

REPORT OF THE CHIEF LEGISLATIVE ANALYST

June 9, 2009

TO: Honorable Members of the Housing, Community
and Economic Development Committee

FROM: Gerry F. Miller *Gerry F. Miller*
Chief Legislative Analyst

Council File No.: 09-0874
Assignment No.: 09-05-0874

Establish a Pre-Qualified Pool of Six Arts Organizations for the Bunker Hill Arts Retention Program

SUMMARY

The Community Redevelopment Agency (Agency) requests authority to award contracts with six arts organizations from a pre-qualified pool for the Bunker Hill Arts Retention Program for a three-year term. Pre-qualified organizations will be eligible to enter into agreements with the Agency for financial assistance in a total amount not to exceed \$275,600. For Fiscal Year 2009-10, funds will be provided from Bunker Hill Cultural Trust Funds and Tax Increment, upon Board and Council approval of the Agency's 2009-10 proposed Budget. Funding for the subsequent two-years of the term will be subject to availability of Cultural Trust Funds and Tax Increment in future budgets.

The six arts and cultural organizations will assist with the implementation of the Agency's objective of attracting and retaining high quality, financially responsible and community-based arts organizations to the Bunker Hill Redevelopment Project Area (Project Area). Pre-qualified organizations will be eligible for Agency sponsored partnerships that will enable the selected organizations to remain in, or be attracted to, the Project Area. The establishment of a pre-qualified pool is consistent with the proposed FY 2009-10 Work Program and Budget, with future year work programs subject to approval over the three-year pre-qualification period.

The Agency released a Request for Qualifications (RFQ) on November 27, 2008 and notified organizations of the RFQ through pre-solicitation notices, postings on the Agency's and City's websites, emails through LACultureNet and advertisements in numerous newspapers. A selection panel comprised of two Agency staff members, two art community peers and one community stakeholder evaluated the eight submissions on their artistic merit, commitment to the Project Area, community benefit and other criteria. Based on the resulting scores, the panel recommended pre-qualification for the following six organizations:

1. Angels Flight
2. Grand Performances
3. Esotouric
4. Museum of Contemporary Art
5. RED/CAT
6. Shakespeare Festival/LA

The Agency indicates that the pre-qualified organizations will undergo a rigorous needs assessment, which will be followed by a detailed strategic planning exercise to help staff determine the funding requirements. A consultant selected by the Agency will perform the assessments and strategic planning. The Agency notes that while organizations on the pre-qualified list may be eligible to receive contracts from the Agency, organizations on the list are not guaranteed award of a contract.

The Agency reports that the recent surge in redevelopment activity in the Bunker Hill Redevelopment Project Area has put a tremendous amount of upward pressure on the property values and ability of the arts and cultural organizations to stay in the project area. The Agency recognizes that these organizations are an important part of the community by offering cultural destinations and providing economic benefits to local businesses. Thus, Agency staff identified a need to establish a pool of pre-qualified organizations requiring Agency assistance with financing and facilitating negotiations with developers. Assistance would include a range of activities including, but not limited to: public art commissions, interior/exterior improvements and property acquisition/rehabilitation for cultural facilities. The Agency indicates that in the event that Agency funds are used to provide for publicly owned improvements, staff will need to seek Board and City Council approval.

RECOMMENDATION

That the City Council authorize the Chief Executive Officer, Community Redevelopment Agency, or designee, to establish a pre-qualified pool and enter into agreements with six arts organizations for the Bunker Hill Arts Retention Program for a three-year term, in a total amount not to exceed \$275,600. Funds will be provided from Bunker Hill Cultural Trust Funds and Tax Increment in the Agency's proposed 2009-10 Budget, which is subject to Board and Council approval.

FISCAL IMPACT

There is no impact to the General Fund as a result of this action. Source of funds, if available, are a combination of Bunker Hill Cultural Trust funds and Tax Increment derived from project areas utilizing these services.



Donna K. Haglin
Analyst

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