



ROWING DOCK CONCESSION CONTRACT EXTENSION:

Parks & Recreation Board Meeting

March 27, 2012



ROWING DOCK, INC.



- **ROWING DOCK HISTORY**
- **OVERVIEW AND OPTIONS**
- **PROPOSAL BUSINESS POINTS**
- **STAFF RECOMMENDATION**
- **DISCUSSION AND QUESTIONS**



ROWING DOCK INC. HISTORY



- **Sole Concessionaire in this location since 1999**
- **Revenue Contract**
 - **Average Annual Gross Sales \$535,448 over past 4 years**
 - **Estimated 10 year projection \$829,000**
- **Initial Term: 5/1/2002 thru 4/30/2007**
- **Contract Options: (3) five year options**
- **Current Status: 1st five year option**
- **Contract Expiration: April 30, 2012**
- **Services: Instructional and recreational rowing, sculling, stand-up paddle boards, canoes and kayaks with emphasis on overall esthetic appeal and compatibility with existing lake uses.**



OVERVIEW AND OPTIONS



- **1st Option will terminate April 12, 2012**
- **Rowing Dock is requesting extension of options 2 and 3**
- **Rowing Dock proposal commits concession and parkland improvements including increased boating rentals to the public and revenue to the City**
- **An extended contract term will afford Rowing Dock time to make proposed investments and an opportunity to recoup the concession's investment**
- **Options:**
 - 1) exercise 2nd option for a five year period**
 - 2) contract amendment for a 10 year period exercising options 2 and 3 at one time**



PROPOSAL BUSINESS POINTS



- **Rowing Dock provides quality recreational boating services to the community**
- **A proven record of increase revenue stream under new ownership**
 - **Previous ownership: FY 2009-2010 \$19,824**
 - **Current ownership: FY 2010-2011 \$41,988**
 - **A 112% revenue increase**
- **Concession investments over \$500,000 in 2010**



PROPOSAL BUSINESS POINTS



- **Committed improvements totaling \$102,000 over the next two years**
 - **25% increased services to the community partnering this summer with groups such as Boys and Girls Club and CampFire USA**
 - **Expansion of current 150 foot dock by +/- 40-50 square feet (length and depth)**
 - **cost of +/- \$60,000**
 - **increasing operational efficiencies**
 - **rental opportunities; and**
 - **boat storage area**
 - **\$24,000 investment in additional rental boats and SUPs to the overall fleet**
 - **Estimated 30 new boats to the fleet**
 - **Improvements to parkland; Shade canopies to picnic area and improved drainage solution to the parking area**



STAFF RECOMMENDATION



**Negotiate a contract amendment for a 10 year term
exercising the two remaining options under contract**



ROWING DOCK CONCESSION



DISCUSSION AND QUESTIONS

