

CITY OF OAKLAND
AGENDA REPORT

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OFFICE OF THE CITY CLERK
OAKLAND
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TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Cultural Arts and Marketing Department
DATE: July 13, 2004

RE: **INFORMATIONAL PROGRESS REPORT ON THE OAKLAND MUSEUM
OF CALIFORNIA MASTER PLAN**

SUMMARY

The Oakland Museum of California has completed conceptual design for (1) architectural improvements to the museum building to better serve its audience, (2) renovation of the three main galleries of art, history, and natural science to better serve an increasingly diverse population in the Bay Area and different styles of learning, and (3) renovation of a leased warehouse at 450 Lancaster Street, Oakland, to house the city-owned museum collections and make them more accessible. The Oakland Museum of California Foundation has agreed to undertake a phased fund-raising campaign up to \$46 million to supplement \$23.6 million made available through Measure G bond proceeds. If fund raising is successful, the architectural improvements and renovated art gallery will be completed in 2007, the history gallery in 2008, and the natural sciences gallery in 2009.

FISCAL IMPACT

This is an informational report and there is no fiscal impact in accepting it. There are yet-to-be-determined increases in operating costs once the proposed renovations are completed. These are in two categories: staffing and operations/maintenance. Renovated exhibit galleries may require increased staffing. Because design development has not been completed, the increased staffing is not certain. A range is zero to 11 FTE. With this in mind, the foundation's fund-raising plan includes up to \$15 million as endowment for certain curatorial positions. Any endowment funds raised would be restricted for investment and the earnings made available for staff costs.

The required operations and maintenance costs are also not known at this time. It is expected that utilities costs will not increase as the building plans include new, more cost-efficient heating, ventilating, and air conditioning systems. Some of the new galleries will include interactive media and foreign language audio-guides. Again, until specifications are determined, the operating costs will not be known. However, increased use of the museum will also lead to increased revenue from admission fees, store sales, and use of the café and facilities for special events.

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Of the \$23.6 million made available by Measure G bond proceeds, the following has been allocated and spent to date:

MEASURE G ALLOCATIONS AND EXPENDITURES TO DATE			
<i>Service Provided</i>	<i>Amount Allocated</i>	<i>Spent to Date</i>	<i>Balance</i>
Architectural services	423,000	397,489	25,511
Project management	52,000	51,571	429
Exhibition design services	386,504	381,383	5,121
Project controls consultation	250,000	176,255	73,745
Cost estimator	20,400	5,800	14,600
Structural engineer services	47,500	47,483	17
	1,179,404	1,059,981	119,423

BACKGROUND

- Fall 1998 – through a competitive process, the museum foundation selected an Oakland-based architectural partnership to work with staff, volunteers, and community groups and to present findings in a ten-year facilities master plan.
- June 1999 – the ten-year facilities master plan is received, identifying that upgrades are needed to the building for visitor access, orientation, and protection from the elements, and renovation to the galleries will be necessary to retain and increase audience.
- October 1999 – an informational report is delivered to and accepted by the Life Enrichment Committee regarding results of the facilities master planning process. The report is forwarded to and accepted by the full City Council.
- August 2001 – the museum foundation board of trustees agreed to join the Oakland Zoo and Chabot Space and Science Center in seeking a general obligation bond to launch capital improvements at the three institutions.
- October 2001 – City Council approved placing the bond measure on the ballot.
- March 2002 – Measure G passed with 75% favorable vote, providing \$59 million to the museum, zoo, and science center. The museum and zoo each received 40% (\$23.6 million) and the science center 20% (\$11.8 million). The legislation gave the three nonprofit corporations associated with the institutions the right to control expenditures in accordance with the terms specified in the legislation.
- October 2002 – after the six-month period to challenge the election had passed, the museum foundation adopted appropriate policies and procedures to properly handle public funds, generally following the same rules and regulations used by the city.
- October 2002 – the architectural firm of Kevin Roche John Dinkeloo and Associates (the original museum architect) was selected to develop the architectural program, prepare conceptual plans, and estimate costs to address architectural and structural improvements to the building. Plans were received in the spring of 2003

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- October 2002 – the fund-raising firm Phillips and Associates was retained to do a fund-raising feasibility study. The results were received in January 2003.
- January 2003 – the exhibit design firm Gallagher and Associates was retained to develop conceptual plans for gallery renovations. Plans were received in the spring of 2003.
- May 2003 – the museum foundation holds a board retreat with staff to determine priority projects. Work is based on the plans and findings of the architect, the exhibition designer, and the fund-raising consultant.
- October 2003 – City Council passes a resolution authorizing the city manager to enter into an agreement with the museum foundation to divide responsibilities whereby the Public Works Agency is the project manager on the building renovations, with museum foundation oversight on specific projects.
- June 2004 – the city’s Public Works Agency issues an RFP for architectural firms
- June 2004 – the museum foundation trustees receive and adopt a campaign funding plan, projected to raise \$46 million over five years.
- July 2004 – an informational progress report is delivered to City Council.

KEY ISSUES AND IMPACTS

The issues deriving from work with focus groups, community involvement, discussions with staff and volunteers, and input from the museum trustees have identified the following problems to be resolved:

- Reduce points of access
- Improve visitor orientation and circulation
- Provide weather protection
- Upgrade all three of the main exhibit galleries
- Accommodate growth in education facilities, galleries, workspaces, food service, and shops
- Provide more meeting, conference, and events space
- Centralize and expand offices
- Improve identity

The museum has three key goals that over the last seven years have guided strategic planning: Audience Development, Financial Stability, and Enhanced Collections. The key goals have been reexamined and reconfirmed in subsequent years. How the proposed renovations address each of these three goals follows.

Audience Development. The intended impact of the project will be to increase museum attendance from a baseline of approximately 150,000 a year to 300,000, that seen during years in which there are blockbuster exhibitions (e.g., *Gold Rush: California’s Untold Stories* and *Secret World of the Forbidden City: Splendors from China’s Imperial Palace*). The intention also is to diversify the museum audience, to better achieve a ratio that more closely matches the

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demographic breakdown of California. Of special note is the projected increase in the size of the Latino population. By 2020, the population of the state is projected to be:

- 43% Latino
- 34% White
- 13% Asian
- 7% Black
- 2% Other
- 1% American Indian and Hawaiian/Pacific Island

The museum must be relevant to all. Three committees have been created and have been active over the last few years to help engage a broader audience. These are the Latino, African American, and Asian Pacific advisory committees. A Teachers Advisory Committee also has been created to work with staff. Representatives from all of these community-based committees meet periodically as the Multicultural Council. All of these committees have direct input into planning and execution of temporary exhibitions, educational programming, and the planned reinstallation of the main galleries.

Financial Stability. Over recent years the museum, as many city departments and nonprofit cultural organizations, has suffered from budget cut-backs and difficulties in fund raising. City funding has dropped. Until recently, foundation funding for the museum has increased; in the current and next fiscal years operating funding will decrease. Increased earned revenue through a revitalized museum, and the plan to raise endowment money to underwrite certain curatorial positions, are intended to provide some degree of financial stability.

Enhanced Collections. The museum collections—comprised of over 1.2 million artworks, historical artifacts, ethnographic objects, photographs, archival materials, and natural specimens—must be moved from the old Oakland Army Base to new facilities. This is necessary because the warehouse in which collections are stored will be demolished with redevelopment of the Army Base. Equally important, the museum's accreditation has been challenged by the American Association of Museums because of substandard storage conditions. This is to be remedied by renovation of a leased warehouse at 450 Lancaster Street.

This goal also relates to the need to collect, exhibit, and interpret objects that reflect the cultural mix of California. There is the perception to some people that the museum is too oriented toward the white population, and even when there are special exhibitions and programs targeting a more diverse audience that fact may not always be apparent to the person of color. Efforts will be made, therefore, to acquire and exhibit a broader range of objects that tell stories of Latino, African American, Asian Pacific, and other cultures that enrich the state.

PROJECT DESCRIPTION

Core Projects

There are eight core projects. These are the ones that are most important in addressing museum goals and in meeting the spirit of Measure G. The core projects are the “solutions” to the needs identified in the foregoing Key Issues and Impacts section.

1. Grand Entry. Visitors told us they are confused by having five entrances into the museum. There is no one area for them to learn that the museum is about California and has three main galleries addressing California art, history, and the environment. An accessible Grand Entry—the Oak Street entrance—will become the main entry point to the museum. Here visitors will receive orientation about the museum. A multi-language audio-guide may be available. The Museum Store and Collector’s Gallery will be moved to this area. An architectural “presence” will be created with a glass and steel covering. The enclosure will continue down the now-exposed stairway to the lower level, where a children’s and youth group orientation area will be created to orient teachers and students and have them team up with docents. The Grand Entry will include greater accessibility, better protection from the elements, and places for children to be oriented, store their backpacks, and eat lunch during inclement weather.
2. Common Area Exhibits. The new Grand Entry and stairway enclosures create an opportunity to orient visitors to the fact that the museum is about California and treats the three disciplines of art, history, and natural science. Common area exhibits that show icons from the collections and orient visitors as to the mission of the museum and what they will find in the galleries.
3. Building Systems. The new enclosed areas require new climate control. Heating, ventilation, and air conditions will be upgraded and made more energy efficient.
4. Miscellaneous Building Projects. This is a category of smaller projects that include such architectural items as renovation of restrooms and improved servery in the museum café.
5. Art Gallery. The Gallery of California Art will be expanded by 5,000 square feet and completely reorganized. The goal is to become more interpretive and to highlight the works of California’s artists of predominant ethnic and cultural groups in the state. Installations showing all types of art from different artistic movements in California (e.g., Arts and Crafts Period) and hands-on activities for families will be included.

6. History Gallery. The Gallery of California History will be completely reorganized and updated. Special attention will be paid to the contributions of different ethnic groups to the rich fabric of California's culture and society today. A teaching area and hands-on exhibits will be added.
7. Natural Sciences Gallery. The gallery dealing with the natural habitats and ecology of California will be renovated. More interpretive material, new habitat settings, and information on environmental issues will be featured. A classroom and hands-on areas called "field stations" will be added.
8. California Collections and Research Center (CCRC). The city must move museum collections from a WWII-era warehouse at the old Oakland Army Base to a facility that is secure, climate controlled, accessible, and that meets standards established by the American Association of Museums (AAM) for accredited museums. The city-leased warehouse at 450 Lancaster Street in Oakland will become the future CCRC. Measure G funds will be expended to provide building modifications and storage systems.

Core Project Milestones and Costs

The foregoing projects will be phased to avoid closing the museum entirely during construction and reinstallation and to allow money to be spent as it is raised. The easiest way to visualize how the projects will roll out and what the component costs will be is with what we have termed a "Milestone Model."

**OAKLAND MUSEUM of CALIFORNIA
 ESTIMATED CORE PROJECT COSTS**

PROJECTS AND ASSOCIATED FEES	Cost Estimate (millions)			Total
	Milestone 1 (thru 6/2007)	Milestone 2 (thru 6/2008)	Milestone 3 (thru 6/2009)	
Grand Entry & Stairs	8.0	-	-	8.0
Common Area Exhibits	1.1	-	-	1.1
Building Systems	3.0	-	-	3.0
Miscellaneous Building Projects	2.0	-	-	2.0
Architects/Engineering Fees	2.6	-	-	2.6
Art Gallery	7.8	-	-	7.8
History Gallery	2.8	6.5	-	9.3
Natural Science Gallery	1.4	5.7	5.9	13.0
CCRC	5.0	-	-	5.0
Total Project Costs	33.7	12.2	5.9	51.8

(cont.)

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			<i>Milestone 1 (thru 6/2007)</i>	<i>Milestone 2 (thru 6/2008)</i>	<i>Milestone 3 (thru 6/2009)</i>	<i>Total</i>
ENDOWMENT	<i>Additional Staff Cost</i>	<i>FTE</i>	<i>Endowment Needed Assuming 5% ROI (millions)</i>			
Art Operating Costs	200,000	3	4	-	-	4.0
History Operating Costs	275,000	4	-	5.5	-	5.5
Natural Sci. Operating Costs	275,000	4	-	-	5.5	5.5
Total Endowment Needed			4.0	5.5	5.5	15.0
FUND-RAISING COSTS			0.7	0.9	0.6	2.2
GRAND TOTAL			38.4	18.6	12.0	69.0

Milestone 1 provides most of the architectural improvements, the complete renovation of the Art Gallery, and a completed California Collections and Research Center (CCRC), the collections storage facility. Completion is planned to be in 2007 at an estimated cost of \$33.7 million. To fully cover increased staffing requires an additional \$4.0 million in endowment money (assuming 5% return on investment and capital gain). The cost to raise funds during this phase is \$700,000. Thus, the total cost for Milestone 1 is \$38.4 million. Most of the Measure G money will be used to complete this milestone.

Milestone 2 provides a completed Gallery of California History in 2008 and partial progress on the Natural Sciences Gallery at an additional cost of \$12.2 million. Endowment is projected at \$5.5 million and fund-raising costs at \$900,000. The total for this phase is \$18.6 million.

Milestone 3 provides a completed Natural Sciences Gallery in 2009 at an additional cost of \$5.9 million. Endowment is projected at \$5.5 million and fund-raising costs at \$600,000. The total for this phase is \$12.0 million. Almost all of the costs for milestones 2 and 3 will be raised as most of the Measure G bond proceeds will be expended by this time.

Projects Beyond 2009

Several projects beyond 2009 have been identified by the master planning process, however efforts to accomplish them, and additional fund raising, are not planned at this time. For the record, these projects include: a 180-foot “identity tower” at the corner of Oak and 10th streets and a fourth floor on top of the existing museum building to provide additional conference rooms, meeting spaces, and offices. These projects are being deferred at this time because of the expense, the challenges of raising necessary funds for the core projects, and the fact that the core projects provide more immediate and direct benefits for the public.

SUSTAINABLE OPPORTUNITIES

Accepting this informational report will not have a direct impact on any sustainable opportunities. However, completion of the master plan will, as indicated below:

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Economic. An improved museum with new exhibit galleries will stimulate visitation and have a positive economic impact for the city.

Environmental. New HVAC systems will increase energy efficiency. The new Natural Sciences Gallery will increase understanding of environmental issues in California.

Social Equity. A new Gallery of California History will highlight the cultural diversity of California, the causes and results of immigration, and the contributions of various ethnic groups to the rich history and vitality of the state. Audio-guides will provide museum tours in different languages.

DISABILITY AND SENIOR CITIZEN ACCESS

The renovated museum will more accessible. Lifts and ramps will be installed where they do not exist now. Audio-guides will aid visitors with poor eyesight.

RECOMMENDATION AND RATIONALE

Staff recommends accepting this informational report. Doing so will give museum staff and museum foundation trustees the assurance that City Council is aware of and supportive of the projects as fund raising begins this summer.

ACTION REQUESTED OF THE CITY COUNCIL

Accept this informational report.

Respectfully submitted,



DENNIS M. POWER
Director, Cultural Arts and Marketing

APPROVED AND FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE


OFFICE OF THE CITY ADMINISTRATOR

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