

APPROVED

REPORT OF GENERAL MANAGER

NO. 15-048

DATE March 4, 2015

MAR 04 2015
BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HOLLYWOOD MUSEUM COLLECTION – RESCISSION OF APPROVAL OF AMENDMENT TO AGREEMENT NO. 2386 FOR THE LOAN OF COSTUMES AND TEXTILE ARTIFACTS AND REVISED AMENDMENT TO LOAN AGREEMENT NO. 2386 WITH THE FIDM MUSEUM AND LIBRARY, INC.

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



 General Manager

Approved

Disapproved

Withdrawn

RECOMMENDATIONS:

That the Board:

1. Rescind their action of November 14, 2014, approving a proposed Amendment to Loan Agreement No. 2386 between the City of Los Angeles Department of Recreation and Parks and FIDM Museum and Library, Inc.;
2. Approve a revised proposed Amendment to Loan Agreement No. 2386 (Amendment), substantially in the form as on file in the Board office, between the City of Los Angeles Department of Recreation and Parks and FIDM Museum and Library, Inc., a California 501(c)(3) organization, for the loan of costumes and textile artifacts from the Hollywood Museum Collection, subject to the approval of the Mayor pursuant to Executive Directive No. 3, approval by the City Council by ordinance pursuant to Los Angeles Administrative Code Section 10.5(a) and Charter Section 373, and approval of the City Attorney as to form;
3. Find, in accordance with Charter Section 1022, that the Department does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract;
4. Direct the Board Secretary to transmit the proposed Amendment, concurrently to the

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Mayor in accordance with Executive Directive No. 3 and to the City Attorney for review and approval as to form;

5. Authorize the Board President and Secretary to execute the Amendment upon receipt of the necessary approvals; and,
6. Exercise the twenty-five (25) year renewal option in accordance with Section 2 of Amended Loan Agreement Number 2386, as stipulated in the new proposed Amendment, replacing the original ten (10) year renewal option, upon the execution of the Board-approved Amendment.

SUMMARY:

FIDM Museum and Library, Inc., (FIDM) was founded in 1977. FIDM began as an educational resource for students studying at the Fashion Institute of Design and Merchandising, a private college in downtown Los Angeles that was founded in 1969. FIDM serves the students, outside researchers, and the community through accessible collections policies, exhibitions, curatorial scholarships, educational programs, and social media. The entire collection housed at FIDM is accessible and free-of-charge to students and researchers. FIDM presents at least three (3) exhibitions per year that are always free-of-charge.

The mission of FIDM is to "...provide students, researchers, designers, and the public with resources to examine the role of historic fashion, accessories, textiles, jewelry, fragrance, and related ephemera in their relationship to society, history, art, and technology."

On July 23, 1990, the Department of Recreation and Parks (RAP) and FIDM entered into Loan Agreement No. 2386 (Agreement), in which FIDM agreed to store, conserve, restore, maintain, and exhibit costumes and textile artifacts owned by RAP as part of the Hollywood Museum Collection as described in this Report. The term of the Agreement is twenty-five (25) years and will expire on July 22, 2015. Section 2 ("Term") of the Agreement allows for a ten (10) year extension upon written consent of both parties.

On April 23, 2014, FIDM sent written correspondence to RAP requesting that the ten (10) year extension be exercised. On June 4, 2014, staff met with FIDM representatives at the Fashion Institute of Design and Merchandising, located at 919 South Grand Avenue, Los Angeles, CA 90015 and was provided a tour of the facility. The facility is both an accredited educational facility and museum that showcases historical costumes and textile artifacts. Staff witnessed firsthand the care and respect with which FIDM stored and exhibited the loaned items. Further discussion resulted in mutual agreement that a second twenty-five (25) year term would benefit the City and give RAP additional time to consider whether to conduct a new Request for Proposals.

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Accordingly, Staff prepared an amendment to revise the Agreement from one (1) ten (10) year extension to one (1) twenty-five (25) year extension. This prior amendment also: 1) Corrected the name of the organization on the Loan Agreement from the “Fashion Institute of Design and Merchandising Museum and Library Foundation, Inc.” to “FIDM Museum and Library, Inc.”; 2) required FIDM to assign a monetary value to each artifact within two (2) years of the execution of the Amendment; and, 3) authorized the RAP General Manager to increase the insurance requirements based on the recommendation of the Risk Manager. The Board on November 19, 2014, accepted these amendments (Board Report No. 14-285).

During the process of review by the City Administrative Officer for the Mayor, and by the City Legislative Analyst in preparation for City Council consideration, questions arose about the replacement of language requiring annual documentation of value with a provision for a one-time monetary evaluation report submitted within twenty-four (24) months of exercising the extension. The initial concern was that any changes in value over time, including increases in value due to restoration work accomplished, would not be captured for insurance purposes with only one evaluation at the beginning of the extension. Additional concerns were generated in regard to possible unnoticed losses if internal valuations were not required after the first two (2) years. FIDM had not requested this particular change and representatives of FIDM concur with retaining the original language and continuing to submit annual reports.

Staff recommends that the Board rescind approval of this prior amendment and approve a revised Amendment. This revised Amendment still incorporates the following.

- Changes the term of the extension from ten (10) years to twenty-five (25) years.
- Corrects the name of the organization from “Fashion Institute of Design and Merchandising Museum and Library Foundation, Inc., to FIDM Museum and Library, Inc.
- Replaces language regarding insurance to update the requirements instructions and authorize the General Manager to make adjustments to the insurance coverage required based on recommendation of the City’s Risk Manager.

Language in Section I (FIDM Responsibilities) is not changed by this Amendment. FIDM will still be required to provide written documentation regarding the artifacts in this collection and their value annually.

Hollywood Museum Collection

In the mid-1960’s, the Hollywood Museum Associates, Inc. (HMA), attempted to store, conserve, restore, maintain, and exhibit numerous costumes and artifacts obtained from the television and motion picture industry. HMA obtained a collection of costumes and artifacts from the studios, productions companies, and directly from the personal collection of many individual actors.

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HMA was unable to secure the necessary funding to maintain this venture or to secure permanent housing for exhibition. In 1968, HMA provided the collection to RAP in exchange for sufficient funds to cover HMA's indebtedness and with the condition that RAP would either secure a permanent location to exhibit the collection or loan the collection to various organizations.

RAP attempted to procure the necessary land and facility to store the items, but funding became an issue and plans were deferred indefinitely. The collection was then placed into storage in the Lincoln Heights jail until several organizations agreed to become responsible for the items.

RAP currently has similar agreements with organizations such as: the Academy of Motion Picture Arts & Sciences, the American Film Institute, the University of California Los Angeles, the University of Southern California, and the Gene Autry Western Heritage Museum.

These organizations ensure that the items are properly stored, displayed for public exhibition, and/or are used for educational purposes.

The Loan Agreement was approved by City Council by Ordinance No. 165192 pursuant to Charter Section 390 on September 8, 1989. Charter Section 390 has since been renumbered. The new Charter Section number is 373. Any type of contract, including loan agreements, obligating the City or any department to make or receive payment or other valuable consideration for a period longer than such period as provided by ordinance requires Council approval.

Similarly, Los Angeles Administrative Code (L.A.A.C.) Section 10.5(a) states in relevant part, "no board of the city shall make any contract, obligating the City, or any department of the City, to make or receive payments of money or other valuable consideration for a period longer than three years, unless such contract shall have been first approved by the Council."

The consideration for both the Loan Agreement and the proposed Amendment is the same (i.e. the costumes and textile artifacts for the Hollywood Museum Collection). The term of Loan Agreement and the proposed Amendment is more than three (3) years. Consequently, the proposed Amendment will require prior approval by City Council under L.A.A.C. Section 10.5(a) and Charter Section 373.

Charter Section 1022

Los Angeles City Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical and/or feasible to contract out the service.

FIDM is required to insure, store, conserve, restore as possible, and display when appropriate, costumes and textile artifacts of the Hollywood Museum Collection owned by RAP, at no cost to

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RAP. It is therefore more economical to secure these services through an independent contractor.

FISCAL IMPACT STATEMENT:

There is no impact to the RAP General Fund as this Amendment is to loan costumes and textile artifacts to FIDM with no monetary exchange between RAP and FIDM.

This report was prepared by Joel Alvarez, Senior Management Analyst, Partnership Division