

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2009 APR 16 AM 11:05

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Oakland Museum of California/CEDA
DATE: April 28, 2009

RE: **Resolution Authorizing the City Administrator, or Designee, to Accept and Appropriate Donated Funds in the Amount of Approximately \$10,300,000 or more from the Oakland Museum of California Foundation for the Design, Construction, City Project Management, and Related Compliance and Permitting Costs for the Oakland Museum of California Renovation Project**

SUMMARY

The Oakland Museum of California (OMCA) is currently underway with a major capital renovation project and improvements to its galleries, educational facilities, and public amenities. The renovation is supported through Measure G bond funds of \$23.6 million as well as by a major fundraising campaign conducted by the Oakland Museum of California Foundation. Per a no-cost agreement between the City and the Foundation (Resolution No. 78134 CMS, October 21, 2003), the Foundation is overseeing the renovation of the building, as directed by Measure G.

The Museum is now preparing to launch the design and construction phases of the capital project, which includes the renovation of the Natural Sciences Gallery, expansion and enhancement of educational spaces, and improvements to other visitor amenities throughout the Museum; such as the restaurant, restroom facilities, the Museum Store, James Moore Theatre, and the Great Hall special exhibition space. These capital improvements have an estimated cost of approximately \$20 million, including gallery exhibition design and fabrication. Successful fundraising by the Foundation allows the commencement of these phases, with an anticipated completion date of the capital project in 2012.

As the City is the owner of the Oakland Museum of California building at 1000 Oak Street, all design and construction services are contracted through the City's Community and Economic Development Agency (CEDA). Further, per the terms of Measure G, City administrative costs cannot be deducted from the bonds authorized for the Museum's capital project and, therefore, City construction project management costs must be raised privately through the OMCA Foundation.

City Council approval is requested to authorize the City Administrator to accept and appropriate approximately \$10,300,000 or more from the Oakland Museum of California Foundation to

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support City project construction administrative costs as well for design and construction services needed for the next phase of capital improvements.

FISCAL IMPACT

This resolution will authorize the City to accept and appropriate at least \$10.3 million from the Oakland Museum of California Foundation (Foundation) for design and construction services for the Oakland Museum of California Renovation project and for related CEDA project management costs. Funds have been raised privately from a range of sources, primarily from private individuals and foundations. Of the total project cost of \$58.6 million, the Foundation has raised \$50 million to date. Fundraising efforts will continue through 2010. The City will incur no direct fiscal impact for the remaining phases of the Museum's capital project.

Phase 1 of the Museum renovation is estimated to be complete by June 2009. The anticipated project cost for the next two phases are \$12.3 million. Measure G will provide \$2 million of the project funds and the remaining funds will come from the Foundation.

City project administration costs for the next phases of the Museum renovation have been negotiated between CEDA Project Delivery Division and representatives of the Oakland Museum of California Foundation Board of Trustees. Project management, construction management, and contract compliance costs are consistent with the levels established for the first phase of the Museum's project, which is nearing construction completion. Staff will establish a new fund number and a project number in order to account for interest allocations for the donated funds and monitor fund balances.

The renovation of the Museum will make improvements to an existing aging facility by providing updated and new building systems and finishes in various areas. These complex building systems will require additional operating and staff funding. Estimates have not been done and no funding has been identified for the increased maintenance services.

BACKGROUND

When the Oakland Museum of California opened in 1969, it was acclaimed internationally as a milestone in museum design. The architecture critic of the *New York Times* in 1968: "In terms of design and environment the Oakland Museum may be one of the most thoughtfully revolutionary structures in the world." Despite its landmark status, the Museum had not undergone any major renovation or reinstallation of its collection in its close to 40 year history.

In 2002, Oakland voters passed Measure G, which included \$23.6 million of bond funding for the Oakland Museum of California. Specifically included in the bond language were provisions to expand, reinstall and renovate the three main collection galleries "to reflect the changing faces and environment of California; to provide enhanced education spaces; to improve visitor services

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facilities including a main entrance, school group entrance, way finding and other amenities; and acquisition and renovation of collection management facilities.”

The Museum has made substantial progress toward the goals articulated in Measure G and in raising additional private funds to support the institution’s transformation. To date, approximately \$50 million has been raised from individuals, foundations, corporations, and Museum volunteer constituency groups. Most notable among the funding the Museum has received are a \$7.5 million challenge grant from the Wayne and Gladys Valley Foundation; a \$1 million challenge grant from the Kresge Foundation; and a \$300,000 grant from the National Endowment for the Humanities (NEH) for the Museum’s History Gallery, and related curriculum and docent training programs. In awarding the NEH grant, the peer panel noted that the project represents a model for history museums nationally.

KEY ISSUES AND IMPACTS

The renovation of the Oakland Museum of California represents one of the most extensive transformations of a major cultural institution in the history of the East Bay. The overarching goal of the project is to create an institution that makes the cultural and environmental heritage of California accessible, engaging, and relevant to the broadest and most diverse community in the country. Through the renovation of the galleries and the enhancements to the building, the Museum hopes to attract and retain an audience of more than 250,000 annually and to continue to serve as one of the most active and dynamic educational resources in the region.

The project is also supported by one the first major capital campaigns in the Museum’s history and one of the largest fundraising efforts in Oakland’s history. Many donors are making the largest gifts of their philanthropic lives to this campaign and it is also attracting important support from outside Oakland, including grants from major Bay Area foundations.

The Museum’s project represents an opportunity for the City of Oakland to attract visitors to the area, to showcase positive developments within the community, and to highlight the public / private partnership that has made this effort possible.

The Museum is currently completing Phase 1 of the capital renovation project which includes the expansion and renovation of the Art and History Galleries; construction of a new entry canopy on Oak Street; a new stairwell canopy; and an ADA ramp and accessible restroom facilities. The project is on schedule and on budget with the anticipated completion of Phase 1 construction in June 2009.

PROJECT DESCRIPTION

The next phase of construction will commence in fall 2009. The Museum will be closed for approximately seven months beginning August 24, 2009 as construction progresses to major

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public areas of the Museum including the restaurant, restrooms, the Great Hall special exhibition space, James Moore Theatre and the move and expansion of the Museum store. The Museum is planning for a grand re-opening in Spring 2010 with the newly reinstalled galleries of California History and Art. The Museum transformation will be nationally publicized and celebrated with large-scale public events.

The final phase of the renovation project will then commence in Spring 2010 with the renovation and reinstallation of the Gallery of California Natural Sciences and expansion and enhancement to the 10th Street entry and adjacent education facilities designed to improve the Museum's ability to serve its large audience of school children. Construction completion for this phase of the project is planned for 2011 with the re-opening of the Natural Sciences gallery scheduled for early 2012.

The overall renovation project represents a strong and successful public/private partnership between the City of Oakland and the Oakland Museum of California Foundation. CEDA personnel have worked very closely with Museum staff and Foundation Board leadership on all phases of the project and the joint submittal of this report between CEDA and the Museum reflects the strong working relationship that has been established as part of this project.

SUSTAINABLE OPPORTUNITIES

Economic: Approval of this report will not provide specific economic opportunities, although the renovation project will provide local hiring opportunities for construction related firms.

Environmental: Approval of this report will not provide specific environmental opportunities. However, it is important to note that the Oakland Museum of California was an early model of a "green building" and the project is seeking LEED certification for the building renovation.

Social Equity: Approval of this resolution will not provide specific social equity opportunities.

DISABILITY AND SENIOR CITIZEN ACCESS

Improvements to be made through the building renovation and galleries will ensure their accessibility to visitors and staff with disabilities. In addition to compliance with the Americans with Disabilities Act and other non-discrimination laws, accessibility to the galleries will be improved through interpretive aids, such as audio guides in multiple languages and hands-on activities for vision impaired visitors.

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RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council approves this resolution authorizing the City Administrator to accept and appropriate \$10,300,000 or more from the Oakland Museum of California Foundation necessary for the support of the design, construction and city project management costs for the Oakland Museum of California renovation project.

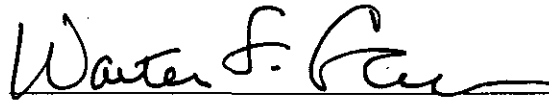
ACTION REQUESTED OF THE CITY COUNCIL

Staff requests approval of the proposed resolution to accept and appropriate the fund donation.

Respectfully submitted,



Lori Fogarty, Director
Oakland Museum of California



Walter S. Cohen, Director
Community Economic Development Agency

Prepared by:
Lori Fogarty, Director
Oakland Museum of California

Lily Soo Hoo
Project Manager, CEDA

APPROVED AND FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE:



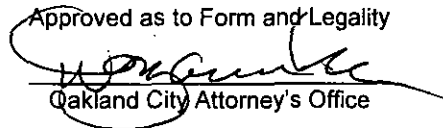
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Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR
DESIGNEE TO ACCEPT AND APPROPRIATE DONATED FUNDS IN
THE AMOUNT OF APPROXIMATELY \$10,300,000.00 OR MORE FROM
THE OAKLAND MUSEUM OF CALIFORNIA FOUNDATION FOR THE
DESIGN, CONSTRUCTION, CITY PROJECT MANAGEMENT, AND
RELATED COMPLIANCE AND PERMITTING COSTS FOR THE
OAKLAND MUSEUM OF CALIFORNIA RENOVATION PROJECT**

WHEREAS, the City is the owner of the Oakland Museum of California at 1000 Oak Street and is the owner of the Museum's growing collection of objects and artifacts both valuable and significant to the documentation of California's art, history and natural environment; and

WHEREAS, the Oakland Museum of California Foundation is a non-profit corporation originally established in 1989 to raise private funds to support the Museum; and

WHEREAS, the Foundation manages Museum renovation projects pursuant to the Measure G Bond which involves the expenditure of \$23.6 Million in Measure G Funds designated for Museum improvements; and

WHEREAS, the Foundation is undertaking a multi-million dollar capital campaign to supplement the costs of and complete the renovation, expansion, and reinstallation of the Museum's building and galleries as well as to enhance educational programs and opportunities for a larger and more diverse population of students and visitors; and

WHEREAS, the City authorized Resolution No. 78134 CMS in October 2003 for a no-cost agreement with the Oakland Museum of California to oversee renovation of the Oakland Museum of California building, as directed by Measure G with Measure G funds and additional private funds raised by the Foundation through its fundraising efforts; and

WHEREAS, the City and Foundation are embarking on the next phases of the capital renovation project that include the renovation and reinstallation of the Natural Sciences Gallery, the expansion and enhancement of educational spaces, and improvements to other visitor amenities throughout the Museum with a total anticipated cost of approximately \$20 million, of which more than \$10 million will be design and construction services contracted through the City of Oakland; and

WHEREAS, the next phases of the capital project will be largely supported through private philanthropy, with the exception of \$2 million of Measure G funds reserved for the Natural Sciences Gallery per the language of the original bond measure; and

WHEREAS, the language in the approved Measure G bond states that no City administrative staff costs will be deducted from the bonds authorized for the Museum's capital project and, therefore, City construction project management costs must be born by the City or by privately raised funds through the Oakland Museum of California Foundation; now, therefore, be it

RESOLVED: That the City Administrator, or his designee, is authorized to accept and appropriate donated funds in an amount of approximately \$10,300,000.00 or more from the Oakland Museum of California Foundation for design and construction services needed to renovate and reinstall the Natural Sciences Gallery, expand and enhance education spaces and for improvements to other visitor amenities throughout the Museum, and for reimbursement of City staff costs to be established under a new fund number and a project number for the Oakland Museum of California renovation project; and be it

FURTHER RESOLVED: That the donated funds shall be placed in an account to be established and receive interest allocations, and that the City Administrator, or his designee, is authorized to accept and appropriate such interest funds for the project costs as stated above; and be it

FURTHER RESOLVED: That at the completion of the project, any unused fund balance and interest balance shall be returned to the Foundation.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID; and
PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California