



Memorandum

TO: MAYOR REED

FROM: Councilmember Sam Liccardo

SUBJECT: BUDGET DOCUMENT

DATE: May 22, 2013

Approved

Date

5-22-13

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Downtown Ice Rink Capital Repairs

Amount of City Funding Required: \$70,000

Fund Type (i.e. General Fund, C&C funds, etc.):

- General Purpose Parking Fund, Debt Service Payments Reserve (Fund 533): \$ 35,000
- Parks and Community Facilities Development, City-Wide Construction and Conveyance Tax Fund (Construction and Conveyance Taxes), Ending Fund Balance (p. V-260 of Capital Budget) Citywide C& C: \$ 35,000

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

Direct the City Manager to allocate \$70,000 for the replacement of chiller equipment at Downtown Ice, the holiday ice rink at the Circle of Palms.

In its 10th season at the Circle of Palms, Downtown Ice attracts approximately 42,000 skaters—most of them children-- and 80,000 spectators—most of them parents-- each season. This amenity has become an iconic symbol of San José during the holiday months, and attracts substantial media attention for events, and offers positive external messaging about San José to the outside world.

Although the San José Downtown Association (SJDA) routinely operates the rink at a loss each year--relying upon sponsorships to (at least partially) make up the gap in operating costs--Downtown Ice has a substantial economic impact in the Downtown of \$2.75 million per season. The Parking Fund itself is a direct beneficiary of that impact, as the Market Street, Convention Center, and 2nd/San Carlos garages fill every holiday season. The Citywide Parks and Community Facilities Fund is implicated because this capital improvement serves a recreational purpose as part of a city-wide amenity on city-owned land, the Circle of Palms.

The funding will replace an evaporator barrel for the two 250-ton chillers that enable the SJDA to make ice for the ice rink. The evaporator barrel has developed a slow leak and needs to be repaired or replaced. If left unfixed, it will cost thousands of dollars a year to replenish the refrigerant needed to run the chillers, and the chillers will have to work harder, thereby causing either one or both condensers to fail completely.

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund):

- General Purpose Parking Fund, Debt Service Payments Reserve (Fund 533): \$ 35,000
- Parks and Community Facilities Development, City-Wide Construction and Conveyance Tax Fund (Construction and Conveyance Taxes), Ending Fund Balance (p. V-260 of Capital Budget) Citywide C& C: \$ 35,000

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

Name: Blage Zelalich, Deputy Director, San José Downtown Association

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This change is:

One-time Ongoing

The City Service Area to which the change best relates:

- Community and Economic Development Services
- Environmental and Utility Services
- Neighborhood Services
- Public Safety
- Strategic Support
- Transportation and Aviation Services