

TOWN COUNCIL STAFF REPORT

Title: Agreement with Mammoth Lakes Performing Arts Foundation to administer an endowment to support operations and management of the Performing Arts Facility.

Meeting Date: June 18, 2025

Prepared by: Rob Patterson, Town Manager

RECOMMENDATION:

Approve the agreement with the Mammoth Lakes Performing Arts Foundation to perform fundraising efforts for and administer an endowment fund to support operations and maintenance of the McCoy Arts and Cultural Center (MACC), pending final legal review by Mammoth Lakes Performing Arts Foundation Board or legal representation.

BACKGROUND:

The Town of Mammoth Lakes has recently completed the due diligence necessary to complete the purchase of the Mammoth Lakes Foundation (MLF) property, where the MACC and current Edison Theater are located. At the May 7th Town Council meeting, staff were authorized to complete the purchase and sale agreement with MLF to acquire the property, which will be completed in late June. Subsequent to that authorization for purchase, staff completed the bid package for the construction of the MACC, which was initiated on Tuesday 5/13/2025.

As the Town has been working through the task of acquiring the land and project, there has been significant interest in creating an endowment to support operational cost and maintenance of the facility. A generous private donor has committed \$250,000 as a matching grant to develop a permanent endowment for this purpose. In May 2024, the Town presented a request to the Mammoth Lakes Recreation Board to allocate \$300,000 from Measure U as a matching grant to secure these funds. These funds were allocated and are ready for distribution once the proper governing structure, in the form of a non-profit, 501(c)(3) tax exempt California Benefit Corporation, could be developed. Mammoth Lakes Performing Arts Foundation was created using local expertise in the development of non-profit organizations, investment and fundraising tasks.

ANALYSIS:

The attached agreement outlines the expectations of Mammoth Lakes Performing Arts Foundation in several key areas:

1. The organization will be responsible for executing fundraising activities in order to increase the permanent endowment to maximize support for operations and maintenance.
2. The organization will also provide fundraising opportunities to secure funding for specialized equipment that is necessary for a facility of this type. An example of this equipment includes specialized lighting and sound equipment and projection capabilities.
3. The organization will provide financial investment decisions to maximize the earning potential of the endowment.
4. The organization will provide an annual report to the Town Council on interest earned and funds available to support operational and maintenance expenses.

The Town will provide an annual contribution of \$25,000 as part of the normal budget practice to provide funding for overhead expenses and fundraising efforts of the organization. This should encourage participation in the endowment as 100% of the donations received should be furthering the endowment goals.

The initial term of this agreement is three years ending June 30, 2028.

Staff presented this item for approval at the May 7th Town Council meeting. Additional information on the scope and purpose of the Foundation, including original founding documents, was requested. Those documents are attached to the agenda item for review. In addition to that request, more work was requested on the agreement to determine the disposition of the endowment, should this contract be terminated or not extended upon expiration. The Town Attorney has made appropriate modifications to the agreement to address these concerns, which are reflected in the attached agreement.

FINANCIAL CONSIDERATIONS:

The purpose of the agreement is to provide fundraising opportunities to grow the endowment and provide grant funding opportunities for key equipment necessary for the operation of the facility. In order to maximize the benefit of these efforts, an annual contribution of \$25,000 is recommended to provide for overhead expenses and marketing materials.