

AGENDA ITEM 7.0

California Cultural and Historical Endowment Board Meeting
1/30/2013

STAFF REPORT

GRANTEE:	Go For Broke Educational Foundation
PROJECT:	Go For Broke National Education Center
LOCATION:	Torrance
PROJECT SUMMARY:	Creation of an Interpretive/Education Center, originally planned as a new construction. Due to economic downturn and lack of funding, the revised plans are to locate the center in an existing museum space. A material change request and grant term extension (to 12/31/2014) are being sought as of 1/30/13.
FUNDING RESERVED:	\$1,000,000
FUNDING RESERVATION DATE:	12/14/2004
FUNDING APPROVAL DATE:	04/27/2006
IN GRANT AGREEMENT?:	Yes
GRANT AGREEMENT TERM:	03/15/2007-06/30/2013

BACKGROUND INFO

The Go For Broke National Education Center (formerly the Go For Broke Foundation) will create an interpretive center dedicated to educating the public about the experiences of Japanese American World War II veterans and how they provide a great American story with timeless civic lessons for all peoples. The interpretive center will be housed within the national headquarters of the GFBNEC, to be located near the Go For Broke Monument (completed in 1991) - in the Little Tokyo district of Los Angeles.

"Go for Broke!" was the unit motto of the 100th Battalion, and it was adopted by the 442nd Regimental Combat Team of WWII. The 442nd Regimental Combat Team remains the most decorated unit for its size and length of service in the entire history of the U.S. military. All WWII Japanese-American units subsequently adopted the phrase "Go For Broke" as their motto.

REQUEST

Grantee is requesting approval of a material change from the construction of a new facility to the lease and lease improvement of an existing facility. A material change exists when, among other factors, there is a significant change or alteration in the budget or matching fund structure than was originally submitted in the CCHE Grant Application and a change of circumstances altering the structure of the Project or affecting the applicant's ability to implement the project. In the case of Go For Broke there has been a change in circumstance: the decision to create the interpretive center in lease space rather than in a newly constructed building.

A revised workplan and budget is attached to this staff report.

According to the CCHE Board's approved Material Change Policy, "a significant change or alteration in the budget and matching fund structure that was originally submitted in the CCHE grant application" triggers a consideration of whether such a change constitutes a material change and requires an analysis of the following factors:

1. Project Thread: does the proposed modification substantially change the scope of the project thread?
2. Project Location: Is there a change in the physical location of the project?
3. CEQA: Is the proposed modification in compliance with CEQA?

4. Audience: Does the proposed modification cause a change of the intended audience?
5. Public Access: Does the proposed modification cause a change in public access?
6. Grantee Capacity: Does the proposed modification cause a change in grantee capacity?

BUDGET DETAIL

CCHE funds expended on phase I (cancelled construction project)	\$459,128
Architectural & Engineering costs on leased space (material change)	\$103,272
Tenant Improvements for Long Term leased building	\$258,600
Roof Repair or Replacement	\$ 94,000
Construction management and fees	<u>\$ 85,000</u>
TOTAL CCHE FUNDS:	<u>\$1,000,000</u>

MATCH: Dept. of Defense: \$1 Million for repairs to the building facade and tenant improvements.

CEQA STATUS

CCHE, as a funding agency, has determined that the project is exempt from the California Environmental Quality Act (CEQA) under Section 15331, Class 31, Historical Resource Restoration/Rehabilitation of the CEQA Guidelines. The project consists of tenant improvements, roof replacement, facade restoration and the required architectural and engineering costs associated with the restoration.

PROPERTY ARRANGEMENT

Grantees have been in negotiations with the Japanese American National Museum (JANM) for a 20 yr. lease of the historic Nishi Hongwanji Building, which formerly served as the JANM facility. Letter from JANM regarding the lease is attached to the Staff Report.

MATCH REQUIREMENT

Match is covered by \$1 million in cash, a portion of a grant received from the U.S. Dept. of Defense (DOD). DOD has approved the material change to the project.

STAFF RECOMMENDATION

Staff believes that the proposed modification of the original project is consistent with the intent, goals, and objectives of the original project as described in the application and reflected in the approved CCHE Grant Agreement and does not alter any of the six criteria described above. In addition, this change in circumstances is strictly caused by the realities of today's shifting economy. Staff therefore recommends that the Board approve the request for the proposed project modification.

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CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT BOARD RESOLUTION NO. 2013.01

California Cultural and Historical Endowment Board Meeting
1/30/2013, Agenda Item No. 7.0

for

Go For Broke Educational Foundation:
Go For Broke National Education Center

WHEREAS, the CCHE is dedicated to preserving historical and cultural resources; and

WHEREAS, CCHE has received an appropriation from Proposition 40, California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002; and

WHEREAS, CCHE may distribute funds from Proposition 40 to projects that provide a thread of California's cultural and historical resources; and

WHEREAS, the Project listed above meets the objectives of the CCHE program; and

WHEREAS, approval of this grant shall be conditioned upon the grantee's compliance with all applicable laws and regulations; and

WHEREAS, the Project consists of creation of an Interpretive/Education Center, originally planned as a new construction. Due to economic downturn and lack of funding, the revised plans are to locate the center in an existing museum space.; and

WHEREAS, the Grantee was awarded funding of \$1 million for construction of an education center on April 27, 2006; and

WHEREAS, the Grantee was granted nine extensions to their grant term by Board and Staff; and

WHEREAS, the current grant term expires on February 15, 2013; and

WHEREAS, the Grantee encountered funding difficulties that caused them to change the project from new construction to creation of the Education Center in a long-term leased space;

WHEREAS, the Grantee requests approval of a material change to use remaining CCHE funds toward improvements to the building that will become the Go For Broke Education Center; and

WHEREAS, the Grantee requests an extension of the Grant Term until December 31, 2014 to allow time to complete the CCHE portion of the project; and

NOW, THEREFORE BE IT RESOLVED that the CCHE Board approves the material change request and the requested extension of grant term to December 31, 2014, to allow the grantee to continue with their revised project; and

BE IT FURTHER RESOLVED that CCHE adopts the information contained in the CCHE Staff Report.

Certification

The undersigned Chair of the CCHE Board of Directors does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CCHE Board of Directors held 1/30/2013.

Dated:

Signature: _____

**Gerald Maginnity
Acting State Librarian
Interim Chair, CCHE Board of Directors**



Go For Broke
NATIONAL EDUCATION CENTER

January 23, 2013

Ms. Francelle Phillips,
Manager
California Cultural and Historical Endowment
900 "N" Street, Room **461**, Sacramento, CA 95814

RE: Go For Broke National Education Center CCHE Grant #07-A-17

Dear CCHE Board,

This is a follow up on our communication with your office regarding the possibility of changing / modifying the purpose of our grant to include leasing or acquiring an existing building and renovating or refurbishing the building with our CCHE grant. Our organization was instructed to provide a formal written request to you along with details regarding our choice of building, location, duration of lease if one was needed, grant spending match and proposed new budgets for the CCHE portion of our renovation.

The purpose of this letter and attached exhibits is to formally request said modification / change to the intent/purpose of our grant #07-A-17. As outlined in these documents, Go For Broke National Education Center (GFBNEC) would like to revise the grant to include the **acquiring and appropriately adapting an existing structure.**

This scope revision is being requested primarily due the significant impact the global recession has had on philanthropic giving and our deemed ability to raise the necessary capital funds to complete a new building and subsequently sustain it. The idea of renovating or refurbishing a building represents a much more cost efficient way to realize our desired outcome and is more consistent with the current giving realities. Further we are faced with the grim reality that many of our Japanese American WWII veteran stakeholders are leaving us due to age and it is our desire to honor them by completing our interpretive center in short order versus waiting for the completion of a capital campaign.

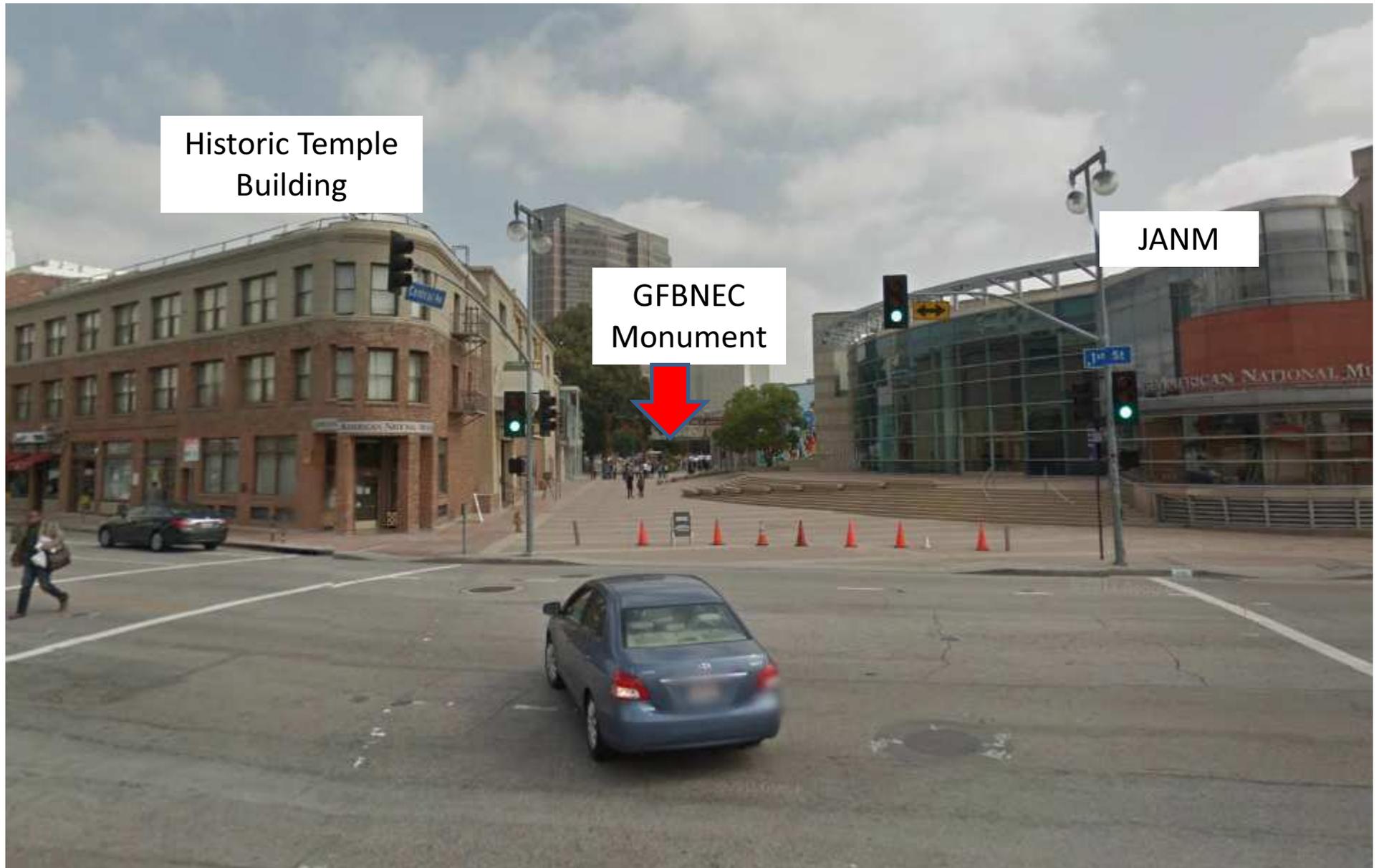
I look forward to discussing this revision in grant scope at your earliest convenience.

Regards,

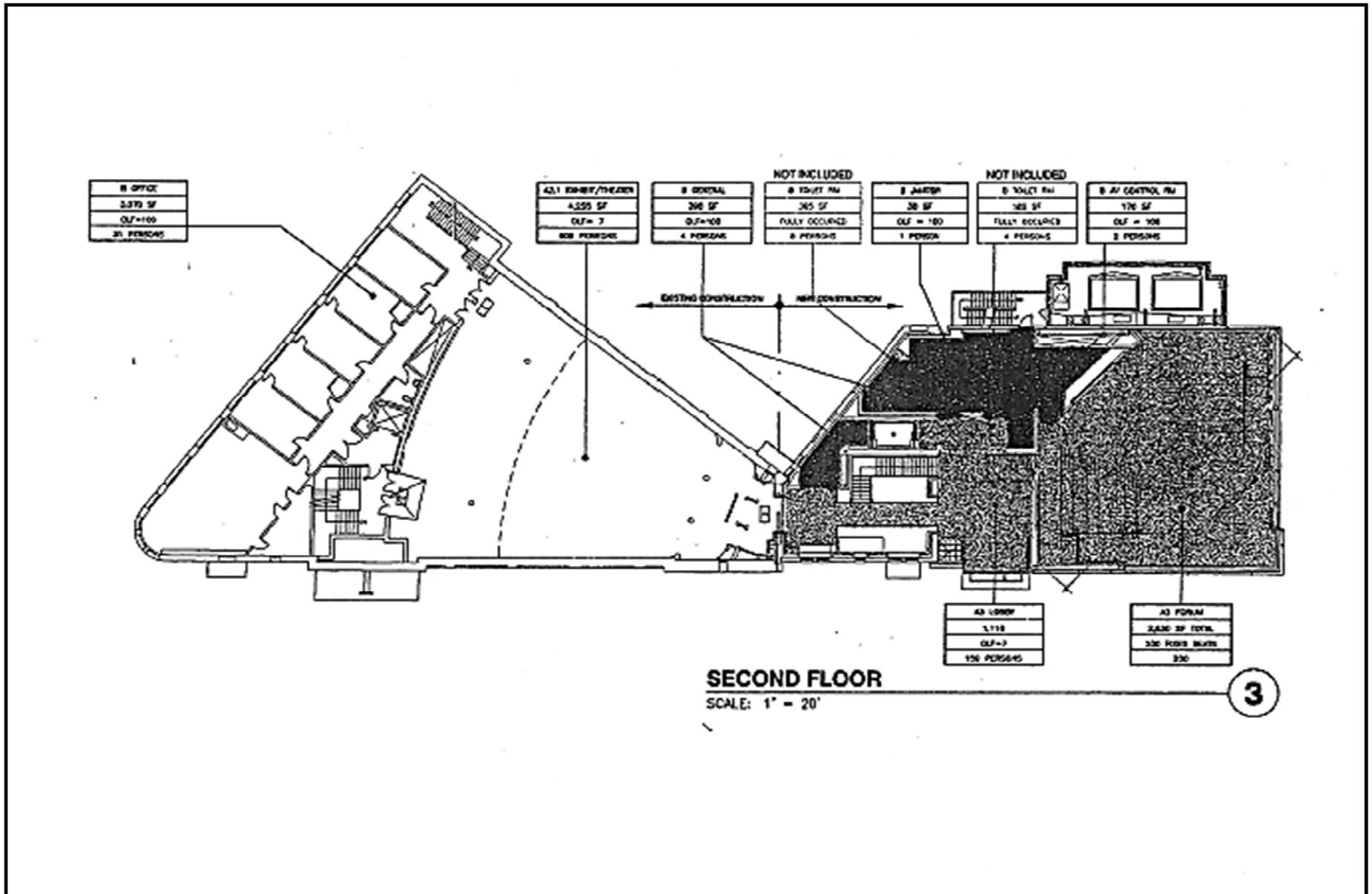

Donald R. Nose
President

367 Van Ness Way, Suite 611, Torrance, CA 90501

Historic Nishi Hongwanji Temple + Japanese America National Museum (JANM) + GFBNEC Monument



2ND Floor - Historic Nishi Hongwanji Temple





JAPANESE AMERICAN
NATIONAL MUSEUM

369 East First Street
Los Angeles, CA 90012
Telephone 213.625.0414
Facsimile 213.625.1770

January 22, 2013

Mr. Donald Nose
President
Go For Broke National Education Center
367 Van Ness Way, Suite 611
Torrance, CA 90501

RE: Intent of Long-term Lease in JANM's Historic Building (HB), the former Nishi Hongwanji Building, to Go For Broke National Education Center (GFBNEC)

Dear Don:

Thank you for meeting to discuss opportunities for our organizations to collaborate in mutual work around the historical legacy of the Japanese American and wider US community. As we discussed, I cannot think of a better kick-off project than seeing Go For Broke National Education Center move into the Historic Building (HB), the former Nishi Hongwanji Building, in close proximity to your Monument and part of JANM's campus.

To this end, on behalf of the Japanese American National Museum, I want to confirm the desire to lease Go For Broke National Education Center 7,332 square feet (sf) of space on the 2nd floor of the HB inclusive of the adjacent exhibit space. The 2nd floor office space is comprised of approximately 3,516 square feet inclusive of common areas and restrooms and the exhibit space is approximately 3,816 square feet. It is my hope that such an arrangement would be for a long-term lease, as this would be in the best interest not only for GFBNEC, but JANM as well.

There are, of course, numerous details to work out, including an equitable lease rate; securing city approval for a proposed sublease; and working with the historic preservation entities to ensure any tenant improvement (TI's) s, planned renovations, and/or capital improvements meet approval. It would be our intent to establish an equitable lease rate based on a combination of factors that would include prevailing non-profit lease rates for similar space and usage in the area, market rate escalations, and an amortization of the capital improvement



investments you would make to the property in excess of standard tenant improvements.

I truly believe this is the right move not only for our organizations, but for the community, which is why I invited you and GFBNEC Board Chair George Nakano to address the joint JANM Board of Trustees and Governors meeting last spring (and I extend the invitation again this year). Such an arrangement would no doubt strengthen the shared mission our institutions in stewarding the historic story of the Japanese American and larger US community. I especially look forward to cultural preservation and interpretive work we can accomplish together as neighbors and partners.

I know you are working with a number of individuals now to scope out the work required to occupy the space. I hope my staff has been helpful to your efforts. I have instructed them to provide you a master key to the premises so you have free access to do the assessment work in a timely fashion. If at any point in time you feel you need additional assistance or advice towards our mutual goal of seeing you occupy the HB, please do not hesitate to contact me.

I look forward to a bright future working together on joint educational programs, community activities, events, and fundraisers.

Sincerely,

G. W. (Greg) Kimura

President/CEO