

January 11, 2011

ITEM#: 7.G.

RE: DISCUSSION AND CONSIDERATION OF AMENDED
GRANT AGREEMENT TERMS FOR THE LEONARDO AT
LIBRARY SQUARE

PROJECT AREA: Central Business District Project Area

PREPARED BY: Jill Wilkerson-Smith

FUNDING: CBD Grant - \$747,219

EXECUTIVE SUMMARY: In April 2009, the Board approved the Grant Agreement for a \$750,000 grant to The Leonardo at Library Square (“The Leonardo”), to be used for construction improvements related to the renovation of the old City Library. The Leonardo would like to use the grant funds for the installation of a permanent technical art exhibit by Philip Beesley entitled, “Hylozoic Ground.” The cost of the piece would require using the entire RDA allocation originally held for construction improvements. The Leonardo is requesting the Board pass a motion formalizing this change in use of the funds.

ALTERNATIVES: 1) Consider a motion approving a change in use of the RDA’s grant fund allocation for the purpose of construction improvements to funding the art installation piece by Philip Beesley
2) Deny Leonardo’s request to change the use of the grant fund allocation

ANALYSIS AND ISSUES: In December 2006, the RDA Board approved the terms of a grant to the Leonardo to use \$750,000 budgeted by the RDA for construction improvements pertaining to renovation of the old City Library building. One of the requirements of the grant was for Leonardo to obtain matching funding commitments for a minimum of \$2.25 million to complete the renovation. The Leonardo subsequently fulfilled this request, and on April 7, 2009, the RDA Board approved the final grant agreement between the Leonardo, Salt Lake City, and the RDA. Due to the complicated nature of delineating the costs eligible for the grant funds, the grant agreement has not yet been executed.

Recently, Leonardo has realized a significant cost savings in its construction budget. Since the allocation of RDA funds has not yet been released, and since the funds are no

longer needed for construction, Leonardo would like to amend the grant request by proposing the funds be used for a permanent art exhibit, to be located in the free-zone area near the building entrance. The Leonardo will provide more information about the art piece, and staff will send additional materials to the Board by Monday, January 10th.

BACKGROUND: As part of a large bond initiative in 2003, the Mayor and City Council proposed a \$10 million General Obligation Bond to redevelop the City's Library to accommodate a science center ("The Leonardo"). The bond initiative passed in the form of a proposition during the November 2003 election.

In March 2006, the City acknowledged The Leonardo's successful procurement of \$10 million in matching grant funds, as required to access the \$10 million General Obligation Bond.

As part of the 2006-2007 Annual Implementation Budget adoption, the Board approved a \$750,000 grant to The Leonardo with the stipulation that additional funding (not less than two times the amount offered by the Agency) be obtained by The Leonardo by December 13, 2006. The terms of the grant offer require that The Leonardo use the funds for a seismic upgrade by adding the north shear wall addition.

On December 14, 2006 the Board approved a grant extension through August 16, 2007 to The Leonardo, allowing them more time to fundraise for the project.

On August 14, 2007, the Board approved a second grant extension with a February 16, 2008 deadline, allowing The Leonardo additional time to secure project funding.

On February 12, 2008, the Board approved a third six-month grant extension to the Leonardo for the Agency's grant. Leonardo also submitted an additional funding request to the City Council to pay for the renovation of the old library building.

On August 12, 2008, the Board approved a fourth grant extension, subject to the City Council's approval of the City's bond for the project. The funds for the grant have been held in escrow in anticipation of the bond issuance.

On April 7, 2009, the Board adopted Resolution No. 659.02, thereby approving the Grant Agreement between The Leonardo at Library Square, Salt Lake City Corporation, and the RDA. To date, the grant agreement has not been executed.

ATTACHMENTS: 1) Grant Request Letter from Leonardo, dated January 7, 2011
2) Letter Agreement between the RDA and Leonardo, dated December 20, 2006.

January 7, 2011

Senior Advisor

Dr. Mario Capecchi,
Eccles Institute of Human Genetics

Capital Campaign Leadership

A. Scott Anderson, Zions Bank
Dr. Dinesh Patel, vSpring Capital
Steve and Barb Young, The Forever Young Foundation

Kent Madsen, Epic Ventures
Chris Stone, Epic Ventures

Science Advisor

Dr. Joe Andrade

The Leonardo Board of Directors

Will West, Control4
Board Chair

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Beth Elder, Salt Lake City Public Library
Nick Gibbs, Rockwell Collins
Peter Giles, The Leonardo
Brent Godfrey, Zions Bank
Jann Haworth, Sundance Mountain Charter School
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Mike Levinthal, Levinthal Capital
Dee Mooney, Micron Technology Foundation
Ann Ober, Salt Lake County
John E. Richards, Brigham Young University
Lorena Riffo-Jenson, VOX Creative
Allen Roberts, Cooper, Roberts & Simonsen Architects
Samuel Straight, Ray Quinney & Nebeker
Jeffrey Unruh, Alerion Capital
Dr. Ned Weinshenker, Utah State University
Suzanne Winters, BioInnovations Gateway
Anne-Marie Wright, Merit Medical
Marshall Wright,
Governor's Office of Economic Development
David Everitt, Salt Lake City Mayor's Office
(*Ex-Officio*)

The Leonardo Renaissance Advisory Board

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Pauline Ploquin
Jim Schwing
Nancy Tessman
David Tundermann
Heidi Walker
David Weiner

Mr. Luke Garrott, RDA Chairperson
Carlton Christensen, RDA Vice-Chair
RDA Board of Directors
City and County Building
451 South State, Room 418
Salt Lake City, Utah 84111

In the growth and development of a city, there are rare opportunities to elevate the city's reputation on the stage of world opinion. The 2002 Winter Olympics was such an opportunity that advanced Salt Lake City's brand and economic development potential. Now, in 2011, with the planned opening of The Leonardo in the renovated Old Main Library on Library Square, another rare opportunity exists to further enhance positive awareness and fuel economic activity in our capital city.

The Leonardo is pleased to present the Redevelopment Agency with a singular opportunity to draw global attention to Salt Lake City and bring crowds, both local and visiting from outside the region, year in and year out, to Library Square to visit The Leonardo.

The RDA, in recognition of the economic redevelopment potential for downtown, and the southern part of downtown in particular, authorized a grant for \$750,000 to aid in improvements to the Old Main Library, specifically for seismic upgrades. Due to the favorable bidding environment, these upgrades came in significantly under budget and were completed without needing to tap the RDA allocation. The Leonardo respectfully requests that the RDA allows the redirection of these funds toward the commission and installation of a major interactive sculpture, *Hylozoic Soil*, which was created to represent Canada recently at the prestigious Venice Biennale by Canadian architect, engineer and artist Philip Beesley. In this queen-of-events for the art world, *Hylozoic Soil*, with its incorporation of advanced sensor, nanotechnology and inorganic chemistry elements that enable life like interactions with visitors, has captured the imagination young people and adults around the world.

The Leonardo has arranged with Philip Beesley to install *Hylozoic Soil* in the main lobby of The Leonardo in time for our 2011 opening. He is reserving *Hylozoic Soil* and his time for this purpose this spring. The price of *Hylozoic Soil*, installed, is \$750,000. With the RDA's support, The Leonardo installation will be the first substantial installation of the work within the United States.

PO Box 2129
Salt Lake City, UT 84110
801.531.9800
www.theleonardo.org

the Leonardo



“My own visits to Salt Lake City left a powerful impression on me, both for the extraordinary landscape and urban form and also for its unique cultural and spiritual heritage... Hylozoic Soil integrates [our] shared values of human caring and environmental sustainability, combined with confidence in creativity and experiment.”
--Philip Beesley

The main reasons *Hylozoic Soil* is both an appropriate and ideal use of RDA funds are as follows:

1. Increased economic activity around Library Square leading to the potential for more diverse and robust economic growth in the southern part of downtown even as major investments in the northern part of downtown come on line. Beesley’s installations have already established a strong track record of drawing visitors. Over 750,000 people throughout the world have visited his *Hylozoic* and *Aurora* installations.
2. Significant national and world media attention for Salt Lake City and the 2011 launch of The Leonardo. The Beesley piece beautifully symbolizes the contemporary Leonardo-like vision that will make the institution a must-see for tourists and a popular destinations for locals. By attracting a great deal of earned media, through the visits, speaking engagements and work of Philip Beesley, The Leonardo will arrive on the stage public stage with a sustained burst that will augur well for the long-term attendance and financial success of this new entrant on the local and national museum scene.
3. Local participation and education opportunities: The artist, Philip Beesley, is committed to engaging local volunteers in the installation. Educational programming associated with the installation will provide continuously renewing opportunities to engage and fascinate and inspire creativity and learning in all, including students on field trips from Salt Lake City schools.
4. Accessibility to all. While there will be an admission price to enjoy the full Leonardo experience, *Hylozoic Soil* will visible in the free area where visitors can drop by, share with family and friends, and then either shop, eat in the café or nearby restaurants, or spend hours with the exciting experiences in The Leonardo by purchasing a ticket or showing their membership card.

We see Philip Beesley’s *Hylozoic Soil* as an enormous and rare opportunity to advance the brand and economic development agenda of Salt Lake City—and the perfect global media burst to power the successful launch of The Leonardo.

We hope you share our enthusiasm for this use of funds that have already been allocated to The Leonardo. We will be available to answer your questions and provide further details.

Thank you for your consideration of this request.

Yours truly,

Peter B. Giles
Executive Director



December 20, 2006

Ms. Mary Tull, Director
The Leonardo at Library Square
210 East 400 South, Suite 301
Salt Lake City, Utah 84111

Re: Amended Grant Terms: Leonardo at Library Square

Dear Mary:

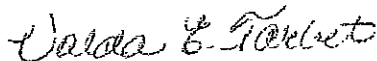
This letter restates that the Redevelopment Agency of Salt Lake City, ("Agency") is willing to provide a grant not exceeding \$750,000 to The Leonardo at Library Square ("Leonardo"). As voted unanimously by the Agency's Board of Directors on December 14, 2006, the grant will be given to Leonardo under the following conditions:

1. The Leonardo must have obtained written funding commitments for a minimum of \$2,250,000 (not including the \$10 million bond provided by Salt Lake City) to complete the renovation of the building by August 16, 2007;
2. The Agency's grant shall be the last funds expended for the renovation;
3. The actual total project costs must be equal to or less than the funding commitments.

The Agency should be periodically updated on Leonardo's fundraising progressing and will subsequently report any fundraising activities to the Board as warranted. The terms of this grant letter supersede those outlined in the previous grant letter to Leonardo dated June 21, 2006.

Please feel free to call Jill Wilkerson-Smith at 535-7243 if you have any questions.

Sincerely,



Valda E. Tarbet
Acting Executive Director

cc: Ross C. Anderson, CAO
Carlton Christensen, RDA Chairperson
Rusty Vetter, Salt Lake City Attorney's Office