

**CITY COUNCIL
COMMUNICATION:**

03-550

AGENDA:

NOVEMBER 17, 2003

SUBJECT:

RENEWAL AGREEMENTS
FOR POOL
CONCESSIONS/
ASSIGNMENT OF
CONCESSIONAIRE
AGREEMENT FOR NAHAS
AND NORTHWEST
AQUATIC CENTERS AND
ACCEPTANCE OF
ASSIGNMENT
AGREEMENT

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD M. TRIPP
PARK AND RECREATION
DIRECTOR

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

- A) Approval of renewal Concession Agreements with Midwest Concessions (Steve Neville, owner, 213 Second Street, Bondurant, Iowa 50035) for Nahas and Northwest Family Aquatic Centers; and Davis Concessions (George Davis, 3124 SW 29th, Des Moines, Iowa 50321) for Birdland, Teachout, and Savage Softball Complex. Metro Concession Services for Ashworth and Gray's Lake has decided not to renew, and staff is evaluating options for concessions at these facilities.
- B) Approval of assignment of the Concession Agreement with Midwest Concession for Nahas and Northwest Aquatic Centers from Midwest Concessions (Chuck and Debra Shelabarger) to Steve Neville, and approval of Acceptance of Assignment Agreement.

Approval of adjusted percentage for Davis Concession at Teachout Aquatic Center and Savage Softball Complex from 30 percent to 25 percent.

FISCAL IMPACT —

\$90,000 in net revenue to the City over the next three years.

RECOMMENDATION —

Approval.

BACKGROUND —

Current concession contracts for the operations of Des Moines' aquatic centers are up for renewal. Over the past three years, the concession operations have collected a total of \$84,260.07 at Ashworth, Birdland, Gray's Lake, Nahas Aquatic, Northwest Aquatic, Teachout Aquatic, and Savage Softball Complex.

The City of Des Moines' Purchasing Division issued competitive bids (Bid No. V01-108) for the concessions operations listed above. On March 26, 2001, by Roll Call No. 01-844, the City Council approved the Concession Agreements with Midwest

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Concession (Chuck and Debra Shelabarger), Davis Concession (George Davis), and Metro Concession Services (Joe Buxtom) respectively.

The Concession Agreements provide for one three-year renewal term. The existing concessionaires (with the exception of Joe Buxtom) have requested to renew their agreements for the three-year term. Midwest Concession operators, Charles and Debra Shelabarger, upon approval of the renewal have requested the City approve an assignment of their Concession Agreement to Steve Neville. Mr. Neville is a Special Education teacher at Bondurant-Ferrar High School and has managed the Northwest Aquatic Center operations for the Shelabargers and is knowledgeable about the operations. Mr. Neville is interested in purchasing the concession equipment owned by the Shelabarger's and operating the Concession Agreement through the end of the renewal term.

Mr. Neville has executed an Acceptance of Assignment Agreement between the City and Mr. Neville.

Mr. Davis of Davis Concession (Birdland, Teachout, and Savage Softball Complex) has requested that his percentage of gross sales back to the City be adjusted from 30 percent to 25 percent at Teachout Aquatic Center and Savage Softball Complex. Due to Mr. Davis' commitment and long-standing concession operations at the above facilities and decline in attendance and concession revenues, staff is supportive of this reduction.

The following are percentages of gross concession sales the City will receive per facility:

- Birdland Pool 15 percent
- Nahas Aquatic 23 percent
- Northwest Aquatic 23 percent
- Teachout Aquatic 25 percent
- Savage Softball 25 percent

Additionally, when the competitive bid was received March 26, 2001, the closest bid was 24 percent. Even with the reduction from 30 percent to 25 percent, Davis Concessions will still be paying the highest percentage of gross sales to the City.



