

CITY OF PALO ALTO
MEMORANDUM

DATE: February 12, 2007

TO: Our Council Colleagues

FROM: Vice Mayor Klein, Council Members Beecham and Mossar

SUBJECT: Direction to Staff to Move Forward with Exploring the Feasibility of a Public/Nonprofit Partnership with the Palo Alto Junior Museum and Zoo

On October 12, 2006, the Council directed staff to work with the board of the Palo Alto Junior Museum and Zoo to develop a public/non-private partnership. Specifically:

“Given the City General Fund’s significant financial challenges, we believe it is incumbent on the City to identify and pursue opportunities such as this proposed partnership, a public nonprofit partnership, allowing the citizens of Palo Alto to continue to enjoy the same or an enhanced level of services, but relieving the General Fund of future escalating costs. The concept that has been proposed is similar to the one applied when the City spun Palo Alto Community childcare and Avenidas to nonprofit oversight, namely, that a basic level of citizen support would continue in future but that operational control and financial responsibility would be assumed by the new nonprofit.”

That colleague memo asked the Council to approve moving forward with the development of the public/nonprofit partnership prior to the Council’s final approval of an update to the Council policy on public-private partnerships. However, the Council instead asked that staff suspend work on this project until Council approval of the public-partnership policy.

Discussion of a public/non-private partnership has raised some concern on the part of the current employees of the Junior Museum and Zoo. As part of its contract with the union, the City would have an obligation to meet and confer with the union, including discussion of alternative proposals.

On January 15, 2007, the Council considered the Policy and Services Committee recommendation on an updated policy, but determined it was not yet ready for adoption and sent it back to the Policy and Services Committee for additional work. The policy is agendized for a February meeting of the Policy and Services Committee, and can be expected to come back to the full Council for approval in March. However, we would like to ask our colleagues for support in allowing staff to begin work in the interim with the Friends on exploring the feasibility of the public/nonprofit partnership.

There are several reasons for this. First, the Council originally directed staff to work with the Friends on a public/nonprofit partnership (at the time only for a new building) in December 2002. Maintaining momentum and commitment from a volunteer board is a challenge for a project of this magnitude and the delays inevitably make this more difficult. Second, the Friends have received a generous \$1 million dollar donation toward the public/nonprofit partnership, of which a significant part - \$300,000 - is earmarked for transitional planning. The Friends would like to move forward, in coordination with the city, with retaining a development director to develop key elements of a plan including a detailed business plan, a fundraising plan, and a more fully developed building proposal.

For these reasons, and in keeping with the Mayor’s goal of encouraging innovation as an approach to resolving resource issues for City services, we ask our colleagues’ support in moving ahead immediately to determine whether the public/non-profit partnership proposed by the Friends is feasible and to bring a recommendation back to Council. In order to make this recommendation, the staff would work with the Friends of the Junior Museum and Zoo on a number of issues including the Friends’ development of a detailed business plan, a fundraising plan, and a more fully developed building proposal. The City Manager is supportive of our request.