

**Fayetteville Advertising and Promotion
Commission**

February 19, 2018

Location: Fayetteville Town Center 15 W. Mountain Street Fayetteville, AR.

Commissioners: Matthew Petty, Chairman; Matt Behrend; Adella Gray; Ching Mong;
Robert Rhoads; Chrissy Sanderson; Todd Martin

Staff: Molly Rawn, Executive Director;

Agenda

- I. Call to order at 2:00 p.m.
- II. Old Business
 - A. Approval of December 2017 minutes
- III. New Business
 - A. Vote: Elect a Commission Chairperson for 2018. A&P by-laws dictate that a chair will be elected at the first meeting of each calendar year.
 - B. December 2017 and January 2018 HMR report – Molly Rawn. A presentation of the December and January HMR collections designated for A&P *and* the 2017 HMR collection year in review. *January collections represent December activity.*
 - C. Marketing Report – Hazel Hernandez. Presentation of the prior 2 month's marketing activity.
 - D. Vote: Memorandum of Understanding with Theatre Squared regarding annual contribution schedule.
 - E. Vote: Peace Fountain Contract. Molly Rawn to sign contracts related to Peace Fountain repair with Multi-Craft Contractors, Olsson Associates.
 - F. Executive Director's Updates and announcements
 1. Relocation of September 2018 meeting to Experience Fayetteville Conference Room
 2. Spring 2018 grant applications available now
 3. Update on the Walker Stone House improvements
 4. MOU with the University of Arkansas School of Art for a short-term lease at the Walker Stone House
- IV. Changes to the By-Laws. Proposed changes to the A&P Commission By-laws, first reading. Per our current by-laws, changes to the by-laws must be presented and then voted on at a subsequent meeting.
- V. Agenda Additions. *Additions to the agenda may be added upon request from a majority of commissioners*

Fayetteville Advertising and Promotion Commission

Minutes from December Meeting

December 18, 2017

Commissioners Present: Matthew Petty, Chair; Matt Behrend; Adella Gray; Robert Rhoads; Chrissy Sanderson; Ching Mong; Todd Martin

Staff Present: Molly Rawn, Sally Fisher, Hazel Hernandez, Jordan Garcia, Tina Archer-Cope, Joshua Cheshier

Others Present: Vince Chadick, A&P Commission attorney; Aaron Ruby, architect and consultant; Mike Sells, Sells Agency

I. Call to Order

Chairman Matthew Petty called the meeting of the Fayetteville Advertising and Promotion Commission to order on November 27, 2017, at 2:00 p.m.

II. Old Business

A. Chairman Petty asked for approval of the November 2017 minutes. Commissioner Todd Martin moved to accept the minutes as presented. His motion was seconded by Commissioner Adella Gray. The motion was approved.

III. New Business

A. Announcement of New Hires

Fayetteville Town Center General Manager, Jordan Garcia, introduced Joshua Cheshier, Facilities Manager for both the Fayetteville Town Center and Experience Fayetteville, and Tina Archer-Cope, Director of Sales for the Fayetteville Town Center. Both were allowed to leave the meeting at that time to tend to their normal duties

B. HMR Report

Executive Director Molly Rawn presented the HMR information. November collections were at \$290,375, down 5.98% over 2016. She explained that this decrease is could be partially attributed to the number of home football games in October.

C. Marketing Report

Mike Sells of The Sells Agency presented the marketing report. He noted that (1) overall usage has increased by 3% over 2016, (2) online guide requests have increased 8% over 2016, and (3) the ExpFay digital pre-roll is online ads that appear before downloaded videos.

D. Vote on Sells Agency contract

ED Rawn is prepared to sign a two-year contract with The Sells Agency as the advertising agency of record for the Fayetteville A&P Commission. The amount of their contract will vary based on the media buy. Commissioner Martin moved to approve the contract. His motion was seconded by Commissioner Gray. The motion was approved.

E. Vote on Resolution

1. We requested, and received, an opinion from the Arkansas Attorney General (AG) regarding the Executive Director (ED) authority to see the full detail of the HMR collection data.

2. Per the AG opinion, the role of the ED needed clarification. The presented resolution clarifies the A&P ED's role.
3. Commissioner Robert Rhoads moved to approve the resolution. His motion was seconded by Commissioner Ching Mong. The motion was approved.

IV. Walker Stone House

- A. ED Rawn has entered into a project consulting agreement with Aaron Ruby of Allison Architects.**
 1. Mr. Ruby discussed the historic nature of the house and the fact that we all want the work to be done in a manner to keep the integrity of the building. He also noted that we will comply with ADA requirements regarding the wheelchair ramp and making a bathroom wheelchair accessible.
 2. Trees have been removed as needed by a certified arborist.
 3. The HVAC will be replaced.
 4. Commissioner Gray asked about the landscaping. ED Rawn noted that we do not plan on doing specific landscaping at this time, but that there will be plants installed in the Spring.

V. Vote on 2018 Budget

- A.** The 2018 consolidated budget as presented to the Commission is balanced. It includes a 4% increase in overall revenue, with a 2% increase in HMR collections.
- B.** Commissioner Martin asked about funding specific to The Clinton House museum. He expressed concern that museum was operating in the red and that expenses were increasing over the prior year. He decided to abstain from a vote due to this matter.
- C.** Commissioner Gray made a motion to approve the budget as presented. Her motion was seconded by Commissioner Chrissy Sanderson. The motion was approved, with Commissioner Martin abstaining.

Commissioner Petty adjourned the meeting at 3:28 p.m.

Respectfully submitted,
Sally Fisher, Finance Director
Experience Fayetteville

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ December 31, 2017

	CONSOLIDATED			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	Remaining % of Budget
Income				
41000 · Hotel, Motel, Restaurant Taxes				
41100 · CY HMR Taxes	3,374,639.13	3,392,424	12.00	0.52%
41200 · PY HMR Taxes	29,272.81	20,477	8,795.81	-42.95%
Total 41000 · Hotel, Motel, Restaurant Taxes	3,403,911.94	3,412,901	(8,989.06)	
42000 · Rental Income				
42100 · Facility Rental	448,966.38	505,300	(56,333.62)	11.15%
42200 · Rental Items	42,557.59	43,000	(442.41)	1.03%
42300 · Alcohol Sales	52,363.50	53,700	(1,336.50)	2.49%
42400 · Third Party Rental Revenue	66,187.38	0	66,187.38	-100.00%
Total 42000 · Rental Income	610,074.85	602,000	8,074.85	
43000 · Event Income				
43100 · 1st Thursday Income	8,994.82	20,000	(11,005.18)	55.03%
43200 · LOTO Income	3,725.00	5,000	(1,275.00)	25.50%
43400 · Other Event Income	5,019.80	11,750	(6,730.20)	57.28%
Total 43000 · Event Income	17,739.62	36,750	(19,010.38)	
44000 · Sales				
44100 · Museum Store Sales	8,302.63	7,500	802.63	-10.70%
44200 · Visitor Store Sales				
44210 · Regular Store Sales	33,069.07	30,567	2,502.07	-8.19%
44220 · Consignment Sales	3,926.62	4,970	(1,043.38)	20.99%
Total 44200 · Visitor Store Sales	36,995.69	35,537	1,458.69	-4.10%
Total 44000 · Sales	45,298.32	43,037	2,261.32	
45000 · Parking Revenue				
45100 · Parking Machine Revenue	7,850.55	11,000	(3,149.45)	28.63%
45200 · Parking Lease Revenue	15,047.32	19,800	(4,752.68)	24.00%
Total 45000 · Parking Revenue	22,897.87	30,800	(7,902.13)	
46000 · Ad Income				
46100 · Visitor Guide Ad Income	24,125.00	18,000	6,125.00	-34.03%
46000 · Ad Income - Other	4,800.00	0	4,800.00	-100.00%
Total 46000 · Ad Income	28,925.00	18,000	10,925.00	
47000 · Museum Revenue				
47100 · Admission Revenue	2,825.39	23,000	(20,174.61)	87.72%
47200 · Contributions	6,777.93	30,000	(23,222.07)	77.41%
Total 47000 · Museum Revenue	9,603.32	53,000	(43,396.68)	
49000 · Interest and Investment Income				
49001 · Investment Account Interest	7,499.74	10,000	(2,500.26)	25.00%
49002 · Checking Account Interest	5,851.20	4,367	1,484.20	-33.99%
Total 49000 · Interest and Investment Income	13,350.94	14,367	(1,016.06)	
49900 · Transfer from EF	80,000.00	0	80,000.00	(100.00)
Total Income	4,231,801.86	4,210,855	20,946.86	-0.50%
Cost of Goods Sold	3,524.96			
Gross Profit	4,235,326.82	4,210,855		

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ December 31, 2017

Expense	CONSOLIDATED			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	Remaining % of Budget
50000 · Rental and Event Expenses .				
51000 · Rental Expenses				
51100 · Facility Rental Expenses	500.00	500	0.00	0.00%
51200 · Rental Items	32,884.04	31,500	1,384.04	-4.39%
51300 · Alcohol & Bar Supply Expenses	36,345.85	25,000	11,345.85	-45.38%
51310 · Alcohol Expense				
51320 · Bar Supply Expense				
51400 · Rental Services	37,319.59	29,000	8,319.59	-28.69%
Total 51000 · Rental Expenses	107,049.48	86,000	21,049.48	
52000 · Event Expenses				
52100 · 1st Thursday Expenses	39,668.02	35,000	4,668.02	-13.34%
52200 · LOTO Expenses	15,965.06	20,000	(4,034.94)	20.17%
52400 · Other Event Expenses	13,361.10	18,800	(5,438.90)	28.93%
Total 52000 · Event Expenses	68,994.18	73,800	(4,805.82)	
53000 · Store purchases				
53100 · Museum Store Expenses	8,424.86	5,400	3,024.86	-56.02%
53110 · Goods for Sale				
53120 · Store Supplies				
53200 · EF Store Expenses	24,501.26	18,741	5,760.26	-30.74%
53210 · Goods for Sale				
53220 · Store Supplies				
53300 · Consignment Expenses	2,889.60	3,976	(1,086.40)	27.32%
Total 53000 · Store purchases	35,815.72	28,117	7,698.72	
54000 · Museum Activities				
54100 · Program				
54110 · Group Visits	28.65	250	(221.35)	88.54%
54130 · Honoraria	150.00	1,500	(1,350.00)	90.00%
54140 · Other	98.44			
Total 54100 · Program	277.09	2,100	(1,822.91)	
54200 · Exhibit Expenses	17,307.53	10,000	7,307.53	-73.08%
54300 · Fundraising	1,182.65	2,000	(817.35)	40.87%
Total 54000 · Museum Activities	18,767.27	14,100	4,667.27	
55000 · In-kind Donations Cost	803.86	0	803.86	-100.00%
Total 50000 · Rental and Event Expenses	231,430.51	202,017	29,413.51	
60000 · Payroll and Related Expenses				
61000 · Wages Expense	697,245.10	775,846	(78,600.90)	10.13%
62000 · Payroll Tax Expense				
62100 · Federal (941) Payroll Taxes	52,772.94	59,353	(6,580.06)	11.09%
62300 · SUTA	1,502.70	1,421	81.70	-5.75%
Total 62000 · Payroll Tax Expense	54,275.64	60,774	(6,498.36)	
63000 · Benefits				
63100 · Health and Other Emp Insurance	96,925.05	110,078	(13,152.95)	11.95%
63200 · Company Ret Contributions	15,484.26	21,341	(5,856.74)	27.44%
63300 · Car Allowance	3,600.00	3,600	0.00	0.00%
63400 · Relocation Expenses	1,922.22	1,000	922.22	-92.22%
63600 · Employee Relations	5,462.31	2,200	3,262.31	-148.29%

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ December 31, 2017

	CONSOLIDATED			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	Remaining % of Budget
Total 63000 · Benefits	123,393.84	138,219	(14,825.16)	
64000 · Contract Labor	107,677.00	6,900	100,777.00	-1460.54%
65000 · Payroll Processing Fees				
Total 60000 · Payroll and Related Expenses	982,591.58	981,739	852.58	
70000 · Operating Expenses				
71000 · Marketing				
71100 · Advertising Expense				
71110 · Agency Advertising	566,900.55	518,000	48,900.55	-9.44%
71120 · Non-Agency Advertising	19,129.40	21,000	(1,870.60)	8.91%
Total 71100 · Advertising Expense	586,029.95	539,000	47,029.95	
71200 · Agency Fees	177,000.00	168,000	9,000.00	-5.36%
71300 · Promotion				
71310 · Promotion Expenses	51,854.22	66,000	(14,145.78)	21.43%
71320 · Signage-Tourism	9,748.46	20,000	(10,251.54)	51.26%
71330 · Public Art Program	125,809.90	0	125,809.90	-100.00%
71350 · Banners	4,622.63	0		
Total 71300 · Promotion	192,035.21	86,000	106,035.21	
71400 · Printing				
71410 · Visitors Guide Expense	71,248.57	60,000	11,248.57	-18.75%
71420 · Other Brochures	28,806.48	13,500	15,306.48	-113.38%
Total 71400 · Printing	100,055.05	73,500	26,555.05	
71500 · Website	28,352.21	30,000	(1,647.79)	5.49%
71600 · Mailings	12,015.99	20,250	(8,234.01)	40.66%
Total 71000 · Marketing	1,095,488.41	916,750	178,738.41	
72000 · Sales and Development				
72100 · Promotional Items	8,731.58	11,500	(2,768.42)	24.07%
72200 · Meals	4,631.11	3,000	1,631.11	-54.37%
72300 · Groups	4,077.42	15,000	(10,922.58)	72.82%
72400 · Sports	10,302.62	25,000	(14,697.38)	58.79%
72500 · Meetings	8,289.13	4,500	3,789.13	-84.20%
72600 · Memberships	24,973.06	18,425	6,548.06	-35.54%
72700 · Tourism Development	6,261.53	6,000	261.53	-4.36%
72800 · Training				
Total 72000 · Sales and Development	67,266.45	83,425	(16,158.55)	
73000 · Office and Administrative Exp				
73100 · Office Expenses				
73110 · Office Supplies	18,707.12	14,000	4,707.12	-33.62%
73120 · Office Equipment Leases	7,395.03	3,686	3,709.03	-100.62%
73130 · Office Equipment Purchases	2,305.35	6,500	(4,194.65)	64.53%
73140 · Subscriptions	1,132.26	436	696.26	-159.69%
Total 73100 · Office Expenses	29,539.76	24,622	4,917.76	
73200 · Fees				
73210 · Bank Service Charges	187.10	0	187.10	-100.00%
73220 · Credit Card Fees	6,563.62	9,100	(2,536.38)	27.87%
Total 73200 · Fees	6,750.72	9,100	(2,349.28)	

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ December 31, 2017

	CONSOLIDATED			
	Year-to-Date			
	Actual	Budget	Over/(Under) Budget	Remaining % of Budget
73400 · Business Taxes and Licenses	24,525.66	3,500	21,025.66	-600.73%
73500 · Accounting, Audit, & Legal Fees	19,025.20	21,000	(1,974.80)	
73510 · Accounting Fees	1,775.00	1,050	725.00	-69.05%
73520 · Audit Fees	11,900.40	13,860	(1,959.60)	14.14%
73530 · Legal Fees	5,349.80	6,090	(740.20)	12.15%
73700 · Postage and Shipping	1,067.48	3,464	(2,396.52)	69.18%
73900 · Collection Expense	68,074.61	68,258	(183.39)	0.27%
Total 73000 · Office and Administrative Exp	148,983.43	129,944	19,039.43	
74000 · Travel				
74100 · Lodging	13,307.41	12,600	707.41	-5.61%
74200 · Mileage	1,088.61	6,225	(5,136.39)	82.51%
74300 · Transportation	9,437.32	11,840	(2,402.68)	20.29%
74400 · Meals Out of Town	2,338.94	7,835	(5,496.06)	70.15%
Total 74000 · Travel	26,172.28	38,500	(12,327.72)	
75000 · IT Expenses				
75100 · Computer Hardware	9,886.67	10,700	(813.33)	7.60%
75200 · Software Purchases and Subs	34,514.51	15,800	18,714.51	-118.45%
75300 · IT Support and Consulting	41,714.57	24,600	17,114.57	-69.57%
Total 75000 · IT Expenses	86,115.75	51,100	35,015.75	
76000 · Insurance				
76100 · Insurance - Building & Contents	14,414.00	14,618	(204.00)	1.40%
76200 · Insurance - W/C	1,502.00	1,700	(198.00)	11.65%
76300 · Insurance - D&O	802.00	2,000	(1,198.00)	59.90%
Total 76000 · Insurance	16,718.00	18,318	(1,600.00)	
77000 · Facilities				
77100 · Rent	15,322.90	14,400	922.90	-6.41%
77200 · Internet/Telephone	28,442.72	26,183	2,259.72	-8.63%
77300 · Utilities				
77310 · Electric	69,376.03	69,000	376.03	-0.54%
77320 · Gas	11,204.21	11,050	154.21	-1.40%
77330 · Water	12,641.71	15,100	(2,458.29)	16.28%
Total 77300 · Utilities	93,221.95	95,150	(1,928.05)	
77400 · Repairs and Maintenance	70,251.54	45,000	25,251.54	-56.11%
77500 · Janitorial Supplies	24,169.59	20,800	3,369.59	-16.20%
77600 · Maintenance Contracts	63,349.58	45,709	17,640.58	-38.59%
77800 · Improvements	94,241.53	264,082	(169,840.47)	64.31%
Total 77000 · Facilities	388,999.81	511,324	(122,324.19)	
Total 70000 · Operating Expenses	1,846,515.57	1,790,361	56,154.57	
80000 · Grants Awarded				
80100 · Current Year Spring	100,700.00	110,000	(9,300.00)	8.45%
80200 · Prior Year Fall	99,257.90	104,934	(5,676.10)	5.41%
Total 80000 · Grants Awarded	199,957.90	214,934	(14,976.10)	
90000 · Other Expenses				
90100 · Bond Payments	707,312.52	707,312	0.52	0.00%
90300 · Future Project Funding				
90310 · Future Capital Improvements	36,229.75	60,000	(23,770.25)	39.62%
90320 · Operating Reserves	145,235.59	254,492	(109,256.41)	42.93%

Fayetteville A and P Commission
Statement of Budget, Revenue and Expense
Year-to-Date @ December 31, 2017

CONSOLIDATED				
Year-to-Date				
	Actual	Budget	Over/(Under) Budget	Remaining % of Budget
Total 90300 · Future Project Funding	181,465.34	314,492	(133,026.66)	
Total 90000 · Other Expenses	888,777.86	1,021,804	(133,026.14)	
99900 · Transfer to CH or TC	80,000.00	0	80,000.00	-100.00%
Total Expense	4,235,326.82	4,210,855	24,471.82	-0.58%
Net Income/(Loss)	0.00	0		

COMPARISON OF CURRENT YEAR & PRIOR YEAR

	2016	2017	% Change
TOTAL REVENUE	4,315,042.95	4,231,801.86	-0.02
COST OF GOODS SOLD		3,524.96	
TOTAL EXPENSE	3,670,637.36	4,235,326.82	0.15
NET INCOME/(LOSS)	644,405.59	0.00	

November Activity

\$34,323 + **\$232,997**
Hotel/Motel Restaurant

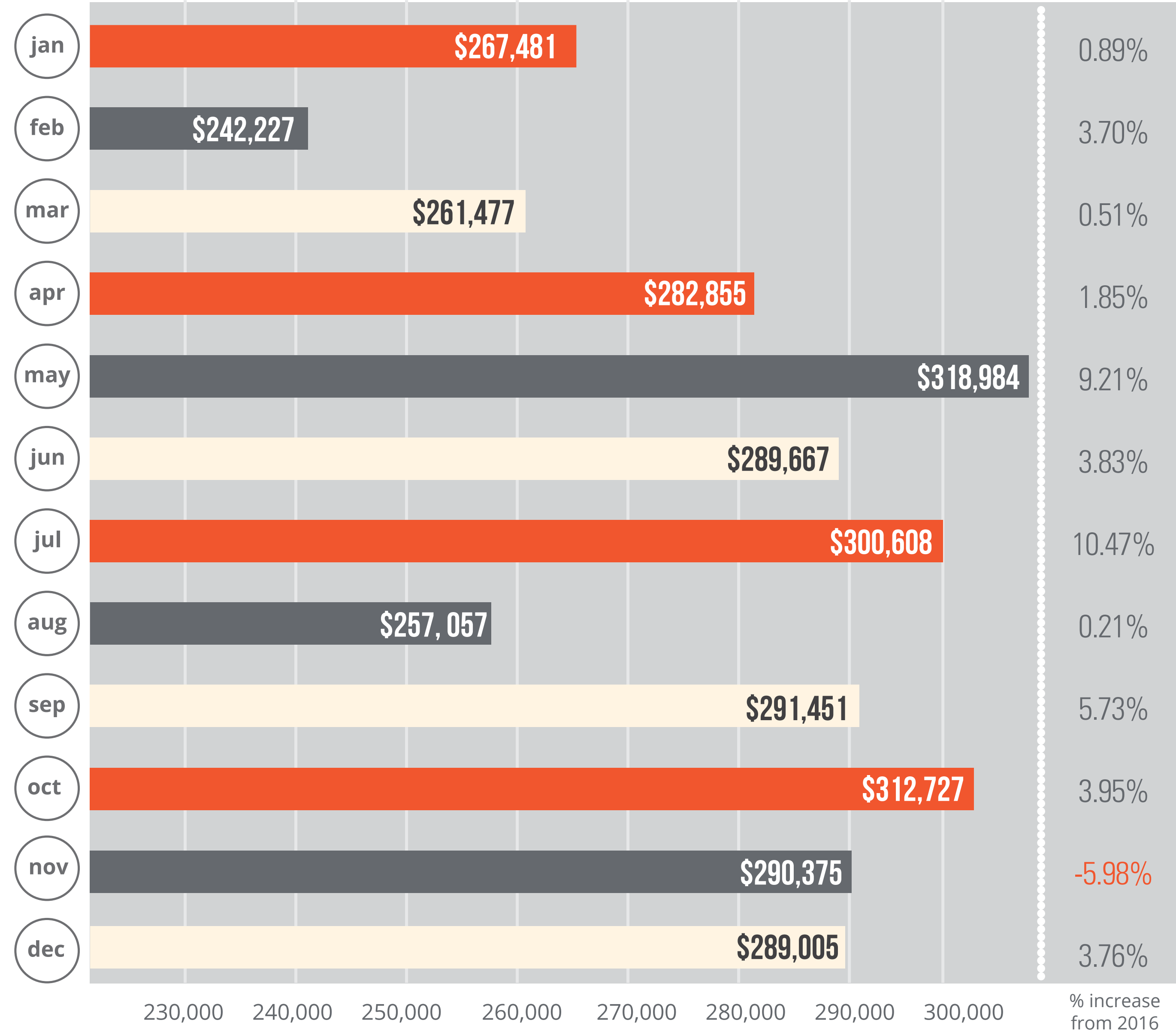
\$21,685
Prior Dues Collected

\$289,005
Total HMR Collected

Previous YTD (Jan-Dec) HMR Tax Collection Totals

2013	2014	2015	2016	2017
\$2,633,805	\$2,757,761	\$3,052,221	\$3,300,161	\$3,403,913
-3.90%	4.71%	10.68%	8.12%	3.14%
% change over previous year				

Monthly A&P Tax Collections 2017**



Overdue HMR tax collection data not available at time of agenda publication.
 ** This represents one half of the total HMR collections. The other half supports the Parks and Recreation department.

December Activity

\$24,050 + **\$246,758**
 Hotel/Motel Restaurant

\$14,063

Prior Dues Collected

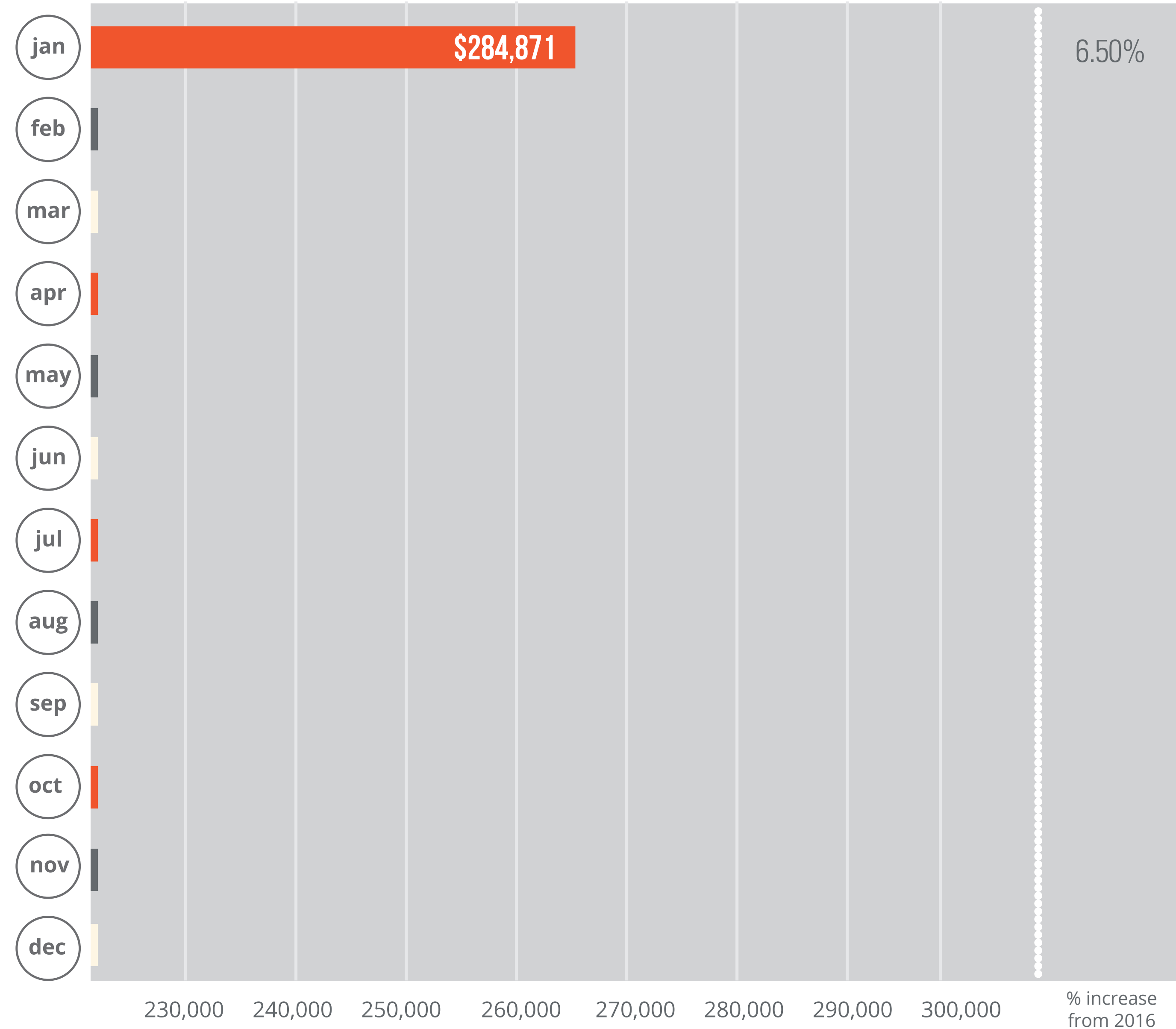
\$284,871

Total HMR Collected

Previous Jan HMR Tax Collection Totals

2014	2015	2016	2017	2018
\$202,477	\$236,849	\$265,115	\$267,481	\$284,871
-4.1%	16.9%	11.9%	0.9%	6.5%
% change over previous year				

Monthly A&P Tax Collections 2018**



Overdue HMR tax collection data not available at time of agenda publication.
 ** This represents one half of the total HMR collections. The other half supports the Parks and Recreation department.

MARKETING REVIEW 2017 VS 2016

Overall Users:

225,057 VS **216,341**: **+4%**

Overall Sessions:

256,312 VS **248,212**: **+3%**

Landing Page Views:

65,140 VS **17,674**: **+269%**

Guide Requests:

14,719 VS **18,098**: **-19%**

Online Guide Requests:

9,348 VS **8,787**: **+6%**

WEB TRAFFIC IN TARGETED STATES 2017 vs 2016

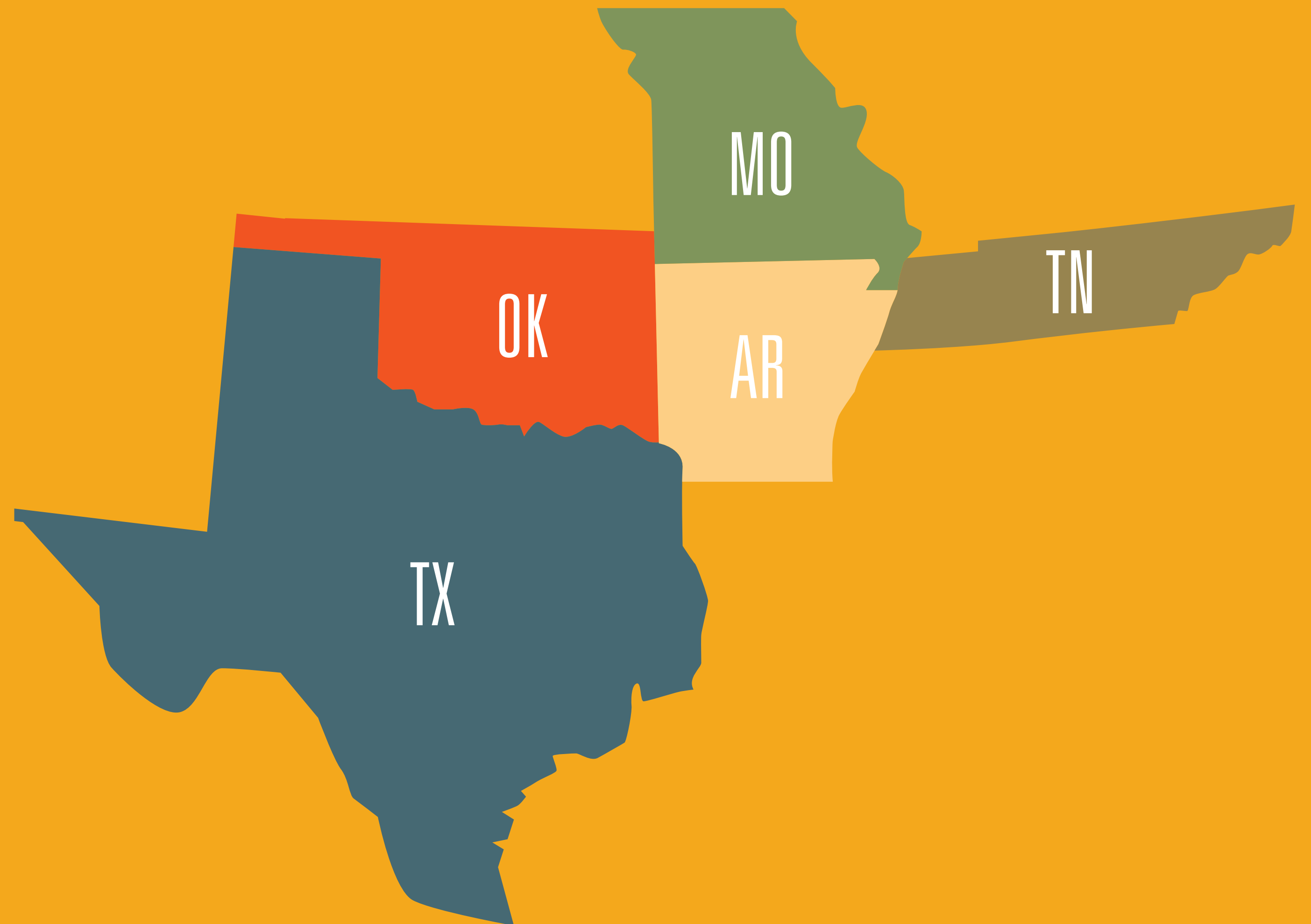
Texas: +26%

Oklahoma: +73%

Missouri: +16%

Arkansas: -14%

Tennessee: -26%

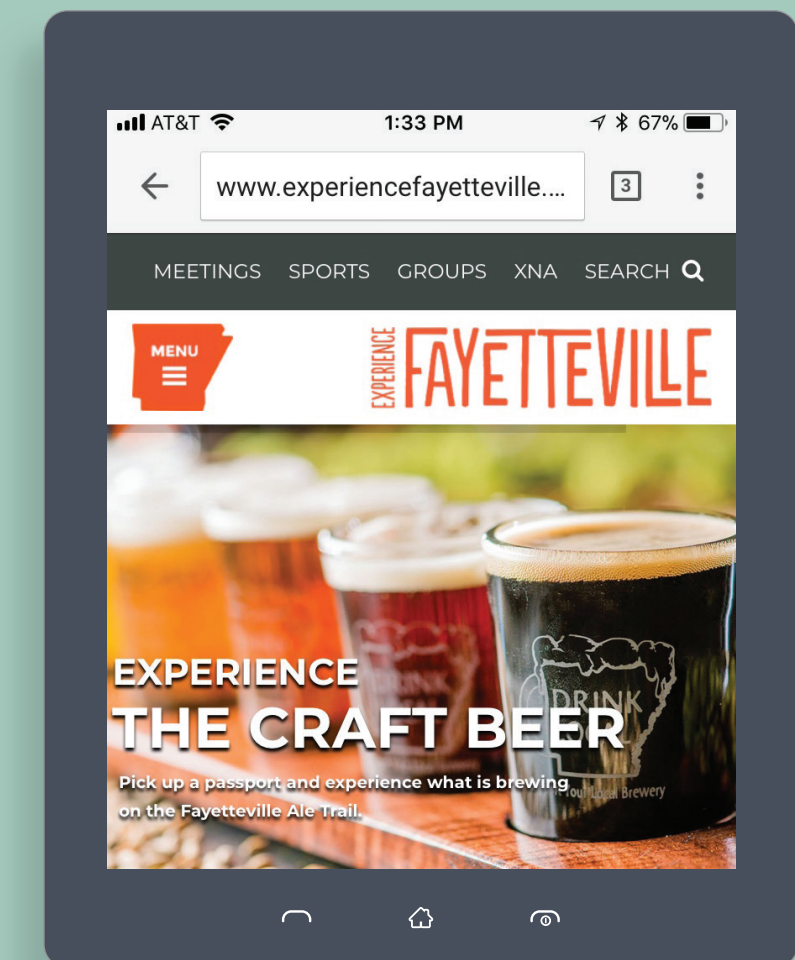
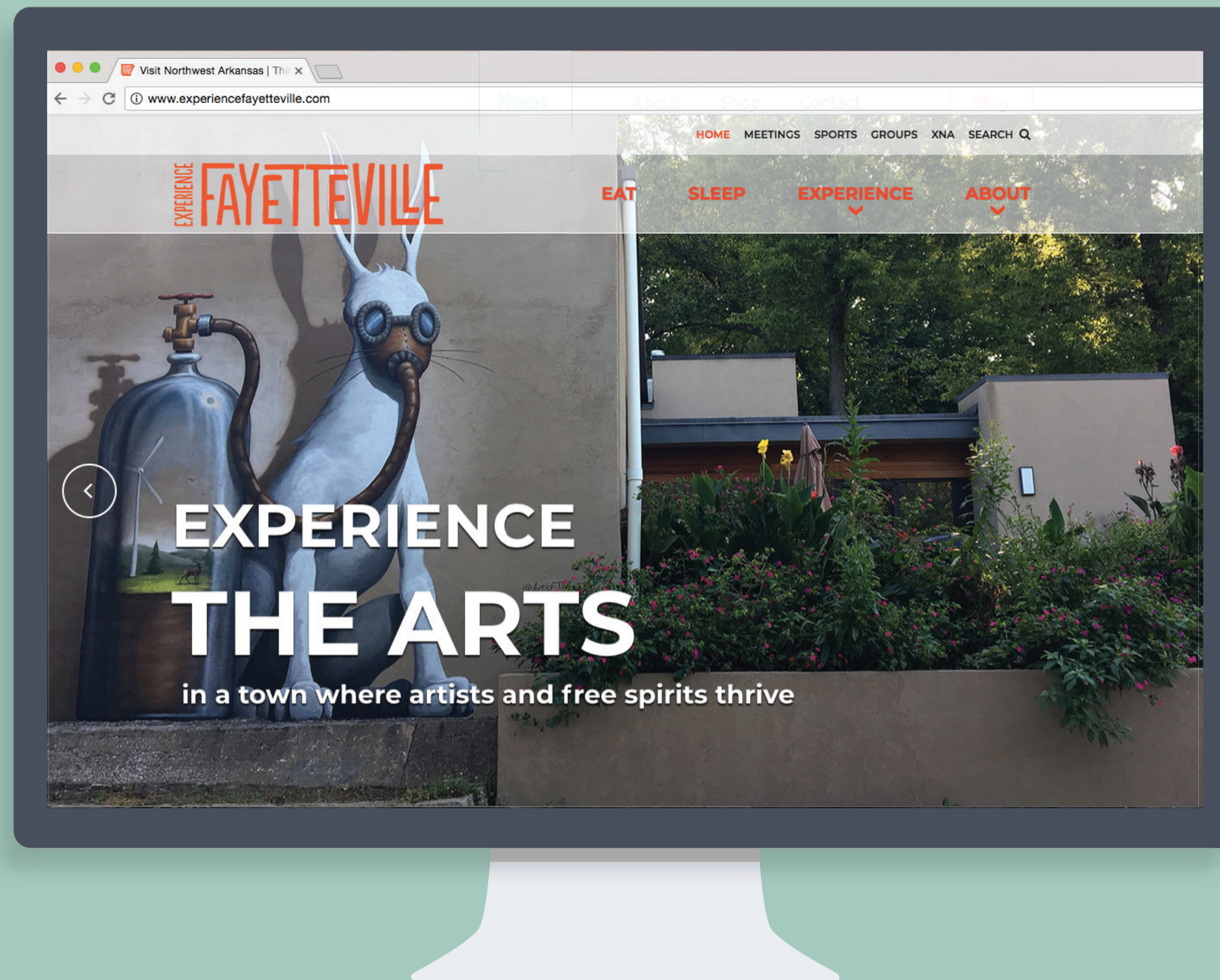
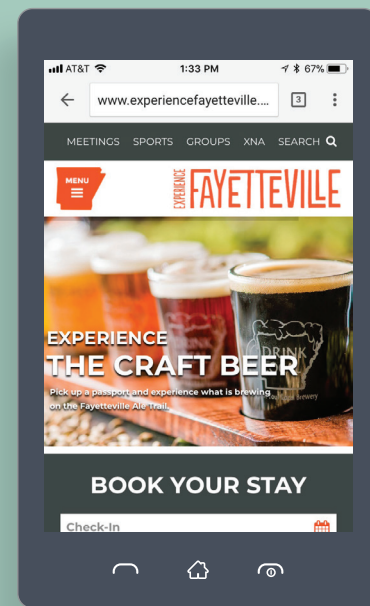


SITE TRAFFIC BY DEVICE

Mobile: **50%**

Desktop: **44%**

Tablet: **6%**



SITE TRAFFIC BY CHANNELS 2017 VS 2016

2017

Organic Search: 40%

Paid Search: 13%

Direct: 11%

Referral: 7%

Social: 7%

Pre-roll: 22%

2016

Organic Search: 68%

Paid Search: 3%

Direct: 10%

Referral: 9%

Social: 3%

Pre-roll: 7%

MARKETING REVIEW JAN. 2017 VS 2016

Overall Users:

12,285 vs 12,144: +1%

Page Views:

31,324 vs 27,244: +15%

Overall Sessions:

14,147 vs 13,786: +3%

ADVERTISING

Arkansas Travel Guide



Arkansas Motorcycle Guide



NATA/NWA Visitor's Guide



ADVERTISING (cont.)

Ozark Cycling Adventures



WAC OnStage



Arkansas Bride



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“**MOU**”) is entered into effective February 19, 2018, by and between **FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION**, a governmental agency established by Ordinance No. 2310 of the City of Fayetteville pursuant to Arkansas law (Ark. Code Ann. § 26-75-605) (“**A&P Commission**”), and **THEATRE SQUARED, INC.**, an Arkansas nonprofit corporation (“**T2**”) (collectively, the “**Parties**”).

WHEREAS, the purpose of this **MOU** is to clarify the expectations between the **Parties** as it relates to **A&P Commission**’s support for the construction of **T2**’s facility in downtown Fayetteville, Arkansas (the “**Facility**”), and other support generally for capital expenses related to **Facility** construction, including the repayment of accounts used to fund the initial construction of the **Facility** following substantial completion; this **MOU** establishes the understanding between the **Parties**.

WHEREAS, the **Parties** shall act in accordance with the expectations and responsibilities set forth for each in this **MOU**. The **MOU** shall not affect, modify, or interfere with the responsibilities of either party under applicable law. The legal duties and responsibilities of either party shall prevail over any provision of this **MOU** in the event of any conflict between the provisions of this **MOU** and the legal duties and responsibilities of the **Parties**.

WHEREAS, as expressed by unanimous vote of the members of the **A&P Commission** in a meeting on April 24, 2017, it is the intent and desire of the **A&P Commission** to support funding of the construction of the **Facility** in the amount of \$3,000,000.00 as provided in this **MOU**.

NOW, THEREFORE, in the furtherance of the intention of the **Parties** to carry out the purposes of this **MOU**, the **Parties** do hereby agree:

1. Intended Support: Within the limitations of applicable law, including the provisions of Article 12, § 4 of the Arkansas Constitution, **A&P Commission** has by unanimous vote of April 24, 2017 agreed to support the construction of the **Facility**, including the repayment of accounts used to fund the initial construction of the **Facility**, by providing funding of \$3,000,000.00, in installments of \$200,000.00 annually for 15 years, beginning **A&P Commission**’s Fiscal Year 2018. This support in the form of funding is in accordance with the provisions of A.C.A. § 26-75-606(a) and (b). As per the limiting parameters of applicable law, **A&P Commission** will each fiscal year consider its continued support of the **Facility** construction and related **Facility** construction capital expenses (including repayment of accounts used to fund the initial construction of the **Facility**) and must approve annually each funding installment.

2. Acknowledgment by T2: **A&P Commission**’s agreement to support the construction of the **Facility** is not a binding contractual obligation and does not constitute a pledge of the full faith and credit of the City of Fayetteville or any of its commissions, including **A&P Commission**.

3. **Duration:** This MOU shall be in effect as of the date of execution by both of the Parties and shall expire upon payment of a cumulative funding amount of \$3,000,000.00 by A&P Commission to T2 for construction and related construction capital expenses for the Facility (including repayment of accounts used to fund the initial construction of the Facility) or upon A&P Commission's authorized vote to discontinue the MOU and its intended support as approved on April 24, 2017.

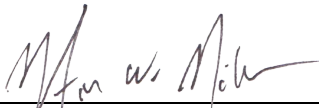
4. **Final and Complete Agreement:** This MOU contains the entire agreement and understanding between the Parties. This MOU is a final memorial of the Parties' understanding and supersedes any prior negotiations, representations, statements, promises, or other discussions, express or implied, concerning the subject matter of this MOU.

5. **Modification and Termination:** This MOU may be amended or modified only by written agreement signed by each of the Parties.

6. **Governing Law:** This MOU shall be governed and conformed in accordance with the laws of the State of Arkansas.

7. **Counterparts:** This MOU may be executed and delivered at different times and in any number of originals or counterparts and by each party on a separate counterpart, each of which shall be deemed an original but all of which together shall constitute only one agreement, notwithstanding all the Parties shall not have signed the same counterpart.

THEATRE SQUARED, INC.,
an Arkansas nonprofit corporation

By: 

Martin Miller, Executive Director

January 22, 2018

Date

**FAYETTEVILLE ADVERTISING AND
PROMOTION COMMISSION**

By: _____
Molly Rawn, Executive Director

Date

RECOMMENDATIONS & PHASING PLAN

Issue Date: February 9, 2018

To: Molly Rawn, Experience Fayetteville

The Walker-Stone House Fayetteville, AR

Molly,

Below is a first draft of a Phasing Plan that attempts to prioritize needs at the Walker-Stone House. As stated in our accepted proposal dated Oct. 20, 2017, the recommendations included herein are reflective of our observations from numerous visits to the house, close study of the A-Z Property Inspection Report dated 6/27/16, and past conversations. Our experience with historic mid-nineteenth century brick structures and efforts to restore or rehabilitate them stretched out over a number of years, certainly colors our opinions and recommendations. Thus, though we put forward here one possible scenario for phasing this work, please know that for a number of reasons, it is preferred to execute most of this work at one time.

That said, however, we recognize that future use of the property remains an open question. For the time being, these recommendations assume that the property use will not change significantly from its use for the past 30-40 years (primarily office space). Even if used as a gallery or gathering space, these recommendations assume very minimal changes.

Recommendations (listed in order of priority):

1. Replace HVAC units, inspect ducts (replace damaged insulation, address minor issues raised in inspection report), add attic insulation, new return air filters.
2. Remove select trees located too close to foundation.
3. Verify presence of cistern and inspect condition. If present and empty, leave in place & fill with sand to prevent cave-in.
4. Replace lap siding on west side of north (front) porch where squirrels have chewed way into attic. Install light or sound machines (or some other means) to deter squirrels and other rodents from nesting in attic.
5. Life Safety & ADA Improvements:
 - a. Replace handrails & guardrails on south (rear) porch to meet current codes.
 - b. Add handrail to basement on south side.
 - c. Replace handrail to parking lot on south side.
 - d. Add one horizontal guardrail above existing decorative guardrail on north (front) porch to meet code.
 - e. Remove wood ramp & brick step at north porch. Replace with new brick step that runs along full length of porch. Add handrails in select locations.
 - f. Add code compliant wheelchair ramp to provide ADA access to ground floor.

- g. Add two ADA parking spaces & signs (given that parking lot is gravel, recommend one concrete paved surface nearest the existing brick sidewalk that connects the parking area to the proposed ramp location.
 - h. Demo two existing restrooms in annex and install two new to meet current codes. Must replace the very old water heater serving these bathrooms. Install new kitchenette and sink to serve as break room or catering kitchen. No food preparation anticipated.
 - i. Retaining walls along south side of property adjacent to neighboring apartment buildings to the south are in poor condition. Consider replacing or making select improvements. Note concern in inspection report for possible need of guardrails. If guardrails are not added, consider a row of thick shrubs to discourage persons from approaching the walls.
6. Interior Finishes- Replace carpet in annex with new commercial grade or other floor material choice such as wood, tile or vinyl. Consider replacing plastic laminate counter top in bar beneath stair. New paint on walls in annex, consider future of the built in shelves in the old library. This is fairly high on the priority list because of how worn the materials are—it also stands to reason that the right time to upgrade the finishes is concurrent with restroom and kitchenette changes mentioned above.
7. Roof, Gutters & Downspouts:
- a. Replace roof with new. Three-tab asphalt shingles (like existing) are least expensive and common choice, though life expectancy is limited. Wood shingles are most period appropriate but have lowest life expectancy. Standing seam metal (the right kind) is period appropriate and has a long life expectancy. It is easily more expensive than asphalt shingles with initial installation, though easily less expensive over a longer time span.
 - b. Recommend adding ventilation to attic. There are several options, but the most appropriate may be “pancake” style vents on the backside (south side) of the roof. They aren’t pretty, but they look better than whirlybirds—and they won’t be visible from the front (they probably won’t be visible from any vantage point). A ridge vent may be okay except if they are installed incorrectly, they can leak—fixing the leak may prove to be very challenging.
 - c. Re-attach loose downspout on south side near rear porch. Existing gutters and downspouts can probably remain (clean them of debris and inspect yearly after all the leaves have fallen from trees), though it will be important that they be protected from damage if roof is replaced. After roof replacement, repair/ touch up paint where rust is visible. Ensure proper splash blocks are in place that divert storm water away from foundation. *We highly recommend that during a heavy rain, you visually inspect the performance of the gutter and downspout system—take note of any locations where water is not flowing properly or standing.*
8. Exterior Trim- Paint all wood trim on exterior with new high quality commercial grade paint. Replace damaged, rotten or missing pieces with new to match original.
9. Windows- Engage a qualified contractor on the repair and repainting of original windows, inside and out. Some replacement of old glazing putty will be necessary. To improve energy efficiency, we recommend an interior storm window, such as by Allied Windows, which are easy to remove and allow for the original windows to be operable, if so desired by building occupants (allowing for hvac to be turned off during mild weather)
10. Brick- Plan on selective re-pointing project to replace any poor or missing mortar from the brick on the entire house. This may require re-painting of a portion of the house. Care should be given to type of paint used so as not to damage the structure—an authentic lime wash may be preferred because it is breathable and will not trap moisture. Additional care should be given to the brick below the front porch on the front of the house so as not to disturb remnants of the painted mortar joints.

200 W. Capitol Ave., Ste 1400
 Little Rock, AR 72201
 Tel 501.376.0717
 Fax 501.376.1766

221 N. East Ave., Ste 205
 Fayetteville, AR 72701
 Tel 479.444.6972

11. Shutters- Plan on selective repair and re-painting of shutters.
12. Interior Lighting- Consider fixture replacement with new LED or other, depending on final use.
13. Electrical, Lighting & Communication:
 - a. Consider adding electrical service. Existing structure served by 200 amps which is low for a structure of this size & use.
 - b. Inspect main service entrance and repair if needed. Service appears to be pulling bricks loose from wall.
 - c. Consider replacing existing data cabling throughout house with new & improved cabling. Remove the surface mounted "tombstone" data boxes attached to trim and baseboards and conceal with recessed boxes.
 - d. Provide new GFCI outlets in basement as described in the inspection report.
 - e. If outdoor events are planned, or increased site lighting desired, either for added security or for illuminating art, consider adding exterior pedestals that provide convenient power for events (this may force need for added service).
 - f. Consider adding smoke detectors in additional locations such as in attics, basement. Replace smoke detector in west annex.
 - g. Security- Verify working condition of security system. Given that house is unoccupied, consider adding discrete signs near doorways to discourage would-be vandals and burglars.
 - h. Interior Lighting- Consider changing fixtures to LED. Any light fixtures found to be original to space should remain (they can be re-wired to modern lamps)
 - i. Exterior Lighting- Improve site lighting for security reasons. Consider adding architectural lighting to illuminate structure at night or art. Consider site lighting for use during after hours events.

SUGGESTED PHASING PLAN:

Though it is preferred that all of the recommended work take place at one time, this plan assumes that funding will come piecemeal, and not all at once. If that is the case, a reasonable phasing plan might look like this:

1. Phase I- HVAC, Trees, Cistern & Minor Siding Repair (Items #1-4 above): Owner to carry out this work scope working directly with contractors. Only minor consulting from architect to provide some guidance.
2. Phase II- Life Safety, ADA improvements and Interior Finishes in Annex (items #5 & 6 above): Recommend engaging architect to provide services in the way of providing drawings and specifications for bidding this work. We estimate \$102,000 excluding design fees and contingencies.
3. Phase III- Roof & Gutters- (item #7 above): Depending on preferred roofing material, you may or may not choose to engage an architect to assist here. Just be sure to get clear and equal bids from contractors. We estimate \$38,000 excluding design fees and contingencies.
4. Phase IV- Exterior Trim, Brick, Windows and Shutters- (items #8-11 above): After roof is complete, we recommend one last project to address the remaining exterior. Each of these items can be done separate though they are so related it would be preferred to do at one time. We estimate \$105,000 excluding fees and contingencies.
5. Phase V- Electrical, Lighting & Communication (items #12 & 13 above): Recommend engaging architect (with consulting electrical engineer) to provide services in the way of providing drawings and specifications for bidding this work. We estimate \$48,000 excluding design fees and contingencies.

200 W. Capitol Ave., Ste 1400
Little Rock, AR 72201
Tel 501.376.0717
Fax 501.376.1766

221 N. East Ave., Ste 205
Fayetteville, AR 72701
Tel 479.444.6972

BY-LAWS
FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION
Db a Fayetteville Town Center, Fayetteville Visitors Bureau and Clinton House Museum

ARTICLE I

CREATION, DUTIES AND MEMBERSHIP OF THE COMMISSION

Section 1. Creation of the Commission. The Fayetteville Advertising and Promotion Commission hereafter referred to as the Commission has been created by and in accordance with provisions of Acts of Arkansas 185 of 1995, 123 of 1969, and 58 of 1970; and enabling City Ordinance No. 2310 (passed and approved March 1, 1977), which formally established the Commission.

Section 2. Duties of the Commission. The Commission is the body that determines the use of the city advertising and promotion fund (hotel, motel, restaurant tax).

Section 3. Membership of the Commission. There shall be seven members of the Commission. As specified by state law, four (4) members shall be owners or managers of businesses in the tourism industry, at least three of whom shall be owners or managers of hotels, motels, or restaurants, and who shall serve for staggered terms of four (4) years. Two (2) members of the Commission shall be members of the governing body of the city and selected by the governing body and shall serve at the will of the governing body. One (1) member shall be from the public at large and shall serve for a term of four (4) years. All members must be residents of the city.

Section 4. Vacancies on the Commission in any of the four of the tourism industry positions or in the at-large position shall be filled by appointment made by the remaining members of the commission with the approval of the governing body of the city.

Section 5. A vacancy may be declared by the Chair, if at any time, a Commission member should resign, should miss of total of three consecutive meeting without just cause, or if the death of a member occurs.

Section 6. Commission members should advise the Executive Director before the meeting date if they expect to be absent.

OFFICERS, ELECTION, TERMS AND DUTIES

Section 1. At the January meeting of each year, the Commissioners shall elect a Chair whose term shall be for one year, but Chair can be elected for succeeding terms.

Section 2. The Chair shall preside at meetings and shall decide points of order or procedure following Robert's Rules of Order. In the absence of the Chair, he may designate a representative to fill in until he returns.

ORGANIZATION

Section 1. A monthly meeting of the Commission shall be held on the second Monday of every month at 2:00 p.m. These meetings are subject to change at the discretion of the Chair and/or the Commission.

Section 2. The place designated for the meeting shall be the Fayetteville Town Center. This location is subject to change with Chair approval.

Section 3. Special meetings of the Commission, for any purpose may be called by the Chair or any three members of the Commission at such times as may be necessary in the judgment of the person or persons calling said meeting, provided reasonable notice of time, place and purpose of said meeting is given.

Section 4. Written or printed notice of every special meeting of the board members shall be prepared and delivered to each board member not less than three (3) days before such meeting. Such notice shall state the objects of object thereof, and the time and place of the meeting. No business shall be transacted in special meetings, other than referred to in the notice.

Section 5. A majority of the members of the Commission shall constitute a quorum.

Section 6. No formal business shall be conducted without a quorum and no member may vote by proxy.

Section 7. The order of business shall follow the distributed agenda unless otherwise agreed to by the members.

Section 8. As to any matters not covered by these By-Laws concerning the meetings of the Fayetteville Advertising and Promotion Commission, Roberts Rules of Order shall be adopted as the rules of parliamentary law.

CONFLICT OF INTEREST

Section 1(a). No member of the Commission with a direct or indirect financial interest shall participate in, vote on, influence, or attempt to influence an official decision under consideration by the Commission

Section 1(b). A member of the Commission may participate in, vote on, influence, or attempt to influence an official decision if the only pecuniary interest that may accrue to the member is incidental to his position or accrues to him as a member of a

profession, occupation, or large class to no greater extent than the pecuniary interest could be foreseen to accrue to all other members of the profession, occupation, or large class.

Section 2. No member of the Commission shall participate in any discussion or vote on a rule or regulation that exclusively benefits the member.

AUTHORITY TO CONTRACT WITH COMMISSION

Section 1. A member of the Advertising and Promotion Commission is permitted to conduct business with the Commission, provided that the contract or job for services, is submitted as a competitive bid, and is approved by the Fayetteville A & P Commission following disclosure of the direct or indirect financial interest of the individual commissioner.

OFFICES

Section 1. The principal office of the Commission shall be located at the Fayetteville Town Center, 15 W. Mountain, Fayetteville, Washington County, Arkansas. The Commission shall have the power and authority to establish and maintain branch or subordinate offices at any other locations within the City of Fayetteville.

DUTIES AND POWERS OF THE EXECUTIVE DIRECTOR

Section 1. The Commission shall be empowered to employ, and to terminate such employment, an Executive Director and all other personnel deemed necessary to carry out the functions, operations and purposes of the Commission and its agencies created herein or at a later date.

Section 2. The Commission delegates to the Executive Director all authority and responsibility necessary to properly administer the business of the Commission and its agencies, within policies set by the Commission and subject to its review.

Section 3. The Executive Director shall be an ex-officio member (non-voting) member of the Commission.

FISCAL POLICIES & REPORTING

Section 1. The Commission shall retain financial oversight of the Commission and its agencies, and may delegate responsibility for financial management, operations, and activities to the Executive Director, who shall report directly to the Commission. Included among the Executive Director's reporting responsibilities is preparation of a monthly financial statement covering the preceding month, which shall be presented to the Commission at its regular monthly meeting by the Executive Director or his/her designee.

Section 2. The Commission shall formulate financial policies, will review financial operations and activities, and may delegate the administration of financial policies to the Executive Director and administrative staff. In formulating financial policies and exercising financial oversight, and in engaging in financial management, operations, and

activities, the Commission and, if applicable by delegation, the Executive Director, shall seek guidance from the City of Fayetteville's finance policies, as set forth in the City's ordinances and rules.

Section 3. The Executive Director will prepare a budget for the following year with approval made by the Commission before the first regular meeting in January of the budget year.

OPEN AND RESPONSIVE OPERATION

Section 1. Consistent with state law, we will respond as quickly as possible to provide all documents requested by citizens, allowing them to examine the records and providing copies of all public information rapidly in forms that the public can readily find and use.

Section 2. Public documents must be open to inspection and copying by any citizen of the State of Arkansas, within three business days, upon request in accordance with the Arkansas Freedom of Information Act (FOIA), but we should attempt to provide access even sooner. The requester may examine records and request copies of documents, and it is the policy of the Fayetteville Advertising and Promotion Commission to provide those documents as soon as possible in accordance with the FOIA.

Section 3. It is also the policy of the Fayetteville Advertising and Promotion Commission to recommend that sustainable measures be encouraged, such as the use of CD, DVD, jump drives, or e-mailed scanned documents to avoid the use of paper that causes a negative environmental impact. Such copies of documents are to be provided at the actual cost of the CD, DVD, or jump drive, or at no charge if the requesting citizens provide their own data storage devices.

Section 4. If the requestor prefers paper copies, the person requesting must pay for the actual cost, which should be no more than 5 cents per copied sheet. If it costs less than 5 cents a sheet, remember that the actual cost is the standard upon which you should use in compliance with such a request. Larger paper documents, such as maps, will be more expensive, but the standard remains that the cost will be judged by the "actual cost" of the copying.

Section 5. Public records of the Fayetteville Advertising and Promotion Commission are open to inspection and reproduction during business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. (except holidays). The requestor should make a request for public documents to the Executive Director of the Fayetteville Advertising and Promotion Commission.

When a request for documents is made, the requestor will be asked to provide an email or phone number (and both, if available) so that the Fayetteville Advertising and Promotion Commission may contact the requestor to best assist in obtaining the public documents sought and provide them as soon as possible. It is not necessary to complete a Request for Public Records Form with the Fayetteville Advertising and Promotion Commission to acquire public documents, but a Request for Public Records Form should be offered to any requestor, for the requestor's convenience.

The Fayetteville Advertising and Promotion Commission will make available to any person seeking additional information or having questions about the Arkansas Freedom of Information Act to the website of the City of Fayetteville, which provides helpful links, including to the State Attorney General's Office and the Arkansas Press Association, which have generated a handbook on the Arkansas Freedom of Information Act.

Section 6. To increase transparency and accountability, the By-Laws of the Fayetteville Advertising and Promotion Commission should be posted on the Commission's website.

Section 7. To increase transparency and accountability, the Agenda and supporting documents for meetings of the Fayetteville Advertising and Promotion Commission should be posted on the Commission's website no later than Wednesday before the scheduled meeting.

Section 8. To increase transparency and accountability, HMR Tax Report summaries should be posted on the Commission's website within one week after that information is available.

CHANGES TO THE BY-LAWS

Section 1. These by-laws shall be adopted and later suspended, changed or cancelled with an affirmative vote of 2/3 vote of the members of the Fayetteville Advertising and Promotion Commission.

Section 2. Amendments shall be proposed in writing at a regular meeting and voted on at a following meeting. If the written amendment has been given to all Commissioners, a special meeting can be called ten (10) days after the proposed change has been given to Commissioners for the purpose of voting on the change.

By majority action of the Fayetteville Advertising and Promotion Commission, these by laws as amended are approved on this ____ day of November, 2016.

Pat Gazzola, Chair
Fayetteville Advertising and Promotion Commission

Adopted, September 10, 2007

Maudie Schmitt, Chair

Revised, April 10, 2010
Revised, April 9, 2012

Ching Mong, Chair

Revised, October 19, 2015

Matthew Petty, Chair

Revised, November __ , 2016

**Fayetteville, Arkansas Advertising and Promotion Commission
By-Laws**

I. Creation and Membership of Commission

Section 1. Creation of the Commission. The Fayetteville Advertising and Promotion Commission, hereafter referred to as “the Commission,” has been created by and in accordance with provisions of Acts of Arkansas 185 of 1995, 123 of 1969, and 58 of 1970, codified as Arkansas Code Annotated §26-75-605 *et seq.*, (“the Statute”); and City Ordinance No. 2310 (passed and approved March 1, 1977), which formally established the Commission.

Section 2. Purpose of the Commission. To operate in accordance with all applicable laws, including without limitation the Statute and City Ordinance No. 2310, in using proceeds of the City of Fayetteville’s hotel, motel, and restaurant tax (“HMR tax”) to advertise and promote the City of Fayetteville and its environs and for any other lawful, appropriate purposes.

Section 3. Membership of the Commission. The membership of the Commission will be composed in accordance with the Statute, and unless preempted by conflicting provisions of the Statute, the seven (7) members will include:

- i. Four (4) members that shall be owners or managers of businesses in the tourism industry, at least three of whom shall be owners or managers of hotels, motels, or restaurants and shall serve for staggered terms of four (4) years;
- ii. Two (2) members that shall be members of the governing body of the City of Fayetteville, selected by the governing body, and shall serve at the will of the governing body; and,
- iii. One (1) member that shall be from the public at large and shall serve for a term of four (4) years.

Section 4. Officers of the Commission. At the first meeting of each year, the Commission will elect one of its members as it’s Chair whose term will be for one (1) year. The Chair can be elected for succeeding terms.

Section 5. Vacancies on the Commission. A vacancy in any of the tourism industry positions or in the at-large position shall be filled by appointment made by the Commission with the approval of the governing body of the City of Fayetteville. A vacancy may result from the expiration of a regular term or be declared by the Chair if at any time a Commissioner resigns, dies, or is absent from three (3) consecutive meetings without just cause.

II. Duties of the Commission

Section 1. Essential Function. The Commission is the body that determines the use of the City of Fayetteville’s advertising and promotion fund resulting from the HMR tax.

Section 2. Hiring of Staff. The Commission will be responsible for the hiring, supervision, and continued employment of an Executive Director. The Commission delegates to the Executive Director all authority and responsibility necessary to properly administer the business of the Commission and its agencies, within policies set by the Commission and subject to its review.

Section 3. Regular Meetings. The Commission will meet regularly at a consistent time and place, notice of which shall be published. The time and place of meetings are subject to change at the discretion of the Chair, upon published notice.

Section 4. Special Meetings. Special meetings of the Commission may be called, for any purpose, by the Chair or any three members of the Commission at such times deemed necessary, provided:

- i. Advance notice, and corresponding agenda, of every special meeting of the Commission shall be distributed for each Commissioner not less than three (3) days before such meeting;
- ii. No business shall be transacted in special meetings, other than business referred to in the agenda.

Section 5. Quorum. No formal business shall be conducted without a quorum of the Commission, defined as a majority of the Commissioners.

Section 6. Proxy. No Commissioner may vote by proxy.

Section 7. Budget. The Commissioners will annually approve a budget for the operation of the Commission and its agencies.

III. Reporting

Section 1. Meeting Schedule. The Commission's meeting schedule will be published and accessible to the public.

Section 2. Meeting Agendas. The agenda and supporting documents for meetings of the Commission will be distributed no later than 3 business days before the scheduled meeting.

Section 3. Tax Summaries. The consolidated HMR tax report summaries will be published and accessible to the public.

IV. Financial Policies and Conflicts of Interest

Section 1. Financial Policies. Through its Executive Director, the Commission will develop financial policies, implement financial procedures in accordance with those policies, and ensure the practices of the Commission and its agencies are carried out in accordance with those

policies.

Section 2. Conflict of Interest. No Commissioner may participate in, vote on, influence, or attempt to influence an official decision of the Commission, unless the pecuniary interest that may accrue to the Commissioner is incidental to their vocation or accrues to the Commissioner to no greater extent than the pecuniary interest could be foreseen to accrue to all other members of the vocation.

V. Amendment of the By-Laws

Amendments. Amendments to this By-Laws shall be proposed in writing at a regular meeting of the Commission and voted on at a subsequent meeting. If the proposed, written amendment has been distributed to all Commissioners, a special meeting for the purpose of voting on the proposed amendment can be called after ten (10) days following distribution to the Commissioners of the proposed amendment.