

APPROVED
MAR 19 2014

REPORT OF GENERAL MANAGER

NO. 14-070

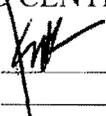
DATE March 19, 2014

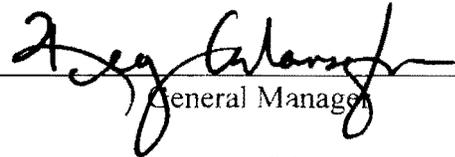
BOARD OF RECREATION
& PARK COMMISSIONERS

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: EXPO CENTER – MEMORANDUM OF UNDERSTANDING WITH THE FRIENDS OF EXPO CENTER

R. Adams	_____	*K. Regan	
H. Fujita	_____	M. Shull	_____
V. Israel	_____	N. Williams	_____



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Memorandum of Understanding (MOU), substantially in the form on file in the Board office, between the Department of Recreation and Parks (RAP) and the Friends of EXPO Center (Friends), to establish roles, responsibilities and relationships between RAP and the Friends, subject to the approval of the Mayor and of the City Attorney as to form;
2. Direct the Board Secretary to transmit the proposed MOU to the Mayor for approval in accordance with Executive Directive 3. and concurrently, to the City Attorney for review and approval as to form; and,
3. Authorize the Board President and Secretary to execute the MOU, subsequent to receipt of the necessary approvals.

SUMMARY:

In the latter part of 1998, the Exposition Park Intergenerational Community Center, Inc. (EPICC), a non-profit corporation, was formed to create and implement a project to add recreational and community services for the residents of Los Angeles residing in the neighborhoods surrounding Exposition Park. Under the leadership of the Weingart Foundation, the initial visionary for the project, four (4) other private foundations joined together to form a public-private partnership with

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the City of Los Angeles, through the Department of Recreation and Parks, to develop and build a new community center at Exposition Park, now known as EXPO Center.

On January 5, 2000, the EPICC Board was given authority through Board Report No. 00-29 to manage the design, renovation, and construction of the project on property owned by the City. The project budget was approximately \$28 million and consisted of \$17 million from the private sector (EPICC) and \$11 million from the public sector (City). The EPICC Board completed the project in October 2004 and turned the EXPO Center over to RAP to manage and operate per the March 23, 2000 Renovation, Rehabilitation and Construction Agreement between the EPICC Board and RAP. The agreement also states that the EPICC Board would dissolve its operations upon completion of the project. The City owns and operates the EXPO Center and operates the Soboroff Sports Field. The Friends of EXPO Center, established on August 5, 1998 (a non-profit organization) is the successor of EPICC. EPICC served as a support and advisory body to the EXPO Center.

The Friends of EXPO Center (Friends) was established in 2006 and is a 28-member Board of Directors comprised of high-level professionals from multinational corporations, public sector agencies, and local businesses, foundations, and non-profit organizations. Friends' initial efforts to generate financial support to build EXPO Center garnered \$30 million from well-established public and private sector sources. Since EXPO's opening in 2004, Friends has raised more than \$10 million for capital improvements and recreational programming.

A key provision of the MOU:

- Staff recommends exempting the Friends from cost recovery for shared office space due to their annual fundraising support which exceeds \$700,000.00.
- General Manager or designee will make its best effort to identify office space for Friends or Friends staff at EXPO at no cost to Friends.

FISCAL IMPACT STATEMENT:

This MOU will not have a fiscal impact on the Department's General Fund. There is no cost to the Department for its implementation, and it does not provide for any specific transfer of funds. By defining roles, responsibilities and relationships between the City and Friends, however, the MOU provides the foundation for continued support of EXPO Center by Friends. The relationship with Friends almost certainly will afford additional fundraising opportunities, which will enable EXPO Center to continue and/or expand services without bearing the full cost of those services. For example, without the funds contributed by Friends, enrollment in the Afterschool Enrichment Program would be substantially lower than the current enrollment.

This report was prepared by Belinda Jackson, Executive Director, EXPO Center.