



AGENDA MEMORANDUM

Action Item for the City Council Meeting of December 6, 2022

DATE: December 6, 2022

TO: Peter Zaroni, City Manager

FROM: Robert Dodd, Director of Parks and Recreation Department
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Agreement for the Museum of Science and History Management Services

CAPTION:

Motion authorizing a three-year extension agreement, with two one-year option periods at the City's discretion, with Friends of the Museum of Science and History, of Corpus Christi, Texas, for the management of the Museum of Science and History, for an amount not to exceed \$550,000.00 per year, with a potential total amount not to exceed \$2,750,000.00 if both one-year options are exercised, with funding from future Hotel Occupancy Tax Revenue.

PURPOSE:

The purpose of this agenda item is to execute a three-year contract agreement, with two one-year option periods, with Friends of the Museum of Science and History for the management of the Museum of Science and History. The proposed agreement would begin on October 1, 2023 and expire on September 30, 2026. However, if the two one-year options were to be fully exercised, the proposed agreement would extend to September 30, 2028.

BACKGROUND AND FINDINGS:

On September 1, 2012, the City entered into a public/private two-year management agreement for the Museum of Science and History to be operated by an outside contractor. In 2014, an amendment to the two-year management agreement was executed, extending the agreement to 2017. In June 2018, a Request for Proposals (RFP) was issued for a new service agreement. Based on the scoring, City staff recommended awarding a five-year service agreement to Friends of the Museum of Science and History for the management of the Museum of Science and History. A five-year service agreement with Friends of the Museum of Science and History was subsequently approved by the City Council on August 28, 2018.

The City continues to own the land, building, and collections for the Museum; however, the purpose of the current five-year agreement is to carry-out the City's intent to operate the Museum in a manner that is fiscally responsible while offering diverse event activity to both residents and visitors. Friends of the Museum of Science and History are a Texas, non-profit corporation formed in 1974. Through the current service agreement with the City, Friends of the Museum of Science and History operates all aspects of the Museum including maintaining certification and accreditations. Additionally, through the five-year agreement, Friends of the Museum of Science and History are responsible for the operation, management, marketing, and promotion of the Museum, including but not limited to professional promotion and marketing efforts; service-

oriented guest and tenant services; premium food and beverage services; timely repairs and maintenance; cleaning of building, equipment, and grounds; positive, safe, and a secure Museum for both patrons and employees. Throughout their current contract, Friends of the Museum of Science and History has shown that it is committed to improving the museum experience through innovation and enhancements, such as the selection of new inter-active displays, the reconfiguration of exhibits, presentations to the public, redesigning of floor layouts, maximizing the best use for outdoor events, and designing special event spaces for both indoor and outdoor use.

The term of the current agreement with Friends of the Museum of Science and History will expire on September 30, 2023. The proposed agreement would begin on October 1, 2023 and expire on September 30, 2026. However, if the two one-year options were to be fully exercised, the proposed agreement would extend to September 30, 2028. Staff is recommending the proposed agreement with the Friends of the Museum of Science and History be approved by City Council now because a new Executive Director for the Museum is being recruited. Having only one year left on the current contract term makes it even more difficult to recruit a new Executive Director for the Museum. The Executive Director position is vacant as of November 10, 2022. The most recent Interim Executive Director had been in the position since the summer of 2022. She had taken over the position in the summer of 2022 after the previous Executive Director was voted out by the Museum of Science and History Board. Currently, Catrina Wilson is the Interim Chief Executive Officer/President.

As part of the proposed agreement, an annual management fee of \$500,000 would be paid to Friends of the Museum of Science and History in two separate installments of \$250,000 each per fiscal year. Payments would be made on October 1 and January 1 of each fiscal year. Additionally, a reimbursement of up to \$50,000 per fiscal year for advertisement through the Hotel Occupancy Tax fund would be paid to Friends of the Museum of Science and History. The proposed agreement would have a contract amount not to exceed \$1,650,000, with a total potential amount not to exceed \$2,750,000 if both of the one-year options were to be exercised.

ALTERNATIVES:

The alternative is not to approve the proposed agreement, but instead let the current agreement expire. This would result in the City having to either fund the Museum through its General Fund, put out another RFP, or close the Museum.

FINANCIAL IMPACT:

An annual management fee of \$500,000 would be paid to Friends of the Museum of Science and History in two separate installments of \$250,000 each per fiscal year. Payments would be made on October 1 and January 1 of each fiscal year. Additionally, a reimbursement of up to \$50,000 per fiscal year for advertisement through the Hotel Occupancy Tax fund would be paid to Friends of the Museum of Science and History. The proposed agreement would have a contract amount not to exceed \$1,650,000, with a total potential amount not to exceed \$2,750,000 if both of the one-year options were to be exercised.

FUNDING DETAIL:

Fund:	1030	Hotel Occupancy
Organization/Activity:	13013	Museum Marketing
Mission Element:	734	Tourism
Project # (CIP Only):	N/A	
Account:	530000	Professional Services

RECOMMENDATION:

Staff recommends approval of the motion, as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement