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DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
SUITE 400
SACRAMENTO, CA
95814-2977

ROBERT P. THOMAS
DIRECTOR

February 27, 1987

916-449-5200

G. ERLING LINGGI
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: Award of Restaurant Lease at the Sacramento Softball Complex and the
Food Concession Contract at Renfree Field

SUMMARY

This report provides information regarding the restaurant lease at the Sacramento Softball Complex and the food concession at Renfree Field located in Del Paso Regional Park. In addition, this report recommends that the agreements for both the restaurant at the Sacramento Softball Complex and the food concession at Renfree Field be awarded to Canteen Corporation.

BACKGROUND INFORMATION

On November 5, 1986, the City Council called for proposals to be received on the restaurant lease in the Sacramento Softball Complex; and on November 25, 1986, the Council called for proposals for the food concession at Harry Renfree Field. Both sites are located in Del Paso Regional Park.

Sacramento Softball Complex Restaurant

When completed, the Sacramento Softball Complex will include four lighted diamonds, bleacher seating to accommodate 7,000 persons, restrooms, a children's play area, players' warm-up area, umpires' headquarters, and a parking lot which will accommodate 500 cars.

Included in the softball complex will be a facility to provide restaurant services for complex visitors. The restaurant building is being constructed as a shell in order to allow for tenant improvements to meet individual needs. The building is tentatively scheduled for tenant occupancy in May 1987. The facility is approximately 2,680 square feet, comprised of approximately 1,000 square feet of kitchen space and 1,680 square feet of dining space.

Revenue to the City from the complex restaurant lease will be used to offset city costs of managing and operating the Sacramento Softball Complex.

Following City Council authorization to call for proposals for the softball complex restaurant, a consultant with expertise in the area of food service was hired and, on the basis of the consultant's recommendations, a direct mail campaign designed to encourage proposals was implemented.

The city received two proposals by the due date of December 23, 1986, for the softball complex restaurant lease as follows:

<u>Proposer</u>	<u>Canteen Corporation</u>	<u>Sierra Red Robin, Inc.</u>
Term	7 years, (3) one-year options	10 years with (2) five-year options
% Rent	Graduated by gross 10% to 16.5%	8.1%
Guaranteed Minimum	Graduated \$25,000 - \$75,000	\$24,000
Estimated Rent to City	\$40,000	
1987 Gross Sales/Rent	\$396,800/\$63,488	\$300,000/\$24,300
1988 Gross Sales/Rent	\$424,600/\$70,059	\$324,000/\$26,244
1989 Gross Sales/Rent	\$454,300/\$74,960	\$360,000/\$29,160
1990 Gross Sales/Rent	\$486,100/\$80,207	\$380,000/\$30,780
Proposed Improvements	\$175,000	\$290,000

In order to ensure the selection of the best responsive proposer, a selection panel was composed of staff from the Department's Resource Development and Management Section, Recreation Division, County of Sacramento, and Russell Leveranz, Food Service Consultant. Proposers were interviewed by the selection panel and were evaluated on their experience managing and operating similar food service operations, quality and design of proposed restaurant furniture, fixtures and equipment to be constructed and installed by the lessee, quality of proposed services, and amount of proposed rent to the city.

While both proposals were good, the selection panel is unanimous in recommending that a lease be negotiated with the highest bidder, Canteen Corporation, not only for estimated revenue to the City but for the high quality tenant improvements and service proposed. Canteen proposed to design and operate the complex restaurant as a pizza parlor. Pizza will be prepared on site daily.

Renfree Field Food Concession

Renfree Field is one of three night lighted baseball fields city-wide and is by far the most utilized. An estimated 34,400 players and spectators attended

league games and tournaments at Renfree Field during the 1986 season alone. The Renfree Field concession is a snack bar type service which operates during the baseball season typically from late April through early October.

The existing contract with Patrick Geraghty to provide food service at Renfree Field expired on December 31, 1986.

The city received two proposals for this site which were as follows:

<u>Proposer</u>	<u>Percentage of Gross</u>
1. Patrick Geraghty	16.3% 1987, 1988 17.2% 1989, 1990
2. Canteen Corporation	Gross receipts to be combined with Sacramento Softball Complex restaurant gross receipts and percentage paid on annual gross receipts as proposed for the softball complex restaurant

Geraghty withdrew his proposal on February 2, 1987, citing changes in personal circumstances.

Staff from the Department's Resource Development and Management Section and Recreation Division have reviewed the proposal by the remaining proposer and are unanimous in recommending that Canteen Corporation be awarded the Renfree Field Food Concession contract.

FINANCIAL DATA

Revenue from the Renfree Field Food Concession is deposited to the Special Recreation Fund. Revenue realized under the softball complex restaurant lease will be deposited in a specific complex operations fund in order to offset City costs of operating the complex and as required by the agreement with the County for maintenance and operations of the complex.

Terms of the fees to be paid under the proposed contract and proposed lease to the City are as follows:

	<u>Renfree Field</u>	<u>Sacramento Softball Complex</u>
Annual minimum guarantee	\$2,000	\$25,000 - \$75,000

Total estimated revenue to the City from these two agreements, based on Canteen's projections, is as follows:

<u>Estimated Gross</u> <u>/Rent</u>	<u>Total</u>	<u>Renfree Field</u>	<u>Sacramento Softball Complex</u>
<u>1987</u>	\$420,900/\$67,344	\$24,100/\$3,856	\$396,800/\$63,488
<u>1988</u>	\$450,100/\$74,267	\$25,500/\$4,208	\$424,600/\$70,059
<u>1989</u>	N/A	Not projected	\$454,300/\$74,960
<u>1990</u>	N/A	Not projected	\$486,100/\$80,207

RECOMMENDATION

It is recommended that the Budget and Finance Committee review this report and refer it to the full City Council for action. Further, it is recommended that the City Council, by resolution:

1. Authorize the award of the food concession contract for Renfree Field to Canteen Corporation in accordance with Section 12.59 of the Sacramento City Code; and
2. Authorize the award of a lease for the Sacramento Softball Complex restaurant with Canteen Corporation, in accordance with Section 12.37 of the Sacramento City Code.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



JACK R. CRIST
Deputy City Manager

RPT:ja

March 10, 1987
District No. 2

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AWARDING THE CONCESSION CONTRACT FOR
THE FOOD CONCESSION AT RENFREE FIELD AND
THE LEASE FOR THE RESTAURANT AT THE
SACRAMENTO SOFTBALL COMPLEX TO
CANTEEN CORPORATION

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

1. That the award of the concession contract for the food concession at Renfree Field to Canteen Corporation is hereby authorized in accordance with Section 12.59 of the Sacramento City Code.
2. That the award of the lease for the restaurant at the Sacramento Softball Complex with Canteen Corporation is hereby authorized in accordance with Section 12.36 of the Sacramento City Code.

MAYOR

ATTEST:

CITY CLERK