

CITY OF NIAGARA FALLS, NEW YORK

TO: City Council
FROM: Community Development Department
DATE: October 12, 2018
RE: **City Council Agenda Item: Award of Ice Skating Operations Agreement**

Council Members:

Providing dynamic activities outside of the tourism season is essential to the growth of our local economy. Providing family-friendly and enjoyable events to Niagara Falls residents is essential to improving local quality of life. In recognition of these two realities, the Community Development Department (CD) requests City Council approval of the Merani Hotel Group as the operator of outdoor ice skating at the municipal lot at the intersection of First Street and Rainbow Boulevard (SITE).

Earlier this year, CD was awarded a \$200,000 Niagara River Greenway Commission grant for the establishment of outdoor ice skating in Niagara Falls. This project does not include the expenditure of municipal funds or tribal revenue funds. Preparation of SITE including removal of a guiderail and other objects, some assembly, and site leveling, with required attention from the Department of Public Works. This will include staff hours and not the procurement of equipment. This activity will also include the elimination of public parking at SITE for the duration of the activity, scheduled from November 30, 2018 to March 2019, with the understanding that SITE preparation starting weeks before operation. CD understands that parking revenue is important. In 2017, we analyzed the December – March revenues at SITE. Even before free parking was provided for Jingle Falls USA 2017 event days, SITE did not generate consistent off-season parking revenue. We believe that outdoor ice skating would provide a stronger economic impact to the surrounding area than parking revenues would in the same time period.

CD released a request for proposal (RFP) for operation of ice rink in August 2018, with proposals due back in October 2018. Operations of the site were put out for competitive bid under advisement from the Purchasing Department. This project is the culmination of a years-long commitment to this project now made possible by City Council approved Niagara River Greenway Commission fund. Merani Hotel Group (Merani) was the respondent. The company has expressed interest in ice skating operations in the past, responded to the 2017 RFP and this year's request as well. The Merani's proposal for SITE includes a partnership with Niagara University and the Niagara Falls Culinary Institute that offers daily operations, staffing, skate rental, concessions, generated power, security and events. The rink itself will be positioned at the north end of SITE. Temporary rental and concession structures will be located on the west and east ends of the lot. Emergency vehicles would still be able to enter SITE from First Street, but parking will otherwise be eliminated. The operator collects rental revenues. The City does not compensate the operator for operation of SITE. Based on the year-one expenditures required for an operator to launch these types of activities, and because this is a new venture, a revenue sharing model would not be tenable. The operational award is a one year agreement, with the ability to create a new three year agreement after operation of year one.

Consistent with the Niagara River Greenway award, the rink will be rented from Precision Ice Rinks in year one of operation. CD is following a similar model that the Town of Lewiston did when creating outdoor ice-skating, with initial renting. The 56' x 77' portable ice rink will include an ice cooling grid system, portable air-cooled chiller, matting, and all required equipment for operation, a field technician for set up and take down and 24 hour refrigeration technical assistance during ice event. CD has quoted rental and purchase of rinks this size, from

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natural freeze grid cooled temporary rinks. We are confident that this model, utilizing Precision Ice Rinks and awarding Merani as operator in year one, provides proven equipment and a trusted hospitality entity to the City of Niagara Falls.

The Niagara Falls Community Development Department requests Niagara Falls City Council approval of the Merani Group for the operations of an outdoor ice skating rink at SITE. Will the Council vote to approve this award and authorize the Mayor to execute any documents necessary to effectuate the same?

Respectfully submitted,

Paul A. Dyster, Mayor

Nicholas Melson, City Administrator

Seth A. Piccirillo
Director of Community Development