



Re-10-0773:

At the end of the last APHA meeting (August 17, 2010), Regina from Recreation and Parks let it be known that any RFP's connected to arts organizations in parks would need review by RAP.

BACSAC hereby contests this assertion. In general art centers in parks are still merely sub licensees (or subtenants) of DCA. The titular owner of all parks in the City is the Department of Recreation and Parks (RAP). However, of the 14 art centers we believe Barnsdall is unique as it is subject to two 1927 grant deeds requiring the maintenance of art purposes in posterity. RAP defines parks as either recreation (with a Center and Staff) or maintenance (they take care of the landscape). Barnsdall is merely a maintenance park with no budget or staffing for arts management and under any public-private scenario contemplated, review of programs and true arts management would remain with the department qualified for that activity, DCA.

In addition BACSAC asserts that the rules should be clarified to allow partners to apply for a license to run all art and cultural programs at one geographic location.

Regarding the RFP umbrella for art and cultural centers, first BACSAC applauds the committee for the umbrella concept. The public policy definition of the "public good" in the proposed leasing policy to be applied to non-profits inhabiting public buildings (08-2762) is too narrow and appears to apply to the most desperate problems of poverty in our society and not to the core cultural and historical values that have shaped and defined the quality of life and cultural expectations of living here in Los Angeles. The further work of the committee in capping the facilities occupation charge (rent) at \$1,000/month and not charging the nonprofit for maintenance makes good logical sense.

There are short, medium, and long range solutions that BACSAC advocates in designing Contracts and Licenses for the 4 Theaters (Barnsdall, Madrid, Warner Grand, and Vision) and 3 Art Centers (Barnsdall Adult and Junior Art Center and William Grant Stills) that have been approved by City Council to engage in Partnership activities between the City and Private nonprofit public benefit organizations. DCA would like to apply one *basic* RFP also to at least 3 art centers that are already in partnership with the City (Canoga Park, Center for the Arts, Eagle Rock, McGroarty Arts Center) and others, and may also include all the programs at Barnsdall Park (Los Angeles Municipal Art Gallery and Museum Education and Tours of Hollyhock House). Today BACSAC will propose a medium range solution to last 5 years with a possible 5 year extension. BACSAC feels that this is medium range because under the most optimistic scenario it will be early in the next fiscal year when a program could first be offered to the public.

The nonprofits that operate or will operate the art programs under license from DCA for the City of LA will hold a diverse group of facilities with different qualities and quantities of expense.

A true solution for the working group and APHA to recommend that preserves uniformity of structure while programming for success is to place a partner contribution cap to all facility expenses passed through from General Services (DGS).

The production of art involves utility costs whether it is painting canvas under good light, painting media with light (photography) or with fire (ceramics) or the making of sound with amplification (music) or the world as a stage (acting). In some cases the passing through of full utility costs (especially electrical) will doom a program to failure. In some cases the square feet are very great and the passage of assumed "market rate" rentals will doom a program to failure and in other cases the age of the facility (which has an historical preservation component) requires high maintenance costs.

Thus far the working group has limited rent to no more than \$1,000/month and has held all but minor repair to the City in DGS. BACSAC agrees.

However, the subject of Utilities is less clear and Security and Custodial costs are deemed to be the responsibility of the nonprofit arts organization. This may work for some and not work for a campus like Barnsdall where full time security is required to ensure the safety and legal compliance of the entirety of the public visiting the park, not just the beneficiaries of park programs.

BACSAC suggests the solution of a 5-20% facilities cost cap on the nonprofit provider of art and cultural services in partnership with the City. Further BACSAC would like to ensure that new contractors with the City for these facilities be given a ramp-up time to impose these fees so that they are staggered and increase gradually over a 5 year period to the full 5-20%.

BACSAC suggests that the facility fees formula (FFF) simply be the addition of the deemed rent, the average annual electric and gas costs (water may not always be appropriate) and any other program-based utilities as well as a proportionate share of security and custodial fees. Then the next step in the formula is to multiply this total by 5-20% and bill this amount monthly.

The percentage will be determined in negotiation with the help of the specific council office in which the facility resides.

In addition, the licensee will pay 100% of minor repairs, reasonable and necessary insurance and fully maintain its status and insurances subject to quarterly review by DGS.

For example, assume that the JAC Buildings are under 20,000 square feet, resulting in 12k rental cost, assume gas and electric are 50K and custodial 35k and proportionate share of security 48k which is a total of 157k a year. BAC AND JAC which share the JAC building would actually reimburse the City up to 31K/year by the fifth year of operation (under a full 20%) or as little as 8k if the Council office recommended it after an analysis of the partner's projections.

The nonprofit partner would still have to raise or collect the money for programming classes and outreaching art instruction to other nonprofits and also pay the insurances, phone utilities and all other operating and administrative costs of the centers.

In either case success, rather than failure has been programmed for and we are not left with shuttered programs and closed buildings.

Submitted with love and understanding by Paul Gamberg, CAO