



REPORT TO COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2604
www.cityofsacramento.org

CONSENT
March 21, 2006

Honorable Mayor and
Members of the City Council

Subject: Agreement: Funderland, Inc DBA Funderland Amusement Park

Location/Council District: William Land Park (District Four)

Recommendation:

Adopt a resolution authorizing the City Manager to execute an agreement between the City of Sacramento and Funderland, Inc. for the operation of a children’s amusement ride concession in William Land Park.

Contact: Barbara E. Bonebrake, Director, (916) 808-8225
Russell Haynes, Analyst, (916) 808-7360
Presenters: Not Applicable
Department: Convention, Culture and Leisure Department
Division: Administration
Organization No: 4310

Summary:

The proposed agreement between the City of Sacramento and Funderland, Inc. (“Funderland”) provides children’s amusement rides in William Land Park within the existing site. The agreement is for five years, with one, five-year mutual extension option.

Committee/Commission Action: None.

Background Information:

Developed in the 1920’s, William Land Park is the City’s primary regional park, and is frequently referred to as the “jewel of the City park system.” The park encompasses more than 200 acres with mature trees, charming gardens, winding paths, green meadows, and peaceful ponds. With easy access to public transportation, the park offers a variety of popular amenities and recreational activities including the Sacramento Zoo, the children’s fantasy playground Fairytale Town, the historic park amphitheater, a

pony ride concession, picnic areas, the William Land Park golf course, and several sports fields, as well as the children's amusement park concession.

The William Land Park amusement park site is located at the southwest end of the Park, not far from the Zoo and Fairytale Town, enclosed by a masonry sound wall. The children's amusement park concession has historically been provided by a private Lessee under a contractual agreement with the City, in which a percentage of gross receipts are paid to the City as rent. The Lessee has full responsibility for providing amusement park ride services to William Land Park patrons including providing all of the equipment, fixtures, rides, and supplies necessary for the operation. The Lessee must also provide regular day-to-day maintenance and upkeep to ensure that the facilities used in connection with the amusement park ride concession are maintained and operated in a safe, clean, wholesome, and sanitary condition. The current agreement expires on March 31, 2006.

The City issued a competitive Request for Proposals (RFP) in October 2005 and Mr. Sam Johnston, the owner of Funderland, Inc. was the only bidder.

Mr. Johnston has provided a quality service to the Sacramento community since 1984. In addition to the normal operations, Mr. Johnston has provided reduced cost (or free) ride tickets to low income or disadvantaged youth, employment opportunities – above minimum wage – to young adults, and enthusiastically participates in various City sponsored William Land Park events. Further, as a resident of Land Park, Mr. Johnston is keenly aware of the neighborhood issues and concerns and has worked closely with the Land Park Community Association.

Significant details within the agreement include:

1. The term is from April 1, 2006 through March 31, 2011. There is one mutual option available, if exercised, for the period of April 1, 2011 through March 31, 2016.
2. The guaranteed minimum annual payment is \$140,000. However, it is anticipated that this lease will generate approximately \$172,000 of annual revenue to the City, based upon past performance.
3. The agreement calls for the City to rehabilitate the restroom facilities located immediately outside the amusement park's front gate. These restrooms are inadequate for the current demand, are unsightly, and have not had any major maintenance performed upon them in years. Staff has negotiated a construction project acceptable to both Mr. Johnston and the City, to be funded from CE21. Construction will take place during the winter months of 2006-2007.

The Land Park Community Association has reviewed this proposed action and their concerns regarding potential noise and exterior appearance issues have been incorporated within the agreement.

Financial Considerations:

The current agreement has provided an average of \$172,000 annual revenue to the City in each of the last four calendar years. This revenue is equally split three ways between the Sacramento Zoo, Fairytale Town, and Parks and Recreation - Land Park Improvement Fund (Fund 588). Included within this amount is a weekend differential rate to compensate for the increased maintenance burden of weekend crowds. The proposed agreement keeps the same distribution.

The agreement includes a commitment for the City to rehabilitate the nearby restroom. The anticipated cost for this project is approximately \$30,000 with funding coming from Capital Improvement Project CE21.

Environmental Considerations:

The operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of lead agency's determination is categorically exempt from the California Environmental Quality Act according to CEQA guidelines Section 15301.

Policy Considerations:

The actions recommended in this report are consistent with City policies to foster public and private partnerships, and, with the City's 2001-2004 Strategic Plan goals of: (1) strengthening community and regional partnerships to enhance the quality of life; and (2) preserve parks and recreation opportunities.

Further, City Code section 3.72.140 allows the City Manager to make minor changes to the contract provided the original resolution authorized such authority.

The provisions of the Living Wage ordinance do not apply.

Emerging Small Business Development (ESBD):

This action does not authorize the purchase of any goods or supplies. As such, Emerging and Small Business Development program guidelines are not applicable.

Respectfully Submitted By: 
Barbara E. Bonebrake, Director
Convention, Culture and Leisure Department

Recommendation Approved:

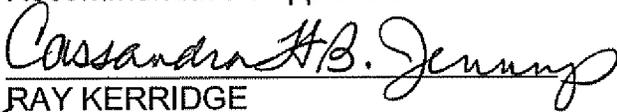

for RAY KERRIDGE
City Manager

Table of Contents

Pgs.	1-4	Report
Pg.	5	Resolution

RESOLUTION NO.

Adopted by the Sacramento City Council

March 21, 2006

**APPROVING A LEASE AGREEMENT WITH FUNDERLAND, INC. FOR THE
OPERATION OF A CHILDREN'S AMUSEMENT RIDE CONCESSION**

BACKGROUND

- A. The existing agreement expires on March 31, 2006.
- B. The City held a competitive bid process and Mr. Sam Johnston, current operator of Funderland, was the successful bidder.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Authorizes the City Manager, or his designee, to execute an agreement with Funderland, Inc for the operation of a children's amusement ride concession in William Land Park.
- Section 2. Authorizes the City Manager, or his designee, to make minor changes to the agreement.
- Section 3. The statements in the staff report, including without limitations, the environmental findings, are true and correct, and are hereby adopted.