

Board Office Use: Legislative File Info.	
File ID Number	22-0670
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Memo

To Facilities Committee

From Kyla Johnson-Trammell, Superintendent
Tadashi Nakadegawa, Deputy Chief, Facilities Planning and Management

Board Meeting Date March 17, 2022

Subject Approval of \$5 Million Interim Housing Budget for Central Administration Housing Project

Action Approval of \$5 Million Interim Housing Budget for Central Administration Housing Project.

Background Following the 2013 flooding of the Central Admin offices, located at 1025 2nd Avenue, the district was required to relocate the administrative headquarters. Central Administrative offices were temporarily housed at the Cole campus before moving to the interim location at the 1000 Broadway Building.

Funding:

The funding for the interim housing for central administration (commonly referred to as 1000 Broadway Rent) has been previously included in Board Approved Spending Plans. The following is a listing of the Interim Housing line items in each spending plan approval:

June 2017 Spending Plan	\$6,500,000
August 2018 Spending Plan	\$7,980,000
January 2021 Spending Plan	<u>\$7,520,000</u>
Total Interim Housing Budget to Date	\$22,000,000

Expenditures:

The schedule below shows how much the District has spent by Fiscal Year to date:

For FY 2015/2016	\$ 2,753,521
For FY 2016/2017	\$ 3,219,003
For FY 2017/2018	\$ 3,472,831
For FY 2018/2019	\$ 3,819,993
For FY 2019/2020	\$ 3,357,636
For FY 2020/2021	\$ 2,798,002
<u>For FY 2021/2022 to (2/22)</u>	<u>\$ 2,034,737</u>
Total Expenditures to Date	\$ 21,455,723

The above total includes the \$ 643,770 following expenses not projected in the approved budgets: annual rent increases, key cards, minor construction, storage, etc.

Remaining Project Balance \$ 544,275

Given the current trend, the District has enough funding to pay the rent through April 2022.

Since the construction of the proposed Cole Central Admin Complex is not scheduled to be completed until 2023, there is the need for additional funding to continue paying the rent at 1000 Broadway.

Budget Request:

Breakdown for the New Request

A Base Rent through 8/31/2023*	\$ 3,879,000
B Projection for additional charges for storage and building management charges	\$ 121,000
C Relocation of staff within 1000 Broadway, restoration of Suite 300, and furniture costs	\$ 300,000
D Cost of archiving/scanning documents for staff from Suite 300	\$ 500,000
E Contingency	<u>\$ 200,000</u>
Total:	\$ 5,000,000*

Relinquishing the Third Floor results in a Base Rent savings of approximately \$506,000

*Cost of non-base rent items like storage, incidentals, keys, etc. included.

Notes:

- 1) The current Real Estate climate in the State of California, especially the Bay Area, is limited and more costly than other regions of the state. There have been five rent increases in the past seven years that the

District has been in this location. Each increase has averaged three percent. The District has been conscious of this and has made significant efforts to reduce these costs by reducing our footprint in the building to meet our budget. In 2019, in the face of increasing rent, some departments located at 1000 Broadway were consolidated and other moved to various off-site locations.

- 2) Apart from rent increases in response to the market demand, the decisions to start, halt, modify, and re-start again the Cole Central Admin project over the past three years have short circuited adequate projection and planning. Other costs have also not been previously captured in the projected budget. These include costs for miscellaneous services, keys, cards, additional storage, etc. as listed above.

Recommendation	Approval of \$5 Million Interim Housing Budget for Central Administration Housing Project
Fiscal Impact	\$5,000,000 recommended to be allocated from Bond Program Contingency
Attachment	Resolution No. 2122-0205 Exhibit A – 1000 Broadway Administrative Offices - March 17, 2022

**RESOLUTION
OF THE
BOARD OF EDUCATION**

OF THE OAKLAND UNIFIED SCHOOL DISTRICT

Resolution No. 2122-0205

**Approval of \$5 Million Interim Housing Budget for Central Administration Housing Project -
March 17, 2022**

WHEREAS, in 2013 flooding of the Central Admin offices, located at 1025 2nd Avenue, the district was required to relocate the administrative headquarters;

WHEREAS, the Central Administrative offices were temporarily housed at the Cole campus before moving to the interim location at the 1000 Broadway Building;

WHEREAS, the funding for the interim housing for central administration (commonly referred to as 1000 Broadway Rent) has been previously included in Board Approved Spending Plans;

WHEREAS, the following is a listing of the Interim Housing line items in each spending plan approval;

Funding:

Per June 2017 Spending Plan	\$6,500,000
Per August 2018 Spending Plan	\$7,980,000
Per January 2021 Spending Plan	<u>\$7,520,000</u>
Total Interim Housing Budget to Date	\$22,000,000

WHEREAS, the schedule below shows how much the District has spent by Fiscal Year to date:

Expenditures:

For FY 2015/2016	\$2,753,521
For FY 2016/2017	\$3,219,003
For FY 2017/2018	\$3,472,831
For FY 2018/2019	\$3,819,993
For FY 2019/2020	\$3,357,636
For FY 2020/2021	\$2,798,002
For FY 2021/2022 to (2/22)	<u>\$2,034,737</u>
Total Expenditures to Date	\$21,455,723

The above total includes the following expenses \$ 643,770
not projected in the approved budgets: annual
rent increases, key cards, minor construction, storage, etc.

Remaining Project Balance

\$ 544,276

WHEREAS, Given the current trend, the District has enough funding to pay the rent through April 30, 2022;

WHEREAS, since the construction of the proposed Cole Central Admin Complex is not scheduled to be completed until 2023, there is the need for additional funding to continue paying the rent at 1000 Broadway;

WHEREAS, the following listing represents the budget required for Interim Housing:

A Base Rent through 8/31/2023*	\$ 3,879,000
B Projection for additional charges for storage and building management charges	\$ 121,000
C Relocation of staff within 1000 Broadway, restoration of Suite 300, and furniture costs	\$ 300,000
D Cost of archiving/scanning documents for staff from Suite 300	\$ 500,000
E Contingency	<u>\$ 200,000</u>
Total:	\$ 5,000,000*

Relinquishing the Third Floor results in a Base Rent savings of approximately \$506,000

*Cost of non-base rent items like storage, incidentals, keys, etc. included.

WHEREAS, the Proposed budget be allocated of Measure Y Bond Program Contingency

NOW, THEREFORE, BE IT RESOLVED; the Board hereby adopts the Approval of the \$5 Million Interim Housing Budget for Central Administration Housing Project March 17, 2022.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 23rd day of March, 2022; by the following vote, to wit:

PREFERENTIAL AYE:

PREFERENTIAL NAY:

PREFERENTIAL ABSTAINED:

AYES:

NAYS:

ABSTAINED:

RECUSED:

ABSENT:

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on March 23, 2022.

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OAKLAND UNIFIED SCHOOL DISTRICT

Gary Yee, President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Exhibit "A" - Exhibit A – 1000 Broadway Administrative Offices - March 17, 2022