



Report to City Council

TO: Mayor and City Council
Mayor and City Council Moreno Valley Community Foundation (MVCF)

FROM: Brian Mohan, Acting City Manager/Acting Executive Director

AGENDA DATE: January 7, 2025

TITLE: AUTHORIZE A PROPERTY LEASE AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT TO CREATE AND OPERATE AN IMMERSIVE MUSEUM AND ART FACILITY (REPORT OF: CITY MANAGER)

TITLE SUMMARY: Authorize a property lease agreement and professional services agreement to create and operate an immersive museum and art facility (Report of: City Manager)

Recommendation(s)

That the City Council and the Moreno Valley Community Foundation:

1. Authorize the Acting City Manager/Acting Executive Director to execute a Property Lease Agreement and any subsequent related amendments, subject to the approval of the City Attorney and within the budgetary amounts previously approved by Council/Board of Directors as part of the adopted and/or amended budget process.
2. Authorize the Acting City Manager/Acting Executive Director to execute a Professional Services Agreement based on the attached Exhibit A Scope of Work and any subsequent related amendments, subject to the approval of the City Attorney and within the budgetary amounts previously approved by Council/Board of Directors as part of the adopted and/or amended budget process.
3. Authorize the Chief Financial Officer to issue a Purchase Order within the amounts listed in the fiscal impact section and any subsequent change orders as subject to the

budget previously approved by Council/Board of Directors as part of the adopted and/or amended budget process, when the contracts have been signed by all parties.

4. Authorize the Grants Division to seek grants, including philanthropic funding, to assist in the on-going funding of the immersive museum and art facility.

5. Direct staff to return to Council with the March 19, 2024 staff report titled “Review and Consider the Art Commission’s approval of public art request for funding application – Christopher Poupore Mural El Potrero Park Restroom”, which was continued to allow other art options to be reviewed by staff.

SUMMARY

This report considers approval and authorization to create and maintain an immersive museum based on the October 1, 2024 Council-approved Economic Development Strategic Plan, which pursuant to **Section 2.3 Cultivate Arts and Cultural Events, Objective 2.3.1 Attract a Destination Venue Operator that Showcases Educational, Historical, Scientific, Artistic, Cultural, or Immersive Exhibits, Initiative 2.3.1.1 through 2.3.1.3**, includes creating and maintaining a destination museum, which includes an immersive museum.

DISCUSSION

On March 19, 2024, Council directed staff to suspend the processing of any additional art applications and to provide alternative options on how the Art Development Impact Fee funds can be utilized under applicable laws and policies.

Pursuant to the applicability and utilization language in Municipal Code Section 3.52 Public Art Impact Fee, staff developed alternative options and on October 1, 2024, Council approved the Economic Development Strategic Plan (EDSP), which pursuant to **Section 2.3 Cultivate Arts and Cultural Events, Objective 2.3.1 Attract a Destination Venue Operator that Showcases Educational, Historical, Scientific, Artistic, Cultural, or Immersive Exhibits, Initiative 2.3.1.1 through 2.3.1.3**, includes creating and maintaining a destination museum, which includes an immersive museum. Council’s approval of the EDSP also updated the Momentum MoVal Strategic Plan Section 1. Economic Development initiatives with those stated in the EDSP.

Staff, consisting of representatives from the City Manager, Park & Community Services, and Economic Development Departments, immediately sent requests to nine (9) immersive museum operators and received five (5) responses. Staff met multiple times with each respondent, which also included tours of the proposed site, to continue to finalize the scope of work and other details of the intended operations. Each respondent then submitted proposals based on the finalized scope of work. Staff determined that Lighthouse Immersive Studios California, Inc. submitted the most responsive proposal, and staff is recommending approval of a Professional Services Agreement (PSA) to provide the City a turnkey immersive museum based on the attached Exhibit A Scope of Work, which will be appended to the PSA.

ALTERNATIVES

1. Approve the recommended actions as presented in this staff report. *Staff recommends this alternative as it will allow for the creation of an immersive museum and art facility as required pursuant to the EDSP.*
2. Do not approve the recommended action as presented in this staff report. *Staff does not recommend this alternative, as it will not allow staff to create an immersive museum and art facility as required pursuant to the EDSP.*

FISCAL IMPACT

Initial one-time startup venue costs, including contingency, are estimated to be \$10 million and the estimated annual operating costs are \$1.5 million. As this will be a City facility, the startup venue costs will utilize facility reserve funding, and a new loan agreement will be created between the facility reserve fund and the art development impact fee fund for future repayment of said startup venue costs. The annual operating costs will be initially funded by the art development impact fee fund, which will be offset by exhibition ticket revenue until the annual operation costs are recovered. Any additional revenue above the estimated amount will be held to offset financing future exhibition programming or additional museum content.

With the creation of this facility the City and Moreno Valley Community Foundation can seek grants and philanthropic funding to reduce the impact of the above funding.

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Brian Mohan
Acting City Manager/Acting Executive Director

Department Head Approval:
Brian Mohan
Acting City Manager/Acting Executive Director

CITY COUNCIL GOALS

Advocacy: Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

Community Image, Neighborhood Pride and Cleanliness: Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

Positive Environment: Create a positive environment for the development of Moreno Valley's future.

Public Facilities and Capital Projects: Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Public Safety: Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

Report Approval Details

Document Title:	STAFFREPORT_CM_IMMERSIVE_MUSEUM_AND_ART_SPACE.docx
Attachments :	- STAFFREPORT_CM_IMMERSIVE_MUSEUM_AND_ART_SPACE - Scope of Work.pdf
Final Approval Date:	Jan 2, 2025

This report and all of its attachments were approved and signed as outlined below:

Patty Rodriguez

Natalia Lopez

Launa Jimenez

No Signature - Task assigned to Mike Lee was completed by assistant Sean Kelleher

Mike Lee

Patty Rodriguez