



George Brown, City Manager

City of Boca Raton
201 West Palmetto Park Road
Boca Raton, FL 33432

January 8th, 2025

Re: Notice of Termination/Pre-Construction and Development Agreement having an Effective Date of October 21, 2022 (“Development Agreement” or “Agreement”) between the CITY OF BOCA RATON, FLORIDA, a Florida municipal corporation (“City”), BOCA RATON COMMUNITY REDEVELOPMENT AGENCY, a public agency of the City of Boca Raton, created by the City of Boca Raton, pursuant to Chapter 163, Florida Statutes (“CRA”, and, with the City, collectively, “Boca Raton”), and THE CENTER FOR ARTS & INNOVATION INC., a Florida not for profit corporation (“The Center” or “TCA&I”)

Dear Mr. Brown:

This letter is being provided in accordance with the Development Agreement. Any capitalized term used, but not defined, in this letter will have the respective meaning ascribed to it in the Agreement.

On behalf of The Center, I write to inform you that The Center’s Board of Directors (“Board”) has unanimously voted to exercise The Center’s right, under Section 14(v) of the Development Agreement, to terminate the Development Agreement and Lease (as defined therein), effective immediately.

This decision was reached after careful reflection, and with the utmost respect for both donors’ contributed resources, as well as the collaborative efforts between The Center and Boca Raton, despite our current and unfortunate impasse.

We are most appreciative of the Boca Raton’s devotion of time and resources and we are proud of the meaningful progress we have made together through our partnership over the past few years, such as creating a bold conceptual design by an internationally renowned design team, securing programmatic partnerships, and securing significant philanthropic support for the Project.

Despite these advancements, the original structure of the Development Agreement has since proven challenging for both parties. While The Center remains confident about the Project’s future, the structure of the current Development Agreement no longer reflects the operational realities or the expectations of key stakeholders.

The Center, its Board, and its partners remain steadfast in their commitment to bringing this transformative vision to life and thus, in an effort to course-correct and strengthen our partnership with Boca Raton, The Center proposed on November 25, 2024 a number of terms to resolve issues that, if left unresolved would prevent a successful outcome. Principal among them were:

- **Fundraising Schedule:** Over the last two years, we have learned that the Development Agreement diverges from expectations of major capital donors, particularly in the Development Agreement’s requirement for donors to both pledge and fulfill cash commitments on a more accelerated timeline than is customary or necessary for projects of this magnitude.



- **Public Sector Funding:** We have also learned from the County, State, and other major public sources that they require time-limited assurances from the City to safeguard the land's intended civic use during the design and construction process. Without this protection, which is not addressed in the current agreement, portions of these public funds already granted, and potentially substantial future funds, remain inaccessible to The Center.
- **Solution to Development Rights:** The absence of a defined timeline to ensure sufficient development rights to develop the Project has created uncertainty with donors as we advance through more costly design stages.
- **Proposed Cure Periods:** The current single-day hard deadlines without any cure periods as it relates to multiple key milestones presents impractical challenges in accommodating the intricacies of a multi-year, large-scale Project.

Unfortunately, based on Boca Raton's responses to date and our further discussions, it seems we are unable to satisfactorily resolve these matters at this time.

We know this may cause disappointment for Boca Raton, local businesses, organizations and donors who were looking forward to this Project in Downtown Boca; we are disappointed as well. It is our hope though that this decision will provide the necessary time, space, and opportunity for both parties to identify whether or not a new agreement can be made in the future, one with terms reasonably agreeable to both Boca Raton and The Center.

While we remain optimistic and hopeful about the potential to develop a new agreement that secures The Center's home in downtown Boca, we recognize that The Center and Boca Raton may necessarily need to explore alternatives.

On behalf of the Board, I again want to extend our gratitude to Boca Raton for the extraordinary opportunity to collaborate over the past several years. The Center remains deeply committed to its transformative mission and stands ready to re-engage with Boca Raton should there be an interest in discussing a new approach that better aligns our shared aspirations for the community and allows for our mutual success.

With gratitude and respect,

Andrea Virgin, PE, LEED AP
Chair & CEO
The Center for Arts & Innovation, Inc

cc:
Board of Directors, The Center for Arts & Innovation
Brian Hickey, Nason Yeager, Gerson, Harris & Fumero, P.A.