

Special Meeting of the Madera City Council

205 W. 4th Street, Madera, California 93637

NOTICE AND AGENDA

Wednesday, October 21, 2020
5:55 p.m.

Council Chambers
City Hall

This meeting will be conducted pursuant to the provisions of the Governor's Executive Order which suspends certain requirements of the Ralph M. Brown Act. The City Council meeting will be live streamed on the City's website. Members of the public may participate in the meeting remotely through an electronic meeting in the following ways; via phone by dialing (669) 900-6833, enter ID: 983 0966 3421#, followed by *9 on your phone to speak. Comments will also be accepted via email at citycouncilpubliccomment@madera.gov or by regular mail at 205 W. 4th Street, Madera, CA 93637.

CALL TO ORDER

ROLL CALL: Mayor Andrew J. Medellin
Mayor Pro Tem Santos Garcia, District 5
Councilmember Cece Gallegos, District 1
Councilmember Jose Rodriguez, District 2
Councilmember Steve Montes, District 3
Councilmember Derek O. Robinson Sr., District 4
Councilmember Donald E. Holley, District 6

INVOCATION:

PLEDGE OF ALLEGIANCE:

APPROVAL OF AGENDA:

PUBLIC COMMENT:

Members of the public shall have an opportunity to address the City Council regarding matters on this Agenda. Speakers should limit their comments to three (3) minutes.

A. PETITIONS, BIDS, RESOLUTIONS, ORDINANCES, AND AGREEMENTS:

A-1 Madera County Arts Authority Update and Contribution of Start-up Costs for Years 1 and 2

Recommendation: Approve Funding for the Madera County Arts Authority (MCAA) in the Amount of \$29,920 for Year 1 or other Funding as Requested by the MCAA (Report by Arnoldo Rodriguez)

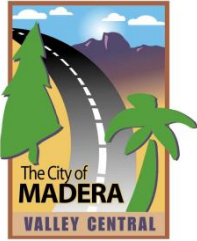
ADJOURNMENT – Next regular meeting November 4, 2020

- Please silence or turn off cell phones and electronic devices while the meeting is in session.
 - Regular meetings of the Madera City Council are held the 1st and 3rd Wednesday of each month at 6:00 p.m. in the Council Chambers at City Hall.
 - Any writing related to an agenda item for the open session of this meeting distributed to the City Council less than 72 hours before this meeting is available for inspection at the City of Madera Office of the City Clerk, 205 W. 4th Street, Madera, California 93637 during normal business hours.
 - The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Request for additional accommodations for the disabled, signers, assistive listening devices, or translators needed to assist participation in this public meeting should be made at least seventy-two (72) hours prior to the meeting. Please call the Human Resources Office at (559) 661-5401. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service.
 - Questions regarding the meeting agenda or conduct of the meeting, please contact the City Clerk's office at (559) 661-5405.
 - Para asistencia en español sobre este aviso, por favor llame al (559) 661-5405.
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I, Alicia Gonzales, City Clerk for the City of Madera, declare under penalty of perjury that I posted the above agenda for the Special Meeting of the Madera City Council for October 21, 2020 near the front entrances of City Hall and on the City's website www.madera.gov at 6:00 p.m. on October 19, 2020.



Alicia Gonzales, City Clerk



REPORT TO CITY COUNCIL

Approved by:

Arnoldo Rodriguez

 Arnaldo Rodriguez, City Manager

Council Meeting of: October 21, 2020

Agenda Number: A-1

SUBJECT:

Madera County Arts Authority update and contribution of start-up costs for years 1 and 2

RECOMMENDATION:

Approve funding for the Madera County Arts Authority (MCAA) in the amount of \$29,920 for year 1 or other funding as requested by the MCAA.

SUMMARY:

The purpose of this report is to provide the City Council (Council) an informational update on the status of the MCAA and to discuss the potential contribution of City funds for start-up costs.

DISCUSSION:

The MCAA is a Joint Powers Agreement (JPA) comprised of the City, Madera County, and the Madera Unified School District (MUSD). The Council approved the JPA on April 18, 2018. The MCAA was created for overseeing the development of a Cultural Arts and Performing Arts Center with the renovation of the old Madera County Library as part of the Center. The City’s representative on the MCAA is Councilwoman Gallegos.

The MCAA is requesting funding from each of the three entities for start-up costs associated with the development of the Madera Cultural and Performing Arts Center and renovation of the Historic Library. Council may recall that this item was previously presented on June 19, 2019. At the time, due to budget constraints, the City did not participate.

Today, the MCAA is requesting that the City contribute \$29,920 for year 1 start-up costs. Per MCAA, year 2 costs are to be determined.

Table 1: MCAA requested funding		
<i>Agency</i>	<i>Year 1 funding</i>	<i>Year 2 funding</i>
City	\$29,920	TBD
County	29,920	TBD
School District	29,920	TBD
Total	\$89,760	TBD

The activities performed by the MCAA during the initial two-year period will include:

1. Engaging a professional development consultant to organize the capital fundraising campaign;
and
2. Hiring an administrative assistant to the MCAA.

The intent of the MCAA is to fund future operational costs from ongoing fundraising activities.

It is noted that Madera County has committed to provide funding for years 1 and 2, whereas MUSD has done the same for year 1.

FINANCIAL IMPACT:

Funding would be allocated from the City's General Fund unless alternative funding sources are identified.

ALTERNATIVES:

Potential alternatives include:

1. Direct that staff conduct additional research for Council consideration.
2. Contribute an amount other than the requested amount.
3. Direct staff to provide in-kind services.

ATTACHMENT:

1. Reimagining Downtown Madera report prepared by the Madera County Arts Authority JPA

Reimagining Downtown Madera
Through the development of the
Madera Cultural and Performing Arts Center
And the
Historic Library Renovation

❖ **Request:**

The Madera County Arts Authority (JPA) is requesting funding in the amount of \$29,920.00 from each agency for start-up costs associated with the development of the Madera Cultural and Performing Arts Center and the Historic Library Renovation. The estimated year 1 costs for initial MCAA activities are \$89,760 and year 2 costs are TBD. The activities performed by the MCAA during the initial 2 year period consist of hiring a professional development consultant to organize the capital fundraising campaign as well as hiring an Board clerk (see budget on page 3) Certain activities such as legal services and meeting organization are currently being absorbed by the County of Madera as in kind contributions. The cost of the in kind contributions are included in the budget. The JPA is requesting funding for the start-up costs on an equal basis (33% of year 1 and year 2 activities) from the 3 jurisdictions that make up the MCAA. The Madera County Arts Council will provide assistance as funding is available. The intent of the MCAA is to fund future operational costs from ongoing fundraising activities.

The balance of the presentation provides an executive summary of the proposed project.

❖ **Governing Authority:**

Madera County Arts Authority (MCAA). The purpose of the MCAA (a JPA) is to “cooperatively provide for the development of an arts center in the City of Madera, serving the entire County of Madera and to develop a mechanism of its ongoing operation and maintenance.” (*Section 2.03-Purpose, MCAA Joint Powers Agreement*) Current Members of the Madera County Arts Authority (MCAA) January 2019:

- Dr. Julia O’KaneMadera County Arts Council Representative
- Charles Weiland.....At large Community Representative
- Rick Arredondo.....Madera Unified School District Representative
- CeCe Gallegos.....City of Madera Representative
- Rob Poythress.....County of Madera Representative

❖ **What:**

The creation of a Cultural and Performing Arts Center and Old Library renovation that will provide an inspirational civic gathering place where cultural activities educate and entertain. The theater and performing arts center will have an interior courtyard, secure art gallery, two theaters including a 500 seat theater, 450 seat banquet hall/classroom space, full service kitchen, and public retail café. The renovated library will provide gallery and event space, classroom, studio spaces, and an administration office.

❖ **When and Where:**

Phase I. Renovation of “old” library located on the NE corner of G Street and Yosemite Ave in Downtown Madera. The projected completion date ranges from 2021-2023, approximately Eighteen months from start of renovation. This project will begin as soon as building is available, funding for renovation has been secured, and lease agreement between property owner and tenant (expected to be the Madera County Arts Council) is confirmed.

Phase II. This phase consists of the construction of a new Cultural and Performing Arts Center located on the NW corner of Yosemite Ave. and G Street in Downtown Madera, where the former County/Courthouse building currently exists. The timing for the completion of this facility is estimated to be 2025 due to the complexities involved with the project and the sourcing of funding.

❖ **Capital Costs:**

Phase I. Renovation of the “old” library estimated @ \$3,500,000.

Phase II. Construction of new Cultural and Performing Arts Center estimated at \$50-60,000,000.

❖ **Why:**

Provide a needed cultural arts related center for Madera County. Prospective city/county residents are looking for places that enhance quality of life. The Arts Center will contribute to revitalization of downtown Madera/economic growth and continue development of a

strong civic center. The Center will provide much needed theater/performing space for schools, community activities, and professional performances, as well as needed event and community meeting spaces, gallery spaces, and provide classroom space for arts centered activities.

❖ **How:**

Funding through a combination of public, private, grants, and endowments will be combine to provide capital funding. The capital campaign will be led by a professional consultant. Operations will be funded by the Madera County Arts Council for the renovated library. Operational costs for the Arts Center will be funded through the creation of an endowment, annual fundraising, venue rentals and event ticket sales.

❖ **Use:**

The Arts Center will be used for live theatrical and musical performances, Classroom, Event, Gallery, Meeting, and Community gathering spaces.

❖ **Business Plan**

1. Startup costs Year one (annual costs 2019):

Administrative Assistant	\$ 7200.00
Project coordinator	60,000.00
Legal/other	<u>22,560.00</u>
Total expenses:	\$89,760.00

Year two (2020): TBD

2. Intervening years

The MCAA plans on being in a position to fund operations during the years 2021 through 2027 through fundraising efforts. The sources of funds will include Individuals, Government grants and contributions, estates, and in kind provisions. The timing of event income will be determined based on the progress of the Performing Arts facility construction.

3. Performing Arts Center operations (fully operating 2028)

This projection was prepared by Paul Halajian Architects based on performance data collected from other Performing Arts Centers and referenced at the end of the projection.

Projected revenue	
Contributions and grants	1,087,000.00
Program revenue	1,424,800.00
Investment income	22,900.00
Other revenue	<u>84,300.00</u>
Total revenue:	\$2,619,000.00

Projected expenses	
Employee expenses	1,270,200.00
Fees for services	336,800.00
Advertising/office expenses	295,200.00
Occupancy	138,900.00
Other	537,300.00
Total:	\$2,389,100.00

Revenues in excess of expenses: \$229,900.00

Sources: IRS Form 990 for 2014 for Sunset Cultural Center, Inc., Carmel, CA; IRS Form 990 for 2015 for Merced Center for the Performing Arts; IRS Form 990 for 2015 for Livermore Valley Performing Arts Center, Livermore, CA; websites for Sunset Cultural Center, Merced Center for the Performing Arts, Livermore Valley Performing Arts Center; Executive Director for Merced Center for the Performing Arts; U.S. Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers; and ALH Urban & Regional Economics.

(1) This is a representative operating statement based upon the number of planned seats at the Madera Performing Arts Center. Analysis of annual revenues and expenditures for comparable performing arts centers in California was conducted on a per seat basis, and used as a projection for the Madera Performing Arts Centers. This should be considered a general guide, as there are many differences between the planned Madera Performing Arts Center and the comparable centers, foremost including the planned banquet space at the Madera facility. In addition, the comparable centers report higher employee counts than anticipated in Madera. Of additional note is that the carrying costs for the construction of Performing Arts Center will be a key component of the Center's annual operating costs, not adequately represented in this statement.

❖ Strengths/Challenges/Conclusion

Project Strengths

1. Over \$3,000,000 has been raised prior to the launch of any formal effort
2. Solid community/jurisdictional support for the project
3. First Performing Arts Center in Madera providing a venue for events that could not have occurred here previously
4. Provides momentum for Downtown revitalization in Madera
5. Outstanding venue for School performances and educational setting

Project Challenges

1. Fundraising
2. Jurisdictional coordination and “sense of ownership”.
3. Selection of project coordinator and Center management is a major key to success.
4. The MCAA was formed without funding. Operations have thus far been funded through in-kind contributions from the County of Madera for legal and meeting services.

Conclusion

The Madera County Arts Authority (MCAA) was created for the purpose to oversee the development of a Madera Cultural and Performing Arts Center and Library renovation. The City of Madera, County of Madera, and the Madera Unified School District certainly would not waste the time of sponsoring and participating in the JPA unless the subject jurisdictions were not serious about seeing a project such as this continue in the planning stages. The requested contributions will allow a robust fundraising effort to commence as well as continued planning. The requested funding is divided out amongst 3 entities that allows sufficient funding for the project to progress without burdening any one jurisdiction financially. The composition of the JPA also provides jurisdictional representation to ensure fiscally responsible operations. Finally, although the MCAA was formed for the development of the center, the JPA will not recommend a project that is not sustainable and at each stage of development will ensure that fiscally responsible decisions and recommendations are made. Approval of the requested funding is strongly recommended.

