

TAB 3



City of Palmetto Agenda Item

Meeting Date

3/1/10

Presenter: Jeff Burton Matt Mayo, Olympia Theater

Department: CRA

Title:

Olympia Theater Business Plan

Background: Representatives of the Olympia Theater presented the business plan to the CRA Advisory Board on February 9, 2010. The review and discussion was not completed and the CRA Advisory placed the item back on an agenda for a Special Meeting being held on February 25, 2010. The CRA Advisory Board is not able to provide an appropriate recommendation to the CRA Board.

The Olympia Theater has requested to make their presentation to the CRA Board without regard to the CRA Advisory Board's input.

The potential budget impact cannot be determined at this time without determining what action might be taken.

Budgeted Amount: \$0.00 **Budget Page No(s):** **Available Amount:** \$0.00 **Expenditure Amount:**

Additional Budgetary Information:

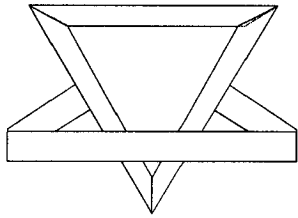
Funding Source(s): **Sufficient Funds Available:** Yes No **Budget Amendment Required:** Yes No **Source:**

City Attorney Reviewed: Yes No N/A **Advisory Board Recommendation:** For Against N/A **Consistent With:** Yes No N/A

Potential Motion/Direction Requested:

Staff Contact: Jeff Burton CRA Interim Administrator 2-22-2010

Attachments:



The Olympia Theater

Proposal for the residence of the
CRA.



**Buy the Building
or
Build the Program.**



CRA Options

- ✓ Buy the Building
- ✓ Build the Program
- ✓ Do nothing and have a new bar/nightclub on the street.



What is the CRA

- ✓ The CRA is not a bank.
- ✓ Value to the CRA is by a projects value to the community not in value of an asset.
- ✓ The CRA may fund local programs to fight slum and blight.



Buy the Building



Sale of Olympia Property To the CRA.

- ✓ \$850,000
 - Last appraisal made within the last 24 months at \$860,000 before improvements documented at \$300,000.
 - Current tax appraisal is land only as the property had been condemned before Jarvis improvements.
 - Must Close by 3/15/2010.
 - CRA will pay all closing cost.
 - Charter Services Trust will have until April 1, 2010 to remove all personal items.
 - CRA will primarily use the building as an community center for performing arts.



Issues

- ✓ Property will be off the tax role
- ✓ CRA will add \$127,000 in payroll per year
- ✓ The CRA will have to pay the CRA director additional compensation for this added responsibility.
- ✓ CRA is already overburden with property.



Public/Private Partnership:

- ✓ The Palmetto CRA will purchase 50% interest in the Olympia Theater from Charter Services Trust for \$450,000.
 - \$300,000 to clear lean on the building
- ✓ The CRA and representatives from the Olympia will discuss programming and independent funding.
- ✓ The CRA will be responsible for 1/2 any deficits acquired.
- ✓ Property will be removed from the tax role
- ✓ Either party can buy out the other for \$1,010,000
- ✓ Both parties must agree on usage days and times.



Build the Program

Private/Public Partnership Grants



Current Palmetto Rent Prices

- ✓ 3,000 sq. ft. finished interior @ \$10.00 per year \$30,000
- ✓ 6,000 sq. ft. finished patio @ \$0.50 per year \$3000
- ✓ 6,000 sq. ft. unfinished interior @ \$3.00 per year \$18,000

Total \$51,000 per year
10 year total \$510,000



Public/Private Partnership:

- ✓ The Palmetto CRA will purchase 49% interest in the Olympia Theater from Charter Services Trust for \$700,000.
 - \$300,000 to clear lean on the building
- ✓ Charter Services Trust will:
 - Donate \$300,000 to the Olympia Children's Theater Company.
 - \$300,000 OCYT start up.
- ✓ Charter Services Trust May buy out the CRA for \$900,000
- ✓ The Palmetto CRA may buy out Charter Services Trust for \$1,010,000
- ✓ Both parties will allow use of the building to the Olympia Children's Theater Company for ten years for the cost of taxes, and insurance.



Proposed use of CRA funds with a \$550,000 grant.

- ✓ Start up capital \$550,000.00 plus the use of the building located adjacent to the Olympia Theater for rehearsal space until such a time as the CRA can find a better active use of the building.
- ✓ \$300,000 OCYT rent for 10 years
- ✓ \$70,000 One year of production cost.
- ✓ \$150,000 Eighteen Months of staffing cost.
- ✓ \$50,000 Secures 2 years of utility payments.
- ✓ \$15,000 Two years miscellanies Expenses.
- ✓ \$5,000 Non profit start up



Proposed use of CRA funds with a standard non repayable community grant.

- ✓ Start up capital \$400,000.00 plus the use of the building located adjacent to the Olympia Theater for rehearsal space until such a time as the CRA can find a better active use of the building.
 - \$300,000 OCYT Rent for 10 years
 - \$ 50,000 For start up operations for Children's need based program.
 - \$ 50,000 Reserve



Proposed use of CRA funds with a loan/repayable grant at 3.4% interest.

- ✓ Start up capital \$600,000.00 plus the use of the building located adjacent to the Olympia Theater for rehearsal space until such a time as the CRA can find a better active use of the building.
- ✓ \$300,000 OCYT rent for 10 years.
- ✓ \$130,000 fourteen months of staffing cost.
- ✓ \$60,000 One year debt service to the CRA.
- ✓ \$50,000 One year Production cost.
- ✓ \$25,000 1 year of utility payments.
- ✓ \$25,000 1 year taxes and insurance.
- ✓ \$5,000 First year miscellaneous.
- ✓ \$5,000 Non profit start up cost.



Opportunities/Issues

- ✓ Creates an investment for the CRA.
- ✓ Creates a standard government program.
 - Loans from the city of Bradenton to Manatee Players.
 - The CRA has more justification for this program due to its stated goals.
- ✓ Establishes a solid community program.
- ✓ Keeps the property on the tax role.
- ✓ CRA may be loaning more money then the property's appraised value.



Thank You