

Budget Engagement Commission

City of Arts & Innovation

TO: HONORABLE COMMISSIONERS DATE: FEBRUARY 11, 2021

FROM: MUSEUM DEPARTMENT WARDS: ALL

SUBJECT: UPDATE ON MUSEUM PROJECTS, INCLUDING MUSEUM RENOVATION

FUNDED BY MEASURE Z AND HARADA HOUSE

<u>ISSUE</u>:

Receive an update on Museum projects, including the Museum renovation funded by Measure Z and the Harada House.

RECOMMENDATION:

That the Budget Engagement Commission receive and file an update from the Museum Department on Museum projects, including the Museum renovation funded by Measure Z and the Harada House.

BACKGROUND:

On January 31, 2017, at a special meeting, the City Council reviewed a proposed Measure Z spending plan that estimated \$15 million for Museum renovation. This sum was confirmed at a May 9, 2017 City Council meeting approving a Measure Z spending plan for the five-year period of 2016-2021.

On December 19, 2017, the City Council amended the Measure Z five-year spending plan, authorizing reallocation of \$1.3 million from the Museum Department renovation budget of \$15 million to the new Main Library budget to construct a City Archive. This decision reduced the allocation for the Museum renovation to its present level of \$13.7 million.

The selection process for a renovation architect took place beginning with issuance of a Request for Proposals (RFP) on August 30, 2018. The process resulted in the selection of Pfeiffer Partners. An expenditure of \$99,220 from Measure Z funding was approved by the City Council at its meeting on April 23, 2019 for Phase I design services. City staff and advisory committees met with the architects during the summer and early fall of 2019.

On February 13, 2020, the Museum Department presented three options for the Museum renovation and expansion to the Budget Engagement Commission (BEC). The BEC requested staff to return with funding options for two construction scenarios. On March 12, 2020, staff presented funding options as requested by the BEC. The BEC voted to recommend Option 2 to

the City Council, which includes a renovation with a two-story addition for a total construction cost of \$24,468,000, financed solely using Measure Z funding.

On June 16, 2020 with adoption of the FY 2020/21 emergency budget, due to the unknown impacts of the pandemic on City finances, the City Council approved deferment of the Museum renovation to FY 2022/23. Due to the onset of the COVID-19 pandemic in March 2020 and the deferment of the Museum renovation, the City Council has not yet received the BEC's recommendation of March 12, 2020.

On January 14, 2021, the BEC requested an update on the Museum renovation and expansion project, as well as funding needs for the Harada House.

DISCUSSION:

Mission Inn Avenue Site

The Museum, founded in 1924, has occupied the 3580 Mission Inn Avenue site since 1948. The building was originally constructed as a U.S. Post Office. Since 1965, when the Museum assumed full occupancy of the building, no major renovation or expansion project has been pursued beyond the exploratory stage. Since the 1980s, at least eight unsuccessful attempts have been made to secure funding to adapt the building to function fully as a museum. The building does not meet current museum industry standards for environmental control, security, traffic flow, or potential for audience engagement.

When the Museum presented to the BEC in February 2020, the project was near the conclusion of the Phase I design stage. Community engagement sessions and a City Council presentation were to follow when the impact of the pandemic led to a two-year postponement of the project. Work with Pfeiffer Partners, the Museum's architects, has been suspended since the state of emergency was declared in March 2020.

Pfeiffer Partners estimated a 6% annual cost escalation factor for project delays in October 2019. Cost estimates for Option 3, renovation with a two-story addition, are identified in the chart below. Costs have not been adjusted from the original estimate presented to the Museum.

	Exhibition development	Construction and soft costs	Total project cost
Renovation plus two-story addition	\$2,400,000	\$22,068,000	\$24,468,000

The renovation plus two-story addition achieves 104% of the Museum's program with a net increase in square footage of about 40%. The cost-per-square-foot (\$420 for renovation, \$675 for new construction) compares favorably to a number of recent Museum construction projects across the country, some of which have exceeded \$1,600 per square foot.

Harada House

On January 14, 2021, the BEC requested an update on the financial needs of the Harada House. Harada House is not currently, nor has it been, a Measure Z-funded project.

Harada House was donated to the Museum / City by Harada family heirs in 2003. Harada House earned a National Historic Landmark status in 1990 because it was the subject of a civil rights court case in 1916-1918, the People of the State of California v. Jukichi Harada et al., in which

the Superior Court of California upheld the 14th Amendment rights of the American-born children of Japanese immigrants Jukichi and Ken Harada against California's Alien Land Law targeting Asians. The Harada case was the first test in the U.S. of the constitutionality of exclusionary and explicitly racist alien land and property laws; the house derives its core significance from the successful outcome of this case. Harada House is the physical embodiment of an event that was ultimately positive and triumphant for the Haradas, in contrast to many of the narratives associated with the Japanese American World War II-related commemorative sites.

Due to the structural instability of the house, it has not yet been possible to open the civil rights monument to the public. Uncertainty about the scope of need and potential project costs delayed progress toward the goal of opening the house for many years.

Recent steps to move forward with the rehabilitation of the house include:

- 1. Harada House Foundation was established in 2017 as an independent 501(c)(3) nonprofit corporation specifically to raise funds for the project.
- 2. Harada House Foundation received its first grant in 2018 to fund two historic preservation architectural firms' rehabilitation plans with cost estimates. Rehabilitation plans arrived in August 2019.
- 3. On the basis of staff analysis of these plans, a \$5.3 million project cost is anticipated.
- 4. The Harada House Foundation endorsed a \$6.5 million campaign in November 2019, to include funds for full rehabilitation and endowment.
- 5. In August 2020, the Museum Department / City was awarded a \$500,000 federal "Save America's Treasures" grant, a program administered by the National Park Service. This grant is restricted to Phase I of the rehabilitation, which includes rebuilding the foundation and stabilizing the structure.
- 6. In September 2020, the house was named to the National Trust for Historic Preservation's "11 Most Endangered Historic Places" list. Nationwide publicity ensued.
- 7. Fundraising has brought the total raised to date, including the Save America's Treasures grant, to \$881,554, or 13.5% of the \$6.5 million goal. Harada-restricted funds raised directly by the Museum, the Harada House Foundation, and the Riverside Museum Associates are aggregated to report on total campaign goal achieved-to-date.

FISCAL IMPACT:

There is no fiscal impact associated with presentation and discussion of this report.

Prepared by: Robyn G. Peterson, Ph.D., Museum Director

Approved as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Moises Lopez, Deputy City Manager

Attachment: Museum Projects Update Presentation – February 11, 2021