

Cultural Facilities Master Plan FAQs

What is the Cultural Facilities Master Plan?

The ASC Board of Directors adopted the Cultural Facilities Master Plan in January 2004. The comprehensive plan established a 25- year vision for future development of cultural facilities across Charlotte-Mecklenburg. A 130-member Blue Ribbon Committee of interested stakeholders directed the study. The Committee engaged two internationally known consulting firms, LORD Cultural Resources and Theatre Projects Consultants, to inventory and assess existing facilities and individual organization's plans for future expansion. Funding for the plan was provided by the Arts & Science Council and its Cultural Facilities Master Plan partners, Foundation For The Carolinas, The John S. and James L. Knight Foundation, Charlotte Center City Partners and the National Endowment for the Arts. Both the City of Charlotte and Mecklenburg County endorsed funding proposals for this study to be conducted.

What is the current proposal for Phase I Projects in the Cultural Facilities Master Plan?

The current proposal is a \$150.5 million investment in Phase I Projects including an updated Discovery Place with all new exhibits and an expansion and renovation of Afro-American Cultural Center, a new Mint Museum, the Bechtler Art Museum and a new 1200-seat theater. The new Mint Museum, the Bechtler Art Museum and a new 1200-seat theater would be a part of a large mixed-use development by Wachovia on South Tryon.

How will it be paid for?

Capital funding for these projects would be provided through City, County and private sources. The City would provide a new dedicated revenue (car rental tax) which would fund \$80.7 million in debt financing; the City and County would provide tax increment-like debt financing equating to \$41 million; and the private sector would absorb \$18.8 million debt financing in facility operating costs currently paid by the City. In addition the private sector would provide \$10 million from the sale of the Mint Museum of Craft + Design.

Why is local government being asked to pay for most of the capital costs?

The Mayor's Task Force on Cultural Facilities determined during their review of the project proposal that local government dollars are best used to leverage capital costs while private dollars should be used to operate facilities. In addition to the \$10 million dollars in capital funding, the ASC and our partners will raise endowment funds for the Phase I Projects and the Charlotte Symphony as well as capital funds to complete the North Carolina Dance Theatre's new facility. The burden of responsibility for the facility operating costs would transition from the city to the cultural organizations. Over the 25-year period of the capital financing, the cultural system will absorb \$42 million dollars in facilities operating costs.

Who will lead the endowment campaign?

Unprecedented involvement of Chief Executive Officers from two of Charlotte's top corporations would alter the landscape of arts and culture in our region. Ken Lewis, Bank of America, and Ken Thompson, Wachovia will serve as the co-chairs of the private sector campaign if the public sector identifies funding for cultural facilities projects.

Why is the Rental Car Tax being proposed as a potential dedicated revenue source?

The car rental tax was identified by the Cultural Facilities Master Plan and the Mayor's Task Force on Cultural Facilities as a potential funding source. The task force consisted of member of city council and leaders from the arts community. There are no dedicated funding streams for arts and culture in Charlotte-Mecklenburg. A modest increase in the tax would keep Charlotte in line with the Triangle and the Triad regions in North Carolina. The N.C. State House and Senate would have to approve the increase and ultimate use of the car rental tax. This could potentially take place in the Short Session in 2006 if Charlotte requests action by the Legislature.

What is TIF financing?

TIF stands for Tax Increment Financing. North Carolina voters approved an amendment to our constitution authorizing self-financing bonds for use by local government to use for capital purposes. The increased property tax revenue generated by development can be used to finance public bonds for local government participation in the new development. For example, if the current property tax on a piece of real estate is \$2000 per year and the property tax generated after new development is \$10,000 per year, 90% the \$8000 increase can be used to bond public enhancements to the new development

Why does the Mint still need the Randolph Road facility?

Currently, there are 2 Mint Museum branches, one on N. Tryon and one on Randolph Road. In the proposed plan, there would still be 2 Mint Museum branches. The Mint Museum of Craft + Design building will be sold back to Bank of America and those dollars (\$10 million) will be invested in the new museum on South Tryon. By keeping two museums open, the additional space realized by the new building will allow for traveling exhibits, enhanced visitor services, increased storage area, more exhibition of the permanent collection and more educational experiences. Keeping the Randolph Road facility operational will also protect the historic integrity of that site and continue outdoor programming in the park-like grounds.

Can the cultural organizations absorb the operating cost for facilities currently paid for by the city?

Through a combination of increased endowment earning and other revenue enhancements (ticket sales, facility use charges, etc.) each of the organizations in the proposal have developed an operating pro-forma that shows how they can pay additional operating costs.

Why does Charlotte need another theater house?

During the Cultural Facilities Master Plan process, Theatre Project Consultants determined that Charlotte was missing a critical public facility between 750 seats at the McGlohon Theatre and 2100 seats at the Belk Theater. The consultants proposed a 1200-seat theater as an alternative to the Belk Theatre at the North Carolina Blumenthal Performing Arts Center for smaller productions to accommodate the growth in the diversity of cultural programs as well as provide a venue for touring shows that we do not see in Charlotte currently.

Some have questioned whether CPCC's new 1000-seat theater can accommodate this need. CPCC has clearly placed its students first and meeting the educational purposes of that facility first. They have reason to be immensely proud of the new facility and its potential to elevate the

quality of their arts programs. However, CPCC's facility does not meet the backstage support, ticketing, concessions and lobby space required, nor provide scheduling availability to meet the assessed needs of the NCDT, Charlotte Symphony, Opera Carolina, touring shows, etc.

What economic impact will the Phase I Projects have?

An economic impact study reports that the proposed Cultural Facilities Master Plan Phase I projects would generate \$217 million for the local economy during their construction period. Additionally, the projects are estimated to create more than 1700 jobs during construction. The University of North Carolina at Charlotte Belk College of Business Administration prepared the study. Additionally, upon their completion, the projects would create a total net employment impact of more than 300 new jobs.

What is the Bechtler Collection?

Contemporary art museums have recently been established in major metropolitan cities of the United States and provide a vibrant addition to the cultural life of these communities. The sizes of these museums are modest. They are highly focused exhibitions of artworks, which offer the viewing public a more intimate experience. Such an opportunity may be immediately available to the citizens of Charlotte through the generosity of Andreas Bechtler.

Mr. Bechtler has inherited an extraordinary collection of 20th Century modern and contemporary art that tells a story of his family and their personal rapport with many of the greatest artists of our time. The inherited works, joined with his own collection, includes approximately 100 sculptures, 350 paintings, 500 original prints, and 60 limited edition artist illustrated books. The collection includes works by: Alberto Giacometti, Pablo Picasso, Max Ernst, Joan Miro, Alexander Calder, Andy Warhol, Edgar Degas, Georges Braque, Fernand Leger, Jean Tinguely, Kenneth Noland, Alfred Manessier, Eduardo Chillida, Barbara Hepworth, Le Corbusier, Georges Rouault, Paul Klee, Sam Francis, Jasper Johns, Tom Wesselman, Bridget Riley, Ben Nicholson, Nicolas de Staël, and Mark Tobey, among others. The collection is primarily European with particular strengths in French, Swiss and Spanish artists. English and American artists are included as well. Sotheby's has appraised the collection and determined that it is a collection worthy of a stand-alone museum. Mr. Bechtler has committed that the value of the works contributed to the citizen's of Charlotte will be no less than \$20 million.

What arts and cultural projects are other cities investing in?

Tempe – City investing \$67 MM in new arts center including theater, galleries and sculpture garden. Funded by sales tax increase

Virginia Beach – City investing \$35 MM in 1200 seat performing arts center. Funded by increase in occupancy and meals taxes

Denver – City has accepted abstract expressionist painter, Clyfford Still's collection with condition that the City would build a museum to house collection as well as operate museum and maintain the museum facility and collection. Funding source to be determined, but most likely from designated sales tax district

Miami-Dade – City investing \$450 MM in new cultural facilities including a new art museum, new science museum, new history museum, and new Cuban museum and cultural centers. Funding from general obligation bonds approved in '04 as part of \$3 billion package

Dallas – City investing \$68 MM in cultural facilities including a new performing arts center and renovation of 5 cultural centers. Funding from general obligation bonds approved in '03 as part of \$579MM package