



*City of Arts & Innovation*

# City Council Memorandum

---

**TO: HONORABLE MAYOR AND CITY COUNCIL**      **DATE: JULY 11, 2017**  
**FROM: COMMUNITY & ECONOMIC DEVELOPMENT**      **WARD: 1**  
**DEPARTMENT**  
**SUBJECT: THE MISSION INN HOTEL & SPA FESTIVAL OF LIGHTS ICE SKATING RINK**

## **ISSUE:**

Select a relocation site for the Mission Inn Festival of Lights ice skating rink or select the option to not have the ice skating rink return and direct staff to add other attractions or programs.

## **RECOMMENDATION:**

That City Council select a relocation site for the Mission Inn Festival of Lights ice skating rink or select the option to not have the ice skating rink return and direct staff to add other attractions or programs.

## **BACKGROUND:**

The Mission Inn Hotel & Spa created a world class event twenty-four years ago. On September 19, 2006, the City Council approved the supplemental appropriation and funds transfer request for the enhancement of the Mission Inn Festival of Lights. This became a single celebration with The Mission Inn Hotel & Spa in partnership with the City of Riverside. The Mission Inn Festival of Lights is one of Riverside's annual signature events aiming to highlight the Mission Inn and Riverside's pride with a family-friendly holiday celebration and creating a significant economic impact for Riverside.

Up until the 2016 Mission Inn Festival of Lights season, the main attraction was the outdoor ice skating rink (Ice Skating Rink), which was previously located along the Main Street Pedestrian Mall between University Avenue and Mission Inn Avenue. The City contracted with an outside vendor to construct, maintain, staff and manage the Ice Skating Rink during the event. This contract included a 150 ton chiller package, housed on the Tumbleweed Lot, ice skate rentals, sharpening services, a skate change deck area with rubber flooring, and general labor to setup and tear down the Ice Skating Rink structure.

In late 2006, the former Redevelopment Agency acquired the historic Imperial Hardware Building and the adjacent Tumbleweed Lot for the purpose of redeveloping the site. The Imperial Hardware Building and adjacent Tumbleweed Lot are located directly adjacent to the previous Ice Skating Rink location.

On July 22, 2014, the City Council approved a Purchase and Sale Agreement with Ratkovich Properties, LLC (Ratkovich) for the sale and development of the Imperial Hardware Building and adjacent Tumbleweed Lot. Included in the terms of the Purchase and Sale Agreement was a requirement that Ratkovich accommodate the existing Main Street Pedestrian Mall fountain equipment (exclusive of the chiller serving the Ice Skating Rink) directly on-site or move the equipment to a mutually agreeable location. Ratkovich has relocated all of the Main Street Pedestrian Mall fountain equipment and the Imperial Hardware Lofts project is currently under construction.

On March 19, 2015, the Development Committee directed staff to collaborate with Ratkovich, the Museum & Cultural Affairs Department, other City departments and The Mission Inn Hotel & Spa Festival of Lights partners to conduct an analysis of potential alternate locations for the Ice Skating Rink within the downtown area or accommodate the equipment within the Main Street Pedestrian Mall.

The Mission Inn Hotel & Spa Festival of Lights has had a significant economic impact for the City of Riverside. In 2014, staff secured UCR's Center for Economic Development & Innovation to do an economic analysis of the event and programs.

The total economic impact for the 2014 Festival of Lights was \$47,679,250. The 2014 impact demonstrates a dramatic 230% increase compared to \$20,693,410 in 2010. The Festival of Lights has significantly evolved over the past four years to boast 475,000 attendees compared to 275,000 in 2010. The full report is included as Attachment 1.

In 2006, other than The Mission Inn Hotel & Spa, which was magnificent, there was no draw to come to downtown Riverside to celebrate the holiday season. Staff in 2006 knew in developing the programs and enhancements that there needed to be additional and consistent programming and entertainment. The Ice Skating Rink was selected to be one of those main components. As the event and programming has developed and this signature event has gained national attention and recognition, other activities, decorations, vendors, entertainment and lights have sustained the event.

The Mission Inn Hotel and Spa Festival of Lights 2016 season did not include the Ice Skating Rink. Instead a century wheel, carousel and a train ride were incorporated as attractions for the event.

## **DISCUSSION:**

The annual cost for the rental of the Ice Skating Rink, chiller and related equipment to be installed on the ground surface is \$194,000. Staff analyzed each potential location based on its economic impact to existing businesses, the total event impact, the estimated cost (not including the installation, management and staffing of Ice Skating Rink), and the overall economic impact and have concluded the following:

### **Site 1: Previous Location – Main Street Pedestrian Mall**

Staff's analysis concluded that it is possible to locate the Ice Skating Rink, equipment and chiller in its previous location via the construction of an underground vault. The staff estimate for this location is as follows:

Chiller Purchase/Ventilation:	\$475,000
Vault Design/Construction/Demo:	\$150,000
Electrical:	\$ 30,000
Misc. Site Work:	\$ 93,300
General Conditions:	\$112,245
Contingency:	\$112,245
<b>Total:</b>	<b>\$972,790</b>

Additionally, the typical “shelf life” of a chiller unit is approximately 7-10 years and will have to be replaced in the future. The chiller unit will also have to be maintained on a monthly basis to avoid operating issues. The monthly cost to maintain the chiller unit is unknown at this time.

## **Site 2: Convention Center – Outdoor Plaza Area**

Staff’s analysis concluded that it is possible to relocate the Ice Skating Rink, equipment and chiller to the outdoor plaza area of the Riverside Convention Center. The estimate as of late 2015 for the one-time cost of relocating the Ice Skating Rink and equipment to Site 2 is as follows:

Permanent Installation of 480 volt, 3 Phase Power:	\$180,000
General Relocation Costs:	\$ 98,500
Turf Replacement:	\$ 5,000
Installation of New Lighting:	\$ 35,000
Contingency:	\$ 50,000
<b>Total:</b>	<b>\$368,500</b>

Based on feedback received from the business community and various downtown partners, this location would have a mixed economic impact. The business community on the north end of the Main Street Pedestrian Mall supports the site as it would drive additional customers to that block that in years past has had little FOL activity, except for lighting/décor and horse carriages. The Riverside Convention Center has previously stated that it will negatively affect their business of conventions, special events and private gatherings.

## **Site 3: Main Library – Parking Lot**

Staff’s analysis concluded that it is possible to relocate the Ice Skating Rink, equipment and chiller to the Main Library parking lot, which is located on the northwest side of the building along Orange Street. The estimate as of late 2015 for the one-time cost of relocating the Ice Skating Rink and equipment to Site 3 is as follows:

Permanent Installation of 480 volt, 3 Phase Power:	\$180,000
General Relocation Costs:	\$ 90,000
Installation of New Lighting:	\$ 35,000
Contingency:	\$ 50,000
<b>Total:</b>	<b>\$355,000</b>

The parking lot is sloped and a pony wall (cost included above) can be constructed to provide a level skating surface. The addition of the pony wall and other permanent changes to the Main Library grounds would require approval via the Certificate of Appropriateness process because the library is an eligible City Landmark and a California Historical Resource. The relocation of the Ice Skating Rink to the site will result in the temporary loss of approximately thirty three (33) parking stalls and loss of revenue to the Parking Authority, since the Parking Authority controls

these parking stalls instead of the Main Library.

Based on feedback received from the business community and various downtown partners, this location would have a mixed economic impact. This location would provide a view of The Mission Inn Hotel & Spa while on the Ice Skating Rink, which would be positive. However, this location would adversely affect the Main Library's parking supply and the lights and noise (associated with the Ice Skating Rink) could interfere with The Mission Inn Hotel & Spa's ability to provide the best experience for its customers in rooms facing this site.

#### **Site 4: Main Library – Plaza Area**

Staff's analysis concluded that it is possible to relocate the Ice Skating Rink, equipment and chiller to the Main Library Plaza Area, which is located on the southwest side of the building along Mission Inn Avenue. The estimate as of late 2015 for the one-time cost of relocating the Ice Skating Rink and equipment to Site 4 is as follows:

Permanent Installation of 480 volt, 3 Phase Power:	\$180,000
General Relocation Costs:	\$ 90,000
Installation of New Lighting:	\$ 35,000
Relocate Trees/Pagoda	\$ 20,000
<u>Contingency:</u>	<u>\$ 50,000</u>
<b>Total:</b>	<b>\$375,000</b>

The removal of the existing trees and relocation of the Chinese Pavilion and any other permanent changes to the Main Library grounds would require approval via the Certificate of Appropriateness process because the library is an eligible City Landmark and a California Historical Resource.

Based on feedback received from the business community and various downtown partners, this location would have a mixed economic impact. This location would strengthen the event footprint along Mission Inn Avenue and could possibly help with pedestrian congestion on the Main Pedestrian Street Mall. This location necessitates the removal of existing trees and possible relocation of the Chinese Pavilion coupled with the lights and noise (associated with the Ice Skating Rink), which could interfere with The Mission Inn Hotel & Spa's ability to provide the best experience for their customers as well as evening program at nearby places of worship.

#### **Site 5: White Park**

Staff's analysis concluded that there is sufficient room to accommodate the Ice Skating Rink and associated equipment at White Park.

The estimate as of late 2015 is the one-time cost of relocating the Ice Skating Rink and equipment is as follows:

Permanent Installation of 480 volt, 3 Phase Power:	\$180,000
General Relocation Costs:	\$ 62,500
Turf Replacement:	\$ 5,000
Installation of New Drainage System:	\$ 10,000
Installation of New Lighting:	\$ 35,000
<u>Contingency:</u>	<u>\$ 50,000</u>
<b>Total:</b>	<b>\$342,500</b>

Relocating the Ice Skating Rink to White Park could require the removal of approximately three (3) trees. Removal of any trees and any other permanent changes to White Park would require a Certificate of Appropriateness as White Park is designated as City Landmark #57. Also, the Ice Skating Rink and associated equipment will have a negative impact on existing turf, which will have to be replaced annually at the conclusion of the event.

Based on feedback received from the business community and various downtown partners, this location would have a negative economic impact on FOL as it would, in addition to the aforementioned issues, draw patrons away from many of the downtown businesses along Main Street Pedestrian Mall, Mission Inn Avenue and University Avenue.

If no decisive decision is made relative to this item, coupled with time constraints of the construction of the project and securing a potential vendor, the Ice Skating Rink may not be able to return in 2017 but could in 2018 at the selected site.

As previously noted, FOL 2016 did not include the Ice Skating Rink. To compensate for the loss of the Ice Skating Rink, staff worked with a new contractor to bring in other types of attractions (such as a century wheel, carousel and a train). As part of the agreement with the new operator, there was a cost of \$35,000 to the City and a 60(contractor)/40(City) split of all revenues. The City's positive net revenue for the new attractions was \$88,424 in 2016, even with more rain days than in previous years of FOL. In contrast, the Ice Skating Rink resulted in a net loss of approximately \$33,000 in 2015.

Moreover, approximately 30-35% of attendees, when asked, reported they were disappointed the Ice Skating Rink was not part of the 2016 FOL event. However, approximately 30% of attendees, when also asked, reported they were excited about the new attractions.

As the FOL event has grown and changed, adding new attractions has enhanced the event. For example, the new attractions afforded families with an opportunity to ride together when many adults would not skate with their child at the Ice Skating Rink.

With the experience that many visitors and residents had at FOL 2016, coupled with the positive financial revenue to the City, there is an option to not have the Ice Skating Rink return and direct staff to continue to add other exciting attractions and programs.

### **FISCAL IMPACT:**

There is no immediate impact associated with this report. Funding in the aforementioned amounts for each potential relocation site has not been identified.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott G. Miller, PhD, Chief Financial Officer/City Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

#### **Attachments:**

1. FOL Economic Impact Study
2. Site Map2
3. Presentation