

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 9, 2008

CAO File No. 0150-05935-0011

Council File No. 06-2794

Council District: 2

To: The Mayor

From: Karen L. Sisson, City Administrative Officer 

Reference: Letter to the Mayor from the Board of Recreation and Parks Commissioners dated April 17, 2008; referred by the Mayor on April 23, 2008

Subject: **AMENDMENT TO CONCESSION AGREEMENT NO. 256 WITH BUTTERFIELD GAMES, INC. RELATIVE TO THE ARCADE CONCESSION AT THE SHERMAN OAKS CASTLE PARK**

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### SUMMARY

At its meeting of April 16, 2008, the Board of Recreation and Park Commissioners (Board) approved an amendment to Concession Agreement No. 256 with Butterfield Games (Concessionaire). The proposed amendment revises the payment due date.

The City, through the Board and the Department of Recreation and Parks (Department), owns and operates the Sherman Oaks Castle Park located at 4989 Sepulveda Boulevard in Council District 2. The Sherman Oaks Castle Park is a family-oriented entertainment center that features three miniature golf courses, an arcade, food service and batting cages. On June 8, 2007, the Board executed Concession Agreement No. 256 for the operation of the arcade, as authorized by Council (C.F. 06-2794). Under the terms of Concession Agreement No. 256, the Concessionaire pays the City 42.5 percent of gross receipts from the operation of the arcade. A portion of the gross receipts is generated from group and party package promotions. The Department reports that additional time is required to reconcile receipts from group and party package promotions. Under the terms of the proposed amendment, the due date for the monthly payment will be extended by approximately two weeks from the 15<sup>th</sup> to the 30<sup>th</sup> of the following month. There is no change to the percentage of monthly rental due to the City.

It should be noted that the Sherman Oaks Castle Park is located on approximately five acres of land leased to the Department by the United States Army Corps of Engineers (COE). The proposed agreement is therefore subject to all terms and conditions of the lease between the City and the COE.

Council approval of the proposed amendment is required because Council approved the original agreement. To the best of our knowledge, the Concessionaire has complied with all standard provisions for City contracts, as well as City contracting requirements.

## **RECOMMENDATION**

That the Council approve, and authorize the President and Secretary of the Board of Recreation and Park Commissioners to execute, the amendment to Concession Agreement No. 256 with Butterfield Games, subject to the approval of the City Attorney.

## **FISCAL IMPACT STATEMENT**

There is no fiscal impact. Therefore, the City Financial Policies are not applicable.

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