Legislation Text

File #: 18-0024 CRA, **Version:** 1

TO: **CRA Board of Commissioners**
FROM: **Joan K. Goodrich, Economic Development Director**
THROUGH: **Jeff Costello, CRA Executive Director**
DATE: **June 11, 2018**

OLD SCHOOL SQUARE - 2ND QUARTER FY 2017-18 A-GUIDE REPORT

Recommended Action:
Receive and file.

Background:
The CRA awarded Old School Square (OSS) a $600,000 A-GUIDE grant in the CRA FY 2017-2018 budget which represents 16% of OSS's $3,674,890 budget. The CRA also provided OSS an additional $300,000 this year to replace funding typically received from the City for a total funding of $900,000 represents 24% of OSS's budget. The A-Guide grant was awarded to support two programs: 1) Performing Arts Program (Program A) and 2) Grassroots Partnerships (Program B). Below are highlights and program snapshots from Old School Square's 2Q FY 2017-18 A-Guide Report ending March 31, 2018.

Old School Square Highlights from Rob Steele, President/CEO
See attached letter which points out that OSS is well short of its development goals for the year and their reserves are nearly depleted. OSS will need $240,000 of additional support and they will be taking steps to secure the needed funding.

Snapshot: A-Guide Program Performance - Performing Arts Program
(Broadway, Cabaret, Lecture Series, Outdoor Pavilion Shows and Family Series - Main Stage)

A-Guide Funding: $360,000 Total Program Budget: $2,079,362 % of Budget: 17%

Select Key Program Metrics	Annual Total	2Q Totals	Year to Date Totals
Total # of Shows	19	11	15
Total Number of Attendees	8,850	4,652	7,279
Total Show/Donor/Sponsor Revenue	$415,150	$94,875	$363,074

Program Snapshot: Business Resource Center - "Inc. Pad"
Snapshot: A-Guide Program Performance - Grassroots Partnerships
(Designed to "open-up" Old School Square and 'accommodate everyone we can in our community' including free community concerts.)

A-Guide Funding: $240,000 Total Program Budget: $545,000 % of Budget: 44%

Select Key Program Metrics	Annual Total	2Q Totals	Year to Date Totals

Number of Grassroots Partnerships	60	132	251
Number of Attendees through Grassroots Partnerships	350,000	41,436	301,693
Annual $ Value of Facility Discounts Given through Grassroot Partnerships	$195,000	$132,428	$284,926
Number of Free Concerts	16	4	17
Number of Blues on the Square Concerts	7*	-	-
Number of Attendees at Free Concerts	22,500	450	11,900

It is noted that the Old School Square team cancelled the Blues on the Square series in the first quarter due to poor performance in the prior year.

Y-T-D OSS Financial Performance and CRA Request for Additional Information

After the submission of the second quarter report on April 30, 2018, the CRA became aware of conversations by the leadership of Old School Square about negative cash flow projections ($240,000) with the City of Delray Beach. In addition, and on May 15, 2018, the CRA was made aware of the resignation of OSS President/CEO Rob Steele by written letter from Bill Morris, OSS Chairman of the Board.

In Section 5 of the FY17/18 A-Guide Funding Agreement with OSS, the organization "shall also submit to the CRA a report on its Fiscal Sustainability Plan with the second quarter report." A more detailed report through 3/31/18 was received on May 30, 2018 and is attached. Additionally, the CRA requested Cash Flow Projections through 9/30/18 (attached) and a detailed Work-Out Plan through 9/30/18 addressing impacts on FY 17/18 A-Guide programs, plans to improve OSS short-term financial position and amendments to their short-term operations plan.

Regarding the CRA's request for the 'Work-Out' Plan, OSS responded on May 30, 2018:

> "We are currently developing a 'work-out' plan to enact immediate and significant changes to improve OSS's short-term financial position. Additional time is needed to internally discuss these changes as well as accurately quantify the financial effects. We do not anticipate any negative impacts on A-Guide programs during this fiscal year, and we look forward to sharing more a finalized plan with the CRA in the coming weeks."

Finally, it is noted from OSS's combined quarterly budget form and narrative that OSS returned $240,000 to the State of Florida Cultural Endowment Funds as they were unable to meet the requirements of the funds to match the state money with an additional $360,000 in endowment funds.

Attachments: Old School Square 2Q FY 2017-18 A-Guide Report (A)
Old School Square Fiscal Sustainability Plan Progress Report FY YTD 3/31/2018 (B)
Old School Square Cashflow Forecast FY 2017/18 received 5/30/18 (C)

CRA Attorney Review:

N/A

Finance Review:

N/A

Funding Source/Financial Impact:

CRA G/L #: 7376 A-Guide Funding

Timing of Request:

N/A