

**PROPOSED TERM SHEET FOR MANAGEMENT OF
COUGHLIN-SAUNDERS PERFORMING ARTS CENTER**

Purpose:

The City of Alexandria ("COA") believes a properly managed and operated performing arts center plays a vital role in providing its citizens and other visitors an opportunity to enjoy and participate in the performing arts and other cultural opportunities. The Coughlin Saunders Performing Arts Center ("CSPAC"), owned by the COA, was constructed in 1994 for this purpose. The Arts Council of Central Louisiana ("ACCL") has operated and managed the CSPAC since 1994. In late 2012, the ACCL became a wholly owned subsidiary of the Central Louisiana Community Foundation. The CLCF wishes to replace the ACCL as operator and manager of the CSPAC. The COA wishes to determine if the CLCF possesses the requisite management expertise and skills to operate the CSPAC according to its mission, in a businesslike manner. To this end, the COA proposes to enter into an exclusive operations and management agreement ("Agreement") with the CLCF.

Goal

The CSPAC is to become financially self-sufficient in operations and ordinary maintenance from revenues generated by its operations during the Term of the Agreement.

Scope:

Grant the CLCF an exclusive right to operate, manage and maintain ("Operate") the CSPAC.

USE OF CSPAC

The offering and presentation of performing arts and cultural events by recognized arts and cultural organizations, educational entities, entities dedicated to economic development, and any other related use the CLCF, in its discretion, shall allow.

Term:¹

The Agreement will have a term of Three (3) years (Term); provided, however, that the City, by written notice to CLCF at any time within the Six (6) months of May 1, 2014 (Effective Date), may terminate the Agreement for convenience. In the event the City elects exercise its right to terminate the Agreement, the Agreement shall terminate as of the last day of the first year of the Term.

Default:

The agreement shall contain Events of Default which unless timely cured by the defaulting party will entitle the non-defaulting party the right to terminate the Agreement upon Sixty (60) days' notice.

¹ As to all material in this Term Sheet, you understand this Term Sheet in no way constitutes an agreement, and the proposed terms herein are merely recitations of the goals of a potential binding agreement. Specifically, you understand that until a valid ordinance is adopted by the governing authority of the COA, allowing for a contract, which is then negotiated and executed, any discussions or Term Sheets are merely expressions of possibilities. This is not a contract.

[Type text]

Monetary Contribution:

It is understood by the parties that the CSPAC, at this time, is not financially capable of supporting its ongoing management and operations from revenues generated by its operations. For this reason, the COA, subject to appropriation, will contribute up to \$60,000.00 annually, payable quarterly, to support the operations of the CSPAC²

As the CLCF shares the City's interest in seeing the CSPAC become self-supporting, the CLCF agrees to accept the City's annual contribution, in whole or part, only if needed to support the effective operation and maintenance of the facility.

Revenue:

1. Net revenue generated through the operations and merchandizing, gifts to or on behalf of the CSPAC shall be owned by the COA and deposited in a restricted fund created solely for the operations and maintenance of the facility. This restricted fund shall be held and managed by the CLCF during the Term of the Agreement.
2. It is understood between the parties that the CLCF intends to offer naming rights to the auditorium, lobby, seats and other components of the CSPAC in recognition of sizeable monetary gifts and that these dedications will be advertised as permanent. It is further understood that the monetary gifts obtained through such dedications will be designated for and placed into an Endowment Trust enjoying 501(c) 3 status, the purpose of which will be to administer and distribute the funds solely for the benefit of CSPAC operations. The trust will be managed by the CLCF. The Board of Trustees will be mayoral appointees who shall serve for staggered terms.

Capital Items:

If the roof, supporting walls, foundation or HVAC systems of the CSPAC shall be declared to be in need of replacement by a qualified engineer chosen by the COA, the COA, at its own cost, shall be responsible for the cost of replacement.

The COA shall be responsible, at its sole cost, for the repair or replacement of any items defined as Capital Items by the Contract Manager.

The below listed items are defined as Capital Items and shall be replaced by the COA, at its sole cost, on a "once only" basis during the Term:

- a. Follow Spotlights
- b. Sound System Components

² It is understood between the parties that the \$60,000.00, per year, contribution is not to be understood as a guaranteed annual contribution but a maximum annual contribution which will be made only to cover annual budgetary shortfalls in operating revenues. The above notwithstanding, It is understood between the parties that if the funds are not paid as indicated, the CLCF shall have the unilateral right to terminate this agreement and the COA shall be solely liable and responsible for all obligations of the CSPAC. In the event the CLCF elects to terminate this Agreement all funds owned by the COA and managed by the CLCF shall be returned to the COA as of the date of termination.

- c. Lighting System Components
- d. Projection System Components
- e. Carpets
- f. Exterior Metal Painting
- g. Exterior Light Fixtures
- h. Masonry Repairs
- i. Landscaping, up to a maximum expenditure of \$2,000.00

Utilities:

The COA shall provide, at no cost to the CSPAC or CLCF, electricity, gas, water and sewerage services necessary for the operations of the CSPAC during the Term of the Agreement.

Routine Maintenance

The CLCF shall be responsible, at its sole cost, for general maintenance of the interior of the CSPAC, including the F, F & E's necessary for its operations unless such maintenance is caused by the COA's failure to adequately maintain the roof, supporting walls, foundation or HVAC systems of the CSPAC; provided, however, that it shall be duty of the CLCF to immediately notify the Contract Manager of any roof leaks, cracks in the supporting walls or foundation of the facility, and, any mechanical problems arising in the HVAC systems.

The CLCF shall be responsible, at its sole cost, for all interior cleaning and janitorial services, the replacement of restroom supplies, interior and exterior lighting, and the routine maintenance and repair of all HVAC systems.

The CLCF shall be responsible, at its sole cost, for exterior maintenance of the CSPAC, including sidewalks and planters.

Deliverables By CLCF:

Term

1. Create a Theater Management Division charged with the overall management and operations of the CSPAC.³
2. Hire a full time Marketing Director who shall be a full time employee of the CLCF, with the majority of his/her duties related to the CSPAC, and who, among other duties, shall develop a marketing plan for the promotion of events, enhanced merchandising and concessions at the CSPAC. Hiring for this position will be fully within the authority of the CLCF President and CEO, and will report only to the CLCF President and CEO.
3. Prepare and adopt a One (1) year Capital Plan for the CSPAC and deliver it to Mayor.

³ It is agreed between the Parties that this Division shall be not be made up solely of nor controlled by the Arts Council of Central Louisiana.

4. Prepare and adopt an annual Capital and Operating Budget for the CSPAC and deliver a copy to the Mayor.⁴
5. Prepare and present to the Mayor a written quarterly financial report detailing the operations of the CSPAC.⁵

Budget Matters

1. Prepare and adopt an annual Capital and Operating Budget for the CSPAC and deliver a copy to the City's Chief Financial Officer
2. Prepare and present to the City's Chief Financial Officer a written quarterly financial report detailing the operations of the CSPAC.

Contract Monitor

The Contract Monitor for the COA shall be the Mayor or his designee.

Access and Inspection:

The COA, its agents, employees, and contractors, may enter upon the CSPAC upon reasonable notice for any purpose not inconsistent with CLCF's quiet enjoyment and use of the CSPAC.

Use of CSPAC by COA:

The COA shall have the right to use the CSPAC, subject to availability, for any public purpose. The rental for each use shall be agreed upon in advance and only shall be the direct cost of such event.

Insurance

The CLCF shall maintain insurance, and provide certificates of insurance, to protect the parties hereto from and against any and all liability, loss, damages, expenses, actions, causes of action, suits, claims or judgments of every kind and nature, including, but not limited to, personal injuries, wrongful death, and property damages which may arise. CLCF shall maintain the following insurances:

- Comprehensive General Liability – This policy shall cover all operations under this Agreement and the limits of liability shall not be less than \$5,000,000.00, of which

⁴ It is agreed that during any year in which the COA is requested to make a monetary contribution for the operations and management of the CSPAC, the Capital and Operating Budget is subject to the approval of the Mayor or his designee. Should the COA not approve the Capital and/or Operating Budget or fail to appropriate or fund the minimum annual contribution discussed above, then the CLCF shall have an immediate and continuing right to cancel the Agreement immediately. It is further understood that any booking made by CLCF bind the COA whether CLCF continues to manage the facility or not.

⁵ It is agreed that the Parties will jointly **develop a reporting matrix**

[Type text]

\$1,000,000.00 shall be primary and the remaining \$4,000,000.00 umbrella coverage, for bodily injury, including wrongful death and/or death per occurrence. The limits of liability for property damage shall be identical to the limits for personal injury.

- Workers' Compensation Insurance – CLCF shall maintain workers' compensation insurance in compliance with Louisiana Law.

Signed by the parties on the dates shown below.

CITY OF ALEXANDRIA

BY _____
Albin A. Provosty
Executive Counsel to
Jacques M. Roy, Mayor

_____ Date

Central Louisiana Community Foundation

BY _____
Thomas E. Harmeyer
President and CEO

_____ Date

[Type text]