

REPORT OF GENERAL MANAGER

APPROVED
DEC 11 2008
BOARD OF RECREATION
and PARK COMMISSIONERS

NO. 08-327

DATE December 11, 2008

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK CONCESSIONS – CONCESSION AGREEMENTS

R. Adams _____	J. Kolb _____
H. Fujita _____	*F. Mok <u>am.</u>
S. Huntley _____	K. Regan _____
V. Israel _____	M. Shull _____



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve a proposed one (1) year concession agreement between the City of Los Angeles and Warren Deasy and Rosemary West for the operation of the Griffith Park Merry-Go-Round concession, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, and the City Attorney as to form;
2. Approve a proposed one (1) year concession agreement between the City of Los Angeles and Kenneth Hong for the operation of the Griffith Park Pony Ride Refreshment Stand concession, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, and the City Attorney as to form;
3. Approve a proposed one (1) year concession agreement between the City of Los Angeles and American Southwestern Railway Association, Inc., (DBA Travel Town Museum Foundation) for the operation of the Travel Town Museum Gift Shop concession, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, and the City Attorney as to form;
4. Approve a proposed one (1) year concession agreement between the City of Los Angeles and Frank B. Deck (DBA Frank's Hot Dogs) for the operation of the Travel Town Museum Mobile Food Service concession, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, and the City Attorney as to form;

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5. Approve a proposed one (1) year concession agreement between the City of Los Angeles and Epifanio Armas (DBA Epi's Catering) for the operation of the Griffith Park Ferraro Soccer Field Mobile Food Service concession, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, and the City Attorney as to form;
6. Approve a proposed one (1) year concession agreement between the City of Los Angeles and Joey Harris (DBA Spokes 'N Stuff) for the operation of the Griffith Park Bicycle Rental, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, and the City Attorney as to form;
7. Approve a proposed one (1) year concession agreement between the City of Los Angeles and Griffith Park Pony Ride, Inc., for the operation of the Griffith Park Pony Rides, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, City Council, and the City Attorney as to form;
8. Approve a proposed one (1) year concession agreement between the City of Los Angeles and The Monterey Concessions Group for the operation of the Griffith Park Golf Complex Clubhouse Food Service concession, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, City Council, and the City Attorney as to form;
9. Approve a proposed one (1) year concession agreement between the City of Los Angeles and Tom Barber and Roger Barber, a partnership, for the operation of the Griffith Park Golf Complex Golf Professional concession, with two (2) one-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to the approval of the Mayor, City Council, and the City Attorney as to form;
10. Find, in accordance with Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that obtaining proposals would not be reasonably practicable or desirable pending completion of the Los Angeles Department of Water and Power's River Supply Conduit Improvement project (Project) throughout Griffith Park because it is impossible to accurately predict the amount and duration of the impact the Project will have on each of the expiring concessions. Therefore, it will be in the City's best interest to seek proposals for each of the affected concessions after completion of the Project in the area or areas of the park affecting each concession;

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11. Find, in accordance with Charter Section 1022, that the Department does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract;
12. Direct the Board Secretary to transmit the proposed Concession Agreements to the Mayor in accordance with Executive Directive No. 3 and concurrently to the City Attorney for approval as to form; and,
13. Authorize the Board President and Secretary to execute the Concession Agreements upon receipt of the necessary approvals.
14. Authorize staff to treat other Griffith Park concession contracts that are impacted by and expire during the Project in the same manner as recommended in this report and enter into one (1) year concession agreements with two (2) one-year options on existing terms upon their expiration. The affected contracts are The Greek Theatre concession, the Griffith Observatory Bookstore/Gift Shop concession, and the Griffith Riverside Tennis Complex and Vermont Canyon Tennis Complex concession.

SUMMARY:

The Los Angeles Department of Water and Power (DWP) is scheduled to begin the Lower Reach portion of the River Supply Conduit Improvement project in Winter 2009. This project is scheduled to be completed in the Summer of 2014 and will be conducted in five construction stages which will close roads to traffic and/or obstruct traffic in various locations along Zoo Drive, Crystal Springs Drive, and Forest Lawn Drive in Griffith Park. The Lower Reach project will install approximately 37,400 feet of welded steel pipe to replace the water transmission pipeline, built in the 1940s, which is responsible for transporting large quantities of water to central areas of the City of Los Angeles. According to DWP, construction will occur Mondays through Fridays, evenings included.

Griffith Park is home to a number of concessions that serve to enhance the park experience for the thousands of annual visitors to the park. The effect of the aforementioned construction on the concessions in the Griffith Park area is unknown at this time. However, due to the construction, road detours, and overall condition of the areas to be affected, the Department believes it would be unlikely to attract proposers with desirable terms for a multi-year agreement commencing during the Project. Of particular concern to the Department are the concessions which are currently operating on a month-to-month basis. The approval of these interim contracts will address this issue.

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In 2007, the nine concessions addressed in this Board Report generated approximately \$532,000 in rent to the Department (Attachment A). Given the current fiscal shortfall, the Department desires to keep the businesses open and operational during DWP's project. An approved contract will lead to business security, which allows the concessionaire to offer the best possible service to the public. Business security also allows the concessionaire to access funds necessary to keep the public aware of the concession's availability during construction, which, in turn, leads to higher attendance and greater revenue for the concessionaire and the City.

Staff is also requesting authority to enter into concession contracts with those Griffith Park concessions that are impacted by and expire during the Project: The Greek Theatre concession, the Griffith Observatory Bookstore/Gift Shop concession, and the Griffith Riverside Tennis Complex and Vermont Canyon Tennis Complex concession. As the concession contracts approach expiration, the Department will enter into one (1) year concession contracts with two (2) one-year options to renew if it is determined that the Project will impact the affected concession. This will allow the Department to continue providing the same level of services currently available to the public with no interruption of said services. As the Project is completed in the affected areas of Griffith Park, the Department will seek proposers for the concessions in order to attract proposers with desirable terms for multi-year agreements.

There is currently a movement by members of the public to designate Griffith Park as a historic-cultural monument. This matter is currently under consideration by the City. The effects of this designation on concessions in Griffith Park are not yet known. However, the execution of contracts prior to the designation will ensure the concessions in this Report continue to be available for the public's enjoyment while this potential change in status of some of the concession facilities is on-going.

The Department intends to ensure that the public is aware that the concessions will be open throughout all phases of the DWP construction project via the following methods: placement of adequate signage throughout Griffith Park; and, placement of brochures with neighborhood councils and at Recreation Centers and other related departmental facilities.

FISCAL IMPACT STATEMENT:

While the DWP project is expected to have an effect on the concessions, the fiscal impact to the General Fund is unknown at this time. However, the Department believes that approving these contracts will give the concessionaires the ability to increase visibility and awareness of the concessions in order to maintain public attendance at similar or higher levels during construction, therefore minimizing any loss in revenue and rent to the City.

Report prepared by Désirée Guzzetta, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division.

**DEPARTMENT OF RECREATION AND PARKS
GRIFFITH PARK CONCESSION AGREEMENTS**

Attachment A

Concession Name	Concessionaire	Start Date	Description of Concession	2007 RENT PAID
1 Griffith Park Merry Go Round	Warren Deassy and Rosemary West	8/9/1979	The concession consists of the merry-go-round structure and organ, carousel enclosure, fenced perimeter, and attached refreshment stand.	\$ 4,733.37
2 Griffith Park Pony Ride Refreshment Stand	Kenneth Hong	8/26/2002	The concession consists of a refreshment stand and sells food, drinks, and candy to the general public at the Griffith Park Pony Ride area and the Crystal Springs Picnic area. The concessionaire is also permitted to use mobile carts to sell items, such as popcorn, near the Griffith Park Train Platform.	\$ 24,910.40
3 Travel Town Museum Gift Shop	American Southwestern Railway Association, Inc. (DBA Travel Town Museum Foundation)	1/15/2000	The concession consists of a gift shop within the Travel Town complex and sells souvenirs and other products related to Travel Town's railroad theme: as well as soft drinks, water, juices, and pre-packaged snack items.	\$ 15,917.60
4 Travel Town Museum Mobile Food Service	Frank B. Deck (DBA Frank's Hot Dogs)	3/5/2000	The concession consists of a mobile hot dog cart located within the Travel Town complex. The concessionaire sells hot dogs and other food items on weekends.	\$ 3,000.00
5 Griffith Park Ferraro Soccer Field Mobile Food Service	Epifanio Armas (DBA Epi's Catering)	9/9/2002	The concession is permitted to operate at the Ferraro Athletic Field and the Hansen Dam Aquatic center. The concession provides a full range of lunch items, snacks and non-alcoholic beverages.	\$ 12,111.96
6 Griffith Park Bicycle Rental	Joey Harris (DBA Spokes 'N Stuff)	2/1/2002	The concession provides rental of bicycles, surries, roller skates, in-line skates, safety equipment, and other related items.	\$ 3,736.15
7 Griffith Park Pony Rides	Griffith Park Pony Ride, Inc.	4/1/1980	The concession offers pony rides for children; appropriate saddlery and tack necessary for the safety of riders and ponies; a horse-drawn stagecoach ride; and a pony sweep ride.	\$ 144,333.70
8 Griffith Park Golf Complex Clubhouse Food Service	The Monterey Concessions Group	4/1/2002	The concession includes the clubhouse restaurant, bar area, banquet room, and the Halfway House for the Wilson/Harding Golf Courses.	\$ 144,440.75
9 Griffith Park Golf Complex Golf Professional	Tom Barber and Roger Barber, a Partnership	3/22/1993	The concession consists of the operation and maintenance of a professional golf shop and driving range, and offers professional golf instructions.	\$ 179,211.02

Total Rent 2007: \$ 532,394.95

**DEPARTMENT OF RECREATION AND PARKS
GRIFFITH PARK CONCESSION AGREEMENTS**

Attachment A

	Concession Name	Concessionaire	Start Date	Description of Concession	2007 RENT PAID
	The Greek Theatre	Nederland-Greek, Inc.	5/21/2002	The concession consists of an outdoor concert venue, including an amphitheatre, food and merchandise buildings, ticket building, restrooms, offices, and parking lots. The concessionaire provides live entertainment, food, and merchandise to patrons. This contract expires on October 31, 2011.	\$ 1,841,044.00
10	Griffith Observatory Bookstore/Gift Shop	Event Network, Inc.	9/26/2006	The concession consists of office and retail space inside Griffith Observatory and provides high-quality products, such as books, souvenirs, and telescopes, to patrons. This contract expires on September 25, 2011 and has one (1) five-year renewal option.	\$ 225,508.48
11	Griffith Riverside Tennis Complex and Vermont Canyon Tennis Complex	LA Tennis Incorporated	1/1/2009	The concession consists of professional tennis lessons and such other tennis operations as approved by the General Manager and operation of an on-site professional shop to provide tennis-related items and services. This contract expires on 12/31/2012.	\$ 18,470.82
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Total Rent 2007: \$ 2,085,023.30