

REPORT OF GENERAL MANAGER

NO. 03-386

DATE December 10, 2003

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVAL OF REPLACEMENT HORSE RENTAL SUB-LICENSEE AT THE LOS ANGELES EQUESTRIAN CENTER

*L. Barth *JB*
A. Coroalles _____
H. Fujita _____
J. Kolb _____

B. Lukehart _____
F. Mok _____
G. Stigle _____

Samuel Stigle
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board approve LAEC, Inc.'s request to enter into a new sub-licence agreement with Ms. Julie L. Schad, to provide horse rental services at the Los Angeles Equestrian Center.

SUMMARY:

The Los Angeles Equestrian Center (LAEC) is a concession facility located at the northern end of Griffith Park and is operated by LAEC, Inc., through a 25-year contract (No. 183) which commenced in May of 1990. This contract stipulates certain required and optional services (Section 2.01). The contract grants LAEC, Inc. discretion to fulfill said services via a sub-licensee; however, Board approval is required on each appointment of the sub-licensee prior to execution of their sub-license agreement with LAEC, Inc. The monitoring of the sub-licensee and ultimate responsibility of the particular service fulfillment to the satisfaction of the public lies with LAEC, Inc.

One of the required services is: Provide a horse rental service for members of the general public. At least 20 horses must be available for rental throughout the term of the Agreement (Section 2.0103). The horse rental stables are situated in the northeast part of LAEC property on approximately 1 acre of land. The current average number of horse rentals are 100 per week, whereby the horses are ridden mainly on the City bridle trail (perimeter of LAEC property) and on the bridle paths of Griffith Park.

For the past six years, the horse rental sub-licensee operation was granted to and under the operation of Ms. Lydia Doherty operating as *Griffith Park Horse Rentals*, featuring guided trail rides. Ms.

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Doherty has decided to retire from the business. She is selling her horse rental business as a complete turnkey operation.

In July of 2003, the General Manager of LAEC, Inc., Mr. George Chatigny, wrote the Department requesting the consideration of Sid and Vicki Schwartz as the replacement operators of the horse rental. Due to their financial status, the Schwartzes have since been omitted from consideration by LAEC, Inc.

Subsequently, in a letter dated September 15, 2003, Mr. Chatigny proposed and requested approval of Ms. Julie Schad for the Griffith Park Horse Rental sub-licensee. Staff is confident in the ability of Ms. Schad to perform as the horse rental operator, noting her qualifications.

Ms. Schad is extremely knowledgeable on operation of the horse rental business, has been training since early September 2003 with the current operator, and has successfully owned and operated successful businesses in the past as well as currently owning/managing several rental properties in the San Fernando Valley. She has a strong belief in customer satisfaction and genuinely cares about each horse's well being, noting individuality traits to best suit the needs of the riders.

Ms. Schad will market the rental service to schools, church groups, Girl Scout councils, summer camps, tourist boards, and will also aim for past and current customers of Griffith Park Horse Rentals for renewed and ongoing patronage.

As for animal care and philosophies, Ms. Schad will continue the same quality animal care and maintenance that is currently in progress, including continuation of the same veterinary and farrier services already acquainted with the particular animals. Ms. Schad believes in high-quality care and maintenance of horses which will result in better performance of each horse leading to better customer satisfaction and resulting referrals.

Ms. Schad will secure employees and a manager with additional experience running a horse rental operation. Ms. Schad intends to incorporate the business, continuing the name, as *Griffith Park Horse Rentals*. The current rental services will continue at current prices and all rides are guided. As such, the transition to Ms. Schad will appear seamless to the public. Ms. Schad will extend the hours of operation during daylight savings. The financial viability has been checked by LAEC, Inc. Ms. Schad's immediate financial availability is above \$130,000.00. Ms. Schad shall be purchasing the current horse inventory of 25. LAEC feels Ms. Schad is more than competent and able to take over the horse rental business immediately.

On October 24, 2003, Staff received LAEC, Inc.'s proposed Sub Licensee Agreement. Said document contains the stipulations between LAEC, Inc. and sub-licensee for proper horse rental operation of this scope that are required by the master agreement.

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There are no expected or requested rental changes to the City, per the LAEC concession operator - LAEC, Inc.

LAEC, Inc., has acknowledged that it is in the best interest of all parties to have a smooth transition, and has complete confidence in Ms. Schad, yet LAEC, Inc. will closely monitor the transition and progress of the changeover for it is a direct reflection of the LAEC operation as a whole.

With Board approval, staff will authorize the concessionaire's request to replace the current horse rental operator - Ms. Doherty with replacement operator Ms. Schad. Staff will monitor change-over details via LAEC, Inc., and check for fluctuations in the horse rental's gross receipts during the next four calendar quarters.

Report prepared by Stanley Woo.