



Council Communication

Office of the City Manager

Date

November 6, 2006

Agenda Item No. 49A

Roll Call No. 06-

Communication No. 06-689

Submitted by: Donald M. Tripp, Park and Recreation Director

AGENDA HEADING:

Approving Brenton Skating Plaza fees and charges.

SYNOPSIS:

Approving request from Riverfront Development Authority for the Brenton Skating Plaza fees and charges including admissions and rentals.

FISCAL IMPACT:

Amount: \$219,000 in anticipated revenues for the first season (November 2006-October 2007) based on the proposed fees and charges. RDA anticipates an operating loss in the first year of approximately \$102,000. According to the terms and conditions of the agreement, the City's portion of these costs is not to exceed \$25,000 annually for the three-year term of the agreement.

Funding Source: FY 2006-07 Amended Budget, General Fund (GE001) Parks and Recreation, Brenton Skating Plaza (PKS101800)

ADDITIONAL INFORMATION:

The City of Des Moines has entered into an agreement with the Riverfront Development Authority (RDA) for the management, operations and maintenance of the Brenton Skating Plaza. The agreement is for a three-year term with one two-year renewal.

Based on the proposed fees and charges, RDA anticipates an operating loss in the first year of approximately \$102,000. According to the terms and conditions of the agreement, the City's portion of these costs is not to exceed \$25,000 annually for the three-year term of the agreement. Payment is due upon receipt of operating costs (revenues vs. expenses) from July 1 through April 30 of each year. The City also has an ongoing responsibility for capital repairs of the skating plaza and related equipment.

Due to the uncertainty about who would manage the Brenton Skating Plaza (City or private entity), the City's financial participation of \$25,000 was not identified during the FY2006-07 budget process. As a result, funding was not included in the FY 2006-07 Operating Budget. To fund this agreement, a new appropriation will be required as part of the amended budget process.

Although not expected, if facility revenues are sufficient to pay all operating costs, there will not be a City expense. RDA shall pay all other operating subsidies. They will be seeking the same not to exceed \$25,000 contribution from the Downtown Community Alliance (DCA). As part of the naming

agreement, the RDA is accepting a gift of \$500,000 that will be used toward the construction cost of the Skating Plaza. The Skating Plaza is being built with private funds and being gifted to the City.

The contract states; “All fees and charges shall be established by the City. When setting such fees, the City Council shall take into consideration the RDA’s recommendations regarding fees. In the event that the City Council does not adopt the RDA’s recommendations regarding fees, the RDA shall have the right to terminate this Agreement upon written notice to the City effective upon ninety (90) days of receipt of such notice. The RDA shall have thirty (30) days from such City Council action in which to exercise such right to terminate or such right will be deemed waived. The RDA shall honor reduced skating admissions or skating lessons scholarship cards if issued by the City’s Park and Recreation Department.”

The RDA is proposing the following fees and charges for use of the Brenton Skating Plaza:

Adult:	\$ 3.00
Child:	\$ 2.00
Skate Rental:	\$ 2.50
Freestyle:	\$ 7.00 (figure skating only)
Family Night (Thursdays):	\$ 8.50 (for family of four or more)
Private Rental:	\$250.00 / hour
Private Skate Rental	\$ 2.50
Private Rental (non-profit)	\$200.00 / hour
Private Skate Rental	\$ 1.00

On October 24, 2006, the Des Moines Park and Recreation Board approved the recommended fees and charges for the Brenton Skating Plaza for City Council action.

In accordance with the terms and conditions of the agreement, RDA advised the City that it intends to contract with Rink Management Services (RMS) as the Skating Plaza operator. A separate item on the November 6, 2006 agenda requests approval of the Management Services Agreement between the RDA and RMS.

A comprehensive marketing approach has been supplied by Rink Management Services (RMS) to the Park and Recreation Department. Over the past month, RMS staff has been making corporate presentations to local companies to secure corporate outings. Additionally, RMS will be using Radio, direct mail, print, fliers, website and youth organization outreach marketing approaches to promote the assets/benefits of the Brenton Skating Plaza. In addition to RMS’ marketing approach, the Principal Financial Group has hired Innova Marketing to support RMS’ marketing efforts.

Additionally, the contract states; “The RDA shall operate the Skating Plaza open to the public and subject to, and in compliance with, the Municipal Code of the City of Des Moines and all City rules and regulations pertaining to parks, including setting hours, rules and regulations as with other City parks.” By a separate ordinance amendment before the Council at the November 6th meeting, the recommended hours of operation are 6:00 a.m. to midnight, unless approved by the Park and Recreation Director for a special event. It is anticipated that additional uses may occur before or after programmed hours based on private rentals, special leagues and special event requests. The facility would be open from 3:00 – 9:00 p.m. on traditional holidays: Thanksgiving Day, Christmas Eve, Christmas Day, New Year’s Eve and New Year’s Day. A copy of the proposed program schedule is included in the Council packet. The

proposed draft schedule provides for a total of 64 hours a week of public skating, with public skating occurring every day of the week.

The facility is scheduled to open in mid-November, based on weather conditions to make ice. The Grand Opening is scheduled for 5:30 p.m. on Tuesday, December 12, 2006, featuring a figure skating exhibition followed by free skating for the remainder of the evening. Because the RDA anticipates opening the Brenton Skating Plaza in November, a waiver of the second and third readings is requested.

PREVIOUS COUNCIL ACTION(S):

Date: September 25, 2006

Roll Call Number: 06-1929

Action: [Concession](#) Agreement for the Skating Plaza. ([Council Communication No. 06-606](#)) Moved by Coleman to adopt. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S):

Date: October 24, 2006

Roll Call Number: 06-106

Action: Park and Recreation Board approved recommended fees and charges of the Brenton Skating Plaza.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE