

**REDEVELOPMENT AGENCY OF THE  
CITY OF OAKLAND  
AGENDA REPORT**

OFFICE OF THE CLERK  
CITY OF OAKLAND

2006 OCT 19 PM 2:24

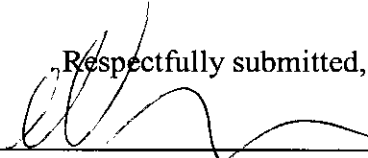
TO: Office of the Agency Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: October 24 2006

**RE: Revised Attachment B to the Agenda Report for the Resolution Authorizing the Agency Administrator to Negotiate and Execute a Three-Year Agreement with Rink Management Services Corporation for Management and Operation of the Oakland Ice Center for a Base Monthly Fee not to Exceed \$4,900, Plus an Annual Incentive Fee not to Exceed 20 Percent of Net Revenue Adjusted for Any Deferred Expenses that May be Earned during the Previous Year in Excess of \$7,603, Pursuant to Specific Criteria**

**SUMMARY**


This report clarifies and corrects certain information included in Attachment B to the agenda report referenced above. Specifically, the revisions to Attachment B are as follows: 1) a \$60,000 adjustment in the operating expense and net revenue amounts for FY05-06; resulting in increases in the management incentive fees projected for FY06-07 and FY07-08; 2) corresponding revisions to the footnotes in the table; and 3) revision to the title of the table to indicate the inclusion of FY06-07 and FY07-08 in the table. The first revision is necessary to adjust for an estimated \$60,000 deferred electric utility expense for FY05-06 payable to Pacific, Gas and Electric so that baseline net revenue for FY05-06 is consistent with the \$7,603 amount contained in the agenda report and resolution. The projected incentive fees for FY06-07 and FY07-08 shown in the original Attachment B were calculated without this adjustment resulting in a \$4,016 understatement of the projected incentive fee in FY06-07 and \$12,000 understatement of the projected incentive fee in FY07-08. Those amounts were revised accordingly, and footnote "e" added to make note of possible adjustments for deferred electric expense that will possibly need to be made in FY06-07 and FY07-08. Footnote "f" was also added to make note of the 4-month proration of the FY06-07 projected incentive fee based on RMSC's expected period of management of the OIC in this fiscal year.

Respectfully submitted,



Daniel Vanderprien  
Director of Redevelopment, Economic  
Development, Housing and Community  
Development

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE:

  
Office of the Agency Administrator

Prepared by: John Quintal  
Economic Development Analyst

Item: \_\_\_\_\_  
**Community and Economic Development Committee  
October 24, 2006**

## Attachment B

Oakland Ice Center  
FY 2003-08 Comparison

	12 mos. End. <u>YTD6/03</u>	12 mos. End. <u>YTD6/04</u>	12 mos. End. <u>YTD6/05</u>	12 mos. End <u>YTD6/06</u>	12 mos. End <u>6/07 Projectd</u>	12 mos. End <u>6/08 Projectd</u>
<b>REVENUES</b>						
Public Admissions	144,916	153,156	174,676	196,849	185,000	200,000
Groups	51,952	47,656	50,843	49,193	60,000	65,000
Skate Rentals	36,234	39,117	35,453	40,063	35,000	37,000
Birthday Parties	37,543	36,556	31,361	43,699	40,000	50,000
Skating School	191,683	179,274	248,649	234,396	250,000	260,000
Pick-up/Sticktme	51,080	40,513	33,672	45,907	38,000	45,000
Freestyle	165,479	104,802	122,385	128,492	125,000	135,000
Hockey-Adult	549,730	580,957	607,950	559,859	610,000	630,000
Hockey-Youth	180,486	194,405	185,561	199,776	190,000	230,000
Hockey classes/lessons	25,677	36,076	29,386	29,236	35,000	40,000
Other Private Ice	104,003	108,230	117,032	98,481	117,000	125,000
Rental Income-Lesseees	40,672	40,632	30,577	25,862	19,000	27,000
Pro Commissions	20,892	16,467	20,650	16,997	21,000	25,000
Dasher Board/Sponsorship Rev.	45	3,720	1,005	0	30,000	35,000
Other Income	<u>10,863</u>	<u>16,845</u>	<u>15,077</u>	<u>17,816</u>	<u>21,000</u>	<u>28,800</u>
<b>Total Revenues</b>	<b>1,611,255</b>	<b>1,598,406</b>	<b>1,704,277</b>	<b>1,686,626</b>	<b>1,776,000</b>	<b>1,932,800</b>
<b>EXPENSES</b>						
Payroll (Incl Payroll Taxes)	675,648	652,257	709,298	657,976	674,880	700,000
Pros Fees	a	a	62,530	56,728	65,000	75,000
Utility Costs	266,811	281,333	316,934	223,393 c	300,200	300,000
Deferred Electric Utility Expens	0	0	0	60,000	0	0
Repair & Maintenance	51,030	55,871	72,294	91,574	104,348	120,000
Advertising/Promotion	47,537	49,542	57,129	27,354	50,000	50,000
Insurance	154,033	176,035	233,573	187,991	159,800	165,000
Travel	2,025	1,895	2,528	85	3,000	3,000
Accounting/Legal	3,022	1,373	545	5,714	11,000	11,000
Office Expense	80,184	64,808	61,560	56,599	78,414	80,000
Hockey Programs	117,298	121,509	126,644	126,558	131,000	140,000
Operating Supplies	13,221	10,335	13,582	12,795	13,000	13,500
Security Services	28,375	25,787	6,263	3,192	6,000	6,500
Special Event Costs	28,326	18,811	23,020	34,230	21,900	25,000
Other Expenses	<u>119,849</u>	<u>126,828</u>	<u>88,243</u>	<u>69,063</u>	<u>32,000</u>	<u>35,000</u>
Subtotal	1,587,359	1,586,384	1,774,143	1,613,252	1,650,542 d,e	1,724,000 d,e
Earnings b/f Mgement Fee (b)	23,896	12,022	-69,866	73,374	125,458	208,800
Less Base Mgement Fee	72,000	72,000	66,000	65,771	58,800	58,800
Subtotal Net Revenue	-48,104	-59,978	-135,866	7,603	66,658	150,000
Less Incentive Mgement Fee	0	0	0	0	4,016 f	28,479
Net Revenue	-48,104	-59,978	-135,866	7,603	62,642	121,521

a - Pro fees included in Other Expenses in FY03 & 04.

b - Excludes depreciation.

c - Excludes approximately \$60,000 of deferred electric utility expense that will be billed in October 2006

d - Does not include any potential expenses related to the rental of off-site parking for OIC patrons or additional staffing costs for monitoring such parking.

e - Does not include any deferred electric utility expenses that would increase total utility expenses beyond the \$300,000 amounts projected for FY06-07 and FY07-08, thereby resulting in lower projected net revenues and incentive fees than shown for those years.

f - Projected incentive fee for FY06-07 is prorated for the only 4 months of expected operation of OIC under RMSC management.