



**CONCESSIONS AND CONTRACTS COMMITTEE
OF THE PARKS AND RECREATION BOARD**

Tuesday, October 13, 2015 - 12:00 p.m.

Parks and Recreation Department Main Office

200 South Lamar Blvd.

Austin, Texas 78704

MINUTES

A. CALL TO ORDER

The meeting was called to order at 12:04 p.m.

Board Members in Attendance:

Michael Casias, Alesha Larkins, Francoise Luca; Jane Rivera, ex-officio

B. APPROVAL OF MINUTES

1. Alesha Larkins made a motion to approve the minutes of the Concessions and Contracts Committee meetings of May 12, 2015 and September 15, 2015. Committee Member Luca seconded the motion. The motion was approved unanimously.

C. CITIZEN COMMUNICATION

There were no requests or comments from Austin citizens at the October 13, 2015, Concessions and Contracts Committee.

D. NEW BUSINESS: DISCUSSION AND ACTION ITEMS (Copies of the reports can be found at http://www.austintexas.gov/cityclerk/boards_commissions/meetings/39_1.htm.)

2. Discussion of City of Austin Purchasing Requirements and Processes
 - a. Corporate Purchasing staff, Terry Nicholson, Senior Buyer Specialist, delivered a presentation to members that focused on the following:
 - i. Purchasing Authority
 - ii. City of Austin Purchasing Document Websites
 - iii. Parks and Recreation Department (PARD) Purchasing Mechanisms
 - iv. PARD Procurement and Contracting
 - b. Members had the following questions and comments:
 - i. What category of contract were the Umlauf, West Austin Youth Association (WAYA), and Walter E. Long Golf Development contracts? *The Umlauf contract is a Management, Operation and Parkland Improvement Agreement for the Existing and Future Umlauf Sculpture Garden and Museum. WAYA is a Parkland Improvement and Athletic Field Use Agreement for Youth Sports Organization. No agreement has been reached regarding the Walter E. Long Golf Development Project. The Umlauf and the WAYA agreements are types of agreements that do not*

go through the Purchasing Department. Concession contracts are generally license agreements that are competitively bid when the current contract ends.

- ii. *What is the participation requirement for MBE/WBE? The Small & Minority Business Resource Department (SMBR) makes that determination on a project by project basis.*
- iii. *Are Veterans' Businesses included in the SMBR's determination? Not at this time.*
- iv. *What information about selected vendors can be provided to the Concessions and Contracts Committee (CCC) and when can this information be provided? The Committee can receive the same information that is provided to the City Council in the Request for Council Action (RCA), which is posted for public consumption two weeks before the scheduled Council meeting. The RCA includes the cost, recommended vendor, from where the funds will come, and the need of the program.*
- v. *Will the vendor scoring matrix be provided? Yes, but not with the category numerical breakdown.*

A discussion ensued relating to the benefits and challenges of the different procurement mechanisms and the effort made to ensure that composition of the evaluation teams provides a broad expertise.

3. Make a recommendation to the Parks and Recreation Board regarding the performance and issues created through the provision of recreation services by concessions in Town Lake Park.
 - a. Contract Compliance staff, Kirk Scanlon, provided the purpose for the report and report details, which are:
 - i. § 8-1-73 of City Code states that a report shall be delivered to the Parks and Recreation Board and the Environmental Board by the PARD Director or designee.
 - ii. The report covers concessions granted, the concession's performance, and any issues and environmental concerns generated or created by a concession in Town Lake Park.
 - iii. PARB and the Environmental Board are then required to make a recommendation to Council no later than 30 days after receipt of the report regarding:
 1. Creation, continuation, or termination of a concession;
 2. The status of each existing concession; and
 3. The issuance of a request for proposal for a concession under this division.
 - iv. Concessions in Town Lake Park include:
 1. Rowing Dock
 2. Texas Rowing Center
 3. Zilker Zephyr Railroad
 4. Barton Springs Food and Beverage
 5. Zilker Park Boat Rental
 6. Butler Pitch and Putt
 7. Lone Star River Boat
 8. Austin Rowing Club
 9. EpicSUP (Stand-Up Paddleboat)
 - v. Total FY 15 gross sales were \$6,636,173 with PARD receiving revenue commitments, per the contracts, totaling \$681,595.
 - vi. Key points:
 1. The Texas Rowing Center paid the highest payments of \$210,699 to the City for FY 15, followed by the Rowing Dock, which paid \$124,847.
 2. The revenues paid by Butler Pitch and Putt showed a steep increase due to new business terms negotiated in November of 2014.
 3. For the third year in a row, the Austin Rowing Club's revenues paid to the City have increased.
 4. The Zilker Café paid less in revenue this year due to a change in the terms for the interim/holdover agreement executed in January of 2015.

- 5. Based on 2014 tax returns and monthly revenue reports (2015 information is not yet available), Austin Rowing Club operated at a net loss for calendar year 2014; Texas Rowing Center and Rowing Dock continued to realize the highest business income; and EpicSUP and Lone Star Riverboat both realized the lowest positive percentage of business income to total income.
- vii. The boat inventory for 2015 was 1,254, including excursion boats and coaches launches; the total capacity was 2,297 users.
- viii. Lake impacts:
 - 1. Butler Pitch and Putt:
 - i. Site improvements: ADA accessibility, upgrades to greens and landscaping
 - ii. More senior and youth programs
 - iii. Additional online presence
 - 2. Texas Rowing Center:
 - i. \$600,000 investment in dock expansion
 - ii. Improved operational efficiency, eliminating trail and concession user conflict
 - 3. Excursion Boat RFP:
 - i. Lone Star Riverboat awarded contract
 - ii. Restoration and improvement to City dock
 - iii. RFP highlighted need to revise Code
 - 4. Barton Springs Food and Beverage: On Oct. 15, 2015, City Council approved the execution and negotiation with the successful proposer.
- b. Members had the following questions and comments:
 - i. It would be helpful if the report included the following:
 - 1. Color-coded names of the concessions
 - 2. A breakdown by type of boat
 - 3. Prices paid by public for concessions
 - 4. Chart listing capital improvements made by concessions for the last five years
 - ii. A member was interested in determining how to assist concessions in making money.
- c. Members voted to accept the report with the requested changes and place on the non-consent portion of the PARB agenda for the October 27th meeting.

E. BRIEFINGS (*Briefings are informational items only, no action was taken*) [A copy of the briefing can be found at http://www.austintexas.gov/cityclerk/boards_commissions/meetings/39_1.htm.]

- 4. Brian Block, PARD Development Administrator, and Kirk Scanlon, Contract Administrator, provided a briefing regarding the status and key terms for the Lease and Finance, Design and Construction of Improvements by the Radisson Hotel on Parkland. Highlights of the briefing include the following:
 - a. Background:
 - i. 1993 Agreement for the construction of a deck on parkland
 - ii. Maintenance of deck by Radisson Hotel for the last 20 years.
 - iii. Legislative History
 - b. Overview and Key Terms of Proposed Contract
 - i. 20-year term, with two 5-year extensions
 - ii. Lease area – upper deck of 2,000 sq. ft.
 - iii. Public space – lower deck of 1,060 sq. ft.
 - iv. Radisson to fund, design, and construct upper and lower deck with City review and approval
 - v. Radisson to operate and maintain restaurant on upper deck

- vi. Radisson to maintain public open space on lower deck and parkland adjacent to deck
- c. Revenue Tracking, Rent and Revenue Sharing
 - i. Radisson to track all sales generated on the leased space
 - ii. Radisson to pay fixed annual fee, plus a percent of gross revenue from the leased area
 - iii. City and Radisson have not been able to agree on the financial terms
- d. Next Steps
 - i. Reach agreement on financial terms
 - ii. Once agreement is reached, seek recommendations to the City Council from the Committee and PARB to authorize execution of the agreement
 - iii. Obtain authorization from City Council to execute the agreement
- e. Members had the following questions and comments:
 - i. Could PARD fast track the permits? *The permitting process is the same for all vendors.*
 - ii. A member noted interest in moving the negotiation forward. With no agreement, the City is losing potential revenue.
 - iii. What is the projected revenue? *Somewhere between \$300,000 and \$700,000.*

F. COMMITTEE COORDINATOR REPORT

- 5. Contract compliance staff, Pat Rossett, Kirk Scanlon, and Idella Wilson, briefed members on PARD contracts that are in development. .

G. COMMITTEE SCHEDULE

- 6. Members agreed to have the Committee's next meeting on Tuesday, November 17th.

H. FUTURE ITEMS FROM COMMITTEE MEMBERS

Committee member requested that staff: Provide the Committee with the results of the Seaholm public survey.

I. ADJOURNMENT

Michael Casias adjourned the meeting at 1:39 p.m.