



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: DECEMBER 6, 2022**

FROM: COMMUNITY & ECONOMIC DEPARTMENT **WARD: 1**
DEPARTMENT

SUBJECT: FIRST AMENDMENT TO THE MANAGEMENT AGREEMENT FOR THE CHEECH MARIN CENTER FOR CHICANO ART AND CULTURE OF THE RIVERSIDE ART MUSEUM

ISSUE:

Alignment of the Management Agreement for the Cheech Marin Center for Chicano Art and Culture of the Riverside Art Museum with the legislative intent of City Council. The Management Agreement includes a Facility Fee provision that allows a fee to be collected for maintenance; however, it should have also included operations.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to Management Agreement for The Cheech Marin Center for Chicano Art and Culture of the Riverside Art Museum; and
2. Authorize the City Manager, or his designee, to execute any necessary, financial, or legal documents, including making minor and non-substantive changes in order to execute the agreement.

BACKGROUND:

On January 19, 2021, the City Council approved an agreement for The Cheech Marin Center for Chicano Art and Culture with the Riverside Art Museum for an initial term of 25 years with two optional five-year term extensions and awarded Bid No. 7764 to Hamel Contracting Inc. from Murrieta, California to renovate the existing Main Library located at 3581 Mission Inn Avenue into The Cheech Marin Center for Chicano Art and Culture.

On June 18, 2022, The Cheech Marin Center for Chicano Art and Culture (The Cheech) opened to the public following a month of activities that included receptions, a gala, concerts, and the civic dedication.

DISCUSSION:

The successful opening and first few months of operations have highlighted how important this resource is to City. Robust attendance, national media coverage and an unprecedented reach across all media platforms, has put The Cheech on the world map.

Since February 2022, City staff and RAM have met regularly about the programming, administration, and opening activities of The Cheech. Cheech Marin has also been included and receives regular updates. During these discussions, City staff realized that the Management Agreement presented to City Council on January 19, 2021, required a clean-up to ensure it aligned with the legislative intent. Specifically, Section 4.4 (Facility Fee) of the Management Agreement, inadvertently omitted operations as an allowable use of the facility fee collected. The presentation to the City Council covered collection of a per-ticket charge to go to the City that would help offset both maintenance and operations. However, the word “operations” was not included in the last sentence of Section 4.4 of the Management Agreement. This First Amendment would modify the language of Section 4.4 of the Agreement, Facility Fee to read (additional text in **bold/underline**):

“4.4. Facility Fee. RAM shall impose a Facility Fee (“Facility Fee”) to be added to the price of all paid admissions to the Center and for Facility Rental Events at the Premises in order to help underwrite the future maintenance and operation of the Premises. RAM shall include the Facility Fee requirements in all Facility Rental Agreements for the Premises. As of the date of this Agreement, the minimum Facility Fee for single admission is Three Dollars (\$3.00) for adults and One Dollar (\$1.00) for children thirteen (13) and over and seniors over sixty-five (65) years old. For Facility Rental Events, RAM shall pay the City One Dollar (\$1.00) for every participant. The Facility Fee shall increase annually by five percent (5%) for the first ten (10) years. After ten (10) years, the Parties shall meet to determine and/or renegotiate said fees. After this meeting, the City may increase the Facility Fee upon ninety (90) days’ written notice of such increase and upon approval by the City Council. Notwithstanding anything contained herein to the contrary, the Parties will mutually agree upon the effective date of any modified Facility Fee and such new Facility Fee shall not apply until the agreed upon Effective Date. RAM shall pay to the City the Facility Fees twice a year. The City shall segregate all Facility Fees in a separate account that shall be used for **any and all costs associated directly or indirectly** with the maintenance **and operation** of the Center and provide to RAM semi-annually an accounting of such account.”

The modification to Section 4.4 (above) would allow use of the fee for both maintenance and operations, specifically to offset the cost associated with management of The Cheech.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 1 – Arts, Culture and Recreation**, and **Goal 1.1 – Strengthen Riverside’s portfolio of arts, culture, recreation, senior, and lifelong learning programs and amenities through expanded community partnerships, shared use opportunities, and fund development.**

This item also contributes to **Strategic Priority 5 – High Performing Government**, and **Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.**

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Per the Agreement, City staff and RAM will present an annual update to City Council to convey updates, trends, and programs on the investment that the community has made to The Cheech.
2. **Equity** – The Agreement allows the City, in partnership with the Riverside Art Museum, to provide diverse programming as outlined in the original agreement.
3. **Fiscal Responsibility** – The First Amendment provides clear language and consistency within the agreement for the prudent and fiscal use of the facility fee.
4. **Innovation** – The Cheech is innovative, different, and exciting with programming and opportunities not only for museums but for government as well with the public-private partnership that was created to make The Cheech.
5. **Sustainability & Resiliency** – The Agreement and Facility Fee allows for ongoing maintenance needs to be addressed to ensure the vitality of The Cheech.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Chris Christopoulos, Acting Community & Economic Development Director

Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. First Amendment to Management Agreement for The Cheech Marin Center for Chicano Art and Culture of the Riverside Art Museum