



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604

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Staff Report
October 25, 2005

Honorable Mayor and
Members of the City Council

Subject: Crocker Art Museum Capital Campaign and Phase II of the Museum's
Business Plan Status

Location/Council District: Crocker Art Museum, 216 O Street – Council District 1

Recommendation: Receive and File

Contact: Lial A. Jones, Director, Crocker Art Museum, 264-5423
Barbara Bonebrake, Director, Convention, Culture and Leisure
Department, 808-8225

Presenters: Lial A. Jones, Director, Crocker Art Museum
Department: Convention, Culture and Leisure Department
Division: Crocker Art Museum
Organization No: 4230

Summary:

This report provides an update on the capital campaign and the status of Phase II of the Business Plan for the Crocker Art Museum.

Committee/Commission Action: None.

Background Information:

On December 3, 2002, the City Council authorized the City Manager to execute a Memorandum of Understanding (MOU) with the Crocker Art Museum Association (CAMA) that set out the project roles, responsibilities and expectations of both the City and CAMA for the delivery of the renovated and expanded Crocker Art Museum. The Crocker is a major asset to the City of Sacramento and the surrounding region. CAMA and the City are making significant progress toward completing the capital expansion project to be a truly world-class art museum befitting its collections and the capital of the great state of California.

Phase I of the Business Plan, prepared by Ralph Andersen in consultation with Crocker and City staff, affirmed the operating feasibility of the expanded museum and provided

the operating budget that projected operating revenues and expenses for the first three-year period commencing on the opening of the expansion. This report provides an update on the capital campaign and the status of Phase II of the Business Plan. Phase II of the Business Plan sets out to:

- Provide construction planning update, estimates and assumptions
- Capital campaign updates, projections, and cash flow analysis
- Identify additional City of Sacramento financial support
- Demonstrate necessary gap financing scenarios

The project to expand the existing Crocker Art Museum by approximately 100,000 square feet and to renovate the existing museum, has made significant progress since the City, in conjunction with CAMA, authorized funding for the preparation of the Master Plan and future preparation of the California Environmental Quality Act (CEQA) documents in 2001. Key milestones are noted below:

- On January 10, 2002, Council accepted the Crocker Art Museum Master Plan study (Resolution 2002-011) that outlined the need for a 100,000 square foot addition.
- On December 3, 2002, Council approved the MOU (City Agreement 2002-215, Resolution 2002-799) between the City and CAMA for the Crocker Art Museum Expansion and Renovation project.
- On March 11, 2003, Council approved an application to file for a State of California Historical and Cultural Resources Preservation, Opportunity Grant to be used for the project and established a Capital Improvement Project (CIP) (PN:CF61). In June 2003, the \$4 million grant was awarded.
- The conceptual design was initially reviewed by the Design Review and Preservation Board on February 19, 2003 and subsequently endorsed unanimously by Council on March 11, 2003.
- Following a comprehensive, competitive, qualification-based selection process involving both City and CAMA representatives, Rudolph & Sletten was selected to serve as Construction Manager/General Contractor for the project.
- On September 9, 2003, Council approved the allocation of \$2 million in SHRA tax increment funds (Fund 206) for the expansion project.
- On February 3, 2004, City Council authorized an agreement of \$2,502,103 with Gwathmey, Siegel & Associates (City Agreement 2004-078) for architectural services related to the project.
- On August 18, 2004, the Design Review and Preservation Board praised Gwathmey, Siegel & Associates for responding thoroughly and appropriately to previous DRPB Conceptual Design comments and unanimously supported the continuation of the project in its current form.
- On November 4, 2004, Council endorsed the Schematic Design and authorized CAMA to proceed to the Design Development phase of the project.
- On November 18, 2004, CAMA approved the Crocker Art Museum Business Plan.

The Museum has been implementing its comprehensive capital campaign to secure the funding needed for this significant project. The total fundraising need of \$75 million has been identified; \$60 million for planning and construction, and \$15 million to bolster the Museum's endowment. This effort is the largest cultural campaign ever conducted in the Sacramento region.

As of September 27, 2005, the Museum has received binding gifts and payments of \$33,461,971. In addition, the Museum has received verbal commitments of \$14 million. This tremendous success creates an opportunity for continued assertive fundraising and gives the campaign's leadership great confidence that all future year goals will be met and exceeded.

The Business Plan is under review by City staff and will be presented to the City Council in December. This report provides an update on the progress to date consistent with the CAMA/City memorandum of understanding.

Financial Considerations:

The Capital project feasibility and the discussion of project financing, debt service payments, and the anticipated increase in endowment funds will be addressed in the capital portion of the Business Plan which will be presented to the City Council in December.

Environmental Considerations:

An Environmental Impact Report (EIR) was prepared for Crocker Art Museum Expansion Project in accordance with the California Environmental Quality Act of 1970 (CEQA), as amended (Public Resources Code, §21000 et seq.) and the State Guidelines (California Code of Regulations, §15000 et seq.). The report also complies with the rules, regulations, and procedures for implementation of CEQA adopted by the City of Sacramento.

Certification of the EIR is included in a separate report for action by the City Council on the same date as this report.

Policy Considerations:

The action requested herein is consistent with the City's Plan goal of achieving sustainability and livability and expanding economic development throughout the City.

Emerging Small Business Development (ESBD): None.

October 25, 2005

Respectfully Submitted By:



Lial A. Jones, Director
Crocker Art Museum

Approved By:



Barbara E. Bonebrake, Director
Convention, Culture and Leisure Department

FOR CITY COUNCIL INFORMATION



ROBERT P. THOMAS

City Manager

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