

**Meeting Date: 12/17/2013**

**Report Type:** Consent

**Report ID:** 2013-00901

**Title: Agreement: First Amendment to Discovery Museum Operating Agreement (Two-Thirds Vote Required)**

**Location:** 3615 Auburn Boulevard, District 2

**Issue:** Pursuant to City Agreement 2008-0676 ("Agreement"), Powerhouse Science Center, Inc. ("Powerhouse"), formerly known as the Sacramento Museum of History, Science, and Technology, dba Discovery Museum, Inc., manages and operates the Discovery Museum at 3615 Auburn Boulevard in Sacramento (the "Auburn Site"), on behalf of the City. The proposed amendment extends the terms of this agreement for an additional five years, with one five-year option to extend.

**Recommendation:** 1) Pass a Resolution, in the best interest of the City, finding that special circumstances make the use of the bid procedure inappropriate for the continued operation of the Discovery Museum, at 3615 Auburn Boulevard in Sacramento, by the Powerhouse Science Center, Inc. ("Powerhouse"), and suspending competitive bidding for that continued operation; and 2) pass a Motion authorizing the City Manager or his designee to extend the term of City Agreement 2008-0676 with Powerhouse allow it to continue to operate the Discovery Museum for five year with one five-year option to extend.

**Contact:** Leslie Wisniewski, Administrative Officer, (916) 808-8920, Convention Culture & Leisure

**Presenter:** None

**Department:** Convention Culture & Leisure

**Division:** CCL Administration

**Dept ID:** 17001011

**Attachments:**

1-Description/Analysis

2- Resolution

3-Exhibit A (Agreement)

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**City Attorney Review**

Approved as to Form  
Kourtney Burdick  
12/9/2013 11:05:05 AM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
12/2/2013 10:16:41 AM

**Approvals/Acknowledgements**

Department Director or Designee: Rebecca Bitter - 12/3/2013 4:21:31 PM

## **Description/Analysis**

**Issue Detail:** Pursuant to City Agreement 2008-0676 ("Agreement"), Powerhouse Science Center, Inc. ("Powerhouse"), formerly known as the Sacramento Museum of History, Science, and Technology, dba Discovery Museum, Inc., manages and operates the Discovery Museum at 3615 Auburn Boulevard in Sacramento (the "Auburn Site") on behalf of the City. The proposed amendment extends the terms of this agreement for an additional five years, with one five-year option to extend.

**Policy Considerations:** The recommended action demonstrates the City's ongoing commitment to build strong relationships with its non-profit partners. The recommended action will allow Powerhouse to continue to operate the Discovery Museum until the Powerhouse Science Center at 400 Jibboom Street is ready for occupancy.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** The proposed activity is not subject to environmental review under the California Environmental Quality Act ("CEQA"), California Code of Regulations, title 14, section 15060 because it is not a project under CEQA.

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Extending the term of the Agreement will allow the parties to continue with their current arrangement regarding the Auburn Site. The ultimate plan is to move the museum to 400 Jibboom Street in Sacramento (the "Powerhouse Site"), operating under the name "Powerhouse Science Center." To this end, the parties have entered into a 55-year agreement governing the Powerhouse Site (City Agreement 2011-0748). The Powerhouse Site, however, is not yet ready for occupancy and needs significant improvements prior to the move-in date. Extending the term of the Agreement will allow Powerhouse to continue to operate the Discovery Museum while plans are made for the Powerhouse Site.

**Financial Considerations:** Historically, the City and County have provided annual funding for the Discovery Museum, with the City's contribution coming from the General Fund. No additional funding is being considered at this time.

**Emerging Small Business Development (ESBD):** Not applicable.

## **RESOLUTION NO.**

**Adopted by the Sacramento City Council**

### **SUSPENDING COMPETITIVE BIDDING FOR THE OPERATION OF THE DISCOVERY MUSEUM AT 3615 AUBURN BOULEVARD**

#### **BACKGROUND**

- A. Pursuant to City Agreement 2008-0676 (the "Agreement"), Powerhouse Science Center, Inc. ("Powerhouse"), formerly known as the Sacramento Museum of History, Science, and Technology, dba Discovery Museum, Inc., operates the Discovery Museum on behalf of the City. The museum, located at 3615 Auburn Boulevard in Sacramento (the "Auburn Site"), was founded in 1951 and was designed as a space where children could experience science and nature through interactive programs and exhibits. Today, the museum is one of Northern California's premier institutions with an emphasis on science, technology, engineering, math education, and hands-on learning.
- B. Ultimately, the City and Powerhouse would like to relocate the museum to a renovated facility at 400 Jibboom Street in Sacramento (the "Powerhouse Site") and have entered into City Agreement 2011-0748 to that effect. The Powerhouse Site, however, is not ready for occupancy. Accordingly, the City and Powerhouse would like to extend the term of the Agreement, which is set to expire on December 31, 2013, to continue their current arrangement with respect to the Auburn Site. The amendment will allow the parties to maintain the status quo for five more years, with an option to extend the Agreement for an additional five years.
- C. The City Code allows the City to enter into agreements for concessions on City property without competitive bidding when, upon a two-thirds vote, the City Council determines that special circumstances make the use of competitive bidding inappropriate or when the City Council determines that it is in the best interest of the City that the bid process not be used. Extending the Agreement without bidding will allow the parties to continue with the current arrangement with respect to the Auburn Site, while still allowing the parties to move forward with plans for the Powerhouse Site. Powerhouse has proven itself an effective partner in running the museum and the City would like to continue with that relationship.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. In the best interest of the City, the City finds that special circumstances make the use of the bid procedure inappropriate for the continued operation of the Discovery Museum at 3615 Auburn Boulevard in Sacramento, by Powerhouse, and competitive bidding for that operation is suspended.



Requires Council Approval:  No  YES Meeting:

Real Estate  Other Party Signature Needed  Recording Requested

General Information

Form with fields: Type: Lease, PO Type: Select PO Type, Attachment: Original No.: 1, \$ Not to Exceed: \$ 0, Original Doc Number: 2008-0676, Other Party: Powerhouse Science Center, Certified Copies of Document:, Project Name: Lease Agreement - Discovery Museum, 3615 Auburn Blvd, Deed: None, Included, Separate, Project Number, Bid Transaction #, E/SBE-DBE-MWBE

Department Information

Department: Convention, Culture & Leisure Division: Admin
Project Mgr: Leslie Wisniewski Supervisor: Rebecca Bitter
Contract Services: Date: 12/2/13 Division Mgr:
Phone Number: 8920 Org Number: 17001011
Comment:

Review and Signature Routing

Table for signature routing with columns: Department, Signature or Initial, Date. Rows for Project Mgr, Accounting, Contract Services, Supervisor, Division Manager.

City Attorney section with fields for Signature or Initial and Date.

Send Interoffice Mail Notify for Pick Up x8920

Authorization section with fields for Signature or Initial and Date, including Barbara Bonebrake Choose Director and City Mgr: yes No.

For City Clerk Processing box containing fields for Finalized: Initial, Date, Imaged: Initial, Date, Received: (City Clerk Stamp Here)

**FIRST AMENDMENT TO CITY AGREEMENT NUMBER 2008-0676  
WITH POWERHOUSE SCIENCE CENTER, INC.**

This first amendment to City Agreement 2008-0676 (the "Agreement") is made as of \_\_\_\_\_, 2013, by and between the City of Sacramento, a California municipal corporation (the "City") and Powerhouse Science Center, Inc. ("Powerhouse"). The City and Powerhouse may be referred to collectively as the "Parties" or in the singular as "Party," as the context requires.

**Recitals**

- A. Pursuant to City Agreement 2008-0676 ("Agreement"), Powerhouse, formerly known as the Sacramento Museum of History, Science, and Technology, dba Discovery Museum, Inc.,<sup>1</sup> manages and operates the facility known as the Discovery Museum ("Museum") on behalf of the City.
- B. The ultimate plan is to relocate the Museum from its current location at 3615 Auburn Boulevard (the "Auburn Site") to a new facility at 400 Jibboom Street in Sacramento (the "Powerhouse Site"), operating under the name "Powerhouse Science Center." The Powerhouse Site, however, is not ready for occupancy. Accordingly, the Parties would like to extend the term of the Agreement to continue the current arrangement with respect to the Auburn Site.

***Based on the facts in the foregoing recitals, the City and Powerhouse agree to amend the Agreement as follows:***

- 1. All references in the Agreement to "Discovery Museum" are amended to refer to "Powerhouse."
- 2. The term of the Agreement, as stated in Section 1 of the Agreement, shall be extended through December 31, 2018, unless sooner terminated as set forth in the Agreement. The Parties may extend the term for one additional five-year period upon the Parties' mutual written consent. The City Manager is authorized to act on behalf of the City under this section.
- 3. All other terms and conditions of the Agreement remain in full force and effect.

*(Signature Page Follows)*

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<sup>1</sup> On March 1, 2010, Powerhouse filed paperwork with the Secretary of State and officially changed its name from "Sacramento Museum of History, Science and Technology" to "Powerhouse Science Center."

**CITY OF SACRAMENTO**  
A Municipal Corporation

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John F. Shirey  
City Manager

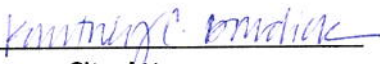
**POWERHOUSE SCIENCE CENTER, INC.**

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Michele Wong  
President, Board of Directors

APPROVED AS TO FORM:

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Deputy City Attorney

ATTEST:

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City Clerk