



## Legislation Text

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**File #:** 17-301, **Version:** 1

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**AUTHORIZATION TO ENTER INTO AMENDMENT NO. 2 TO THE CONTRACT WITH CREDIT MANAGEMENT GROUP, LLC, DOING BUSINESS AS CHRISTMAS LIGHT DECORATORS, FOR THE DOWNTOWN HOLIDAY LIGHTS DISPLAY FOR THE CONTRACT TERM**

Staff Contact: Erik Strunk, Director, Public Facilities, Recreation and Special Events

**Purpose and Recommended Action**

This is a request for City Council to amend the current agreement with Credit Management Group, LLC, dba Christmas Light Decorators, to increase the City's current contract (C-10113) for Historic Downtown Centerline holiday lights in an amount not to exceed \$210,000 annually, or \$1,000,000 total for the entire term of the agreement.

**Background**

At the May 16, 2017 City Council Workshop, staff provided Council with an update of the FY 2016-17 Festival Event Season and discussed several enhancements on which it would work to better the experience for all patrons for the upcoming FY 2017-18 season. One of the categories to which staff indicated it would be working are several new festival lighting features to the historic downtown Centerline and Murphy Park area. Specifically, each year, the Special Events Division features over 1.5 million LED holiday lights in Murphy Park and throughout 16 blocks of downtown Glendale and Catlin Court. These lights are typically on display every night from the end of November to the first weekend of January. Using three attendance estimates, on average, the lights and accompanying entertainment draw approximately 323,000 festival goers to Historic Downtown Centerline each year.

At the Council Workshop, staff indicated it will pursue new and additional lighting features at 57<sup>th</sup> Avenue and Grand; place lights on City Hall, the Council Chambers, the Bank of America Building, and work with the building owners who own the properties that "frame" Murphy Park on Glendale and 59<sup>th</sup> Drive so that lighting is added along the outline of the buildings. The City Council provided consensus direction to move forward with this recommendation.

To effectuate these enhancements and account for the increase in labor costs triggered by the new state law mandating minimum wage increases, it will be necessary to amend the current contract with Christmas Light Decorators. If approved by City Council, this contract amendment will change the amount from \$158,000 to the new amount of \$210,000. These changes have been reviewed and approved by the City's Procurement Division.

**Analysis**

On August 25, 2015, the City Council approved a one-year contract with Christmas Light Decorators in the amount of \$158,000, with an administrative option to annually renew up to an additional four years. Due to the increased cost of lights with the new lighting concepts proposed for FY 17-18 and the Arizona, voter-approved, Proposition 206 which increased the minimum wage as of January 1, 2017, it is asked that the current agreement be increased from \$158,000 annually to \$210,000 annually, with the contract not to exceed \$1,000,000 over the entire term of the agreement. If approved, there will be three years remaining of this five-year contract.

### **Community Benefit/Public Involvement**

Glendale is famous for its free admission, family-friendly festivals. They instill pride in our citizens and generate much-needed economic impact for the Historic Downtown Centerline, Catlin Court and surrounding areas. The festivals contribute positively to the quality of life of residents, reflect positively on the city as well as generate substantial revenue for the area merchants and tax collections for the city.

### **Budget and Financial Impacts**

Funding for this request will be available in the FY 17-18 Special Events Division account #1000-14108-518200 ("Glitters Light") and #1000-14104-518200 ("Glitter Spectacular").

<b>Cost</b>	<b>Fund-Department-Account</b>
\$154,182	1000-14108-518200 Glitters Light Professional Contractual
\$55,818	1000-14104-518200 Glitter Spectacular Professional Contractual

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No