

# CPAC Ownership Options

Presentation for Collaborative Planning Committee  
Discussion

February 12, 2020

# FIXED:

## Requirements in Either Scenario

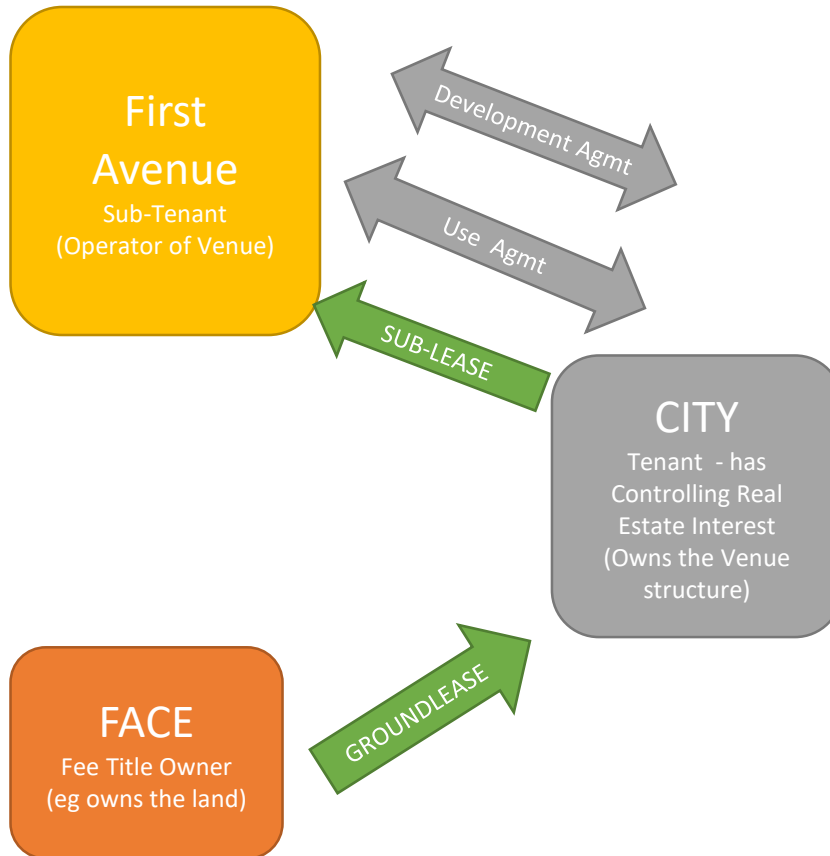
- City secures \$20 M in State General Obligation Bonds which requires City to have a controlling interest (Ground Lease from Fee Title Owner) for 62.5 years based on facility's useful life of 50 years.
- First Avenue is responsible to raise a bonding match of at least \$20 Million.
- First Avenue would be responsible to design, construct & deliver an operational 4-season facility consistent with expectations of bond application, Coordinated Plan and community engagement
- City is obligated to cover on-going capital costs during the useful life of the facility
- The City needs to know the identity of and agree to the Fee Title owner (First Ave + Community Entity or New Community Entity) by the transfer date of the constructed facility
- Due to bonding requirements, City has the ultimate approval of an operator and there will be a requirement of multiple operating agreements during the term of the bonding obligations

# FLEXIBLE: CPAC Ownership Model Scenarios

Community ownership for the UHT Outdoor Music Performance Venue include two “sandwich” models with a First Avenue + Community Entity (FACE) or a To-be-determined (TBD) Community Entity owning the fee title to the property.

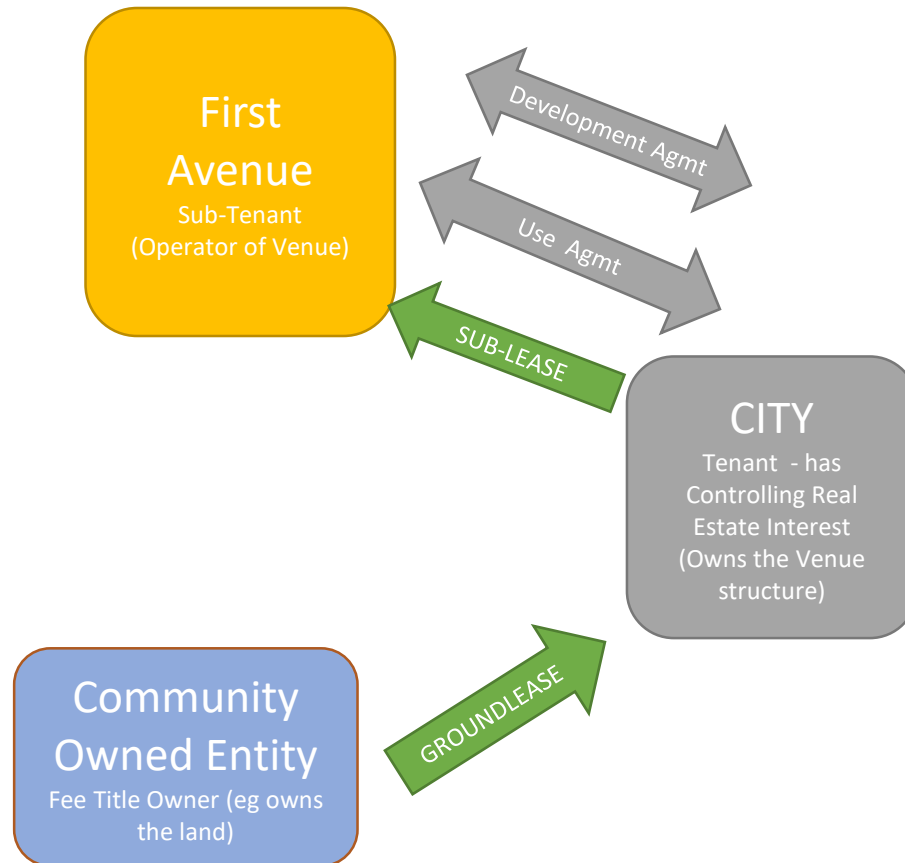
	<b>A. First Ave. + Community Entity (FACE)</b>	<b>B. Community- Ownership</b>
Operator	First Ave.	First Ave.*
Controlling Real Estate Interest	City	City
Fee Title Owner	FACE	TBD Community Entity

# Option 1: First Avenue + Community Entity (FACE)



- First Ave has 51% controlling interest
- Structure could be community board or shared community ownership
- FACE would assume ownership at end of “useful life” of 62.5 years

# Option 2: TBD Community Entity



- New ownership approach in Minneapolis
- Governance structure & budget for community entity TBD (Could be CDC, Land Trust, or other structure)
- City would need to know identity of and agree to the TBD Community Entity by the transaction date
- If First Ave does not take over after 62.5 years, then entity is responsible for maintaining the venue

# Estimated Financial Impacts (Y1)

## 7,000 Seat Venue

<b>Total Events</b>	<b>76</b>
First Ave Shows	30
Facility Rental	6
Community Events	40
Total Attendees	254,100
Total Tickets Sold	170,100
Community Ticket Fund Contribution	\$510,300/yr

## 10,000 Seat Venue

<b>Total Events</b>	<b>76</b>
First Ave Shows	30
Facility Rental	6
Community Events	40
Total Attendees	363,000
Total Tickets Sold	243,000
Community Ticket Fund Contribution	\$729,000/yr