



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 27, 2021**

FROM: GENERAL SERVICES DEPARTMENT **WARD: 1**

SUBJECT: RENOVATION CONTRIBUTION AGREEMENT FOR THE CHEECH MARIN CENTER FOR CHICANO ART AND CULTURE WITH THE RIVERSIDE ART MUSEUM

ISSUES:

Approve the Renovation Contribution Agreement between the City of Riverside and the Riverside Art Museum (RAM) for the Cheech Marin Center for Chicano Art and Culture located at 3581 Mission Inn Avenue.

RECOMMENDATIONS:

That the City Council:

1. Approve the Renovation Contribution Agreement for the Cheech Marin Center for Chicano Art and Culture with the Riverside Art Museum; and
2. Authorize the City Manager, or his designee, to execute the Renovation Contribution Construction Agreement with the Riverside Art Museum, including making minor and non-substantive changes.

BACKGROUND:

On May 16, 2017, the City Council approved a Memorandum of Understanding (MOU) between the City of Riverside (City), Richard “Cheech” Marin (Cheech Marin), and the Riverside Art Museum (RAM) to complete a feasibility analysis of the existing Main Library building located at 3581 Mission Inn Avenue to repurpose the facility into the Cheech Marin Center for Chicano Art and Culture (Cheech Art Center). Under the MOU, the City was required to retain the services of consultants and work with RAM and Cheech Marin to complete a facility assessment, determine art center programming, complete conceptual plans, and develop conceptual preliminary cost estimates for the renovation of the existing Main Library building to the Cheech Art Center.

On October 24, 2017, the City Council approved a Professional Consultant Services Agreement (PSA) with Page & Turnbull for Phase 1 architectural and art center conceptual design services for the Cheech Art Center. Between November 2017 and February 2018, Page & Turnbull, City staff, Page & Turnbull Design Team wHY, and RAM successfully completed Phase 1 project tasks including: 1) community workshops, 2) facility and systems assessments, 3) art center programming, 4) conceptual designs, and 5) a preliminary cost estimate for the Cheech Art Center.

On March 13, 2018, the City Council approved conceptual designs for the Cheech Art Center with a preliminary rough cost estimate in the amount of \$10 million, and adopted a resolution authorizing the City Manager to submit a grant application to the California (CA) Natural Resources Agency in the amount of \$1.0 million to renovate the subject facility into the Cheech Art Center. This amount was the first grant approved by the State for the Cheech Art Center. At this meeting, staff also presented a report to City Council on the fundraising efforts completed by the Parties in raising the initial goal of \$3.0 Million established in the first MOU between the City, RAM and Cheech Marin.

On October 16, 2018, the City Council received a fundraising update on RAM’s fundraising efforts and adopted a second resolution authorizing the City Manager to submit a grant application for a second State grant from the CA Natural Resources Agency in the amount of \$9.7 million, for a total State grant award of \$10.7 million towards the renovation project. At such hearing, City Council also authorized staff to move forward with design phase 2 to bid the renovation project. Construction plans for the Cheech Art Center were completed in May 2020.

On June 15, 2020, the City Finance Department/Purchasing Division posted Bid No. 7764 seeking bids from potential bidders for renovating the existing Main Library into the Cheech Art Center, with a bid due date of July 27, 2020. The City received fourteen (14) highly competitive construction bids. Hamel Contracting Inc. from Murrieta, California (Hamel Contracting) was the lowest bidder with a bid of \$9,729,411.

On January 19, 2021, the City Council approved a Management Agreement for the Cheech Art Center with RAM for an initial term of 25 years with two optional five-year terms and authorized the City Manager to execute such agreement. On the same hearing, the City Council awarded Bid No. 7764 to Hamel Contracting for \$9,729,411, with a 10% contingency of \$972,941 for a total not to exceed contract amount of \$10,702,352 to renovate the existing Main Library located at 3581 Mission Inn Avenue into the Cheech Art Center.

A new Main Library building was recently constructed at 3900 Mission Inn Avenue. Library staff has been relocated to the new facility leaving the existing library vacant and allowing construction of the Cheech Art Center to start in March 2021.

DISCUSSION:

Fundraising and Overall Project Budget

To date, RAM has been able to raise \$2.6 Million in private funding. In addition, as mentioned above, the City and RAM secured two State of California grants totaling \$10.7 Million.

The overall projected cost for the project is \$13.3 Million as summarized below:

Description	Costs
Construction Agreement (Hamel Contracting Inc)	\$9,729,411
10% Contingency	\$972,941
Total Construction Cost	\$10,702,352
Design Fees (Page & Turnbull)	\$1,306,885
Deputy Inspection Services, Utility Fees and Permits	\$200,000
SUBTOTAL	\$12,209,237
Furniture, Fixtures & Equipment (FF&E)	\$1,090,763
Overall Projected Costs	\$13,300,000

Construction Phase

Before the new Cheech Marin Center for Chicano Art and Culture is delivered to RAM, the City and RAM have committed in making substantial renovations to the existing Main Library. The facility renovations include, but are not limited to, selective demolition, abatement of hazardous materials, modify existing walls, circulation, to create new spaces and programming, provide ADA improvements, and replace building systems such as Heating, Ventilation and Air Conditioning, electrical, and plumbing, provide structural modifications, new communication and security systems, roofing, modified lighting, interior and exterior signage, new flooring, ceiling, wall and other finishes. The renovation project also entails, but it is not limited to, the replacement of the front building concrete pedestal, building exterior ramps and steps.

Construction of the Cheech Marin Center for Chicano Art and Culture started on March 22, 2021 and it is scheduled for substantial completion in January 2022 allowing the Riverside Art Museum to open the new art center in the second quarter of 2022.

Riverside Art Museum Contribution

The Renovation Contribution Agreement allows RAM to be included on all communications with Hamel Contracting, and to review and approve costs on project allowances, change orders and contractor invoices. In addition, the Renovation Contribution Agreement outlines the items eligible for reimbursement by RAM and the associated timeframes.

Within fifteen (15) days of the City execution of the Renovation Contribution Agreement, RAM will reimburse the City as follows:

Items	RAM Reimbursement	Project Budget
Architecture Fees	\$329,215	\$1,306,885
Deputy Inspection Services, Utility Fees and Permits	\$181,408	\$200,000
Construction Costs	\$25,673	\$9,729,411
RAM Contribution	\$536,296	

Other reimbursements to be made by RAM as necessary shall be thirty (30) days from invoice date from the City for the following items and amounts:

Items	RAM Reimbursement	Project Budget
Furniture, Fixtures & Equipment	Up to \$1,090,763	\$1,090,763
Contingency Fees – 10%	Up to \$972,941	\$972,941
RAM Contribution	\$2,063,704	

FISCAL IMPACT:

There shall be no fiscal impact to the City for this action. The City shall continue prepaying with City funds and then immediately reimbursing with State grant funds in an amount not to exceed \$10,700,000 and by RAM in an amount not to exceed \$2,600,000. All grant funds received for this project are budgeted in the Grants and Restricted Programs Fund, Cheech Marin Center for Chicano Art and Culture account 9901610-462050. RAM’s raised funds will be made available to the City for the project through the Renovation Contribution Agreement. No City funds will be utilized for the renovation project.

Prepared by: Carl Carey, General Services Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moisés López, Deputy City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments: Renovation Agreement