

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM**

TO: Mayor and City Council

FROM: Felix Padrón, Executive Director of the Office of Cultural Affairs

THROUGH: Terry M. Brechtel, City Manager

COPIES TO: Roland Lozano, Assistant to the City Manager; City Attorney's Office; File

SUBJECT: Authorizing Designated Fund Agreement with the San Antonio Area Foundation

DATE: May 8, 2003

SUMMARY AND RECOMMENDATIONS

This ordinance approves the terms and conditions and authorizes the execution of a Designated Fund Agreement with the San Antonio Area Foundation ("Foundation") so that the Foundation may receive and distribute funds raised by the City to support the development of the Office of Cultural Affairs' community cultural plan titled *The Cultural Collaborative: A Community Plan for San Antonio's Creative Economy* ("Cultural Plan").

Staff recommends approval.

BACKGROUND INFORMATION

The Office of Cultural Affairs ("OCA") has been seeking opportunities to facilitate fundraising from private entities to support the Cultural Plan. As many private entities are restricted from making donations to governmental agencies, OCA has identified the Foundation as a resource to the City in receiving private donations. The Foundation is a community foundation organized under Section 501(c)(3) of the Internal Revenue Code of 1986 and manages, invests and distributes charitable funds based on the stipulation of donors and the terms and conditions of funding agreements. Its purpose is to build charitable resources for the benefit of the people of San Antonio and the surrounding region.

The Foundation is made up of a number of component funds and trusts, each of which has a specific purpose enumerated at the time of creation and tailored to meet an identified need. Establishing a Designated Fund Agreement with the Foundation would allow OCA to raise funds for its specific needs. The City will be able to designate how the funds which it has raised will be spent through the Agreement. This Agreement will afford the City the greatest degree of control over the funds raised and managed by the Foundation.

POLICY ANALYSIS

The Office of Cultural Affairs is currently in the developmental stages of its Cultural Plan. The cultural planning process is designed to develop a dynamic, implementation-oriented plan for a strong, lively and sustainable arts and cultural community. The Plan will better position the City's arts and cultural resources for economic investment and improve quality of life, contributing to the City's overall economic development. The Office of Cultural Affairs intends to raise at least \$80,000 through the Foundation in order to fund a professional cultural planning firm to guide the development of the Cultural Plan.

FINANCIAL IMPACT

The Foundation will charge the fund a management fee of 0.50% of asset value up to \$1 million, or 0.35% of asset value over \$1 million. There is no financial impact to the General Fund or the Hotel/Motel Fund.

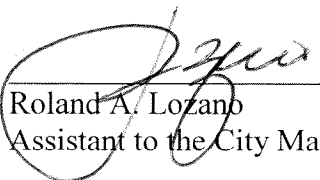
COORDINATION

This item has been coordinated with the City Attorney's Office.

SUPPLEMENTARY COMMENTS

Provisions of the Ethics Ordinance do not apply.



Felix Padrón
Director, Office of Cultural Affairs

Roland A. Lozano
Assistant to the City Manager

APPROVED:



for Terry Brechtel
City Manager