

River of Time Museum Lease Agreement



**FOUNTAIN
HILLS**

Background

- 25-Year Lease between Town and Museum Association; expires August 15, 2026
- Approximately 5,000 sq ft
- Rent \$1 annually; Total \$25
- Town provided \$210,000
 - Cost of displays and exhibits
 - Lighting
 - Other permanent improvements
- Town pays for maintenance, utilities and janitorial services



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Museum Memberships

- 2025 – 117 members
- 2024 – 163 members
- 2023 – 242 members
- 70-75% live in Fountain Hills
- 20% live in Rio Verde
- 5% live in Valley or Nationwide

**Note: Membership data provided by the Museum*



Profit and Loss Statement

Total Revenue

- January – December 2022
 - \$168,014
- January – December 2023
 - \$123,058
- January – December 2024
 - \$178,524
- January – October 2025 (closed in the summer)
 - \$75,741

Net Income

- January – December 2022
 - (\$50,388) Loss
- January – December 2023
 - (\$42,893) Loss
- January – December 2024
 - \$8,952
- January – October 2025 (closed in the summer)
 - (\$40,297) Loss

**Note: Numbers provided by Museum.*

Town Requirements

- Any consideration of renewal requires an evaluation of compliance with state law
- Highest and best use of a Town-owned facility.

Gift Clause

- Arizona's Gift Clause exists to protect taxpayers. It ensures public dollars are used for a clear public purpose and that the Town receives fair value in return.
- Two common questions:
 - Is there a clear public purpose; and
 - Is the Town receiving fair market value?



Option 1 – Renew

- Renew
 - Museum is requesting one year
- Fair Market Value (\$75,000)
 - Museum is requesting “short-term funding plan”
 - Museum is conducting a community fund drive
- Define Terms



Option 2 – Evaluate Future Options

- Town building used for Town purposes
- Relocate Economic Development and Tourism Department
- Retain components of museum
 - Potential service agreement
- Welcome Center and Gift Shop
- Training and Workforce Hub
- Event Programming
 - Patio
 - Adjacent to Centennial Pavilion
- Storage



WELCOME

MUSEUM & EXHIBIT SPACE

ECONOMIC
DEVELOPMENT



LOCAL HISTORY & INNOVATION

WELCOME

WORKFORCE HUB



Next Steps

Option 1

- Draft new agreement
- Council approval before summer recess

Option 2

- Notification to museum
 - In person meeting – January 26 and February 3
 - Formal Letter – February 9
- Transition Letter
- Museum needs 3 months for deaccession
- Evaluate budget implications

Staff Recommendation and Council Direction

- Option 2 to ensure compliance with state law and position the facility to better align with evolving community priorities and long-term strategic objectives.

Discussion. Questions?



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