



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Albert Balagso

SUBJECT: CAROUSEL CONTRACT FOR
ARENA GREEN

DATE: February 7, 2007

Approved

Ray Winer

Date

2/12/07

COUNCIL DISTRICT: # City-Wide

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute an agreement with San Jose Arena Management (SJAM) for the operation and maintenance of the Carousel, Children's Play Areas and Restrooms in the Arena Green area of the Guadalupe River Park and Gardens for a term of two years, with an option for a one additional year extension, at a cost to the City not to exceed \$136,022.00 per year.

OUTCOME

Adoption of the resolution will allow for the continued operation of the Children's Carousel and the maintenance of the Carousel, Children's Play Areas and Restrooms at Arena Green and Guadalupe River Park and Gardens.

BACKGROUND

In early 1998, the Sharks Foundation donated \$500,000 to the Redevelopment Agency Board for the purposes of constructing a children's carousel in the Arena Green area of the Guadalupe River Park & Gardens. Since that time, a children's play area with restrooms have been added as well as an additional play area.

In 1998, Arena Management indicated to the City their strong desire to ensure these attractions are operated and maintained at the highest levels possible. Negotiations between the City and Arena Management led to an initial two-year agreement in which Arena Management assumed the responsibilities for the operation and maintenance of the carousel, children's play areas and restrooms.

As part of the FY 1998-1999 Operating Budget, the City Council approved funding for City operations and maintenance for this area as part of the ongoing base operating budget. An agreement was reached with Arena Management for providing the required services.

ANALYSIS

This agreement will have the City pay the allocated funds to Arena Management for providing the following areas of service:

1. Carousel operations consistent with the City's plans for days and hours of operation;
2. Children's play areas and restroom operations consistent with the City's park hours and maintenance standards; Carousel fees to be set at no more than \$1.00 a ride;
3. Compliance with the manufacturer's maintenance manual and any other maintenance requirements set by the City for the Carousel;
4. Compliance with general City minimum maintenance standards for the children's play areas and restroom; provision for security services;
5. Joint marketing of the Carousel with Friends of Guadalupe River Park & Gardens Corporation; and
6. Coordination and cooperation of activity scheduling with the Department of Parks, Recreation & Neighborhood Services to ensure non-preemption of other City permitted activities in Arena Green.

Arena Management has essentially agreed to provide a minimum of the same level of service as would be otherwise provided by City operations. Arena Management would not be responsible for financing of larger repairs, replacement or renovations of the facility during its lifetime. The Sharks Foundation would distribute any net revenues generated to charitable organizations.

The benefits to be accrued by the City in considering this proposal would be:

1. Assumption by Arena Management of any operating and maintenance costs in excess of the base budget of \$136,022;
2. Enhanced ability to market the facilities through pre-existing marketing resources of the Sharks;
3. The San Jose Sharks Foundation receives additional funds from carousel net revenues for distribution to charitable community organizations;
4. A strong desire by Arena Management to ensure that the original donation of \$500,000 is sustained through operation and maintenance;
5. The ability to ensure proper management due to the proximity to the Arena; and
6. Arena Management currently provides the services required by this agreement.

Either City or Contractor may terminate this Agreement, without cause, by giving at least one hundred and twenty (120) days written notice of termination to the other party. In addition, either party may terminate this Agreement upon written notice to the other in the event casualty or natural disaster damages or destroys any of the improvements for which Contractor has maintenance or operation responsibility under this Agreement.

For these reasons, staff is recommending that the City Manager be authorized to negotiate an agreement with the Arena Management. The Agreement requires payment of prevailing wages.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This proposal does not meet any of the criteria listed above. Staff has reviewed this with the Friends of Guadalupe River Park & Gardens Corporation, the non-profit organization assisting the City with the development of Guadalupe River Park and they are in support of this agreement. This agreement continues a relationship that has been in place since 1998.

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, Office of Equality Assurance, Budget Office and Risk Manager.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	PRNS Non-Personal	14,110,727	136,022	VII-239	10/17/06 - #27888

Funding is an ongoing item in the PRNS Base Budget.

HONORABLE MAYOR AND CITY COUNCIL
02-7-07
Subject: Carousel and Maintenance Agreement
Page 4

CEQA

CEQA: Exempt


ALBERT BALAGSO
Director of Parks, Recreation and
Neighborhood Services

For questions please contact Ed Bautista, Marketing and Events Manager, at (408) 793-4176.