

**OFFICE OF INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO
M E M O R A N D U M**

No. 06-3

DATE: March 20, 2006

TO: Council President Peters and Council Members

FROM: Andrea Tevlin, Independent Budget Analyst

SUBJECT: ITEM 3 (Redevelopment Agency) Children's Museum – Proposed Third Implementation Agreement

The Children's Museum of San Diego has had a challenging time attaining a permanent home since relocating from La Jolla Village Square to downtown in 1993 and entering into its first Disposition Agreement with the Redevelopment Agency in 1994. Since it closed its doors at a downtown temporary warehouse in 2002 to focus on a new permanent facility, the Museum has struggled to meet fundraising commitments for construction costs, missing several deadlines in 2005. This caused a delay in construction of the permanent Museum structure, as well as an adjacent park, funded with CCDC redevelopment tax money. During this time the Museum has continued to provide "Museum With Out Walls" traveling exhibits throughout the community, but has not had a permanent home for several years.

However, in the past ten months the Museum has succeeded at raising \$7.5 million in private donations of the \$12.4 million required to proceed with completion of the facility, build exhibits and provide initial operating costs.* According to CCDC staff, strong fundraising efforts continue, and they are optimistic about future results. Furthermore, it is believed that moving forward with the project will help to garner community support and private donations.

Children's Museums, along with other cultural and educational facilities, are tremendous assets to communities throughout the country. Most major cities either have such a Museum or are in the development/construction process. Nevertheless, it should be noted that, if the San Diego Children's Museum fails to meet its future fundraising goals, local taxpayers should not bear the burden of either construction or future operational and maintenance costs for this facility.

[SIGNED]

Andrea Tevlin
Independent Budget Analyst

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cc: Jim Waring, Deputy Chief

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* See Attachment No. 15 of CCDC Report 06-09 dated March 20, 2006.