



CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Enter into Fourth Amendment to World of Wonders Science Museum Lease
MEETING DATE: August 17, 2011
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to enter into fourth amendment World of Wonders Science Museum lease.

BACKGROUND INFORMATION: The City of Lodi received the attached letter from the Board of Directors of the World of Wonders (WOW) Science Museum requesting that the Council consider amending the current lease agreement. Specifically, the WOW Board requests the Council extend the commencement of rent obligations by one additional year and freeze the indexing of rent increases for an additional year.

WOW entered into an agreement with the City on August 2, 2006, to develop the "shell" space attached to the downtown Lodi Transit Station parking structure as an interactive science museum focused on children. WOW obtained a collection of exhibits through the Exploratorium and opened on March 6, 2009. Since that time, the museum has purchased and/or built many additional exhibits. The museum is requesting more time to raise operating revenues due to the poor economic conditions. Prior to this agreement with WOW, the City had unsuccessfully marketed the space for retail use.

Given that WOW has invested \$550,000 in improvements, plus in-kind contributions to the City-owned facility, staff recommends the following:

- A) Extend the commencement of rent obligations by two additional years from February 2011 to February 2013 and authorize the City Manager to grant two one-year extensions of this rent forbearance based on the City Manager's sole discretion if economic conditions warrant. The current agreement calls for rent in the amount of \$1,030 per month beginning February 2011; and,
B) Freeze the indexing of rent increases for two additional years plus the two one-year extended years, if applicable. The rent is to increase annually by the Consumer Price Index or 2.5 percent, whatever is larger.

WOW has engaged in a very successful campaign to raise funds and provided infrastructure improvements to the City-owned facility. Given the poor economic conditions and the added benefit of the WOW Science Museum to the downtown, staff recommends approval of the Fourth Amendment.

FISCAL IMPACT: All rent proceeds benefit the Transit Fund pursuant to the City's funding agreement with the Federal Transit Administration (FTA), thus this lease amendment is subject to approval by the FTA. The Transit Fund would forego approximately \$12,360 in annual rent. However, the WOW Science Museum is a downtown attraction and potentially increases transit ridership and encourages more activity adjacent to the Lodi Transit Station. In addition, the City has received over \$550,000 in improvements to its asset and the WOW retail store produces sales tax revenue.

FUNDING AVAILABLE: Not applicable.
Signature of F. Wally Sandelin
F. Wally Sandelin
Public Works Director

FWS/pmf
Attachments
cc: Supervising Budget Analyst Transportation Manager/Senior Traffic Engineer WOW President

APPROVED: Signature of Konradt Bartlam
Konradt Bartlam, City Manager



RECEIVED  
FEB 02 2011  
CITY MANAGER'S OFFICE

January 31, 2011

Mr. Konradt Bartlam  
Lodi City Manager  
PO Box 3006  
Lodi, CA 95241

Dear Mr. Bartlam,

The Board of Directors and Officers of the World of Wonders (WOW) Science Museum are requesting that the lease agreement between the City of Lodi, a municipal corporation and the World of Wonders Science Museum, a California Nonprofit Corporation be deferred for another year, commencing 2012.

The WOW opened its doors on March 6, 2009. Over 9,000 school children have attended field study trips at the museum. We have drawn students from as far away as Gustine, the foothills and up to Elk Grove. 2,500 children have attended the science-themed birthday parties. In addition, more than 30,000 guests have visited during our public hours of operation. The WOW has now become a destination for many out of town tourists and is a wonderful asset to the City of Lodi.

The majority of privately owned museums across the country have been financially supported by their local school districts, cities and counties. 60% of museums' revenue came from donations, grants and municipalities. In the last two years this percentage is now only 40%. Earned revenue through the doors of museums is now the major source of income. With the down turn of the economy in 2008, donations to the World of Wonders Science Museum dropped off drastically. The financial support has not yet stabilized, but the WOW Board is very encouraged that in 2011 the economy will turn around and more community based donations will help to keep the doors open.

With only two employees at this time and many dedicated volunteers, we believe that the World of Wonders Science Museum will be a valuable asset to the City of Lodi for many generations to come. This is a critical time for us to support science. We ask that you consider deferring the lease for another year so we may continue to compliment the science education in our schools of the Central Valley and Foothills.

Sincerely,

  
Sally Snyder

President of the World of Wonders Science Museum

**President**  
Sally Snyder

**Vice President**  
Barbara den Hartog

**Treasurer**  
Rich Mullenbach

**Secretary**  
Anne Weisenberg

**Board of Directors:**  
Dr. Kathryn Beckman  
Jay Bell  
Corey N. Daniel  
Jerry Fry  
Heather Mariani  
Cynthia Wagner Weick  
Wait Wolterstorff

**Tax Identification**  
Number: 20-3075595  
501(c)(3)  
Non-Profit Corporation

THE MISSION OF THE WORLD OF WONDERS SCIENCE MUSEUM IS TO OFFER HANDS-ON  
SCIENCE-BASED EXHIBITS AND PROGRAMS TO STIMULATE *discovery* FOR ALL AGES.

address: 2 North Sacramento Street, Lodi, CA 95240

website: [www.WOWScienceMuseum.org](http://www.WOWScienceMuseum.org) phone: 209.368.0WOW [0969] fax: 209.369.1290

FOURTH AMENDMENT TO LEASE AGREEMENT

WORLD OF WONDERS SCIENCE MUSEUM

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THIS FOURTH AMENDMENT TO LEASE AGREEMENT, entered into this \_\_\_\_day of \_\_\_\_\_, 2011, by and between the CITY OF LODI, a municipal corporation ("City"), and the World of Wonders Science Museum, a California Nonprofit Corporation (Tax ID No. 20-3075595) ("The WOW or "Lessee") shall be as follows:

WHEREAS, the parties entered into a Lease Agreement dated February 1, 2007 to allow the construction of Tenant Improvements for and the operation of a Science Museum and Museum Store by The WOW in the Lodi Parking Structure space owned by the City and Council approved a FIRST AMENDMENT dated on December 19, 2007; a second Amendment dated February 4, 2009; and a third Amendment dated November 10, 2010; and

WHEREAS, the Lease Agreement as amended requires that the payment of rent commence by February 1, 2011;

WHEREAS, The WOW has completed construction of the north half of the Tenant Improvements, and opened for business.

WHEREAS, in recognition of WOW's efforts and expected successful fundraising campaign, the Parties wish to extend WOW's deadline for the rent commencement date.

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

1. Effect of Amendment.

Except as expressly modified herein all terms of the Lease Agreement shall remain in full force and effect.

2. Rent: Paragraph six of the Lease Agreement shall be amended to read:

No rent shall be required to be paid until February 1, 2013. The City Manager shall have the authority to grant two one-year extensions of this rent forbearance if in his or her sole discretion, economic conditions warrant the extension(s). Starting February 1, 2013 the WOW shall pay rent in the amount of \$1,030.00 monthly (which is the equivalent of \$1.29 per square foot rent per month for the estimated 800 square foot Museum Store.) to City.

The WOW's monthly rental payment shall increase in each year of this Lease based upon the annual percentage change of The Consumers Price Index for All Urban Consumers (All Items), San Francisco-Oakland-San Jose Average, as published by The United States Department of Labor Statistics, for the month prior to the date the payment is due. Notwithstanding the foregoing, for any given year, The WOW's monthly rental payment shall increase by no less than 2.5%, and no more than 5.0%, per year.

3. FTA Approval: This lease amendment is subject to approval by the Federal Transit Administration.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first hereinabove mentioned.

CITY OF LODI,  
a municipal corporation

WORLD OF WONDERS SCIENCE MUSEUM,  
a California Nonprofit Corporation

\_\_\_\_\_  
Konradt Bartlam, City Manager

By \_\_\_\_\_  
SALLY SNYDE, President

ATTEST:

\_\_\_\_\_  
RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
D. STEPHEN SCHWABAUER  
City Attorney



RESOLUTION NO. 2011-130

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE  
CITY MANAGER TO ENTER INTO FOURTH AMENDMENT TO  
WORLD OF WONDERS SCIENCE MUSEUM LEASE

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WHEREAS, the World of Wonders Science Museum entered into an agreement with the City on August 2, 2006, to develop the "shell" space attached to the downtown Lodi Transit Station parking structure as an interactive science museum focused on children; and

WHEREAS, the World of Wonders Science Museum has engaged in a very successful campaign to raise funds and has invested \$550,000 in improvements, plus in-kind contributions to the City-owned facility. It has obtained a collection of exhibits through the Exploratorium and has been open since March 2009; and

WHEREAS, the museum is requesting more time to raise operating capital due to the existing economy; and

WHEREAS, the Board of Directors of the World of Wonders Science Museum has requested that the City Council consider amending the current lease agreement as outlined below:

- A) Extend the commencement of rent obligations by two additional years and authorize the City Manager to grant two one-year extensions of this rent forbearance based on the City Manager's sole discretion if economic conditions warrant; and,
- B) Freeze the indexing of rent increases for two additional years plus the two one-year extended years, if applicable. The rent is to increase annually by the Consumer Price Index or 2.5 percent, whatever is larger.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to enter into a Fourth Amendment to the World of Wonders Science Museum Lease as outlined above; and

BE IT FURTHER RESOLVED that this lease amendment is subject to approval by the Federal Transit Administration.

Dated: August 17, 2011

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I hereby certify that Resolution No. 2011-130 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 17, 2011, by the following vote:

AYES: COUNCIL MEMBERS - Hansen, Katzakian, Mounce, Nakanishi, and Mayor Johnson

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - None

  
RANDI JOHL  
City Clerk

CITY COUNCIL

BOB JOHNSON, Mayor  
JOANNE L. MOUNCE,  
Mayor Pro Tempore  
LARRY D. HANSEN  
PHIL KATZAKIAN  
ALAN NAKANISHI

# CITY OF LODI

## PUBLIC WORKS DEPARTMENT

CITY HALL, 221 WEST PINE STREET  
P.O. BOX 3006  
LODI, CALIFORNIA 95241-1910  
(209) 333-6706  
FAX (209) 333-6710  
EMAIL [pwdept@lodi.gov](mailto:pwdept@lodi.gov)  
<http://www.lodi.gov>

KONRADT BARTLAM  
City Manager  
RANDI JOHL  
City Clerk  
D. STEVEN SCHWABAUER  
City Attorney  
F. WALLY SANDELIN  
Public Works Director

August 11, 2011

World of Wonders Science Museum  
Sally Snyder, President  
2 N. Sacramento Street  
Lodi, CA 95240

**SUBJECT: Adopt Resolution Authorizing City Manager to Enter into Fourth  
Amendment to World of Wonders Science Museum Lease**

Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, August 17, 2011. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the consent calendar and is usually not discussed unless a Council Member requests discussion. The public is given an opportunity to address items on the consent calendar at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Randi Johl, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call me at (209) 333-6709.



br :

F. Wally Sandelin  
Public Works Director

FWS/pmf

Enclosure

cc: City Clerk