

City of Fayetteville Staff Review Form

2015-0407

Legistar File ID

9/15/2015

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Jeremy Pate

8/28/2015

Development Services /
Development Services Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A Resolution expressing the City Council's support of Theatre Squared and the intent to utilize the City of Fayetteville 0.8-acre property at the southeast corner of West Avenue and Spring Street as a new permanent home for an expanded theater, and to authorize the mayor to negotiate terms for a long-term lease or sale of the property, which must be ultimately approved by the City Council

Budget Impact:

Account Number	Fund
Project Number	Project Title
Budgeted Item? <u>NA</u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u>No</u>	Item Cost
Budget Adjustment Attached? <u>No</u>	Budget Adjustment
	Remaining Budget \$ -

V20140710

Previous Ordinance or Resolution # _____

Original Contract Number: _____


Approval Date: _____

Comments:

MEETING OF SEPTEMBER 15, 2015

TO: Fayetteville City Council

THRU: Mayor Lioneld Jordan

FROM: Jeremy Pate, Development Services Director 

DATE: August 28, 2015

SUBJECT: **Theatre Squared – Use of City Property for Permanent Home**

RECOMMENDATION:

A Resolution expressing the City Council's support of Theatre Squared and the intent to utilize the City of Fayetteville 0.8-acre property at the southeast corner of West Avenue and Spring Street as a new permanent home for an expanded theater, and to authorize the mayor to negotiate terms for a long-term lease or sale of the property, which must be ultimately approved by the City Council

BACKGROUND:

Theatre Squared is a non-profit professional theater offering 220 year-round performances in the downtown arts district and in local schools, the only theater of this nature in a 150-mile radius. Theatre Squared offers visitors access to professional theater artists in productions that are conceived, rehearsed and performed only in Fayetteville; broadly accessible ticket prices, many of which are subsidized for Fayetteville residents; educational programs reaching 1500 Fayetteville students at no cost; and free tickets for clients of various non-profit organizations in Fayetteville. It is the top-rated attraction for Fayetteville on the on-line service TripAdvisor, and has received recognition by the American Theatre Wing, founder of the Tony Awards, as one of the nation's ten best emerging theaters. The organization is currently leasing space from the Walton Arts Center in the Nadine Baum Studio as its primary performance area, and has several satellite locations for storing equipment, offices and other supporting activities.

Growth in the organization and region suggests that the capacity of Theatre Squared has yet to be realized. A recent study commissioned by the theater determined that their rapid and sustained growth over the past 10 years, along with national recognition and the cultural arts amenities drawing millions to the region, compels the organization to explore opportunities for an expanded and new permanent home. Significant infrastructure challenges, operating constraints and immediate capacity issues emerged from this long-term facilities plan, resulting in a new focus on building "an intimate, state-of-the-art, permanent home." And we all want that home to be in downtown Fayetteville.

Theatre Squared recently announced the award of a competitive Our Town grant from the National Endowment of the Arts to begin the design exploration process. The City supported Theatre Squared in this grant application, and would like to continue that support to the fullest

extent possible. After reviewing several sites to locate a new permanent home in downtown Fayetteville, where the synergy of cultural arts, entertainment and necessary supporting amenities are available, Theatre Squared determined the property best situated to add to the performing arts destination that is downtown Fayetteville is a site at the southeast corner of West Avenue and Spring Street, home to a parking lot that has been utilized as a construction staging and Walton Arts Center staff parking for much of the past year. This property offers the size and proximity to public parking, the Walton Arts Center, Dickson Street, and other amenities that a downtown theater needs to thrive.

DISCUSSION:

Theatre Squared is formally requesting that the City support their intent to begin a several-month long design process on this property, identifying it as the preferred site for their new home. Without this initial commitment by the Council, producing conceptual and schematic design on a site that isn't at least being seriously considered as the new home to Theatre Squared would be too risky. By doing so, the City Council would also authorize the mayor to enter into negotiations establishing the terms for a long-term lease or sale of the property to Theatre Squared for this stated purpose. It would be the intent for staff to bring back a negotiated agreement in the spring of 2016. Staff fully supports this endeavor, as we believe the impact of an expanded, unique professional theater in the downtown can be significant draw for tourism and economic development. The impact to the City from Theatre Squared currently is estimated at \$2.3 million per year; it is estimated that a world-class, locally programmed, nationally recognized arts destination will nearly double the ongoing economic impact to more than \$4 million annually once the new facility is in operation. In combination with the Walton Arts Center expansion and the amenities that downtown Fayetteville has to offer, this facility, if fully realized, will add to the Northwest Arkansas region's arsenal of cultural amenities, thereby fueling tourism and spending in our economies.

BUDGET/STAFF IMPACT:

The decision to dedicate the subject property to development does not come without an eventual cost. Currently this property contains a public, pay parking lot containing approximately 54 spaces. The property was evaluated in 2012 as a possible location for the new parking deck, but was the first removed for consideration due primarily to its smaller size for a parking deck and impact on adjacent properties. For the better part of the last year, the property has been out of commission as a parking lot, as it is currently serving as a lay-down/staging area for the parking deck construction as well as temporary dedicated parking for Walton Arts Center staff, until the parking deck is complete. The revenue from this parking lot, like all public parking downtown, is dedicated to paying back the bonds issued for the deck construction. In discussions with the Finance Director, this revenue dedication from the South Lot can likely be transferred to the parking deck once it is open, subject to approval by our bond counsel; however it is critical that the parking deck is open and functioning with a proven usage rate to offset this revenue before any other use could occupy the space. That timetable works well with Theatre Squared's schedule for design and future capital fundraising for construction.

Another consideration is that the City will want to condition a lease or sale agreement of the property upon Theatre Squared's ability to raise the necessary funding to construct the facility that serves the public in the manner described. Any lease that the Mayor brings back to the City Council will include a provision to this effect.

Attachments:

Letter of Request



TheatreSquared

REMARKABLE LIVE THEATRE EXPERIENCES

P.O. Box 4188
Fayetteville, AR 72702

Admin: (479) 445-6333
Box Office: (479) 443-5600
theatre2.org

Robert Ford
Artistic Director
Martin Miller
Executive Director

BOARD OF DIRECTORS

Lynn Donald Carver, President
Arts Advocate.
Patric Brosh, Vice President
Romance Diamond Company
Tod Yeslow, Treasurer
Mitchell Williams Law
Stephen B. Nelson, Secretary
Emergency Medicine
Denise Garner
Arts Advocate
Jay Greene
University of Arkansas
Susan Hall
Arts Advocate
Leigh Hopkins
Wal-Mart Stores
Bob Kohler
Kohler Design Office
Judy Schwab
University of Arkansas

Mayor Lioneld Jordan
City Hall
113 W. Mountain Street
Fayetteville, AR 72701

August 27, 2015

Mayor Jordan,

We write to you and to the Fayetteville City Council at a defining moment for TheatreSquared and for our community.

As you know, the theatre's recent growth has been exponential—with a tenfold increase in T2's audience and budget over the past few seasons, as well as significant growth in its impact on the local economy to \$2.3 million each year. It's a strong reflection on Fayetteville and our region that, with grassroots support, a non-profit company has grown to be recognized by the American Theatre Wing, founder of the Tony Awards, as one of the nation's ten best emerging theatres.

TheatreSquared plays a vital role as the only professional theatre producing a year-round season within a 150-mile radius. Rapid growth in the patron base for peer arts organizations in NWA—including prominent new cultural pillars like Crystal Bridges, the Amazeum, and others still on the drawing boards—suggests that tens of thousands of additional potential audience members reside in the area, while tens of thousands more have begun to travel to the region each year to seek out unique arts experiences. There is considerable opportunity to grow T2's offerings and audience and to make permanent the company's impact both as a major local economic engine and as a unique, accessible arts destination for all who live in or visit Northwest Arkansas.

To advance this vision, earlier this year, the T2 Board charged a special community task force to recommend a long-term facilities plan for the company. This task force was supported by the London-based theatre consultancy Charcoalblue, who traveled to Fayetteville to assess T2's current rented space. Charcoalblue's in-depth study,

conducted over a period of several months, found significant infrastructure challenges, systemic operating constraints, and an immediate capacity ceiling that will soon limit the company's growth.

Recognizing these challenges—and with a strong desire to offer artists and local audiences a still-higher standard of excellence—the community task force made a strong recommendation, which was then unanimously approved by the T2 Board: **to build an intimate, state-of-the-art, permanent home** for TheatreSquared.

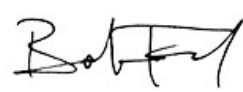
We're thrilled to have recently received a competitive Our Town grant from the National Endowment for the Arts to begin the design process. Given our strong identity and history in downtown Fayetteville, it is no surprise that our task force's top candidate for a building site is located here: specifically, the city-owned property at the southwest corner of West Ave. and Spring St currently in use as a construction staging area.

To allow T2 to begin the design process, we formally request that the Fayetteville City Council memorialize its support by authorizing the mayor to draft either a long-term lease or transfer agreement for the site, recognizing as consideration the major improvements planned and the ongoing public advantage provided by the theatre's subsidized programs serving tens of thousands of audience members and youth each year.

This large-scale cultural building project will have a considerable impact on Fayetteville's local economy — generating nearly \$40 million in direct and indirect spending during construction alone, and nearly doubling T2's ongoing economic impact to more than \$4 million annually after the building is completed. The outcome will be a truly world-class, locally programmed, nationally recognized arts destination in the heart of downtown Fayetteville. Along with the renovations now underway at the Walton Arts Center, we see the emergence of a true performing arts district that advances the city's Downtown Master Plan and defines our downtown as an arts destination for generations.

Thank you for your leadership and support for this vision. We're excited to begin the design process together with you and with our community.

Sincerely,



Bob Ford
Artistic Director



Martin Miller
Executive Director



Lynn Carver
Board President



Hershey Garner
Community Task Force



484

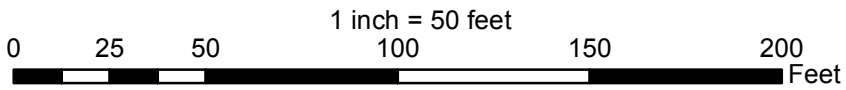


NORTH

City of Fayetteville, AR

Date: 8/27/2015

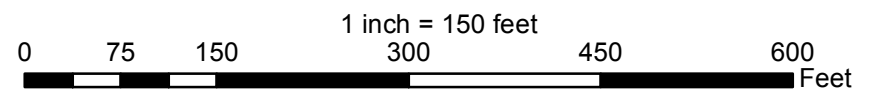
South Lot





Date: 8/27/2015

South Lot





OFFICE OF THE MAYOR
LIONELD JORDAN

January 12, 2015

National Endowment for the Arts
Design Program Staff
400 7th Street, SW
Washington, DC 20506-0001

To Whom It May Concern:

As Mayor of the City of Fayetteville and the local government's highest-ranking official, I am proud to lend my support to this cultural planning and design request. Our community's vision for downtown Fayetteville will be greatly advanced by a theatre commons anchored by TheatreSquared — a company that encapsulates in its art and welcoming spirit what is best and most distinctive about Fayetteville.

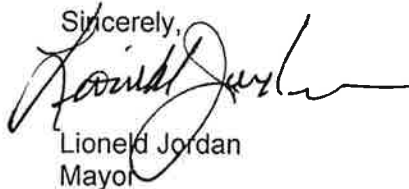
On behalf of the City, I commit to working with our City Council to contribute city-owned property in the downtown area to this effort. Locating this creative hub in the heart of Fayetteville's downtown arts district has the potential to create a walkable link connecting Fayetteville's best cultural assets.

TheatreSquared's remarkable growth in its first nine years has been driven by artistry and will. This is not an institution that emerged fully formed; these artists earned their credibility simply by mounting one top-notch play after another. After each performance, its leaders are invariably there to greet audience members at the theatre's exit. This level of community engagement, combined with an uncompromising artistic standard, has amassed a deep reservoir of goodwill for TheatreSquared in our city.

While Fayetteville has always been an oasis for the arts, we began to shape our growth towards the ideal of a compact, livable downtown a decade ago with the release of our Downtown Master Plan. We've made great steps toward this vision in the last ten years, but achieving the design plan outlined in this request would be a great leap forward. A smartly planned home for TheatreSquared and for professional artists, living and working on site, could serve as both a real and symbolic connection between our key downtown cultural assets—the missing link to allow us to become the "experience-based arts economy" envisioned in our downtown plan.

We can't conceive this transformation without broad input and smart design. I hope that grant support from NEA's Our Town program will help us launch this process with a level of artistry to match the exceptional work on TheatreSquared's stage. Please feel free to contact me directly at (479) 575-8330 or mayor@ci.fayetteville.ar.us. I will be happy to voice my strong support for this project and answer any questions you may have.

Sincerely,



Lioneld Jordan
Mayor