

American Craftsman Museum 2017 Timeline

Tourist Development Council

- ***March 15, 2017: Capital Project Funding Review Q & A Session***

Tom Magoulis, Vice-President, American Craftsman Museum, indicated that the \$12 million project request is for a new craftsman museum. He introduced his team and offered to answer any questions. Councilman Gerdes stated that the consultant has pointed out some uncertainties about who is providing the money. Responding to queries by the members, Mr. Magoulis related that a philanthropic donor has pledged support for the proposed museum and has offered to provide a letter of credit or irrevocable trust to show the money is available, noting that the donor recently added \$16 million to the account; stated that the project request is spread out over five years, and the timeframe for receiving the money could be flexible as long as the total amount is received; and agreed to provide certain information from Lambert Advisory.

- ***March 22, 2017: Capital Project Funding Committee Review***

American Craftsman Museum - Average score: 742.2

Upon the Chair's call for scoring of the American Craftsman Museum application, the members responded as follows: Chair Long, 734; Mr. Kimball, 710; Mayor Bevis, 730; Mr. Bogott, 790; Mayor Cretekos, 725; Councilman Gerdes, 854; Commissioner Kennedy, 795; Ms. Rodriguez, 823; Mr. Satterfield, 737.5; Mr. Waltz, 910.

Later in the first round, Chair Long amended her score to 347, explaining that she considered the museum's funding request of \$12 million too high for an unproven entity, noting that the County committed only \$2.5 million over five years to the world-renowned Salvador Dali Museum. Mr. Kimball noted that while he scored the application above 700, he was not necessarily advocating full funding and assumed the level would be discussed later.

Discussion ensued as to whether the funding level requested should be used as a criterion in scoring. Attorney Long, with input by Mr. Downing, advised that the members are deciding only whether the projects should be recommended for any funding at this stage; that recommendations must be vetted by staff for the availability of funds and compliance with state laws restricting the Tourist Development Tax (TDT) percents to certain uses; and that members are free to determine their own criteria for scoring an application.

Upon Chair Long's call for any scoring changes, all of the members confirmed their original scores.

Discussion ensued, and the members expressed general support for recommending funding at a reduced amount, with Chair Long noting that the \$12 million requested is more than the City of St. Petersburg contributes to the TDC, and Councilman Gerdes opining that the applicants sold themselves short when they had the opportunity to discuss the American Arts and Crafts movement.

American Craftsman Museum: Requested, \$12,000,000; recommended, \$6,000,000

Chair Long indicated that the TDC will now consider a funding recommendation for the American Craftsman Museum.

Councilman Gerdes moved that the TDC recommend funding of \$2 million for co-op marketing for the American Craftsman Museum to be negotiated with TDC staff; whereupon, Attorney Zas advised that the purpose of today's meeting is to consider capital funding, and Councilman Gerdes withdrew his motion.

Thereupon, Councilman Gerdes moved, seconded by Mr. Waltz, that the TDC recommend funding of \$11.1 million NPV to the American Craftsman Museum with marketing provisos and terms to be negotiated. Upon call for the vote, the motion failed 8 to 2, with Councilman Gerdes and Mr. Waltz casting the affirmative votes.

Following brief discussion, Mayor Cretekos moved, seconded by Ms. Rodriguez, that the TDC recommend funding of \$6 million NPV with terms to be negotiated. Upon call for the vote, the motion carried 7 to 3, with Chair Long and Messrs. Bogott and Kimball casting the dissenting votes.

- ***April 19, 2017: Discussion of Capital Funding Projects***

Chair Long requested that the members reconsider their recommendation of \$6 million over three years to the American Craftsman Museum, relating that she would strongly argue against it to the BCC for the following reasons:

- While the Salvador Dali Museum had a 20-year track record and global recognition when the BCC awarded it \$2.5 million over five years for its relocation to a new building, the American Craftsman Museum has no history establishing its creditability.
- A recommendation of \$6 million for this project would be irresponsible in light of the current climate in state government and scrutiny currently being applied to tourism subsidies.
- The museum owners have indicated they do not need the funding and plan to build the complex whether they receive support or not.

Discussion ensued during which Attorney Zas clarified that the Council can recommend that no funding be allocated even when a project has been scored as eligible for support; and Chair Long indicated that she would not support any funding for the application.

Councilman Gerdes argued for confirming the recommendation, asserting that the owners have invested \$56 million in property acquisition and construction of a parking garage; and that they would not apply for funding if they did not need it.

Mr. Kimball discussed his opposition to the funding level, suggesting that a marketing support program would be more appropriate, and some members indicated agreement. Mayor Cretekos pointed to the museum's value as a unique attraction and proposed recommending seed funding now with the potential for a larger amount later; whereupon, Chair Long indicated that she is not ruling out supporting an allocation later if the museum proves viable.

Thereupon, Mayor Cretekos moved, seconded by Councilman Gerdes, that the Council revise its recommended funding allocation to \$2 million over two years. Upon call for the vote, the motion failed 5-5, with Mayor Bevis, Vice-Mayor Kennedy, Ms. Rodriguez, Mr. Satterfield, and Chair Long casting the dissenting votes.

Later in the meeting, Attorney Zas requested that the Council clarify its recommended funding for the museum, citing the previously approved recommendation of \$6 million; whereupon, Mr. Bogott moved that the Council encourage the museum to return with a new application after at least one year when it has established a track record, and the motion died for lack of a second.

Discussion ensued as to why the members are voting on a recommendation that passed at the Special Meeting, and Attorney Zas explained that the Council is being asked to confirm each of its allocations from the Special Meeting. At Mayor Cretekos' request, Mr. Downing read the American Craftsman Museum recommended funding allocation and motion and vote from the Special Meeting minutes, noting that it carried 7-3.

Thereupon, Councilman Gerdes moved, seconded by Mr. Waltz, that the Council confirm its recommendation of \$6 million over three years. Upon call for the vote, the motion failed 5-5, with Mayor Bevis, Vice-Mayor Kennedy, Ms. Rodriguez, Mr. Satterfield, and Chair Long casting the dissenting votes.

Following the vote, Chair Long announced that the recommended allocation of \$6 million over three years will be advanced to the BCC based on the 5-5 tie.

Board of County Commissioners

- ***April 25, 2017 Regular Meeting: Tourist Development Council Capital Project Funding Recommendations***

Discussion ensued concerning the American Craftsman Museum funding request. Commissioner Seel noted her gratitude for the project's investment in the community and indicated that she would not support a capital grant at this time; that the applicant is likely moving forward even without the grant funding; and that she would prefer to support the project with marketing funds or other means, and Commissioner Morroni and Chairman Long concurred.

Commissioner Gerard stated that she supports the project. Commissioner Welch indicated that the original project has been expanded; that the original cost of \$40 million has increased to \$90 million; that the funding request is only for \$6 million and is the lowest ratio of any of the other projects; and that the reimbursement of \$2 million per year over three years will be fiscally monitored; whereupon, he stated that he supports the project, and Commissioner Eggers concurred.

Discussion ensued, and Mr. Downing provided input; whereupon, the members agreed to defer a decision on the American Craftsman Museum funding request until a later meeting when all seven Commissioners are present.