

Frequently Asked Questions

AACTMAD New Facility Project

Why do we need our own building?

First, because it ensures that there will always be a dance space here, and we will not have to depend on other organizations. Second, having a good space, with a sprung floor and plenty of room, making dancing more enjoyable and helps generate growth. Third, having our own space will help promote interaction among different groups. Fourth, having a sound system in place and all our storage there will reduce the volunteer work required for events.

How was the decision reached to seek our own dance hall?

In 1996, local dancers concerned about the lack of suitable dance space formed a Dance Hall Search Committee to (1) assemble a data base containing information regarding potential dance hall spaces in and around Ann Arbor, and (2) pursue a long-term goal of investigating the possibility of buying/building or renting long term a suitable dance hall and the associated problems of ownership, shared use, and fundraising. The continued loss of available and affordable dance space (such in the Michigan Student Union and at Lovett Hall) became a serious concern for AACTMAD. In 2001, AACTMAD developed long-Range Plan based on significant and direct participation by its membership. This Plan set control of a suitable facility that would assure the survival of the traditional music and dance community as a top priority for the organization, and AACTMAD formed a Facilities Committee to achieve this goal. In 2005, AACTMAD's long-Range Plan was updated, and it reaffirmed this goal. Throughout this process, many members have participated directly in setting and maintaining this goal for AACTMAD. The challenge is determining how best to accomplish it.

How are we going to pay for it?

The money will come as donations from our members. The fundraising goal for AACTMAD's New Facility Project at 4531 Concourse Drive is \$300,000. This includes the renovation construction costs, purchase of an ownership stake in the property, and funds to help in the initial operation of the building until we have enough third-party (non-AACTMAD) rental income to cover our operating expenses.

This Project is not going to happen unless we raise the money; AACTMAD is not going to take on significant level of debt. We have already raised over \$70,000 from the Wagner-Waters investors, and the expenses of planning and current expenses are covered by these funds. Unless we raise the money to pay for the renovation, and do so fairly quickly, the project will be dropped. It is, obviously, not a great time to raise a substantial amount of money, but we will not know whether we can until we seriously try to do it.

What will it cost to maintain, and how will we pay for those expenses? What is our business plan?

AACTMAD has been diligently researching data for the Business Plan for the New Facility Project at Concourse Drive. It is a complete plan that includes cost projections and a financial strategy. It includes both a conservative and a less conservative estimate of third party (i.e., non-AACTMAD) rental income; if we are reasonably successful with such rentals, the cost of AACTMAD dances and other activities could be reduced significantly. We are also carefully creating an appropriate fundraising strategy, as well as proper equity calculations. Many people with skills and experience in marketing, fundraising, legal agreements, and event management have come forward to help AACTMAD in this process. It has become

increasingly clear to the Board of Directors that that the benefits of the New Facility outweigh the financial risks, and that AACTMAD is capable of managing those risks. All of AACTMAD's programs will be fully funded, as they have always been, while AACTMAD's Facilities Committee and Board of Directors manage the New Facility Project and the issues surrounding it.

Project Costs:

Rent (Mar-Jan) & Equity Purchase	\$14,850
Construction Costs	\$223,000
Architectural Services	\$9,000
Legal Fees	\$5,000
Pittsfield Township Fees	\$1,500
Allowances and Contingency	\$10,000
Operating Expenses (one year)	\$36,320
Total	\$299,670

AACTMAD has always felt that the best stewardship of resources in a facility is to partner with another entity that would have a complementary schedule of use so that the facility does not sit idle for extended periods of time. AACTMAD's partnering with Greg & Gretchen is for a facility that combines the administrative office needs of Gretchen's childcare business with AACTMAD's predominant use of a facility on weekends and evenings. Third party (non-AACTMAD) use by like-minded and compatible organizations will provide the income needed for AACTMAD to fund the facility for its use in supporting traditional music, song, and dance for the whole dance community.

What happens if we can't get enough rentals?

Based on our research, our assessment is that there is a tremendous need for the kind of space we are creating at Concourse Drive, and we are confident that the risk of not being able to get enough rentals is low. This is based on the level of demand for the Grange Hall as well as the gyms and meeting room spaces at Gretchen's House, Inc., Child Care Centers. In addition to considerable use by the dance community, these spaces are in high demand by churches and other

non-profit groups, as well as for private functions and activities. The business plan for Concourse includes raising up front the amount of money to cover operating costs of the New Facility for a year assuming no rentals. This is a very conservative approach, especially considering we have already been contacted by very interested third party renters. In the unlikely event there is insufficient rental income, AACTMAD will do additional fundraising. Furthermore, Greg and Gretchen have agreed to reimburse AACTMAD for the renovation costs if AACTMAD can no longer use the building.

There will not be any increase in the cost to AACTMAD's committees or activities or admission prices to dances at the new Facility. AACTMAD would not be doing this project if it would be detrimental to the accessibility of traditional music and dance in our community. The whole purpose is to provide a secure, welcoming, attractive, available, and affordable venue for the dancing and other activities that AACTMAD sponsors.

What are the other risks?

Liability: AACTMAD has adequate liability insurance and will upgrade it to provide the required coverage for the new Facility. Ownership of the Facility will not affect the liability of AACTMAD's members and directors. Our bylaws state explicitly:

Article IX. NON-LIABILITY OF DIRECTORS AND MEMBERS

- A. The Directors of this corporation shall not be personally liable for the debts, liabilities, or other obligations of the corporation.
- B. A Member of this corporation shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Article X. INDEMNIFICATION

The Directors and Officers of the corporation shall be indemnified by this corporation to

the fullest extent permissible under the laws of the State of Michigan.

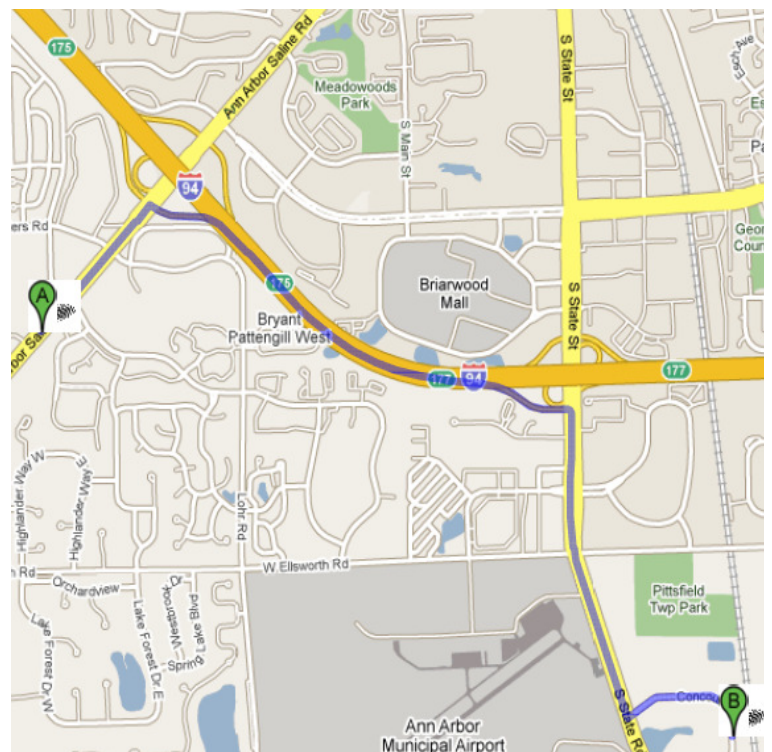
Financial: The agreements under development between AACTMAD and the current owners of the Concourse property (Greg Meisner & Gretchen Preston) contain language that allows AACTMAD to proceed with this project with a minimum of financial risk. Specifically, should AACTMAD not be able to continue using the Facility any time in the first seven years of operation, Greg & Gretchen agree to (1) buy back AACTMAD's ownership stake in the property, at AACTMAD's discretion, and (2) reimburse AACTMAD for its renovation costs on a seven year depreciation schedule if AACTMAD has to cease its operations in the Concourse building. This will ensure that AACTMAD's strong financial position remains intact if something happens beyond anyone's control, or if AACTMAD decides, for example, to shift its operations to a different location.

Conflict of Interest: It is essential that the Board of Directors protect the integrity of AACTMAD at all times. All actions taken by the Directors on behalf of AACTMAD must be carried out with the best interest of AACTMAD foremost. As recommended by legal counsel, AACTMAD has a Conflict of Interest Policy to ensure that any potential conflicts of interest arising from the New Facility Project or any other activity of AACTMAD are fully disclosed and appropriately managed.

Logistical/Managerial: AACTMAD's activities at the new Facility will require a manager or management team to schedule the space, keep the books, and ensure smooth operations. This is similar to what the Grange does, but it is not something AACTMAD has done before. Initially, this will be handled by volunteers, but if the workload is sufficiently high, we may have to hire an operations manager in the future. If so, this would be built into our operating budget.

What are our criteria for a facility, and does Concourse meet them?

The Location: The long-range planning sessions of the AACTMAD membership in 2001 and 2005 determined that the location of AACTMAD's New Facility should be in Ann Arbor or within 5 miles of the city limits in any direction, close to an expressway exit, and no more than two turns off of the exit road is preferred. The location of 4531 Concourse Drive is one turn off State Street, about 1-½ miles south of I-94, shown as "B" on the map, below. The Pittsfield Grange, "A", is about 3-½ miles away.



The Building: A priority list for the building was compiled on January 19, 2004, to establish the minimum requirements that any facility we consider must meet. Almost all of these criteria are met or exceeded in the current design and building plans for AACTMAD's new Facility at 4531 Concourse Drive, as indicated in italics, below:

- Wood floor (*Our design includes a sprung wood floor.*)
- Dance floor larger than in the Grange, which is about 1100 sq. ft. At 16 sq. ft. per person for dancing and at least 150 dancers, we need a minimum of 2500 sq. ft. (*We will remodel about 4000 sq. ft., with nearly 2800 sq. ft. available for dancing in the new facility.*)
- Dance floor should be dividable - for use by two groups (*This is not in the plan, but it may be possible to do. We will also have an 800 sq. ft. upstairs space that can be used for meetings and jamming while dancing is happening in the large space.*)
- A stage (*As a cost saving strategy, our current plan does not include a permanent stage. However, we envision a future fundraising effort specifically to permit a built-up, movable stage.*)
- Social area in view of dance floor (*Yes, there is ample area around the dance floor for chairs and tables, as well as a large, open stairway and balcony above for viewing.*)
- A commercial kitchen (*This is not allowed by zoning, but we will have a warming kitchen for refreshments and potlucks.*)
- Handicap accessibility (*This is required by code.*)
- Adequate number of bathrooms - properly configured (*These already exist in the building and are directly accessible from the dance space. There are two stalls in the women's and one stall and one urinal in the men's.*)
- Changing room/area for women (*There is some space in the women's bathroom.*)
- Coat & shoe changing area (*Will be configured in the dance space entry area.*)
- Welcoming entry (*This is in the plan.*)
- Space for auxiliary use (i.e. AACTMAD library, office, etc.) (*A space in the main floor level is planned for this and/or childcare, plus AACTMAD has the 800 sq. ft. second floor space above the kitchen.*)
- Chair/table storage (*This is incorporated in the plan.*)
- Built in sound system and storage for second system (*The plan includes a permanent sound installation and an equipment storage room.*)
- Parking available for 150 cars (*Parking for 85 cars, plus adjacent neighbors have parking areas we will be able to use.*)
- Building to accommodate 200 people for weddings, etc. (*Zoning is approved for 188.*)
- Air conditioning (*The plan pays special attention to heating, ventilation, and air conditioning.*)
- Adequate natural light (*New windows and glass doors are included in the plan; more can be added later if desired.*)

What has been accomplished so far?

As of July 2009, we have chosen a builder and a plan; developed a business plan; almost completed the agreements with Greg and Gretchen; and prepared for the first phase of the capital campaign.

What happened to the Wagner-Waters project?

After a considerable search, a potential site for AACTMAD's new Facility was identified at the intersection of Wagner and Waters Roads in Lodi Township, just outside the Ann Arbor city limits. In June 2005, the Wagner-Waters property was purchased by a partnership of AACTMAD and about 20 individuals, mostly dancers. A plan was developed to construct a Community Building for a shared use by AACTMAD's Facility, Gretchen's House Administrative Offices, and a church. After many, many months of work to develop a site plan and building drawings for the proposed facility, the Lodi Township government rejected our proposal in the fall of 2007, saying it was too commercial in an agricultural/residential environment. That

project was stopped and the search continued for an alternative location for AACTMAD's dance facility.

The AACTMAD supporters who invested in the Wagner-Waters property were asked to donate their investment to AACTMAD. Greg Meisner and Gretchen Preston offered to buy out the AACTMAD supporters at their original investment levels as long as that amount was donated to AACTMAD for its New Facility project. This resulted in AACTMAD raising over \$70,000 by the beginning of 2009.

What is the relationship between AACTMAD and Greg and Gretchen? How are we managing conflict of interest issues?

Greg & Gretchen are long time supporters of AACTMAD and share in the vision of a Facility for AACTMAD's activities. They have helped to create an opportunity for AACTMAD to create a new space for dancing. Greg & Gretchen will not derive any financial gain from AACTMAD's operations at the new Facility. When AACTMAD becomes a partner in ownership of the property, it will be buying a share of the equity. An Agreements Team consisting of David Parady, Fred Karsch, and Frank Cafferty are drafting the appropriate documents that are to be reviewed by legal counsel and the Board. There will be an iterative process between AACTMAD and Greg & Gretchen that will

lead to a final agreement. These documents will spell out in detail how the partnership will work.

AACTMAD has adopted a Conflict of Interest Policy, as advised by legal counsel, to ensure that potential conflicts of interest arising from the New Facility Project or any other activity of AACTMAD are fully disclosed and appropriately managed. All matters relating to the legal agreements and arrangements between AACTMAD and Greg & Gretchen will necessarily be conducted without Greg's involvement in any Board deliberations or votes.

Will the new building mean that the Grange will be in trouble?

AACTMAD has formally approached the Pittsfield Grange organization to discuss working together on a new facility. The Grange is not interested in moving its activities to a different building, nor is it interested in entering into a partnership with another entity. No expansion of the Grange building is feasible.

Both AACTMAD and the Grange believe that the Grange will continue to play an important role in support of the dance community. There is sufficient demand for spaces like the Grange to ensure its financial stability and as long as the existing Grange building remains available for dance events, those that do not need the larger new space will go to the Grange.

For more information, please visit our website at: <http://aactmad.org>

For information on the New Facility, write to: facilities@aactmad.org

For general information about AACTMAD, write to: info@aactmad.org