



City of Sunnyvale

Agenda Item

18-0422

Agenda Date: 9/12/2018

REPORT TO PARKS AND RECREATION COMMISSION

SUBJECT

Recommendation to City Council to Approve a Special Agreement between the City of Sunnyvale and Unique Boutique for the Operation of a Gift Shop at the Sunnyvale Senior Center.

BACKGROUND

Unique Boutique is an independent membership organization that has operated a gift shop at the Sunnyvale Senior Center since 1980. The City of Sunnyvale has granted Unique Boutique, through a Special Agreement, use of dedicated space for the purposes of selling homemade goods and crafts produced by local seniors. As a condition of this use, Unique Boutique provides the City with revenues equal to 10% of gross monthly receipts and agrees to maintain a membership that consists of at least 51% of Sunnyvale residents. All members of Unique Boutique are also required to be paid members of the Sunnyvale Senior Center program.

The most recent Special Agreement with Unique Boutique expired in 2009 and a new Agreement that incorporates updated insurance coverage is required to bring the operation into full compliance with Council Policy 7.2.4 (Relationship with Outside Groups).

The purpose of this report is to request that the Commission recommend to the City Council approval of a new Special Agreement with Unique Boutique that: 1) allows for continued use of dedicated space at the Senior Center; 2) requires a payment of 10% of the gross monthly receipts to the City; 3) maintains the stipulation that at least 51% of Unique Boutique members be Sunnyvale residents and 100% of its membership be members of the Sunnyvale Senior Center; and 4) incorporates updated insurance requirements in accordance with City standards. The City Council is scheduled to hear this item on September 25, 2018.

EXISTING POLICY

Council Policy 7.2.4 - Relationships with Outside Groups (Attachment 2)

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

Per Council Policy 7.2.4 (Relationships with Outside Groups) outside groups who provide a community service or promote an informed interest in the City's objectives, services, facilities and programs for the benefit of its residents and businesses are eligible to receive support from the City. For outside groups seeking to receive higher levels of support than that identified in the policy, such

as a waiver of standard facility rental fees, a Special Agreement is reviewed by the appropriate board or commission and approved by the City Council.

The City of Sunnyvale has maintained a Special Agreement with Unique Boutique to operate a storefront gift shop at the Sunnyvale Senior Center in Room #518 since 1980. The gift shop, (open to the public, Monday through Friday from 10:30 a.m. to 2:30 p.m. during regular Senior Center hours), sells handmade goods and crafts produced by local seniors. The operation of the gift shop not only provides seniors with an opportunity to maintain financial independence but also provides enhanced socialization and engagement with their peers through shared interests and talents.

The City benefits from the presence of a high-quality gift shop at the Senior Center that attracts community members who might not otherwise visit the Center. In addition, the City receives rent in the form of 10% of gross monthly receipts and increased membership fees. The Special Agreement with Unique Boutique contains a stipulation that 100% of the Unique Boutique membership be paid members of the Sunnyvale Senior Center program.

Last year, it was noted that the Special Agreement with Unique Boutique had expired in 2009. While the Unique Boutique has continued to operate in accordance with the previous Agreement, a new Agreement is required to comply with Council Policy 7.2.4 and with the City's current standards for insurance coverage (Commercial General Liability of \$1,000,000 per occurrence and \$2,000,000 annual aggregate).

In consideration of the community benefit generated, it is recommended that the Commission recommend to the City Council that the City Manager be authorized to execute a three-year Special Agreement with Unique Boutique (Attachment 3).

FISCAL IMPACT

There is no direct cost to the City to provide dedicated facility space to Unique Boutique through this Special Agreement. Based on receipts from the past four years, it is anticipated that this agreement will result in an average annual net revenue of \$2,300 to the City.

PUBLIC CONTACT

Public contact was made through posting of the Parks and Recreation Commission agenda on the City's official-notice bulletin board, on the City's website, and the availability of the agenda and report in the Office of the City Clerk.

ALTERNATIVES

1. Recommend that the City Council approve and authorize the City Manager to execute the Special Agreement with Unique Boutique.
2. Other recommendations as determined by the Parks and Recreation Commission.

RECOMMENDATION

Alternative 1: Recommend that the City Council approve and authorize the City Manager to execute the Special Agreement with Unique Boutique.

Prepared by: Gerard Manuel, Community Services Manager

Reviewed by: Cynthia E. Bojorquez, Director, Library and Community Services

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. Council Policy 7.2.4 - Relationships with Outside Groups
3. Special Agreement with Unique Boutique