



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Walesh

**SUBJECT: HISTORY SAN JOSE
OPERATIONS AND MAINTENANCE
AGREEMENT**

DATE: January 22, 2018

Approved

Date

2-1-18

COUNCIL DISTRICT: 3 & 7

RECOMMENDATION

Approve an amendment to extend the term of the current agreement with History San Jose (HSJ) to operate and maintain History Park, the Peralta Adobe - Fallon House Historic Site, and the Collection Center at the City Central Service Yard for a period of three months through June 30, 2018.

OUTCOME

Council's approval of the staff recommendation will result in an amendment to the operations and maintenance (O&M) agreement with History San Jose to extend the term of the agreement for a period of three months through June 30, 2018. Staff are currently in negotiations with HSJ for a new O&M agreement and will be presenting the proposed agreement prior to the expiration of the recommended amendment.

BACKGROUND

On June 23, 2009, the City Council authorized the City Manager to negotiate and execute an amended and restated O&M agreement with HSJ for the operations and maintenance of the City-owned historical facilities within History Park at Kelly Park and the Peralta Adobe - Fallon House Historic Site, as well as management of the City's historic collections. The term of the original agreement was from July 1, 2009 through March 31, 2018. The proposed amendment will extend the original term through June 30, 2018.

ANALYSIS

The City provides operating subsidies to the nonprofit organizations operating six City-owned cultural facilities, one of which is HSJ. These subsidies are provided in accordance with the O&M agreements that were developed with each of the operators, usually as the facilities came online. Most are long term agreements, ranging from 15 to 50 years. The original O&M agreement with HSJ began on April 1, 1998. The current O&M agreement began on July 1, 2009 and expires on March 31, 2018. The three-month extension will allow for the disbursement of the final FY 2017-2018 quarterly payment in the amount of \$196,000, which was encumbered in July 2017. It will also align the term of the agreement to coincide with the fiscal year and eliminate funding over multiple fiscal years.

EVALUATION AND FOLLOW-UP

There are ongoing discussions with History San Jose for the development of a new O&M agreement which will be brought before City Council for consideration prior to the expiration of this amendment.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the February 13, 2018 Council agenda.

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

This item was not heard by the Arts Commission, as approvals for operation and maintenance agreements with operators of City-owned cultural facilities do not fall under the functions, powers, and duties of the Commission delineated in Section 2.08.850 of the San Jose Municipal Code.

FISCAL/POLICY ALIGNMENT

Amending the current O&M agreement with HSJ is consistent with the *Economic Strategy* goal of providing a diverse range of arts and entertainment offerings in San Jose.

COST SUMMARY/IMPLICATIONS

There is no additional cost for the amendment to the O&M agreement since the entire fiscal year cost of \$784,000 was appropriated and encumbered beginning July 1, 2017.

BUDGET REFERENCE

The table below identifies the fund and appropriation reference for this memorandum.

Fund #	Appn. #	Appn. Name	Total Appn.	Proposed Budget Action	2017-2018 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	2913	History San Jose	\$784,000	\$0	Pg. 907	06/20/2017, Res. No. 29962

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/
KIM WALESH
Deputy City Manager
Director of Economic Development

For questions, please contact Kerry Adams Hapner, Director of Cultural Affairs, at (408) 793-4333.