

**CITY OF YUCAIPA
AGENDA REPORT**

TO: Honorable Mayor and City Council

FROM: Paul Toomey, Director of Community Development *PT*
Todd Gutjahr, Community Services Supervisor *see for TG*

FOR: City Council Meeting of August 24, 2014

SUBJECT: Yucaipa Community Foundation Formation

RECOMMENDATION:

That City Council approve the selection of Yucaipa Community Foundation (YCF) board members as recommended by the Yucaipa Performing Arts Center Ad-Hoc Committee and complete the application process for YCF non-profit status.

BACKGROUND:

On March 24, 2014, City Council approved the contract with the architectural firm of JSFA, in an amount not to exceed \$360,000 for Architectural/Engineering Design Services for the construction of the Yucaipa Performing Arts Center; and approved a Professional Services Agreement with Neff Construction, Inc., in the amount of \$56,641 for Pre-Construction Management Services. Subsequently, the City Council approved the acquisition of property for use as the site for the YPAC at the northwest corner of Yucaipa Boulevard and California Street in the Historic Uptown District.

At the September 8, 2014 meeting, City Council adopted a policy on the naming of City facilities including a donation schedule for determining naming rights for the Yucaipa Performing Arts Center building, rooms, and other components. In December 2014, staff contracted with Biz Central to submit and process the necessary nonprofit application and documentation for the creation of the Yucaipa Community Foundation (YCF). Included in the process of creating the Foundation, staff was tasked with contacting prospective Foundation board members for possible service, developing a scope of responsibilities for the board members, facilitate the preparation and submittal of the non-profit status application, and then serving as liaison between the City and the Foundation board. On November 24, 2014, City Council directed staff to proceed with the formation of the Yucaipa Community Foundation.

DISCUSSION:

The primary purpose of the YCF would be to help facilitate fundraising activities for the Yucaipa Performing Arts Center and to provide the fiduciary oversight as legally required. A broader

mission of enhancing the role of the arts in the community would also be one of the functions of the foundation.

In order for private organizations to legally collect and manage the revenue generated by the fundraising efforts, the foundation must be established as a 501(c)(3) non-profit organization. Federal tax law also provides the same tax benefit for contributions to a non-profit organization as those that contribute to a city for a purpose that is clearly for public benefit. The formation of a non-profit organization is a fairly lengthy process and during the interim, prior to receiving 501(c)(3) non-profit status, it is recommended that any fundraising revenue be collected by the City.

Over the course of the previous Yucaipa Performing Arts Center Ad-Hoc committee meetings, a number of suggestions for potential YCF board members were compiled. Each potential member was contacted to determine their interest in serving as an YCF board member. As a result of this effort, at the August 17, 2015 meeting, the Ad-Hoc committee recommended the following persons be selected to serve as YCF board members:

- Debbie Harbor
- Jan Leja
- Dr. Bill Clarke
- Greg Bogh (previously confirmed by Council)
- Bobby Duncan (previously confirmed by Council)

The primary role of the directors at this initial stage of the foundation formation would be to provide direction and assistance regarding large donor fundraising efforts.

FISCAL IMPACT:

No costs are anticipated to be incurred as a result of City Council action on this item.

CONCLUSION:

That City Council approve the selection of Yucaipa Community Foundation (YCF) board members as recommended by the Yucaipa Performing Arts Center Ad-Hoc Committee and complete the application process for YCF non-profit status.

Approved by: 