



## Legislation Details (With Text)

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**Title:** Consideration of a Resolution to Amend the Torpedo Factory Art Center Board and Consideration of a Resolution to Waive Utilities and Rent for FY15. [ROLL-CALL VOTE]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 14-2893\_New TFACB Resolution, 2. 14-2893\_Resolution #2420, 3. 14-2893\_Resolution for Rent and Utility Waiver, 4. 14-2893\_Funding Use Outline, 5. 14-2893\_Program and Community Engagement Manager Job Description, 6. 14-2893\_3North Consulting Project Outline, 7. 14-2893\_3North Consulting Fee Schedule, 8. 14-2893\_Estimate from Colours Inc, 9. 14-2893\_Torpedo Factory Worksession Presentation, 10. 14-2893\_After Items, 11. 14-2893\_After Items 2

Date	Ver.	Action By	Action	Result
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## City of Alexandria, Virginia

### MEMORANDUM

**DATE:** JUNE 18, 2014

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** RASHAD M. YOUNG, CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of a Resolution to Amend the Torpedo Factory Art Center Board and Consideration of a Resolution to Waive Utilities and Rent for FY15. [ROLL-CALL VOTE]

**ISSUE:** Consideration of a resolution to amend the Torpedo Factory Art Center Board to include two additional at-large members which would increase the Board from 13 to 15 members as well as provide the TFACB the opportunity to advise City Council on Board appointment, and consideration of a resolution to waive \$137,274 in utility costs and 25,050 square feet of common space rent for FY15.

**RECOMMENDATION:** That City Council:

(1) Approve an amendment to City Council Resolution 2420 to add two “at-large” members to the Torpedo

Factory Art Center Board (TFACB);

- (2) Consider a request of the TFACB to provide rent and utility expense relief for FY 2015 in the amount of \$137,274.

### **BACKGROUND:**

On May 13, 2014, Eric Walner, Torpedo Factory Chief Executive Officer, and members of the Torpedo Factory Art Center Board (TFACB) were invited to give a work session presentation to the City Council about the future of the Torpedo Factory Art Center. At the conclusion of the TFACB presentation, Council requested the issues of Board composition and funding support raised by Mr. Walner and the TFACB in their presentation be docketed for Council discussion and consideration.

#### Torpedo Factory Art Center Board Composition

In 2010 City Council adopted a resolution that established the Torpedo Factory Art Center Board (TFACB) which is charged with the responsibility for management and operational oversight of the Torpedo Factory Art Center.

The TFACB currently consists of 13 voting members, eleven members appointed by City Council serving three year staggered terms, and two ex-officio members serving indefinite terms. Details of the Board's current composition are as follows:

- Four members appointed at large and representing a diversity of expertise which may specifically include marketing, retail/commercial facility management, public relations, arts management, or other knowledge, skill or appropriate ability;
- Five members representing the Torpedo Factory Artists Association (TFAA), such members to be endorsed by the TFAA governing body prior to consideration of appointment by City Council;
- One member representing the Art League;
- One member representing the Alexandria Commission for the Arts;
- One ex-officio member representing the Alexandria Convention and Visitors Association;
- One ex-officio member representing the City Manager's Office.

#### Torpedo Factory Art Center Rent and Utilities

Effective July 1, 2014, lease terms for the Torpedo Factory Art Center require the TFACB to pay the City \$5.48 per square foot of space in the facility. The rental rate reflects a combination of lease space and utility expense. The square footage of the facility rented by the TFACB includes artists and retail space, as well as 25,050 square feet of "common area" space. The annual lease value of the common area space is \$137,274.

### **DISCUSSION:**

#### Torpedo Factory Art Center Board Composition

The TFACB notes that the current composition and appointment of Board members is inconsistent with best practices in the non-profit sector. As such, the TFACB requests that two additional at-large members be added to the TFACB, bringing total voting membership of the Board to 15. According to the TFACB, the change in composition will ensure greater diversity of Board members and give the TFACB the ability to seek skills that the Board needs to advance the organizational mission (i.e. fundraising, marketing, etc.).

The addition of two "at-large" members not specifically associated with a group or organization will also

permit the TFACB to have greater input into who is appointed to the Board. While Council retains authority for Board appointments, the TFACB will be free to recommend members from the community in general, regardless of their organizational or group affiliation.

#### Torpedo Factory Art Center Rent and Utilities

In an effort to fund new initiatives at the Torpedo Factory Art Center the TFACB is requesting a waiver in “common space” rent and utilities. Common space in the facility is space that is shared by all and includes hallways, stairwells, restrooms, storage space, etc. As is common practice, the TFACB as lessee of the building is responsible for the lease expense of the entire facility, including the common space. TFACB’s requested waiver eliminates the FY 15 lease charge for common space and effectively reduces expected FY 2015 City general fund revenue by \$137,274. City staff does not have an identified alternative source of funds to offset this proposed reduction in revenue. As a result, if Council acts to grant the requested ongoing waiver, either a new source of revenue will be required or an offsetting expenditure reduction will have to be made. Appropriating fund balance for an ongoing waiver/expense is not in accordance with sound financial management and is not recommended.

Following is a summary listing of how the TFACB proposes to utilize the requested \$137,274 in funds (see attachments for additional information). All expenses, including staff costs, are noted as one-time, non-recurring expenditures.

#### Staff:

Program Manager (contract)	\$50,000
CEO pro-rated time	\$5,000

#### Program Costs:

Materials	\$5,000
Performer & Artist Fees	\$10,000

#### Signage:

Update Exterior Signage	\$7,500
Front Interior Decal	\$5,500
Interior Building Signage	\$5,000

#### Renovations:

Architectural Consultant	\$25,000
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#### Marketing:

Advertising	\$25,000
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**FISCAL IMPACT:** There is no fiscal impact to the Torpedo Factory Art Center Board composition changes.

Requested rent and utility relief for FY 15 reduces expected general fund revenue by \$137,274. If Council desires to fund this waiver for FY 2015 and beyond, an alternative source of revenue or offsetting budget expenditure reduction has to be identified. .

#### **ATTACHMENTS:**

1. New TFACB Resolution
2. Resolution No. 2408
3. Resolution No. 2420

4. Resolution to Waive Utilities
5. Torpedo Factory Art Center Funding Use Outline
6. Program and Community Engagement Manager Job Description
7. 3North Consulting Proposal
8. 3North Fee Schedule
9. Printing Estimate from Colours, Inc.
10. Torpedo Factory Art Center May 13, 2014 Presentation

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