RESOLUTION NO. 2007-884

Adopted by the Sacramento City Council

December 4, 2007

APPROVING THE CROCKER ART MUSEUM EXPANSION AND RENOVATION PROJECT BUDGET; DIRECTING STAFF TO IMPLEMENT A PROJECT CONSTRUCTION-FUNDING STRATEGY; AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SACRAMENTO AND THE CROCKER ART MUSEUM ASSOCIATION (CAMA); AUTHORIZING THE CITY MANAGER TO EXECUTE LOAN AND SECURITY AGREEMENTS WITH CAMA RELATED TO A $12 MILLION CRCIP BOND PROCEEDS LOAN; APPROPRIATING $100,000 FROM CITY FACILITIES DEFERRED MAINTENANCE CAPITAL IMPROVEMENT PROJECT (CE21); AND RECOGNIZING CASH CONTRIBUTIONS DEPOSITED INTO THE CROCKER CONSTRUCTION FUND (FUND 717) RECEIVED FROM THE CROCKER ART MUSEUM ASSOCIATION (CAMA) AND ADJUSTING THE PROJECT BUDGET FOR THESE CONTRIBUTIONS.

BACKGROUND

A. On December 3, 2002, the City Council approved a Memorandum of Understanding (the "MOU") (Resolution 2002-799) that outlined the roles and responsibilities of the City of Sacramento and the Crocker Art Museum Association ("CAMA") throughout the preconstruction and construction phases of the Crocker Art Museum Expansion and Renovation Project ("the Project").

B. Since that time, the City Council has received many reports and approved numerous items in furtherance of the Project, as detailed in the staff report for this matter, including the adoption of Resolution No. 2007-362 approving the First Amendment to the MOU between the City and CAMA.

C. On September 4, 2007, the City Council directed staff to work with CAMA and Rudolph & Sletten, Inc., the approved Construction Manager for the Project, to develop an alternate construction-funding strategy for the Project that would allow the construction phase to begin while fundraising continues. This strategy is necessary to minimize the effects of construction cost escalation on the Project; protect the City from incurring construction costs in excess of

available funding; and provide adequate time for the City, CAMA and Rudolph & Sletten, Inc. to evaluate the future course of action should projected funding become insufficient.

D. City staff, CAMA and Rudolph & Sletten, Inc., have developed an alternate construction-funding strategy that will protect the City from incurring construction costs in excess of available funding by limiting construction spending to eighty- percent of the available funds. This strategy includes monthly funding tests and reporting measures as outlined in the Second Amendment to the Memorandum of Understanding between the City and the CAMA.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The Crocker Art Museum Expansion and Renovation Project Budget is approved.

Section 2. Staff is directed to implement the alternate Construction-Funding Strategy for the Crocker Art Museum Expansion and Renovation Project.

Section 3. The City Manager is authorized to execute the Second Amendment to the Memorandum of Understanding between the City of Sacramento and the Crocker Art Museum Association for the Crocker Art Museum Expansion and Renovation Project (CF60), City Agreement No. 2002-215.

Section 4. The City Manager is authorized to execute loan and security agreements between the City and the Crocker Art Museum Association related to a $12 million Community Reinvestment Capital Improvement Program bond proceeds loan.

Section 5. $100,000 is appropriated from City Facilities Deferred Maintenance Capital Improvement Project (CE21) to the Crocker Art Museum Expansion and Renovation Project (CF60).

Section 6. The City Manager is authorized to recognize cash contributions deposited into the Crocker Construction Fund (Fund 717) received from the Crocker Art Museum Association (CAMA) and adjust the Project budget for these contributions.

Adopted by the City of Sacramento City Council on December 4, 2007 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, and Waters.

Noes: None.

Abstain: None.

Absent: Mayor Fargo.

Kevin McCarty, Vice-Mayor

Attest:

for Dawn Bullwinkel
Shirley Concolino, City Clerk