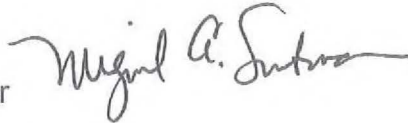


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-04635-0001

Date: February 18, 2011

To: Arts Parks Health and Aging Committee

From: Miguel A. Santana
City Administrative OfficerSubject: **STATUS REPORT ON CULTURAL FACILITIES REQUEST FOR PROPOSAL**

At its meeting on September 28, 2010, your Committee requested the Office of the City Administrative Office to coordinate the issuance of a Request for Proposal (RFP) for the partnering of fifteen Cultural Facilities. In the interim, Council approved the removal of the William Grant Still Art Center (C.F. 10-1831) and the four facilities located at Barnsdall Park (10-0773-S5) from the RFP process. As a result of these actions, a total of ten facilities remain for inclusion in the RFP (Attachment). Six facilities are currently partnered. The four remaining facilities include two theatres currently operated by Cultural Affairs and two new junior arts centers which have not yet opened.

Additionally, this Office was requested to address concerns raised by various departments and identify funding for the continued operation of the facilities for the balance of the current fiscal year.

FUNDING FOR CULTURAL FACILITIES

In December, 2010, the Department of Cultural Affairs indicated that funding in the amount of \$396,000 would be required to continue operation of the fifteen facilities through the end of the 2010- 2011 fiscal year. To date, approximately \$240,000 has been identified to partially fund operations through the end of the fiscal year. This Office has identified an additional \$130,000 from prior year Capital Improvement Expenditure Plan funds set aside for Cultural Affairs, which can be transferred to the Department to fund the ongoing operations of the facilities. This transfer will increase the funding available for the Cultural Facilities to \$370,000. An additional \$ 26,000 is required to provide full funding through the end of the fiscal year. This Office will be including recommendations to transfer the \$130,000 as part of the next Financial Status Report. We will continue to work with Cultural Affairs to identify the remaining funds necessary to continue operation through June 30, 2010.

This Office is currently working with the Mayor's Office to develop the budget for 2011-2012, including identifying funding to continue operations pending the completion of the RFP process and funding requirements for both Barnsdall Park and the William Grant Still Art Center.

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STATUS OF REQUEST FOR PROPOSAL

This Office is working with the Office of the City Attorney to finalize the Draft Request for Proposal to be submitted to Council. Based on our discussions with the City Attorney we will need to issue an RFP in order to select providers for the new junior arts centers and theaters. Additionally, a new process must be completed for facilities with existing partnership agreements. These agreements are currently expired and the City Attorney has advised that a competitive process is required. This Office is proposing that the agreement approved for the Nate Holden Performing Arts Center serve as the model for the terms to be included in the RFP. The key terms would include the following:

- Rent will be based on \$1 per year and a service agreement requiring a specific level of arts programming;
- Custodial, security, utilities and landscaping will be the responsibility of the Contractor;
- Maintenance levels will be subject to negotiation; and
- Stipend provided subject to the availability of funds.

FACILITIES ON RECREATION AND PARKS PROPERTY

Five facilities included in the RFP are located on Recreation and Parks Department property. Responsibility for Encino Folk Art Center, William Reagh Photography Center, and McGroarty Arts Center was transferred to Cultural Affairs when the Department was created in 1980. An operating agreement between Cultural Affairs and the Department of Recreation and Parks formalized the responsibilities for maintenance and landscaping. Recreation and Parks provides limited landscaping services at the five facilities.

The City Attorney has advised that it will be necessary to present the proposed RFP to the Board of Recreation and Parks Commissioners for consideration. Additionally, it may be necessary to amend the current operating agreements or the Los Angeles Administrative Code to formally assign responsibility for the operation of the facility located at Hermon Park in Arroyo Seco and the Lincoln Heights Junior Arts Center to Cultural Affairs.

This Office is working with the City Attorney to address these issues. It is not the intent of the RFP to request the Department of Recreation and Parks to provide any additional support for these five facilities.

MAINTENANCE

The Department of General Services currently provides basic maintenance services for Cultural Affairs facilities, including the partnered art centers. GSD is not currently reimbursed for these costs. As part of the RFP process, an inspection of the facilities will be conducted in order to identify any fire/life/safety issues which must be addressed. Future funding of maintenance costs is under review and will be subject to negotiation as part of the RFP process. It should also be noted, that GSD is in the process of installing a new roof on the Warner Grand Theatre.

NEXT STEPS/TIMELINE

- March 2011 Finalize Request for Proposal
- April, 2011 Present Request for Proposal to the Board of Recreation and Parks Commissioners and Council Committees
- May, 2011 Issue Request for Proposals
- July, 2011 Evaluate Request for Proposals
- August 2011 Select Contractors
- September, 2011-December, 2011 complete negotiations and execute agreements
- January, 2012 new contracts take effect.

RECOMMENDATION

That the City Council receive and file this report.

FISCAL IMPACT STATEMENT

A recommendation to transfer \$130,000 from Capital Improvement Expenditure Plan funds to the Department of Cultural Affairs will be included in the next Financial Status Report. It will be necessary to identify additional funding in 2011-2012 to continue operations at the William Grant Still Art Center and Barnsdall Park.

**DEPARTMENT OF CULTURAL AFFAIRS FACILITY COSTS
2009-10**

FACILITY	FAIR	UTILITIES			Utilities Annual Cost	ESTIMATED COSTS (OTHER SVCS)			Other Annual Cost
	SQUARE FOOTAGE	WATER*	ELECTRICITY*	GAS*		BUILDING MAINTENANCE *	SECURITY*	CUSTODIAL*	
Recreation and Parks Facilities									
Art in the Park Arts Center at Hermon Park in Arroyo Seco (Highland Park)	2846.57	\$213	\$2,116	\$146	\$2,475.62	\$5,129	**	***	\$5,129.46
Encino Folk Arts Center (Encino)	1358.00	\$102	\$6,551	\$593	\$7,245.09	\$119	**	\$6,444.00	\$6,562.56
Lincoln Heights Junior Art Center (Lincoln Heights)	14720.00	\$1,104	\$10,919	\$164	\$12,187.60	\$0	**	***	\$0.00
William Reagh Los Angeles Photography Center (Pico-Union)	2500.00	\$188	\$6,890	\$0	\$7,077.92	\$819	**	***	\$819.33
McGroarty Arts Center (Tujunga)	5527.09	\$497	\$8,339	\$2,705	\$11,540.84	\$8,534	**	***	\$8,534.44
Subtotal	26,951.66	\$2,104.28	\$34,815.66	\$3,607.13	\$40,527.07	\$14,601.79	\$0.00	\$6,444.00	\$21,045.79
City of Los Angeles Facilities									
Eagle Rock Community Cultural Center (Eagle Rock)	9,765.61	\$879	\$8,282	\$597	\$9,757.81	\$6,433	**	\$10,743.00	\$17,176.36
Lankershim Arts Center (North Hollywood)	5,672.18	\$681	\$16,816	\$0	\$17,497.04	\$22,445	**	\$9,040.00	\$31,484.56
Madrid Theatre (Canoga Park)	15,197.17	\$1,824	\$21,078	\$1,451	\$24,352.77	\$18,591	\$2,500	\$23,085.00	\$44,176.09
Warner Grand Theatre (San Pedro)	39,838.66	\$5,976	\$54,769	\$3,103	\$63,847.90	\$26,668	\$0	\$43,389.00	\$70,057.49
Vision Theatre (Leimert Park)	16,000.00	\$1,920	\$24,466	\$0	\$26,386.27	\$4,282	\$2,500	\$19,995.00	\$26,777.28
Subtotal	86,473.62	\$11,279.03	\$125,412.06	\$5,150.71	\$141,841.80	\$78,419.78	\$5,000.00	\$106,252.00	\$189,671.78
TOTAL	113,425.28	\$13,383.31	\$160,227.72	\$8,757.84	\$182,368.87	\$93,021.57	\$5,000.00	\$112,696.00	\$210,717.57

*MONTHLY COST