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CITY OF SACRAMENTO

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

ROBERT P. THOMAS
Director

G. ERLING LINGGI
Assistant Director

CROCKER ART MUSEUM DIVISION
GOLF DIVISION
METROPOLITAN ARTS DIVISION
MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

April 14, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Land Park Pony Rides Concession Contract Award

SUMMARY

This report recommends a contract for William Land Park Pony Rides Concession be awarded to Donald and Marilyn Hagemann, dba Cache Creek Ponies effective April 16, 1986. This report further recommends that revenue from this concession be deposited in the Fairytale Town Trust.

BACKGROUND INFORMATION

The previous concession contract for the William Land Park Pony Rides expired on December 20, 1985.

On January 28, 1986, the City Council called for bids to be received on William Land Park Pony Rides Concession. The new contract is for a five year term.

In an effort to obtain the best possible pony rides concession services for the public, while simultaneously striving towards generating increased revenue to the City, a marketing plan designed to encourage bids was implemented. The plan included advertisements in Sacramento's two daily newspapers and two local minority papers and the individual mailing of announcements to approximately 66 potential bidders.

The City received two bids which were as follows:

| <u>Name of Bidder</u> | <u>Percentage of Gross</u> | <u>Annual Minimum Guarantee</u> |
|--|----------------------------|---------------------------------|
| 1. Donald & Marilyn Hagemann dba Cache Creek Ponies | 10.2% | \$3,100 |
| 2. Lianna Errecart dba Pretty Ponies | 8.7% up to \$4,000 | \$2,600 |

In addition to the amount of rent proposed, bidders were evaluated on such criteria as their management and financial ability, and plans for livestock and facility equipage, development and operation. Staff from the Department's Revenue Development and Management Section, Zoo, Parks Division and Director's office were unanimous in concluding that the highest bidder, Cache Creek Ponies, met all the criteria for a responsible bidder.

Terms of the contract include an expansion of services to include a pony sweep in addition to the traditional trail rides and services to provide group events such as birthday parties.

The pony rides, amusement rides and Fairytale Town are all in close proximity. However, the three facilities currently operate as separate entities with no joint marketing, programming or other cooperative efforts. As the primary goal of the Zoo Master Plan is the creation of an interrelated family recreation center, cooperation and coordination amongst these three facilities will be an important objective. It is anticipated that these efforts will enhance the area's appeal, thereby increasing both attendance and revenue to all facilities.

William Land Park is the City's second largest and the most visited park. Annual attendance and participation in the multitude of available recreational opportunities is estimated at 3-5 million user days. The pony rides alone have provided nearly forty years of entertainment for park visitors.

In order to continue providing quality family entertainment opportunities, there is a need to reinvest money in William Land Park, particularly that area encompassing Fairytale Town and the amusement and pony rides concessions. Existing restroom facilities need to be expanded and handicapped accessible; directional signage is inadequate and unsightly; and the surrounding picnic, group use and support facilities are in need of both significant improvements and ongoing maintenance.

Fairytale Town has operated as a special revenue fund since FY 1982-83. The Fairytale Town fund provides for the receipt of revenues and the expenditures of funds related to the operation of Fairytale Town and the surrounding area. The special revenue fund approach has enabled Fairytale Town to become operationally self-supporting.

Revenue from both the Fairytale Town and Amusement Rides Concessions is deposited into the Fairytale Town Trust. Depositing of revenue from the Pony Rides Concessions into the Fairytale Town Trust will further enable this site to enjoy the same benefits and will further the Zoo Master Plan's objective of enhancing the quality of family entertainment opportunities in William Land Park. Failure to deposit this revenue will hinder provision of improved recreation opportunities in this area.

Currently, revenue from the Pony Rides Concession is deposited in the General Fund.

FINANCIAL DATA

A comparison of return to the City results in a \$4,212 annual estimated increase for the operation of the Pony Rides Concession as follows:

| | <u>Gross Receipts</u> | <u>% Return to City</u> | <u>Revenue to City</u> |
|---|-----------------------|-----------------------------|------------------------|
| Previous concessionaire (1985) | \$41,076 | 8.5% | \$3,491 |
| Cache Creek Ponies (May '86-April '87 estimated) | \$75,564 | 10.2% | \$7,703 |

Depositing of revenue from this concession operation into the Fairytale Town Trust will increase the trust account by an estimated \$7,703 and decrease the General Fund by the previous revenue of \$3,491 received under the previous contractor.

RECOMMENDATION

It has been determined that the highest bidder, Cache Creek Ponies, is in compliance with the requirements of the City. Pursuant to the provisions of Chapter 12, Article III of the City Code, it is recommended that the City Council award the concession contract to Cache Creek Ponies at a contract fee of 10.2% of the gross receipts of William Land Park Pony Rides Concession.

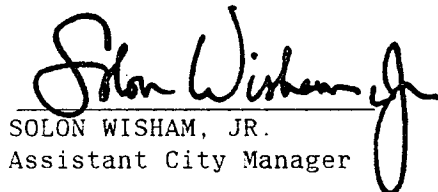
It is further recommended that revenue from the William Land Park Pony Rides Concession be deposited in the Fairytale Town Trust.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



SOLON WISHAM, JR.
Assistant City Manager

RPT:ja

April 22, 1986
District 4

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

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

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

1. That the City Manager is hereby authorized and directed to execute a five year contract for the Pony Rides Concession in William Land Park between the City of Sacramento and Cache Creek Ponies, effective April 16, 1986, at a contract fee of 10.2% of the gross receipts.
2. That revenue to the City from the Pony Rides Concession in William Land Park shall be deposited in the Fairytale Town Trust.

MAYOR

ATTEST:

CITY CLERK