
Capital Reserve Funding -	
Additional Maintenance Reserve Funding - 8/3/18	(1,136)
Operations Reserve Funding	<u>-</u>
Variable Rent Due	<u>165,262</u> **

* Reserved Donations

Hale Foundation - 2019 season	5,000.00	2019 season
Casa - Friend to Friend	5,000.00	Friend to Friend
AFCU - Friend to Friend	1,000.00	Friend to Friend
Robbins, Sorenson - Friend to Friend	700.00	Friend to Friend
Be Heard	10,119.25	Academy Be Heard
Seat & Paver revenue	<u>1,300.00</u>	Split between MRF and Ops Reserve accounts
	23,119.25	

** Proposed Allocation of Potential Variable Rent

Capital Reserve Fund (warming kitchen)	39,000	Reserve Balances as of 11/30/19	
Maintenance Reserve Fund	63,131	3,955.23	Capital Reserve Fund
Operations Reserve Fund	<u>63,131</u>	263,718.24	Maintenance Reserve Fund
	165,262	131,045.35	Operations Reserve Fund

If the proposed allocation is approved, the Maintenance Reserve Fund will have a balance of \$326,849.24 and the Operations Reserve Fund will have a balance of \$194,176.35 as of 11/30/19. Under the new Lease Agreement applicable in 2019, the Total Target balance for the MRF is \$375,000 (2.5% of the replacement value of the facility). The Minimum Balance required for the Operations Reserve Fund will be 10% of Annual Revenues, equal to approximately \$240,000 (based on 2018 Revenues). The MRF and the Operations Reserve Funds are well on their way to meeting the minimums required in the new contract. CPT will continue to contribute to these funds on an annual basis and we anticipate meeting the target balances in each account within 3 years. The Capital Reserve Fund will have \$42,955.25 intended to pay for the warming kitchen project.

CENTERVILLE

**Staff Backup Report
12/17/2019**

Item No. 2.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time:

SUBJECT

December 3, 2019 RDA Minutes

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

❏ December 3, 2019 RDA Minutes

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, December 3, 2019 at 9:20 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

DIRECTORS PRESENT

Tamilyn Fillmore
William Ince
Stephanie Ivie, Vice Chair
George McEwan
Robyn Mecham
Clark Wilkinson, Chair

STAFF PRESENT

Brant Hanson, RDA Executive Director
Lisa Romney, City Attorney
Leah Romero, City Recorder

VISITORS

Matthew Salcedo, ACP Management
Adam Lewis, Situs Retail Group
Chris Christiansen, Bank of America
Jansen Davis, Executive Director, CenterPoint Theatre
Paul Cutler, Vice Chair, CPT Board of Directors

CENTERPOINT THEATRE

Jan Davis, Executive Director of CenterPoint Legacy Theatre (CPT), presented plans to add a warming kitchen at the Theatre facility to more easily facilitate large events. CPT staff will have Food Handler Permits, but the Health Department will not require annual inspections because food will be brought in already prepared, not cooked from scratch onsite. Lisa Romney, City Attorney, explained that any alterations and improvements to the Theatre building require written approval from the RDA. Prior to making any alterations or improvements, CPT is required to submit to the RDA for review and approval the design drawings and specifications for improvements. These drawings are included in the Staff Report for this matter.

Director McEwan made a **motion** to approve kitchen improvements and drawings subject to compliance with all Lease provisions regarding alterations and improvements and use of the Capital Projects Reserve Fund. Director Ince seconded the motion, which passed by unanimous vote (5-0).

Mr. Davis presented CPT 2020 Annual Budgets, and answered questions from the RDA Board. The RDA and ACB shall review the proposed budgets and provide any recommended changes to CPT by December 10th. Pursuant to the terms of the Lease Agreement, CPT shall adopt the annual budgets, as reviewed by the RDA and ACB, by December 20th.

FIFTH AMENDMENT TO THE AGREEMENT FOR DEVELOPMENT OF LAND – LOT 1 OF CENTERVILLE GATEWAY SUBDIVISION – MARKETPLACE DRIVE AND PARRISH LANE – TABLED FROM NOVEMBER 19, 2019

Chris Christiansen with Bank of America answered some of the questions raised at the November 19 RDA meeting. Mr. Christiansen said Bank of America anticipates hiring 5-10 full-time employees from South Davis County at a minimum starting wage of \$20 per hour to staff the proposed Centerville office. The intention is to sign a 15-year land lease with an option to renew. Mr. Christiansen explained Bank of America's plans to expand in Utah, and ways Bank of America gives back to communities.

1 Responding to a question from Director Fillmore, Brant Hanson commented that indirect
2 costs and revenues of switching from a restaurant use to a financial institution use are difficult to
3 quantify. He stated the direct cost to the City in annual sales tax and property tax revenue would
4 be a loss of \$10,000-\$15,000.
5

6 Director Mecham expressed concern with the appearance of the subject property as part
7 of the gateway to the City. The RDA was assured that Bank of America would build a beautiful,
8 state-of-the-art building that would look fantastic in the City's gateway. Director Fillmore
9 commented that the decision is difficult because the desire had been for sit-down restaurant use
10 to support the Performing Arts Center. Mr. Hanson said Staff agrees the City needs more sit-
11 down restaurants; however, the subject location is not ideal for the type of restaurant desired.
12 Staff is looking into other possible locations for restaurant use. Director McEwan spoke in favor
13 of the proposed amendment.
14

15 Director McEwan made a **motion** to approve the Fifth Amendment to the Agreement for
16 Land Development for the Centerville Gateway Subdivision to allow a bank or financial
17 institution use on Lot 1 and to accept Bank of America, NA as the approved user of Lot 1.
18 Director Fillmore seconded the motion. Mr. Hanson said he would direct Staff to put together
19 numbers regarding indirect impacts of the Amendment. The motion passed by majority vote (3-
20 2), with Directors Fillmore, Ince, and McEwan in favor and Vice Chair Ivie and Director Mecham
21 dissenting.
22

23 Director Fillmore left the meeting at 10:29 p.m.
24

25 **MINUTES REVIEW AND ACCEPTANCE**

26
27 The minutes of the November 19, 2019 RDA meeting were reviewed. Director McEwan
28 **moved** to accept the minutes. Director Ince seconded the motion, which passed by unanimous
29 vote (4-0).
30

31 **ADJOURNMENT**

32
33 At 10:30 p.m., Director McEwan made a **motion** to adjourn the meeting. Vice Chair Ivie
34 seconded the motion, which passed by unanimous vote (4-0).
35
36
37
38

39 _____
40 Brant Hanson, RDA Executive Director
41
42
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Date Approved

Katie Rust, Recording Secretary