

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jerry Allen
Sara L. Hensley

SUBJECT: COMMUNITY CENTER FEES
FOR ARTS JOINT VENTURE

DATE: June 7, 2005

Approved

Kay Winer

Date

6/16/05

Council District: 6

RECOMMENDATION

Adopt a resolution establishing a special fee schedule for a three-year pilot program for arts organizations participating in a Neighborhood Arts Development Pilot at Hoover Community Center, which fee schedule shall temporarily supercede the City-wide resolution establishing fees and charges for use of all Parks and Recreational Facilities.

BACKGROUND

As proposed in the Recreation and Cultural Services CSA's FY2004-05 business plan, the Office of Cultural Affairs (OCA) and the Parks, Recreation and Neighborhood Services Department (PRNS) have embarked on the joint use of Hoover Community Center on a pilot basis, in a project named the Neighborhood Arts Development Pilot (NADP), in order to:

- 1) Obtain budget savings and more effective use of reduced personnel for OCA;
- 2) Obtain budget savings and more effective use of reduced personnel for PRNS;
- 3) Maintain and enhance community center-based services to a neighborhood that could otherwise be adversely affected by City budget reductions;
- 4) Develop a strategically appropriate, less budget-intensive alternative to the City's Arts Development Program and Center operated by OCA;
- 5) Implement as-yet unrealized strategies in the Council-approved Cultural Plan, 20/21, A *Regional Cultural Plan for the New Millennium*, namely:
 - a. Investing in the development and maintenance of neighborhood/community cultural centers in the City ... serving artists, cultural organizations, audiences, and community members;
 - b. Establishing an incentive program for artists and arts organizations to provide cultural education within a network of neighborhood and community cultural centers.

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The NADP is a three-year project, during which three small culturally specific arts organizations will be in residence at Hoover Community Center, where they will establish their administrative operations and offer arts classes and workshops to the community. The groups will utilize San Jose Unified School District's adjoining Historic Hoover Theater for rehearsals and performances, under a separate arrangement with the Theater's management. OCA will mentor the groups in developing programming and marketing that speaks to the Center's surrounding community and in developing broader relationships with the community. OCA will also work with the groups to facilitate the development of working relationships with the three arts magnet schools that neighbor Hoover Community Center.

The NADP takes the place of the Arts Development Program (ADP) in the OCA's array of programs and services. The ADP was one of several initiatives that comprised the San José Arts Incubator. Added in the early 1990s to the Multicultural Arts Incubation Project (MAIP), the original component of the then still new Arts Incubator, the ADP focused its attention on assisting small organizations that were interested in expanding their capacity beyond that of the entirely volunteer-run arts groups that were the object of the MAIP. The ADP pursued its mission of developing organizational capacity through a combination of grants, technical assistance consultations, and mentoring. In addition, the City provided office space to both ADP and MAIP participants in the Arts Development Center, a facility operated by the OCA. In the face of increasing budget pressures, and a section staff that had shrunk by about 40 percent in three years, the OCA had proposed in the FY2004-05 budget approved by the City Council to phase out the ADP, as well as the Arts Development Center, which occupied space leased from a private landlord.

The NADP shares some of the capacity-development mission of the retired ADP, although it places capacity development within the broader mission of the neighborhood arts and cultural education strategies of the *20/21* Cultural Plan. Thus, participation in the ADP was chosen as a criterion for participating in the NADP.

Using that criterion, OCA selected for the NADP three longtime ADP participants that had expressed an interest in serving as test groups for the pilot: Kaisahan Dance Company, an organization rooted in Filipino cultural traditions; the Flamenco Society, a veteran presenter and teacher of Flamenco dance and music; and Shri Krupa Dance Foundation, an organization deeply rooted in the cultural traditions of southern India.

ANALYSIS

As part of their participation in the NADP, each of the three arts organizations will execute a contract with the City, which will require the arts organization to offer at least eight hours each month of cultural education opportunities for the public including classes, workshops and other opportunities for hands-on participation in the arts. However, the organizations will be encouraged to offer as large a volume of cultural education opportunities at Hoover Community

Center as their resources and the market will allow. OCA will assist the organizations in marketing efforts that target the communities surrounding the community center.

Therefore, the NADP will ensure a minimum of 24 hours per month (eight hours x three organizations) of additional cultural education opportunities for the community at Hoover Community Center. Preliminarily, each of the organizations has already indicated an eagerness to offer more than the required eight hours can encompass.

In order to facilitate these community opportunities, and as the City requires that the participant organizations offer them, OCA recommends that the City grant the participants in the NADP a certain number of hours of free use of the community center's classrooms.

As one of the aims of the NADP is to facilitate the development of additional organizational capacity among the participant organizations, OCA recommends that the arts organizations be given free use of office space, and that the City authorize the arts organizations to charge fees for the classes and workshops they offer, and to retain those fees.

Proposed Exemption

It is proposed, therefore, that the City adopt a resolution, superceding the application of fees for use of Parks and Recreational Facilities during the initial three year pilot program for the three arts organizations that are participants in the NADP, as follows:

1. Free use of classrooms for up to six hours per week at Hoover Community Center for arts classes, workshops and other opportunities for hands-on participation in cultural education that are open and available to the public, and allow the arts organizations to charge fees for these classes, etc, and to retain the full amount of the fees.
2. Free use of classrooms for up to an additional seven hours per month at Hoover Community Center for the arts organizations' own rehearsals, meetings and other activities related to the organizations' programs and general operations. Such use need not be open to the public.
3. It is further proposed that City not require NADP participant organizations to pay administrative charges, such as application fees, staffing fees and cleaning deposits, which PRNS normally charges for the use of community center facilities regardless of the number of hours of classroom use by the organizations, except in the case of damage or excessive wear and tear.

The fees in the Parks and Recreational Facilities that would otherwise apply to use of Hoover Community Center shall apply for any classroom use by the arts organizations over and above the limits described above. Use of Office space is not covered by the PRNS fee resolution, and has been granted to the arts organizations since January 2005, under the City Manager's contracting authority. The arts organizations will be required to provide evidence of insurance, and to provide an indemnification of the City in exchange for use of the Facility.

Prior to the end of the three-year pilot program, OCA will report back to City Council and make a recommendation on whether to continue to offer space at Hoover Community Center. If the City determines that the program is beneficial, it is anticipated that OCA would issue a Request for Proposals or a Request for Qualifications, to provide an open selection process for future program participants.

OUTCOME

Approval of the special fee schedule for the NADP will allow the three resident arts groups to offer the new, diverse cultural education opportunities envisioned for Hoover Community Center, expanding substantially the services that the community will find at Hoover while retaining the ones to which it has become accustomed, and allowing the arts groups to make real homes at the Community Center.

PUBLIC OUTREACH

The proposed framework for the NADP at Hoover Community Center was presented to, and received favorably by, the Boards of Directors of the Rose Garden Neighborhood Association and the Shasta-Hanchett Neighborhood Association. The proposed framework was an agenda item at two publicly noticed meetings: for review by the Programs Committee of the Arts Commission on May 28, 2004, and for recommendation by the Arts Commission on June 9, 2004. It was reviewed and approved by management of San Jose Unified School District.

COORDINATION

OCA and PRNS have worked closely on the development of the NADP, and have coordinated with the Office of the City Attorney. Council member Ken Yeager and staff (District 6) have been briefed on development of the NADP.

COST IMPLICATIONS

The NADP should result in a modest net savings to the City. By not renewing its lease on the private property that housed the Arts Development Center, OCA was able to cut approximately \$65,000 in annual expenses, more than offsetting the loss of about \$8,500 per year in participation fees resulting from the smaller number of groups in the NADP than in the ADP. The participation fees from the three NADP resident arts organizations — \$12,600 per year — will be used to offset a portion of Hoover Community Center's operating expenses.

In addition, OCA will contract for the services of an experienced consultant to facilitate the evaluation of the NADP. Up to \$5,000 has been included in the FY2005-06 budget for the

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development of evaluation parameters, methodology and performance measures. Although the cost of consultant services has not been fully determined, it is not expected to exceed \$20,000 over the three years of the pilot.

As a new community center, Hoover has had a relatively low level of programming. Consequently, the additional use of classroom space by the NADP is expected to have a marginal impact on the current level of PRNS revenues from room rentals and class fees. Revenue generated by rentals during the past fiscal year was \$128.00. Most of the classes offered by the resident arts groups will take place initially on the weekends — times little used by existing program vendors. Additional PRNS staffing will not be necessary after an initial orientation period, as the resident groups will be trained to staff the community center during those times when they are using the classrooms. Therefore, the main cost of the joint venture to PRNS will be additional facility operating expenses — utilities, etc. — from having Hoover Community Center in use for more hours than is currently the case, which will be offset to some extent by the resident arts groups' participation fees, as described above.

CEQA

Not a project.



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