

**CITY OF MADISON, WISCONSIN**

**AN ALTERNATE RESOLUTION**

PRESENTED

Acknowledging private ownership and operation of the Overture Center, Establishing a City commitment to future grants to Overture subject to annual appropriation, and Setting terms and conditions for such grants.

LEGISTAR FILE NO. 20248

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Drafted by: Michael P. May  
City Attorney

Date: November 18, 2010

Fiscal Note:

SPONSORS: Aids. Clear, Cnare, Bruer and Schumacher

WHEREAS, a group of generous community members have come forward and reached an agreement with the Overture Center's lenders to resolve the Center's remaining debt, and,

WHEREAS, under that agreement, the 201 State Foundation or the Overture Development Corporation, or their successors, will become the owner and operator of the Overture Center facility upon payment to the Overture lenders before December 30, 2010, and,

WHEREAS, the City has been informed that the debt will be paid, which payment also will release the City from any potential liability on its limited pledge guaranty related to the Overture debt, and,

WHEREAS, an interest in the long-term success of the Overture Center is shared by everyone in our community,

NOW THEREFORE BE IT RESOLVED, that the city of Madison thanks the donors for their extraordinary generosity in supporting Overture as a vital community asset, and,

BE IT FURTHER RESOLVED, that the city acknowledges the ownership change of the facility, and, contingent upon the debt on the Overture Facility being fully paid, waives and releases its option to purchase the facility for one dollar, and,

BE IT FURTHER RESOLVED, the city pledges its financial support for Overture in the form of a grant to 201 State Foundation, Inc., or its successors or assigns ("201"), subject to annual appropriation, starting at \$2.5 Million (Two Million Five Hundred Thousand Dollars) per year in 2012 and adjusted by the change in Consumer Price Index methodology in the State's

Expenditure Restraint Program each year thereafter, the purpose of the grant being to support the Overture Arts Facility in an amount approximate equal to the former City subsidy and an amount for capital costs, and,

BE IT FURTHER RESOLVED, that as conditions of the grant, 201 shall provide the following to the city:

1. An annual payment in lieu of taxes (PILOT), starting at \$500,000 per year in 2012 and adjusted annually by the same method as the grant described above. In the event that the City grant falls short of the full amount as described above, 201 may reduce the amount of the PILOT by an amount equivalent to the shortfall.
2. An annual audit, performed by an independent CPA selected by 201 and conducted in accordance with GAAP.
3. An annual plan with objectives with respect to fund-raising, paid attendance, non-paid or reduced price attendance, seats sold, community programs and program diversity.
4. An annual report to the community comparing actual results of the objectives described in the annual plan, the causes of any failures to meet those objectives, and strategies to meet objectives in the future.

BE IT FURTHER RESOLVED, that the city intends to end its operation and cooperation agreement with the Madison Cultural Arts District as of December 31, 2011, with current employees staying under that agreement until that date, after which 201 State Foundation or Overture Development Corporation or their successors shall be the employer of any personnel working at Overture, and,

BE IT FINALLY RESOLVED, that the Mayor and City Clerk are authorized to execute any and all documents with 201 State Foundation, Overture Development Corporation and the Madison Cultural Arts District, all in a form approved by the City Attorney, as shall be necessary to accomplish the purposes of this resolution.