

2017-2018 Cultural Facilities, Renovation Application

18.9.200.429

Ruth Eckerd Hall, Inc.

County: Pinellas

URL: www.RuthEckerdHall.com

FEID:59-1803628

A. Application Details

Proposal Information

Program	Cultural Facilities
Proposal Type	Renovation
Project Title	Expanding the Experience: Main Auditorium
Project Synopsis	Ruth Eckerd Hall, Inc. will use Cultural Facilities Funds to install a new orchestra shell in its Main Auditorium, and make other upgrades to the auditorium.
Project Location	1111 McMullen Booth Rd. Clearwater, 33759 Pinellas county
Project Districts	FL House District #: 67 FL Senate District #: 20
Multiphase?	No
Total Support and Revenue	\$22,680,305
Status of Project Documents	<ul style="list-style-type: none"> • Preliminary design and development documents are Complete • Construction documents are Not Complete • Construction permits are Applied for

Leasing?	Yes, the land and building 15 years remaining on the land lease as of July 1, 2017 15 years remaining on the building lease as of July 1, 2017
Land Owner	City of Clearwater
Building Owner	City of Clearwater
Building Age	33 years

B. Scope of Work (up to 20 points)

Project Description

Grant funds will go towards the removal and replacement of Ruth Eckerd Hall's existing orchestra shell and lift which are original to the 33 year-old building, in need of major repairs and can no longer be operated safely. An assessment of the shell and lift included a recommendation to replacing the existing system with a new permanent shell (see support material: "Orchestra Shell Engineering Report"). A major benefit of this course of action would be having a shell that is lighter, thereby reducing stress on the building caused by the existing shell and lift. Also, the new shell's smaller size would increase the depth of the auditorium's stage by seven to 10 feet, and accommodate larger Broadway productions Ruth Eckerd Hall seeks for its programming, while meeting the needs of orchestral performances. The current shell and lift have damaged a wall over time; this wall will be repaired so that the new shell may be properly and safely affixed in place of the old shell.

Funds will also be used to repaint and re-carpet the auditorium, its patron galleries and lounge. These enhancements will bring much-needed improvement to the auditorium's aesthetics, for audiences who enjoy programming facilitated by the new orchestra shell. Programming will be further enhanced by state-of-the art equipment purchased with matching funds: a monitor console, dimmer, projector and screen, soundboard and LED stage lighting.

Spending Plan

The total cost to install a new shell is \$475,000, and includes demolition and removal of the existing shell; purchase of the new shell; and installation of motorized rigging to store the shell when not in use. Ruth Eckerd hall is requesting \$275,000 from the State for these expenses, and has secured a financial commitment from its longtime orchestral partner, The Florida Orchestra, to provide \$237,500 in matching funds for these expenses. (A letter of financial commitment from The Florida Orchestra is included as an attachment to this proposal.)

Ruth Eckerd Hall is also requesting \$225,000 from the State to paint and re-carpet the main auditorium, its adjacent galleries and patron lounge.

Matching grant funds provided by the organization in the amount of \$296,000 will be used to replace incandescent lighting with LED lighting; migrate from analogue to digital sound (which requires new controllers); and purchase a projector and screen to enhance a show's visual effects. (Ruth Eckerd Hall currently rents this equipment required to be compatible with show requirements.) No grant funds from the Division of Historical Resources have been sought or will be used for this project.

Project Timeline

Spring 2017 - Final two contracted lifts of old orchestra shell

Early Summer 2017 - Demolition and removal of old orchestra shell and lift

Early Summer 2017 - Installation of new orchestra shell

Summer 2017 - Repainting auditorium, patron galleries and lounge

Late Summer 2017 - Re-carpet auditorium, patron galleries and lounge

Late Summer/Early Fall 2017 - Purchase and install equipment for main stage

C. Need for Project, Operating Forecast and Project Impact (up to 40 points)

Need for Project

An engineering report on the state of the current orchestra shell stated, "Either a new hoisting system could be installed or the existing orchestra shell could be replaced with towers and ceiling panels that could be stored offstage." This recommendation is being heeded by Ruth Eckerd Hall, as the new shell with its towers and ceiling panels will have a longer life; consume less stage space, thereby enabling the booking of larger touring shows; and meet the acoustical needs of the Florida Orchestra, which performs at Ruth Eckerd Hall many times annually. The improvements to the finishes of the auditorium and its patron galleries and lounge (painting and re-carpeting) are long overdue, and will yield aesthetic improvements that complement the improvements brought about by installation of a new orchestra shell.

Ruth Eckerd Hall has to keep up with industry best practices to remain relevant and competitive. Artists and audiences expect and require the use of advanced technologies. Planned improvements via matching grant funds provided by the organization include replacing incandescent lighting with LED lighting; migrating from analogue to digital sound (which requires new controllers); and purchasing a projector and screen to enhance a show's visual effects. (Ruth Eckerd Hall currently rents this equipment required to be

compatible with show requirements.)

The programming that will be enhanced via the new orchestra shell and other main stage improvements includes nationally and internationally acclaimed dance companies, major symphony orchestras, renowned and emerging classical soloists, chamber ensembles, Broadway tour companies and nationally recognized pop, rock, jazz, and comedy artists. The main auditorium, which is used approximately 160 times per year, seats 2,180 patrons, and has presented nearly 5,000 events that have touched seven million people over the 33 years of its existence.

Operating Forecast Detail

The proposed improvements will apply to the auditorium of the main stage at Ruth Eckerd Hall. The current utilization of the auditorium, which includes programming and facility rental, will remain intact; however, the scope of presentations could potentially expand, especially with a new orchestra shell that would accommodate larger theatrical productions by consuming fewer square feet of the stage, while still enabling Ruth Eckerd Hall to offer multiple performances by The Florida Orchestra.

Annual revenue from presenting shows on the main stage at Ruth Eckerd Hall is approximately \$14.5 million, which is approximately \$300,000 higher than in the prior year. The proposed improvements would help sustain the current income level and promote future increases, as the experience for patrons would be enriched.

The presence of a new orchestra shell would no longer require equipment rental fees and contracted facility expenses Ruth Eckerd Hall incurs to lift its current obsolete orchestra shell. This will result in an annual savings of approximately \$62,000, as itemized below:

- Equipment rental \$30,000
- Contracted lifting of the orchestra shell \$20,000
- Electricity \$8,000
- Orchestra shell maintenance \$4,000

The projected net operational difference the first fiscal year after project completion is \$262,000 (ticketing revenue from main stage performances plus the \$62,000 savings listed above).

Fiscal Stability

Ruth Eckerd Hall's fiscal condition is strong – the result of record-setting gross revenue from ticket sales each of the previous three years, and a concerted effort by the organization to manage expenses efficiently, improve the organization's cash position, identify new and expanded revenue sources, and plan and prepare for maintenance and capital needs. In fiscal year 2015, Ruth Eckerd Hall generated an all-time record \$14.5 MM in gross ticket and ancillary revenue.

To help further cement the organization's strong financial stability, Ruth Eckerd Hall has partnered with other local organizations to increase revenue while increasing access to the performing arts for the Tampa Bay community. These partnerships include presenting

concerts by major artists at multiple Tampa Bay Rays baseball games, the Valspar PGA Open, and sending instructors from the Marcia P. Hoffman School of the Arts to teach performing arts at 10 Tampa Bay-area schools whose arts education programs have been cut due to budget constraints.

Increasing cash reserves has been another important focus in maintaining financial stability. A monthly deposit is made to a money market account from which the annual principal payment on Ruth Eckerd Hall's bond debt has been withdrawn. In two of the past three years, no other withdrawals have been necessary to cover operating shortfalls. Additionally, the organization recently completed debt restructuring opportunities to maximize cash flows and take advantage of low financing rates that continue to prevail. This will afford the freedom to continue to work on programmatic enhancements and to support long-term sustainability. Ruth Eckerd Hall's financial success has helped increase the organization's fund balance by approximately \$3.8 MM from 2012 to 2015.

Changes in Operation

Changes in Operating Expenses

Provide a summary of how your operating expenses will change after the project is completed.

#	Description	FYE 2017	FYE 2018 (Project Completed)	FYE 2019	FYE 2020
1	Equipment Rental	\$70,000	\$40,000	\$40,000	\$40,000
2	Contracted Shell Moves (two lifts of existing shell)	\$20,000	\$0	\$0	\$0
3	Electricity	\$280,000	\$272,000	\$272,000	\$272,000
4	Repair and Maintenance	\$150,000	\$146,000	\$146,000	\$146,000

Changes in Operating Income

Provide a summary of how your operating income will change after the project is completed.

#	Description	FYE 2017	FYE 2018 (Project Completed)	FYE 2019	FYE 2020
1	Ticketing revenue on the main stage	\$11,500,000	\$11,700,000	\$11,800,000	\$11,900,000

Community Impact of Project

The project described in this proposal will enable Ruth Eckerd Hall to offer the most diverse programming to the community. Orchestral performances will be enhanced by the installation of a new orchestra shell; more large-scale theatrical productions may be booked as a result of extra available stage space made possible by the new orchestra

shell; and concerts of all music genres that demand state-of-the-art sound and lighting may be booked. The updated finishes to the main auditorium, its patron galleries and lounge will provide much needed aesthetic improvements that complement the programming made possible by the new shell production-enhancing technologies.

The improvements made possible by this project will further strengthen the positive economic impact Ruth Eckerd Hall has on the community. A March 8, 2016 Economic and Fiscal Impact Analysis by C.H. Johnson Associates documented this impact, which includes:

- An estimated economic impact of \$86.8 MM in FY14, including the creation of 753 FTE jobs and generation of approximately \$3.4 MM in local and state government revenue;
- Average local spending per patron of \$180 beyond the cost of a ticket;
- \$25.6 MM in annual revenue from out-of-state visitors; and
- More than 43,000 Pinellas County hotel rooms generated annually by patrons and artists.

The community impact of this proposal extends to local organizations who rely on Ruth Eckerd Hall's main stage. These organizations include the Clearwater Chorus (comprised of local residents age 55 and older), Bright House Networks Senior Idol and Pinellas County schools, which use the auditorium for All-County Performing Arts Showcase (rental fee waived), student scholarships, and teacher award events.

Financial Impact of Project

These improvements included in the project's scope of work complement each other and, collectively, are projected to increase ticketing revenue on the main stage by at least \$100,000 annually.

Ruth Eckerd Hall's financial outlook is strong, after a difficult economic period for performing arts organizations nationally. The main auditorium enhancements that would be made possible with a Cultural Facilities grant would position Ruth Eckerd Hall to rely more on earned revenue than contributed revenue, helping further solidify the organizations fiscal stability. The new orchestra shell alone will save Ruth Eckerd Hall approximately \$62,000 annually: \$54,000 in rental/maintenance/lift expenses, and \$8,000 in utilities, increasing the annual savings as a result of the project to a total of \$162,000.

Environmental Impact of Project

Replacing the current orchestra shell with a new shell designed and constructed with the latest technology, results in a shell that weighs substantially less than the current shell, eliminating structural stress on the building and damage to an auditorium wall. Furthermore, the new shell will result in a savings of electricity while eliminating the carbon footprint required to have an external company travel to Ruth Eckerd Hall to lift the current orchestra shell as needed.

The soundboards will be changing from analogue to digital, which is the current industry standard. It produces a higher quality sound, is more energy efficient, much smaller in size and will create much more flexibility for Ruth Eckerd Hall's programming.

The new dimmer and projector lighting elements are state-of-the-art, and will result in the

highest quality performance possible, something today's shows and artists now demand. LED lights last longer, are more energy efficient and emit less heat which also reduces HVAC use.

REH currently rents required equipment, including projectors, screens, monitors, etc. Owning the equipment instead of having to bring a company in to move the orchestra shell will cut down on transportation and shipping, thereby reducing emissions.

E. Project Budget & Matching Funds (Up to 40 points)

Organization Staff

Zev Buffman, President and CEO: Project visioning, oversight and management. He has been involved with nine major theater renovations and eight new constructions.

Susan Crockett, Chief Information Officer and Vice President of Operations: She oversees technical and facility operations, and was involved with the Capitol Theatre and Murray Theatre renovations.

Tyson Smith, Technical Director: He led the Murray Theatre renovation project, and is the organization's subject matter expert in stage-related technical issues and facilities management.

Lori Glover, Chief Financial Officer and Vice President of Finance: She has financial oversight for the organization, and has several years of experience in accounting in the construction industry.

Robin Ottaviano, Accounts Coordinator: She administered accounts payable for the Murray Theatre renovation project.

Adam Nance, Chief Development Officer and Vice President of Development: He is responsible for the organization's fundraising efforts, including securing major gifts for the Expanding the Experience capital campaign.

Project Team

Tyson Smith, Technical Director, Ruth Eckerd Hall

Susan Crockett, Chief Information Officer and Vice President of Operations, Ruth Eckerd Hall

Klar & Klar Architects, Inc.
28473 US Hwy 19 N
Clearwater, FL 33761

Project Architect/Engineer

Mr. Steve Klar
28473 US Hwy 19 N
Clearwater, Florida 33761

Project Contractor

Mr. Steve Klar
28473 US Hwy 19 N
Clearwater, Florida 33761

Property Owner Authorized Official

Mr. Zev Buffman
President and CEO
727-712-2704

Applicant Authorized Official

Mr. Zev Buffman
President and CEO
727-712-2704

Applicant Chief Financial Officer

Ms. Lori Glover
Chief Financial Officer and Vice President of Finance
727-712-2762

Grant Contact

Darren Rivera
Grants Manager

Matching Funds Statement

Matching funds provided are a combination of funds previously expended on the project by Ruth Eckerd Hall, cash on hand provided by the organization and cash provided by The Florida Orchestra.

In April 2014, Ruth Eckerd Hall replaced the portion of its HVAC system that serves the main auditorium and other areas of the building. The total cost of replacing the HVAC system was \$2,400,000 to heat and cool 33,900 square feet. The auditorium uses 36 percent of the new HVAC (\$875,000 eligible to apply toward the project). The organization is applying \$588,150 toward the project.

Ruth Eckerd Hall already purchased \$186,865 worth of equipment to date, including an audio splitter, lift lines/battens, one of two needed soundboards and a light board. The

total amount spent by the organization on the project to date is \$775,015.

The remaining matching funds are \$237,500 from The Florida Orchestra for orchestra shell-related expenses, and \$296,000 cash on hand from Ruth Eckerd Hall to pay for equipment that, together with the new orchestra shell, will enable Ruth Eckerd Hall to meet its future programming needs.

Match Summary

Match Type	Amount	% of confirmed match (\$1,308,515)
Cash on Hand	\$533,500	40.8%
Expenditures	\$775,015	59.2%
Irrevocable Pledges	\$0	0.0%
Documented In-Kind	\$0	0.0%
Total	\$1,308,515	100.0%

Donor Profile

How many donors are supporting the project?	6000
What is the smallest contribution received for the project?	\$1
What is the largest contribution received for the project?	\$1,000,000
What is the population size of the community?	949827

Description of Donors

Ruth Eckerd Hall receives annual contributions from approximately 6,000 individuals annually. To date, 110 individuals have contributed to the organization's Expanding the Experience capital campaign, which includes the scope of work described in this proposal. The campaign is currently in the silent phase, with solicitations being made to those closest to the organization. These solicitations will be expanded to a larger donor pool during the grant period and when the public phase of the campaign is launched. Some campaign donors chose to designate their gifts, however the majority of campaign contributors did not.

The following is an accounting of gifts received toward the capital campaign to date. Cash from some of these gifts and membership contributions are being used as matching funds for this grant application. No government gifts have been included in the match.

- 30 @ \$1-499
- 5 @ \$500-999

25@ \$1,000-4,999
11 @ \$5,000-9,999
11 @ \$10,000-19,999
6 @ \$20,000-29,999
2 @ \$30,000-49,999
3 @ \$50,000-99,999
7 @ \$100,000-149,999
2 @ \$150,000-249,999
8 @ \$777,043

A sampling of major donors who contributed specifically to the undesignated/general main campus capital campaign is listed below:

- Private Individual \$777,042
- Board Members \$469,000
- Private Household \$270,000
- Tampa Bay Times \$100,000

Last fiscal year, Ruth Eckerd Hall received nearly \$4,454,205 in contributions and grants, with most donations from individuals being undesignated.

Ruth Eckerd Hall has more than 50 corporate partners who annually contribute approximately \$435,000 in cash collectively, and an additional \$40,000 of in-kind support. Major corporate donors include Duke Energy, Frenchy's, Raymond James, Bright House Networks, Morgan Stanley, Tampa Bay Times, Bank of America, Pinch-A-Penny, Hyatt Regency, Coca-Cola, and GFS Private Wealth.

Support from undesignated capital campaign gifts (\$2.18 MM to date), membership revenue and donor contributions are used for matching funds, and have been used to pay for items already purchased.

Percentage of Community Support

Most of the gifts are from individuals, including Board members and staff. Other sources are corporations and private foundations. Gifts used as match for this project will not be used for other facets of the capital campaign.

Total pledged and received for capital campaign undesignated or general main campus comes from:

- Individuals 72%
- Corporations 22%
- Foundations 6%
- Government 0%

Members of Ruth Eckerd Hall's Board of Directors have contributed 18 percent of the total.

Proposal Budget Overview

Request Amount	\$500,000
Confirmed Match	\$1,308,515
Project Cost	\$1,808,515
Contingency	\$75,000
REDI match reduction?	No
Requested or received funding from the Division of Historical Resources?	No

Other State Dollars

[None provided]

Proposal Budget Summary

	Request	Match	Total
Proposal Expenses			
1. Land Acquisition			
2. Building Acquisition			
3. Architectural Services			
4. General Requirements			
5. Site Construction	\$25,000	\$25,000	\$50,000
6. Concrete			
7. Masonry			
8. Metals			
9. Wood and Plastic			
10. Thermal and Moisture Protection			
11. Doors and Windows			
12. Finishes	\$225,000	\$0	\$225,000
13. Specialties			
14. Equipment	\$250,000	\$695,365	\$945,365

	Request	Match	Total
15. Furnishings			
16. Special Construction			
17. Conveying Systems			
18. Mechanical	\$0	\$588,150	\$588,150
19. Electrical			
Total Proposal Expenses	500,000	1,308,515	\$1,808,515
Proposal Income			
1. Private Support		\$237,500	\$237,500
2. Corporate Support			
3. Local Government Support			
4. Federal Government			
5. Applicant Cash		\$1,071,015	\$1,071,015
Total Proposal Income	500,000	1,308,515	\$1,808,515

Proposal Budget Detail

Proposal Budget Expense Detail

	Request	Cash Match	In-Kind Match	Total
1. Land Acquisition				
Land Acquisition Subtotal				
2. Building Acquisition				
Building Acquisition Subtotal				
3. Architectural Services				
Architectural Services Subtotal				
4. General Requirements				
General Requirements Subtotal				
5. Site Construction				

	Request	Cash Match	In-Kind Match	Total
1. Demolition and removal of old orchestra shell	25,000	25,000	0	50,000
Site Construction Subtotal	\$25,000	\$25,000	\$0	\$50,000
6. Concrete				
Concrete Subtotal				
7. Masonry				
Masonry Subtotal				
8. Metals				
Metals Subtotal				
9. Wood and Plastic				
Wood and Plastic Subtotal				
10. Thermal and Moisture Protection				
Thermal and Moisture Protection Subtotal				
11. Doors and Windows				
Doors and Windows Subtotal				
12. Finishes				
1. Painting and re-carpeting auditorium, patron galleries and lounge	225,000	0	0	225,000
Finishes Subtotal	\$225,000	\$0	\$0	\$225,000
13. Specialties				
Specialties Subtotal				
14. Equipment				
1. Previously spent – lift lines/battens, audio split, sound board #1, light board	0	186,865	0	186,865
2. New orchestra shell	250,000	237,500	0	487,500
3. Monitor console	0	46,000	0	46,000
4. Dimmer	0	60,000	0	60,000

	Request	Cash Match	In-Kind Match	Total
5. EIKI projector	0	15,000	0	15,000
6. Projector screen	0	15,000	0	15,000
7. LED stage lighting	0	75,000	0	75,000
8. Sound board #2	0	60,000	0	60,000
Equipment Subtotal	\$250,000	\$695,365	\$0	\$945,365
15. Furnishings				
Furnishings Subtotal				
16. Special Construction				
Special Construction Subtotal				
17. Conveying Systems				
Conveying Systems Subtotal				
18. Mechanical				
1. Previously spent on HVAC	0	588,150	0	588,150
Mechanical Subtotal	\$0	\$588,150	\$0	\$588,150
19. Electrical				
Electrical Subtotal				
Total Proposal Expenses	500,000	1,308,515	0	\$1,808,515

Proposal Budget Income Detail

	Request	Cash Match	In-Kind Match	Total
1. Private Support				
1. Orchestra shell cash match from The Florida Orchestra		237,500	0	237,500
Private Support Subtotal		\$237,500	\$0	\$237,500
2. Corporate Support				
Corporate Support Subtotal				
3. Local Government Support				

	Request	Cash Match	In-Kind Match	Total
Local Government Support Subtotal				
4. Federal Government				
Federal Government Subtotal				
5. Applicant Cash				
1. Previously spent on project		775,015	0	775,015
2. Cash on hand		296,000	0	296,000
Applicant Cash Subtotal		\$1,071,015	\$0	\$1,071,015
Total Proposal Income	500,000	1,308,515	0	\$1,808,515

F. Attachments and Support Materials

Attachments

- # Title
- A-1 [Matching Funds Documentation \(pdf, 1.8 MB\)](#)
- A-2 [Documentation of Total Support and Revenue \(pdf, 1 MB\)](#)
- A-3 [Current Architectural Plans \(pdf, 159.1 KB\)](#)
- A-4 [Documentation of Local Support \(pdf, 1 MB\)](#)
- A-5 [IRS Determination Letter \(pdf, 1 MB\)](#)
- A-6 [Documentation of Unrestricted Use \(pdf, 1 MB\)](#)

Support Materials

- # Title
- 1

2 [Orchestra Shell Engineering Report \(pdf, 2.3 MB\)](#)

Page 7 of the report, item #2 states: "Either a new hoisting system could be installed or the existing orchestra shell could be replaced with towers and ceiling panels that could be stored offstage." This recommendation is being heeded by Ruth Eckerd Hall, hence the proposal to purchase a new orchestra shell.

3 [Economic/Fiscal Impact Analysis - Ruth Eckerd Hall \(pdf, 8 MB\)](#)

This is an independent analysis of Ruth Eckerd Hall's economic and fiscal impact on the Tampa Bay area.

4 [Capital Campaign Business Plan - Ruth Eckerd Hall \(pdf, 1 MB\)](#)

The scope of work of the project described in this Cultural Facilities grant supports "Ruth Eckerd Hall Expansion," the fifth phase of the organization's capital campaign.

5 [2016-17 Broadway Series Brochure \(pdf, 3.6 MB\)](#)

This promotional brochure is for Ruth Eckerd Hall's 2016-17 Broadway series. The new orchestra shell proposed in this grant consumes less stage space and will enable Ruth Eckerd Hall to book larger touring productions.