

A G E N D A



Recommendation for Council Action

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| Austin City Council | Item ID | 23945 | Agenda Number | 23. |
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| Meeting Date: | 4/25/2013 | Department: | Parks and Recreation |
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Subject

Authorize negotiation and execution of a two-year concession agreement with Austin Parks Foundation ("Foundation") for a food and beverage concession at 1006 Congress Avenue, the Old Bakery and Emporium, in exchange for the Foundation's obligation to use a portion of concession revenue to fund improvements at the site and establish the parties' responsibilities. Related to Item # 22.

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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| Purchasing Language: | |
| Prior Council Action: | Resolutions 20110623-091 and 20120927-044. |
| For More Information: | Cheryl Bolin 974-3920. |
| Boards and Commission Action: | To be reviewed by the Parks and Recreation Board on April 23, 2013. |
| MBE / WBE: | |
| Related Items: | |

Additional Backup Information

The City of Austin Parks and Recreation Department (PARD) and the Downtown Austin Alliance (DAA) have worked together to build value and sales in the Old Bakery and Emporium store dedicated to seniors. In 2010, the Congress Avenue Charette was developed with significant stakeholder input and the Congress Vision document was established. The Congress Vision Document identified the Old Bakery as a location that could and should have more visibility, use and traffic. The Downtown Austin Alliance and the Austin Parks Foundation (APF) have worked together with PARD to identify ways to achieve the vision established in the Congress Vision document, including the ability to add a concession to sell coffee and baked goods, pre-packaged snack and food items, and canned non-alcoholic beverages to attract the public to the Old Bakery and Emporium area without adding costly infrastructure to the site.

In September 2011, the City executed a Temporary Concession Agreement with APF to pilot new site programming, to increase sales, and to determine public benefit and effectiveness in creating a more active and engaging public park space. As of October 2012, the pilot concessionaire has served approximately 13,833 patrons. The presence of this temporary concession has increased Old Bakery customers by 20 percent and sales by 15 percent. The concession has generated \$102,276 in sales revenue, resulting in a site improvement fund of \$18,827. Given the success of the pilot concessionaire in generating revenue and increasing customers and sales at the Old Bakery and Emporium, APF and PARD recommended it continue.

On September 27, 2012, the City Council approved a resolution waiving the requirement of the City's policy related to concessions on parkland, adopted in resolution No. 380312-025, for this concession agreement with APF and authorized an extension of the Temporary Concession Agreement for up to 102 calendar days, beginning on October 22, 2012. (The approved extension expired on January 31, 2013.) In addition, the Council authorized the negotiation of a new concession agreement with APF for two years in exchange for its obligation to use concession revenue to fund additional improvements at the site, and directed staff to present the agreement to Council for action prior to its execution.

During this pilot period, the concessionaire made a business decision to terminate its agreement with APF. In response to this decision, APF sought a new concessionaire and has negotiated a new agreement with a joint venture concessionaire, Royal Blue Grocery and My Thai Mom.

The agreement will not require that the City provide any funding. APF will require a minimum 10% of sales revenue from its concessionaire and will use it for parkland improvements. The concession agreement will require the joint efforts of APF, DAA and PARD to host public input meetings for park improvements, development of design requirements and construction documents. APF will seek additional funding sources necessary to make capital improvements at the site. Should funding availability and project budget necessitate, APF will have a phased implementation of the capital improvements. APF will raise funds to implement subsequent phases of the design plan. APF and the DAA will work with PARD to develop operations, maintenance and increased programming in an effort to activate and maintain constructed park improvements. APF's share of the money generated from the concession agreement will be applied to costs associated with construction document development and construction of the capital improvements at the park.