



## REPORT/RECOMMENDATION

<b>To:</b>	EDINA CITY COUNCIL	<b>Agenda Item</b> <u>Item No. VII.B.</u>
<b>From:</b>	John Keprios, Director  Park and Recreation Department	<input checked="" type="checkbox"/> <b>Action</b>  <input type="checkbox"/> <b>Discussion</b>  <input type="checkbox"/> <b>Information</b>
<b>Date:</b>	June 5, 2012	
<b>Subject:</b>	Edina Art Center Study	

**ACTION REQUESTED:**

The Art Center Board and staff recommend that the City Council approve the Analysis and Recommendations for Operations of the Edina Art Center proposal as submitted by Sutton & Associates.

**INFORMATION/BACKGROUND:**

On December 28, 2011, staff mailed a Request for Proposal to 30 consultants to provide a comprehensive analysis of the Edina Art Center. Only two consultants submitted proposals in the response to the RFP. At the March 6, 2012 City Council meeting, the Council rejected the two proposals and directed staff to work with the Art Center Board and its Working Group to refine and narrow the scope of the original Request for Proposal, negotiate with the two consultants and request them to resubmit a new proposal.

Staff and the Art Center Board Working Group met with both consultants, revised the Request for Proposal (copy attached) and asked both parties to resubmit. Only one consultant, Sutton & Associates, chose to resubmit a new proposal (copy attached).

The Art Center Board Working Group and staff met to review the new submittal from Sutton & Associates and unanimously agreed to recommend to the Art Center Board to recommend that the City Council accepts their new proposal dated May 10, 2012. The Art Center Board and staff believe that George Sutton and his team have the expertise related to the needs of this study including operations, marketing, advertising, benchmarking and legal components. There is also consensus that the not to exceed fee of \$21,000 for the Scope of Services as outlined in their proposal is commensurate with the value of services proposed.

If approved by Council, the study would begin immediately with the intent to be completed by the end of August 2012. When near completion, staff will recommend a date to conduct a Joint Work Session with the Art Center Board and City Council for the consultant to present their findings and recommendations.

**ATTACHMENTS:**

- Revised Request for Proposal
- Sutton & Associate's Proposed Scope of Services

Dear Art Center Consultant:

Thank you for having submitted a proposal in response to our original Request for Proposal (RFP). I wish to also extend our thanks to you for helping us create this revised and improved RFP that narrows the focus. Your help is greatly appreciated.

As you know, the City of Edina is interested in retaining the services of a qualified professional consultant to study the operations of the Edina Art Center. The City's vision for its Art Center enterprise is that it provides the best visual arts experience in the State of Minnesota while generating sufficient revenues to cover close to 100% of its total annual costs.

## Key Questions

(Revised RFP)

### PROGRAMS AND SERVICES

The Edina Art Center has a wide variety of visual arts programs and services including its Media Arts Studio.

- What are EAC's weaknesses and strengths in marketing and advertising?
- What overall seem to be the best practices in comparable arts centers for generating community participation in programming?
- To achieve a stronger cost recovery percentage, are there programs and service offerings that should no longer be offered?
- Are there programs and/or services that should be expanded?
- Are there programs and/or services that should be added?

### MISSION STATEMENT

The Edina Art Center's current Mission Statement is:

***"The Edina Art Center mission is to provide facilities, programs and services that meet and reflect the needs of our residents and neighbors for participation, education, and enjoyment in the arts with emphasis on fine arts".***

Is the Edina Art Center's Mission Statement accurate and fitting given current community and City objectives?

### ORGANIZATIONAL STRUCTURE

The Edina Art Center is currently owned and operated by the City of Edina under the direction of the Edina City Council with advice from volunteer members of the Edina Art Center Board and City of Edina professional staff.

- Is there an alternative organizational structure that the City of Edina should consider, such as a 501(C)(3) organizational structures or is it financially more feasible for the City of Edina to continue to operate the Edina Art Center in its current format?
- What are the advantages and disadvantages of becoming a 501(C)(3) organizational structure?
- Outline two or three options using a 501(C)(3) type of structure.

### **OPERATIONS**

Current and past financial statements, operating budgets and business plans will be provided to the consultant as well as current operational practices and policies to be made available for analysis.

- Identify the current operational strengths and weaknesses of the Edina Art Center and make suggestions for improvements.
- What fees and charges should be changed (increased or decreased) that would result in more revenues?
- What are the percentages of income sources and how do they compare to other comparable art centers?

### **COMPARATIVE ANALYSIS**

To better understand all aspects of EAC's operation, a comparative analysis of currently operating Art Centers in the region would be undertaken with the specific intention of drawing out the following points;

- What types of benchmarks are generally used to evaluate art centers?
- Which communities have Art Centers that are broadly viewed as successful?
- What makes them successful?
- What are their programming models?
- How are they organized?
- What are the sources and percentages of funding that support them?
- How do they market their programs?
- How does the EAC compare in terms of each of the above?
- Is there a design and configuration of the facility that would better suit EAC and make it more competitive and profitable?

**EXPERIENCE**

In your response to this Request for Proposal, please include your firm's previous experience studying art center operations and/or similar facilities for the past ten years.

**CONSULTING TEAM MEMBERS**

Please include the names of all of your team members who will be involved in the study and a brief background of their qualifications.

**APPROACH TO THE PROJECT AND PROCESS**

Please include your proposed approach to this study and what process your firm would use to conduct the study and make recommendations. For example, do you intend to meet and consult with Art Center Board members, staff and/or City Council members? Please include your proposed timeframe to conduct the study.

**PROPOSED FEE**

Please identify your proposed consulting fee, which we ask to be a fixed amount plus reimbursable expenses. Please identify a not to exceed amount for reimbursable expenses.

**# OF PAGES AND COPIES OF RESPONSE TO PROPOSAL**

We ask that you please keep your proposals to no more than eight pages including your cover letter. We ask that you please submit six copies of your proposal. The City of Edina will copy and distribute any additional copies as needed for the review process.

**DEADLINE**

Proposals should be received no later than Friday, May 11, 2012.

**SELECTION PROCESS**

With assistance from the Edina Art Center Board's Study Selection Committee, staff will select and recommend a finalist to the City Council for final approval. The final recommendation will be placed on the City Council's June 5<sup>th</sup> agenda for their approval.

Please submit your proposal to:

John Keprios, Director  
Edina Park and Recreation Department  
4801 West 50<sup>th</sup> Street  
Edina, MN 55424

If you have any questions, feel free to contact me at 952-826-0430 or JKeprios@ci.edina.mn.us.

Respectfully,

John Keprios, Director  
Edina Park and Recreation Department

# Analysis & Recommendations for Operations of the Edina Art Center

## Proposed Scope of Services

5/10/2012

**City of Edina, MN**



Sutton + Associates  
Cultural Facilities Development

## Sutton + Associates, Inc.

John Keprios  
Director  
Edina Park and Recreation Department  
4801 West 50<sup>th</sup> Street  
Edina, MN 55424

Mr. Keprios,

It is with pleasure that Sutton + Associates, Inc. submits this proposal to work with the City of Edina to provide a comprehensive analysis of the Edina Art Center. To address the broad ranging nature of the requested analysis, Sutton + Associates has assembled a team that includes legal and operational expertise.

This highly qualified team has worked together before on a variety of projects and will address Key Questions identified in the City's request for proposals with specific experience relevant to the task at hand.

Sutton + Associates will provide a fair analysis of current operations at the Center, identify best practices in other comparable centers and make recommendations for sustaining this important community asset. Should the City of Edina wish to limit the Scope to fewer elements considered critical to its decision making, we are willing our proposal accordingly.

We appreciate the opportunity to assist you with this effort. If you have any questions, please do not hesitate to contact me at (612) 840-1392.

Sincerely,

George Sutton  
Sutton + Associates, Inc.

# Edina Art Center Analysis

## OVERVIEW

The City of Edina has requested proposals for an analysis that examines the Edina Art Center's organizational structure, mission, programs and operations.

Further the analysis is required to examine comparable organizations and the benchmarks utilized to judge their success, to identify best practices as related to growing membership and program registrations and to assess current marketing practices and the impact of demographic trends on future participation.

This comprehensive analysis is anticipated to provide the City with information that informs its approach to sustaining the Edina Arts Center to best and most efficiently serve the residents of the City of Edina.

Consultants are requested to relate their findings and provide the City of Edina with specific recommendations relevant to its Key Questions areas identified below.

## SCOPE OF SERVICES

The following scope of services describes a process by which Sutton + Associates will help the City of Edina assess options related to the Edina Art Center.

### Outcomes

Consultants' work will produce the following outcomes:

1. **PROGRAMS AND SERVICES:** The Edina Art Center has a wide variety of visual arts programs and services including its Media Arts Studio.

Consultants will examine current program offerings, participation and cost structure at Edina Art Center. Relevant programming models at comparable centers will be provided along with an assessment of typical cost recovery rates by program. Potential partnerships that could allow expanded program offerings and potentially bring efficiencies will be examined. Consultants focus will be to address the following questions.

# Edina Art Center Analysis

- What are EAC's weaknesses and strengths in marketing and advertising?
- What overall seem to be the best practices in comparable arts centers for generating community participation in programming?
- To achieve a stronger cost recovery percentage, are there programs and service offerings that should no longer be offered?
- Are there programs and/or services that should be expanded?
- Are there programs and/or services that should be added?

**Targeted Completion Date:**

**July 30, 2012**

**Principal Team Members:**

**George Sutton**

## **2. Mission Statement**

The Edina Art Center's current Mission Statement is: ***"The Edina Art Center mission is to provide facilities, programs and services that meet and reflect the needs of our residents and neighbors for participation, education, and enjoyment in the arts with emphasis on fine arts"***.

Consultants will facilitate discussion with key stakeholders regarding the current Mission of the Edina Art Center. Examples of mission statements of other comparable entities will be provided for discussion. Recommendation regarding how current mission fits the Edina community and distinguishes the Edina Art Center in the area will be provided. Consultants focus will be to address the following questions.

- Is the Edina Art Center's Mission Statement accurate and fitting given current community and City objectives?

**Completion Date:**

**July 30th, 2012**

**Principal Team Members:**

**George Sutton**

# Edina Art Center Analysis

## **3. ORGANIZATIONAL STRUCTURE**

The Edina Art Center is currently owned and operated by the City of Edina under the direction of the Edina City Council with advice from volunteer members of the Edina Art Center Board and City of Edina professional staff.

Consultants will identify alternative organizational structures potentially viable for the operation of the Edina Art Center. The benefits of various alternative structures including a 501 c3 will be outlined along with legal, liability and accounting implications of varying approaches.

Examples of public/private partnerships that can allow a hand in hand approach to operations that optimizes access to multiple funding sources will be explicated and a legal analysis of funding alternatives, including authority for public-private partnerships, availability of state bonding for acquiring or improving facilities, and creation of separate non-profit entities for fundraising will be provided. Consultants focus will be to address the following questions.

- Is there an alternative organizational structure that the City of Edina should consider, such as a 501 (C)(3) organizational structures or is it financially more feasible for the City of Edina to continue to operate the Edina Art Center in its current format?
- What are the advantages and disadvantages of becoming a 501 (C)(3) organizational structure?
- Outline two or three options using a 501 (C)(3) type of structure.

**Targeted Completion Date:**

**July 30th, 2012**

**Sutton + Associates Team Members:**

**Eric Galatz**

**George Sutton**

## **4. OPERATIONS**

Current and past financial statements, operating budgets and business plans will be provided to the consultant as well as current operational practices and policies to be made available for analysis.

# Edina Art Center Analysis

Consultants will assess current operations and financials of the Edina Art Center to identify strengths and weaknesses and recommend potential opportunities to heighten efficiency. Cost structure of current programming to participants will be examined and compared to fees at like centers. Best practices for optimizing gift shop, art supplies, and other auxiliary revenue options will be provided based on observations of successes at like facilities. Consultants focus will be to address the following questions.

- Identify the current operational strengths and weaknesses of the Edina Art Center and make suggestions for improvements.
- What fees and charges should be changed (increased or decreased) that would result in more revenues?
- What are the percentages of income sources and how do they compare to other comparable art centers?

**Targeted Completion Date:**

**July 30th, 2012**

**Principal Team Members:**

**George Sutton**

5. **COMPARATIVE ANALYSIS:** To better understand all aspects of EAC's operation a comparative analysis of currently operation Art Centers in the region will be undertaken.

Consultants will identify at least 3 Minnesotan and 3 national art centers that provide services to similar communities and outline specific aspects of their facility, program, legal structure and operation that are relevant to Edina. Benchmarks by which other communities and centers judge their success will be identified along with recommendations for how the City of Edina might best consider assessing the performance of the Edina Art Center.

Assessment of the current facility in Edina as it compares to others will be provided. Consultants will review and apply benchmark criteria to comparable projects and compare EAC to benchmark projects. Finally, consultants will provide relevant conclusions and "lessons learned" from benchmarking process.

# Edina Art Center Analysis

Consultants work will focus on specifically addressing and drawing out the following points;

- What types of benchmarks are generally used to evaluate art centers?
- Which communities have Art Centers that are broadly viewed as successful?
- What makes them successful?
- What are their programming models?
- How are they organized?
- What are the sources and percentages of funding that support them?
- How do they market their programs?
- How does the EAC compare in terms of each of the above?
- Is there a design and configuration of facility that would better suit EAC and make it more competitive and profitable?

**Completion Date:** August 30th, 2012  
**Principal Team Members:** **George Sutton**

# Edina Art Center Analysis



Sutton + Associates  
Cultural Facilities Development

## QUALIFICATIONS

The project contract will be with Sutton + Associates, Inc. who will be solely responsible for the delivery of all elements of the Scope of Services. The team of consultants assembled for the Edina Art Center project brings a unique blend of skills, experience and knowledge of the Greater Twin Cities Metropolitan Area as well as communities around the country. In their consulting practices the team has worked individually and together in a diverse range of communities across the country providing guidance to:

- Design, manage, and evaluate cultural programs and facilities
- Anticipate changes in demographics and cultural participation
- Balance civic purpose, artistic excellence, and financial stability
- Secure broad community engagement to guide and support important community cultural resources
- Listen to community stakeholders and institutional leadership
- Clarify and assess how new initiatives can fit within a community
- Focus a diverse range of community players around shared community assets and goals
- Forge strategic partnerships that get the right people behind an important plan and provide a solid foundation for success
- Ensure that the most pragmatically planned endeavors will still have the power to inspire

## Project Leadership

Sutton + Associates, Inc. is a full service cultural and community-planning firm with the unique combination of creativity, experience, community leadership, and analytical expertise to carry major institutional initiatives from concept to reality. Led by George Sutton, a twenty-five year veteran of cultural and community planning, Sutton + Associates has successfully managed feasibility studies, operational planning, project

# Edina Art Center Analysis

conceptualization, and leadership cultivation efforts behind some of the country's biggest community revitalization initiatives. From several million dollar projects to major multi-million dollar ventures, Sutton + Associates has a proven track record of providing reliable, sound planning leadership to complex cultural projects.

Sutton's ability to listen to an institution's leadership and stakeholders, work with staff to assess how a new initiative will fit within the community, conduct smart analysis to determine costs, operational options, and feasibility, forge strategic partnerships, and get the right people behind an important plan provide a solid foundation for success. His creativity ensures that the most pragmatically planned endeavors will still have the power to inspire.

Joined by a top-notch groups of business and cultural planning professionals, Sutton + Associates complements its own experience with teams of widely-respected cultural events planners, fund raising professionals, logistics experts, researchers, and community experts who lend creativity, sound judgment, and a collective 75 years of professional experience to Sutton + Associates' resume.

## Team Member Profiles

Based upon the areas of work identified above, Sutton + Associates, Inc. has assembled a team with specific expertise related to the needs of the project including, development, operations, legal and architectural. With the acceptance of this proposal a specific outline of the roles and responsibilities of individual team members will be provided. Consulting specialists working in partnership with Sutton + Associates are:

**Eric H. Galatz, Attorney and Shareholder  
Leonard, Street and Deinard Professional  
Association**

LEONARD  
STREET  
AND  
DEINARD

Eric is an attorney and shareholder at Leonard, Street and Deinard Professional Association, a full service Minnesota-based law firm founded in 1922. Eric practices real estate, construction and public law, representing public and private owners and developers of real estate. Before entering law school, Eric practiced as a Minnesota

# Edina Art Center Analysis

licensed architect. He is named in The Best Lawyers in America in the area of land use and zoning law.

Eric has represented public, private and nonprofit organizations in acquisition, financing, construction and development of arts, healthcare, and sports facility projects, including the following:

The Jungle Theater, New Theater Building  
Hennepin County, Target Field  
University of Minnesota, TCF Bank Stadium  
MacPhail Center for Music  
The St. Paul Conservatory of Music  
Minnesota Wild, Xcel Energy Center  
Minneapolis YWCA and Urban Sports Center  
Hennepin Healthcare System  
DeLaSalle High School Athletic Facility  
Abubakar As-Saddique Islamic Center  
St. Paul Housing and Redevelopment Authority, Pennfield Apartments

These projects have involved public-private partnerships, state bonding, public and private grants and loans. Eric has also participated in art facility development and finance as a member of the Board of Directors of The Jungle Theater and The Ritz Theater Foundation. Eric is supported in his practice by over 200 attorneys in practice areas including administrative law, government relations, employment, public finance, and corporate and nonprofit tax.

## Project Fee

The total not to exceed expense for the Scope of Services described above is \$21,000.00 to be paid in three installments as follows;

- **\$7,000 upon acceptance of this proposal**
- **\$7,000 upon delivery of recommendations for resolving key issues associated with Owner / Operator agreement**
- **\$7,000 upon delivery to the City of final report and recommendations**

# Edina Art Center Analysis

Should the City of Edina wish to pursue a more limited scope of analysis, consultants are willing to address pricing accordingly.

## Project Expenses

Travel, lodging and other direct consultant expenses will be the sole responsibility of Sutton + Associates.

## Reproduction

Five copies and a digital version of the final report will be provided along with all associated work product created through the execution of the Scope of Services.

## Specific Vendor Requirements

1. Sutton + Associates, Inc. is a full service Cultural Facility Development consulting firm based in Minnesota and providing services in communities throughout the country.

Sutton + Associates, Inc.  
528 Hennepin Avenue Suite 215  
Minneapolis, MN 55403  
Tel (612) 840-1392 FAX (612) 605-4313

2. Sutton + Associates nor any of the participating project partners have terminated or been terminated from any contracts within the past 24 months.
3. Sutton + Associates and the assembled team of specialist bring a long standing history of working both within the Minnesota arts community as well as around the country. Our experience with demographic and marketing analysis and business and feasibility planning for performing arts centers include a long list of venues including:

Center for the Arts  
Gallo Performing Arts Center

Jackson Hole WY  
Modesto, CA

## Edina Art Center Analysis

Minnesota Shubert Theater	Minneapolis, MN
State Theater	Eau Claire, WI
Mabel Tainter Memorial Theater	Menomonie, WI
Wilson Performing Arts Center	Red Oak, IA
Guthrie Theater Reuse Analysis	Minneapolis, MN
PAC Comprehensive inventory	Saint Paul, MN
Jungle Theater	Minneapolis, MN
Intermedia Arts	Minneapolis, MN
Children's Theater	Minneapolis, MN
Ritz Theater	Minneapolis, MN
Comprehensive analysis of Multiple capital initiatives	San Francisco, CA

4. Additionally, the team is experienced in working with and or for local and state governmental entities. Local and state governmental entities that consultants have worked with include:

City of Saint Paul, MN	City of Minneapolis, MN
City of Red Wing, MN	City of Santa Cruz, CA
City of San Francisco, CA	City of San Jose, CA
City of New York, NY	City of Brainerd, MN
City of Duluth, MN	City of Minot, ND
City of Chicago, IL	City of Philadelphia, PA
City of Fort Lauderdale, FL	City of Seattle, WA
City of Portland, OR	City of Tacoma, WA
City of Los Angeles, CA	City of Fergus Falls, MN
City of Yellow Spring, OH	City of Rochester, MI
University of Minnesota, MN	

5. Sutton + Associates nor any of the participating project partners see any conflict of interest with any party related to the proposed scope of services.
6. George Sutton of Sutton + Associates will have specific responsibility and oversight of all elements of the proposed work.