

CITY OF OAKLAND  
**COUNCIL AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2005 JUN -2 PM 7:31

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Office of Parks and Recreation  
DATE: June 14, 2005

RE: A REPORT FROM THE OFFICE OF PARKS AND RECREATION ON THE  
SEARCH FOR A CONCESSIONAIRE AND A RECOMMENDATION FOR  
THE MANAGEMENT AND OPERATION OF OAKLAND CITY STABLES

---

**SUMMARY**

This report provides Council with a description of staff's efforts to recruit an appropriate concessionaire for the City Stables through an RFP (Request for Proposal) process, describes the findings of that process, and offers a recommendation for next steps with regard to the management of the City Stables property.

In order to recruit a concessionaire for the operations of City Stables, a Request for Proposals (RFP) was issued in October of 2004. Three proposals were received and reviewed, of those, two were found to merit further investigation. Staff convened two panels consisting of City Stables Advisory Board members, equestrian program experts, and staff from both the Public Works Agency and the Office of Parks and Recreation to first review the proposals, then interview the candidates. Subsequent in- depth interviews were conducted with each group being considered, but neither was found to have all of the necessary expertise and resources to successfully run a concession at City Stables.

Having not been able to identify an appropriate concessionaire, staff recommends that the City close City Stables permanently as a horse boarding and equestrian program site and find local community or nonprofit groups with which to partner to maintain the site.

**FISCAL IMPACTS**

Approval of the recommendation to close City Stables as a horse stable permanently and find a local community or nonprofit group with which to partner to maintain the site would have an estimated annual cost of \$12,000 for weed control and periodic security checks. Securing the site would also require approximately \$15,000 in one-time costs to the City. OPR has begun discussions with East Bay Conservation Corps (EBCC) regarding a partnership that would involve maintenance at City Stables through the use of EBCC volunteer labor. The City would need to bear the annual maintenance costs if such a partnership cannot be developed.

Alternatively, an effort to place a concessionaire at the site would be contingent on programs being fully self-sustaining and requiring no financial support from the City. No funds are available within the baseline budget of OPR for programs at City Stables. Some

Item: 8  
Life Enrichment Committee  
June 14, 2005

rudimentary repairs to the site would be necessary to ensure safety and to provide adequate shelter and containment for any program horses that might be housed while programs are running. Staff estimates that the basic maintenance repairs required to make the Stables safe and habitable for a summer equestrian program would be approximately \$75,000.

There is a balance of approximately \$130,000 from the \$172,000 in City funds set aside as a grant match for capital improvements to City Stables under Project No. C213720. Those funds could be made available to either secure or refurbish the site, but would then be unavailable for the grant match. Annual maintenance costs are unbudgeted and would need to be identified.

Alternatively, OPR staff have initiated preliminary conversations with the nonprofit groups East Bay Conservation Corps (EBCC) and PAL (Police Activities League) to determine whether there may be an opportunity to partner with them, wherein they would operate an 8-week summer day camp at City Stables that would include site maintenance activities as part of its ecology, environmental, and conservation curriculum. Participants would be drawn from OPR recreation centers and PAL programs with some staffing provided by AmeriCorps members serving through EBCC. Transportation to and from the site would be provided by PAL. OPR would provide a key staff person to coordinate the summer day camp with EBCC and PAL. Such a program would have a minimal fiscal impact since it would require no new staffing and only a slight increase in utilities expenses.

## **BACKGROUND**

The City of Oakland acquired the 7.2-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. City Stables was shut down entirely on September 1, 2004, all horses were removed, and the facility has remained closed since that time.

Prior to its closure, a 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 have been 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 programs and no horses, and, as of July 1, 2005, there will be no caretaker at the City Stables site. OPR staff have initiated preliminary conversations with East Bay Conservation Corps (EBCC) and PAL (Police Activities League) to determine whether there may be an opportunity to collaborate with them, wherein they would operate an 8-week summer conservation day camp at the site that would include site maintenance activities as part of the curriculum. OPR would provide a key staff person to coordinate the camp with EBCC and PAL. Since the program would operate primarily in the open space areas and would not include boarding horses or stable activities, extensive repairs to the building would not be required for the summer day camp to operate. Having an active program onsite would offer Oakland youth the opportunity to experience the natural environment in a safe and supportive atmosphere while teaching them the values of environmental stewardship, ecology, and respect for nature. The presence of daily programs at the site would also contribute to keeping the area more secure and help to prevent inappropriate use from occurring. Early discussions indicate that it is possible that such program could be initiated as soon as this summer (2005).

### **Request for Proposals**

On October 1, 2004, OPR issued a Request for Proposals (RFP) from potential concessionaires to run youth programs, horse boarding operations, and facility improvements and maintenance. The RFP was distributed directly to those individuals and groups who had contacted OPR expressing interest in running the City Stables operation, a press release was issued, and public notices were posted in local newspapers. The deadline, which had originally been set for October 28, 2004, was extended one week to November 5, 2004.

Three proposals were received by the deadline. Staff convened a panel consisting of City Stables Advisory Board members, equestrian program experts, and staff from both the Public Works Agency and the Office of Parks and Recreation to review the proposals. On November 10, 2004 each proposal was reviewed in depth and evaluated based on a set of standards taken directly from the RFP itself. The panels then discussed the merits of each proposal and made recommendations for follow up. Two proposals were recommended for further review. The one proposal that was immediately dismissed was incomplete and did not provide sufficient detail or supporting documentation to warrant further review.

Item: \_\_\_\_\_  
Life Enrichment Committee  
June 14, 2005

On November 19, 2004, a second panel of similar makeup was convened to conduct in-depth interviews with each group being considered. From those interviews, one group, CityStables.org, seemed to have the necessary structure to warrant further discussion. Their proposal outlined a comprehensive plan that sought to completely renovate the site, significantly improve the barns and paddock areas, and offer a variety of youth programs throughout the year. Upon the panel's recommendation, OPR staff reviewed this proposal very carefully and considered many of its elements sound. Some questions remained about the feasibility of the scope of the capital improvements proposed and the timelines seemed unrealistically aggressive. After conducting some more research on the group's plan and discussions with staff from other City departments, most notably Public Works Agency, OPR scheduled a follow-up meeting with the CityStables.org group.

On December 21, 2004, OPR staff met with representatives from CityStables.org to discuss their proposal in more detail. The group brought eight members to represent their proposal. This group represented community members who had committed themselves to supporting the CityStables.org proposal in the form of labor, professional services, program support, and other volunteer activities. The meeting helped to further highlight the group's strengths, but their emphasis on requiring a full renovation of the site before programs could be offered was still seen as unrealistic.

OPR and other City staff again met with CityStables.org, on January 27, 2005. In that meeting it became clear that the group was firmly wedded to their plan to perform extensive renovations to the site before programs could begin. Since CityStables.org expected the City to release funds for the renovations before any programs could be offered and considered it untenable to begin programming without the complex renovations they had planned, the negotiations broke down and CityStables.org later withdrew their proposal.

Although the other group that had submitted a proposal, Families and Futures, did not seem as strong organizationally, OPR opted to pursue discussions with the group to see if a tenable agreement could be possible. OPR staff met with a representative of Families and Futures on March 15, 2005, and requested further details to substantiate the group's proposal. The Families and Futures proposal emphasized youth programs, but the financial details were weak and revenue projections were unrealistic. Staff and Families and Futures met again on April 19, 2005, to review the addenda to their proposal. The supplemental materials failed to demonstrate the group's capacity for running a complex boarding and program operation.

### **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.

Under a 30% match requirement, to secure \$400,000 in State reimbursement, the total project would be \$571,428, with a \$171,428 match from the City. Of the \$172,000 that was set aside by the City and intended as a RZH grant match, \$42,000 has been spent to date on improvements to the City Stables site. For the \$42,000 City Stables expenditure to be treated as a RZH match, technically the State would have to approve a \$140,000 project at City Stables, \$98,000 would need to be spent on further improvements to the site, and the State could then reimburse the \$98,000 in eligible costs. If the site were going to be converted to another open space use that qualified for RZH funded improvements, applying for a State grant-match based on the \$42,000 already spent might be an appropriate next step. That would leave the \$130,000 balance of the Project No. C213720 money available to be used as an RZH match for a project valued at \$432,000, of which the State could reimburse \$302,000. If the \$42,000 City money was spent and not eligible to leverage the RZH grant, the City would not be able to capture the full \$400,000 in RZH funds without identifying another \$42,000 for a match. There would be a further adjustment in City funds available for a match, if Council approves the recommended closure of City Stables. An additional \$15,000 would be expended to secure the site, leaving a balance of \$115,000.

Although the City authorized the use of the Proposition 12 grant funds for improvements to City Stables, it is possible to designate those funds to another project and apply for the State's match specifying a different project. The City might also choose to allocate some of the funds for City Stables repairs and allocate the balance to another project. The Proposition 12 grant expires on June 30, 2009. The State requires submittal of all payment requests and full documentation of project expenditures by no later than March 1, 2009. The State's main requirement is that the funds be spent on open space projects – the City could, in its application for release of the funds, specify a different project or spread the funds out over more than one project.

## **KEY ISSUES AND IMPACTS**

### **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, many of the paddocks have collapsed, and the grounds are overrun with weeds. 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. Full reinstatement of horse boarding operations would require an expenditure of at least \$425,000 to perform barn repair, regrading of paddock areas, paddock repair and construction, and installation of a prefabricated hay barn.

If a suitable concessionaire could be identified, it might be possible to run a limited equestrian program for youth at City Stables in future summers. A new search would

have to be initiated, an RFP would have to be issued, and a review process undertaken. Placing a concessionaire at the site would be contingent on programs being fully self-sustaining and requiring no financial support from the City since no funds are available in OPR's baseline budget for programs at City Stables. Some rudimentary repairs to the site would be necessary to ensure safety and to provide adequate shelter and containment for any program horses that might be housed while programs are running. These repairs include: refurbishing and replacing some of the paddocks; boarding up parts of the old barn areas; repairing broken windows in the house and classroom areas; and shoring up some of the barn areas. Staff estimates that the maintenance repairs required to make the Stables safe and habitable for a summer **equestrian** program would be approximately \$75,000 and could take as much as a year to complete since funds, a scope of work, and a project plan would have to be identified.

There is a balance of approximately \$130,000 from the \$172,000 in City funds set aside as a grant match for capital improvements to City Stables. Those funds could be made available to either secure or refurbish the site, but would then be unavailable for the grant match. Annual maintenance costs are unbudgeted and would need to be identified.

In order for a concessionaire to be able to cover the costs of operating a summer equestrian program for youth, the concessionaire would be required to charge customary fees to the participants. According to a limited survey of other similar programs in the greater Bay Area conducted by OPR staff, fees for week long youth riding camps run between \$125 and \$350 per week. To fully assess whether a camp could be successful and self-supporting, further market analysis would have to be conducted. If there were adequate interest, enough participants, and the market would bear a per child rate of \$175 or more, the camp could be self-supporting. If the market would bear a higher rate, it might be possible to generate enough revenue to enable the concessionaire to offer programs to underserved Oakland youth for free or at a reduced cost, but preliminary estimates make that unlikely. The particulars of such an arrangement would have to be clarified and quantified in the concessionaire's proposal.

Alternatively, it may be possible to partner with a nonprofit group that would provide programs at the site using their own resources. Preliminary discussions have been initiated between OPR and PAL (Police Activities League) to evaluate whether such a partnership could be viable. Again the restriction would be that the program be self-supporting (in this case, supported by the nonprofit's fundraising).

Since the property was purchased with Measure K money, the site is designated as open space and must be maintained as such. Changes as to the nature of its use must remain within the parameters of an open space designation.

### **Capital Improvement Needs**

A Master Plan for renovation of the site was approved in 1996 and a subsequent design survey was conducted in 2001. The cost of implementing all of the plan and recommended improvements is loosely estimated to be \$1,500,000 - leaving a shortfall of

approximately \$1,028,000 from the Roberti-Z'Berg-Harris Grant Program and the City's match. The City has not identified a source for the additional funds required.

Although the City authorized the use of the Proposition 12 RZH grant funds for improvements to City Stables, it is possible to designate those funds to another project and then apply for the State funding approval 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.

### **Maintenance Requirements**

Approval of the recommendation to close City Stables as a horse stable permanently will require that the buildings be secured and the grounds minimally maintained. Staff recommends that efforts be made to find a local community or nonprofit group with which to partner to maintain the site. Otherwise, the City would bear an estimated annual cost of \$12,000 for weed control and periodic security checks.

OPR staff has initiated preliminary conversations with the nonprofit group East Bay Conservation Corps to determine whether there may be an opportunity to partner with them wherein they would operate a summer conservation program at City Stables that would include site maintenance in exchange for use of the site as a base for their program. However, further discussions and detailed agreements must be clarified before such a program could be implemented, and the City would be responsible for the cost of maintaining the site in the absence of such a partnership.

### **SUSTAINABLE OPPORTUNITIES**

Economic: Capital improvements under the Roberti-Z'Berg-Harris Grant Program and City match could be designated for another open space improvement project. Project work opportunities would exist for local firms, and the City would benefit from revenues generated by firms that work on the project.

Environmental: The absence of horses at the site will preclude problems with pest abatement.

Social Equity: This recommendation would not enhance social equity in the area.

### **DISABILITY AND SENIOR CITIZEN ACCESS**

There would be no impact on persons with disabilities or senior citizens.

## **RECOMMENDATION(S) AND RATIONALE**

Staff recommends that the City close City Stables permanently as a horse boarding and equestrian program site and find local community or nonprofit groups with which to partner to maintain the site.

There are a number of advantages to closing the City Stables permanently, most of which are cost-saving:

1. It would limit the amount of staff time required to monitor the operations of the site, thereby freeing up staff to support other program operations.
2. It would eliminate the need for a full time caretaker onsite.
3. If an agreement with a community or nonprofit group could be negotiated to partner with OPR for use and maintenance of the site, the City's cost of maintenance would be greatly reduced.
4. Only minimal modifications to the existing structures would be necessary to secure the site.
5. The site could be converted to another open space use such as a park.
6. The capital improvement money set aside under the Roberti-Z'Berg-Harris Grant Program could be designated for another open space improvement project.

The disadvantages of closing City Stables are:

1. The Office of Parks and Recreation would not be able to offer equestrian programs and to provide equestrian opportunities to low income or otherwise disadvantaged youth.
2. The buildings and facilities would fall into greater disrepair.
3. It would further limit the availability of horse boarding sites within Oakland.
4. If the \$42,000 in City funds already spent for capital improvements and the \$15,000 that would be spent to secure the site cannot be applied as a match toward an eligible City Stables project, the City would not be able to capture the full \$400,000 in RZH funds unless a replacement match amount is identified.

## **Other Alternatives Considered**

The following alternatives were considered for City Stables operations:

1. Modify and reissue a Request for Proposals seeking a concessionaire to operate City Stables. This option is not recommended because the research conducted by staff and the process of reviewing proposals submitted highlighted the challenges inherent in the site. The need for one and a half million dollars worth of renovations with less than one third of that amount identifiably available precludes full operation of the boarding stables.

Item: 8  
Life Enrichment Committee  
June 14, 2005



Since a priority for the site has been to offer equestrian programs that could accommodate low-income participants, there would have to be another way for the concessionaire to generate revenue in order to subsidize free or low cost programs. Without boarding stables that are in good condition, it would be difficult to charge boarding fees that would be profitable. Also, the deteriorated condition of the buildings makes the site unsafe and offering youth programs in those conditions would not be responsible. Additionally, it has been difficult for potential concessionaires to secure appropriate insurance coverage.

2. Reduce the scope of operations to summer use only for equestrian day camps and environmental programs. This option is not recommended because the City would be required to perform capital improvements to the site before programs could be implemented. Again, the opportunity for generating revenue is very limited and an equestrian program would most likely have difficulty covering its operating costs.

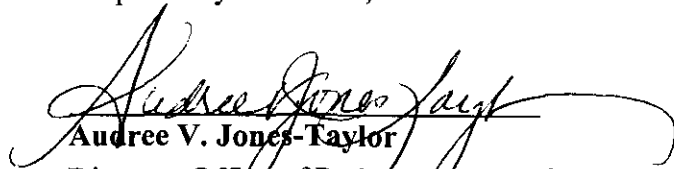
3. Use the property for another program or open space use. This option is not presently recommended because further evaluation beyond the scope of this report would need to be made as to the costs involved in converting the land for other use. If Council opts to permanently close City Stables as a horse boarding and equestrian program site, this option would need to be more fully explored.

4. 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 recommends that the City close City Stables permanently as a horse boarding and equestrian program site and find local community or nonprofit groups with which to partner to maintain the site.

Respectfully submitted,

  
**Audree V. Jones-Taylor**  
Director, Office of Parks and Recreation

Prepared by:  
Kip Walsh, Office Administrator  
Office of Parks and Recreation

APPROVED AND FORWARDED TO THE  
LIFE ENRICHMENT COMMITTEE

  
**OFFICE OF THE CITY ADMINISTRATOR**

Item: \_\_\_\_\_  
Life Enrichment Committee  
June 14, 2005