

# Memorandum



CITY OF DALLAS

Date: March 21, 2014

To: Honorable Members of the Quality of Life and Environment Committee: Dwaine R. Caraway (Chair), Sandy Greyson (Vice Chair), Adam Medrano, Rick Callahan, Carolyn R. Davis, Lee M. Kleinman

Subject: Authorize the First Amendment to the Fair Park Contract with the Friends of Fair Park to establish, operate, manage and market the bicycle rental program at Fair Park – Council Addendum March 26, 2014

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On March 26, 2014, the City Council will consider authorizing the first amendment to the Fair Park Contract with the Friends of Fair Park, Inc. to establish, operate, manage and market the bicycle rental program at Fair Park. A bicycle rental program is proposed as part of the initiative to increase daily activity at Fair Park. It is anticipated the rental proceeds will provide for the on-going maintenance required for the bicycles, marketing this visitor amenity and potentially expanding the program within the parks interior in the future. Additionally, these bicycle stations are anticipated to be complimentary to any future city-wide bicycle rental program.

This contract amendment will authorize the Friends of Fair Park, Inc. to install and operate the bicycle rental facilities, including on-going maintenance obligations for a one-time management fee of up to \$125,000. The Dallas Park and Recreation Board approved the first amendment to the lease agreement on March 6, 2014.

If you have questions, please contact me at 214-670-4071.

A handwritten signature in cursive script, appearing to read 'Willis C. Winters'.

Willis C. Winters, FAIA, Director  
Park and Recreation Department

c: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Warren M. S. Ernst, City Attorney  
Judge Daniel F. Solis, Administrative Judge  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
Ryan S. Evans, Interim First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** March 26, 2014  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Park & Recreation  
**CMO:** Willis Winters, 670-4071  
**MAPSCO:** 45Q

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**SUBJECT**

Authorize the first amendment to the Fair Park Contract (hereinafter "Agreement") with the Friends of Fair Park, Inc. (FFP) to establish, operate, manage and market the bicycle rental program at Fair Park - Not to exceed \$125,000 - Financing: Current Funds

**BACKGROUND**

On June 14, 2000, Resolution No. 00-1879 authorized an agreement with the Friends of Fair Park, Inc. (FFP) for the management and operation of the Magnolia Lounge for a term of ten years with options to extend for two consecutive terms of five years each, exercisable by the Park and Recreation Board. The agreement stipulates that Friends of Fair Park shall diligently improve and promote Fair Park as a recreational, historical, educational and entertainment destination, utilizing all revenues from the operation of the Magnolia Lounge. Founded in 1984, FFP is a Texas non-profit 501(c)(3) corporation dedicated to the improvement, preservation and continued use of Fair Park and its facilities. In support of the Fair Park Comprehensive Plan initiatives, FFP is committed to help make Fair Park a year-round destination and growing the number of visitors to the park by working in partnership with Fair Park Administration and the cultural/entertainment venues at Fair Park.

On June 3, 2010, the Park and Recreation Board exercised the first five-year option with FFP under the same terms and conditions as the original agreement. The first option is set to expire on June 14, 2015. One additional five-year option may be exercised by the Park and Recreation Board which would extend the contract through June 14, 2020.

## **BACKGROUND** (Continued)

A bicycle rental program is proposed as part of the initiative to increase daily activity at Fair Park. This contract amendment will authorize the Friends of Fair Park to install and operate the bicycle rental facilities, including on-going maintenance obligations. It is anticipated the rental proceeds will provide for the on-going maintenance required for the bicycles, marketing this visitor amenity and potentially expanding the program within the parks interior in the future. Additionally, these bicycle stations are anticipated to be complimentary to any future city-wide bicycle rental program.

### General Principles of the Contract:

1. City will pay Operator a one-time management fee of up to \$125,000 to establish, operate, manage, and market the Bicycle Rental Program.
2. Friends of Fair Park will use reasonable efforts to purchase, manage and operate a Bicycle Rental Program at Fair Park as a recreational opportunity and visitor amenity.
3. Friends of Fair Park will market and promote the Bicycle Rental Program as an offering to visitors.
4. Friends of Fair Park will manage and maintain the Bicycle Rental Program as an independent contractor.
5. City will retain ownership of premises, bicycles and all improvements.
6. Friends of Fair Park will recommend operating hours, subject to approval by the Park and Recreation Director.
7. Friends of Fair Park will recommend all rates, fees and charges, subject to final approval by Park and Recreation Director.
8. All items, materials and equipment purchased by Operator shall become the property of the City.
9. Friends of Fair Park will pay City a 20% commission on all sponsorship(s), including naming rights associated with the Bicycle Rental Program to be placed in a Park and Recreation Department multi-year fund designated for marketing of Fair Park.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Ten-year lease agreement with two consecutive five-year terms authorized by City Council on June 14, 2000, by Resolution No. 00-1879.

First five-year term option approved by the Park and Recreation Board on June 3, 2010.

First amendment to the lease agreement approved by the Park and Recreation Board on March 6, 2014.

**FISCAL INFORMATION**

Current Funds - \$125,000