

CITY OF OAKLAND

AGENDA REPORT

2006 JUN 22 PM 1:23

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Office of Parks and Recreation
DATE: July 11, 2006

RE: Resolution Authorizing The City Administrator To Negotiate And Execute A Concessionaire Agreement Between The City Of Oakland And Metropolitan Equestrian Preservation Society To Operate and Manage Equestrian Programs And Provide Facility Improvements To Oakland City Stables, Located At 13560 Skyline Boulevard, Oakland, California For A Five Year Term With Three Consecutive Five Year Options To Renew

SUMMARY

Staff has prepared a Resolution authorizing the City Administrator to negotiate and execute a concessionaire agreement between the City of Oakland (“City”) and Metropolitan Equestrian Preservation Society (“MEPS”) to operate and manage equestrian programs and provide facility improvements to Oakland City Stables, located at 13560 Skyline Boulevard, Oakland, California. This agreement is a five year term with three consecutive five-year options to renew the concessionaire agreement by mutual consent of the parties, provided that the City’s terms and conditions are satisfied.

The City has been engaged in a search for an appropriate concessionaire for City Stables since the site was shut down in September 2004. A Request for Proposals was issued in October 2004. A Request for Qualifications was issued in November 2005 followed by a new Request for Proposals in April 2006. In order to be successful, a concessionaire at the site would have to be committed to providing programs to Oakland youth (especially underserved youth in the east and west Oakland); have the financial resources or be able to obtain the financial resources to make improvements to the site; and demonstrate the operational capacity to efficiently and effectively operate an equestrian facility. With its roots in the Oakland community and members who have long been actively engaged in stewardship of the site, MEPS emerged as a strong candidate for the concession at City Stables. The proposal submitted by MEPS demonstrated a commitment to the City’s goals for the site, namely to offer equestrian and other programs to inner city youth while addressing the need for necessary capital improvements in order to make City Stables a self-sustaining operation.

Staff recommends that City Council adopt a Resolution authorizing the City Administrator to negotiate and execute a concessionaire agreement between the City of Oakland and Metropolitan Equestrian Preservation Society to operate and manage equestrian programs and provide facility improvements to Oakland City Stables.

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FISCAL IMPACTS

Approval of a Resolution authorizing the negotiation and execution of a concessionaire agreement for City Stables will have the following fiscal impacts:

Revenue

The Concessionaire Agreement requires that the concessionaire pay the City a concession fee equal to five percent (5%) of the monthly gross receipts from all operating activities including boarding operations, program fees, lessons, and arena fees. Donations and grants for program operations or capital improvements will be specifically excluded from fee assessment. The payments will be due and payable each month. Revenue would be reported to the following: Fund 7999 (Trust Funds), Organization 501110 (OPR Director's Unit), Account 48715 (Receipt of Trust Fund), Project P200910 (Oakland City Stables), Program NB01 (Central Administration).

Under the terms of the concession agreement, the City will be responsible for maintenance of the structural and mechanical elements of buildings (i.e. foundations; structural supports; bearing and exterior walls; sub-flooring; exterior roofs; window frames; the unexposed electrical, plumbing, water and sewage systems) on the property consistent with the current condition of the buildings. It is anticipated that maintenance costs that may arise for the site will be paid for out of the City Stables Trust account. If there are not funds available in the City Stables Trust account, funding would be drawn from OPR's existing operating budget. If the needed repairs were significant, and after exploring and exhausting other funding possibilities, OPR would submit a Capital Improvement Project funding request for Council consideration.

The City recognizes that startup efforts will be costly and operations will not be possible until some improvements have been made to the site. MEPS has requested that the concession fee be waived for the first two years of its operations at City Stables. OPR has taken the request under advisement and will make its determination during further negotiations. Based on MEPS' budget and operations projections, and if the City agrees to waive the concession fee for part of the first five-year agreement period, there would be no new City Stables Trust revenue initially as a result of this agreement. Projected revenue for subsequent years in the first five-year term would yield small returns to the City of \$125 - \$300 per month or \$1500 to \$3600 per year.

Capital Improvement Funding

Under Resolution 76721 C.M.S., City Council authorized designation of \$400,000 of Proposition 12 State funds for capital improvements to City Stables and that the City would provide the match of \$172,000 for a total of \$572,000. Some minor improvements to the site have already been made and there is a balance of approximately \$120,000 in the City's matching funds under Project No. C213720. The MEPS proposal includes plans for capital improvements to the site and would require that, once a project is approved, the City would release funds for expenditures that could later be reimbursed under the Proposition 12 funding requirements. As with other grant-funded projects,

project costs are paid out of the General Fund and later reimbursed by the grant once invoices are submitted to the grantor (in this case the State) for payment.

The State requires the project to be completed and invoices submitted for reimbursement prior to March 1, 2009.

BACKGROUND

The City of Oakland acquired the 7.4-acre property at City Stables in 1994 with Measure K (Park and Open Space) funding. The management and operation of City Stables had been governed by a License and Master Concession Agreement with a local nonprofit group from October 1, 1995 through April 30, 2004. That Agreement was terminated as a result of the group's inability to maintain the necessary insurance coverage required for the safe and legal operation of City Stables. All youth programs were halted by the close of that Agreement and from May 1 to September 1, 2004, the Office of Parks and Recreation managed the horse boarding operations at the Stables until its closure.

The former concessionaire, Wildcat Canyon Ranch Youth Program (WCRYP), had maintained the property, offered youth programs, and managed a boarding operation at City Stables. As part of the concessionaire agreement, the City collected 5% of WCRYP's gross receipts. Over the 8 years of operation, the City collected approximately \$30,000 in revenue through its concessionaire agreement with WCRYP. The revenue collected by the City was set aside in a special trust fund that was designated for maintenance of City Stables. In April 2004, when WCRYP lost its insurance and therefore its right to operate at City Stables, OPR took over operations of the site. The funds that had been in the City Stables trust fund were spent to keep the stables open from the May 1, 2004 until its closure on September 1, 2004.

Since the City's purchase of the property and through its subsequent concessionaire agreements, numerous issues have arisen. Complaints were received regarding pest (fly) abatement, manure removal, inadequate care for boarded horses, dust problems, parking problems, noise issues, insufficient fire safety measures, unsafe conditions of the barns, inappropriate use of fire access roads, and problems related to staffing and accounting procedures. While these problems may have been specific to the concessionaire that was then in place, all of the issues point to the challenges of running a full boarding operation and youth program at the site. Currently there are no horses and no caretaker at the City Stables site. OPR will be operating a summer day camp program at City Stables through July and August 2006.

The Search for a Concessionaire

The City has been engaged in a search for an appropriate concessionaire for City Stables since the site was shut down in September 2004. A Request for Proposals (RFP) was issued in October 2004. A Request for Qualifications (RFQ) was issued in November 2005 followed by a new Request for Proposals in April 2006. In order to be successful, a concessionaire at the site would have to be committed to providing programs to Oakland youth (especially underserved youth in the east and west Oakland areas); have the

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financial resources or be able to obtain the financial resources to make improvements to the site; and demonstrate the operational capacity to efficiently and effectively operate an equestrian facility.

Two responses to the RFQ were received by OPR. Staff convened a panel consisting of City Stables Advisory Board members, equestrian program experts, and staff from both the Public Works Agency (PWA) and the Office of Parks and Recreation to review the responses. Each response was reviewed in depth and evaluated based on a set of standards taken directly from the RFQ itself and each respondent group was interviewed. The panels reviewed the merits of each and made recommendations for follow up. Both groups were given the opportunity to present a full proposal and both submitted proposals.

Upon receipt of the proposals, it was immediately clear that one group's proposal lacked organization, forethought, and a sound business plan and therefore a second panel review was not required to assist OPR in choosing the stronger candidate. OPR and other City staff met with the MEPS group on two occasions to clarify elements of their proposal and to obtain more information specific to their proposed youth programs. Once it was clear that the MEPS proposal supported the City's goals for the site, OPR determined that it would be appropriate to recommend MEPS as the concessionaire for City Stables.

Considerations for Use

In its current state, the City Stables site is not safe or adequate for equestrian programs and boarding. The barns are badly deteriorated and in disrepair, there is no storage facility for horse feed or manure, and many of the paddocks have collapsed. Prior to its closure there had been a number of issues that had surfaced with the previous concessionaire regarding pest abatement, manure removal, and facility maintenance. Reinstatement of horse boarding operations would require building repair, regrading of paddock areas, paddock repair and construction, and some provision for the storage of hay. MEPS has a startup fund of \$50,000 to begin rudimentary repairs as soon as their contract takes effect.

The MEPS proposal outlines a capital improvement plan in a timeline that parallels a youth program plan implementation. Some preliminary improvements would be made to the site to allow for the boarding of horses, including program horses. Once horses are onsite, initial youth programs would begin. If awarded the concession for City Stables, MEPS plans to begin youth programs as soon as possible, no later than six months from the date the contract is awarded.

Capital Improvement Funding

In 2000, the California voters passed the Neighborhood Parks, Clean Water, Clean Air, Coastal Protection Bond Act (Proposition 12), which has been implemented by the State in the form of various funding programs. The Roberti-Z' Berg-Harris Grant Program (RZH) provided a population based block grant of \$1.8 million to the City for open space projects, with a requirement that the City match 30% of the project cost. On September

25, 2001, under Council Resolution 76721 C.M.S., City Council authorized designation of \$400,000 of the State funds for capital improvements for City Stables and that the City would provide the match of \$172,000.

Some minor improvements to the site have already been made and there is a balance of approximately \$120,000 in the City's matching funds under Project No. C213720. The \$400,000 RZH funding is available to fund a project at the site once it is defined by the City and accepted by the State. The MEPS proposal includes plans for capital improvements to the site and would require that the City release available funds for expenditures that could later be reimbursed under the Proposition 12 funding requirements. Although the Proposition 12 grant expires on June 30, 2009, the State requires submittal of all payment requests and full documentation of project expenditures no later than March 1, 2009.

KEY ISSUES AND IMPACTS

Youth Programs

It has been the City's goal to find a concessionaire who could use the site to provide equestrian programming for underserved Oakland youth. The site itself has posed challenges for achievement of this goal in that the facilities are in severe disrepair. The MEPS proposal seeks to address the City's goal for the site in the context of creating a fully functioning equestrian facility. In their plan, revenue from the boarding operations and fee-for-service riding programs will support the operation of the site and enable MEPS to offer free and low-cost youth programs.

The proposed MEPS youth program is extensive and includes programs specially designed to serve those at-risk, introduce children to animal care and feeding, horse riding techniques, stable operations and nature activities as well as ecology, environmental sustainability and gardening. MEPS estimates that they will be able to serve approximately 1000 young people per year, 80% of whom will reside in Oakland. A summer day camp program geared toward inner city youth would feature an introduction to horse riding and horse care, arts and crafts and outdoor educational activities. Summer internships in horsemanship would be available to older and more advanced level youth. Tiny tot programs for the very young would expose children to basic horse care and allow participants to have hands on experience with horses. Riding lesson programs would be offered to beginners through advanced levels. There would be fee-for-service programs for those who can afford lessons and opportunities for participation in a variety of sponsored and subsidized programs. Lesson programs would be offered throughout the year for all ages and abilities. A vaulting program would run throughout the year and would include opportunities for competition.

The MEPS proposal includes a detailed plan for outreach to underserved Oakland youth both through partnering with OPR to serve recreation center participants at City Stables and by collaborating with other local organizations and schools that serve at-risk and underserved Oakland youth, especially youth in the east and west areas of Oakland.

Members of the MEPS board have deep roots in the community and have considerable experience with youth programs and organizations that serve youth.

Proposed Capital Improvements

In order for a concessionaire to be successful at City Stables, improvements will have to be made to the site to make it habitable for horses and safe for both the program participants and the horses. The needed improvements include grading work, installation of new horse stalls, provision for hay storage, repairs to the barns and house, and repairs to the caretaker's apartment and the classroom. In addition to the work needed to begin programming at the site, extensive work will need to be done to expand the facility's capacity in order to generate adequate revenue to sustain programming.

A Master Plan for renovation of the site was approved in 1996 and a subsequent design survey was conducted in 2001. The MEPS plan is in keeping with the overall goals of the Master Plan in that it retains the existing structures, provides for maintaining the site's use as an equestrian facility and enhances the site's assets for better community use. At the same time, the MEPS proposal recommends some changes to the site that are different than those specifically addressed in the Master Plan. In particular, the MEPS proposal would expand the number of horses housed on the site from 46 to 66, which would change the configuration of the site. Also, all of the horses would be housed outdoors in new covered stalls. In the Master Plan, 24 horses were to be housed in the barns and up to 32 in 22 re-built and 3 existing paddocks. The historic use of the property indicates boarding of as many as 72 horses. MEPS proposes converting one of the stable buildings into a tack shop and gathering place and converting the other barn into a storage facility for hay. Additionally, the Master Plan identified the need for the construction of a roadway through the site to provide access for maintenance and emergency vehicles. The MEPS proposal involves removing a long row of bushes in front of the existing buildings and widening an existing path into an emergency access road.

The MEPS proposal, while in keeping with the original Master Plan vision, expands and maximizes the development of the site and requires more grading than the Master Plan and will most likely require more retaining structures. When visually comparing the Master Plan versus the MEPS proposal, the configuration and layout of the site are very different.

MEPS plans to implement capital improvements projects in phases to allow for continuous programming at the site. When one area of the facility is under construction, other areas of the property will be used for programming. For instance, a program that introduces children to horses and horse care can operate at the stalls on the western edge of the property while construction on the barn buildings is underway.

While MEPS and its Board of Directors have worked hard to develop their plan for the site, they have demonstrated flexibility and a willingness to negotiate changes to their plan. As the public process is undertaken, MEPS may have to accommodate further changes. The critical consideration is that MEPS be able to modify the site enough to

accommodate boarding a quantity of horses that is sufficient to generate the revenue needed for operations.

To modify the existing Master Plan, a public process will be undertaken to allow the community an opportunity to examine and discuss the proposed changes including a review by the Parks and Recreation Advisory Commission. OPR and Community and Economic Development Agency (CEDA) Planning staff have reviewed the MEPS plan and are in support of modifying the Master Plan.

Authorizing the City Administrator to negotiate and execute a concessionaire agreement with MEPS would mean that the City acknowledges there are merits to the MEPS proposal to modify the Master Plan and that MEPS will undergo a thorough public process.

Leveraging Resources

The MEPS plan for the site is ambitious and calls for substantial improvements. Recognizing that the funds the City has available are not adequate to address all of the project needs, MEPS has secured commitments from community members and organizations to support their efforts at City Stables if they are awarded the concessionaire contract. Their proposal included commitment letters from a contractor who would donate a substantial amount of grading work, community organizations that would partner with them to offer specialized programs, and community members who support the MEPS proposal. They have received commitments of financial support from Bay Area Barns and Trails and private donors. If MEPS is able to secure all of the resources referred to in their proposal, they would be bringing in-kind and cash resources valued at approximately \$400,000 thereby nearly matching the City's funding dollar-for-dollar.

Expiration of Capital Improvements Funding

If the City does not identify a concessionaire for City Stables at this time, it will be necessary to allocate some or all of the Proposition 12 grant funds to another open space project. Because the project has to be implemented, completed, and invoices submitted for reimbursement by March 2009, conducting another search for a concessionaire for the site would push the timelines of the City Stables capital improvements project past the due date for reimbursement and would result in the City losing those funds unless they were allocated to a project that could be completed within the State's timeline.

Although the City authorized the use of the Proposition 12 Roberti-Z' Berg-Harris Grant Program funds for improvements to City Stables, it is possible to designate those funds to another project and then apply for the State funding of that project. Any project application would need to be submitted for State consideration well in advance of the Proposition 12 grant program expiration in 2009. The State's main requirement is that the funds be spent on open space projects; the City could identify another open space project that falls within the requirements of Proposition 12 and request that the State fund that

project in lieu of the City Stables project or the City could opt to change the nature of the capital improvement projects at the City Stables site without losing the grant funding.

Proposed Agreement Terms and Conditions

OPR is working with the Oakland City Attorney's office to draft a License and Master Concessionaire Agreement for City Stables. OPR also continues to be in discussions with MEPS to negotiate some of the terms of the agreement. OPR proposes that a concessionaire agreement with MEPS include all of the following provisions in addition to standard contract clauses and compliance with City policies governing contracts and licenses.

Permissible uses of the property. Except with the prior written consent of the City, the use of the property will be restricted to boarding of horses, operating horse riding programs, the provision of equestrian instruction and training, horse shows and clinics, horse demonstrations, and related equestrian activities, community outreach and educational activities, gardening and horticultural programs, family and community gatherings, housing for a caretaker and members of the caretaker's immediate family not to exceed four person in the apartment, and operation of a business office. The house, apartment, bunk house and tack store will not be open to the general public until the City's Office of Planning and Building has certified that the buildings comply with City codes and are suitable for occupancy.

Youth Riding Programs. The concessionaire will, at no cost to the City operate group youth riding and associated equestrian programs on the property. Programs will specifically target Oakland youth for participation with a goal of 80% of youth participants at the site residing in Oakland. The concessionaire would agree to perform outreach and to collaborate with other organizations in order to provide equestrian programs to at-risk Oakland youth. The agreement will stipulate that the concessionaire must provide a minimum of two program sessions per quarter for inner city youth participating in programs of the Office of Parks and Recreation with a goal of 15 OPR youth participants each session. The concessionaire may operate other group riding programs for youth or adults on the property.

Horse Boarding. The concessionaire agreement would require that the concessionaire, at no cost to the City, operate a horse boarding facility open to the general public and available for the boarding of horses. The concessionaire will be solely responsible for marketing and outreach to recruit boarders. The concessionaire will be required to charge boarding fees in accordance with the City of Oakland Master Fee Schedule. The City and concessionaire may revise the horse boarding fees by subsequent mutual written agreement and by following the City's process for Master Fee Schedule changes. The concessionaire is required to ensure that all boarders sign a Horse Boarding Agreement and Liability Waiver Form approved by the City which among other things obligates the boarder to comply with City ordinances and all applicable laws, rules and regulations and adequately releases the City from liability associated with the boarding operations.

Private Riding Instruction. The concessionaire agreement would allow the concessionaire to provide individual riding instruction on the property and also allow them to subcontract the right to provide such instruction to private contractors. An instructor using the property, whether employed by the concessionaire or a sub-concessionaire or is otherwise providing instruction through subcontract, must be qualified to provide such instruction, must be certified if appropriate, and must supply adequate documentation of his or her qualifications and certification to the concessionaire. Each contractor who is not an employee of the concessionaire must be insured up to the liability limits imposed on the concessionaire by the agreement, must provide workers' compensation insurance for any employees, and must agree to defend, indemnify, and hold harmless the City for any claims, damages or losses sustained by the City arising from the contractor's actions on the property. Each such contractor must also possess a valid City of Oakland Business Tax License. The concessionaire will be responsible for forwarding proof of insurance coverage, indemnification agreement, and Business License to the City.

Concession fee payments. Under the concessionaire agreement with the City, the concessionaire will be required to pay to the City as concession revenues an amount equal to five percent (5%) of the monthly gross receipts from all operating activities including boarding operations, program fees, lessons, and arena fees. Donations, contributions and grants for program operations and/or capital improvements will be specifically excluded from fee assessment. These payments will be due and payable each month. The City may waive the fee for a period of time during the first term while the concessionaire establishes operations at the site. The amount of time for the fee waiver being considered is two years, but remains to be negotiated.

Maintenance and repairs. Under the terms of the concession agreement, the City will be responsible for the structural and mechanical elements of buildings (i.e. foundations; structural supports; bearing and exterior walls; sub-flooring; exterior roofs; window frames; the unexposed electrical, plumbing, water and sewage systems) on the property consistent with the current condition of the buildings, except for any maintenance or repairs resulting from misuse by or primary negligence of the concessionaire or their agents, employees, contractors, invitees, or residents and users of the property. The proposed agreement would not obligate the City to maintain the interior surfaces of exterior walls, windows, doors, or plate glass.

The concessionaire's obligation to repair will specifically include: necessary repairs and maintenance to the interior walls, interior surfaces of exterior walls, exposed interior components of the plumbing and electrical systems (including plumbing fixtures, lighting fixtures, light switches, and electrical outlets), heating and ventilation systems, doors, window glass, including plate glass, skylights, signs located within or attached to the property, floor coverings, ceilings, and interior and exterior painting for the buildings on the property; all routine repairs to fencing, arenas, corrals, and paddocks on the property and property landscaping.

The concessionaire will be required to prevent all nuisance conditions that could arise out of the operations of the City Stables site including the regular removal of manure, the control of dust, and effective pest management.

Property to be kept clean. The concessionaire will be required to keep the property in a neat, clean and orderly condition, and will have to prevent the accumulation of weeds, refuse or waste materials which present an unattractive appearance or which might be or constitute a health or safety hazard. Because the property is situated in the Oakland Hills and is vulnerable to wildfires, ground vegetation must be kept to less than one foot in height, low-hanging tree branches must be trimmed, and excess plant debris must be picked up. The concessionaire will be required to establish and implement prudent control measures to correct any fly, dust and manure odor problems.

Alterations and additions. Under the proposed agreement, the concessionaire will not be allowed to make or permit to be made any alterations or additions to the property during the term of this license without the *prior written consent of the City*. The concessionaire will further be required to acquire all necessary permits to do any work and comply with the terms of any permits and all applicable rules, regulations and laws.

Annual Reporting and Accounting Records. At the end of each year of the concessionaire agreement and for any extended agreement period, the concessionaire will be required to submit the following reports at least annually:

- Certified Annual Reports including but not limited to an income and expense statement, a balance sheet showing all assets and liabilities and other related reports prepared by a Certified Public Accountant and retained by the concessionaire at no cost to the City.
- Certified Statement signed by a duly authorized director of the concessionaire confirming the number of participants, the number of activities undertaken, an operating budget for the current year, and the names and telephone numbers of the current Principal or President and Directors.
- Accounting Records, including up-to-date general ledger accounts on the accrual basis.
- Tax reports and payments currently filed and paid.
- All other documents requested by the City Auditor relating to the Property.
- Program Reports, including quarterly reports and an annual report that provides participation data for each program. The report will indicate the type of program; participation statistics including age, gender, ethnicity and geographic location of participants; collaborative agencies involved and equipment or horses used.

Insurance requirements. At all times during the term of the agreement the concessionaire will maintain, at its own cost, policies of insurance with companies doing business in California and acceptable to City. The specific insurance requirements are

determined by the City and the specific coverage required is outlined in detail in the agreement. The concessionaire will provide the City with copies of all certificates of insurance for the required coverage, or, upon the request of City, copies of all insurance policies.

Summary of Key Issues and Impacts

The MEPS proposal supports the City's goals for City Stables by offering an extensive youth program for Oakland youth with an emphasis on serving underserved youth in the east and west Oakland.

The capital improvements proposed by MEPS includes modifications to the existing Master Plan for the site. Authorizing the City Administrator to negotiate and execute a concessionaire agreement with MEPS would mean that the City acknowledges there are merits to the MEPS proposal to amend the Master Plan and that MEPS will undergo a thorough public process.

MEPS has demonstrated that it has considerable support both from community members and local businesses. If MEPS is able to secure all of the resources referred to in their proposal, they would be bringing in-kind and cash resources valued at approximately \$400,000 thereby nearly matching the City's funding dollar-for-dollar.

If the City does not identify a concessionaire for City Stables at this time, it will be necessary to allocate some or all of the Proposition 12 grant funds to another open space project.

The proposed agreement outlines in detail the permissible uses of the property: youth riding programs, horse boarding, and private riding instruction as well as other equestrian and nature activities such as ecology, environmental sustainability and gardening.

The concessionaire agreement will require a concession fee of 5% of gross receipts from all operating activities. The MEPS group has requested a waiver of this fee for the first two years of its operations and OPR is considering this request. Final determination of whether and for how long the concession fee will be waived will be established during final negotiates with MEPS and before entering into the concessionaire agreement.

The concessionaire agreement also details which party is responsible for which part of maintenance and repairs at the site, specifies that the property be kept clean and free from nuisances such as flies and manure odors, and that the grounds be maintained in such a way as to minimize wildfire hazards.

Under the agreement the concessionaire may not make any alterations and additions without express written permission from the City and must obtain all of the necessary permits. Accounting records must be kept in accordance with general accounting practices, certified reports must be provided annually, and the concessionaire must obtain insurance coverage as specified by the City and provide the City with copies of all certificates of insurance for the required coverage.

SUSTAINABLE OPPORTUNITIES

Economic: Adoption of this resolution will provide for economic opportunities for local equestrian trainers and teachers who will offer riding lessons and other horse-related instruction at City Stables.

Environmental: Having a concessionaire at City Stables will ensure that the site is maintained and kept free of excessive weeds. Horticultural programs at the site will have an emphasis on land stewardship and sustainable agriculture.

Social Equity: Free and low cost youth equestrian programs targeted to underserved Oakland youth will make horse care and horse riding programs accessible to young people who might not otherwise be exposed to programs of this type.

DISABILITY AND SENIOR CITIZEN ACCESS

The restrooms at City Stables are wheelchair accessible and specialized programs will be offered for disabled youth.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that Council approve a Resolution authorizing the City Administrator to negotiate and execute a concessionaire agreement between the City of Oakland and Metropolitan Equestrian Preservation Society to operate equestrian programs and provide facility improvements to Oakland City Stables, located at 13560 Skyline Boulevard, Oakland, California for a five year term with three consecutive five-year options to renew.

Other Alternatives Considered

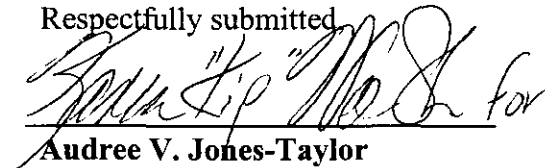
The following alternatives were considered for City Stables:

1. Use the property for another program or open space use. This option is not presently recommended because further evaluation beyond the scope of this report would need to be made as to the costs involved in converting the land for other use. If Council opts to permanently close City Stables as a horse boarding and equestrian program site, this option would need to be more fully explored.
2. Sell the property. This option is not recommended because the land was purchased under Measure K as open space and the City has a zero net loss policy on open space.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that Council approve a Resolution authorizing the City Administrator to negotiate and execute a concessionaire agreement between the City of Oakland and Metropolitan Equestrian Preservation Society to operate equestrian programs and provide facility improvements to Oakland City Stables, located at 13560 Skyline Boulevard, Oakland, California for a five year term with three consecutive five-year options to renew.

Respectfully submitted



Audree V. Jones-Taylor

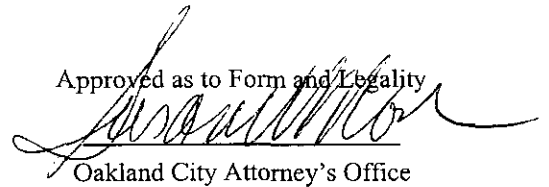
Director, Office of Parks and Recreation

Prepared by:
Kip Walsh, Assistant to the Director
Office of Parks and Recreation

APPROVED AND FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE



OFFICE OF THE CITY ADMINISTRATOR



Oakland City Attorney's Office

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OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A CONCESSIONAIRE AGREEMENT BETWEEN THE CITY OF OAKLAND AND METROPOLITAN EQUESTRIAN PRESERVATION SOCIETY TO OPERATE AND MANAGE EQUESTRIAN PROGRAMS AND PROVIDE FACILITY IMPROVEMENTS TO OAKLAND CITY STABLES, LOCATED AT 13560 SKYLINE BOULEVARD, OAKLAND, CALIFORNIA FOR A FIVE YEAR TERM WITH THREE CONSECUTIVE FIVE YEAR OPTIONS TO RENEW

WHEREAS, the City is the fee simple owner and the Office of Parks and Recreation is the custodial agency of the real property located at 13560 Skyline Boulevard, Oakland, California, known as "City Stables"; and

WHEREAS, City Stables offers a unique opportunity to provide specialized programs to underserved youth in Oakland; and

WHEREAS, the City wishes to preserve City Stables' natural beauty and utilize the property as an equestrian center; and

WHEREAS, the City has been engaged in a search for an appropriate concessionaire for City Stables since September 2004; and

WHEREAS, the Metropolitan Equestrian Preservation Society, "MEPS" has as its vision to revitalize City Stables and bring back the joy of horses and the equestrian arts to the people of Oakland; and

WHEREAS, MEPS demonstrated a commitment to the City's goals for the site to offer equestrian and other programs to inner city youth while addressing the need for necessary capital improvements in order to make City Stables a self-sustaining operation; and

WHEREAS, the MEPS youth program plan is extensive and includes programs specially designed to serve youth at-risk, introduce children to animal care and feeding, horse riding techniques, stable operations and nature activities as well as ecology, environmental sustainability and gardening; and

WHEREAS, the MEPS capital improvement plan for City Stables is in keeping with the overall goals of the 1996 Master Plan for the site in that it retains the existing structures, provides for maintaining the site's use as an equestrian facility and enhances the site's assets for better community use; and

WHEREAS, the City acknowledges there are merits to the MEPS capital improvements project and proposal to amend the Master Plan and that MEPS will undergo a thorough public process; and

WHEREAS, pursuant to the concessionaire agreement, MEPS will not be allowed to make or permit to be made any alterations or additions to the property during the term of the agreement without the prior written consent of the City and will further be required to acquire all necessary permits to do any work and comply with the terms of any permits and all applicable rules, regulations and laws; and

WHEREAS, pursuant to the concessionaire agreement the use of the property will be restricted to boarding of horses, operating horse riding programs, program and stable related business activities, horse shows and clinics, horse demonstrations and related equestrian activities, community outreach and educational activities, gardening and horticultural programs, family and community gatherings, housing for a caretaker, and operation of a business office; and

WHEREAS, pursuant to the concessionaire agreement MEPS will, at no cost to the City, operate group youth riding and associated equestrian programs on the property specifically targeting Oakland youth for participation with a goal of 80% of youth participants at the site residing in Oakland; and

WHEREAS, pursuant to the concessionaire agreement MEPS will be required to pay to the City, as concession revenues, an amount equal to five percent (5%) of the monthly gross receipts from all operating activities including boarding operations, program fees, lessons, and arena fees, unless waived by mutual agreement; and

WHEREAS, the City of Oakland Office of Parks and Recreation conducted a competitive process in its search for a concessionaire and has determined that it is appropriate to recommend MEPS as the concessionaire for City Stables; now, therefore, be it

RESOLVED: that the City Council hereby authorizes the City Administrator to negotiate and execute a concessionaire agreement between the City of Oakland and Metropolitan Equestrian Preservation Society to operate and manage equestrian programs and provide facility improvements to Oakland City Stables, located at 13560 Skyline Boulevard, Oakland, California for a five year term with three consecutive five year options to renew; and be it

FUTHER RESOLVED: That the Office of the City Attorney has approved this resolution as to form and legality and a copy will be on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____.
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID and PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California