

# STAFF REPORT

## City of Lancaster

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MVB

Date: January 22, 2013

To: Mayor Parris and City Council Members

From: Ronda Perez, Director, Parks, Recreation and Arts Department

Subject: **Revised MOAH Admission Fees**

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### **Recommendation:**

Adopt **Resolution No. 13-05**, amending Resolution No. 12-20 by eliminating admission fees for the Museum of Art and History (MOAH) and implementing a suggested donation for visitors in lieu of established fees.

Appropriate \$3,400 to account number 101-4644-603 from fund balance for annual direct assessments that do not qualify for exemption.

### **Fiscal Impact:**

Approving the resolution will enable the MOAH to qualify for a property tax exemption, saving the City over \$46,000 in property tax assessments. Currently the total annual revenue from admission fees is \$6,000. The net fiscal impact is a savings of approximately \$40,000 annually.

### **Background:**

The Lancaster Museum of Art and History opened May 5, 2012. As approved by Council, the current admission fees are \$5 for adults, \$3 for students and children, and free admission for children under 6 years of age. Sundays are free for everyone. In addition, we have participated in the Blue Star Museum Program, offering free admission to active military members.

However, by submitting a **Free Public Library or Free Museum Claim** form to the County of Los Angeles Office of the Assessor, the City will receive an exemption to most of the property tax liability associated with the property (665 W. Lancaster Blvd.).

The exemption applies to:

- The 1% general tax on the assessed property value (\$40,291.04). The assessed property value (currently about \$4M) can increase at a maximum of 2% each year.
- Bonded Indebtedness (School bonds, college bonds, etc.). This totaled \$6,629.04 for the current tax year.

Not included in the exemption is Direct Assessments such as trash, water, mosquito abatement, sewer, etc. This totaled \$3,382.97 for the current tax year.

By eliminating the fixed admission fees for all visitors and implementing the suggested donation, the City can realize a net savings of approximately \$41,000 per year. The City will also apply to receive credit or reimbursement for past annual and supplementary (adjustment due to improvements) which may exceed \$60,000.

A benefit of free admission will be an increased attendance at the MOAH, making it more accessible to children, seniors, and citizens on fixed income. The exposure to the world class exhibits, exhibitions, lectures, and interactive programs will be a benefit to both the region's citizens and the community.

The City will continue to charge rental fees for the special use of the facility for events such as weddings, meetings, and corporate functions. Special tours of the facility will also be charged at the rates previously approved by Council.

MR:jzs

**Attachment:**

Resolution No. 13-05