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DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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ROBERT P. THOMAS
DIRECTOR

December 22, 1986

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ASSISTANT DIRECTOR

DIVISIONS:

- CROCKER ART MUSEUM
- GOLF
- METROPOLITAN ARTS
MUSEUM & HISTORY
- PARKS
- RECREATION
- ZOO

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Amusement Rides Concession Contract Award

SUMMARY

This report recommends a contract for the amusement rides concession at William Land Park be awarded to Midway of Fun, Inc., a California corporation.

BACKGROUND INFORMATION

The current concession contract for the William Land Park amusement rides concession will expire on January 24, 1987.

On November 18, 1986, the City Council called for proposals to be received on the amusement rides concession at William Land Park.

The City received one proposal for this site from the current providers. The proposal is as follows:

Proposer	<u>Percentage of Gross</u>		Annual Minimum Guarantee
	Rides	Optional Services	
Samuel F. Johnston dba Midway of Fun, Inc.	17% of the first \$100,000 per year 26% above \$100,000 per year	26.5%	\$75,000

In addition to the amount of rent proposed, the proposer was evaluated on such criteria as management and financial ability; plans for facility equipage including quantity and quality of rides and rides operation; focus upon family entertainment; and quantity and quality of optional services, including public services to be provided to school and youth groups. Staff from the

Department's Revenue Development and Management Section, the Zoo Superintendent, a representative of the Association to Preserve Land Park, and a representative of the Sacramento Zoological Society have reviewed the proposal and were unanimous in recommending that Midway of Fun, Inc. be awarded the William Land Park Amusement Rides Concession contract.

The master plan of the Zoo and surrounding area includes the amusement rides concession area. Insofar as this planning process is tentatively scheduled for completion in February 1988, it is not possible to speculate on the eventual recommended use of the area and subsequent operational plans. Consequently, the amusement rides concession contract will be limited to a two-year term with the City having the option to renew on a year-to-year basis for up to, but not exceeding, an additional two years. In all other aspects, the provisions of the proposed Land Park amusement rides concession contract are similar to the current contract.

FINANCIAL DATA

Revenue from the amusement rides concession is deposited to the Fairytale Town Special Revenue Fund. Terms of the proposed concession contract include a contract fee equal to the existing contract fee of 17% of the first \$100,000 of gross receipts per year from any amusement ride activities under the contract, 26% of the gross receipts above \$100,000, and 26.5% of the gross receipts from all food service and group events. In addition, the proposed contract also provides an annual guaranteed minimum fee of \$75,000.

A comparison of return to the City for the operation of this concession follows:

	<u>Year</u>	<u>Gross Receipts</u>	<u>Revenue to City</u>
Current concessionaire	1985	\$450,845	\$108,667
	Jan.-Oct. 1986	\$320,771	\$ 98,445
Midway of Fun, Inc.	1987 Estimate	\$481,155	\$116,675
	1988 Estimate	\$529,270	\$129,242

RECOMMENDATION

It has been determined that the proposer, Midway of Fun, Inc. is in compliance with all requirements of the City. It is recommended that the Budget and Finance Committee approve this report and refer it to the full City Council for action. Further, it is recommended that City Council, pursuant to the provisions of Chapter 12, Article III of the City Code, award the William Land Park amusement rides concession contract to Midway of Fun, Inc. at a contract fee of 17% of the first \$100,000 of gross receipts per year from any amusement

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ride activities under the contract, 26% of the gross receipts above \$100,000, 26.5% of the gross receipts from all food service and group events, and an annual guaranteed minimum fee of \$75,000.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



JACK R. CRIST
Deputy City Manager

RPT:ja

January 13, 1987
District No. 4

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AWARDING THE CONCESSION CONTRACT FOR THE AMUSEMENT RIDES CONCESSION IN WILLIAM LAND PARK

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager is hereby authorized and directed to execute a two year contract with the City having the option to renew on a year-to-year basis for up to, but not exceeding, an additional two years for the Amusement Rides Concession in William Land Park, between the City of Sacramento and Midway of Fun, inc. effective January 25, 1987 at a contract fee of 17% of the first \$100,000 of gross receipts per year from any amusement ride activities under the contract, 26% of the gross receipts above \$100,000, 26.5% of the gross receipts from all approved optional services, and an annual guaranteed minimum fee of \$75,000.

MAYOR

ATTEST:

CITY CLERK