

REDEVELOPMENT AGENCY OF THE  
CITY OF OAKLAND  
AGENDA REPORT

2006 OCT 24 10:24

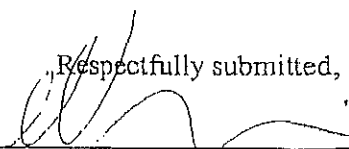
TO: Office of the Agency Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: October 24 2006

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

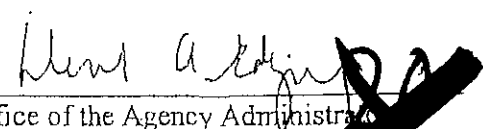
This report clarifies and corrects certain information included in Attachment B to the agenda report referenced above. Specifically, the revisions to Attachment B are as follows: 1) a \$60,000 adjustment in the operating expense and net revenue amounts for FY05-06; resulting in increases in the management 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,

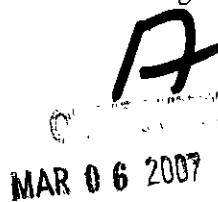


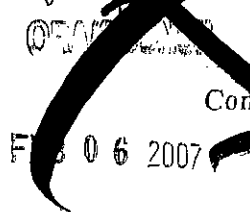
Daniel Vanderprien  
Director of Redevelopment, Economic  
Development, Housing and Community  
Development

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE:

  
Office of the Agency Administrator

Prepared by: John Quintal  
Economic Development A  
JAN 23 2007

  
MAR 06 2007

  
FEB 06 2007

  
Community and Economic Development Committee  
October 2006

## Attachment B

Oakland Ice Center  
FY 2003-08 Comparison

|                                  | 12 mos. End.<br><u>YTD6/03</u> | 12 mos. End.<br><u>YTD6/04</u> | 12 mos. End.<br><u>YTD6/05</u> | 12 mos. End.<br><u>YTD6/06</u> | 12 mos. End<br><u>6/07 Projectd</u> | 12 mos. End<br><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                        | 234,395                        | 250,000                             | 260,000                             |
| Pick-up/Sticktime                | 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-Lessees            | 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                    | 286,811                        | 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                         | 81,560                         | 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 Mgmt Fee (b)        | 23,896                         | 12,022                         | -69,866                        | 73,374                         | 125,458                             | 208,800                             |
| Less Base Mgmt 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 Mgmt Fee          | 0                              | 0                              | 0                              | 0                              | 4,016 f                             | 28,479                              |
| <b>Net Revenue</b>               | <b>-48,104</b>                 | <b>-59,978</b>                 | <b>-135,866</b>                | <b>7,603</b>                   | <b>62,642</b>                       | <b>121,521</b>                      |

a - Pro fees included in Other Expenses in FY03 &amp; 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.

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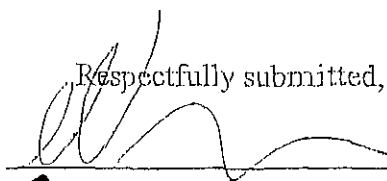
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DEVELOPMENT COMMITTEE:

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Office of the Agency Administrator

FEB 06 2007

Prepared by: John Quintal  
Economic Development Analyst

JAN 2 2007

Community and Economic Development Committee  
October 24, 2006  
COMMUNITY AND ECONOMIC DEVELOPMENT CMTE  
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