

Steven B. Tanger Center for the Performing Arts Fact Sheet

- The MOU contemplates the City of Greensboro owning the performing arts center in perpetuity. Any decision to no longer own the center will reside with the City Council and any ownership transfer may be subject to other conditions set by the City Council. As currently written, the MOU provides the City with a first ownership transfer right and option to the Nonprofit. The intent of this provision recognizes that the Nonprofit is the center's primary oversight entity and that its Board of Directors is comprised of vested stakeholders that will help ensure the center's long-term success, use, and viability (consisting of City of Greensboro members - \$30 million, private donor members - \$35 million, and other at-large Board members). In the event the Nonprofit does not want to own the center or no longer exists, then the City Council could consider providing a secondary ownership transfer right and option to the CFGG. While not envisioned, the intent of this provision is similar to the Nonprofit transfer option above (since the CFGG is a party to the MOU, it also has a vested interest in the center's long-term success, use, and viability).
- In 2012, the City of Greensboro (City) and the Community Foundation of Greater Greensboro (CFGG) jointly established and funded work of The Greensboro Performing Arts Center Task Force to gather community input and determine the needs, economic impact and public-private funding of a downtown performing arts center.
- In March 2014, the City and CFGG will consider approval of a Memorandum of Understanding (MOU) that sets forth the principal terms of the proposed public-private partnership to design, finance, develop, construct and manage the operations and programs of the proposed 3,000-seat Steven B. Tanger Center for the Performing Arts. They will jointly create a non-governmental, nonprofit entity (Nonprofit) which will oversee operation of the Tanger Center.
- To date, the City has committed to providing \$30 million in funding, inclusive of \$11.5 million used to acquire property for the project, and the foundation has worked with community leaders to raise corporate and individual pledges for the project, exceeding \$35 million in pledges, with an estimated total project cost of approximately \$65 million.
- Project design and construction bid awards are expected to be completed by mid-2014, with construction expected to commence fall 2014 and be completed by mid-2016. The performing arts center will be owned by the City and operated by its Coliseum management team. The Coliseum Managing Director will also serve as the Tanger Center's Managing Director.

Project Schedule and Financing

- The City and CFGG, on behalf of the Nonprofit, are jointly developing a financing structure for the \$65 million project, which will involve a sharing of collateral to secure loans to be obtained by each party; the City's borrowing will be secured over a 27-year period and the Nonprofit's over a 10-year period. The MOU and its financing provisions have been specifically structured so that the taxpayers will not be liable for any shortfalls of private donor commitments.

- The majority of the \$35 million in donor pledges to the project will be paid over 5 years or less, with the Tanger pledge paid over 10 years. (Major donor pledges totaling \$24.5 million are listed on Schedule A below.) CFGG, on behalf of the Nonprofit, is working to secure financing of up to \$25 million of project costs funded from donor pledges. The Nonprofit will be responsible for repaying debt it incurs. Once the Nonprofit's loan commitment is in hand, the project will go forward. The CFGG began collecting funds for the project in 2013 and private donations will fund design costs of \$5 million in 2014.
- The City would authorize \$30 million in public borrowing in mid-2014 (limited obligation note issued for this project under a construction draw program which includes paying off the \$11.5 million property financing). The City's financing will not commence until the Nonprofit's loan commitment is in place, the project has been designed, and construction bids received.
- The City will serve as project manager and will approve all construction and professional service contracts. The City will fund the first \$18.5 million in construction and equipment costs and the Nonprofit will fund the estimated remaining \$30 million in costs.
- The City is not obligated to fund its commitment until the Donor Loan Commitment has been obtained and the Private Donor Group has paid up to the first \$5 million of pre-construction amounts due under the design contracts.
- The City will repay its debt from user fees (ticketing/facility fees paid by Tanger Center patrons and event-related parking revenue) and a portion of the hotel/motel occupancy tax restricted to City capital projects. The City plans to refund the note with 25-year limited obligation bonds in mid-2016.

Schedule A

Major Donor Pledges

Steven B. Tanger	\$7,500,000
Toleo Foundation/Tobee and Leonard Kaplan	\$5,000,000
Phillips Foundation	\$3,500,000
The Cemala Foundation	\$2,000,000
Nancy and Frank Brenner	\$1,500,000
Roy and Vanessa Carroll	\$1,000,000
Lorillard, Inc.	\$1,000,000
The Joseph M. Bryan Foundation of Greater Greensboro	\$1,000,000

VF Corporation	\$1,000,000
Lincoln Financial Group	\$ 500,000
Tannenbaum-Sternberger Foundation	\$ 500,000

March 3, 2014