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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

November 4, 1987

916-449-5200

G. ERLING LINGGI
ASSISTANT DIRECTOR

CITY MANAGER'S OFFICE
RECEIVED
NOV 4 1987

DIVISIONS:
CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION

WALTER S. UEDA
DEPUTY DIRECTOR

APPROVED
BY THE CITY COUNCIL

City Council
Sacramento, California

NOV 10 1987

Honorable Members in Session:

OFFICE OF THE
CITY CLERK

SUBJECT: Zoo and Fairytale Town Concessions Contract

SUMMARY

This report recommends approval of an agreement between the Sacramento Zoological Society and the Fairytale Town Board, a joint venture, and the City of Sacramento to operate the Zoo and Fairytale Town concessions.

BUDGET AND FINANCE COMMITTEE ACTION

The attached report was approved by the Budget and Finance Committee at their meeting of November 4, 1987.

RECOMMENDATION

Pursuant to the provisions of Chapter 12, Article III, Section 12.65 of the City Code, it is recommended that the City Council, by resolution, authorize the City Manager to execute the concession contract with the Joint Concessions Board of the Sacramento Zoological Society and the Fairytale Town Board for the Zoo and Fairytale Town concessions.

Respectfully submitted,

for - G. Erling Linggi
ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:

Walter J. Slipe
WALTER J. SLIPE
City Manager

RPT:ja

November 10, 1987
District No. 4

RESOLUTION No. 87-940

Adopted by The Sacramento City Council on date of

**RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN
AGREEMENT BETWEEN THE CITY AND THE JOINT CONCESSIONS
BOARD FOR THE OPERATION OF THE ZOO AND
FAIRYTALE TOWN CONCESSIONS**

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

That the City Manager is hereby authorized and directed to execute an agreement to be effective November 11, 1987, between the City of Sacramento and the Joint Concessions Board, a joint venture of the Sacramento Zoological Society and the Fairytale Town Board, for the operation of the concessions located at the Sacramento Zoo and Fairytale Town in accordance with the provisions of Chapter 12, Article III, Section 12.65 of the City Code.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

NOV 10 1987

OFFICE OF THE
CITY CLERK



DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
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ROBERT P. THOMAS
DIRECTOR

October 21, 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: Zoo and Fairytale Town Concessions Contract

SUMMARY

This report recommends approval of an agreement between the Sacramento Zoological Society and the Fairytale Town Board, a joint venture, and the City of Sacramento to operate the Zoo and Fairytale Town concessions.

BACKGROUND INFORMATION

On July 1, 1984, the Joint Concessions Board, composed of members of both the Fairytale Town Board of Directors and the Sacramento Zoological Society, entered into a three-year agreement with the City for the operation of the three food concessions in the Zoo and Fairytale Town. The contract paid to the City is set at 26.5% of the gross receipts from the sale of food items.

Effective January 1, 1985, the Zoo and Fairytale Town concessions contract was amended to allow the Joint Concessions Board to sell gift items such as tee shirts, bumper stickers, buttons and zoo-related books and toys. The contract fee paid to the City on these non-food items is 4% of the gross receipts.

The Joint Concessions Board operates as a nonprofit support organization. Revenue realized from the Zoo concession is deposited in the general fund while revenue from the Fairytale Town concession is deposited in the Fairytale Town Trust. In addition, the "profit" from these concession operations is earmarked for programs and improvements related to the Zoo and Fairytale Town facilities.

The Joint Concessions Board has proved to be an extremely successful concessionaire. The entire start-up loan from the Zoological Society was repaid as of June 1985, a full two years earlier than anticipated. Further, under the operation of the Joint Concessions Board, per capita spending at the Zoo has increased from \$.52 to \$1.02 and per capita spending at Fairytale Town has increased from \$.30 to \$.37. Revenue to the City from these concession operations has more than doubled under the Joint Concessions Board management. In addition, the Joint Concessions Board has invested their "profits" of

\$113,000 from the zoo concession in the Zoo and over \$24,000 from the Fairytale Town concession into Fairytale Town. These funds have primarily been used to fund the chimpanzee exhibit in the Zoo and the Mother Goose set in Fairytale Town. In addition, the Joint Concessions Board has completed over \$30,000 of Zoo and Fairytale Town improvements directly related to visitor services such as enlarging service windows, purchasing tables, umbrellas, and trash cans and adding awnings to the concessions as well as adding a gift booth in the Zoo.

The existing contract with the Joint Concessions Board expired on June 30, 1987, and has been allowed to continue on a month-to-month basis in accordance with the provisions of the existing contract while negotiations for a new contract have occurred. Chapter 12, Article III, Section 12.65 of the City Code permits the negotiation of a concession contract with a nonprofit organization which is organized for the primary purpose of supporting a City program or facility. Representatives from the Department's Resource Development and Management Section, together with a representative from the City Attorney's office, have negotiated a new contract to operate the Zoo and Fairytale Town concessions with the Joint Concessions Board. Terms of the contract, including all insurance requirements, performance bond requirements, reporting requirements and maintenance requirements, are in keeping with the City's standard requirements for all concessionaires. The term of the proposed contract is five years with proposed rents as follows: 26.5% of gross receipts from food items; 4% of gross receipts from camel rides at the Zoo; and from gift items, catering and stroller rentals at both the Zoo and Fairytale Town. These rental rates are the same as the rates under the existing contract and are competitive with those paid by concessionaires at other city sites.

FINANCIAL DATA

A comparison of the operation under the Joint Concessions Board to the year when these concessions were last operated by a private concessionaire is as follows:

	FY 83-84 (Private Concessionaire)	FY 84-85 (JCB)	FY 85-86 (JCB)	FY 86-87 (JCB)	Dollar Increase Over Base Year	% Increase Over Base Year
Zoo:						
Gross Receipts	\$214,917	\$370,954	\$432,464	\$638,644	\$423,727	197.0%
City's Return	57,907	93,954	100,467	131,165	73,258	126.5%
Fairytale Town:						
Gross Receipts	\$ 64,647	\$ 90,796	\$ 97,429	\$ 98,647	\$ 34,000	52.6%
City's Return	17,131	23,677	24,991	26,987	9,856	57.5%
Total:						
Gross Receipts	\$279,564	\$461,749	\$529,893	\$737,291	\$457,727	163.7%
City's Return	75,038	117,630	125,458	158,152	83,069	110.8%

Budget and Finance Committee
October 21, 1987
Page Three

In summary, the Joint Concessions Board increased the amount of revenue to the City from these concessions by \$83,069 or 110.8% during the term of the existing contract. Under the proposed contract, the Joint Concessions Board will continue to pay the same percentage rents as are paid under the existing contract with revenue from the Zoo concession deposited in the General Fund and revenue from the Fairytale Town concession deposited in the Fairytale Town trust. Revenue to the City from these concession operations for fiscal year 1987-88 is projected at \$169,176.

RECOMMENDATION

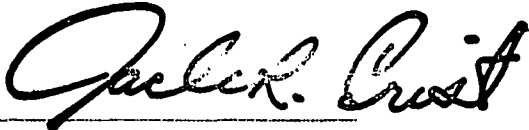
It is recommended that the Budget and Finance Committee review this report and refer it to the full City Council for approval. Pursuant to the provisions of Chapter 12, Article III, Section 12.65 of the City Code, it is recommended that the City Council, by resolution, authorize the City Manager to execute the concession contract with the Joint Concessions Board of the Sacramento Zoological Society and the Fairytale Town Board for the Zoo and Fairytale Town concessions.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



JACK R. CRIST
Deputy City Manager

RPT:ja

November 4, 1987
District No. 4

November 16, 1987

Concessionaire the Sacramento Zoological Society
%The Sacramento Zoo
3930 West Land Park Drive
Sacramento, CA 95822

Dear Gentlemen:

On November 10, 1987, the Sacramento City Council adopted a Resolution No. 87-940 authorizing the execution of City Agreement #87116, Contract for Food and Gifts Concessions at the Sacramento Zoo and at Fairytale Town in William Land Park.

Enclosed, for your records, is one fully certified copy of said agreement and authorizing resolution.

Sincerely,

LORRAINE MAGANA, CITY CLERK

JANICE BEAMAN
Deputy City Clerk

JB/cc/20

Enclosure

cc: Parks and Community Services
Risk Management