

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Oakland Museum of California
DATE: October 9, 2007

RE: **Resolution Authorizing the City Administrator to Accept and Appropriate Donated Funds in an Amount Not to Exceed Eight Hundred Eighty-Five Thousand Seven Hundred and Ninety-Five Dollars (\$885,795.00) from the Oakland Museum of California Foundation for reimbursement of the City staff costs in the Oakland Museum of California renovation project.**

SUMMARY

The Oakland Museum of California is currently in the design and planning phases for a major renovation and enhancement of its 1000 Oak Street building. Construction for the project will commence in 2008. The total project cost is approximately \$45 million, of which \$23.6 million is derived from bond funds through Measure G, passed by the citizens of Oakland in 2002. The remainder of the funds is being raised primarily from private sources through a campaign organized and led by the Oakland Museum of California Foundation ("Foundation").

In 2003, the City Administrator was authorized to enter into a no-cost agreement with the Oakland Museum of California Foundation to give the Foundation's trustees general oversight and control of the design and construction of the Museum renovation with construction contracting and project management handled through the City's Public Works Agency. However, pursuant to the terms of the approved Measure G bond measure, no City administrative staff costs may be deducted from the bonds authorized for the Museum's capital project. Therefore, City construction project management and contract compliance costs must be paid from privately raised funds through the Oakland Museum of California Foundation.

City Council is requested to authorize the City Administrator to accept donated funds from the Oakland Museum of California Foundation private fundraising campaign for project management costs incurred by the Public Works Agency in an amount not to exceed \$375,000.00 for project management (now under the Community and Economic Redevelopment Agency) and \$510,795.00 for contract compliance (now under the City

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Administrator's Office). This amount is the total estimated cost for staff services through the completion of the building renovation project funded under Measure G.

FISCAL IMPACT

This resolution will make possible the reimbursement of City staff project management and contract compliance costs for support of the Oakland Museum of California building renovation project in an amount not to exceed \$885,795.00 over a several-year period. The Oakland Museum of California Foundation will transfer funds for reimbursement on a quarterly basis as billed by the Community Economic and Development Agency.

Funds will be deposited into Fund 2999 (Miscellaneous Grants), Account 46411 (Other Grants), Organization 30234 (Facilities Planning Development), Project C239611 (Oakland Museum of California Renovation) and made available to reimbursement of Project Management, Contract compliance and miscellaneous Administrative Costs for printing, postage, and advertisement of the project.

BACKGROUND

The citizens of the City of Oakland, through enactment of Measure G in 2002, authorized the City of Oakland to incur bonded indebtedness in the amount of \$23,600,000.00 to renovate and improve existing and additional facilities and to qualify for private matching funds for the improvement of the Oakland Museum of California. In Section 8 of Measure G, the voters directed that no City administrative staff or any other charge (other than the actual cost of issuance of the bonds) can be deducted from the bonds authorized for the Museum project. In Section 9 of Measure G the voters directed that the Museum project be administered and managed by the Oakland Museum of California Foundation.

In 2003, the City of Oakland and the Oakland Museum of California Foundation entered into an agreement outlining the scope of responsibilities between the Foundation and the City for oversight and management of the building renovation project (Master Agreement). This Agreement states that the City, then through its Public Works Agency and currently through its Community Economic and Development Agency, will provide project management services for the design and construction work on the Museum Renovation. The Agreement also states that the City, then through its Public Works Agency and currently through the City Administrator's Office, will provide contract compliance services for the design consultant and construction contracts on the Museum renovation. The fees negotiated for these services are \$375,000.00 and \$510,795.00, respectively. The proposed resolution requests authorization, pursuant to the terms of Measure G and the 2003 Master Agreement for Oakland Museum of California construction project, for reimbursement by the Oakland Museum of California Foundation to the City for these project management costs.

KEY ISSUES AND IMPACTS

The resolution will ensure that the intent of the voters in passing Measure G and the legal requirements in the Master Agreement between the City of Oakland and the Oakland Museum of California Foundation for the Museum construction project are met.

POLICY DESCRIPTION

The resolution ensures the appropriate fiscal and project management of the Museum's capital renovation pursuant to the terms of Measure G. This project is a model of public/private partnership in carrying out major enhancements to the Museum's landmark building and outstanding collection galleries for the benefit of the City of Oakland and its residents.

SUSTAINABLE OPPORTUNITIES

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

Environmental: Approval of this resolution will not provide specific environmental opportunities.

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

DISABILITY AND SENIOR CITIZEN ACCESS

Through Measure G projects overseen by the Oakland Museum of California Foundation, improvements will be made to the Museum facility and galleries to 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 seeing impaired visitors.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council approve the resolution authorizing the City Administrator or her designee to accept and appropriate donated funds in an amount not to exceed \$375,000 for reimbursement of City project management and \$510,795 for reimbursement of City contracts compliance staff costs in the Oakland Museum of California renovation project.

ACTION REQUESTED OF THE CITY COUNCIL

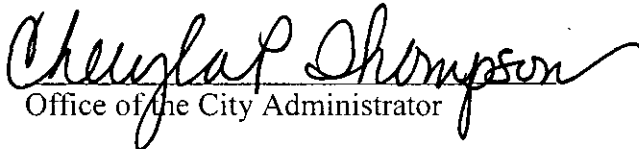
The Oakland Museum of California requests that the City Council approve the resolution authorizing the City Administrator or her designee to accept and appropriate donated funds in an amount not to exceed \$375,000 for reimbursement of City project management and \$510,795 for reimbursement of City contracts compliance staff costs in the Oakland Museum of California renovation project.

Respectfully submitted,



Lori Fogarty
Executive Director
Oakland Museum of California

APPROVED AND FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE:



Office of the City Administrator

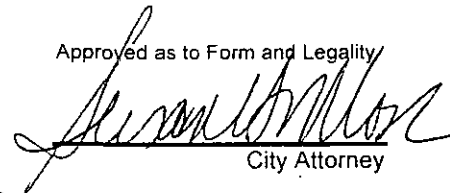
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FILED
OFFICE OF THE CITY CLERK
OAKLAND

2007 SEP 27 PM 5:42

OAKLAND CITY COUNCIL

Approved as to Form and Legality



City Attorney

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT AND APPROPRIATE DONATED FUNDS IN AN AMOUNT NOT TO EXCEED EIGHT HUNDRED EIGHTY-FIVE THOUSAND SEVEN HUNDRED AND NINETY-FIVE DOLLARS (\$885,795.00) FROM THE OAKLAND MUSEUM OF CALIFORNIA FOUNDATION FOR REIMBURSEMENT OF CITY STAFF COSTS AS PART OF THE OAKLAND MUSEUM OF CALIFORNIA RENOVATION PROJECT

WHEREAS, the City is the owner of the Museum's facility 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 projects pursuant to 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 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 in 2003 a no-cost agreement with the Oakland Museum of California to oversee renovation of the Oakland Museum of California building, made possible by Measure G with additional private fundraising, and

WHEREAS, the language in the approved Measure G bond measure 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 privately raised funds through the Oakland Museum of California Foundation, and

WHEREAS, the City has agreed to a scope of services for project management costs not to exceed \$375,000.00 and for contract compliance costs not to exceed \$510,795.00 during the course of the capital renovation project, and

RESOLVED, that the City administrator, or her designee, is authorized to accept and appropriate donated funds in an amount not to exceed \$885,795.00 from the Oakland Museum of California Foundation for reimbursement of City staff costs within Organization 30234 (Facilities Planning Development), Project C239611 (Oakland Museum of California Renovation) for the Oakland Museum of California renovation project.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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