

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant to the City Manager
SUBJECT: Children's Museum – Completion of Lease Option Conditions
DATE: April 18, 2006

Needs: For the City Council to consider confirming the Museum's completion of Lease Option conditions, thereby activating the Lease transfer process for the old Fire Station No. 1 on 13th Street.

Facts:

1. On June 4, 2003 the City and the Children's Museum entered into a Lease Option agreement for the future long term lease of the Old Fire Station No. 1.
2. The Lease Option Agreement requires that the Children Museum meet certain conditions before taking possession of the fire station and fully exercising the long term lease.
3. The three remaining conditions of the Lease Option are listed below, along with explanation of their completion.

Submittal of Improvement Plans – Museum was to submit improvement drawings to the City's Building Division reflecting a complete representation of construction remodel necessary to convert the building and site to the museum use.

Complete: The Museum has submitted full remodel drawings and is processing building permits through the Building Division. It is expected that building permits will be ready to issue once minor revisions to electrical and energy calculations are complete.

Financing Plan – Museum was to demonstrate the Boards' equity capital and financing commitments in an amount sufficient to undertake the construction/rehabilitation project.

Complete: The Museum has provided a Financial Plan (attached) that has been reviewed by both the Public Works Director/Building Official (to confirm construction cost estimates) and the Administrative Services Director (for financial soundness). The City staff has confirmed that the Museum has demonstrated they have the financial ability to construct & complete the renovation estimated at 1.3 million dollars.

Business Plan – The Museum was to demonstrate the Board will have working capital to maintain and operate the Museum for a minimum of two years following completion of renovation.

Complete: The Museum has provided a Business Plan (attached) showing an operating budget which consists initially of fund reserves that will be supplemented with on-going fund raising activities. The level of service

proposed to be provided to the public (days and hours of operation) are consistent with the provisions of the lease agreement.

4. During the evaluation of the Museum's Financial Plan, the question was raised whether "prevailing wage" rates would apply to this project. After considerable research through the City Attorney's office, it was determined that prevailing wage would apply based on the lease agreement rate being set below market rate. The Museum's Financial Plan was evaluated on this basis and confirmed that at prevailing wage rates there was still adequate capital and financing commitment to construct the project.
5. Once the Council confirms the Museum has met the conditions of the Lease Option, the Lease will be "delivered" through an escrow of no more than 60 days. The Museum will then take possession of the property at close of escrow.
6. The Lease Option stipulates that the Lease escrow must close before June 4, 2006 or the option period terminates. The option period can be extended by mutual consent by both parties. To ease the pressure in this final task, a time extension of 180 days is provided for in the action presented for City Council consideration.

**ANALYSIS &
CONCLUSION:**

The Children's Museum has diligently pursued their plans for the renovation and reuse of the old Fire Station for a new Children's Museum. They have met each condition of the Lease Option, with only escrow transfer details remaining. The Council's confirmation of the completion of these conditions will allow the lease transfer to move forward and the Museum to begin their renovation work.

POLICY

REFERENCE: June 4, 2003 Lease Option Agreement between the City of Paso Robles and the Children's Museum Board.

FISCAL

IMPACT: There is no fiscal impact to the City in considering lease option compliance. The Children's Museum is responsible for the cost of the improvements under the terms of the Lease and Lease Option.

OPTIONS:

- a. Adopt Resolution No. 06-XX confirming completion of lease Option Conditions and approving a 180 day Lease Option extension for completion of the close of the lease escrow.
- b. Amend, modify or reject above option.

Attachments:

1. Resolution confirming completion of Lease Option & approving time extension
2. Children's Museum Financial and Business Plan



PASO ROBLES
CHILDREN'S MUSEUM
AT THE VOLUNTEER FIREHOUSE

December 26, 2005

Meg Williamson
City of Paso Robles
1000 Spring St.
Paso Robles, CA 93446

Dear Meg:

Please find enclosed the business plan for the Children's Museum at the Paso Robles Volunteer Firehouse. I have included as Exhibits the projected financial statements. We have omitted the names of the donor's with pledge's payable to the museum over the next several years. If the City is required to know these names for some reason I will contact each of them and obtain their permission to release their names.

Paul is out of town until next week. However, I did leave him a message regarding drafting a letter to satisfy the financial commitment portion of the Lease Option. I will forward the letter as soon as I have it. He may call you to discuss the specifics of the letter.

Please let me know if you need additional information or if this needs to be in some other format. Thank you for working with us on this project. My work phone number is probably the best way to contact me and it is 597-8255.

Sincerely,



Marianne Heinen
Treasurer

Enclosure



Board of Directors

Emily Reneau, President
John Hamon, Vice President
Rick Minton, Vice President
Laura Sherlock, Secretary
Marianne Heinen, Treasurer

Board Members

Samantha Cagliero
Dick Ross
Gene Ernst
Tom Madden
Jacque Plant-Mason
Rob Nash
Sheree Davis
Bill Frost
Chris Brooks

Honorary Board Members

Thomas Martin
Noreen Martin
Dee Lacey

Ex-Officio

Barbara Partridge



Children's Museum at the Paso Robles Volunteer Firehouse Business Plan

On June 3, 2003 the Children's Museum entered into an option with the city to lease the old firehouse located at 13th and Spring Streets. The Museum must meet certain conditions before the City will allow the option to be exercised. The requirements include but are not limited to submission of improvement plans, financing plan and business plan. Once all of the requirements have been met the Museum will enter into a 30 year lease with the City for an annual rent of \$1.

Construction

The Children's Museum submitted construction plans to the Paso Robles City Council at the beginning of November 2004. We are currently working through some issues with the plans. The goal is to begin the remodel of the old firehouse shortly after the beginning of the year with an opening date in the middle of 2006.

Rob Nash with Vitetta Architecture has been working with Jim Saunders, the general contractor, on the plans. Together they developed a preliminary construction budget. The budget is attached as Exhibit "A". The budget does not take into consideration any in-kind donations of their services or any of the sub-contractors. We are in the process of contacting several sub-contractors that have been receptive to donating time and/or materials.

Financial Plan

The requirement of the financing plan is evidence of capital funding to complete the remodel of the firehouse through the opening of the museum. We are working with Heritage Oaks Bank on obtaining a letter stating their agreement to finance any short fall we may have. We currently have approximately \$1,000,000 in the bank and pledges from various people for over \$800,000. The pledges are from donors that are very supportive of our project. They have been paying the amounts pledged over the past couple of years and will continue to do so in the future.

Included in this package are a balance sheet, income statement and a statement of cash flow for the years ending December 2005 through 2008, Exhibit "B". The projections are conservative with respect to the construction. We have used an amount slightly higher than the attached construction budget. We have also not taken into account the in-kind donations such as Rob Nash's time and Jim Saunder's estimated profit that he has waived. We believe we may need to borrow a small amount (\$75,000) to get us through the construction period. These funds will be repaid in the following year.

We are grateful to have the Paso Robles Inn committed to making us the benefactor of their annual Birthday Bash in November. We have a commitment from them for 2006 and 2007. We have profited extremely well the last three years from the event. After

2007 we will continue to hold a fund raiser event to bring in funds to assist in covering the operating costs. In addition to the fund raiser we will focus on obtaining grants which are designated to youth programs.

Exhibits

The museum will be furnished with various exhibits that will be sure to engage the attention of the visitors. The exhibits will appeal to a wide range of interest and to children ages 2-13. The exhibits are interactive and include but are not limited to a toddlers farm, a large oak tree house, a mercado, café, energy exhibit, craft area, live stage, puppet stage, a grape stomping agricultural exhibit, a science exhibit and of course the fire truck.

Dick Ross worked with a team of volunteers to come up with activities children are interested in participating and ones that have been a proven success at other museums. He has visited and inquired of numerous people at museums across the country which colors are best, what the kids like to do, which are the safest and what are the pitfalls. Dick and his committee have done their homework and come up with an incredible assortment of activities.

Initially the museum will occupy the street level floor and the upper level. The basement will not be used at the onset for exhibits; however there are plans for it in the future. We have incorporated some of the history of Paso Robles in the museum. The focal point being the old fire truck which will have some footage from Paso Robles fires running on a screen in the back ground so the children can pretend they are the volunteer fire fighters fighting the fire. In addition the grape stomp recognizes the many acres of vineyards that surround our community. Attached is a list of the museum exhibits and the cost associated with each item, Exhibit "C".

Our goal is to get each exhibit sponsored by a person or business in the community. We are in the early stages of getting commitments from donors. However, there has been a positive response from those we have contacted. We currently have commitments from Heritage Oaks Bank for the Oak Tree House and from Bill and Linda Frost for the Energy Exhibit. In addition we have several that have expressed an interest or are in the process of committing, these include PG & E, Bill Hale, Farm Supply, Volunteer Fireman's Association, Johnson's for Children, Action Sports, the Campbell and Javadi families and John Rausch. The amount we will collect from the above interested parties will be over \$200,000. In exchange for their sponsorship the donors will receive recognition at their particular exhibit.

Marketing

In order to make the community aware of what the museum encompasses we have developed a comprehensive marketing plan. We want to make sure we not only reach out to the Paso Robles community, but the county as a whole. Following is our marketing objective and plan for the future promotion of the museum.

GOAL: To maximize attendance to the Children's Museum at the Paso Robles Volunteer Firehouse (CMPRVF) in the first six (6) months of opening. We want 5,000 visitors to the museum in the first six (6) months and 300 memberships by the end of those six (6) months.

TARGET AUDIENCE

The CMPRVF has several diverse target audiences. Each audience is considered in our strategy for marketing. Each, of course, has different needs for outreach.

The following is a list in targeting our efforts:

- Families in the San Luis Obispo county with children
- Educators
- School Groups
- Daycare centers and preschools
- Tourists
- Board Members
- Members a.k.a. Friends of the Museum
- Community Youth Organizations; Boys & Girls Club, Oak Park Center, Boy Scouts, Girls Scouts, YMCA

MARKETING DIRECTOR(S)

The Board of Directors for the CMPRVF will be the responsible party for carrying out all marketing efforts prior to opening. An Executive Director will be hired during the first year of operation. The Executive Director will implement marketing under the direction and with assistance from the board.

MEETING OUR OBJECTIVE

We plan to meet our marketing objective through public relations, promotions and publicity. These outreach efforts shall take place through the above listed audience groups, community appearances (presentations) and other forms of media. Following is a list of mediums we plan to utilize:

- CMPRVF Website
- Local newspapers
- Local electronic media
- School flyers
- Outreach to school PTAs and PTOs
- Membership newsletters
- Community tabloids i.e. city's activity guide
- Fundraisers and special events

MARKETING AND PUBLICITY CALENDAR

Following please find a preliminary calendar of our marketing schedule. This schedule assumes a grand opening in the late Spring/early summer of 2006.

JANUARY 2006

- Press release on progress and building schedule
- Update CMPRVF web site
- Community group presentation i.e. Rotary or other service organizations

FEBRUARY 2006

- Press release – another update on progress
- Update CMPRVF web site
- More community presentations

MARCH 2006

- Press release update
- Quarterly newsletter to donors and potential members
- School group presentations
- Update CMPRVF web site
- KPRL Sound-Off

APRIL 2006

- Press release update
- More presentations (school or community group)
- Update CMPRVF web site

MAY 2006

- Press release update
- More presentations
- Update CMPRVF web site
- Preliminary membership sales
- Invitations to grand opening to the following groups:
 - Chamber of Commerce – Paso Robles and Atascadero
 - Public Schools, Trinity Lutheran and St. Rose Catholic
 - Donors and sponsors
 - Boys & Girls Clubs
 - The City of Paso Robles
 - Oak Park Center
 - Boys and Girls scouts

- Youth sports groups
- Fundraiser list
- Media
- Advertising in local paper announcing grand opening

JUNE 2006

- Quarterly newsletter
- Update CMPRVF web site
- Grand opening celebration

JULY 2006

- Press release
- Follow up advertising
- Update CMPRVF web site

AUGUST 2006

- Promotional item with name, website and phone number for attendees to take away as a reminder
- Press release

SEPTEMBER 2006

- Outreach to school groups
- Begin publicizing fundraising event
- Quarterly newsletter

OCTOBER 2006

- Continue outreach to school groups
- Participate in downtown Halloween event
- Press Release

NOVEMBER 2006

- Fundraiser
- Press release
- Open during Elegant Evening
- KPRL Sound-off

DECEMBER 2006

- Quarterly newsletter
- Open during Vine Street Showcase
- Advertisement for Christmas hours etc.
- Holiday card from the museum

Ongoing strategy will include quarterly newsletters to membership and donors, quarterly “appearances” on KPRL, presentations to community groups, membership in the Chamber of Commerce, outreach to school groups, monthly press releases with follow up phone calls to media for major news, fundraising and special events.

Operations

We have contracted with Emily Reneau to provide Executive Director services through out the construction phase and up through the opening. As we get closer to the opening date we will proceed with the hiring of a full time Executive Director. The ideal candidate will not only bring experience from a previous job with a children’s museum, but they will also have strong fund raising skills. As mentioned previously we recognize the need for funds to cover operations.

The museum will initially be open Wednesday through Sunday and additional hours for special events. These hours will allow us to capture the smaller children during the week and the visiting school children on the weekend. Our location will enable us to draw the downtown tourist crowd. We plan to be open 11 to 6 Wednesday through Saturday and 12 to 5 on Sunday.

EXHIBIT A

CHILDREN'S MUSEUM

PACIFIC MANAGEMENT & DEVELOPMENT **NAME** **CHILDREN'S MUSEUM**
 1232 Park Street, Suite 200 900 Park Street
 Paso Robles, CA 93446 Paso Robles, CA
 805/238-1948 FAX: 805/238-3663

*** PRELIMINARY ESTIMATE ***

ITEM	DESCRIPTION OF WORK	D Sched. Value	E From Previous Applications	F This Period	G Total Completed	H %	I Balance To Finish	J Company	K Addition To Scope	L New Project Total	M Balance Left On Account	N In-Kind Donation
5-1012	TITLE REPORT	2,000	\$0	\$0	\$0	\$0	\$0	Fidelity		2,000	2,000	2,000
5-1014	ARCH/Landscape des.	115,000	\$0	\$0	\$0	\$0	\$115,000	Vivela		115,000	115,000	115,000
5-1018	CIVIL ENGINEERING	10,500	\$0	\$0	\$0	\$0	\$10,500	Roberts		10,500	10,500	10,500
5-1017	Eng. Of Structure (analysis)	15,000						Taylor/Syfan				
5-1018	SOILS REPORT	2,000	\$0	\$0	\$0	\$0	\$2,000	GeoSolutions		2,000	2,000	2,000
5-1020		5,000	\$0	\$0	\$0	\$0	\$5,000			5,000	5,000	5,000
5-1032	a. Alta Survey	1,200					\$1,200	Fidelity		1,200	1,200	1,200
5-1034	b. Asbestos Survey	9,500	\$0	\$0	\$0	\$0	\$9,500			9,500	9,500	9,500
5-1036	c. Lead Survey	2,500	\$0	\$0	\$0	\$0	\$2,500			2,500	2,500	2,500
5-1037	d. Misc. survey (hazmat)		\$0	\$0	\$0	\$0	\$0			0	0	0
5-1038	e. Estimate for Mitigation		\$0	\$0	\$0	\$0	\$0			0	0	0
5-1039	1. Asbestos (estimate)	35,000	\$0	\$0	\$0	\$0	\$35,000			35,000	35,000	35,000
5-1040	2. Lead (estimate)	15,000	\$0	\$0	\$0	\$0	\$15,000			15,000	15,000	15,000
5-1041	SITE UTILITIES/Estimate	5,000	\$0	\$0	\$0	\$0	\$5,000			5,000	5,000	5,000
5-1101	LANDSCAPING/ALLOWANCE	8500								8500		
5-1104	DIV 1 - GENERAL REORMNTS											
5-1104	A. BLDG PERMIT/ALLOWANCE	6,500	\$0	\$0	\$0	\$0	\$6,500			6,500	6,500	6,500
5-1106												
5-1107	DIV 2 - SITE WORK											
5-1107	a. ASHPITC CNCRT PVG PKGLOT	32,000	\$0	\$0	\$0	\$0	\$32,000			32,000	32,000	32,000
5-1109	b. 6" BASE @ DRIVEWAY	2,000	\$0	\$0	\$0	\$0	\$2,000			2,000	2,000	2,000
5-1200												
5-1201	DIV 3 - CONCRETE											
5-1201	a. CONCRETE BLDG.	5,500	\$0	\$0	\$0	\$0	\$5,500			5,500	5,500	5,500
5-1203	b. CONCRETE Site/sidewalks	12,500	\$0	\$0	\$0	\$0	\$12,500			12,500	12,500	12,500
5-1300	c. CONCRETE ALLEY DRVWY	4,000	\$0	\$0	\$0	\$0	\$4,000			4,000	4,000	4,000
5-1301	d. Concrete demo/bldg-elevator	10,500	\$0	\$0	\$0	\$0	\$10,500			10,500	10,500	10,500
5-1302	e. ELEVATOR /fgs,excavation	29,000	\$0	\$0	\$0	\$0	\$29,000			29,000	29,000	29,000
5-1303												
5-1304	DIV 4 - MASONRY											
5-1305	a. Site & Elevator Shaft	43,500										
5-1500	DIV 5 - METALS											
5-1501	a. STRUCTURAL -fasteners	13,500	0	\$0	\$0	\$0	\$13,500			13,500	13,500	13,500
5-1502	b.	0	0	\$0	\$0	\$0	\$0			0	0	0
5-1503	c.	0	0	\$0	\$0	\$0	\$0			0	0	0

EXHIBIT A
2

CHILDREN'S MUSEUM

ITEM	DESCRIPTION OF WORK	D Sched. Value	E From Previous Applications	F This Period	G Total Completed (E+F)	H % Completed (G/D)	I Balance To Finish (D-G)	J Company	K Addition To Scope	L New Project Total (D+K)	M Balance Left On Account (L-G)	N In Kind Donation
5-1600	DIV 6 - WOOD & PLASTIC											
5-1601	a. ROUGH CARPENTRY/LABOR	10,000		\$0	\$0	\$0	\$10,000			10,000	10,000	
5-1602	b. FINISH CARPENTRY/LABOR/Est.	20,000		\$0	\$0	\$0	\$20,000			20,000	20,000	
	c. Lumber	9,800										
5-1700	DIV 7 - THRM/INSTR PROT/ROOF											
5-1701	a. ROOF covering demo	5,500	0	\$0	\$0	\$0	\$5,500			5,500	5,500	
5-1702	b. Roof sheeting repair		0	\$0	\$0	\$0	\$0			0	0	
5-1703	c. CAULKING & SEALANTS	3,500	0	\$0	\$0	\$0	\$3,500			3,500	3,500	
5-1704	d. INSULATION	5,849	0	\$0	\$0	\$0	\$5,849			5,849	5,849	
5-1705	e. New Brate Roof w/flashing	16,500	0	\$0	\$0	\$0	\$16,500			16,500	16,500	
5-1800	DIV 8 - DOORS, WNDWS, GLASS											
5-1801	a. WINDOWS	40,000	0	\$0	\$0	\$0	\$40,000			40,000	40,000	
5-1802	b. DOORS/ENTRY INC.		0	\$0	\$0	\$0	\$0			0	0	
5-1804	c. INT/DOORS	5,000	0	\$0	\$0	\$0	\$5,000			5,000	5,000	
5-1805	d. HARDWARE ALLOWANCE	8,500	0	\$0	\$0	\$0	\$8,500			8,500	8,500	
5-1805	e. INST. LABOR	5,000	0	\$0	\$0	\$0	\$5,000			5,000	5,000	
5-1806	f. SKYLITES		0	\$0	\$0	\$0	\$0			0	0	
5-1900	DIV 9 - FINISHES											
5-1901	a. GYPBOARD	13,550	0	\$0	\$0	\$0	\$13,550			13,550	13,550	
5-1902	b. PAINT INTERIOR INC		0	\$0	\$0	\$0	\$0			0	0	
5-1903	c. PAINT CABINETRY INC		0	\$0	\$0	\$0	\$0			0	0	
5-1904	d. PAINT EXTERIOR		0	\$0	\$0	\$0	\$0			0	0	
5-1905	e. CARPET (7000sf @ \$5/sf)	36,318										
5-1914	f. TILE RESTROOMS	28,000										
5-1915	g. RUBBER BASE	2,500										
5-1916	h. T-BAR CEILING @ street level	9,000										
	i. Stone Hard Flooring/ Est.	21,000										
5-2001	DIV 10 - SPECIALTIES											
	a. TOILET PARTITIONS	5,000										
	b. WINDOW AWNINGS ALLOW.	18,000										
5-2100	DIV 11 - SPCL EQUIPMENT											
5-2101	a. KITCHEN EQUIPMENT/Allowance	15,000	0	\$0	\$0	\$0	\$15,000			15,000	15,000	
5-2200	DIV 12 - FURNISHINGS											
5-2201	a. Non Included		0	\$0	\$0	\$0	\$0			0	0	
	b.											
5-2300	DIV 13 - SPECIAL CONST.											
5-2301	a. Displays											

**This is between high and low bidders

EXHIBIT A

CHILDREN'S MUSEUM

A ITEM	B DESCRIPTION OF WORK	D Sched. Value	E From Previous Applications	F This Period	G Total	H % Completed (GD)	I Balance To Finish (D-G)	J Company	K Addition To Scope	L New Project Total (D+K)	M Balance Left On Account (L-G)	N In Kind Donation
5-2400	DIV 14 - CONVEYING EQUIPMENT											
	a. ELEVATOR				52,000							
5-2500	DIV 16 - MECHANICAL											
5-2501	a. PLUMBING ROUGH-IN/SET				34,500		\$34,500			34,500		34,500
5-2502	b. SPRINKLER SYSTEM				23,000		\$23,000			23,000		23,000
5-2503	c. SITE PLUMBING				9,500		\$9,500			9,500		9,500
5-2504	d. GAS PIPING/SITE				3,500		\$3,500			3,500		3,500
5-2505	e. HVAC				18,000		\$18,000			18,000		18,000
5-2600	DIV 16 - ELECTRICAL											
5-2601	a. ELECTRICAL ROUGH & FINISH				45,000		\$45,000			45,000		45,000
5-2602	b. ELECTRICAL FIXTURES				35,000		\$35,000			35,000		35,000
	c. FIRE ALARM SYSTEM				8,600					8,600		
	CLERICAL				7,500		\$7,500			7,500		7,500
5-2700	CONSTRUCTION MANAGEMENT											
5-2701	a. CONTRACTORS FEE (15%)				145,310		\$145,310			145,310		145,310
5-2702	b. COURSE CONST. INSURANCE				9,000		\$9,000			9,000		9,000
5-2703	c. SITE SUPERVISION				12,500		\$12,500			12,500		12,500
5-2750	CONTINGENCY											
5-2752	a. FTG OBSERVATION/inspect.				5,000		\$5,000			5,000		5,000
5-2753	b. DEMOLITION (EST)				20,000		\$20,000			20,000		20,000
5-2754	c. J-JON				900		\$900			900		900
5-2755	d. TRASH / REMOVAL				10,000		\$10,000			10,000		10,000
	e. CONST. CLEAN UP				9,000					9,000		
5-2757	f. BLUEPRINTS				3,500		\$3,500			3,500		3,500
5-2758	g. CONTINGENCY				87,140		\$87,140			87,140		87,140
5-2759	h.						\$0			0		0
5-2760	i.						\$0			0		0
5-2761	j.						\$0			0		0
5-2762	k.						\$0			0		0
	OTHER											
5-2802	INTEREST RESERVE											
	Estimated Total											263510

**PR Children's Museum
Balance Sheet**

	12/31/2005	12/31/2006	12/31/2007	12/31/2008
Assets				
Cash	1,016,097	41,108	59,007	129,863
Contribution Pledges Receivable - Note 1	420,000	310,000	230,000	150,000
Fundraising Pledges Receivable - Note 2	300,000	190,000	85,000	
Exhibit Sponsorship Pledges Receivable - Note 3	138,000	35,000	23,000	
Equipment	1,400	1,400	1,400	1,400
Exhibits	84,113	498,330	498,330	498,330
Tenant Improvements	1,003	1,001,003	1,001,003	1,001,003
Total Assets	<u>1,960,613</u>	<u>2,076,841</u>	<u>1,897,740</u>	<u>1,780,596</u>
Liabilities and Fund Balance				
Deferred Pledge Income	858,000	535,000	338,000	150,000
Note Payable - HOB		75,000	0	0
Fund Balance	1,102,613	1,466,841	1,559,740	1,630,596
Total Liabilities and Fund Balance	<u>1,960,613</u>	<u>2,076,841</u>	<u>1,897,740</u>	<u>1,780,596</u>

**PR Children's Museum
Income Statement**

	12/31/2005	12/31/2006	12/31/2007	12/31/2008
Contributions (Pledged) - Note 1	25,000	110,000	80,000	80,000
Contributions	295,134			
Fund Raiser Income - Note 2	144,385	110,000	105,000	85,000
Revenue from Operations - Note 4		52,000	79,000	79,000
Shirt Reimbursement	40			
Exhibit Sponsorship - Note 3	3,000	103,000	12,000	12,000
Grant Money (CDBG Funds)		135,000		
Interest Income	9,701			
Gross Receipts	<u>477,260</u>	<u>510,000</u>	<u>276,000</u>	<u>256,000</u>
Post Office Box Rent	38	38	38	38
Phone	670	2,400	2,400	2,484
Events	420	420	420	420
Dues	420			
Insurance	1,500	5,750	5,750	5,951
Contract Services	2,500	12,500		
Fund Raising Expenses	1,167	5,000	5,000	5,175
Taxes (State)	40	40	40	40
Supplies	280	3,500	7,000	7,245
Rent		1	1	1
Salary - ED		26,667	41,200	42,436
Hourly		17,043	34,086	34,086
Medical		2,100	4,200	4,410
Payroll Taxes		4,371	7,529	7,652
Workers Comp		2,623	4,517	4,683
Electricity		5,820	5,820	6,024
Gas		1,800	1,800	1,863
Landscape Maintenance		1,600	2,400	2,484
Janitorial		12,000	18,000	18,630
Public Relations		7,500	7,500	7,763
Printing		10,000	7,500	7,763
Postage		5,000	7,500	7,763
Exhibit Maintenance		5,000	15,000	15,750
Security		1,600	2,400	2,484
Hardhat Ball & Grand Opening		10,000	0	
Interest Expense		3,000	3,000	
Total expenses - Note 4	<u>7,035</u>	<u>145,772</u>	<u>183,101</u>	<u>185,144</u>
Net Income	<u>470,225</u>	<u>364,228</u>	<u>92,899</u>	<u>70,856</u>

**PR Children's Museum
Cashflow**

	2005	2006	2007	2008
Beginning cash	\$ 631,289	\$ 1,016,097	\$ 41,108	\$ 59,007
Sources				
Contributions (Pledged)	\$ 25,000	\$ 110,000	\$ 80,000	\$ 80,000
Contributions	\$ 295,134			
Fund Raiser Income	\$ 144,385	\$ 110,000	\$ 105,000	\$ 85,000
Revenue from Operations		\$ 52,000	\$ 79,000	\$ 79,000
Shirt Reimbursement	\$ 40			
Exhibit Sponsorship	\$ 3,000	\$ 103,000	\$ 12,000	\$ 12,000
Grant Money		\$ 135,000		
Interest Income	\$ 9,701			
Loan Proceeds		\$ 75,000		
Total Sources	<u>\$ 477,260</u>	<u>\$ 585,000</u>	<u>\$ 276,000</u>	<u>\$ 256,000</u>
Uses				
Construction	\$ 1,003	\$ 1,000,000		
Equipment	\$ 300			
Exhibits	\$ 84,113	\$ 414,217		
Operations	\$ 7,035	\$ 145,772	\$ 183,101	\$ 185,144
Loan Payments			\$ 75,000	
Total Uses	<u>\$ 92,451</u>	<u>\$ 1,559,989</u>	<u>\$ 258,101</u>	<u>\$ 185,144</u>
Ending Cash Balance	<u>\$ 1,016,097</u>	<u>\$ 41,108</u>	<u>\$ 59,007</u>	<u>\$ 129,863</u>

**PR Children's Museum
Pledges**

Note 1

Pledged Contributions	2005	2006	2007	2008	Thereafter	Total
Donor #1		50,000	50,000	50,000	150,000	300,000
Donor #2		5,000				5,000
Donor #3		25,000				25,000
Donor #4	25,000	25,000	25,000	25,000		100,000
Donor #5		5,000	5,000	5,000		15,000
Total	25,000	110,000	80,000	80,000	150,000	445,000
Balance Remaining	420,000	310,000	230,000	150,000		

Note 2

Fund Raising Income	2005	2006	2007	2008	Thereafter	Total
Fund Raiser (PR Inn Bday Bash)	104,835	105,000	105,000			314,835
HOB Fun Run	5,000	5,000				10,000
Country Real Estate	35,000					35,000
Fund Raiser				85,000		85,000
Total	144,835	110,000	105,000	85,000	0	444,835
Balance Remaining	300,000	190,000	85,000			

Note 3

Exhibit Sponsorships	2005	2006	2007	2008	Thereafter	Total
HOB	3,000	12,000	12,000	12,000	11,000	50,000
Frost		65,000				65,000
Hale (O'Grady)		26,000				26,000
Total	3,000	103,000	12,000	12,000	11,000	141,000
Balance Remaining	138,000	35,000	23,000	11,000		

**PR Children's Museum
Exhibits**

Exhibit Description	Cost	Soft Cost Allocation	Total
Craft Area	15,000	4,577	19,577
Toddlers Farm	40,650	12,403	53,053
Café	26,000	7,933	33,933
Puppet Stage	1,500	458	1,958
Party Area	3,000	915	3,915
Fire Truck Area	20,000	6,102	26,102
Tree House	75,500	23,036	98,536
Energy Exhibit	68,500	20,900	89,400
Truss (2nd Floor)	25,000	7,628	32,628
Agriculture	15,000	4,577	19,577
Lobby Area	23,000	7,018	30,018
Discovery	20,000	6,102	26,102
Live Stage	20,000	6,102	26,102
Store	18,000	5,492	23,492
Christmas Exhibit	10,680	3,259	13,939
	<u>381,830</u>	116,500	<u>498,330</u>
Id Signs	4,000	(4,000)	-
Docent's Room	2,000	(2,000)	-
Freight, Construction Drawings, Contingency & Sales Tax	80,500	(80,500)	-
Installation	30,000	(30,000)	-
Total	<u>498,330</u>	-	<u>498,330</u>

RESOLUTION NO. 06-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
CONFIRMING COMPLETION OF CONDITIONS OF LEASE OPTION FOR
THE OLD FIRE STATION NO. 1 BY THE CHILDRENS MUSEUM AND EXTENDING THE
LEASE OPTION TERM FOR AN ADDITIONAL 180 DAYS

WHEREAS, on June 4, 2003 the City and the Children's Museum entered into a Lease Option agreement for the future long term lease of the Old Fire Station No. 1; and

WHEREAS, the Lease Option Agreement requires that the Children Museum Board meet certain conditions before taking possession of the fire station and fully exercising the lease; and

WHEREAS, on December 7, 2004, the City Council of the City of El Paso de Robles adopted Resolution 04-271 approving the building and site plan modifications to the Old Fire Station No. 1; and

WHEREAS, conditions of the Lease Option include requirements for the Children's Museum to submit building improvement plans, a Financial Plan, and a Business Plan addressing the rehabilitation financing and costs for the on-going use/operation of the fire station, then approval of those plans by the City; and

WHEREAS, the Children's Museum has submitted building remodel plans to the Building Division for plan check and those are currently under review by the City; and

WHEREAS, the Children's Museum has submitted a Financial and Business Plan that has been reviewed and endorsed by the Public Works and Administrative Services Directors as to their soundness & adequacy in meeting the terms of the Lease Option; and

WHEREAS, the Lease Option stipulates that the Lease will be delivered through escrow and that escrow must close before June 4, 2006 or the option period terminates; and

WHEREAS, the Lease Option period can be extended by mutual consent by both parties; and

WHEREAS, the Children's Museum has diligently pursued completion of conditions with only the lease transfer details remaining; and

WHEREAS, a 180 day extension of the Lease Option will ease the time frame pressure for transferring the lease through escrow to the Children's Museum.

THEREFORE BE IT HEREBY RESOLVED by the City Council that the Children's Museum has completed the conditions of their lease option as stipulated in the June 4, 2003 agreement; and

BE IT FURTHER RESOLVED, that a 180 day Lease Option extension is granted for the completion of the close of lease escrow.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 18th day of April 2006 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk