



City of Arts & Innovation

City Council Memorandum

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 4, 2022

FROM: MUSEUM DEPARTMENT WARDS: ALL

SUBJECT: MEASURE Z – FIRST AMENDMENT TO THE PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH PERKINS EASTMAN ARCHITECTS, D.P.C. FOR PHASE II ARCHITECTURAL DESIGN SERVICES FOR THE MUSEUM OF RIVERSIDE LOCATED AT 3580 MISSION INN AVENUE IN THE AMOUNT OF \$2,315,040 INCLUDING A 10% CONTINGENCY OF \$231,504 FOR A TOTAL AMOUNT NOT TO EXCEED \$2,546,544; REIMBURSEMENT RESOLUTION FOR THE MUSEUM RENOVATION PROJECT - SUPPLEMENTAL APPROPRIATION

ISSUE:

Approve a First Amendment to the Professional Consultant Services Agreement with Perkins Eastman Architects, D.P.C. for Phase II architectural design services for the Museum of Riverside located at 3580 Mission Inn Avenue in the amount of \$2,315,040 including a 10% contingency in the amount of \$231,504 for a total not-to-exceed amount of \$2,546,544; Approve a Reimbursement Resolution for the Museum Renovation Project - Supplemental Appropriation

RECOMMENDATIONS:

That the City Council:

1. Approve a First Amendment to the Professional Consultant Services Agreement with Perkins Eastman Architects, D.P.C., in the amount of \$2,315,040 for Phase II architectural design services for the Museum of Riverside located at 3580 Mission Inn Avenue;
2. Authorize a 10% contingency of \$231,504 for unforeseen project changes including, but not limited to, owner-requested changes and design improvements for a not-to-exceed total amount of \$2,546,544;
3. With at least five affirmative votes, authorize the Chief Financial Officer to record a supplemental appropriation from Measure Z unallocated reserves in the amount of \$2,546,544 to the Measure Z Museum Renovation project;
4. Authorize the City Manager, or designee, to execute the First Amendment to the Professional Consultant Services Agreement with Perkins Eastman Architects, D.P.C. including making any minor, non-substantive changes, and sign all documents

necessary for the completion of architectural design for the renovation and expansion concept for the Museum of Riverside facility;

5. With at least five affirmative votes, program an annual allocation of \$3.6 million in the Measure Z Spending Plan through Fiscal Year 2035-2036 for the Museum Renovation Project for potential debt financing of a preliminary estimated project cost of \$35,000,000; and
6. Adopt a Reimbursement Resolution to provide the option of using future bond proceeds to reimburse Museum Renovation project costs in an amount not to exceed \$35,000,000.

COMMISSION RECOMMENDATIONS:

At its meeting on February 13, 2020, the Budget Engagement Commission (BEC) received a report and presentation from Museum staff outlining three options for pursuing the Museum renovation project. The BEC requested that Finance Department staff return with an analysis of total debt service estimated costs for option 2 (renovate existing 1912 historic structure and construct a 6,000-square-foot, one-story addition) with project costs of \$22,053,000 or option 3 (renovate existing 1912 historic structure with a 12,000-square-foot, two-story addition) with project construction costs of \$24,468,000.

At its meeting on March 12, 2020, the BEC received a report and presentation from the Finance Department describing the costs and financing options for the two options presented at the previous meeting. At this meeting, options 2 and 3 as presented in February were renumbered to become options 1 and 2. The BEC voted to support a recommendation to City Council for option 2 (renovate existing 1912 historic structure with a 12,000-square-foot, two-story addition), as presented by the Finance Department, for the project costs to rehabilitate and expand the Museum, solely using Measure Z funds.

At its meeting on March 10, 2022, the BEC received an update from the Museum Department on the project and voted to recommend that City Council make a commitment to a viable, operative Museum and move the project forward.

BACKGROUND:

The main facility of the Museum of Riverside (Museum) is located at 3580 Mission Inn Avenue in a building designed in 1912 as a U.S. Post Office by James K. Taylor, a principal draftsman at the United States Architects' Office. The Neo-Classical style of the building was common for early twentieth-century government structures; the building also reflects the Mission Revival materials and details typical of its Southern California location. The Museum has operated this facility since 1948, when it occupied the basement and shared the facility with the Police Department. In 1965, after the departure of the Police Department, the Museum began to maintain and operate the entire structure. The building was augmented or altered in 1928, 1954, and 1967. After many years of deferred building maintenance, the City of Riverside (City) spent approximately \$2 million in 2011 to remove and replace the roofing system, repair exterior wood soffits, rehabilitate existing windows, provide building seismic retrofits and ADA improvements, and provide minor architectural improvements both to the interior and exterior of the structure.

Since September 5, 2017, the structure at 3580 Mission Inn Avenue has been temporarily closed to the public in preparation for the proposed renovation and expansion. A placeholder allocation of \$15 million was included in the initial Measure Z spending plan at that time. This total was reduced in December 2017 to \$13.7 million in order to transfer \$1.3 million to the budget for the new Main Library to support a City Archive.

On August 30, 2018, Request for Proposals (RFP) No. 1851 was issued for Phase I Conceptual Design Services for the Museum of Riverside to be used as a basis for planning the renovation and expansion of the structure and providing cost estimates for Phase II design and construction. This process resulted in the selection of the then-named Pfeiffer Partners Architects, Inc., Los Angeles office. On April 23, 2019, City Council approved a Professional Consultant Services Agreement with Pfeiffer Partners Architects, Inc., in the amount of \$99,220. The outcome of Phase I design concept work was presented to the BEC in February 2020, resulting in their support for the staff-recommended option of renovation of the historic 1912 Main Museum with a two-story addition.

In March 2021, the merger of global architecture and design firm Perkins Eastman of New York and Los Angeles-based Pfeiffer Partners Architects was completed. All rights and obligations under the Professional Consultant Services Agreement assigned to Pfeiffer Partners Architects, Inc. were assumed by Perkins Eastman Architects, D.P.C.

The COVID-19 Pandemic impacted project budget resources, as adjustments were made to the Measure Z spending plan in alignment with pandemic emergency restrictions deferring the Museum renovation project to Fiscal Year 2022-2023.

DISCUSSION:

The Museum Renovation Project was a priority from the inception of Measure Z. Bringing the structure up to date was recognized as a long-deferred need for Riverside’s cultural community and the enhancement of its educational and tourism opportunities. Progress occurred in 2018 and 2019, but the Museum renovation project was placed on hold by the pandemic-related suspension of many City activities. As identified in *Envision Riverside 2025 Strategic Plan*, approved by the City Council in October 2020, the Museum renovation has risen in importance, as it is a core goal of the “Arts, Culture and Recreation” strategic priority.

The Museum Department wishes to resume architectural planning pursuant to completion of the project. The project is defined as the option that satisfies the Museum’s functional needs in full, as defined by staff, and comprises a renovation of the core of the historic 1912 structure, an approximately 12,000-square-foot, two-story addition on the back of the historic structure, and a roof terrace. The concept provided by Pfeiffer Partners Architects, Inc. and supported by the Budget Engagement Commission strikes a satisfying balance between leaving needs unmet and overbuilding a lavish architectural monument. It is a prudent solution to the Museum’s needs that will meet its functional requirements on its existing downtown lot. Since the temporary closure in September 2017, the Museum has not been able to participate fully in the cultural community and has been unable to play its role in creating the positive social, educational, and financial benefits that stem from a vibrant cultural community. The positive multiplier effect of a dollar invested in the cultural community is much studied. For example, in the Americans for the Arts’ *Arts & Economic Prosperity 5* marketing study, Riverside arts and cultural audiences are noted as having spent \$25,414,927 locally in 2015 excluding the costs of direct admission to sites—a clear benefit to the local economy.

The anticipated project cost at this stage of the process is \$32,753,030. A more accurate figure will be determined upon completion of architectural design. The current estimate is based on new construction cost estimates provided by Pfeiffer and adjusted by the General Services and Museum departments to include non-construction project expenses. The difference between the current anticipated project cost and the pre-pandemic estimate reflects the sharp cost escalation in construction materials and labor that resulted from pandemic-induced disruptions, experienced worldwide in all industries.

Approval of the current request to execute a First Amendment to the Professional Services Agreement with Perkins Eastman Architects, D.P.C. in an amount not to exceed \$2,546,544 to complete Phase II architectural design services for the project will result in 1) design documents and more fully realized presentation materials that will be introduced at multiple community engagement sessions, 2) biddable construction documents, and 3) construction administration during the project bidding and construction phases. Completion of the architectural design process is projected at approximately twelve-months from execution of the First Amendment to the agreement for design services.

U.S. Treasury Regulation Section 1.150-2 requires the City of Riverside to adopt a formal declaration of intent to reimburse present expenditures with future bond proceeds. The Reimbursement Resolution (Attachment 2) serves as a formal declaration, allowing the City to reimburse museum expansion capital expenditures made up to sixty (60) days prior to the adoption of the resolution to the time of bond issuance. Without the resolution, only expenditures made on or after the issuance of bonds would be eligible for reimbursement with bond proceeds. This Reimbursement Resolution does not commit the City of Riverside to issue bonds in the future. It only provides the legal basis to reimburse reserves in the event the City Council approves the issuance of bonds later.

The General Services Department concurs with this report.

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23812 Section 702(w), which states that “when approved by the Manager, Services not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions need by the Manager to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process.”

STRATEGIC PLAN ALIGNMENT:

The Museum Renovation Project contributes to the Envision Riverside 2025 Strategic Plan Strategic Priority No. 1, *Arts, Culture and Recreation* and Goal No. 1.1 – strengthen Riverside’s portfolio of arts, culture, recreation, senior and lifelong learning programs and amenities through expanded community partnerships, shared use opportunities and fund development.

The Museum Renovation Project aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The Museum Renovation Project was announced to the public in September 2017 as a three-year project. Public support is strong for proceeding with this project and fulfilling its promise. Inclusive community engagement processes, including

Boards and Commissions, resulted in positioning of the Museum renovation project as a high priority in *Envision Riverside 2025 Strategic Plan*.

2. **Equity** – The Museum renovation and expansion project enhances flexibility in the use of this cultural site and represents the ethnic and cultural diversity of the community more fully in its programming. The renovation will ensure ADA compliance and more equitable access to City resources.
3. **Fiscal Responsibility** – Measure Z funding provides the opportunity for this one-time project that is being designed to serve the Riverside public for generations.
4. **Innovation** – Museums have evolved at a meteoric rate in the past generation, and the renovation and expansion project will permit the Museum of Riverside to take part in the new thinking that our peers are already engaged in and that contemporary audiences expect.
5. **Sustainability & Resiliency** – The renovated and expanded structure will place a high priority on green building technologies and efficient long-term operating and energy costs. Further, the expanded programming possible after reopening will support efforts toward cultural sustainability.

FISCAL IMPACT:

The Museum Rehabilitation Project was approved as part of the Measure Z spending plan adopted by City Council on May 16, 2017, with \$13.7 million in financing anticipated to begin in FY 2018-2019. With the onset of the Covid-19 pandemic and adoption of an emergency budget in FY 2020/21, the Measure Z funding allocation was delayed to FY 2022/23. In the interim, staff has worked to refine the scope of the project and cost estimates, and to obtain BEC recommendations for a path forward.

Upon City Council approval, a supplemental appropriation of \$2,546,544 for additional Phase II architectural design services for the renovation and expansion concept will be recorded in the Measure Z Museum Expansion and Rehab Account Number 9901709-462050. Under the terms of the Reimbursement Resolution, this cost will ultimately be reimbursed from debt proceeds, if debt is issued. Sufficient funding is available in Measure Z unallocated reserves for the supplemental appropriation. Approval of this supplemental appropriation does not impact the minimum threshold requirement of \$5 million in Measure Z fund reserves.

The Measure Z Spending Plan (Attachment 3) will be updated to reflect estimated debt obligations in the amount of \$1.8 million beginning in FY 2022-2023 and \$3.6 million annually through FY 2035/36 for the estimated total financing costs of \$35 million, thereby preserving Measure Z funding for the Museum Renovation project. Based on the preliminary, unaudited results of fiscal year ending 2021/22, sufficient Measure Z funds will be available for the annual allocation. Following the receipt of the architectural report and an updated project cost estimate, a formal request for approval of a project funding option and related supplemental appropriations will be submitted for Council approval.

Prepared by: Robyn G. Peterson, Ph.D., Museum Director
Certified as to
availability of funds: Edward Enriquez, Interim Assistant City Manager and Chief Financial
Officer/Treasurer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. First Amendment to Professional Consultant Services Agreement
2. Reimbursement Resolution
3. Measure Z spending plan dated 6/21/2022
4. Minutes from Budget Engagement Commission meeting, 3/10/2022
5. Presentation