



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Text

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Authorizing the Commissioner of Parks and Recreation and the Commissioner of Procurement, on behalf of the City of Philadelphia, to enter into a multi-year Concession Agreement with German American Marketing, Inc. d/b/a CHRISTMAS VILLAGE IN PHILADELPHIA, for the operation and management of a seasonal Christmas Village for the City of Philadelphia at LOVE Park and other potential City owned areas.

WHEREAS, The Commissioner of Parks and Recreation and the Commissioner of Procurement, on behalf of the City of Philadelphia, have entered into a Concession Agreement with German American Marketing, Inc. d/b/a CHRISTMAS VILLAGE IN PHILADELPHIA (the "Concessionaire"), effective November 20, 2020 for a one year period, for the operation and management of a seasonal Christmas Village for the City of Philadelphia at LOVE Park and other potential City owned areas (the "Concession Agreement");

WHEREAS, the City desires authority to extend the term of the Concession Agreement to five (5) years with a renewal term of five (5) years; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Parks and Recreation and the Commissioner of Procurement, on behalf of the City of Philadelphia, are hereby authorized to extend the term of the Concession Agreement identified in Section 2 of this Ordinance to five (5) years with a renewal term of five (5) years.

SECTION 2. The Concession Agreement subject to this authorization shall substantially incorporate the terms set forth in "Exhibit A" to this Ordinance ("Christmas Village Concession Agreement Term Sheet"). Concessionaire has executed an Economic Opportunity Plan ("EOP"), set forth as Exhibit B to this Ordinance.

SECTION 3. The City Solicitor is hereby authorized to review and to approve, prior to execution, all instruments and documents necessary to effectuate this Ordinance, which instruments and documents shall contain such terms and conditions as the City Solicitor shall deem necessary and proper to protect the interests of the City.

EXHIBIT A

Christmas Village Concession Agreement Term Sheet

1. Parties. The City of Philadelphia acting through its Department of Parks and Recreation and its Procurement Department (the "City") and German American Marketing, Inc. (the "Concessionaire").
2. Term. The Term of the Agreement, upon City Council authorization, is for five years, commencing November 20, 2020 with one (5) year renewal term, subject to the City's right to terminate for convenience as specified in Section 3.29 of the Request for Proposal which is incorporated and made a part of the Concession Agreement.

3. Concessionaire Duties. Concessionaire shall manage and operate all aspects of the Christmas Village, including but not limited to the following: managing the market; vendor contracts and management, including, but not limited to, best efforts to solicit and provide business opportunities to minority, woman and disabled owned business exhibitors; sales; marketing and advertising; staffing; ground maintenance, sponsor coordination and deliverables; and coordinating, for their supervision, all of the setup, operating and breakdown of the Concession with Department staff.
4. Concession Fees. Concessionaire will pay to the City:
 - a. A Concession Fee of \$25,000 for the initial term year 1 (this fee was waived for year 1 due to Covid restrictions on Concessionaire's operations and Concessionaire's increased costs for sanitization and social distancing protocols), with an annually increased rate of:
 1. \$27,500 in year 2;
 2. \$30,000 in year 3;
 3. \$35,000 in year 4;
 4. \$40,000 in year 5;
 5. \$45,000 in year 6;
 6. \$50,000 in year 7;
 7. \$50,000 in year 8;
 8. \$55,000 in year 9; and,
 9. \$55,000 in year 10.
 - b. A minimum Sponsorship Fee of \$25,000, plus an additional 50% sponsorship contributions (revenues minus costs) from additional sponsorships arising from Christmas Village.
 - c. A Security Deposit for damage to City property and the reimbursement of costs for any City services required in the operation of the Concession.
5. Capital Investment. Concessionaire will make a capital investment of \$350,000 to procure new wooden booths that follow the tradition and concept of original German Christkindlmarkets, but offer modern aesthetics and functional updates to the booths.
6. Economic Opportunity Plan ("EOP"). Concessionaire has committed to 20-25% M/W/DSBE participation in its operation of the Concession. The Economic Opportunity Plan is set forth in "Exhibit B" to the Ordinance.