

THEATER SUBDISTRICT COUNCIL LOCAL DEVELOPMENT
CORPORATION

MINUTES OF THE MEETING OF DIRECTORS

This meeting of the directors of the Theater Subdistrict Council Local Development Corporation ("Corporation"), was called by the Chairperson and held at 1:20 PM on March 19, 2008, at 22 Reade Street, New York, New York, 10007.

The following Directors were present:

Kate Levin, Alternate for Michael Bloomberg, Mayor, New York City
Amanda Burden, Director, Department of City Planning
Daniel R. Golub, Alternate for Scott Stringer, Manhattan Borough President
Danielle Porcaro, Alternate for Christine Quinn, Speaker, New York City Council
Jed Bernstein, Mayor's appointee
George C. Wolfe, Mayor's appointee
Paige Price, Speaker's designee

Ben Cameron, Mayor's appointee, participated by telephone. Consistent with Open Meetings Law, he was not counted towards the quorum and his votes were not registered.

The meeting of directors was briefly adjourned at 1:25 PM. At 1:30 PM the meeting of the Board of Directors was called back to order.

A quorum of the Board of Directors was present.

Notice of this meeting was given to all Directors on March 5, 2008. Public notice of this meeting was posted in accordance with the Public Officer's Law, and was given to Manhattan Community Boards 4 and 5 in accordance with the bylaws.

The alternate for the Mayor, Commissioner Kate Levin presided as Chairperson.

It was noted that the minutes of Organizational Meeting of Directors and the First Annual Meeting of Directors were given to all Directors on March 12, 2008. There being no corrections to the minutes, upon motion made and seconded, the minutes were unanimously adopted.

The Chair noted that, based on the Resolutions of the board at its last meeting, the following actions have been taken:

- (i) The Chief Executive Officer appointed Louise Woerle, from the staff of the Department of Cultural Affairs to be the Contracting Officer. The Treasurer appointed Patrick Lok, from the staff of the Department of City Planning, to be the Chief Financial Officer. The Letter of Appointment is attached hereto as Exhibit A; and
- (ii) The Treasurer completed and filed applications for federal tax identification numbers, and federal and state tax exemptions. A tax identification number was issued and federal and state tax exemptions were granted. The filing fee of \$750, as required by the IRS, was paid, and federal tax exemption was recognized under

I.R.C. § 501(c)(3), retroactive to the date of incorporation. Recognition letters are attached hereto as Exhibit B. The Chair thanked attorneys Helanye Stoopack and Blake Rigel from Kramer Levin Naftalis & Frankel LLP for their pro bono assistance in preparing the application for tax exemption; and

(iii) The Treasurer and Chief Financial Officer opened interest-bearing, business checking and business savings accounts for the Corporation. All signatories set forth in the board resolution are authorized to make deposits and withdrawals from the accounts, with all checks requiring two authorized signatures. Checks to grant awardees will be signed by one signatory from each of the Departments of City Planning and Cultural Affairs; and

(iv) The Treasurer prepared and delivered written notice to the New York City Law Department, Office of the Corporation Counsel, as escrow agent, a request that all funds held on behalf of the Corporation be released to the Theater Subdistrict Fund. On February 13, 2008 all funds held on behalf of the Corporation, totaling \$2,594,075.96, were deposited by the escrow agent into the TSC account. \$20,000 is being held in the checking, while the balance of funds are held in the Corporation's savings account.

It was noted that one new application has been approved under the special regulations for the Theater Subdistrict. This was for a project located at 250 W 55th St., Manhattan. In accordance with this approval, a contribution in the amount of \$2,350,352.76 is expected to be deposited into the Theater Subdistrict Fund. After these funds are contributed, the total funds of the Corporation are expected to be \$4,944,428.72, without adjusting for interest.

It was previously requested by the board that the Treasurer and the Department of City Planning develop, in consultation with the staff of the Office of the Mayor, Manhattan Borough President, and City Council Speaker, a recommendation on the percentage of revenues to be reserved for inspection and maintenance reporting under Section 81-741(i)(1) of the Zoning Resolution, to be presented to and considered by the Board at this meeting. It was noted that such recommendation has not yet been developed, but can be expected for discussion at a future board meeting.

Upon motion made and seconded, the meeting was adjourned at 1:45 PM, for a meeting of the Audit Committee. At 2:00 PM the meeting of the Board of Directors was called back to order.

The Treasurer, as Chair of the Audit Committee recommended that Patricia Armstrong be retained for \$2,500 to prepare the Federal 990 report and to conduct the required audit for FY 2007. It was recommended further that the Treasurer be authorized to solicit new bids and retain Patricia Armstrong, or such another accountant/auditor as the Treasurer identifies, for an amount not to exceed the small purchase limit, for the preparation of a Federal 990 report and to conduct the required audit for FY 2008. Upon motion made and seconded, the board approved these recommendations of the Audit Committee.

In accordance with a Resolution passed at the last board meeting, the Chair and the Chief Executive Officer developed, in consultation with the staff of the Office of the Mayor, Manhattan Borough President, City Council Speaker, and the Department of City Planning, a grantmaking procedure to be recommended for consideration by the Board of Directors. The Theater Subdistrict Grant Administration document, attached hereto as Exhibit C, was

provided to all board members on March 12, 2008. An edited draft of the Theater Subdistrict Grant Administration document, attached hereto as Exhibit D, was provided to all board members during the meeting. A copy was sent via facsimile to Board Director Ben Cameron at this time.

The Chairperson described the proposed Grantmaking process. The board discussed the proposal and the outstanding issues.

The following motions were made, seconded and unanimously passed:

I) **RESOLVED**, that the Departments of City Planning and Cultural Affairs shall distribute the draft grantmaking framework, with the revisions discussed at the March 19, 2008 Board of Directors meeting, for written comment, by providing a copy thereof to Community Boards 4 and 5 and by posting the grantmaking framework on the agency websites, and that the Board will hold a subsequent meeting to consider comments received and finalize the grantmaking framework; and

II) **RESOLVED**, that the Chairperson and Chief Executive Officer shall retain a consultant to administer the grant program and to perform those services identified in the Scope of Work, included in the Theater Subdistrict Grant Administration document, attached hereto as Exhibit E. All contract proposals must provide separate prices for the possibility of a high or low volume of applications. In no event may the total contract cost more than \$50,000; and it is

FURTHER RESOLVED, that the selection committee to review contract proposals, as required under the procurement policy, shall consist of the Chairperson and the Chief Executive Officer; and

III) **RESOLVED**, for the purposes of investing funds of the Corporation in investments approved under the Investment Policy, the Treasurer, Treasurer's Alternate, and Chief Financial Officer are authorized and directed to open an investment account, to take actions and execute documents which may be necessary to the opening of such account, including, but not limited to authorization (i) to execute the Safekeeping Agreement and related documentation, (ii) to give instructions and/or authentic instructions, (iii) to execute the Security Procedure Agreement, and (iv) to execute the Previews Access and License Agreement; and it is

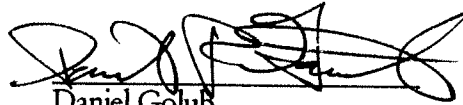
FURTHER RESOLVED, that the Treasurer and Chief Financial Officer may such transfer funds between the business checking and savings accounts and the investment account, in amounts which they deem appropriate, and at such time as the investment interest rates are more favorable.

Board members were reminded of the required trainings for the Public Authorities Accountability Act. All directors who have already attended were requested to submit copies of their certificates of attendance to DCP counsel.

The Chairperson, Vice-Chair, Secretary and Treasurer signed a letter soliciting comments on the grantmaking framework, attached hereto as Exhibit F.

It was noted that the next meeting is expected for April 2008 for the purpose of discussing a final grantmaking framework and procedure.

There being no other business before the meeting, the meeting adjourned at 3:00 PM.

A handwritten signature in black ink, appearing to read 'Daniel Golub', written over a horizontal line.

Daniel Golub,
Alternate for Secretary

EXHIBIT A

THEATER SUBDISTRICT COUNCIL LDC

c/o Office of the Counsel

22 Reade Street

New York, NY 10007

Patrick Lok
Department of City Planning
22 Reade Street
New York, NY 10007

October 1, 2007

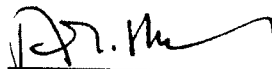
Re: Letter of Appointment

Dear Mr. Lok:

The Theater Subdistrict Council Local Development Corporation ("Theater Subdistrict Council"), a not-for-profit local development corporation, has been established to promote theater-related use and preservation within the Theater Subdistrict, and to promote the welfare of the Theater Subdistrict.

In order to assist the Theater Subdistrict Council and the City of New York in this important endeavor, I am delighted to appoint you as Chief Financial Officer, to serve without salary and to provide such assistance and take such action as are in furtherance of the interests of the Theater Subdistrict Council and the City.

Sincerely,



Amanda Burden
Treasurer

c: Kate Levin
David Karnovsky

EXHIBIT B

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 11 2007

THEATER SUBDISTRICT COUNCIL LOCAL
DEVELOPMENT CORP
C/O OFFICE OF THE COUNSEL
22 READE ST
NEW YORK, NY 10007

Employer Identification Number:
26-0728288

DLN:

17053248007047

Contact Person:

GINGER L JONES

ID# 31646

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

May 31

Public Charity Status:

170(b)(1)(A)(vi)

Form 990 Required:

Yes

Effective Date of Exemption:

August 22, 2000

Contribution Deductibility:

Yes

Addendum Applies:

No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

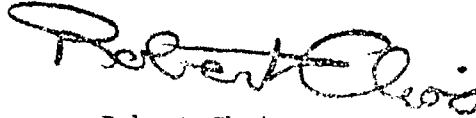
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

THEATER SUBDISTRICT COUNCIL LOCAL

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi", with a stylized flourish at the end.

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC

EXHIBIT C

Theater Subdistrict Council Grant Administration

Background

In 1998, the City adopted amendments to the Theater Subdistrict regulations of the New York City Zoning Resolution in order to establish new and modified regulatory incentives and controls aimed at the preservation and enhancement of the area as a cultural, theatrical and entertainment showcase.¹ The Theater Subdistrict Council, a not-for-profit corporation, has been established pursuant to the Theater Subdistrict regulations to help promote “theater and theater-related use and preservation” within the Subdistrict.

The Zoning Resolution further defines the Subdistrict Council’s goals as including: enhancing the long-term viability of Broadway by facilitating the production of plays and small musicals within the Theater Subdistrict; developing new audiences for all types of theatrical productions; and monitoring preservation and use covenants in certain specified Broadway theaters that lie within the Subdistrict boundaries.

With assistance from the New York City Department of Cultural Affairs (DCA) and the City Planning Commission, the Theater Subdistrict Council is administering a new grant program available to NYC’s not-for-profit organizations. Programs made possible by funding from the Theater Subdistrict Council will seek to celebrate the live art form of theater and create and expand the audience base attending live theater, as well as enhance the body and quality of performance options. Funding for the grant program is provided through contributions to the Theater Subdistrict Fund made in connection with the transfer of development rights from listed theaters, pursuant to Section 81-744 of the Zoning Resolution.

The goals of the grant program were developed with recognition of the vital role that theater plays in the overall economic and social well-being of New York City. Broadway is a leading attraction for local residents and visitors from all over the world. In recent years, the definition and public face of Broadway has changed as not-for-profit organizations have contributed increasingly to the growth and development of the Broadway canon. For example, since 1998, 39% of all Tony Awards presented have been awarded to shows that were produced by or productions that transferred from New York City-based not-for-profit theaters.

The changing nature of theatrical options offers opportunities to expand the base of theatergoers attending live performances in New York City and to enhance the theatergoing experience. The Council’s grant program is intended to support this expansion.

¹ The Theater Subdistrict is bounded by West 57th Street, Avenue of the Americas, West 40th Street, Eighth Avenue, West 42nd Street, a line 150 feet west of Eighth Avenue, West 45th Street and Eighth Avenue. The Theater Subdistrict Core is bounded by West 50th Street, a line 200 feet west of Avenue of the Americas, West 43rd Street and a line 100 east of Eighth Avenue.

The Subdistrict Council consists of the Mayor, the Speaker of the New York City Council and his or her designee, three (3) representatives appointed by the Mayor from the performing arts, theatrical and related industries, the Director of the New York City Department of City Planning, and the Manhattan Borough President.

Grant Program

In keeping with the Council's objectives, the grant program is designed to stimulate and support new forms of theatrical productions, to enhance and encourage new audiences, and to promote historic district and theater preservation activities. The grant program is open to:

- not-for-profit organizations offering cultural programs based in and operating in the five boroughs,
- that are incorporated in New York State under IRS code 501(c)(3),
- have been in existence and providing public services for no less than two years and
- had an organizational operating income of \$100,000 or more in FY06.

The program will seek proposals that promote activities in the following three categories:

1. The creation, development and presentation of work for the theater, including, but not limited to: playwright and director residencies, commissions, workshops of new work, presentation of workshop productions and staged readings. Preference will be given to proposals that develop new work and/or work that targets voices and visions currently under-represented in the Broadway canon. Creation and development programs must offer public access to the work during the specified grant period.
2. Audience development programs including, but not limited to, free/reduced price ticket distribution, education programs, and outreach initiatives. The purpose of these programs must be to enrich the audience members' access to understanding of or experience of live theater. Audience development programs need not be taking place within the Subdistrict itself, nor must the programs be geared specifically for current Broadway offerings; the intent is to prepare audience members for an enhanced experience of theatergoing.
 - Audience development programs may encourage participation from theatergoers of all ages from a variety of backgrounds and geographic locations. Preference will be given to proposals geared towards encouraging participation from groups currently under-represented in Broadway audiences.
 - Audience development can take the form of education programs offered to participants at all levels of skill and interests. Possible programs could explore theater skills and/or offer theater exposure.
 - Funding from the Theater Subdistrict Council grant program can be utilized to provide additional support for existing educational

programs, expand those programs, or create new programs and improve performance facilities in which activity takes place.

-- Preference will be given to proposals that put a visit to live theater into context.

3. Programs designed to strengthen or showcase the unique historic character of the Broadway Theater Subdistrict, including, but not limited to, education initiatives, archival projects, and publications/documentaries. Preference will be given to programs that showcase the singular role of Broadway in the history of American theater and the historic character of theater buildings within the Theater Subdistrict.

In addition to meeting eligibility criteria and presenting programs that fall within the above-stated categories of activity, applications will be reviewed for programmatic criteria. These are standards that will be kept in mind by all readers of the application and will contribute to the outcome of the funding decision.

Program Criteria:

- The proposed project must include as a principal goal a demonstrable cultural activity of recognized quality accessible to the public.
- The proposal must be clearly stated and contain measurable goals that can be evaluated during and at the end of the term of the award.
- Proposals must be within the organization's artistic/cultural, administrative and fiscal capabilities.
- The proposal should reflect the applicant's demonstrated history of providing cultural programming.
- All applications should reflect an outstanding level of quality cultural services.
- Organizations whose primary mission is not arts and culture but who offer cultural programs for which they seek funding must demonstrate a proven track record of cultural programming.

Further options for consideration by the Theater Subdistrict Council

Phased funding

Prior to beginning a grant phase, the Theater Subdistrict Council must determine the corpus of funds to be available in the initial round of grants. It would seem prudent to retain funds for subsequent awarding, depending upon the outcome of the initial round of awards. A reasonable amount for the pilot phase would appear to be \$1 Million. This would represent a substantial infusion of funds to organizations that meet the grant criteria while allowing the program to be assessed and redesigned depending upon the outcome of the initial phase. An analysis of the success of the first phase would allow for a reconsideration of categories, funding levels, eligibility and other benchmarks of the program in subsequent phases. It would not be necessary to wait until the conclusion of the outcome of the initial phase for a subsequent grant period; the basic information necessary to determine future grants could be determined by an interim assessment of the initial phase.

Parameters for funding requests

Before issuing applications, the Theater Subdistrict Council might find it helpful to set parameters for funding requests. Setting parameters will encourage reasonable requests of some substance, and establish guidelines for applicants so requests are realistically framed.

In the first cycle of grants, DCA suggests that awards be no less than \$25,000, and no greater than \$250,000 per project.

A minimum award of \$25,000 seems reasonable for a program of the scope intended. It is a significant sum (for example, DCA's minimum award is \$5,000, and more than 125 organizations received that amount this year) and will have a substantial impact on the recipient, leading to a meaningful outcome. At the lower end, it allows groups to participate at a level that they can absorb into their existing programs and infrastructure. It will also help to limit requests from organizations without the capacity to take on projects such as those intended by these funds.

Holding the maximum award in this initial round to \$250,000 would allow for large projects of substantial scope and comprehensive impact, but still permit a number of excellent projects to be funded. Multiple projects will better afford the Council an opportunity to evaluate the success of the initial phase of the grant program and refine the program in subsequent phases.

The Council may consider establishing a maximum amount that can be awarded to any organization. This funding cap will help to ensure that the funds can be distributed equitably among applicant organizations.

The Council may also wish to set threshold levels of funding to aid in final deliberations. Increments might be in amounts of \$25,000 from the minimum to the maximum award.

Matching funds

Depending upon the range of funds determined, the Council may wish to maximize the scope of the projects funded and the seriousness of intent of the applicants by requiring matching funds towards the project costs, or favoring applicants that bring additional resources to the programs they propose. This might also encourage participation of other funding sources in the initiatives of the grant program.

If the TSC elects to either favor or require matching funds, DCA recommends that there be a sliding scale for the match, so that requests at the highest level require the largest match, such as a 1:1 match, decreasing to a requirement at the lowest level that does not require a match, or requires perhaps \$.25 on the dollar. The TSC funds would then be supporting programs ranging from over \$500,000 to \$25,000 or \$31,250.

Number of projects proposed

While there are three categories of activity proposed, the Council could discuss if applicants will be able to apply for multiple projects, multiple categories, or be limited to applying within one category.

If applicants are not limited to a specified number of projects per application, a high volume of proposed projects can be expected. It should then be stated within the application text that because the funding available for the first year of the program is \$1 million, the TSC does not expect to fund more than 20 projects. This may help to control expectations on the part of the applicants.

Establishing maximums by project and program category

The Council may wish to set a maximum amount of funds to be dedicated to each of the three program categories (creation of new work, audience development, historic preservation). Among other reasons, doing so will help guide groups during the application phase towards a more realistic approach to project design.

If the Council agrees this would be helpful, DCA would recommend emphasis on categories one and two, based on our experience with our applicant base. Not including organizations that work in multiple disciplines (including presenting organizations), 1 in 5 of DCA's applicants define their discipline as theater, although of course the applicants to this program will be broader than just this agency's applicant pool.

Application review

Depending upon the volume of applications, the TSC might find it helpful for the consultant to pre-screen applications for eligibility and for meeting basic programmatic or other criteria, as

established by the Council. The members of the Council might find it difficult to meet the demands of reviewing a substantial volume of applications without some form of pre-screening.

If the volume of proposals was low (below 25), the consultant could assess the proposals to assure that the applicants meet the basic eligibility criteria, assemble the necessary materials, and pass all eligible applications along to the Council for deliberation.

However, if the volume of applications exceeds that amount, the Council may wish to have the applications pre-screened, not only for determining the applicant's eligibility, but for ranking the proposals according to the degree each meets established programmatic criteria. As a means of prioritizing the material to be presented to the Council, the consultant would either individually review all applications, or convene a panel to assist with application review. Peer panels are the standard in the field, and are a process that is used by DCA in determining its grants. In this instance, the panel would provide an initial assessment for the Council, ranking the relative strengths and merits of the proposals. The Council would have access to all applications, including those that did not meet the eligibility standards, but would also have the benefit of an initial pass that would allow them to determine from among the strongest applicants which it would fund and at what level.

Alternatively, the Council may wish to do all stages of review, with organizational assistance from the consultant.

Disbursement of Funding

Every Grant Agreement includes a payment schedule that is based on the services provided and associated costs. Funds will be released according to that schedule.

DCA recommends that an initial portion of the funding be awarded upon execution of the contract and that a second payment be made at a time near or upon the completion of the services. Because of the required to properly contract an organization and prepare funding for distribution, some awardees will begin the proposed services before receiving the first payment. Organizations that have been designated to receive funds are expected to move forward on their projects in advance of receipt of funding. Their funding will then be received as reimbursement, rather than an advance.

The proportions for payment recommended by DCA are an initial payment of 80% and a second or final payment of 20%. Second payments could be awarded at the completion of an interim report, a final report, or at a calendar point halfway into the grant cycle.

Post-Award Period

After finalization of the funding recommendations, there will still be a number of activities to be carried out in order to ensure proper payment and compliance as well as provision for maintenance of a relationship between the awardees and the TSC. These activities include the creation of the awardee's contract, the processing of grant agreements and payments, follow-up site visits to ascertain the quality of programming, and providing assistance should problems

arise during the grant contract (including inability to provide services as described in the application). (See Scope of Services for more detail.)

DCA recommends retaining the Consultant on an ongoing basis throughout the grant cycle. Assuming a grant allocation of \$1 million for the initial grant cycle, the process of developing grant agreements with the award recipients could be time-intensive. Having the option to retain the Consultant during the post-award phase will enable the Consultant to draft and tailor the agreements as well as monitor grant activities, read and approve interim or final reporting, and approve continued payments.

Consultant Costs

While it is difficult to estimate the hours needed to manage the application and awards process, it nevertheless seems prudent to limit the dollars dedicated to servicing the grant program, so that the maximum dollars are available for projects. To that end, DCA proposes limiting total consultant expenditures for development and initial administration of the grant process through to announcement of awards to no more than 5% of the total funds available to be awarded (\$50,000). This figure is on the low end of similar programs. The full amount of the expenditure would be utilized only upon DCA's determination that the scope and volume of work warrants the expense. Funding for the administration of the program should be taken from the funds that remain in the corpus, so that the full \$1 million commitment to the pilot phase is awarded.

APPLICATION COMPONENTS

1. Basic Application Information:
 - Applicant organization name (legal and aka), mailing and street address,
 - Applicant's community board and council district
 - Contact information (telephone and email) for CEO and principal contact person
 - Applicant organization's date of incorporation
2. Synopsis of Proposed Projects:
 - Project title, cost, requested amount, and brief summary
3. Organizational Background:
 - Applicant's mission statement as well as organizational history and current activities
 - Description of applicant's outreach/marketing efforts for project
 - Staffing information
4. Proposed Project:
 - Detailed description of proposed activities including intended audience, dates of activities, anticipated # of recipients, where activities will take place
 - Applicant should address what if any costs will be incurred by participants
5. Budget page:
 - Operating budgets for 3 fiscal years including current and projected year
 - Detailed project budget
6. Budget notes including:
 - Projections of anticipated income greater than 20%
 - Explanation of current surplus or deficit
 - Other funding sources for proposed project
 - Information regarding any in-kind support
7. Organization General Information: include from current DCA application:
 - Information about the facility in which the project will take place, if relevant
 - Accessibility
 - Current attendance figures
8. staff list
9. board list
10. certification and release
11. Sampling of background materials, as relevant, such as:
 - Marketing brochures, postcards, email blasts, publication listings
 - Press and publicity
 - CDs, DVDs

List of programs with which applicant is currently engaged
Bios of artists and teaching artists
Curriculum or study guides developed for current programs

GRANT TIMETABLE

	<u>Consultant</u>	<u>Theater Subdistrict Council</u>
Through March 19, 2008	DCA recommends program and eligibility criteria and refines administration document.	
March 19, 2008		TSC meets to approve expenditure of consultant, approve criteria and establish framework for grant program.
March 19-mid-April, 2008	Consultant identified and selected to coordinate grant program.	Grant administration document made available to the public for written comment.
	TSC feedback and public comment incorporated into grant administration document.	
Mid-April, 2008	Next meeting of TSC.	Review of public written comment and final adoption of grant-making framework.
Through May 15, 2008	Consultant, under guidance of DCA staff, drafts grant application.	Review and finalization of criteria and application.
May 15 , 2008	Grant application is disseminated broadly to arts and cultural organizations.	
May 15 -June 30, 2008	Four application seminars held and tech assistance provided by consultant.	
June 30, 2008	Applications returned.	
June 30-September, 2008	Consultant catalogues and	

	<p>prepares applications for review.</p> <p>Dependent upon volume and TSC determination, application goes through pre-review to rank application strengths or all applications go to TSC.</p>	
October-November, 2008		Consultant facilitates TSC review/assessment of proposals and list of awardees is determined.
November-December, 2008		Announcement of grant awards.
January 2009-June 2010: recipients operate programs for which funds were received.		

Timeline

Through May 15, 2008: DCA identifies and hires a Consultant to coordinate the TSC grant program. Working with DCA staff, the Consultant refines eligibility requirements, works with TSC to develop criteria for application review, and drafts a grant application intended for May 15 release.

May 15, 2008: TSC issues grant application, posting the announcement on DCA's website and on other key arts-related websites. Outreach includes emails sent to all organizations on DCA's mailing list.

May 15 -June 30, 2008: Grant application is available. Four application seminars explaining the application process will be held.

June 30, 2008: Completed applications are due.

June 30-September, 2008: Consultant catalogues and prepares applications for review.

October-November, 2008: Consultant facilitates TSC review/assessment of proposals. TSC determines final roster of award recipients.

November-December, 2008: TSC announces list of grantees.

January 2009-June 2010: Programs in operation.

EXHIBIT D

Theater Subdistrict Council Grant Administration

Background

In 1998, the City adopted amendments to the Theater Subdistrict regulations of the New York City Zoning Resolution in order to establish new and modified regulatory incentives and controls aimed at the preservation and enhancement of the area as a cultural, theatrical and entertainment showcase.¹ The Theater Subdistrict Council, a not-for-profit corporation, has been established pursuant to the Theater Subdistrict regulations to help promote "theater and theater-related use and preservation" within the Subdistrict.

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Deleted: City Planning Commission

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The program will seek proposals that promote activities in the following three categories:

1. The creation, development and presentation of work for the theater, including, but not limited to: playwright and director residencies, commissions, workshops of new work, presentation of workshop productions and staged readings. Preference will be given to proposals that develop new work and/or work that targets voices and visions currently under-represented in the Broadway canon. Creation and development programs must offer public access to the work during the specified grant period.
2. Audience development programs including, but not limited to, free/reduced price ticket distribution, education programs, and outreach initiatives. The purpose of these programs must be to enrich the audience members' access to understanding of or experience of live theater. Audience development programs need not be taking place within the Subdistrict itself, nor must the programs be geared specifically for current Broadway offerings; the intent is to prepare audience members for an enhanced experience of theatergoing.
 - Audience development programs may encourage participation from theatergoers of all ages from a variety of backgrounds and geographic locations. Preference will be given to proposals geared towards encouraging participation from groups currently under-represented in Broadway audiences.
 - Audience development can take the form of education programs offered to participants at all levels of skill and interests. Possible programs could explore theater skills and/or offer theater exposure.

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-- Funding from the Theater Subdistrict Council grant program can be utilized to provide additional support for existing educational programs, expand those programs, or create new programs and improve performance facilities in which activity takes place.
 -- Preference will be given to proposals that put a visit to live theater into context.

3. Programs designed to strengthen or showcase the unique historic character of the Broadway Theater Subdistrict, including, but not limited to, education initiatives, archival projects, and publications/documentaries. Preference will be given to programs that showcase the singular role of Broadway in the history of American theater and the historic character of theater buildings within the Theater Subdistrict.

In addition to meeting eligibility criteria and presenting programs that fall within the above-stated categories of activity, applications will be reviewed for programmatic criteria. These are standards that will be kept in mind by all readers of the application and will contribute to the outcome of the funding decision.

Program Criteria:

- The proposed project must include as a principal goal a demonstrable cultural activity of recognized quality accessible to the public.
- The proposal must be clearly stated and contain measurable goals that can be evaluated during and at the end of the term of the award.
- Proposals must be within the organization's artistic/cultural, administrative and fiscal capabilities. Suggested addition: Applicants will be expected to describe how the project relates to the organization's short and long-term operations.
- The proposal should reflect the applicant's demonstrated history of providing cultural programming.
- Suggested Change: The application and support materials should reflect a level of effectiveness achieved by previous cultural programming.
- Suggested addition: The proposed project should demonstrate a level of innovative thinking that will diversify the applicant organization's current operations.
- Organizations whose primary mission is not arts and culture but who offer cultural programs for which they seek funding must demonstrate a proven track record of cultural programming.

Suggested Addition:

Partnerships between cultural organizations are encouraged. In order to create a competitive application, participants in a partnership applying to the TSC program should be clear in indicating the following:

- the existing relationship between the partners
- if a new relationship is being created, why and how it came about
- which organization is the lead applicant
- which organization will handle the finances for the proposed projects

In addition, financial information for all partner organizations should be submitted.

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Further options for consideration by the Theater Subdistrict Council

Phased funding

Prior to beginning a grant phase, the Theater Subdistrict Council must determine the corpus of funds to be available in the initial round of grants. It would seem prudent to retain funds for subsequent awarding, depending upon the outcome of the initial round of awards. A reasonable amount for the pilot phase would appear to be \$1 Million. This would represent a substantial infusion of funds to organizations that meet the grant criteria while allowing the program to be assessed and redesigned depending upon the outcome of the initial phase. An analysis of the success of the first phase would allow for a reconsideration of categories, funding levels, eligibility and other benchmarks of the program in subsequent phases. It would not be necessary to wait until the conclusion of the outcome of the initial phase for a subsequent grant period; the basic information necessary to determine future grants could be determined by an interim assessment of the initial phase.

Decisions To Be Made: The first year of the grant program will disburse approximately \$1 million.

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Parameters for funding requests

Before issuing applications, the Theater Subdistrict Council might find it helpful to set parameters for funding requests. Setting parameters will encourage reasonable requests of some substance, and establish guidelines for applicants so requests are realistically framed.

In the first cycle of grants, DCA suggests that awards be no less than \$25,000, and no greater than \$250,000 per project.

A minimum award of \$25,000 seems reasonable for a program of the scope intended. It is a significant sum (for example, DCA's minimum award is \$5,000, and more than 125 organizations received that amount this year) and will have a substantial impact on the recipient, leading to a meaningful outcome. At the lower end, it allows groups to participate at a level that they can absorb into their existing programs and infrastructure. It will also help to limit requests from organizations without the capacity to take on projects such as those intended by these funds.

Holding the maximum award in this initial round to \$250,000 would allow for large projects of substantial scope and comprehensive impact, but still permit a number of excellent projects to be funded. Multiple projects will better afford the Council an opportunity to evaluate the success of the initial phase of the grant program and refine the program in subsequent phases.

The Council may consider establishing a maximum amount that can be awarded to any organization. This funding cap will help to ensure that the funds can be distributed equitably among applicant organizations.

The Council may also wish to set ~~suggested change: incremental funding thresholds to~~ aid in final deliberations. Increments might be in amounts of \$25,000 from the minimum to the maximum award.

Decisions To Be Made: Parameters for funding will be set at a minimum award of \$25,000 per project and \$250,000 maximum per project, with suggested funding thresholds at increments of \$25,000 from the \$25,000 minimum.

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Matching funds

Depending upon the range of funds determined, the Council may wish to maximize the scope of the projects funded and the seriousness of intent of the applicants by requiring matching funds towards the project costs, or favoring applicants that bring additional resources to the programs they propose. This might also encourage participation of other funding sources in the initiatives of the grant program.

If the TSC elects to either favor or require matching funds, DCA recommends that there be a sliding scale for the match, so that requests at the highest level require the largest match, such as a 1:1 match, decreasing to a requirement at the lowest level that does not require a match, or requires perhaps \$.25 on the dollar. The TSC funds would then be supporting programs ranging from over \$500,000 to \$25,000 or \$31,250.

Decisions To Be Made: Whether or not matching funds will be required towards the project costs.

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Number of projects proposed

While there are three categories of activity proposed, the Council could discuss if applicants will be able to apply for multiple projects, multiple categories, or be limited to applying within one category.

If applicants are not limited to a specified number of projects per application, a high volume of proposed projects can be expected. It should then be stated within the application text that because the funding available for the first year of the program is \$1 million, the TSC does not expect to fund more than 20 projects. This may help to control expectations on the part of the applicants.

Decisions To Be Made: Whether or not applicants will be limited as to the number of potential proposed projects.

Establishing maximums by project and program category

The Council may wish to set a maximum amount of funds to be dedicated to each of the three program categories (creation of new work, audience development, historic preservation). Among other reasons, doing so will help guide groups during the application phase towards a more realistic approach to project design.

If the Council agrees this would be helpful, DCA would recommend emphasis on categories one and two, based on our experience with our applicant base. Not including organizations that work in multiple disciplines (including presenting organizations), 1 in 5 of DCA's applicants define their discipline as theater, although of course the applicants to this program will be broader than just this agency's applicant pool.

Decisions To Be Made: Whether or not the Council will allot specific amounts of funding to each of the program categories.

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Application review

Depending upon the volume of applications, the TSC might find it helpful for the consultant to pre-screen applications for eligibility and for meeting basic programmatic or other criteria, as established by the Council. The members of the Council might find it difficult to meet the demands of reviewing a substantial volume of applications without some form of pre-screening.

If the volume of proposals was low (below 25), the consultant could assess the proposals to assure that the applicants meet the basic eligibility criteria, assemble the necessary materials, and pass all eligible applications along to the Council for deliberation.

However, if the volume of applications exceeds that amount, the Council may wish to have the applications pre-screened, not only for determining the applicant's eligibility, but for ranking the proposals according to the degree each meets established programmatic criteria. As a means of prioritizing the material to be presented to the Council, the consultant would either individually review all applications, or convene a panel to assist with application review. Peer panels are the standard in the field, and are a process that is used by DCA in determining its grants. In this instance, the panel would provide an initial assessment for the Council, ranking the relative strengths and merits of the proposals. The Council would have access to all applications, including those that did not meet the eligibility standards, but would also have the benefit of an initial pass that would allow them to determine from among the strongest applicants which it would fund and at what level.

Alternatively, the Council may wish to do all stages of review, with organizational assistance from the consultant.

Decisions To Be Made: The process of application review will be discussed and determined after the volume of applications has been assessed.

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Disbursement of Funding

Every Grant Agreement includes a payment schedule that is based on the services provided and associated costs. Funds will be released according to that schedule.

DCA recommends that an initial portion of the funding be awarded upon execution of the contract and that a second payment be made at a time near or upon the completion of the services. Because of the required to properly contract an organization and prepare funding for distribution, some awardees will begin the proposed services before receiving the first payment. Organizations that have been designated to receive funds are expected to move forward on their projects in advance of receipt of funding. Their funding will then be received as reimbursement, rather than an advance.

The proportions for payment recommended by DCA are an initial payment of 80% and a second or final payment of 20%. Second payments could be awarded at the completion of an interim report, a final report, or at a calendar point halfway into the grant cycle.

Decisions To Be Made: Payment will be made to organizations on a phased schedule, with a large proportion paid up front and a smaller proportion at a period later in the grant cycle.

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Post-Award Period

After finalization of the funding recommendations, there will still be a number of activities to be carried out in order to ensure proper payment and compliance as well as provision for maintenance of a relationship between the awardees and the TSC. These activities include the creation of the awardee's contract, the processing of grant agreements and payments, follow-up site visits to ascertain the quality of programming, and providing assistance should problems arise during the grant contract (including inability to provide services as described in the application). (See Scope of Services for more detail.)

DCA recommends retaining the Consultant on an ongoing basis throughout the grant cycle. Assuming a grant allocation of \$1 million for the initial grant cycle, the process of developing grant agreements with the award recipients could be time-intensive. Having the option to retain the Consultant during the post-award phase will enable the Consultant to draft and tailor the agreements as well as monitor grant activities, read and approve interim or final reporting, and approve continued payments.

Decisions To Be Made: Whether or not to hire Consultant to administer application and initial funding process.

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Consultant Costs

While it is difficult to estimate the hours needed to manage the application and awards process, it nevertheless seems prudent to limit the dollars dedicated to servicing the grant program, so that the maximum dollars are available for projects. To that end, DCA proposes limiting total consultant expenditures for development and initial administration of the grant process through to announcement of awards to no more than 5% of the total funds available to be awarded (\$50,000). This figure is on the low end of similar programs. The full amount of the expenditure would be utilized only upon DCA's determination that the scope and volume of

work warrants the expense. Funding for the administration of the program should be taken from the funds that remain in the corpus, so that the full \$1 million commitment to the pilot phase is awarded.

Decisions To Be Made: Whether or not to approve expenditure associated with hiring Consultant.

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APPLICATION COMPONENTS

1. Basic Application Information:
 - Applicant organization name (legal and aka), mailing and street address,
 - Applicant's community board and council district
 - Contact information (telephone and email) for CEO and principal contact person
 - Applicant organization's date of incorporation
2. Synopsis of Proposed Projects:
 - Project title, cost, requested amount, and brief summary
3. Organizational Background:
 - Applicant's mission statement as well as organizational history and current activities
 - Description of applicant's outreach/marketing efforts for project
 - Staffing information
4. Proposed Project:
 - Detailed description of proposed activities including intended audience, dates of activities, anticipated # of recipients, where activities will take place
 - Applicant should address what if any costs will be incurred by participants
5. Budget page:
 - Operating budgets for 3 fiscal years including current and projected year
 - Detailed project budget
6. Budget notes including:
 - Projections of anticipated income greater than 20%
 - Explanation of current surplus or deficit
 - Other funding sources for proposed project
 - Information regarding any in-kind support
7. Organization General Information: include from current DCA application:
 - Information about the facility in which the project will take place, if relevant
 - Accessibility
 - Current attendance figures
8. staff list
9. board list
10. certification and release
11. Sampling of background materials, as relevant, such as:
 - Marketing brochures, postcards, email blasts, publication listings
 - Press and publicity
 - CDs, DVDs

List of programs with which applicant is currently engaged
Bios of artists and teaching artists
Curriculum or study guides developed for current programs

GRANT TIMETABLE

	<u>Consultant</u>	<u>Theater Subdistrict Council</u>
Through March 19, 2008	DCA recommends program and eligibility criteria and refines administration document.	
March 19, 2008		TSC meets to approve expenditure of consultant, approve criteria and establish framework for grant program.
March 19-mid-April, 2008	Consultant identified and selected to coordinate grant program.	Grant administration document made available to the public for written comment.
	TSC feedback and public comment incorporated into grant administration document.	
Mid-April, 2008	Next meeting of TSC.	Review of public written comment and final adoption of grant-making framework.
Through May 15, 2008	Consultant, under guidance of DCA staff, drafts grant application.	
		Review and finalization of criteria and application.
May 15, 2008	Grant application is disseminated broadly to arts and cultural organizations.	
May 15 -June 30, 2008	Four application seminars held and tech assistance provided by consultant.	
June 30, 2008	Applications returned.	
June 30-September, 2008	Consultant catalogues and	

	prepares applications for review. Dependent upon volume and TSC determination, application goes through pre-review to rank application strengths or all applications go to TSC.	
October-November, 2008		Consultant facilitates TSC review/assessment of proposals and list of awardees is determined.
November-December, 2008		Announcement of grant awards.
January 2009-June 2010: recipients operate programs for which funds were received.		

Timeline

Through May 15, 2008: DCA identifies and hires a Consultant to coordinate the TSC grant program. Working with DCA staff, the Consultant refines eligibility requirements, works with TSC to develop criteria for application review, and drafts a grant application intended for May 15 release.

May 15, 2008: TSC issues grant application, posting the announcement on DCA's website and on other key arts-related websites. Outreach includes emails sent to all organizations on DCA's mailing list.

May 15 -June 30, 2008: Grant application is available. Four application seminars explaining the application process will be held.

June 30, 2008: Completed applications are due.

June 30-September, 2008: Consultant catalogues and prepares applications for review.

October-November, 2008: Consultant facilitates TSC review/assessment of proposals. TSC determines final roster of award recipients.

November-December, 2008: TSC announces list of grantees.

January 2009-June 2010: Programs in operation.

Suggested Addition: Announcement of second cycle of grantmaking process.

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SCOPE OF WORK FOR CONSULTANT ADMINISTERING TSC GRANT PROGRAM

It is anticipated that at least 150 organizations from DCA's applicant pool will be eligible, though more applications are expected. In order to provide specialized and expedient service for the TSC grant program, DCA advocates the hiring of a Consultant to develop and administer the program. Doing so will enable the Council to make the application process and funding available sooner than would be possible without outside support. Until September 2008, DCA's Programs Staff will be involved daily in the review of applications and dissemination of funds for its FY09 Cultural Development Fund. This process prohibits or limits the active participation of DCA Programs Staff on a day-to-day basis. A Consultant whose sole purpose is to facilitate the TSC grant program could, by contrast, work intensively with both the applicants/awardees and the Council itself to administer the application and award process.

Responsibilities of the Consultant include but are not limited to:

- Working with members of the Council to finalize eligibility requirements
- Developing criteria for application review
- Writing grant application
 - Using DCA's application for Cultural Development Fund as model
 - Taking into account needs of other potential applicants
- Working with DCA's IT staff to make online form available
- Working with DCA's Communications and Programs staff to disseminate application
 - Posting application, guidelines and instructions on DCA and nyc.gov websites
 - Contacting arts service organizations about availability of application
- Conducting four application seminars in Theater Subdistrict
 - Determine accessible facility according to accessibility for applicants
 - Work with site on technical set-up
 - Present application seminar, including Q&A session
- Setting up database to log in applications
 - Using DCA's IT staff as support?
- Tracking applications upon receipt, including:
 - Checking applications for completeness (completeness notification to applicants?)
 - Reviewing each application, making note of any eligibility issues or other irregularities
 - Creating files for each application and its accompanying background materials and/or media
 - Notifying late applicants of ineligibility
- Convening peer review panel for initial application review
 - Coordination of scheduling
 - Hold discussion with TSC about possible remuneration to panelists
 - Soliciting recommendations
 - Drawing up list of recommendations
 - Receiving approval of panelists from TSC
- Preparing applications for review by panelists
 - Scanning or Xeroxing individual applications
 - Dissemination to panelists via mail or email

- Presiding over peer review panel
 - Summarizing criteria
 - Taking notes on discussion
 - Moderating funding round
- Summarizing panel proceedings and recommendations for TSC review
- Presenting panel outcome to TSC
- Coordinating TSC application review meetings
 - Disseminate applications to Council members
 - Coordinate scheduling of review sessions
- Moderating TSC application review
 - Summarizing criteria
 - Taking notes on discussion
 - Moderating funding round
- Finalizing and summarizing Council's funding decisions
- Drafting letter of notification to awardees
- Work with City Planning to draft written contract (Agreement) to be made between TSC and awardees
- Tailor each contract for individual grantees
 - Add scope of services to each contract
- Get approval for written contract
- Mail out contracts
- Receive and track returned, signed contracts
- Coordinating payment requisitions sent to TSC from DCA
- Tracking payments
 - Following up with organizations who did not receive payments or have had other problems with receipt of funds
- Conducting site visits to evaluate the quality of programs receiving funding through the TSC grant program.
- Working with organizations if/when difficulties arise, such as change in scope of services

EXHIBIT E

SCOPE OF WORK FOR CONSULTANT ADMINISTERING TSC GRANT PROGRAM

It is anticipated that (X) organizations from DCA's applicant pool will be eligible, though more applications are expected. In order to provide specialized and expedient service for the TSC grant program, DCA advocates the hiring of a Consultant to develop and administer the program. Doing so will enable the Council to make the application process and funding available sooner than would be possible without outside support. Until September 2008, DCA's Programs Staff will be involved daily in the review of applications and dissemination of funds for its FY09 Cultural Development Fund. This process prohibits or limits the active participation of DCA Programs Staff on a day-to-day basis. A Consultant whose sole purpose is to facilitate the TSC grant program could, by contrast, work intensively with both the applicants/awardees and the Council itself to administer the application and award process.

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 - Drawing up list of recommendations

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- Conducting site visits to evaluate the quality of programs receiving funding through the TSC grant program.
- Working with organizations if/when difficulties arise, such as change in scope of services

EXHIBIT F

THEATER SUBDISTRICT COUNCIL

Michael M. Bloomberg, Chair
Christine C. Quinn, Vice-Chair
Scott M. Stringer, Secretary
Amanda M. Burden, Treasurer

Jed Bernstein, Member
Ben Cameron, Member
Paige Price, Member
George Wolfe, Member

March 19, 2008

Dear New Yorker:

The Theater Subdistrict Council (TSC) is a not-for-profit corporation established pursuant to Theater Subdistrict regulations of the Zoning Resolution to help promote theater and theater-related use and preservation within the Subdistrict. The Zoning Resolution further defines the TSC's goals as including: enhancing the long-term viability of Broadway by facilitating the production of plays and small musicals within the Theater Subdistrict; developing new audiences for all types of theatrical productions; and monitoring preservation and use covenants in Broadway theaters within the Subdistrict.

With assistance from the Departments of Cultural Affairs and City Planning, the TSC is proposing to administer a new grant program available to NYC's not-profit-organizations. Programs made possible by funding from the TSC will seek to celebrate the live art form of theater and create and expand the audience base attending live theater, as well as enhance the body and quality of performance options. Funding for the grant program is provided through contributions to the Theater Subdistrict Fund made in connection with the transfer of development rights from listed theaters, pursuant to Section 81-744 of the Zoning Resolution.

At its Board meeting held March 19, 2008, the TSC gave preliminary consideration to a draft grantmaking framework and procedure for this new grant program. The TSC is now soliciting public comment on the framework and procedure, for consideration prior to adoption of a final version at a subsequent meeting. A copy of the draft framework and procedure is attached.

Comments should be made in writing, and provided on or before April 11, 2008. Please send your comments to Wesley O'Brien, Department of City Planning, 22 Reade Street, NY, NY 10007.

The TSC welcomes your input regarding this exciting new program.

Sincerely,



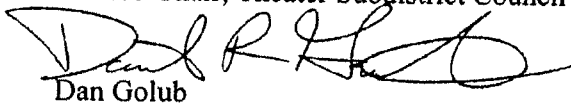
Kate Levin

For Mayor Michael R. Bloomberg
as Chair, Theater Subdistrict Council



Danielle Porcaro

Danielle Porcaro
For Speaker Christine C. Quinn
as Vice-Chair, Theater Subdistrict Council



Dan Golub

For Manhattan Borough President Scott M. Stringer
as Secretary, Theater Subdistrict Council



Amanda M. Burden

As Director Department of City Planning and
Treasurer, Theater Subdistrict Council