



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 FEB -1 AM 10:05

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Grant Agreement With
API Cultural Center (\$100,000)
For Maintenance and Repairs

DATE: January 31, 2018

City Administrator Approval

Date:

1/31/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Grant One Hundred Thousand Dollars (\$100,000.00) To API Cultural Center, Inc. To Assist In The Costs Of Maintenance and Repairs For The Oakland Asian Cultural Center.

EXECUTIVE SUMMARY

Staff is requesting the approval from the City Council to grant \$100,000 to API Cultural Center, Inc. ("API") to pay for, and oversee, the necessary repairs ("Project") at the City-owned condominium space located at 388 9th Street, Suite 290, in the Pacific Renaissance Plaza ("Facility"). The City budgeted \$100,000 to pay for these repairs in the Fiscal Year 2017-19 Adopted Budget. Once the grant is administered, the Project would comply with the City's contracting requirements.

BACKGROUND / LEGISLATIVE HISTORY

On February 27, 2003, pursuant to Resolution No. 77642 C.M.S. (**Attachment A**), the City and API entered into an on-going management agreement ("Management Agreement") that allowed the contractor to manage the operations of the Oakland Asian Cultural Center ("OACC") including the financing of all costs of its management services and all costs of operating the OACC out of revenues generated by events and fundraising activities at the OACC. Under the Management Agreement, one of the duties of API includes performing both minor and major repairs to OACC on behalf of the City, "provided that all such repairs are in strict conformance to the Condominium Documents and the Building Standard Items (BSI) for the Project, and the laws relating to construction on public property." The Facility was designed to house a cultural center facility that provides large rental venues for shows, conventions, exhibitions, and meetings.

Item: _____
CED Committee
February 13, 2018

In 2003, the City entered into an on-going management agreement with API that has allowed API to exclusively manage, in the form of an independent contractor, the operations of OACC including the financing of all costs of its management services, and all costs of operating the OACC out of revenues generated by events and fundraising activities at the OACC. The space is currently in need of maintenance and repairs, particularly pertaining to the building's heating, ventilation, and air conditioning ("HVAC") and other building systems, and API has requested that the City make these capital improvements. The City budgeted \$100,000 to pay for these repairs in the Fiscal Year 2017-19 Adopted Budget. The funds were previously allocated to Oakland Public Works ("OPW") to make the repairs directly to the Facility. OPW tried to bid the project but encountered scheduling and budgeting issues with API. The work needs to be done in the dry season and when OACC is not rented. API asked to manage the repairs to better work around its schedule, which requires a grant agreement. The funds need to be reallocated to the Economic and Workforce Development ("EWD") Department because it is the department best able to manage the grant. EWD would enter into a grant agreement with API in order to properly administer these funds to pay for needed repairs.

ANALYSIS AND POLICY ALTERNATIVES

OACC and API have displayed evidence to the City that the Facility is in pressing need of a fully functioning HVAC system as well as other systems repairs, and has expressed a need to repair the HVAC system before summer 2018 so that the warm weather does not hinder the rental opportunities of the Facility.

An initial bid for the repairs was obtained in 2017 from American Air Conditioning, Plumbing & Heating to replace the Facility's roof top water source heat pumps. The description of the work on the bid reads, "Replace two 7.50 Ton Water Source Heat Pumps Including Refrigerant recovery, unit disposal, curb adapter, reconnect existing condensing water, power, condensate and controls." The work was never undertaken due to scheduling issues with API. API subsequently identified other contractors interested in bidding for the work. New bids will be obtained within three months before commencing of any repairs, and all work will comply with the City's contracting requirements.

FISCAL IMPACT

Funding for the \$100,000 Project was budgeted in the Fiscal Year 2017-19 Adopted Budget from former Redevelopment Agency bond funds, but were subsequently reallocated to OPW to make the repairs to the Facility directly. Since this repair effort is no longer an OPW project and needs to be administered via grant agreement, staff recommends that the funds be returned to EWD. EWD staff would subsequently administer a \$100,000 grant with API so that they can oversee the repairs directly.

Therefore, staff recommends the \$100,000 for OACC repairs and maintenance be reallocated from:

Fund 5612 – Central District: TA Bond Series 2005, Organization 92270 – Engineering Design: Project Management, Account 57511 – Furniture and Equipment: Additions, Project 1001528 – HVAC IMP FOR OACC 5612-C495810 and Program 0000 – Undetermined Program

and moved to:

Organization 85245 – Central District Redevelopment, Account 54912 – Third Party: Grant Contracts Earned and Program SC13 – Downtown Redevelopment

PUBLIC OUTREACH / INTEREST

No additional outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures. Council district staff and Administrator's staff met with OACC staff to discuss the project.

COORDINATION

City staff in the Real Estate and Public/Private Development Divisions of EWD, along with OPW, routinely monitor the Management Agreement with API and its duties therein. EWD staff are prepared to draft and administer a grant agreement for the \$100,000 with API for the HVAC and other repairs currently required. The Office of the City Attorney, and the Public Works Agency assisted in preparation of the staff report and will assist in preparing the grant agreement.

SUSTAINABLE OPPORTUNITIES

Economic: Regular property maintenance is important for all City-owned facilities. The HVAC and repairs to the Facility will allow the space to generate more rental income in summer 2018 when the warm weather generally requires a well-functioning air-conditioning system. Neighboring businesses would also benefit as their patronage would not be deterred from a nearby facility that remains unused due to the need for general repairs, and the repairs would attract additional customers to use the Facility.

Environmental: The physical upkeep and regular property maintenance of City-owned Facilities contributes to the overall healthiness and vitality of Oakland. The Facility's repaired HVAC system will promote increased energy efficiency.

Social Equity: Repairs to the OACC represent a direct investment in an important community facility located in a low-income neighborhood. Neighboring businesses and residents also benefit from the general maintenance of these shared facilities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Grant One Hundred Thousand Dollars (\$100,000.00) To API Cultural Center, Inc. To Assist In The Costs Of Maintenance and Repairs For The Oakland Asian Cultural Center.

For questions regarding this report, please contact Patrick Lane, Manager at (510) 238-7362.

Respectfully submitted,



Mark Sawicki, Director
Economic and Workforce Development

Reviewed by:

Patrick Lane, Manager, Public/Private
Development

Prepared by:

Rupa Parikh, Urban Economic Analyst III
Public/Private Development

Attachments (1):

A: Resolution No. 77642 C.M.S.

A. Jordan
 FILED
 OFFICE OF THE CITY CLERK
 OAKLAND

OAKLAND CITY COUNCIL
 RESOLUTION No. 77642 = C.M.S.

03 JAN 15 AM 9:14

RESOLUTION AUTHORIZING THE CITY MANAGER, WITHOUT RETURNING TO CITY COUNCIL FOR FURTHER APPROVAL, TO ENTER INTO A MANAGEMENT AGREEMENT WITH API CULTURAL CENTER, INC. TO OPERATE THE OAKLAND ASIAN CULTURAL CENTER FOR A PERIOD OF FIVE YEARS WITH ANNUAL RENEWALS THEREAFTER UNLESS TERMINATED BY EITHER PARTY

WHEREAS, the City of Oakland (City) owns the condominium space at 388 9th Street, Suite 290, in the Pacific Renaissance Plaza; and

WHEREAS, the space was designed to house a cultural center facility referred to as the Oakland Asian Cultural Center (Facility); and

WHEREAS, the non-profit community based corporation also known as API Cultural Center, Inc. (API) wishes to enter into a Management Agreement (Agreement) with the City, to manage and operate the Facility for the City; and

WHEREAS, the City wishes to enter into a Management Agreement (Agreement) with API, to manage and operate the Facility for the City; and

WHEREAS, during the five year period, API is obligated to generate grants and revenue sources eliminating the future need for City or Agency funding; and

WHEREAS, the Agreement will be extended automatically for an additional year unless notice to terminate is given by either party; and

WHEREAS, API will encounter financial challenges in the three first years of operations of the OACC and will need financial assistance in funding the activities and costs of operation of the OACC; and

WHEREAS, the Oakland Redevelopment Agency (Agency) has funds available to make financial grants and pay condominium fees and pay for a pro rata share of common areas maintenance and repairs, including but not limited to, elevators, escalators, courtyard maintenance, balconies, restrooms, refuse equipment, and common area janitorial costs; and

WHEREAS, the Agency's subsidy is projected to decrease each year as OACC establishes its presence in the arts and cultural community; and

WHEREAS, it is important to maintain public accessibility to OACC and to maintain and increase the economic vitality of the area; now, therefore be it

RESOLVED: That the City Manager is hereby authorized, without returning to City Council for further approval, to enter into a Management Agreement consistent with the terms of this Resolution with API to operate and manage the OACC for a five year with annual extensions thereof unless either party gives notice of termination; and be it

FURTHER RESOLVED: That the City Manager is hereby authorized to approve and enter into subsequent amendments, modification, or extensions of this agreement provided that any such amendments, modification, or extensions shall be consistent with the terms of this Resolution and the City Charter, and that funds therefore have been appropriated by the City Council or the Agency; and be it

FURTHER RESOLVED: That any and all agreements to be entered into pursuant to this resolution be reviewed and approved as to form and legality by the Office of the City Attorney and that a copy thereof be placed on file with the City Clerk.

FEB 1 1 2003

IN COUNCIL, OAKLAND, CALIFORNIA, FEBRUARY 9, 1999

PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, BROOKS, NADEL, REID, QUAN, WAN, AND PRESIDENT
DE LA FUENTE - 8
NOES- 0
ABSENT- 0
ABSTENTION- 0

ATTEST

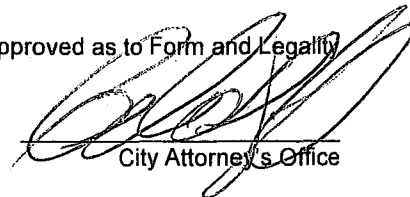


CEDA FLOYD

City Clerk and Clerk of the Council
of the City of Oakland, California

2010 FEB -1 AM 10:05

Approved as to Form and Legality



City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY PRESIDENT PRO TEMPORE ABEL GUILLÉN

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO GRANT ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) TO API CULTURAL CENTER, INC. TO ASSIST IN THE COSTS OF MAINTAINENCE AND REPAIRS FOR THE OAKLAND ASIAN CULTURAL CENTER

WHEREAS, the City of Oakland (City) owns the condominium space at 388 9th Street, Suite 290, in the Pacific Renaissance Plaza; and

WHEREAS, the space was designed to house a cultural center facility referred to as the Oakland Asian Cultural Center (OACC"); and

WHEREAS, the City entered into a management agreement with API Cultural Center, Inc. ("API") on February 27, 2003; and

WHEREAS, the City budgeted \$100,000 to pay for needed maintenance and repairs to the heating ventilating and air conditioning ("HVAC") and other building systems at OACC; and

WHEREAS, the funds were allocated to Public Works to make the required repairs directly to the City facility; and

WHEREAS, the City now proposes to grant these funds to API and have API make the repairs to the City facility it is managing; and

WHEREAS, these funds need to be reallocated to the appropriate department to manage the grant - Economic and Workforce Development; and

WHEREAS, it is important to maintain public accessibility to OACC and the cultural vitality of the area; now therefore be it

RESOLVED: That the City Administrator is hereby authorized to reallocate \$100,000 of funds to assist in the costs of maintenance and repairs for the Oakland Asian Cultural Center as designated in the following blocks:

From: Central District: TA Bond Series 2005 Fund 5612, Engineering Design: Project Management Organization 92270, Furniture and Equipment Account 57511 -: Additions, HVAC IMP FOR OACC Project 1001528 and Undetermined Program Program 0000

To: Central District: TA Bond Series 2005 Fund 5612, Central District Organization 85245, Third Party Grant Account 54912, HVAC IMP FOR OACC Project 1001528, Downtown Redevelopment Program SC13, and be it

FURTHER RESOLVED: That the City Manager is hereby authorized, without returning to City Council for further approval, to grant \$100,000 to API and enter into a grant agreement consistent with the terms of this Resolution and the City Charter; and be it

FURTHER RESOLVED: That any and all agreements to be entered into pursuant to this resolution be reviewed and approved as to form and legality by the Office of the City Attorney and that a copy thereof be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California