

**Report Type: Action Items** 

Meeting Date: 12/17/2018

Summary Title: Roth Building Update, Next Steps and Approval of Resolution for County Grant Application

Title: Discussion and Direction on the Status and use of the Roth Building, Extension of Fundraising Period With the Palo Alto History Museum, and Adoption of a Resolution for County Grant Application to use the Roth Building Consistent With Park use for 20 Years

From: City Manager

# Lead Department: Administrative Services

## Recommendation

Staff provides this update regarding the fundraising and planning for rehabilitation of the Roth Building at 300 Homer Avenue, as requested by City Council and recommends that Council:

1) Extend the deadline by six months for the Palo Alto History Museum to achieve the goal of raising \$1.75 million as set by Council in 2017; and

If proceeding with the Palo Alto History Museum project at the Roth Building, then

- 2) Direct staff to revise and update lease agreement between the Palo Alto History Museum and return to City Council in six months for approval; and
- 3) Approve the attached resolution designating the Roth Building as a park and committing to use the Roth Building consistent with park use for a period of no less than 20 years and making other representations to apply for historic preservation grant funds from the County of Santa Clara to rehabilitate the Roth Building roof (Attachment A).

# **Executive Summary**

Over the decade, the Palo Alto History Museum (PAHM) has engaged in various strategies and activities to raise funds from private and public sources to undertake a seismic and historical rehabilitation of the Roth Building and to operate a historical museum at this location. This staff report is intended to provide an update on the direction provided to staff at the December 2017 City, grant additional fundraising time to the PAHM and approve a resolution necessary to complete a grant application for historic preservation funding from the County of Santa Clara.

The Option to Lease between the City and PAHM expired on November 30, 2018. PAHM is

requesting another one-year extension of the Option to Lease agreement on the Roth Building (Attachment B). Rather than grant a one-year extension of the option agreement at this time, staff is recommending a six-month extension to the fundraising goal deadline and returning to the City Council with updated option and lease agreements at that time. At the time of the printing of this report, the PAHM reported new fundraising activity that brought them close to the goal of \$1.75 million set by Council last year, however staff has not verified this. This sixmonth extension would allow staff to corroborate the fundraising efforts and refresh the lease agreement documents.

In collaboration with the PAHM, the City, on November 21, 2018, submitted a grant application package to the County of Santa Clara requesting \$305,000 in funds to rehabilitate the Roth Building roof. The grant requires that the Council approve a resolution (Attachment A) with certain conditions including designating the Roth Building as parkland for twenty years.<sup>1</sup>

PAHM has an Executive Director with strong local ties to the City to spearhead the fund-raising efforts. As of December 4, 2018, the total funding raised by PAHM, the City (including TDR proceeds), new pledges, restricted and unrestricted donations since the beginning of the year stands at \$7.6 million. PAHM continues to work on fundraising and has articulated an expectation of other donations in the very near future.

The Conditional Use Permit (CUP) and Architectural Plan Review for the historical Museum expired at the end of December of 2014. PAHM applied on behalf of the City to renew and update the expired Condition Use Permit (CUP) and was granted approval on February 18, 2016 which was effective until March 3, 2017. The City granted a one-time extension pursuant to Palo Alto Municipal Code (PAMC) Ch.18.77.090 to extend the approved entitlement to March 3, 2018. In November 2017, the proposed project was resubmitted for a minor architectural review approval to again renew and update the permit with some minor changes. On December 3, 2018, the City approved the CUP, historic architectural review, and minor exceptions to not provide onsite parking and to encroach into the front yard setback. A building permit is pending.

<sup>&</sup>lt;sup>1</sup> The City has informed County staff that Palo Alto has not and is not contemplating formally dedicating the Roth Building as parkland for purposes of the City Charter and Municipal Code. The County nevertheless requires the City to use the language in the County's grant template, including a statement that the Roth Building "is dedicated parkland" for 20 years from the date of project completion. While adoption of the grant resolution will not dedicate the Roth as parkland for City Charter purposes, it will commit the City to use and operate the Roth as a park facility for the next 20 years.

## Background

The City acquired the Roth Building in April 2000. In 2002, the City issued a Request for Proposals (RFP) for proposed uses of the Roth Building, and received one response, from the PAHM. In 2007, the City and PAHM entered into a two-year option agreement to lease the Roth Building. Since 2007, PAHM personnel and City staff have examined a variety of proposals to fund the capital and operating needs of the Roth Building historical museum and the City Council has extended the option agreement several times. Additional background information can be found by referring to prior staff reports, CMRs: 2197, 2891, 4703, 5365, 5551 and 5879. The option agreement was extended a number of times over the past 11 years, but neither it nor the underlying lease agreement have been updated.

Most recently, on December 11, 2017 (<u>CMR 8612</u>) staff provided an update to the City Council regarding this property and potential partnership with PAHM. City Council approved a six-part motion as follows:

- A. Approve an extension of the Option to Lease the Roth Building between the City of Palo Alto and the Palo Alto History Museum (PAHM) until November 30, 2018; and
- B. Direct Staff to simultaneously develop options for a Request for Proposal (RFP) for leasing the building to another organization and return to Council; and
- C. At least 50 percent of the funds needed for Phase 1 (\$1,750,000) must be raised by November 2018, or Staff shall return to Council to discuss releasing an RFP;
- D. The Mayor will create a fundraising auxiliary committee of three City Council Members. They will meet with the Board of Directors of the Museum on a regular basis; and
- *E.* Direct Staff to return to Council at the 6-month mark with an update regarding the Palo Alto History Museum; and
- F. Authorize the use of the Sea Scout Building Transferable Development Rights (TDRs) proceeds (\$665,000) for historical restoration as a challenge grant for the next year, this \$665,000 amount would not count towards the \$1,750,000 included in Part C.

Staff has prepared and coordinated with the Executive Director of the Palo Alto History Museum, where appropriate, on the updates on each part of the motion in the "Discussion" section below. In addition, staff has worked with the County of Santa Clara to prepare a grant application for rehabilitation of the Roth Building roof and this is also discussed in the staff report along with the required Council resolution.

# City Council Previous Funding Actions

The City Council has approved two primary funding sources thus far.

 Council approved the designation of the Roth Building as a "Sender Site" in the Transfer of Development Rights (TDR) program. Staff followed the provisions for eligible City owned buildings to participate in the TDR program as outlined in Chapters 18.18.080 and 18.28.060 of the Palo Alto Municipal Code (PAMC). The program allows a Category 2 resource, (the Roth Building) to be eligible as a "sender site" for a 9,592 square foot floor area bonus. The TDRs were put to bid and sold raising \$2.88 million.

2) On December 15, 2015, City Council passed a motion instructing staff to identify \$1.0 million to fund rehabilitation costs for the Roth Building. All potential sources were examined, and staff recommended that the Budget Stabilization Reserve be drawn down to provide the \$1.0 million. The Museum representatives asserted that with this contribution and the sale of Transferable Development Rights (TDRs), further fundraising would gain traction.

On June 29, 2015, the Council approved a budget amendment in the Capital Improvement Fund to establish a Roth Building rehabilitation reserve in the fund in the total amount of \$3.88 million.

## Discussion

Included in this report are two primary sections for review. 1) Status update on each component of the prior City Council direction in regard to the Roth Building plans and 2) in the context of the six-month extension of the fundraising timeframe a discussion of the actions necessary at this time.

<u>Status updates on the City Council direction from December 11, 2017:</u> (Council direction is italicized for ease of review)

A. Approve an extension of the Option to Lease the Roth Building between the City of Palo Alto and the Palo Alto History Museum (PAHM) until November 30, 2018.

In December 2017, the City Council granted an extension, through November 30, 2018, however, this extension has lapsed expiring December 1, 2018. The PAHM is requesting another one-year extension discussed later in the report.

B. Direct Staff to simultaneously develop options for a Request for Proposal (RFP) for leasing the building to another organization and return to Council.

In order to solicit options, the high-level steps to complete an RFP include:

- Prepare a draft scope of services and timeline for the RFP
- Present the draft scope of services to the Council for review, comment and direction
- Solicit a request for qualifications to set a prequalification level which firms must meet to respond to the RFP
- Issue the RFP to qualified firms
- Allow a one-to-two-month window for firms to respond
- Hold interviews and presentations with firms, with City and community representatives
- Consider alternatives presented by proposing firms and develop options for review with the City Manager
- Present options and a recommendation to the Council along with related contract awards

Staff anticipates the need to use a prequalification process given the range and potential complexities involved in such a solicitation. It is estimated that the RFP selection process would take approximately one-year to complete. Currently the facility has restrictive zoning, public facility, which would limit the eligible bidders unless this zoning was changed.

C. At least 50 percent of the funds needed for Phase 1 (\$1,750,000) must be raised by November 2018, or Staff shall return to Council to discuss releasing an RFP.

As part of the December 2017 report (<u>CMR 8612</u>) total project costs for phase one (construction) were contracted with Vance Brown by the PAHM at \$9.2 million with a capital funding gap of \$3.5 million identified. Council directed that at least 50 percent of this gap, or \$1.75 million, of funds be raised by November 2018. The PAHM has reported that they have raised \$1,400,000 in new funds since December 2017, including \$250,000 each from both the Hewlett and Packard foundations. <u>At the time of the printing of this report the PAHM reported that they received an additional pledge resulting in them reaching the \$1.75 million needed for rehabilitation for the Roth Building.</u>

D. The Mayor will create a fundraising auxiliary committee of three City Council Members. They will meet with the Board of Directors of the Museum on a regular basis.

The auxiliary committee met on June 29, 2018 to discuss the status of the PAHM with the Executive Director and President and learn about fundraising activity. PAHM remains interested in continuing conversations and setting up subsequent meetings with the auxiliary committee.

*E.* Direct Staff to return to Council at the 6-month mark with an update regarding the Palo Alto History Museum.

Staff was unable to meet this deadline and did not provide a six-month progress update. This report provides a comprehensive review of all steps.

F. Authorize the use of the Sea Scout Building Transferable Development Rights (TDRs) proceeds (\$665,000) for historical restoration as a challenge grant for the next year, this \$665,000 amount would not count towards the \$1,750,000 included in Part C.

The TDR funds have been set aside in a reserve in the Capital Improvement Fund and are available as a challenge grant. Over the past year the funds have helped the PAHM in their fundraising efforts.

## Actions needed during the six-month extension

Understanding the status of the most recent list of action items, if the City Council wishes to

grant a six-month extension for the PAHM to meet its fundraising goal, Council should consider the following actions:

First the City must confirm the written and verbal pledges that make up the PAHM reported fundraising amount of \$1.75 million.

Second the City must review the 2007 option and lease agreements with PAHM and update the outdated portions before presenting a new recommendation to offer a one-year extension of the option agreement as requested by the PAHM. If Council approves the recommended actions in this report, City staff will engage with the PAHM to negotiate an updated option and lease agreements for the Council's consideration next year.

Third, last month, the City collaborated with the PAHM to submit a grant application package to the County of Santa Clara for the potential of obtaining \$305,000 in funds to rehabilitate the Roth Building roof. The grant does have requirements in order to be accepted including City Council approval of a resolution designating the Roth Building as a park for twenty years. As noted above, this designation will not make the Roth Building dedicated parkland for City Charter purposes but will commit the City to use and operate the Roth as a park facility, open to Santa Clara County residents, for 20 years. After 20 years, if the City wanted to use the building for non-park purposes, a vote of the people will not be required. The resolution is attached for Council's review and determination (Attachment A).

The County's resolution template has been modified to reflect the City's circumstances, to clarify that all project approvals have not yet been provided, given that the PAHM lease agreement (which includes rehabilitation of the Roth) has not been approved. County staff stated that the resolution should not be modified; the City's proposed modifications are only to conform the template resolution to the factual circumstances and are shown in tracked changes.

Additional grant requirements include:

- Completed grant application package submitted by November 23 (completed)
- Documentation of California Environmental Quality Act (CEQA) compliance (Notice of Exemption filed with the County on December 4, 2018)
- Historic designation documentation (included in the grant application)
- Photos and write up of the project included in the grant application
- Project use diagram, budget and timeline included in the grant application package

Currently, the zoning of the parcel is "public facility" or PF and this resolution would not change that.

If Council approves the resolution, staff will add it to the grant package by the December 28, 2018 due date. This due date reflects a one-time extension, which the County granted in order to give time for the resolution to be presented for City Council consideration. The current grant process timeframe anticipates that grant packages will be evaluated by the County Parks Commission in January 2019 and a decision will follow shortly thereafter. It is important to note that it is not required that the City Council approve this resolution to continue to pursue a partnership with PAHM. This resolution is only required if the City wishes to continue to pursue the application of grant funding with the County of Santa Clara for the potential of obtaining \$305,000 in funds to rehabilitate the Roth Building roof under the terms as required by the grant.

Should the City receive the grant funding from the County, the City would be required to enter into a grant agreement with the County reaffirming the action taken in adopting the resolution – making the commitment to use the Roth Building as a park facility – and contractually binding the City to do so for at least 20 years from project completion. The City would not be able to convert the use in the Roth Building to a non-park use for that duration, even if, for any reason, the contemplated museum closed or ceased operation.

The roof project is part of the larger Roth Building rehabilitation project described in the last update to the City Council on December 11, 2017 (<u>CMR 8612</u>). Costs for the roof work will be invoiced separately to the City of Palo Alto. Once the City pays the invoices the City will be authorized to submit the invoices to the County for reimbursement under the grant terms.

# Timeline

Staff will return to Council in the future with updates or as directed by Council. In the meantime, the Palo Alto History Museum plans to continue its effort for fund raising until it is ready to exercise its option to enter into a lease with City for Roth Building and to begin the rehabilitation of the Roth Building. Under the term of the option, staff must verify that all funds are available to start and complete the rehabilitation of the Roth Building.

In 2019 the County is anticipated to make additional grant funding opportunities available that could benefit the Roth Building project. A letter from Supervisor Simitian describes these and is

included as Attachment C.

## **Resource Impact**

## Total Project Phase 1 Financial Needs

As of July 2016 the phase one of the rehabilitation of the Roth Building was contracted at \$9.2 million with a capital funding gap of \$3.5 million identified. This total cost does not include initial capital project investments such as architectural, arborist, City and contractor fees which PAHM has funded. PAHM has raised \$7.6 million toward the construction goal including funds from the City.

## City Financial Contributions

As discussed earlier, the City Council previously took actions to set aside \$3.88 million in resources for the Roth Building rehabilitation. Funding primarily resulted from the sale of TDRs (\$2.88 million), plus an additional contribution from the Budget Stabilization Reserve (\$1.0 million). These funds plus interest earned remain accounted for in the General Capital Improvement Fund (471) in a reserve; as of June 30, 2018, this reserve stands at \$4.02 million.

In addition, the Sea Scout Building Transferable Development Rights (TDRs) proceeds (\$665,000) for historical restoration only also remain in a reserve in the General Capital Improvement Fund; as of June 30, 2018, this reserve stands at \$667,000. These funds have not been counted towards any of the project funding figures and therefore if directed, would provide additional funding to reach the \$9.2 million goal.

### **Environmental Review**

The Roth Building rehabilitation project, of which the option to lease and County grant application are a part, is Categorically Exempt from CEQA review pursuant to CEQA guidelines section 15331, Historical Resource Restoration/Rehabilitation, as a project limited to maintenance, repair, and rehabilitation in accordance with the secretary of interior standards for historic preservation.

### Attachments:

- Attachment A: Grant Resolution
- Attachment B: PAHM Letter requesting extension and council report Dec 2018
- Attachment C: Letter from Supervisor Simitian

# Attachment A

## Not Yet Adopted

# Resolution No. RESOLUTION OF THE COUNCIL OF THE CITY OF PALO ALTO APPROVING CITY OF PALO ALTO'S APPLICATION FOR A COUNTY OF SANTA CLARA HISTORICAL HERITAGE GRANT FOR THE ROTH BUILDING ROOF REHABILITATION PROJECT IN HERITAGE PARK

WHEREAS, the County of Santa Clara ("County") has established the Historical Heritage Grant program to promote historic preservation and the awareness of significant cultural, historical, and archaeological resources within Santa Clara County ("Grant Program"); and

WHEREAS, the County funds the Grant Program with County Park Charter Development Funds, which must be used for the development of real property for county park purposes; and

WHEREAS, the County requires that the property on which the grant-funded project is located be continually used for park purposes for a minimum of 20 years and be open to all Santa Clara County residents on a non-discriminatory basis; and

WHEREAS, the applicant <u>City of Palo Alto</u> proposes that the County award Grant Program funds for the Roth Building Roof Rehabilitation project ("Project") in Heritage Park ("Park"); and

WHEREAS, the City of Palo Alto ("Owner") has reviewed the proposed Project and has provided all required <u>planning</u> approvals for the Project in the Park, including but not limited to, any licenses, permits, <u>or</u> environmental review <del>or operational agreements</del> required prior to authorizing construction; and

WHEREAS, to provide additional assurance as to compliance with the Grant Program requirements, the County requires that the Owner execute the grant agreement;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Palo Alto hereby makes the following determinations:

- 1. The Project is located on land that will be continually used for park purposes for a minimum of 20 years and, subject to Constitutional or Charter limits on appropriations for future years, will be open to all Santa Clara County residents on a non-discriminatory basis; and
- 3. The City of Palo Alto has reviewed the proposed Project and has provided all required approvals for <u>planning entitlement of</u> the Project in the Park, including but not limited to, any licenses, permits, <u>or</u> environmental review <del>or operational agreements</del> required prior to authorizing construction; and

4. The City Manager or designee is hereby delegated authority to execute the grant agreement on the Owner's behalf.

BE IT FURTHER RESOLVED that the Council of the City of Palo Alto hereby approves of the City of Palo Alto's application for County's Grant Program funds for the Roth Building Roof Rehabilitation Project in Heritage Park.

PASSED AND ADOPTED by the City Council of the City of Palo Alto on	by the
following vote:	

Mayor
City Manager
Director of Administrative Services

Director of Community Services

### ATTACHMENT B



HONORARY CHAIR Dean Clark

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Laura Bajuk, Director Lindsey Ragatz, Asst. to the Director Janet Tang, Bookkeeper Kitzi Tanner, Construction Project Manager

A community-driven effort supported by numerous individuals, corporations, foundations, and the City of Palo Alto.

#### Founding Supporters:

Palo Alto Historical Association University South Neighborhood Assn. Palo Alto-Stanford Heritage Museum of American Heritage

#### Endorsed by:

Palo Alto Woman's Club Palo Alto Chamber of Commerce Stanford Historical Society Stanford Special Collections and University Archives Palo Alto Housing Corporation Canopy November 15, 2018 - updated December 4, 2018

James Keene City Manager, City of Palo Alto 250 Hamilton Avenue Palo Alto, CA 94301

#### Dear Jim:

We look forward to the December 17, 2018 Council meeting. With David Ramberg's counsel, we are preparing accordingly and request that two actions be considered:

- Renewal of the Museum's lease option to develop the Roth Building as a history museum, and
- 2) Changing the land designation of the building to make it eligible for County funding.

It will be almost exactly a year since the December 11, 2017 resolution was passed challenging the Museum to raise \$1.75 million. We took that challenge very seriously and believe we're on course to meet that goal.

Since the day after the resolution was unanimously passed by Council, we have realized over \$1.4 million in donations and pledges – including a new \$350,000 challenge pledge. When that new pledge is matched – we will meet or exceed the City goal.

New thinking and fresh perspectives have been welcomed, encouraged and put into play. As a result, giving has increased exponentially:

- <u>We've added nearly 200 new donors</u> to our rolls. \$500k in recent foundation grants were given to inspire individual donations and it's working.
- <u>Our donors are more loyal, and giving larger gifts than before</u>. People give to people they know, so we changed our focus to those with capacity who have already engaged with the project. It's working.
- Our advocates are engaging their networks. House parties have built new support and turned prospects into donors. A special standout is our recent success in the Chinese community in Palo Alto: over \$150,000 has been raised so far, with more expected. Other friends of the Museum have stepped forward to offer similar access to segments of our community, and we will tap them.

#### In addition, we have the potential to add over \$2.3M from major partners and County

**funds.** As soon as the criteria are released in December, we're poised to jump on new one-time County funds for historic preservation established by Supervisor Joe Simitian, a champion of this project. An additional fund to encourage women's history is also on our radar. Council's support of the land use designation is key to being eligible for these funds. And, if we meet with Council support on December 17 for meeting the goal, adding the \$665,000+ in Sea Scouts TDRs from the City will take us that much closer to construction. We have a plan for the final million needed to begin construction.

As you know, the Roth Building is unusable without expensive rehabilitation. We've done the math, and feel that **the Museum project makes the best sense for the City of Palo Alto:** 

- <u>The Museum offers the most cost-effective option to rehabilitate the Roth Building.</u> We've raised over \$12M in 12 years, from over 650 households, foundations and businesses. Our financial history is strong and stable. We've never overspent our resources; we operate in the black. Our donor base is growing.
- 3) <u>There are many competing priorities for City funding, and none include the Roth rehab</u>. Through the Museum, community members are supporting over 90% of the construction for a City-owned building. We've paid over \$1.2M in prep costs (including \$25k for the RFP response) and have now raised \$7.2 of the \$9.2M construction budget. (The potential funds referenced above would close that gap, if not by November 30.)
- 5) <u>The Museum will have virtually NO annual budget impact on the City.</u> PAHM will be self-supporting *and* be responsible for almost all building maintenance. Contrast that to the capital and annual budget support given to other cultural organizations in the City, and the PAHM deal is a better financial arrangement.
- 7) <u>No other tenant can do the rehab for less.</u> Rising construction costs could make the final tab for a new group 1½ or twice as high. We have the best, vetted, *not to exceed* contract from an experienced company with deep local roots, Vance Brown.
- 9) <u>We can rehabilitate the Roth *faster* than any other tenant.</u> Starting over with a new tenant could take 5-10 years (assuming great acceleration over our 14-year trajectory) and hundreds of hours of commission, staff and Council time distracted from higher priorities. Our planning is complete, meets state standards and we've applied for our final permit.
- 11) <u>A Museum fits the limited uses allowed under PF/SOFA I and is neighbor-approved</u>. This reuse complements the Roth's national and local historic landmark status, allows the use of TDR funding—and it avoids the community meetings and time needed to consider new users, or a zoning change.

Moving beyond the practical to the philosophical, I think we all agree that a Museum is good for Palo Alto. A true community treasure, it will build empathy within our diverse community, nourish pride and civic engagement, professionally preserve and interpret historical treasures like the City archives and tell Palo Alto's incredible stories in a modern Museum that will inspire this—and future—generations. All for little public money. We ask for City support, by:

- Renewing the lease option. Give us time to finish the construction campaign without issuing a new RFP.
- Supporting the resolution designating the land under the Roth to make it eligible for county funding opening up as much as \$1.3M for the project.
- Showing public support for the Museum rehabbing the Roth Building. One statement, positive or negative, is all it takes to make, or break, community support.

Jim, we thank you for the changes you and your team have made in our community under your tenure. We very much appreciate your leadership and vision – and the strong continuity you have provided with Ed Shikada, Kiely Nose and David Ramberg. You've built a great team. It has been an honor and a pleasure working with you, and we wish you all the best.

Sincere anna Bajut Bajuk, Executive Director

CC: Rich Green, David Ramberg

### S. JOSEPH SIMITIAN PRESIDENT, BOARD OF SUPERVISORS SUPERVISOR, FIFTH DISTRICT COUNTY OF SANTA CLARA

COUNTY GOVERNMENT CENTER, EAST WING 70 WEST HEDDING STREET, 10<sup>TH</sup> FLOOR SAN JOSE, CALIFORNIA 95110 TEL: (408) 299-5050 or (650) 965-8737 FAX: (408) 280-0418 supervisor.simitian@bos.sccgov.org • www.supervisorsimitian.com



December 4, 2018

The Honorable Liz Kniss, Mayor City of Palo Alto 250 Hamilton Avenue Palo Alto, CA 94301

Dear Mayor Kniss:

I'm delighted to see the progress being made towards standing up a Palo Alto History Museum. I know it's a substantial project and the City and its non-profit partners are to be commended for their work to date.

My office and I have been working closely with your staff to ensure the City's eligibility for funding consideration under the County's Historical Heritage Grant program. As you may have heard from your staff, due to the funding source being the County's Park Charter Fund, the eligibility criteria are quite rigorous. Despite that, I'm hopeful that once the City files its CEQA paperwork with the County and moves to adopt the Resolution that will be before you on December 17<sup>th</sup>, we'll have addressed the two remaining hurdles with respect to eligibility.

In addition to the Historical Heritage Grant program, there is a one-time historical grant program that is funded from the County general fund which will be open to applicants in 2019. I anticipate the guidelines for that program to come before the Board of Supervisors for approval on December 18<sup>th</sup>. This program is funded at one million dollars per Supervisorial District (\$5 million total) and as I mentioned should be open to applicants shortly thereafter.

The third and final funding opportunity that may be of interest to the City is one that relates to historical recognition for women in Santa Clara County. This project is funded countywide at a level of \$5 million. While it's unclear exactly

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The Honorable Liz Kniss December 4, 2018 Page 2

when the funding guidelines will be available to the public, I expect it to be in 2019 and the record is clear that the intent is not to restrict the type of projects funded to "granite monuments". My expectation is there may be aspects of the larger History Museum project that lend themselves to funding through this program, as well.

I know the Council has challenging decisions to make about funding priorities and I wanted to be sure those discussions were fully informed as to the multiple opportunities to partner with the County to provide complementary financial support for the creation of a Palo Alto History Museum.

Please feel free to contact me or Kristina Loquist of my staff if we can be of further assistance. I look forward to working with you and your colleagues to ensure this important project moves forward.

Sincerely,

5. Joseph Simitian County Supervisor, Fifth District

cc: Jim Keene