

THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.

AN ORDINANCE

AUTHORIZING THE EXECUTION OF AMENDMENT NO. 6 TO THE LEASE WITH THE SAN ANTONIO MUSEUM ASSOCIATION D/B/A/ THE WITTE MUSEUM (WITTE) TRANSFERRING OWNERSHIP INTEREST OF SPECIFIC BUILDING IMPROVEMENTS FULLY FUNDED BY THE WITTE AND EXERCISING TWO CURRENT 25-YEAR LEASE EXTENSION OPTIONS.

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WHEREAS, the San Antonio Museum Association d/b/a The Witte Museum (Witte) is a non-profit organization whose mission is to promote lifelong learning through innovative exhibitions, programs and collections in natural history, science and South Texas heritage; and

WHEREAS, the Witte, which first opened in 1923, has an average of 600,000 visitors annually including approximately 250,000 school aged children; and

WHEREAS, the developed Witte master plan is identified in three main phases: 1) South Texas Heritage Center and the Witte Research Center; 2) the New Witte; and 3) World of Water; and

WHEREAS, Phase I is complete and Phase II, the New Witte is currently under construction and includes renovations and additions to the existing (original) Main Building with additional new gallery space; and

WHEREAS, through previous Council action the City has contributed \$16 million toward the \$23 million original construction costs of the Main Building; and

WHEREAS, Phase II, the New Witte transformation, has encountered unforeseen structural conditions in the Main Building resulting in \$6 million in additional construction costs; and

WHEREAS, the Witte approached the City to discuss the issue and share their commitment to raise the required additional funds necessary to complete the New Witte; and

WHEREAS, however, the situation of temporary bridge funding exists while they continue their capital campaign efforts; and

WHEREAS, transferring the City's ownership interest in the Mays Family Center, Feik Family Pavilion and adjoining admissions building to the Witte and their potential use of those assets as collateral will assist the Witte in solidifying a financial position that allows them to secure financing or a line of credit if necessary; and

WHEREAS, the new improvements proposed to be transferred to the Witte were fully funded by the Witte with no City funding, and the City will maintain its ownership of the underlying land; and

WHEREAS, in order to secure the City's interest in the transferred improvements three requirements are included in the lease amendment: 1) ownership of the transferred improvements will revert to the City at the termination of the lease; 2) continued use of the buildings and improvements as a public museum or other appropriate City Council approved use; 3) default notice and option to remedy by the City included in any financial instrument associated with the improvements; and

WHEREAS, additionally, the current lease extension options would be exercised and extend the lease fifty (50) years to 2072; and

WHEREAS, ownership of the other improvements on the lease premises as well all other terms of the current lease including admissions pricing regulations will not change; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee or the Director of the Parks and Recreation Department or his designee, is hereby authorized to execute Amendment No. 6 to the lease with the San Antonio Museum Association d/b/a/ The Witte Museum (Witte) transferring ownership interest of specific building improvements fully funded by the Witte and approving the exercise of the two current 25-year lease extension options. A copy of the amendment in substantially final form is attached hereto and incorporated herein for all purposes as **Attachment I**.

SECTION 2. [FINANCIAL LANGUAGE PENDING]

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this ____ day of _____.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

City Attorney

DRAFT