

DATE April 22, 2004

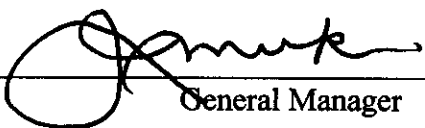
CD 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARK – CONCEPTUAL APPROVAL FOR ESTABLISHMENT OF A WIRELESS INTERNET NETWORK

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General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the concept of establishing a wireless Internet network for free use by the public at Pershing Square Park; and,
2. Direct staff to continue collaboration with the Community Redevelopment Agency (CRA) and other agencies as appropriate to develop this concept as a project and to negotiate a Memorandum of Understanding with CRA for future operations at the Park, for further review and approval of the Board.

SUMMARY:

In November of 2003, the CRA contacted the Department regarding the possibility of implementing a Wireless Internet Network (Wi-Fi) for free public use at Pershing Square Park. A demonstration project successfully implemented in Bryant Park in New York City was the preliminary model suggested. The Wi-Fi would allow park visitors using laptops, personal digital assistants, and other connectivity devices with appropriate hardware to access the Internet without wired hook up through a signal broadcast in an area or zone. Persons using this signal would enter the Internet through a start-up page that would at minimum show the service name and information, and which could also integrate any level of paid advertising. As envisioned, future advertising revenues could offset the costs of providing this Wi-Fi service. Initially, the CRA has pledged \$25,000 in funds to cover about two years of operating costs for a contracted Wi-Fi service provider.

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Based on the Bryant Park project, and some business-related zones under development in the Southern California area, CRA first presented a potential plan that included: the Department of Water and Power (DWP) to provide in-kind installation support; a private service provider, Emenity, Inc.; and the Downtown Center Business Improvement District (DCBID), who was to assume management of the Wi-Fi at the outset and fiscal responsibility for the operation after the first two years. Because the Wi-Fi is targeted as a Pershing Square Park service, and because the service can be a key element in marketing of activities at the Square, which is handled by the Department, staff immediately considered the alternative that we would collaborate directly with CRA to manage this project. In addition to handling marketing responsibilities, the Department has experience in managing networks and technology providers, and also has an excellent relationship with the City's Information Technology Agency, which is working to launch a similar project at the Braude Service Center in Van Nuys. Finally, direct involvement by the Department allows appropriate oversight for the Wi-Fi advertising plan, both in terms of possible future revenue distribution, as well as policy decisions for quantity, criteria, and pricing of advertising that will be indisputably linked to Pershing Square and the Department. Staff is prepared to assume management of the Wi-Fi at the outset and can assume fiscal responsibility after the initial two-year start-up period.

Staff has met with CRA representatives several times and have also met with DWP staff regarding the project. The Department is enthusiastic about this project and eager for it to proceed. We proposed to CRA the use of a Memorandum of Understanding (MOU) as a vehicle for the cooperative work needed to design and implement the project, and have sent a draft to the CRA which needs details on the scope of the project which are yet to be determined. The approach at this time is that the MOU would be in effect for two-year startup period, after which Recreation and Parks would assume sole responsibility.

The project information received from CRA indicates that CRA will contribute up to \$25,000 to fund the development, implementation and operation of the project for the first two years. DWP will contribute in-kind services of bringing fiber optic cable to an entry point in the Park, which is preliminarily valued at between \$12,000 and \$25,000. Recreation and Parks proposes to operate and maintain the network, including participation in any other start-up costs, and to subsidize the approximately \$12,500 needed annually for the service contract, less any advertising revenue received, at the end of the initial two year start-up period. A portion of net revenues from the Pershing Square Garage operation will be allocated for that purpose, as this is essentially a marketing strategy for the Park. The DCBID was originally suggested to operate and maintain the network, and assume responsibility for costs and advertising after the first two years. Pershing Staff works closely with the DCBID and will solicit their input as to potential formats and ancillary uses of the Wi-Fi that may prove beneficial to the Department and the community. The Bryant Park model is managed by an outside entity, however, the entire operation of the New York City park system differs from Los Angeles in that outside entities also

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undertake significant financial responsibility for the operation of the park system city-wide, and do so under cooperative agreements with the city, while that is not the structure in Los Angeles. The other free Internet zone under development on City property will be operated by the City, not an outside entity.

The proposed project provides a golden opportunity for the Department to partner cooperatively with other City departments to provide a new and innovative service at Pershing Square Park. The pilot project would provide a potential template for the provision of wireless services at other Department parks and facilities. The project will help the Department take a leadership role in the field of Recreation and Parks by incorporating the newest technology as part of the services we offer our patrons. Our direct and continued involvement in the project will allow Recreation and Parks to continue to be at the forefront of innovative park programs and services and to reach out to the community in new ways.

As this concept is defined with particulars, it will be studied as required under the California Environmental Quality Act (CEQA) and returned to the Board for further action. At that time, the Board may approve, modify, or disapprove the proposed Wi-Fi project after consideration of the appropriate CEQA documents.

This report was prepared by Linda Barth, Carol Jacobsen, and Vicki Israel.