



**REPORT TO COUNCIL**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2604  
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**CONSENT**  
**January 10, 2006**

Honorable Mayor and  
Members of the City Council

**Subject:** Agreement: William Land Park Pony Ride Lease

**Location/Council District:** William Land Park (District Four)

**Recommendation:**

Adopt a Resolution authorizing the City Manager, or his designee, to execute an agreement with Ms. Marilyn Hagemann for the provision of a pony ride operation at William Land Park.

**Contact:** Russell Haynes, Analyst, (916) 808-7360  
Barbara E. Bonebrake, Director, (916) 808-8225  
**Department:** Convention, Culture and Leisure Department  
**Division:** Administration  
**Organization No:** 4310

**Summary:**

This report provides information relating to the provision of a pony ride operation in William Land Park and requests authorization to execute a lease and operating agreement with Ms. Marilyn Hagemann, a sole proprietor.

**Committee/Commission Action:** None

**Background Information:**

Developed in the 1920's, William Land Park is the City's primary regional park, encompassing more than 200 acres offering a variety of popular amenities and recreational activities. Pony rides have been a delightful tradition in William Land Park for more than forty years. Thousands of young people, many children or grandchildren of the earliest riders, have enjoyed the excitement of their first pony ride at the park.

- The current Lessee, Ms. Marilyn Hagemann, has operated the pony rides since the mid-1980's.
- All options to extend the current agreement have been exercised, and the existing agreement expired on December 31, 2005.
- Prudent action and City Code requires that all leases authorizing occupancy of city property for a period of more than six months shall be awarded to the highest responsible bidder (Sec. 3.68.020).



- Staff solicited comments from the Land Park Community Association and incorporated those in a Request for Proposals (RFP). Further, they have indicated their support for the continued operation of this children's activity in its present form.
- The RFP was issued, with a due date of November 3, 2005.
- Ms. Hagemann submitted the only proposal.
- The proposed agreement with Ms. Hagemann was negotiated.

Significant details of the agreement include (1) initial five-year term with a mutually acceptable five-year extension option, and, (2) lease rate of four percent (4%) of gross sales payable to the City on a monthly basis.

### **Financial Considerations:**

The average yearly revenue generated by this lease has been approximately \$3,900, based upon the results of calendar years 2001 through 2004. The revenue received from the period of January 1 through October 31, 2005 was \$3,188 with approximately one month of revenue still to be reported (the rides are closed in December). The existing agreement requires a lease payment of seven and one-half percent (7-1/2%) of the first \$40,000 of gross sales, and ten percent (10%) for all sales above \$40,000. The proposed agreement is for a flat four percent (4%) of all gross sales. The new terms represent a revenue decline of approximately 53 percent, or \$2,067 per year. While this decrease seems excessive, the operator's costs have risen dramatically as well. In order to continue this amenity, staff considers this a reasonable alternative. The revenue from this lease is allocated to Fairytale Town (589-420-4221-3672).

### **Environmental Considerations:**

The action of executing an agreement between the City of Sacramento and Ms. Marilyn Hagemann for the lease and operation of a pony ride contract is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Exemption 15061(b)(3) consists of an activity covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

### **Policy Considerations:**

This agreement is consistent with City Council's previously approved actions concerning the pony ride operation and with City Policy to provide an amenity which adds to the attractiveness of the park system. This agreement is also consistent with the City's Strategic Plan goal of enhancing livability.

The provisions of the Living Wage ordinance do not apply.

City Code section 3.72.140 allows the City Manager to make minor changes to the contract provided the original resolution authorized such authority.

**Emerging Small Business Development (ESBD):**

Ms. Marilyn Hagemann certification as an ESBD expired in 2002. However, staff is working with her to recertify and doesn't anticipate any problems.

Respectfully Submitted By: Barbara E Bonebrake  
Barbara E. Bonebrake  
Director, Convention, Culture and Leisure Department

Recommendation Approved:

*for* Ray Kerridge  
RAY KERRIDGE  
Interim City Manager

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## **RESOLUTION NO. 2006-XXXX**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

January 5, 2006

### **WILLIAM LAND PARK PONY RIDE LEASE - AUTHORIZATION TO EXECUTE AN AGREEMENT WITH MS. MARILYN HAGEMANN**

#### **BACKGROUND**

- A. All options to extend the current agreement have been exercised, and the existing agreement expired on December 31, 2005.
- B. A competitive bid process was conducted and Ms. Marilyn Hagemann was the successful proposer.
- C. The proposed agreement is for an initial five-year term, with a mutually acceptable five-year extension option available.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager, or his designee, is authorized to execute an agreement with Ms. Marilyn Hagemann for the lease and operation of a pony ride operation in William Land Park.
- Section 2. The City Manager, or his designee, is authorized to make minor amendments to this agreement.