



2

DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

CROCKER ART MUSEUM DIVISION

CITY OF SACRAMENTO
CALIFORNIA

216 O STREET
SACRAMENTO, CA
95814-5399

916-449-5423

BARBARA K. GIBBS
DIRECTOR

March 15, 1989

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Crocker Art Museum Expansion Project

SUMMARY

This report provides the current status of the Crocker Art Museum expansion project and recommends a method of financing its two final phases, the Courtyard and Landscape Projects. Specifically, this report recommends that the City Council, by resolution, authorize the City Manager to enter into an agreement between the Crocker Art Museum Association (CAMA) and the City, extending the City's commitment to temporarily underwrite anticipated negative cash balances in the project fund up to \$310,000 in order to complete the total project.

BACKGROUND INFORMATION

In July, 1986, the City Council authorized bidding on the Crocker Art Museum Starter Project and entered into an agreement with CAMA that CAMA would fund the \$5,471,000 project with \$3,095,100 in cash, \$2,424,700 in scheduled pledge payments and a \$766,000 letter of credit. As of this date, the Starter Project is 100% complete at a cost of \$5,158,830 and has been fully funded by CAMA without recourse to the letter of credit.

In December, 1987, the City Council authorized a Completer Project consisting of Victorian porches, a period gallery, furniture, fixtures and installation expenses of \$1,018,100. The City also agreed to make an interest-free loan of up to \$310,000 to underwrite anticipated negative cash balances in the project construction fund from May, 1988 through November, 1989. As of this date, the porches and period gallery are 100% complete within budget, and the total Completer Project budget has been revised downwards to \$973,930. The project fund experienced negative cash balances only in September and October, 1988, to a maximum of \$18,400; at this date the balance is positive.

In order to prepare the Crocker Art Museum Expansion Project for public opening in September, 1989, the City needs to proceed with the two final phases of work, the Courtyard and Landscape projects. The total cost of the Courtyard is estimated at \$387,030 including a firm construction bid of \$354,990, and the Landscape project is estimated at \$150,000. With additional City Services of \$20,000, the total to finish the expansion is \$557,030. As shown on Exhibit B attached, CAMA currently has sufficient cash and pledges to fully fund the project.

FINANCIAL

A recapitulation of the three phase of the Crocker Expansion Project is provided below:

	<u>7/86</u>	<u>12/87</u>	<u>12/88 *</u>
CAMA cash, pledges	\$5,519,875	\$6,220,404	\$6,744,419
<u>Starter Project</u>			
Fundraising	270,143	329,855	321,199
Design	718,055	685,976	685,976
City Services	232,258	232,159	268,677
Construction and contingency	3,953,088	3,692,926	3,585,226
HVAC contribution	230,000	230,000	230,000
Financing cost	67,509	11,490	11,529
	<u>\$5,471,053</u>	<u>\$5,182,405</u>	<u>\$5,210,307</u>
<u>Completer Project</u>			
Design		21,580	21,580
Porches, period gallery		602,350	602,350
Fixtures, installation		355,000	350,000
HVAC wall		40,000	0
		<u>\$1,018,930</u>	<u>\$ 973,930</u>
<u>Courtyard and Landscaping</u>			
City Services			20,000
Courtyard			387,030
Landscaping and contingency			<u>150,000</u>
			<u>\$ 557,030</u>
<u>Total Project Cost</u>	<u>\$5,471,053</u>	<u>\$6,201,335</u>	<u>\$6,741,267</u>
Surplus (Deficit)	<u>\$ 48,822</u>	<u>\$ 19,069</u>	<u>\$ 3,152</u>

* As of this date projection of total project costs which will be completed in December 1990.

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PROJECT FUNDING

In order to award the contracts for the Courtyard and Landscaping Projects, staff is recommending the following:

1. The City of Sacramento will underwrite the negative cash balances in the Project Construction Fund up to a maximum of \$310,000. The funds will be repaid to the City through pledge payments and other project income.

If there are any remaining contingency funds at the end of the Courtyard and Landscaping Projects (December, 1989), these funds will be used to compensate the General Fund for the loss of interest earnings resulting from the loan. If insufficient contingency funds remain in the project, the City will absorb the loss of interest earnings.

If revenues to the project are not sufficient to repay the principal loan amount by the end of the Courtyard and Landscaping Projects (December 1989), then CAMA agrees to repay the principal in semi-annual installments over a three-year time period with interest accruing from January 1990 on the unpaid balance. Further, CAMA agrees to use its own unrestricted assets, including the principal of the Davis Fund (currently totalling \$710,000) as collateral to this loan.

2. The CAMA Board at their November 1988 meeting authorized the Executive Committee to approve the attached agreement between the City and CAMA (Exhibit C). The Executive Committee approved the agreement at their December 12, 1988 meeting. Major provisions of the agreement include:
 - a. CAMA shall pay all costs of the Courtyard and Landscaping Projects except \$250,000 which has been approved for use on the Project from 1986 and 1986 State Parks Bond Act funds.
 - b. City shall award construction bids in accordance with the plans approved by the City and CAMA.
 - c. All contributions to CAMA building fund shall be deposited with the City in the project construction account.
 - d. CAMA may withdraw from the construction fund per the cash flow schedule (Exhibit B) money for museum shop, furniture and fixtures, and installation expenses.

The Courtyard and Landscaping Projects will include creation of a granite tiled courtyard gathering area with formal landscaping including a sculpture garden. The area surrounding the renovated Crocker home will also be landscaped as a part of this project. The Victorian theme of the landscaping will be consistent with the period in which the Crocker buildings were originally constructed.

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MBE/WBE EFFORTS

Every effort will be made to comply with and support the City's MBE/WBE goals.

POLICY CONSIDERATIONS

None.

RECOMMENDATION

It is recommended that the Budget and Finance Committee approve this report and refer it to the full City Council for action. Further, it is recommended that City Council, by resolution, authorize the City Manager to enter an agreement between the Crocker Art Museum Association and the City to underwrite anticipated negative cash balance in the Project Construction Fund up to \$310,000 in order to proceed with the Courtyard and Landscaping Projects.

Respectfully submitted,

for - G. Euling Luzzi
Robert P. Thomas, Director
Parks and Community Services

Recommendation Approved:

for - John Wiseman, Jr.
Jack R. Crist
Deputy City Manager

April 4, 1989
District No. 1

Contact Person to Answer Questions:
Barbara Gibbs, Crocker Art Museum Director - 449-5423

RPT:ja

RESOLUTION No.

Adopted by The Sacramento City Council on date of

**RESOLUTION APPROVING AGREEMENT BETWEEN THE
CITY OF SACRAMENTO AND THE
CROCKER ART MUSEUM ASSOCIATION**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized and directed to execute, on behalf of the City of Sacramento, an agreement between the City of Sacramento and the Crocker Art Museum Association to extend the City's commitment to temporarily underwrite anticipated negative cash balances in the Crocker Art Museum Expansion Project Fund.
2. That the City's temporary commitment will not exceed \$310,000.
3. That these funds will be used in order to proceed with the Courtyard and Landscape Phase of the Crocker Art Museum Expansion Project.
4. If there are any remaining contingency funds at the end of the Courtyard and Landscaping Projects (December, 1989), these funds will be used to compensate the General Fund for the Loss of interest earnings resulting from the loan. If insufficient contingency funds remain in the project, the City will absorb the loss of interest earnings.

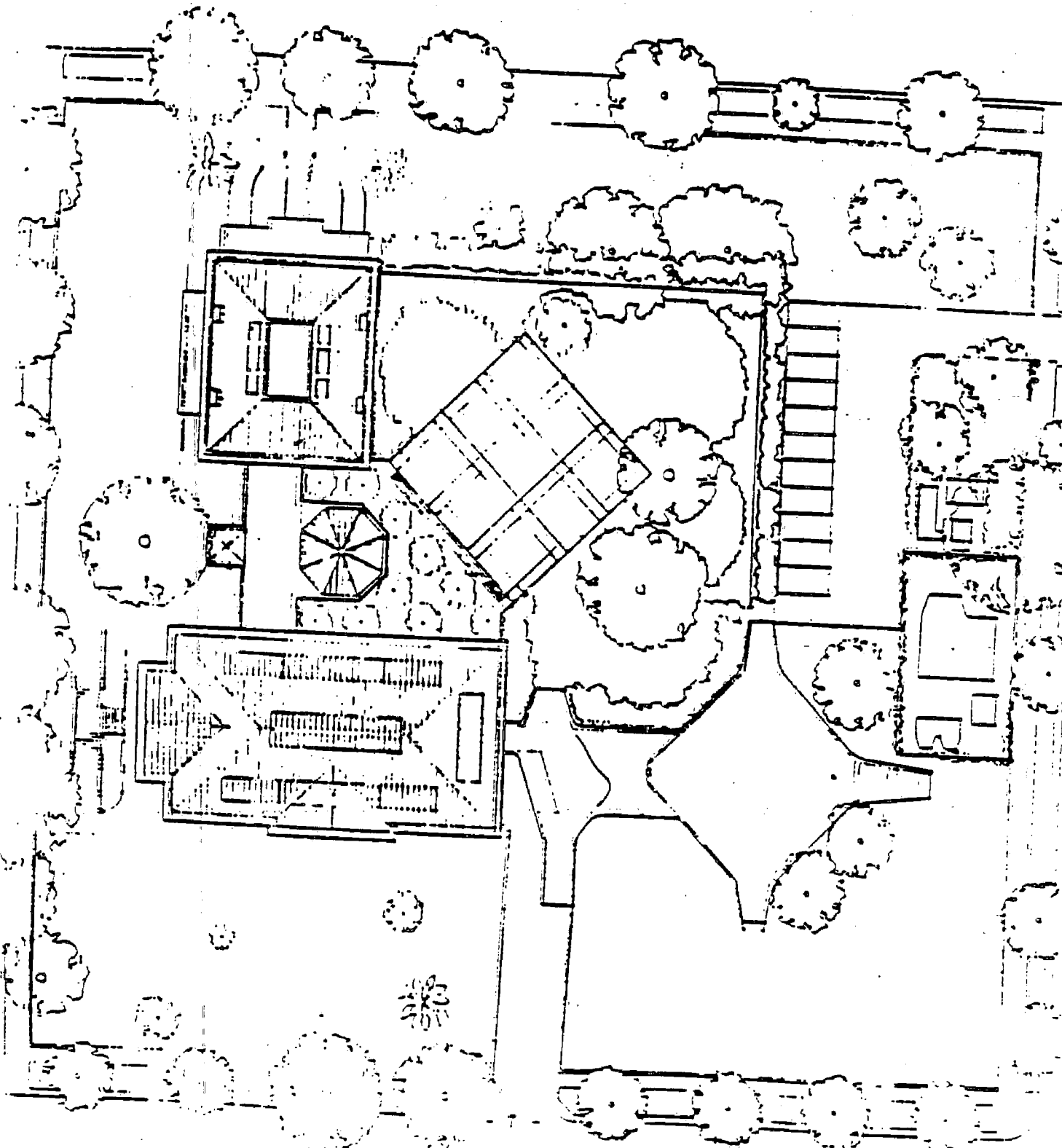
MAYOR

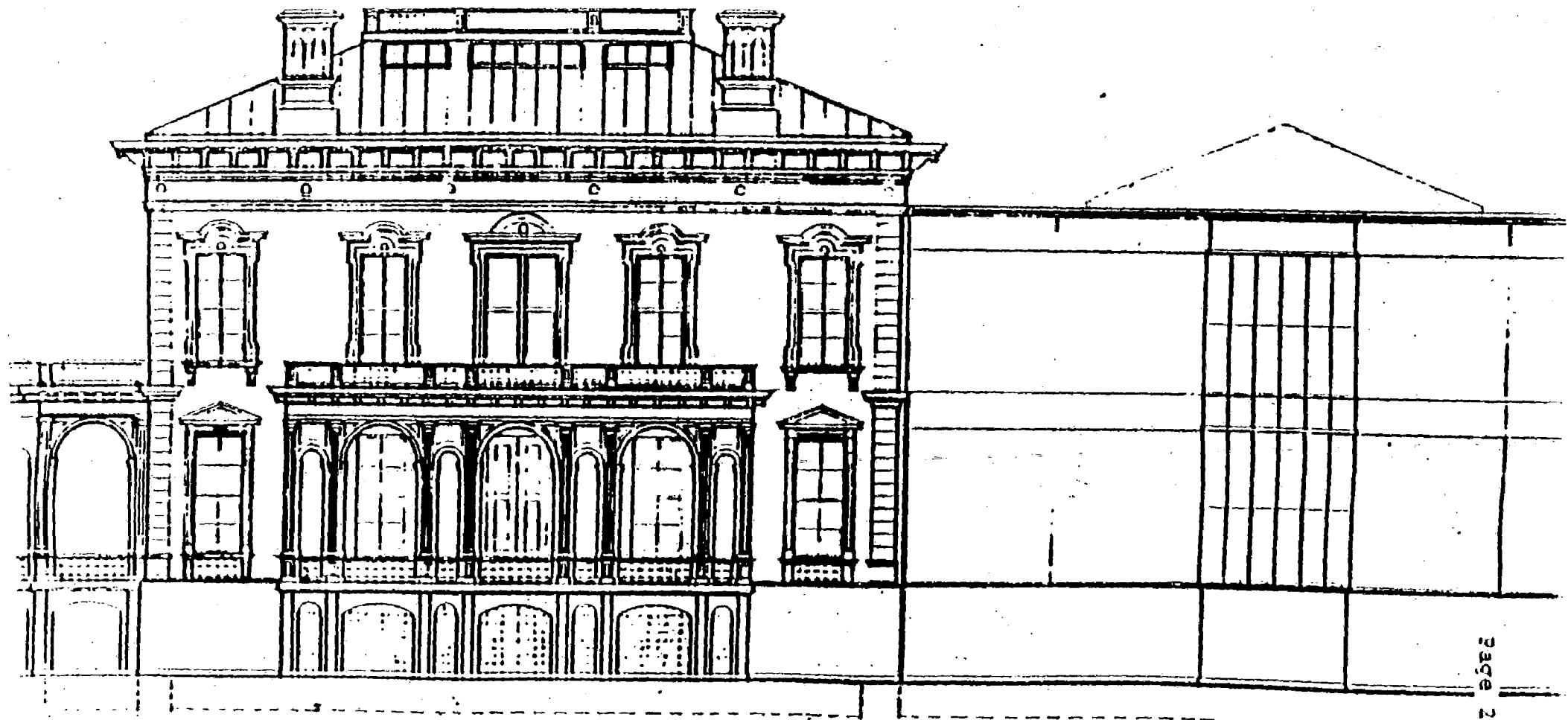
ATTEST:

CITY CLERK

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- 42 Paving Plan - Top
- 43 Paving Plan - Area
- 44 Paving Plan
- 45 Grading Plan - Ground
- 46 Grading Plan - Main
- 47 Grading Plan - Top
- 48 Grading Plan - Area
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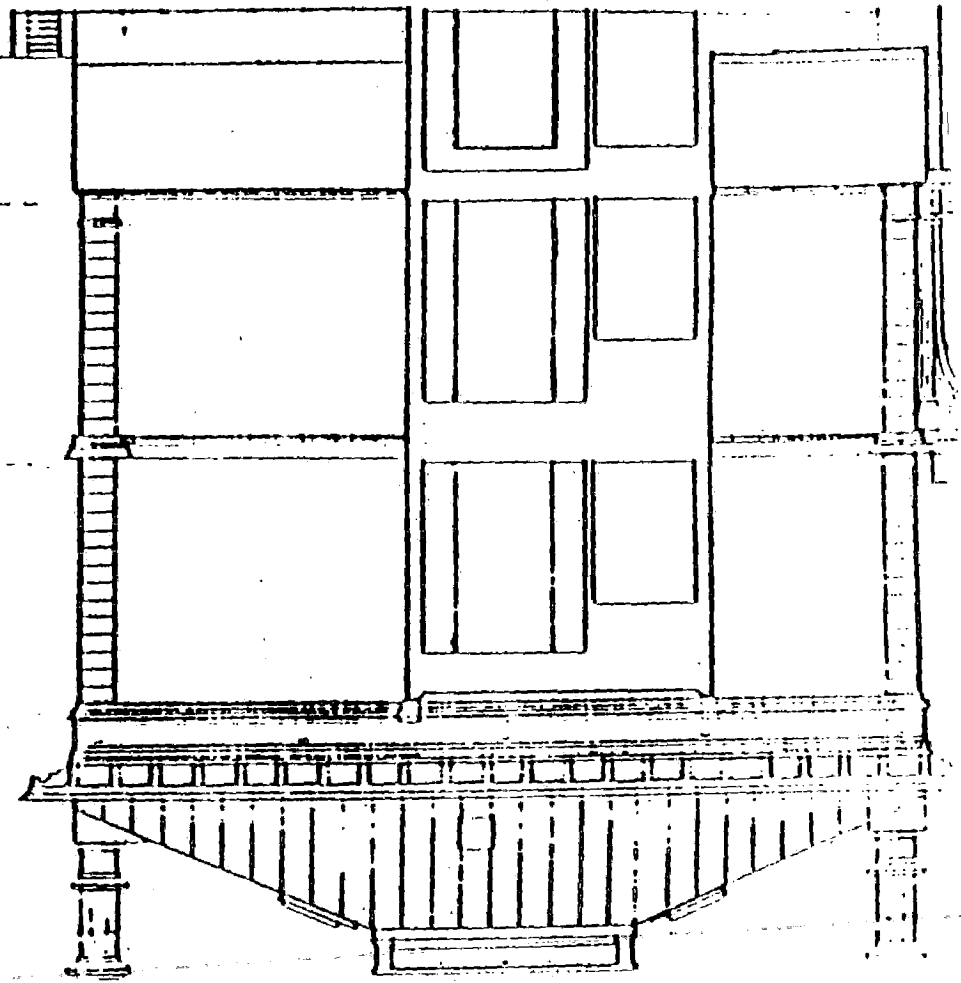
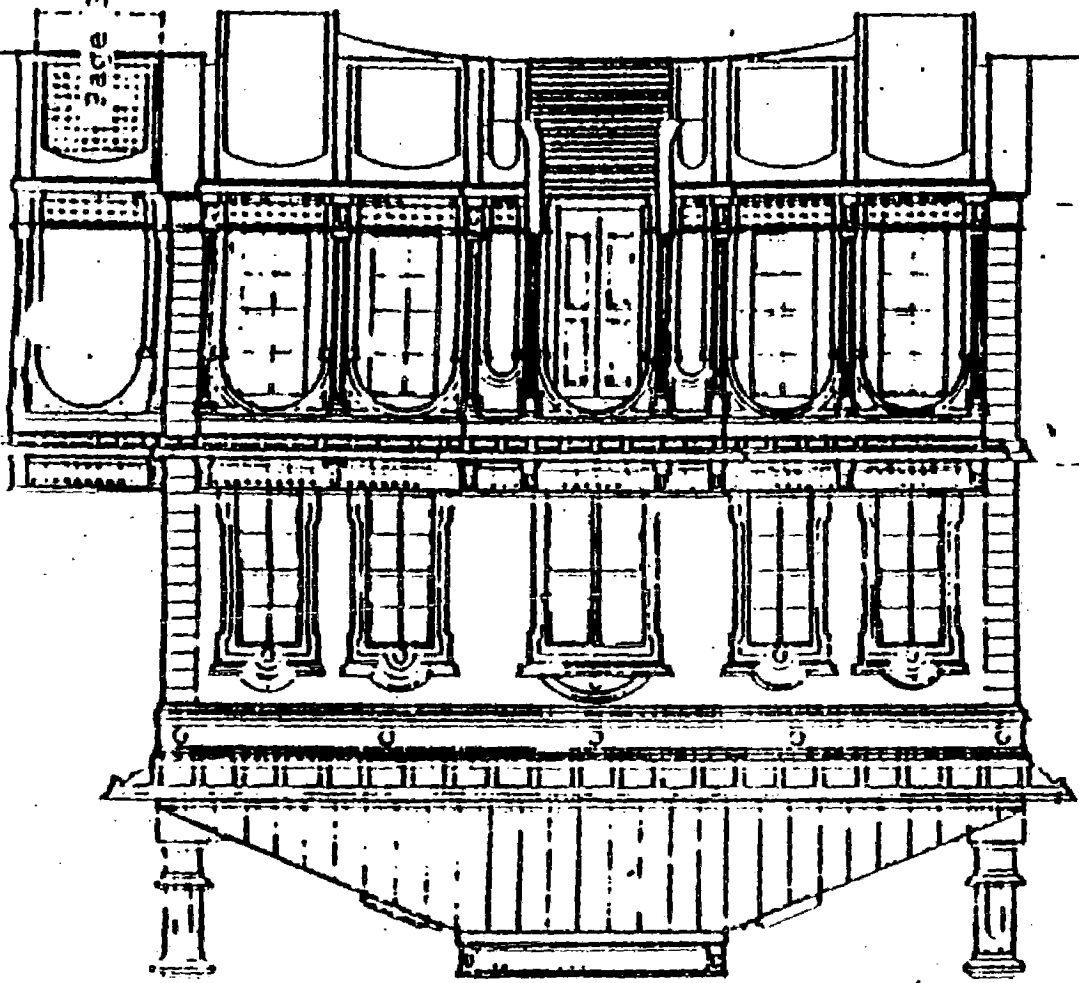
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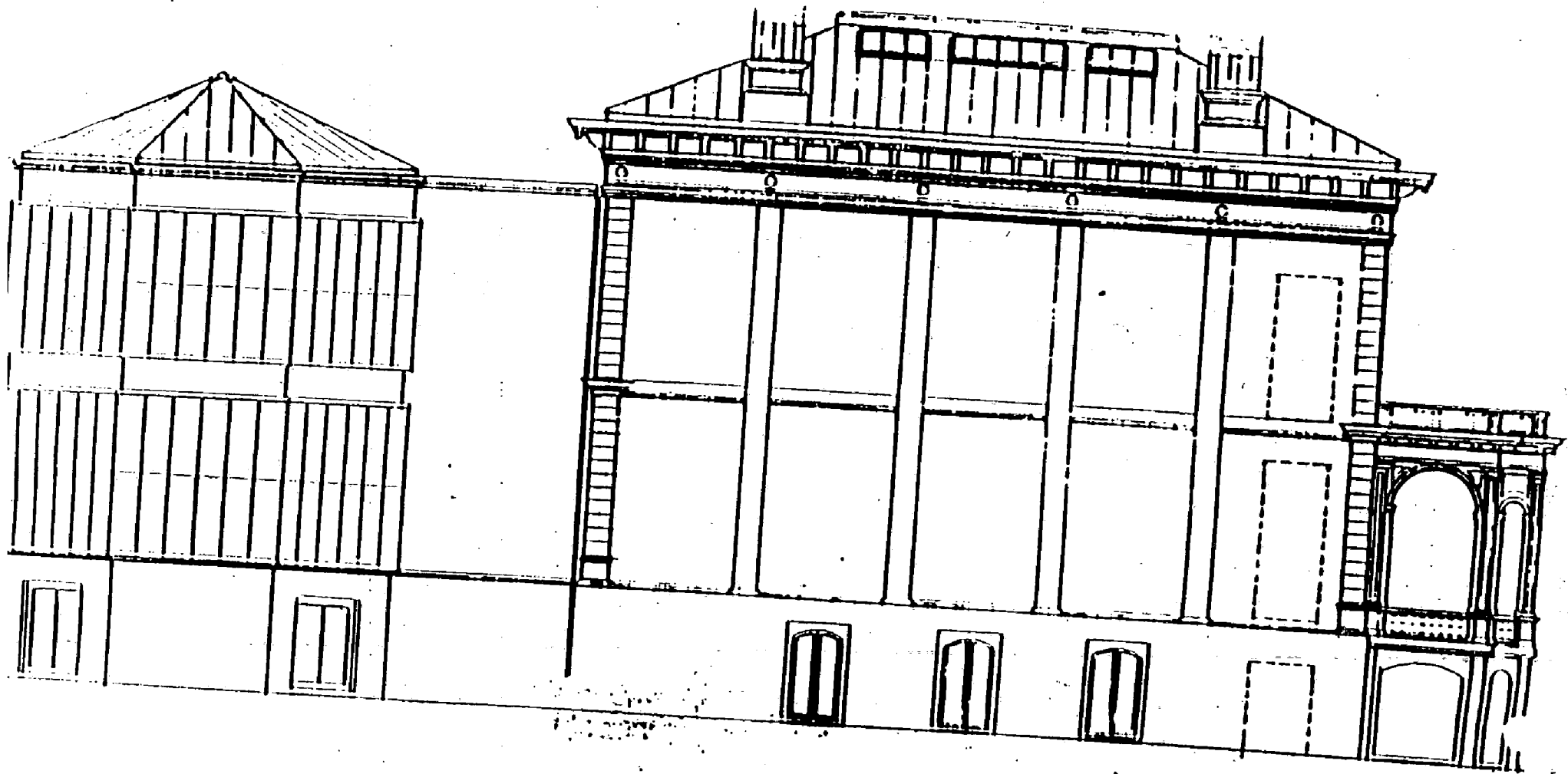
NORTH EXTERIOR ELEVATION

WEST

EAST

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SOUTH EXTERIOR ELEVATION

2

CROCKER ART MUSEUM ASSOCIATION - BUILDING FUND CASH FLOW
AS OF 3/15/89

	AS OF 6/30/87	FISCAL YR 1988	JULY 1988	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	JANUARY 1989	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	JUNE 1989	JULY 1989	AUGUST 1989	SEPTEMBER 1989	DECEMBER 1989	DECEMBER 1990	TOTAL
CASH BALANCE	61533																			61533
REVENUE																				
CITY REDEVELOPMENT	1125000																			1125000
COUNTY	775000	350000																		1125000
FRIEDMAN	40000	20000						20000												100000
MC CLATCHY	150000	50000																70000		200000
MC CUE & STEELE	67000	0						33000												100000
GSE	0	0												250000						250000
TSAKAPOULOS	0	500000																		500000
TEICHERT	182446	349				125														182920
DIVISION I	664766	63000							100000											1097766
DIVISION II	522870	90425		1250	3000	25000	5000	52495						150000	10000	10000	100000			770156
DIVISION III & IV	232820	64727			1000	625	17250	38626									10116		5000	366748
NOTE RECEIVABLE	4895	1235		95	95	190	95	95	95	95	95	95	95	95	95	95	95	11700		8900
NON-FLEDGE DONATIONS	84312	2217		100			0	2000	3500			9500						285	1340	110629
OTHER REVENUE	82462			41350	5000		74802	7459							5000			2000		211073
INTEREST INCOME	418076	105030		11005			2503													536614
TOTAL REVENUE	4411180	1246983	0	53800	9095	25940	99650	153675	103595	95	95	9595	95	400095	15095	10095	110211	88985	6160	6744419
EXPENDITURES																				
FUND RAISING	305855	5989			0		9355													321199
DESIGN	366129	275843	12971	8159	6396	0	2476	9002	5000											685976
CITY SERVICES	123050	112209	4803	8239	8782	7230	4364	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	288677
CONSTRUCTION-STARTER	1221032	2134194																		3153224
CONSTRUCTION-COMTINER	0	295137	90		16813	242	25418													317700
HVAC	0	730000																		230000
ALTERNATES AND OTHER																				
DESIGN FEE	0	21580																		21580
PORCHES	0	64712	300643	79850	55285															500490
PERIOD ROOM	0	21070	33315	8979	6803	1105														71272
CHIMNEYS	0	0																		0
COURTYARD	0	0							0	20000	30000	70000	70000	70000	70000	37030	20000			387030
LANDSCAPING	0	0					0	0	0	0	0	25000	25000	25000	25000	25000	25000			150000
HVAC WALL	0	0																		0
MUSEUM SHOP	0	0			0	0	0	0	10000	35000	5000									50000
FURNITURE/PICTURE	0	0			0	0	0	20000	10000	10000	10000	10000	10000	10000	10000	10000	10000			100000
INSTALLATION	0	0					0	0	0	25000	25000	25000	25000	25000	25000	25000	25000			200000
CONTINGENCY	0	0				0	3846	11788	14934											30588
OTHER	11434	93																	0	0
TOTAL EXPENDITURES	2027500	3160829	351822	105227	94079	8577	45459	42790	41934	92000	72000	132000	132000	132000	132000	99030		0	0	6741267
NET CASH BALANCE	2383680	469834	118012	66585	-18399	-1036	53155	164040	225681	133776	61871	-60534	-192439	75656	-41249	-130184	-91973	-2988	3132	3132

This cash flow statement includes all projects numbers under the City of Sacramento Fund number 582 - Crocker Art Museum Fund



2

DEPARTMENT OF
GENERAL SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

OFFICE OF THE DIRECTOR

916-449-5548

March 13, 1989

DIVISIONS

City Council
Sacramento, California

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

Honorable Members In Session:

Subject: CROCKER ART MUSEUM SCULPTURE COURTYARD (MA41)
216 O STREET, SACRAMENTO

SUMMARY

Facility Development has negotiated a construction bid with Zenith Construction and recommends that an agreement be entered into to perform subject construction contract for \$354,991.00.

BACKGROUND

On February 7, 1989, the City Council, at the request of the Facility Development Section, rejected all bids received and opened on December 13, 1988 for the Courtyard project, and authorized Facility Development Section to negotiate a contract with the low bidder, Zenith Construction.

Subject negotiations have been completed and the project scope and construction bid have been revised to meet project budget. The revised construction bid is \$354,991.00 reduced from \$488,844.00.

All revisions to the project scope and bid have been reviewed and approved by both Crocker Art Museum and Parks and Community Services staff.

FINANCIAL

See Budget and Finance report submitted by Parks and Community Services.

POLICY MATTERS

On February 7, 1989, the City Council approved staff's request to waive further competitive bidding and granted permission to negotiate with the low bid Contractor, Zenith Construction, in order to keep the project on schedule and within budget.

MBE/WBE EFFORTS

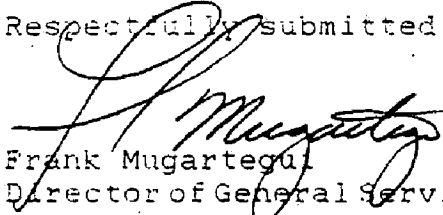
This project was bid with all required documentation and guidelines included and followed.

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution authorizing:

1. The negotiated bid of Zenith Construction in the amount of \$354,991.00 be accepted;
2. A contract with Zenith Construction in the amount of \$354,991.00 be awarded; and
2. The City Manager to execute the necessary contract.

Respectfully submitted,


Frank Mugartegui
Director of General Services

Recommendation Approved:

Walter J. Slipe, City Manager

April 4, 1989
District #1

Note: Questions regarding this report should be referred to Michael Sweeney, Project Manager, Facility Management Division, 449-5977.

2

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION ACCEPTING NEGOTIATED BID OF
ZENITH CONSTRUCTION IN THE AMOUNT OF \$354,991.00
FOR THE CROCKER ART MUSEUM SCULPTURE COURTYARD,
THE AWARD OF CONTRACT AND TO AUTHORIZING
THE CITY MANAGER TO EXECUTE THE NECESSARY CONTRACT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the negotiated bid with Zenith Construction in the amount of \$354,991.00 for the Crocker Art Museum Sculpture Courtyard be accepted;
2. That a contract be awarded to Zenith Construction in the amount of \$354,991.00 for the subject project; and
3. That the City Manager be authorized to execute the necessary contract.

MAYOR

ATTEST:

CITY CLERK