



Staff Report

File #: 17-425

Version: 2

Date: 8/28/2017

Item #:

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Proposed Ice Rink at Riverfront Park

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council approve a revised agreement with Salem on Ice, LLC, to place a temporary ice rink facility in Riverfront Park from November 2017 through January 2018?

RECOMMENDATION:

Approve a revised agreement with Salem on Ice, LLC, to place a temporary ice rink facility in Riverfront Park from November 2017 through January 2018.

SUMMARY AND BACKGROUND:

Salem on Ice, LLC, members have successfully installed and operated a similar facility in Modesto, California for the past two years during the holiday season. The ice rink has been well received by the community and has been beneficial in drawing people to an attraction in the downtown during the winter months. The members of the LLC wish to create a similar attraction in Salem and propose an agreement be developed for a term of five years.

The updated report contains a revised agreement removing the requirement for the City of Salem to install a sand cap (item A.2 of the agreement) prior to installation of the facility. Additional information has been obtained regarding the cost of a permanent sand cap. Although this improvement would be beneficial for turf renovation in support of festivals and events, further evaluation is needed. In addition, the estimated cost of the improvement would require a formal bid process which could not be completed prior to the desired installation date. Salem on Ice may install temporary sand fill to level the site. The agreement requires Salem on Ice to restore the premises to

its current condition. Staff will reevaluate the installation of a permanent sand cap after the first year of operation.

In addition, section E, "Insurance," has been modified to clarify that the City's Risk Manager shall approve the provider's insurance coverage. Salem on Ice has obtained a quote for insurance that provides for deductibles of \$1,000.

FACTS AND FINDINGS:

1. Staff have met with Troy Acor, a representative of Salem on Ice, LLC, on several occasions to review proposed plans, develop appropriate language for an agreement, and identify permitting requirements and approvals necessary to undertake the project. Community Development Department Planning Division staff has evaluated the proposal and Willamette River Greenway requirements. Building and Safety staff has provided information on permitting requirements. Public Works Department Recreation Services Parks Operations, and Engineering staff have worked with Salem on Ice to define the proposal and develop terms to mitigate impacts to the park and its turf.
2. Sufficient power is available on the site through the installation of a temporary service. The proposed agreement requires electrical service to be separately metered and paid directly by Salem on Ice, LLC.
3. The proposed agreement obligates the City of Salem to provide water for making the ice. The City will also install a sand cap on the site prior to installation of the facility, to support turf restoration in the spring. In the proposed agreement, these services are to be provided without charge to Salem on Ice, LLC.
4. The agreement is structured to be a one-year agreement, with up to four annual renewals, based upon mutual agreement of the parties.
5. A significant initial investment is required to purchase the equipment for ice rink installation and operation. Those expenses will be the responsibility of Salem on Ice, LLC. The first year of operation is intended to be a pilot, after which a financial evaluation of the ice rink facility as well as the costs incurred by the City of Salem will be completed annually. Although a similar operation has occurred for two years in Modesto, revenue and expenses for an operation in Salem are only estimates at this time. Representatives of Salem on Ice, LLC, anticipate it will take two to three seasons of operation to become profitable. The proposed agreement contains a provision for annual reporting and evaluation of revenue and expenses to determine an appropriate revenue sharing structure in future years.
6. The Salem Park and Recreation Advisory Board (SPRAB) received a presentation on August 10, 2017, from Troy Acor, a representative of Salem on Ice, LLC. SPRAB discussed the proposal but was not asked to take a formal action. Members were generally supportive and enthusiastic about the concept. Questions regarding potential noise and impacts to the turf and park were addressed. Discussion did not result in the identification of any additional terms for the proposed agreement.
7. The proposed agreement with Salem on Ice, LLC, is included as Attachment A and contains a site

plan. Other attachments include an Executive Summary with photos and information from Modesto, an ice rink layout, and visitor statistics to the facility in Modesto.

Alicia Blalock
Administration Division Manager

Attachments:

1. Revised Facility Use Agreement between the City of Salem and Salem on Ice, LLC
2. Executive Summary
3. Ice Rink Layout
4. Modesto on Ice 15-16 Season Statistics