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Memo

STAFF SUPPLEMENTAL MEMO AND RESOLUTION - POSTED MAY 21, 2019

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Timothy White, Deputy Chief of Facilities

Board Meeting Date May 22, 2019

Subject Resolution to approve a new permanent location and interim location for Central Housing, and a revision of the Measure J Spending Plan to include the reference of the new permanent housing location.

Action Approval of Resolution No. 18190211- Authorization to move forward with the permanent housing at a rehabilitated Cole as the Administrative Center of the District. And, authorization to approve the interim housing location at 1000 Broadway. Finally, to authorize the revision of the Measure J spending plan to show how the current bond will fund the initial planning phase of the permanent housing and the updated rent costs for interim housing.

Background This recommendation was initially presented to the Facilities Committee for consideration on April 26, 2019 and for a vote on May 10, 2019. For more background on the history and considerations impacting the recommendation in this resolution, please see attached memo from the April 26 Facilities Committee Meeting.

Clarifications Regarding Facilities Committee & Current Board Documents

This particular May 22, 2019 Board memo differs from that presented previously to the Facilities Committee in that the “Fiscal Impact” of the prior memo was in error because that prior memo made mistaken reference to (a) dollar figures applicable to (b) the 1025 Second Avenue; Ethel Moore; and

Dewey Academy facilities. The actual fiscal impact is that represented in this May 22nd Board memo, as the Committee voted to approve the rehabilitation of the Cole facility to serve as the District's Administrative Center through the use of Measure J and future bond funds. However, the attached resolution is the same as the resolution that was voted on and approved by the Facilities Committee on May 10th. (Staff includes the previous iteration of the Board memo that was considered at the May 10th Facilities Committee meeting for context in this regard.)

Further, the May 22, 2019 Board memo (referred to in Board documents as a "Report") included as part of this agenda packet, which discusses the history, housing options and other matters regarding housing of the District's administrative offices, is also updated to reflect additional and current information that was requested by, provided to, and that came out of the Facilities Committee. Accordingly, the current May 22nd report differs from the prior report by, for example, reflecting the updated estimated cost for the rehabilitation of 1025 Second Avenue. (Staff includes the previous iteration of the Board memo/Report – which has a date of April 26th – that was considered at the May 10th Facilities Committee meeting.)

Finally, the current (May 22nd) Presentation (*i.e.*, deck or powerpoint) included as part of this agenda packet has also been updated to reflect additional and current information that was requested by, provided to, and that came out of the Facilities Committee. For instance, the May 22nd Presentation has been updated to reflect a summary of supplemental informational documents that were requested by and provided to the Facilities Committee by staff. (Staff includes the previous iteration, as well as the referenced supplemental informational documents, that were all considered at the prior Facilities Committee meetings.)

Discussion

The Board of Education has passed two relevant resolutions which would need to be rescinded prior to adopting a new plan for permanently housing OUSD's central administration.

1. **The Board of Education passed the Resolution 1617-0007 on December 19, 2016, the authorization to move forward with the rehabilitation Of 1025 Second Avenue and the Ethel Moore Building as the Administrative Center of the District, and directed the Superintendent or designee to establish a project committee, Initiate**

the CEQA Process, and Provide An Initial Progress Report to the Board in June 2017, and

2. The Board of Education passed Resolution No. 1718-0109, at the February 28, 2018, Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project (“Project”).

Fiscal Impact

Measure J and future bond funds

Attachment

- [April 22, 2019 Facilities Committee Memo: Background information on history and considerations for this recommendation](#)
- [Resolution No 1617-0007](#), which is being rescinded
- [Resolution No 1415-1166](#)
- [Measure J Spending Plan](#), to update the permanent housing location

**RESOLUTION OF THE BOARD OF EDUCATION OF THE
OAKLAND UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1819-0221

Approval of Resolution No. 1819-0221 - Authorization to Move Forward with the permanent housing at a rehabilitated Cole as the Administrative Center of the District. And, authorization to approve the interim housing location at 1000 Broadway. Finally to authorize the revision of the Measure J spending plan to show how the current bond will fund the initial planning phase of the permanent housing and the updated rent costs for interim housing.

WHEREAS, at the April 22, 2019 and May 10, 2019 Facilities Committee meetings of the Board of Education, the Deputy Chief of Facilities presented a proposal to rehabilitate the Cole Campus located at 1011 Union St, Oakland, CA 94607 ("Project") as the District's Administrative Center and to remain at 1000 Broadway as interim housing until the project is complete; and

WHEREAS, funding for the Project will be Measure J and/or future bond funds; and

WHEREAS, the proposal to rehabilitate the Cole Campus as the District's Administrative Center; and

WHEREAS, construction of the Project is projected to be completed by September of 2022; and

WHEREAS, the Board of Education passed the Resolution 1617-0007 on December 19, 2016, the authorization to move forward with the rehabilitation Of 1025 Second Avenue and the Ethel Moore Building as the Administrative Center of the District, and directed the Superintendent or designee to establish a project committee, Initiate the CEQA Process, and Provide An Initial Progress Report to the Board in June 2017, and

WHEREAS, the Board of Education passed Resolution No. 1718-0109, at the February 28, 2018, Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project ("Project").

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education of the District hereby rescinds Resolution 1617-0007 to rehabilitate the vacated 1025 Second Avenue and the Ethel Moore Building as the District's Administrative Center.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education hereby rescinds Resolution No. 1718-0109 Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project (“Project”).

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education approves the proposal to rehabilitate the Cole Campus (1011 Union St, Oakland, CA 94607) as the District’s Administrative Center and to remain at 1000 Broadway as interim housing until the project is complete; and

1. To use Measure J and/or future bond funds to fund the project; and
2. To use \$1.5 million of general funds for consolidating space at 1000 Broadway as the interim housing location; and
3. Initiate the California Environmental Quality Act (CEQA) process; and
4. Provide a progress report to the Board of Education in November 2019 and regular updates to the Facilities Committee; and
5. Comply with all requirements of the California Public Contracts Code, the District’s Project Labor Agreement and Local Business Policy. All contracts related to the Project must be submitted to the Board for approval; and RFP/RFQs must be issued as provided in State law and Board Policy 3311; and
6. Study and report to the Board in November 2019 on efficient ways to address those elements of community-facing services which benefit from central physical locations, such as enrollment and family resource center; and
7. Further explore options for preserving the historic nature of 1025 and future use of the property as an educational complex to serve our students; and.
8. In accordance with Board Policy 7155, we plan to establish a Project Committee for this project and any other project on the capital projects list.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 22nd day of June 5, 2019 by the following vote:

Passed by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NAY: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSAL: None

AYE: Jumoke Hinton Hodge, Gary Yee, Shanthi Gonzales, Vice President Jody London

NAY: Roseann Torres and James Harris

ABSTAIN: None

RECUSED: None

ABSENT: President Aimee Eng

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 the 5th Day of June, 2019.



Kyla Johnson-Trammell, Secretary
Board of Education

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Memo

To Board of Education Facilities Committee

From Kyla Johnson-Trammell, Superintendent
Timothy White, Deputy Chief of Facilities

Board Meeting Date May 10, 2019

Subject Resolution to approve a new permanent location and interim location for Central Housing, and a revision of the Measure J Spending Plan to include the the reference of the new permanent housing location.

Action Approval of Resolution No. XXXX-XXXX - Authorization to Move Forward with the permanent housing at a rehabilitated Cole as the Administrative Center of the District. And, authorization to approve the interim housing location at 1000 Broadway. Finally to authorize the revision of the Measure J spending plan to show how the current bond will fund the initial planning phase of the permanent housing and the updated rent costs for interim housing.

Background This recommendation was initially presented to the Facilities Committee on April 22, 2019 and for a first read on May 8, 2019. For more background on the history and considerations impacting the recommendation in this resolution, please see attached memo from the April 22 Facilities Committee Meeting.

Discussion The Board of Education has passed two relevant resolutions which would need to be rescinded prior to adopting a new plan for permanently housing OUSD's central administration.

1. The Board of Education passed the Resolution 1617-0007 on

December 19, 2016, the authorization to move forward with the rehabilitation Of 1025 Second Avenue and the Ethel Moore Building as the Administrative Center of the District, and directed the Superintendent or designee to establish a project committee, Initiate the CEQA Process, and Provide An Initial Progress Report to the Board in June 2017, and

2. The Board of Education passed Resolution No. 1718-0109, at the February 28, 2018, Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project (“Project”).

Fiscal Impact

Funding resource name: Measure J or future bond funds – Not to exceed \$46.5 million for the 1025 and Ethel Moore building rehabilitation and \$9 Million for the multipurpose room for Dewey Academy

Attachment

- [April 22, 2019 Facilities Committee Memo: Background information on history and considerations for this recommendation](#)
- [Resolution No 1617-0007](#), which is being rescinded
- [Resolution No 1415-1166](#)
- [Measure J Spending Plan](#), to update the permanent housing location

UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 1819-XXXX

Approval of Resolution No. XXXX-XXXX - Authorization to Move Forward with the permanent housing at a rehabilitated Cole as the Administrative Center of the District. And, authorization to approve the interim housing location at 1000 Broadway. Finally to authorize the revision of the Measure J spending plan to show how the current bond will fund the initial planning phase of the permanent housing and the updated rent costs for interim housing.

WHEREAS, at the April 22, 2019 and May 10, 2019 Facilities Committee meetings of the Board of Education, the Deputy Chief of Facilities presented a proposal to rehabilitate the Cole Campus located at 1011 Union St, Oakland, CA 94607 ("Project") as the District's Administrative Center and to remain at 1000 Broadway as interim housing until the project is complete; and

WHEREAS, funding for the Project will be Measure J and/or future bond funds; and

WHEREAS, the proposal to rehabilitate the Cole Campus as the District's Administrative Center; and

WHEREAS, construction of the Project is projected to be completed by September of 2022; and

WHEREAS, the Board of Education passed the Resolution 1617-0007 on December 19, 2016, the authorization to move forward with the rehabilitation Of 1025 Second Avenue and the Ethel Moore Building as the Administrative Center of the District, and directed the Superintendent or designee to establish a project committee, Initiate the CEQA Process, and Provide An Initial Progress Report to the Board in June 2017, and

WHEREAS, the Board of Education passed Resolution No. 1718-0109, at the February 28, 2018, Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project ("Project").

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education of the District hereby rescinds Resolution 1617-0007 to rehabilitate the vacated 1025 Second Avenue and the Ethel Moore Building as the District's Administrative Center.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education hereby rescinds Resolution No. 1718-0109 Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project (“Project”).

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education approves the proposal to rehabilitate the Cole Campus (1011 Union St, Oakland, CA 94607) as the District’s Administrative Center and to remain at 1000 Broadway as interim housing until the project is complete; and

1. To use Measure J and/or future bond funds to fund the project; and
2. To use \$1.5 million of general funds for consolidating space at 1000 Broadway as the interim housing location; and
3. Initiate the California Environmental Quality Act (CEQA) process; and
4. Provide a progress report to the Board of Education in November 2019 and regular updates to the Facilities Committee; and
5. Comply with all requirements of the California Public Contracts Code, the District’s Project Labor Agreement and Local Business Policy. All contracts related to the Project must be submitted to the Board for approval; and RFP/RFQs must be issued as provided in State law and Board Policy 3311; and
6. Study and report to the Board in November 2019 on efficient ways to address those elements of community-facing services which benefit from central physical locations, such as enrollment and family resource center; and
7. Further explore options for preserving the historic nature of 1025 and future use of the property as an educational complex to serve our students.
8. In accordance with Board Policy 7155, we plan to establish a Project Committee for this project and any other project on the capital projects list.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 22nd day of May, 2018, by the following vote:

Jody James
London, Harris

AYES: Aimee Eng, Jumoke Hinton

NOES:

ABSTAINED:

ABSENT:

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**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

Memo

To OUSD Board of Education Facilities Committee

Timothy White, Deputy Chief of Facilities

Committee Meeting Date April 26, 2019

Subject Central Administration Housing Update

Action Present an update to the Facilities Committee on the permanent and interim housing proposals for central office, and request that the Facilities Committee make a recommendation to the OUSD Board of Education President, Aimee Eng.

Background **History of District's Central Office Housing**

Why did central office move from 1025 2nd Ave?

Sometime during the night of January 7, 2013 a substantial water leak occurred on the top floor of the District's central office building located at 1025 2nd Avenue, causing excessive flooding on all four floors and significant damage to the entire structure.

Where did the central office move?

As a result of this water damage, the administrative building was vacated and staff temporarily relocated to numerous District sites including Cole Middle School, Lakeview Elementary School, Tilden Elementary, and 2111 International Avenue, while the District assessed its new permanent options for staff housing.

In June of 2013, the District signed a four-year lease at 1000 Broadway. Under the original lease, the District leased a total of 52,323 rentable square feet of office space.

Why was 1000 Broadway selected?

1000 Broadway was ultimately selected as a result of its price, current build-out, availability, parking, building access, and proximity to public transit. At the final negotiated rate of \$2.10 psf. per month, 1000 Broadway was the lowest priced downtown option available at the time.

How was it paid for?

The District's insurance broker, Keenan & Associates, advised the District that the insurance Memorandum of Coverage (MOC) provides for payment of all reasonable extra expenses and additional costs incurred in order to continue, as nearly as possible, the normal conduct of the District's operations had the flood not occurred, until the District's operations are at the level prior to the loss. When OUSD signed the initial lease for 1000 Broadway, a staff memo noted that, the MOC was likely to cover 36 month's rent.

When did OUSD expand its 1000 Broadway lease?

In April 2015, the BOE approved an expansion of the space leased to include Suite 150 with 25,333 square feet and Suite 600 with 21,771 square feet. The combined monthly lease payment is \$102,251.50, with 3 percent annual increase.¹ The additional space allowed for reuniting most District administration employees displaced as a result of the water damage, and as provided in the Board Asset Management Policy (BP 7155). The former Tilden school site stopped being used as administrative space.

How has OUSD paid for its 1000 Broadway lease?

According to a staff memo to the Board at the time,

“Based upon the best information available from District architects, estimators, brokers, risk managers and legal counsel, the insurance settlement related to the water damage at 1025 Second Avenue will likely cover the cost of the current and additional lease payments for 14 months or until May, 2016. Thereafter, lease payments shall be made from a combination of unrestricted funds and permissible restricted funds, until such time as District administrative staff can be re-housed at 1025 2nd Avenue.”

¹ The expansion lease terms were: 1) for Suite 600, \$1.90 per rentable square foot, with one month free rent, with the term commencing June 15, 2015; and 2) for Suite 150, \$2.40 per rentable square foot with two months free rent, with the term commencing on November 1, 2015, with the entire Office Lease, including the expansion lease terminating on August 31, 2019. In addition, the Landlord, at its expense, will undertake certain agreed to tenant improvements.

What prior actions has the Board taken or explored regarding housing central office?

This item has many associated actions. For a full list, see Appendix A. Since 2016, the Facilities Committee and the full Board have taken the following actions:

- 12/19/2016 - BOE approves plan to rehab 1025, cost of ~\$46.5 M (and dewey Multipurpose room ~\$10M) with completion scheduled by 08/2019. To be paid for by Measure J. Report required to BOE by 08/2017 if 1000 Broadway lease is to be extended.
- 06/19/2017 - Report to BOE to update on 1025 2nd Ave progress (reported as on track for 08/2019 move in date)
- 07/2017 - District issues New RFP for rehabilitating 1025 Second Avenue.
- 02/28/2018 - Preliminary Lease-Leaseback agreement with Cahill/Focon Joint Venture
- 10/30/2018 - Update to BOE on 1000 Broadway Lease terms
- 11/8 and 12/3 - Updates on Facilities Committee on expenditures and use of Measure J Funds to rehabilitate 1025. (documents not available).
- Throughout this period the Citizens Bond Oversight Committee has been receiving updates on use of bond funds and asking questions about Central Office site

What were the Board's priorities in housing central office?

In 2014, the Board established the following priorities for housing central office:

- Parking & Accessibility to Public Transit
- Leveraging Existing Assets
- Redesign/Reuse
- Thoughtful about impact on future students/communities
- Provide Community Meeting Space
- Reduce our carbon footprint
- Proximity to OUSD/Educational Partners
- Enhanced Amenities/Healthy Lifestyle
- Efficient Timeline (avoid delays)
- Take up less space
- Central Location, centrally visible and accessible to parents/community
- Thoughtful about Community Needs & Perception
- Thoughtfulness about the Underserved Families
- Financial Responsibility

What options has staff explored in the past, prior to the current set of options?

Over the past six years, staff has explored a number of options, but has focused on rehabilitating 1025 Second Avenue. There have been several variations offered to the Board as options with different elements such as parking, a multi-purpose room for Dewey, scaled-down rehabilitation, explorations of teacher housing, and revenue generation. Staff has also brought forth options to purchase sites or engage in long-term leases at the Oakland Civic Center and agreements with private developers. Each option has encountered significant issues with lack of community engagement, alignment to Board priorities, and/or financial feasibility.

The Board adopted a scaled down plan to rehabilitate 1025 Second Avenue in 2016 with a move in date of Fall 2019. However, in 2018, staff determined that the prior cost estimate of ~\$50M was too low, and the project was not on track for a Fall 2019 occupancy. The cost estimate increased to \$85 million when a full set of plans and specifications was developed (which also met the requirements of redeveloping a historical site). In August 2018, staff informed the Board that there were not sufficient funds to complete all projects on the bond list at that time. Due to the increased cost of the 1025 project and competing school-based priorities, staff recommended that the project be reduced and predominantly deferred until a potential subsequent bond measure.

Discussion

What options for permanently housing central office did staff explore?

Staff has evaluated a number of options during its latest round of exploration. Informed by the Board's priorities and previous experience, the following four options for permanently housing Central Office become the most viable options (other options explored included space owned by the City at Frank Ogawa Plaza, and the Zhone Building owned by the Alameda County Office of Education ACOE):

1. Using existing district facilities (not centralized);
2. Leasing at the Supply Bank (Lease agreement with a non-profit organization located near airport);
3. Rebuilding the Cole Campus ("Cole");
4. Rehabilitating 1025 2nd Ave.

In Table A, below, we compare the timeline for completion, cost estimates, and pros and cons of each proposal (at a high level).

Continued on next page...

Table A: Comparing options for permanently housing Central Administration

	1. Existing OUSD Facilities	2. Supply Bank	3. Cole Campus	4. Rehab 1025
Time	Sept. 2020 (some earlier, some later)	Jan. 2021	Sept. 2022	Aug. 2021
Cost	<p>~\$23-24M, Varies by options</p> <p>-Unless the Measure J spending plan is reprioritized, needs to be paid for by general fund for initial construction- requiring more reductions</p> <p>Or, wait for a new bond which would delay the construction and move in date</p>	<p>~60 year lease at 416K - 500K annually.</p> <p>(~\$25- \$30M in rental for entire lease)</p> <p>-Some move in upgrades required.</p>	<p>~\$55M Total</p> <p>-\$10M with Measure J (Current Bond)</p> <p>-\$45M with new Bond in 2020</p> <p>-\$4.35 M to move other programs out of Cole</p> <p>-requires a new bond unless Measure J spending plan is reprioritized</p>	<p>-\$76 M to \$100 M or more. Includes land acquisition</p> <p>-Requires a new bond unless Measure J spending plan is reprioritized</p>
Pro	<p>-Move into our own buildings</p> <p>-Less expensive option</p>	<p>-Less expensive than Cole</p> <p>-Can house all central office admin</p>	<p>-Our own building and on our own land</p> <p>-Capacity for all staff and conference rooms</p> <p>-Nonconforming DSA - educational space not negatively impacted</p>	<p>-Central Location</p> <p>-Central office in single location</p> <p>-Can design to suit needs</p> <p>-Use of existing facilities</p>
Con	<p>- Central office spread across city. Will impact collaboration,</p>	<p>-Property in not on our own land</p> <p>-Lease ends in 60 years</p>	<p>-Only \$10 out of \$55 million cost is set aside for project.</p>	<p>-Prohibitively expensive</p> <p>-Historical property</p>

	coordination, and efficiency -May negatively impact space available for students of district or charter schools.	-Not centrally located	-Dependent on getting a 2020 Bond -not centrally located	-Relies on revenue increase (2020 bond, etc)
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What is the staff recommendation for permanently housing Central Office?

Staff recommends rebuilding the Cole Campus to permanently house the Central Office. The primary advantages of rebuilding Cole are that:

1. It is less expensive than rehabilitating 1025 2nd Ave
2. OUSD develops its own property rather than leasing from a third party; and
3. The property is a large enough to reunify the Central Office, allowing for more efficient operations.

Two considerations for the Board to weigh during its deliberations:

1. **Timely completion of the project is dependent on identifying additional revenues** such as passing a facilities bond in 2020, selling surplus property, and/or funding via the general fund. If this funding is not identified then the project will not be completed. To be clear, this is true of other options as well except for leasing Supply Bank.
2. **Cole is not centrally located.** Even though Cole is near the West Oakland BART station, there may be impacts regarding the accessibility of the site for members of the public.

What options have been explored for housing Central Office between now and completion of permanent location (“Interim Housing”)?

The Central Office requires interim housing between now and the opening of permanent housing because there are no move-in ready options available. Some key consideration in evaluating our interim housing options:

- There are no move in ready options for 2019-20 for a permanent Administrative Building for Central Staff
- Lease extension at 1000 Broadway for temporary Central Staff housing will be at a cost of approximately \$3M per year .
- District faces a funding shortfall to cover lease payments.
- A fiscally sound strategy to meet both short-term needs and a permanent solution is needed.
- Recommended approach is to minimize cost by reducing amount of leased space and implement staff consolidation plan at 1000 Broadway.
- Concurrently create a capital project for a permanent Administrative Building on

- District-owned property or designated sites.
- Any move to a temporary building as interim housing will require it is paid for by the general fund.
- Legally, the District can't sell or privately lease properties that have been improved with bond funds

We look OUSD's interim housing needs in two phases.

Phase I: Sept. 2019-Aug 2020: Staff recommends that for the 2019-2020 school year, the central office remain in 1000 Broadway, reduce our office space, and place ~25 staff into other facilities. It will cost approximately ~\$1.5 million to reduce our office space. Without this reduction, our rent expense would increase significantly. The fastest option for permanent housing--existing OUSD facilities--would be available at the end of this lease period.

Phase II: Sept 2020- Sept 2022: If the Board develops the Cole campus, it will not be ready until Sept of 2022. Phase II offers options for the additional two years required to complete that project. Staff has explored two options:

1. **Option 1: 290 people Remain in 1000 Broadway and move ~20 people to off-site locations:** OUSD would maintain its lease for two additional years. With reduced office space, lease is ~\$3.0 million annually. The estimated costs to move a subset of staff to an off-site location is \$1.5M.
2. **Option 2: Interim Relocation to Existing OUSD facilities:** Move all central office employees to existing district facilities for two years prior to completing the Cole campus.

The pros and cons of these two approaches are reviewed in Table B below.

Table B: Interim housing for Sept 2020-Sept. 2022

	Stay in 1000 Broadway	Move to Existing OUSD Facilities
Cost	~\$6.0 M in rent	~\$23.8M TO \$24.1M. - \$3.5 M to move a special education program to Golden Gate Childhood Development Center (cost \$3.5 M) and moving - \$850 K to OUSD Police Dept.

Pro	<ul style="list-style-type: none"> • Meet demand by some to move out of 1000 Broadway and stop using any funds (bond or general funds) on rent • No disruption to current operations • Allows all staff to stay centralized for duration of transition • General obligation bond eligible with Board-approved permanent housing plan 	<ul style="list-style-type: none"> • Move out sooner than later- we would not have to rent for two more years • Even if we need to move again- we will not have to pay move out costs or pay rent while we wait to move • Can move core teams to same locations (e.g., HR). • The restoration can benefit the temporary location and overall improvement for other long term use (it will not be wasted money)
Con	<ul style="list-style-type: none"> • Negative public perception • Expensive rent • Not accessible to staff or public 	<ul style="list-style-type: none"> • TEMPORARY MOVES MUST BE PAID BY GENERAL FUND • Significantly more expensive to move staff to new interim OUSD facilities (see above). • Central office spread across city. Will impact collaboration, coordination, and efficiency • Will have to pay for additional move to permanent housing once it is complete

Exit costs: Regardless of when OUSD leaves 1000 Broadway, exit costs are estimated to be ~\$750,000 (\$500,000 to moving central office employees/equipment and ~250,000 to return 1000 Broadway back to its original condition [required by lease]).

What is the staff recommendation for interim housing?

Staff recommends Central Office remain in 1000 Broadway until the completion of the Cole project in November of 2022.

Staff recognizes, and shares, a strong desire to move out of 1000 Broadway as soon as possible. However, staff is making this recommendation because remaining in 1000 Broadway will have a smaller immediately impact OUSD's general fund and allow OUSD to realize some of its long-term goals.

Two primary reasons we are not recommending OUSD move to existing facilities for interim housing are the following:

1. **Impact on General Fund:** The \$23.8 - \$24.1 million to make required facilities upgrades, plus \$4.35 M to move the special education program and OUSD PD will immediately impact the general fund. This would require ~\$28-30 m additional reductions to 2019-2020 year budget.
2. **Disruption of moving:** The disruption involved with moving the special education program and OUSD PD. These programs may eventually have to move, but waiting allows OUSD to develop additional options for the moves.

Fiscal Impact

Table C: Stay in 1000 Broadway until completion of Cole Campus

Element	2019/20	2020/21	2021/22	2022/23
1000 Broadway	-\$3.0 M Rent	-\$3.0 M Rent	-\$3.0 M Rent -\$750K Broadway Exit	
Cole Project	-\$10 M planning etc.		-\$3.5 M Move Sped Program -\$500 K Move OUSD PD	-Move in Costs

Table D: Move into OUSD existing sites prior to Cole Completion

Element	2019/20	2020/21	2021/22	2022/23
1000 Broadway	-\$3.0 M Rent	-\$750K Broadway Exit Cost		
Cole Project			\$3.5 M Move Sped Program -\$500 K Move OUSD PD	
Upgrade OUSD Facilities	\$~23/24 M Upgrades to OUSD Facilities	-Move into OUSD Building		-Move into Cole Costs

Appendices: Appendix A: BOE actions related to 1025 and Central Office

The Board has considered a number of options.

- 6/23/2013 - Approved initial lease for 1000 Broadway
- 8/8/2013 - Contract with HY Architects for scope and renovation plans for 1025.
- 6/24/2014 - RFQ Issued, prioritized mixed use to off-set costs; Finalist to be selected by Sept 2014
- 7/30 - RFQ Updated, finalist selected by Nov 12, 2014
- Early proposal for development?
- 7/29/2014 - Contract with individual for community engagement
- 10/16/2014 - BOE adopts resolution "Intent to Construct an Education Leadership Complex at 1025 and 1105 Second Avenue" Requires (1) BOE action in formal responses to RFQ; (2) Community engagement; (3) two written progress updates; and (4) Present designs for BOE action by April 22, 2015.
- 01/14/2015 - Change to HY contract to provide conceptual designs for 1025.
- 04/15/2015 - Contract with Niam Group for community engagement.
- 04/20/2015 - BOE presented with three options for 1025.
- 05/13/2015 - Expand and extend 1000 Broadway lease to 08/2019
- 11/13/2015 - BOE presentation on three options for 1025
- 04/13/2015 - contract for historical assessment of 1025
- 10/13/2016 - Contract for design services for renovation of 1025
- 12/19/2016 - BOE approves plan to rehab 1025, cost of ~\$46.5 M (and dewey Multipurpose room ~\$10M) and completion by 08/2019. To be paid for by Measure J. Report to BOE by 08/2017 if 1000 Broadway lease is to be extended.
- 06/19/2017 - Report to BOE re update on 1025 progress (on track for 08/2019 move in date)
- 07/2017 - Issues New RFP for rehabing 1025.
- 02/28/2018 - Preliminary Lease-Leaseback agreement with Cahill/Focon Joint Venture
- 10/30/2018 - Update to BOE on 1000 Broadway Lease terms
- 11/8/2018 and 12/3/2018 - updates on facilities committee on expenditures and use of measure J Funds to rehab 1025. (documents not available).

Appendix B: Costs for Consolidating OUSD's 1000 Broadway Office Space

1000 BROADWAY CONSOLIDATION PLAN						DRAFT
	TENANT IMPROVEMENT COSTS	SUITE RESTORATION COSTS	MOVE OUT COSTS	MOVE IN COSTS	OFF-SITE STORAGE COST	TOTALS
SUITE 150	\$31,000			\$21,000		\$52,000
SUITE 295		\$130,000	\$90,000			\$220,000
SUITE 300	\$106,000			\$7,000		\$113,000
SUITE 398		\$118,000	\$57,000			\$175,000
SUITE 440	\$192,000			\$15,000		\$207,000
SUITE 450	\$1,000			\$1,000		\$2,000
SUITE 600		\$203,000	\$108,000			\$311,000
SUITE 640		\$64,000	\$31,000			\$95,000
SUITE 680		\$169,000	\$78,000			\$247,000
TOTALS	\$330,000	\$684,000	\$364,000	\$44,000	\$85,000	\$1,507,000

CONSTRUCTION PROJECT SUMMARY

SCHOOL:	DR. MARCUS FOSTER EDUCATIONAL LEADERSHIP COMPLEX		
EST. TYPE:	BUDGETARY	DATE:	4/29/2019
OWNER:	OAKLAND UNIFIED SCHOOL DISTRICT	ESTIMATORS/FIRM:	GMP/EEV
		DURATION (MONTHS):	

ESTIMATE ITEMS	ITEM NO.	SHEET NAME	ITEM DESCRIPTION	AREA(SF)	COST PER UNIT	TOTAL CONSTRUCTION COST
	A-1	BUILDING 1	PHASE 1 - STRUCTURAL WORK	85,536	\$161	\$ 13,771,000
	A-2	BUILDING 1	PHASE 2 - RENOVATION WORK	85,536	\$806	\$ 68,917,000
	A-3	BUILDING 2	PHASE 3 - MULTIPURPOSE BUILDING (MODULAR) *	9,300	\$686	\$ 6,378,000
	A-4	SITEWORK	PHASE 3 - SITEWORK			\$ 13,323,000
		TOTAL ESTIMATED CONSTRUCTION COST:		94,836	\$1,080	\$ 102,389,000
		* COST OF LAND ACQUISITION NOT INCLUDED				
	A-5		AED ALLOWANCE	10.0%		\$ 10,238,900
		TOTAL PROBABLE CONSTRUCTION COST:				\$ 112,627,900
	A-6	SOFT COSTS		25%		\$ 25,597,250
	A-7	FURNISHINGS	OFFICE FURNITURES		ALLOWANCE	\$ 2,034,000
	▲	TOTAL PROJECT COST		94,836		\$ 140,259,000
		COST/SF				\$ 1,640

Board Office Use: Legislative File Info.	
File ID Number	19-0901
Introduction Date	5/10/19
Enactment Number	
Enactment Date	



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

Memo

To Board of Education Facilities Committee

From Kyla Johnson-Trammell, Superintendent
Timothy White, Deputy Chief of Facilities

Board Meeting Date May 10, 2019

Subject Resolution to approve a new permanent location and interim location for Central Housing, and a revision of the Measure J Spending Plan to include the the reference of the new permanent housing location.

Action Approval of Resolution No. XXXX-XXXX - Authorization to Move Forward with the permanent housing at a rehabilitated Cole as the Administrative Center of the District. And, authorization to approve the interim housing location at 1000 Broadway. Finally to authorize the revision of the Measure J spending plan to show how the current bond will fund the initial planning phase of the permanent housing and the updated rent costs for interim housing.

Background This recommendation was initially presented to the Facilities Committee on April 22, 2019 and for a first read on May 10, 2019. For more background on the history and considerations impacting the recommendation in this resolution, please see attached memo from the April 22 Facilities Committee Meeting.

Discussion The Board of Education has passed two relevant resolutions which would need to be rescinded prior to adopting a new plan for permanently housing OUSD's central administration.

1. The Board of Education passed the Resolution 1617-0007 on December 19, 2016, the authorization to move forward with the rehabilitation Of 1025 Second Avenue and the Ethel Moore Building as the Administrative Center of the District, and directed the Superintendent or designee to establish a project committee, Initiate the CEQA Process, and Provide An Initial Progress Report to the Board in June 2017, and
2. The Board of Education passed Resolution No. 1718-0109, at the February 28, 2018, Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project (“Project”).

Fiscal Impact

Funding resource name: Measure J or future bond funds – Not to exceed \$46.5 million for the 1025 and Ethel Moore building rehabilitation and \$9 Million for the multipurpose room for Dewey Academy

Attachment

- [April 22, 2019 Facilities Committee Memo: Background information on history and considerations for this recommendation](#)
- [Resolution No 1617-0007](#), which is being rescinded
- [Resolution No 1415-1166](#)
- [Measure J Spending Plan](#), to update the permanent housing location

**RESOLUTION OF THE BOARD OF EDUCATION OF THE OAKLAND
UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1819-XXXX

Approval of Resolution No. XXXX-XXXX - Authorization to Move Forward with the permanent housing at a rehabilitated Cole as the Administrative Center of the District. And, authorization to approve the interim housing location at 1000 Broadway. Finally to authorize the revision of the Measure J spending plan to show how the current bond will fund the initial planning phase of the permanent housing and the updated rent costs for interim housing.

WHEREAS, at the April 22, 2019 and May 10, 2019 Facilities Committee meetings of the Board of Education, the Deputy Chief of Facilities presented a proposal to rehabilitate the Cole Campus located at 1011 Union St, Oakland, CA 94607 ("Project") as the District's Administrative Center and to remain at 1000 Broadway as interim housing until the project is complete; and

WHEREAS, funding for the Project will be Measure J and/or future bond funds; and

WHEREAS, the proposal to rehabilitate the Cole Campus as the District's Administrative Center; and

WHEREAS, construction of the Project is projected to be completed by September of 2022; and

WHEREAS, the Board of Education passed the Resolution 1617-0007 on December 19, 2016, the authorization to move forward with the rehabilitation Of 1025 Second Avenue and the Ethel Moore Building as the Administrative Center of the District, and directed the Superintendent or designee to establish a project committee, Initiate the CEQA Process, and Provide An Initial Progress Report to the Board in June 2017, and

WHEREAS, the Board of Education passed Resolution No. 1718-0109, at the February 28, 2018, Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project ("Project").

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education of the District hereby rescinds Resolution 1617-0007 to rehabilitate the vacated 1025 Second Avenue and the Ethel Moore Building as the District's Administrative Center.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education hereby rescinds Resolution No. 1718-0109 Supporting Award of Lease-Leaseback Agreement between District and Cahill/Focon Joint Venture for the Marcus Foster Education Leadership Complex Project (“Project”).

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Education approves the proposal to rehabilitate the Cole Campus (1011 Union St, Oakland, CA 94607) as the District’s Administrative Center and to remain at 1000 Broadway as interim housing until the project is complete; and

1. To use Measure J and/or future bond funds to fund the project; and
2. To use \$1.5 million of general funds for consolidating space at 1000 Broadway as the interim housing location; and
3. Initiate the California Environmental Quality Act (CEQA) process; and
4. Provide a progress report to the Board of Education in November 2019 and regular updates to the Facilities Committee; and
5. Comply with all requirements of the California Public Contracts Code, the District’s Project Labor Agreement and Local Business Policy. All contracts related to the Project must be submitted to the Board for approval; and RFP/RFQs must be issued as provided in State law and Board Policy 3311; and
6. Study and report to the Board in November 2019 on efficient ways to address those elements of community-facing services which benefit from central physical locations, such as enrollment and family resource center; and
7. Further explore options for preserving the historic nature of 1025 and future use of the property as an educational complex to serve our students.
8. In accordance with Board Policy 7155, we plan to establish a Project Committee for this project and any other project on the capital projects list.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 22nd day of May, 2018, by the following vote:

Jody James
London, Harris

AYES: Aimee Eng, Jumoke Hinton

NOES:

ABSTAINED:

ABSENT:

OPTION ONE

CONSTRUCTION PROJECT SUMMARY

SCHOOL:	NEW ADMINISTRATION CENTER @ COLE		
EST. TYPE:	BUDGETARY/ORDER OF MAGNITUDE	DATE:	4/30/2019
OWNER:	OAKLAND UNIFIED SCHOOL DISTRICT	ESTIMATORS/FIRM:	EEV
		DURATION (MONTHS):	

ESTIMATE ITEMS	ITEM NO.	SHEET NAME	ITEM DESCRIPTION	AREA(SF)	COST PER UNIT	TOTAL CONSTRUCTION COST
	A-1	SITEWORK	PHASE 1 - DEMO EXISTING CAFETERIA BUILDING/HAZ MAT	6,000	\$38	\$ 230,000
	A-2	BLDG-1	PHASE 2 - CONSTRUCT NEW 2-STORY ADMIN BLDG (MAT/SLAB FOUNDATION)	60,000	\$584	\$ 35,035,000
	A-3	SITEWORK	PHASE 3 - DEMO EXISTING 2-STORY BUILDING/HAZ MAT	42,000	\$39	\$ 1,656,000
	A-4	SITEWORK	REDEVELOP SITE FOR NEW PARKING + DEMO (E) PORTABLE + NEW ENCLOSURE & UTILITY SERVICE FOR (E) SERVER	85,000	\$40	\$ 3,428,000
		TOTAL ESTIMATED CONSTRUCTION COST:		60,000	\$672	\$ 40,349,000
	A-5		AED ALLOWANCE	5.0%		\$ 2,017,450
		TOTAL PROBABLE CONSTRUCTION COST:			\$706	\$ 42,366,450
	A-6	SOFT COSTS		30%		\$ 12,105,000
	A-7	FURNISHINGS	OFFICE FURNITURES	ALLOWANCE		\$ 2,034,000
	▲ TOTAL PROJECT COST WITH MAT/SLAB FOUNDATION			60,000		\$ 56,505,000
			COST/SF		\$ 942	
	▲ ALLOWANCE * PILES WITH CONVENTIONAL FOUNDATION			60,000		\$ 4,623,000
	* PENDING GEOTECH REPORT			COST/SF		\$ 77
	▲ TOTAL PROJECT COST WITH ALLOWANCE *:			60,000		\$ 61,128,000
				COST/SF		\$ 1,019

OPTION TWO

CONSTRUCTION PROJECT SUMMARY

SCHOOL:	NEW ADMINISTRATION CENTER @ COLE		
EST. TYPE:	BUDGETARY/ORDER OF MAGNITUDE	DATE:	5/1/2019
OWNER:	OAKLAND UNIFIED SCHOOL DISTRICT	ESTIMATORS/FIRM:	EEV
		DURATION (MONTHS):	

ESTIMATE ITEMS	ITEM NO.	SHEET NAME	ITEM DESCRIPTION	AREA(SF)	COST PER UNIT	TOTAL CONSTRUCTION COST
	A-1	SITEWORK	PHASE 1 - DEMO EXISTING CAFETERIA BUILDING/HAZ MAT	6,000	\$38	\$ 230,000
	A-2	BLDG-1	PHASE 2 - CONSTRUCT NEW 2-STORY ADMIN BLDG (MAT/SLAB FOUNDATION)	54,000	\$602	\$ 32,510,000
	A-3	SITEWORK	PHASE 3 - DEMO EXISTING 2-STORY BUILDING/HAZ MAT	42,000	\$39	\$ 1,656,000
	A-4	SITEWORK	REDEVELOP SITE FOR NEW PARKING + DEMO (E) PORTABLE + NEW ENCLOSURE & UTILITY SERVICE FOR (E) SERVER	85,000	\$40	\$ 3,428,000
		TOTAL ESTIMATED CONSTRUCTION COST:		54,000	\$700	\$ 37,824,000
	A-5		AED ALLOWANCE	5.0%		\$ 1,891,200
		TOTAL PROBABLE CONSTRUCTION COST:			\$735	\$ 39,715,200
	A-6	SOFT COSTS		30%		\$ 11,347,000
	A-7	FURNISHINGS	OFFICE FURNITURES	ALLOWANCE		\$ 2,000,000
	▲ TOTAL PROJECT COST WITH MAT/SLAB FOUNDATION			54,000		\$ 53,062,000
			COST/SF			\$ 983
	▲ ALLOWANCE * PILES WITH CONVENTIONAL FOUNDATION					54,000 \$ 4,114,000
	* PENDING GEOTECH REPORT			COST/SF		\$ 76
	▲ TOTAL PROJECT COST WITH ALLOWANCE *: COST/SF					54,000 \$ 57,176,000
						\$ 1,059