



PROPERTIES

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May 31, 2010

Mr. Paul Gamberg
2396 Nalin Drive
Los Angeles, CA 90077-1806

Mr. Gamberg,

After doing a preliminary review of 4800 W Hollywood Blvd at your request, it is clear the the rental value of the property would be more than \$0.25/ sq ft.

Sincerely,

Lehi A White
Broker
Broker # 01294283



Re 08-2762 June 1, 2010 Item # 16 Testimony in regard to two continuances with little public testimony and no substantiated public record.

1. THE BAC AND JAC at Barnsdall Park teach children, adults and seniors approximately 160 hours/week for 32 weeks per year serving approximately 2800 children, seniors and adult class slots and employing 14-16 part time as needed teachers.

When the centers become private-public partnerships we will most likely add 4-6 part time teachers and employ one full time Arts Administrator, an Office Manager, and two part time clerical workers.

Currently, as mandated by the historical and cultural fabric of Barnsdall Park, conditions of the grant deed, and the city of LA, we provide a very high quality regional and Citywide set of hands-on art classes for ages 3-93 for the region and for most of the Zip Codes in the greater LA area.

Our Children pay \$3 per instructional hour and our adults and seniors pay \$4. In other words a typical 8 week long 6 student per instructor children's class costs \$36 per child with scholarships easy to get for residents in need.

Barnsdall is subject to the effects of this motion at about the same time as most other nonprofits as there has already been a City Council decision on February 9th to "partner out" the art center with a private nonprofit entity. If this motion passes that alternative will most likely be unaffordable and there is certainly no publicly available information to say that the City will still be able to maintain the art center programs or live up to its obligations under the grant deed.

2. In actual fact, there are no actual and factual numbers available from the CAO or City Controller to back up ANY assumptions. Our best *guess* for Barnsdall is that the proposed legislation will transfer \$120,000 in annual cost from the City to the children and adults who learn to think creatively and make and appreciate art.

We offer about 5000 hours of annual instruction. That would mean if we could not add staff to fundraise and raise 120k/year, additional from the private sector, we would have to raise the instructional fees from 3 an hour by 900% to 27.

3. Our best guess of what it would mean to the safety net of LA is not 1.5 million but at least 20 million when fully implemented and at least half of that would come from the people who least can afford it.

We are asking the controller for the public records of all expenses of the last 5 years of all the expenses of Barnsdall that the City paid that would be required to be paid by a nonprofit organization and its clients.

We suggest all nonprofits in City Buildings make a public records request so that the disinfectant of sunlight can begin to shine on what has become a shabby backroom process of anti-democratic public policy setting.

4. The proposed leasing policy started life as a thought in 2004 and became a motion in 2008 and then languished until late April 2010, when it emerged full grown, as if from the head of Zeus with nothing but fantasy for exhibits.
5. Based on an excel spreadsheet someone in the CAO's office would have the public assume that the real estate market value of 25 cents per square foot per month. This is false. Actual Hollywood market values are at least 4 times that. Once this policy passes the vote, negotiators for the City will find the real market values to charge the players. There is no adequate public record on which to vote yet.ⁱ In addition, M was removed from Attachment II in Committee by Amendment on April 20th and not so recorded.
6. There are apparently 100 entities on Attachment 3 to 08-2762. The representation of the CAO is that this could generate 1.5 million a year, after discount. There are many things wrong with this representation and there is certainly no public record to support it. Briefly, in a short period of time, I was

able to contact only a few nonprofit organizations on the list. I contacted about 20% of the square feet, mostly in CD 13, that for one reason or another, are very unlikely to produce immediate revenue and had no outreach about this before their fate could be decided on June 1, by Council vote. Here is what I found out arranged by Council District:

- a. Nonprofit Equity: CD6 needs some balance to support the numerous good works done without subsidization for public buildings. Adjustments between Council Districts need to be considered for Cultural and other nonprofit considerations.
- b. Outreach by the Council Offices to the nonprofits named to be covered by the new prospective policy has been absent or ineffective.'
- c. CD1: Central City Action Committee – 10300 feet knew nothing of this and cannot afford to hire a fundraiser just to do the City's work. They are in jeopardy.
- d. CD2: La Crescenta YMCA 33170 feet – no revenue to City long lease, but their ED would like to buy the Building from the City on these favorable terms.
- e. CD2: McGroarty 5314 feet low cost art classes (\$6.50 per instructional hour) a beacon and bastion of creativity for Sunland-Tujunga. This may put them out of business, if implemented.
- f. CD3 – Canoga Park Senior Citizen Center 550 feet- RAP only no possible payor of revenue to City.
- g. CD4 LAFD Historical Society 22250 feet - no immediate revenue until 2033.
- h. CD5 Encino Rec Center RAP 11,200 feet no revenue to City as result of this policy.
- i. CD13 Hilltop Nursery – 19342 feet. They had no idea until I contacted them.
- j. CD 13 – Childhelp Inc- 8326 feet – Special circumstances – no outreach. Revenue unlikely.

- k. CD13 - Foundation for Early Childhood – (3 organizations at one address) 37600 feet – Head Start Operation Cindy Niche had no warning; revenue unlikely.
 - l. CD13 – El Centro 27416 feet for \$750 month until 2017 no revenue change until then.
7. In addition, Attachment II is, at the very least ambiguous. Does a non profit entity have to meet BOTH a test of Public Purpose and a test of Public Benefit or is it EITHER? Any Cultural nonprofit with a “Public Purpose” could not meet the very narrow test of public benefit and yet, in any western value system, all things living seek to survive only at the lowest level of existence and as cities and neighborhoods and people evolve and become great, creativity becomes a basic nutrient. Does the City of LA want to be known as ONLY providing subsidy for economically challenged residents?
8. In reality, the Council is being asked to vote on Attachment I, without a sufficient record of information and application to fully comprehend the consequences and the unintended consequences of this proposed legislation and without sufficient representation or feedback from those to whom this policy is meant to apply for the small and falsely promised sum of 1.5 million, which is small in the language of the deficit. Passing this on June 1st might well be regarded as gross negligence and dereliction of duty to the due process of forming proper public policy. Attachment III is more of a life insurance type illustration than a statement of numerical value and the vote is NOT on the numbers, but on the policy.

For these and other numerous reasons, BACSAC entreats the Council to consider forming a working group, including representation from the nonprofit sector to rapidly evolve a set of recommendations using this first effort as a platen to build one, two, or three classes of workable policies for the Council to vote on within 90 days.

Sincerely,
Paul Gamberg CAO

¹ See attached letter from Realtor White