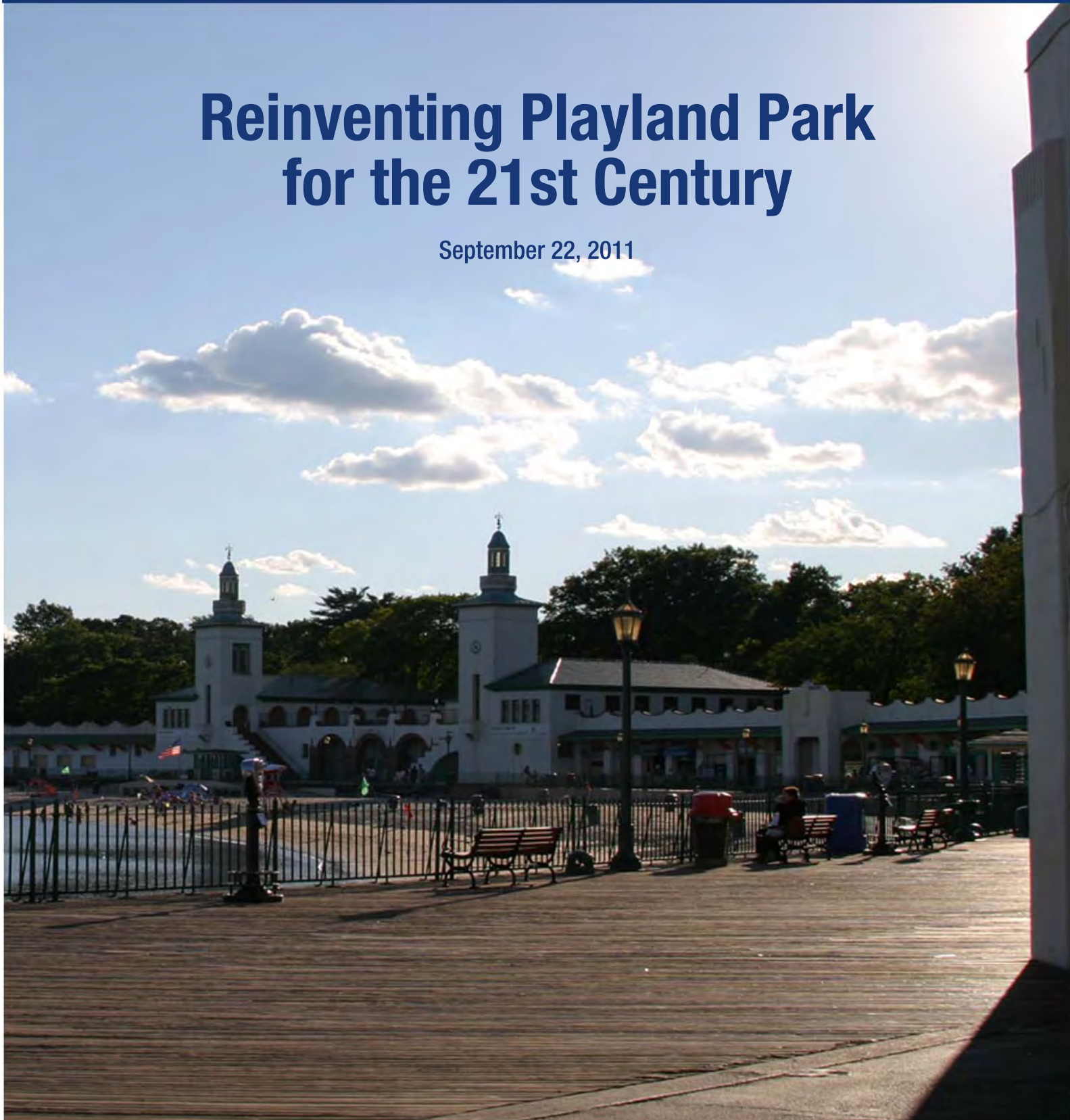


CITIZENS COMMITTEE REPORT
Feasibility Evaluation of Proposals

**Reinventing Playland Park
for the 21st Century**

September 22, 2011





Citizens Committee
Feasibility Evaluation of Proposals
“Reinventing Playland Park for the 21st Century”

September 22, 2011

Dear County Executive Astorino,

We are pleased to present this Report of the Citizens Committee established to evaluate the feasibility of proposals received in response to Westchester County’s Request for Proposals (RFP) “Reinventing Playland Park for the 21st Century.”

Members of the Committee are proud of our work and the significant time and energy committed to the process. We thank you for this opportunity to represent the various communities, walks of life and perspectives that we bring both personally and professionally to this feasibility evaluation.

In undertaking our review, the Committee recognized the unique place Playland Park holds with respect to a host of historical, environmental, financial, local and regional issues. Please be assured that the concerns, needs and desires of the community and taxpayers were taken into account in the analysis and preparation of this Report.

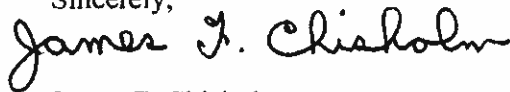
Our charge was to evaluate the feasibility of the 12 submitted proposals against the criteria of “the 5 “E’s,” which are: Economic; Environmental; Entertainment; Experience, and Expectations. While the Committee did not have access to all of the proprietary and confidential financial data that accompanied the 12 proposals, we feel we did have ample information to complete our task of providing the County with an objective and comprehensive community-based view of the strengths and weaknesses of the proposals.

It should be stated up front that committee members found the assignment more difficult than initially anticipated. There are no shortages of opinions on the topic of what to do about Playland, and this has been true for as long as anyone can remember. But what most members of the public don’t realize is that when you start to look closely at the history of Playland and its future, there is a complex thicket of highly significant though not immediately visible issues, such as parkland alienation, capital financing, debt obligations, and existing labor and vendor contracts that must be addressed as part of any meaningful solution.

So while the Committee is proud of its work, it also recognizes that its assessment is only one step in an ongoing process and that rigorous examinations of issues beyond the scope of our Committee will be necessary before the County can confidently outline the best steps for ensuring the long-term viability of Playland Park.

We believe that this Report will be helpful to you as the County continues its review of options for positioning Playland for the future. Thank you for the opportunity to contribute.

Sincerely,

A handwritten signature in black ink that reads "James F. Chisholm". The signature is written in a cursive style with a large, prominent initial "J".

James F. Chisholm
Chairman
Citizens Committee
"Reinventing Playland Park for the 21st Century"

Citizens Committee Report

Feasibility Evaluation of Proposals

“Reinventing Playland Park for the 21st Century”

September 22, 2011

James F. Chisholm, Chairman

Committee Members

Doug French

Charles Dorn

Judy Myers

David Swope

Ellen Lynch

Scott Bernstein

Natasha Caputo

Caleb Gilligan-Evans

Joe Carvin

Bill Ryan

Sheila Marcotte

Liz Bracken-Thompson

John Peckham

Jim Dannhauser

Jim Houlihan

Father Richard Alejunas

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EXECUTIVE SUMMARY

The Citizen's Committee established by County Executive Robert Astorino to evaluate the feasibility of proposals received in response to Westchester County's Request for Proposals (RFP) "Reinventing Playland Park for the 21st Century" has completed its assignment. The feasibility evaluation is based on the criteria of the 5 "E's" of Economic, Environmental, Entertainment, Experience and Expectations consistent with the Committee's charge.

Key Recommendations and Findings:

- There is no simple "silver bullet" solution to the future of Playland Park and no such solution emerged during the Committee's review. A host of significant, longstanding structural obstacles must be overcome as part of any realistic plan for ensuring the long-term viability of the park.
- The Committee has grouped the 12 proposals into three categories: (I) responsive to the evaluation criteria and deserving further attention; (II) some potential; and (III) not feasible or meriting further review.
- The Committee believes there may be value to combining some of the elements (ideas, management expertise or financing proposals) of the 12 RFPs or other concepts into a "hybrid" plan for the park.
- At this critical juncture in Playland's history, the Committee believes opportunities exist and the County should avoid piecemeal, quick-fix solutions and continue its deliberate, comprehensive, and long-term approach to building the park's future. Though time consuming, additional financial, legal, environmental, and marketing analyses will be necessary before the best possible outcome for the park's future can be determined.

The Committee Notes:

- During its feasibility review of "Economics," the Committee did not have access to complete data as sections were marked "Proprietary and Confidential."
- During the evaluation process, the Committee was made aware that a number of proposals had information redacted; this is noted in the individual feasibility evaluations.
- The Committee recommends that the County conduct due diligence, which includes, but is not limited to, financial information, terms and structure of proposals, experience and financial strength and commitment of proposers.

Committee Categorizations:

Consistent with the charge to conduct an evaluation of the feasibility of the proposals according to the 5 “E’s” criteria, the Committee determined not to numerically rank proposals, but rather perform a feasibility evaluation on each proposal and report specific findings. As a result the Committee determined to place proposals in three distinct categories. Once placed within these categories, the proposals were placed in alphabetical order and NOT in any order of preference. The categories are as follows:

- **Category I:** Proposals believed to be responsive to the RFP and feasibility criteria and deserve further attention.
 - Central Amusements International, LLC (CAI Parks)
 - Standard Amusements, LLC
 - Sustainable Playland

- **Category II:** Proposals that may not be responsive to the RFP and feasibility criteria but may have some potential role.
 - American Skating Entertainment Centers, LLC (ASEC)
 - Q Properties
 - State Fair Group

- **Category III:** Proposals that we believe are not responsive to the RFP and do not merit further review or are not feasible.
 - Air Structures American Technology, Inc. (ASATI)
 - Boardwalk Arts
 - JMC Marketing – Village of Westchester
 - PlaylandWatch.org
 - TPC Rye, LLC
 - Valentine Creative Marketing

RFP PROCESS AND COMMITTEE'S ROLE

We believe it is appropriate to explain the overall Request for Proposals (RFP) process the County has undertaken so that our feasibility evaluation may be placed into the proper context.

The County Executive, at a press conference held on Tuesday, March 1, 2011 announced our Committee and introduced several of its members to the public. The multi-phase RFP process was explained at the press conference as follows:

Phase One: Establishment of RFP “Reinventing Playland Park for 21st Century”
Submissions sought beginning August 27, 2010 with proposals due March 10, 2011

Phase Two: Citizens Committee to Evaluate Feasibility of Proposals Received

Phase Three: County Staff Review of Proposals for Financial and Legal Viability

Phase Four: Establishment of Direction - potential negotiations, approvals, rejections or County creates own vision.

Our role during Phase Two was to evaluate the proposals received for feasibility according to the criteria of the “5 E’s” which are Economic, Environmental, Entertainment, Experience and Expectations.

Consistent with the County Executive’s charge, in our deliberations, the Committee felt it important to advise on which proposals should “move on to the next round”. We recognize that we are one phase in a lengthy and deliberative process, including a review by legal, financial and other experts and it is our belief that the information and analysis provided here will be helpful in future phases.

A copy of the presentation detailing the process presented at the press conference was provided to the Committee and made available on the County’s website for the public to review. The presentation is included as *Exhibit A* of this Report.

SYNOPSIS OF COMMITTEE TIMELINE/PROCESS

The Committee embarked on a more than five-month process that involved a series of meetings, site visits and presentations, as well as significant interaction and feedback among members during many hours of review, analysis, discussion and debate over the proposals and issues facing Playland.

March 1: Press conference and introduction at the County Executive's office. This included the exchange of contact information allowing for interaction among members.

March 10: RFP submission deadline with twelve responses received. The County allowed for two weeks for its legal staff to identify proposers' "Proprietary and Confidential" information, which was redacted as stipulated in the RFP guidelines.

March 25: Redacted proposals were delivered to Committee members by County staff.

March 30: A tour of Playland and a presentation were given to Committee members by William Mooney, Senior Assistant to the County Executive and Peter Tartaglia, Deputy Commissioner for County Parks. The presentation included the history of Playland and the RFP process; it had been shown to interested proposers at the RFP Informational Session held at Playland on October 13, 2010. It is included as *Exhibit B* of this Report.

Also presented were "Legal Considerations" that the County deemed were important issues for the Committee to consider during its feasibility evaluations. These included parkland alienation, capital bond concerns, environmental issues, labor and contractual issues and the role of the community. We found this presentation to be helpful in our understanding of the significant legal and policy issues facing the County in determining the future of Playland. This information was also helpful in our analysis of the individual proposals. It should be noted that our analysis of each proposal includes references to these legal considerations when relevant. A copy of the "Legal Considerations" presentation is included as *Exhibit C* of this Report.

April 1: Second tour scheduled but cancelled due to inclement weather.

April 6: First Committee meeting held in public session at the County Center.

The Committee felt that appropriate time was necessary prior to holding its first meeting after receipt of the materials and tours so that we could ensure a productive working session. County staff including Mr. Mooney, Mr. Tartaglia and representatives of the County Attorney's office also made the same presentations as they had at Playland for the benefit of members not present as well as to afford those who were present another opportunity to address these issues.

As members of the Committee had ample time to review the proposals, discussion was held regarding how best to begin evaluating the proposals for their feasibility. The

Chairman initially presented forms for committee members to record their comments and thoughts by criteria. After discussion, members agreed to proceed in quantitative ranking to primarily focus future discussions on the viable proposals deserving further feasibility review. The Chairman agreed to create a document or form for distribution to members. The next Committee meeting was scheduled for Monday, May 2.

April 12: Rating sheets for each proposal were distributed to committee members by email, with a request for a prompt return so that the information could be compiled and prepared for next meeting. Committee members were asked to utilize rating sheets for each of the “5 E’s” for each proposal. Members were also encouraged to respond with comments as to their thoughts and reactions to the proposals.

May 2: At the request of the Committee, the second meeting was rescheduled for May 16 in order for members to continue their review. Responses were submitted to staff in order to compile information to be distributed at the meeting. During this time before the second meeting there was significant interaction among members including individual meetings, questions to staff and input to the Chairman.

May 16: Second committee meeting was held in Public Session at County Center.

Copies of all rating responses prepared by committee members were distributed for review and analysis prior to the meeting thus affording members the opportunity to review fellow members’ thoughts and observations. Based on our knowledge of the RFP process through presentations and review of each proposal, the Committee made the determination not to create a numeric ranking for the proposals. This decision was made because certain proposals may have merit in one criteria and lack in another while certain criteria may not be able to be ranked because information was properly redacted. Further, during their review and analysis many members made initial comments and observations regarding proposals’ merits. Accordingly, a numeric ranking was neither possible nor warranted.

The meeting included extensive discussion, review and evaluation of all comments and observations. The Committee determined to place the proposals into three major and distinct categories:

Category I: Proposals believed to be responsive to the RFP and feasibility criteria and deserve further attention.

Category II: Proposals that may not be responsive to the RFP and feasibility criteria but may have some potential role.

Category III: Proposals that we believe are not responsive to the RFP and do not merit further review or are not feasible.

The individual feasibility evaluation of each proposal is discussed within this Report. Proposals are not placed in order of preference or priority but in alphabetical order within each category.

Further, at the meeting, staff was asked to assemble the “raw data” identified from members’ submissions as well as any comments made during debate and discussion at the meeting into “narratives” for the Committee to review and the basis for an initial draft report. Committee members were invited to contact the Chairman and or staff to continue to provide comments, thoughts and observations.

June 6: Draft “narratives” distributed to Committee members by email.

June 9: Third Committee meeting held in public session at County Center.

The Committee undertook a spirited discussion as to observations made with all material provided. Specific comments were offered as to the draft narratives focusing on Category I proposals. Discussion included concerns about financial ability of proposals to achieve goals as presented. The Committee felt the County must further define its ultimate goals regarding reducing the economic burden of Playland and its ability to ultimately address this issue. Further, we believe the County must balance the economic goals of this historic asset with a desired result of what Playland will “look like” in the future so that the County is not faced with the same fundamental challenges in 10 to 15 years. This is further discussed under *Committee Observations* of this Report.

Committee member, and City of Rye Mayor French, presented a resolution which was adopted by the Rye City Council in early March, 2011 prior to submission of proposals. Mayor French stated the Committee’s discussions and concerns seemed consistent with the City Council resolution and asked that it be included in the discussion. A copy of the resolution is included as *Exhibit D* of this Report. The Committee neither endorses nor rejects the resolution or its terms.

Staff was asked to incorporate comments and refine narratives into a first draft report for distribution to Committee. The next Committee meeting was scheduled for June 30.

June 28: Initial draft report forwarded to Committee for review and comment.

June 30: Fourth Committee meeting held in public session at County Center.

The Committee engaged in a specific review of the draft previously distributed. Members present engaged in a line-by-line review, offering comments, specific notes and concepts they wished to be clarified or included. Comments from members who were unable to attend were submitted.

At the conclusion of the comments and discussion period, the Chairman advised that if there were no further comments he would instruct County staff to circulate a revised draft

to the Committee within two to three weeks. It was the intention of the Chairman to ask members to review the revised draft, offer any suggestions/corrections and depending upon the extent of such comments the Chairman would instruct staff to prepare a final report to be circulated to the Committee for signoff. It was the intention of the Committee to complete the process by August 1.

July 2: Chairman Chisholm circulated an email to the Committee advising those who did not attend the June 30 meeting of the timeline and intention of the Committee. The Chairman invited those who were not able to attend or who did not submit comments on the draft report to do so by Thursday, July 7.

July 10 - August 1: At the direction of the Chairman, staff undertook to incorporate all comments submitted to date and to commence preparation of a final draft report.

August 1: Final draft report submitted to Chairman for review.

August 11- August 17: Chairman and Committee members submitted additional comments. Staff revised, streamlined and organized final draft report for re-distribution.

August 17: Chairman distributed final draft report to Committee and requested submission of comments by August 26th.

August 26 – September 12: Staff incorporated final comments and compiled final report at the direction of the Chairman for circulation.

September 22: Final report delivered to the County Executive.

COMMITTEE OBSERVATIONS

- Members of the Committee have become acutely aware of the significant legal and policy issues facing the County as owners of Playland Park, as well as the varying community concerns. As noted, we have been educated to the degree possible in this time frame, on the extent and variety of many of these issues and concerns. Where relevant, we have noted where we believe these hurdles may exist in the future redevelopment of Playland Park and have done so as part of the individual evaluations of feasibility within this Report.

In addition, in order to put our comments, observations and evaluations into proper context, we feel strongly that the economic realities at Playland must also be considered in conjunction with policy concerns and along with the significant “Legal Considerations” as presented to us which is included as *Exhibit C* of this Report.

- The Committee feels strongly that the County must look to the long-term in this process. The Committee recommends that steps be taken to address the economic drain on the taxpayers in order to maximize this valuable resource for the citizens of the County. Specific, operative questions that must be seriously considered by the County in determining how to proceed in “Reinventing Playland Park for the 21st Century” include:

What does the County want Playland to ‘look like’ in the future so that the County is not faced with the same fundamental challenges in 10 to 15 years? Specifically, does it still want it to be an amusement park or another type of park?

To what level do we (the County) wish to relieve the economic burden of Playland Park with the potential for successful redevelopment balanced with the public’s concerns and desires and the fact that Playland is parkland?

The Committee had a variety of opinions on this topic. However, the Committee noted that any such determinations should include market research to establish market demand for various options. The Committee has been advised that there have been many past studies done by the County, which should provide a valuable resource in carrying out this recommendation.

- The Committee did not have access to complete financial data as sections of proposals were marked “Proprietary and Confidential.” Based on the information available, the Committee had significant discussions and observations regarding the structure of a number of the proposals from a financial and organizational perspective. For example, a member of the Committee noted that one proposal utilized a not-for-profit that would obtain funding from a hedge fund and questioned the reliability of such financing as a long-term source of capital for an agreement with the County. It was also noted that another proposal for a not-for-profit seemed attractive to some members of the Committee, however, the proposer did not make any offer of payment to the County to

address the costs incurred for, among other things, the on-going debt service. Based on these discussions, the Committee believes that the County should give careful consideration to the business structure of the proposals, including the use of 501 (c) (3), utilization of hedge funds as funding partners and partnering with Limited Liability Corporations. The County should also examine the experience and depth of management (noting that some do not address the depth of management) and also conduct financial due diligence in order to assess the proposer’s ability to carry out a long-term agreement.

The Committee understands that proposers had both the opportunity and right to redact materials marked as “Proprietary and Confidential” from information made public and provided to our Committee. We also understand that this information will be made available to the County’s internal team comprising attorneys, financial advisors, parks professionals and others for their review in the next and continuing phases.

With regard to proposals identified by the Committee as deserving further review, the analysis below of individual proposals will note whether financial information has been redacted and we advise that the County carefully review redacted information as part of the next phase.

- The Committee felt it is important to note the current economic status of Playland in its observations. According to the published Westchester County 2011 Operating Budget, in 2010 the projected expense for the amusement park was \$14,474,709 with revenues projected as \$11,240,800, making the net cost to the taxpayers of \$3,233,909. It must be noted that almost all of this net cost is for the debt service principal and interest of capital projects. The number varies from year to year, but ultimately Playland is losing money or at its very best may be able to come to a breakeven point. The debate over whether a municipally owned amusement park should or should not lose money is not our charge as a committee, but it should be discussed within the County.

<u>Operating Expense</u>	<u>Debt Service</u>	<u>Revenues</u>	<u>Net Cost</u>
\$11,318,829	\$3,155,880	\$11,240,800	\$3,233, 909

Source: Westchester County 2011 Operating Budget, Playland Projected 2010

It should be noted that County Parks has advised that last year’s published projected expenses included an approximate \$850,000 in saving through monitoring of activities to lower cost, efficiencies and early retirement savings.

In addition, the Committee points out it is critical to note that prior capital improvements at Playland have been financed through issuance of County tax exempt general obligation bonds (“GO Bonds”). At the time of the issuance of the RFP, approximately \$30 million in bonds were outstanding for Playland. If a resulting contract from the RFP is considered a private business use and creates private activity under the Internal Revenue Code, then a portion of the outstanding GO Bonds relating to Playland might have to be defeased.

The County's bond counsel had estimated at the time of the issuance of the RFP that approximately \$11.5 million would have to be defeased. After the defeasement of the approximately \$11.5 million of bonds, the County would still be facing payment of interest and principal on the remaining outstanding bonds for the life of the bonds.

We have been advised that since the issuance of the RFP, the County has, or is in the process of, issuing an additional \$6 million in debt related to ongoing construction projects at Playland and may issue approximately another \$5 million in debt related to safety and infrastructure maintenance. Accordingly, these numbers must also be factored into a total outstanding debt and defeasance.

Further, the Committee notes that should the County continue to operate Playland, significant future capital investment may be required to the infrastructure. In addition, there are other costs the County would incur that include amusement park-specific risks of operation, such as liability from serious accidents or deaths, which should be part of the County's analysis of potential proposals.

In addition to the potential up-front cost of defeasing outstanding bonds, the Committee has also discussed the issue of parkland alienation and the potential costs that may result if alienation is required to carry out a particular proposal. The Committee has also considered the cost impacts regarding civil service employees who have exclusively done certain work at the amusement park and how that may impact certain proposals. While these issues are beyond the expertise of the Committee to address, it notes that they must be taken into consideration in the County's next phase of proposal review by the legal and financial professional staff.

- The Committee was directed to a "Questions and Answers" section of the County's RFP website which consists of all questions submitted by potential proposers and the County's answers. The Questions and Answer include relevant information including lists and amounts of all vendor agreements and contracts, financial obligations at Playland, references and links to labor contracts, gross revenue and attendance figures and a variety of other detailed information. Because the information is too voluminous to include as part of this Report, the "Questions and Answers" section can found on a link at www.westchestergov.com/playlandrfp.
- Reservations exist by some members of the Committee as to the viability or sustainability of an amusement park under the current economic and governmental model and structure. Accordingly, under the current legal and policy realities, serious review must be undertaken with respect to the structure, makeup and fiscal responsibility of any proposer offering to operate the amusement park.
- The Committee suggests that should the County determine to enter into a discussion with a proposer for a "hybrid" use, i.e. a mixture of open space, amusement park and other uses, the County will have to evaluate whether a hybrid will yield the same return as a successful amusement park model. The County must consider the question "How much

pain economically is the County and are the taxpayers willing to incur?” This decision must be balanced with Playland's special attributes, including its history, entertainment and recreation value and its standing as a park.

- The Committee also would like to remind the County Executive that Playland creates a significant amount of jobs, particularly with respect to summer youth employment and the communities that predominantly populate those jobs. We strongly urge the County to take the issue of jobs created by the Park into account, as well as the park’s economic impact on the area, as you move forward. We do note that a number of proposers did include an increased operating season which could potentially increase revenues and generate full-time jobs; it could also increase the costs of operation.
- Apart from economic impacts and jobs, several Committee members, also noted that various proposals could have differing impacts on the local area (see “Environmental” under each proposal). For example, the Committee noted that a number of proposals discuss or propose either an extended summer season or twelve (12) month operation, which the County should carefully consider. One member noted that an expanded summer season would impact local traffic. Another member noted that the twelve (12) month a year operation may lessen the summer traffic impacts, but would mean year-round traffic. The Committee recognizes that traffic and other environmental impacts will be part of the mandatory review under the State Environmental Quality Review Act.

The Committee believes that while the concerns of local residents should be taken into consideration, such concerns also need to be balanced against the interests of all County residents, as this is a county park.

- The Committee separated the proposals into three categories and believes that there may be attractive elements in certain proposals that the County may choose to consider for a “hybrid” approach. The Committee also recognizes there may be certain legal constraints to this approach. Additionally, such a hybrid model may not yield the same economic return as a successful amusement park.

FEASIBILITY EVALUATION OF PROPOSALS

Category I: Proposals believed to be responsive to the RFP and feasibility criteria and deserve further attention.

CENTRAL AMUSEMENTS INTERNATIONAL, LLC (CAI PARKS)

GENERAL

The Committee suggests that should the County choose to pursue the option to continue to operate an amusement park, this proposal for redevelopment by an operator with experience in this field merits further consideration.

CAI Parks (Zamperla) is a well-known ride manufacturer in the amusement industry. In recent years the company has branched into ride and park operations, especially in the greater New York area with Coney Island. It should be noted and is discussed further under “Economics,” that full evaluation of this proposal will require extensive reference checking and discussion of many specific items.

The Committee points out that this is a proposal to enter into a lease arrangement. The Committee suggests that this proposal deserves further review based upon the feasibility criteria and does not endorse or reject the amusement park model.

ECONOMICS

NOTE: CAI Parks requested that the section of their proposal entitled “*Budget Plan and Financial Information*” be marked as “Proprietary and Confidential” and accordingly was not provided to the Committee for review. Based on this, the Committee feels that it did not have sufficient information to evaluate the “Economics” of this proposal and advises the County that our comments should be viewed with that understanding. The Committee asks the County Executive and his team to undertake an extensive review of the financial terms and conditions.

Specific economic comments and concerns the Committee advises the County to review:

The Committee noted that the level of financial support pledged by CAI Parks as the initial rent proposal seems modest. The initial rent proposal is \$210,000 per lease year, plus “Percentage Rent” assessed at 5% of net receipts and rent payments from concessionaires above \$7,000,000 dollars annually.

The proposal appears to initially invest \$750,000 in capital improvements and then increase investments based on cash flow and the sale of existing rides. The Committee noted that this will require a dramatic improvement in park performance, both to pay for capital improvements and to generate more rent for the County. The Committee also noted that the proposer would be buying the new proposed rides for itself, not the County. Based upon this the Committee suggest the initial capital investment amount is

low. The Committee notes that the County should consider that the park may require a significant level of infrastructure investment. The Committee notes that the County would need to pay for the unamortized value of new equipment installed should this contract be canceled. This should apply only to equipment purchased by CAI from its own funds and not to assets purchased with proceeds from the sale of existing equipment or cash flow from operations. The County also needs to better understand the level of cash flow that could be expected by CAI and clarify debt service obligations.

In addition this proposal suggests an aggressive plan for redevelopment of the park, which may create additional expenses. A plan is not put forth to show additional revenue to offset these expenses.

ENVIRONMENT

The Committee suggests the proposed use will utilize and improve existing structure(s) and is consistent with existing use and space. Accordingly there is not much change to the overall impact on the environment. It will still remain an amusement park within the same confines and site plan with better quality rides. The Committee notes the proposal continues to respect the public access of the park. Remaining as an amusement park doesn't present anything unique.

ENTERTAINMENT

Should the County choose to maintain a fully operating amusement park within the existing Playland footprint, the Committee feels this proposal builds on Playland's history by maintaining the National Historic Landmark status and adding entertainment value to the existing park. There was a concern expressed by members of the Committee that, apart from new rides, the proposal was too similar to the existing operations of Playland in that it would keep the same food service, the same marketing and utilize a former director of Playland in some role.

In an effort to address one of the cited reasons for the decline in attendance at Playland, lack of investment in the capital infrastructure i.e. new rides, and attractions, this proposal offers new, modern rides, investment in new mini golf, and "edutainment" in the kiddy area with interactive laser games 4D movie theater. The Committee feels that a \$2 million investment in a water park will be a draw. The Committee notes novel ideas including a children's educational play area in the South Bathhouse could be a good neighbor to a potential children's museum. The Committee does note that children's museums already exist in neighboring communities, such as other areas of New York and Connecticut, and that any children's museum business plan (market research, capital structure and solvency, management expertise, and risk to the county) tied to the lease of property at Playland Park should be scrutinized with the same careful due diligence as being applied to the 12 proposals received.

The Committee notes the proposer's acknowledgment to respond to market changes and its proposed marketing budget. Proposer has demonstrated an understandable program relative to pricing and customer services.

EXPERIENCE

Based on the information presented, it appears that this proposer has experience in the ride business, in park and ride operations, and in construction. They appear to have a track record with successful operations. However, the Committee has not investigated this information to confirm this. The Committee urges the County to conduct significant due diligence in vetting the experience and history of all proposers.

The Committee expresses its concern that this proposal may be weak on operational structure since CAI has operated only four parks, three of which are at the same location in Coney Island. It is also noted that it is unclear how many of the members of the team are based in the United States.

While the variety of offerings seems exciting, concern is expressed that all the emphasis is on the rides and that the other attractions may be extraneous, including the Ice Casino.

EXPECTATIONS

Based on the information in the RFP proposal, the Committee feels the proposers experience and track record appear to be good. The proposal places emphasis on safety and guest relations that would be important to the future sustainability of Playland.

As the “Legal Considerations” have been explained to the Committee regarding the Playland property, there may be issues surrounding a long-term lease, particularly whether this may require a parkland alienation question. The County Executive and the County legal team should carefully evaluate this issue.

As has been noted, careful review is necessary regarding the financial commitment and agreement terms and an understanding must be reached regarding the level of infrastructure improvements needed.

However, this proposal offers very little “new” as compared to what currently exists today. It offers a new mini-golf course, water park and new rides but the concept is from the “old school.”

STANDARD AMUSEMENTS, LLC

GENERAL

The Committee suggests that should the County choose to pursue an option that continues to operate Playland as an amusement park, this is a comprehensive proposal for redevelopment by an operator that deserves further review by the County.

Jack Falfas, formerly of Cedar Fair, is a well-known operator in the amusement park industry and should be capable of overseeing major park improvements with the right financial backing. The County should ensure that the financial backing and structure exists, if they choose to move forward with this model. This is further discussed in

“Economics” of this feasibility review. The County should ensure the continued roles of the team proposed by Standard Amusements, specifically that the identified individuals are long-term employees and not short-term consultants.

The Committee questioned the use of a 501 (c)(3) entity. If this type of entity were put in place, how would money be raised? Is this type of operational structure feasible in the current economic climate? There did not appear to be any contemplated fund-raising plan in the proposal. Without further information, the Committee asks which entity would run Playland under this structure.

ECONOMICS

NOTE: Standard Amusements, LLC has requested that section(s) of their proposal detailing certain financial information be marked as “Proprietary and Confidential” and accordingly was not provided to the Committee for review. Based on this, the Committee feels they did not have sufficient information to evaluate the “Economics” of this proposal and advises the County Executive that our comments should be viewed with that understanding. The Committee asks the County Executive and his team to undertake an extensive review of the financial terms and conditions presented by the proposer.

This proposal was supplied in two sections, described as both a “book” and a “narrative” allowing for a broad scope and review of how they would propose structuring any arrangement, giving the Committee a cursory glimpse of their proposed structure.

Specific economic comments and concerns the Committee advises the County to review:

The Committee notes that this proposal seems to anticipate meaningful investment in the park and payments to the County. The proposer notes a \$5 million upfront payment, with guaranteed yearly payments of \$2 million and \$10 million in investment, but the Committee does not have the particulars behind this financial transaction and urges the County to review this structure carefully. It appears that the County’s return depends upon net cash flow and this, along with the proposed term of the agreement, needs to be carefully structured and understood. The proposal also seems to contemplate significant infrastructure investment, but it is not clear who is responsible for these costs.

A major unknown is financing. Rather than use traditional financing, Standard Amusements would use Standard General, a hedge fund with no apparent track record of investing in this type of businesses. It is unclear if this funding source would provide the necessary stable, long-term financing required for a long-term agreement with the County, as that information has been redacted. It is essential that this type of financing be understood and reflect the ability to back the commitments described. This also begs the critical question as to who takes on the risk with this model.

The model proposes revenue numbers generated by a \$30 park admission, which is similar to current operations, but it will need to be determined how long it will take to get to the admission number of one million. As has been noted, increased attendance will create increased expenses.

ENVIRONMENT

The Committee notes that the proposal contemplates significant infrastructure investment, however, it does not suggest much change to the existing footprint. Access to the Ice Casino and beach and boardwalk would remain, which is important to the public should this model be pursued.

While there does not appear to be significant environmental impacts, consideration should be made to proposed increases in attendance that could result as part of the year-round use of Playland. Accordingly, since more customers will impact parking and traffic, the environmental impact of these increases should be carefully studied. It is noted that Playland has in recent years reported attendance upwards of one million visitors which it has been able to be accommodated within the current footprint and capability.

ENTERTAINMENT

The Committee notes that the amusement park aspects of the proposal, including the interactive water park and waterslide are quite strong and may appeal to many different aspects of the community with the potential to draw both locals and visitors. These improvements should counter the County's inability to adequately address or increase capital investment in rides and attractions, one reason attributed to Playland's decline in attendance. The proposer offers a focus and enhancement to the original values, traditions, and family fun approach on which Playland was built.

EXPERIENCE

This proposal presents an experienced group of partners and consultants. Specifically Jack Falfas, who brings 40 years of experience in the amusement park business and has a proven success record in reinventing tired parks. As there is a level of involvement from "consultants," the Committee suggests the County review the roles of these consultants to determine whether there will be long-term or short-term involvement. The Committee again urges the County's due diligence on experience and reference checks.

The proposal shows a focus on safety and training with an emphasis on customer service training, critical to any successful public amusement operation.

The Committee also recognizes the proposal's strong ideas for increasing the marketing budget and proposed investment in infrastructure.

EXPECTATIONS

As has been noted, the proposer has a professional team. However, success hinges on understanding the source of financial backing and commitment both for initial investment as well as during the actual operation.

This proposal suggests utilizing a not-for-profit structure that would obtain financing from a hedge fund. The Committee questions the reliability of such financing as a long-

term source of capital. How long would it take to raise the substantial amount of funding needed to operate? What affect would a 501(c)(3) entity have on existing labor contracts?

The Committee also notes that this is not a significant change in use versus present use and operation.

SUSTAINABLE PLAYLAND

GENERAL

The Committee suggests that should the County decide to pursue an alternative model to operate Playland, it should consider this proposal for further review. The Committee notes a conservancy model similar to Central Park and/or the High Line in New York City, have been extremely successful. Committee members did note, however, that such conservancy models encountered difficult beginnings and took time to attain success. However, the Committee was not able to clearly understand how the money flows through to the County, and in particular how costs going forward would be addressed (i.e. continuing debt service). It was also not clear what the governance structure of this not-for-profit corporation would be.

The proposal appears to be a management agreement. It proposes to develop a community-oriented vision including an outdoor “great lawn,” athletic fields, redeveloped ice casino, new field house, continuing amusement park and beach, additional water activities and restaurant.

The Committee believes this proposal has an interesting vision with potential, but is weak on demonstrated experience necessary to carry out such a proposal.

The Committee notes that the proposal is largely from members of the local community, which would be helpful in advancing the proposal, but concern is raised that local interests should not dictate the planning of a county facility.

This is a different model than the existing or traditional amusement parks proposed by others and must be reviewed carefully for its economics. The Committee notes the significant legal and policy constraints within which this proposal must operate. The Committee feels that this proposal deserves to be reviewed in further detail.

ECONOMICS

NOTE: Sustainable Playland requested that section(s) of their proposal detailing certain financial information be marked as “Proprietary and Confidential” and accordingly was not provided to the Committee for review. Based on this, the Committee feels that it did not have sufficient information to evaluate the “Economics” of this proposal and advises the County Executive that our comments should be viewed with that understanding. The Committee asks the County Executive and his team to undertake an extensive review of the financial terms and conditions presented by the proposer.

Specific economic comments and concerns the Committee advises the County to review:

The Committee does not clearly understand the economic benefit to the County or how this model addresses the perceived need to drive revenue.

There are no details available from which to evaluate financial viability, making assumptions difficult. Financial viability will also be dictated by the level of funding that the group can raise and the results of any future operation. The proposal indicates that the team and its principals can raise the money, but there is no indication of a fundraising plan.

The proposal offers open space, ball fields and hiking trails that are environmentally attractive but would provide a low economic return when compared to new state-of-the-art amusement rides. The Committee notes that probable expenses are likely to be less, but cannot estimate the exact reduction. In addition, the less intensive use model might impact overall profitability of the park. Accordingly, this balance of expense versus revenue must be carefully evaluated.

The Committee also notes that the proposed not-for-profit based structure is to attract philanthropic grants and low-cost financing, citing models like the Central Park Conservancy and the Friends of High Line. The Committee notes that this may be difficult in these trying economic times and both took years to achieve their current level of financial and operational success.

ENVIRONMENT

The Committee feels this proposal takes into consideration the concerns of county residents and the community by providing for open space and access and is non-intrusive regarding construction or environmental impact.

The addition of a “great lawn,” sports fields, bike paths, fitness trails, playgrounds, sailing and kayaking seem to complement and improve the environment and are consistent with parkland use. Implementation of such a proposal would appear to be less intrusive and might be accomplished more quickly.

ENTERTAINMENT

The Committee suggests that the County consider that a reduced amusement park may reduce the number of visitors. This proposal maintains key elements of the existing park, but adds components that may draw people for different kinds of activities.

The Committee suggests that it may be better to focus on some of the components rather than all of the options presented by this proposal.

EXPERIENCE

The Committee notes that the individuals identified by the proposer have strong design,

development, construction and financing experience. For example, they have designated an operator who runs Splash Down and Rocking Horse Ranch. However, there is concern that the proposer has insufficient experience and relies upon third- party consultants and operators.

It is noted that the prime participants include experienced professionals which add credibility. However, their commitment is unclear. The County should evaluate these roles carefully.

EXPECTATIONS

The Committee notes that potentially having the support of the community and neighborhood for a proposal would be significant. Should this model be pursued, the open space and access will contribute to the environmental enhancement of the park. The relationships of the team members in the local community and their investment potentially enhance the proposal's credibility and feasibility.

The Committee is concerned that this model requires substantial fundraising, which could be a major challenge in today's economic environment and presents the possibility that it will take a substantial amount of time to raise the necessary funds.

The Committee further reiterates that it has not seen any relevant aspects of the financial and organizational structure and suggests the County carefully evaluate how it proposes to operate Playland on a day-to-day basis.

Category II: Proposals that may not be responsive to the RFP and feasibility criteria but may have some potential role.

AMERICAN SKATING ENTERTAINMENT CENTERS, LLC (ASEC)

GENERAL

The Committee notes that this is not a proposal for all of Playland Park, but only for the operation and management of the Ice Casino.

The proposal does present some good ideas about better leveraging the asset of the skating rinks. The Committee suggests the County Executive review certain non-responsive proposals such as this one as potential concepts for implementation outside of the RFP process. Such non-responsive proposals might also be considered in conjunction with other proposals as part of an overall redevelopment.

The proposer is a known entity and can be researched and evaluated. The Committee suggests that the County exercise due diligence in reviewing the proposal.

ECONOMICS

The Committee notes that ASEC did not identify any material as “Proprietary and Confidential” so we were able to review the proposal in its entirety. The proposal’s capital plan requires a review as to its adequacy. Specifically profit sharing must be evaluated and while the base rent seems adequate, it should be confirmed.

The proposal does show consistent revenue streams, however the County needs to undertake a comparison of recommended financials with the current Ice Casino statements and operations which appear similar. The proposer’s rationale for why the model would generate more revenue than the existing model should be explored carefully.

The Committee does agree that upgrading the Ice Casino facility supports positive economic viability. Should the County choose to proceed with this proposal, it should address concerns regarding the assumptions presented, specifically a low marketing budget. Annual increases for utilities do not seem realistic and there is no budget for long-term capital projects.

The Committee also notes the proposer discusses a 15-year lease and based on the “Legal Considerations” presented to the Committee this raises a parkland alienation question.

ENVIRONMENT

Because the proposer wishes to utilize an existing structure with no changes to the interior or exterior, the Committee does not see any major environmental impact.

ENTERTAINMENT

The Committee feels that the use is consistent with current uses and the existing mission of Playland Park.

The Committee does like the concept of proposing year-round skating and suggests that the County Executive review the proposal to institute a capital project to install an HVAC system in order to keep the ice rinks operating in the summer, or convert to roller rinks during summer months. Westchester County Parks has advised that an HVAC upgrade has recently been completed and the reason the ice rink is not open all season has more to do with building maintenance than the HVAC unit.

EXPERIENCE

This proposer is well-known and respected in the Westchester community and has demonstrable experience at similar facilities. The Committee suggests that the County exercise the appropriate due diligence should it proceed.

EXPECTATIONS

This proposal is clearly within the proposer's experience and capability but limited to one facility in the park. The Committee notes that this proposal may be considered in conjunction with other proposals or may be considered independently by the County.

The Committee is concerned that the revenue assumptions may be too strong but is interested in the suggested capital improvements. The Committee suggests a careful comparison with existing operations as the facility generally breaks even yearly and has a capital projects program in place.

The Committee notes the proposal is limited to the proposer's areas of expertise.

O PROPERTIES

GENERAL

The proposal is for an aggressive redevelopment of Playland Park consisting of a year-round indoor-sports facility, high ropes challenge course, rock climbing and team building, outside athletics, camps, leadership programs, community events, zip line attraction, kiddy attractions and pool.

Given the significant extent of construction and impact, further discussed in the "Environment" section of this report, the Committee feels that the County should carefully evaluate the environmental and aesthetic impact on the Park and to the community. Community response may impact the viability of some elements of this proposal, i.e. zip line.

The proposal does not include specifics on redevelopment of the ice rinks or other park facilities. The focus and experience of the proposer appears to be limited to SoNo Field

House in Connecticut and there is concern about the ability carry out the other elements of the proposal.

The Committee advises that this proposal could potentially be combined with other partial proposals.

ECONOMICS

The Committee notes that Q Properties has not identified any material in its proposal as “Proprietary and Confidential” and accordingly, no information has been redacted and the proposal has been reviewed in its entirety. Even with all information reviewed, questions remain as to financial or structural terms of the proposal and we suggest that the County take these into consideration should the County choose to move forward with this proposal.

Specific economic comments and concerns the Committee advises the County to review:

The proposal is for facilities that will utilize only a portion of the property. The projections reflect only \$1 to a \$1.5 million cash flow after servicing new construction debt. Note that this still leaves a gap in the County’s existing debt service requirements. There is also an absence of any indication of any payment to the County. The ability of the proposer to secure the debt it contemplates at 65% of cost is also questioned. In sum, the Committee feels that we do not have enough information to evaluate the economic aspects of this proposal. As the proposer did not select to redact any information from the proposal, the County should require more detailed and specific information if it further investigates.

Further the Committee notes that the loan discussed appears to be amortized over a 25-year period, but the proposed lease term appears to be 10 years. In addition, the revenue assumptions seem overly optimistic and do not seem to include a marketing budget. The income assumptions do not project gradual or realistic increases, but rather project a steep increase immediately.

The Committee notes that the proposal appears to contemplate a purchase of the site. As the “Legal Considerations” have been explained, this suggests a parkland alienation question.

It should be noted the proposal includes capital investment of \$9.7 million, but does not indicate any payment to the County to address its ongoing debt service costs.

It is noted the SoNo facility is close geographically which could cause competition.

ENVIRONMENT

While the proposal does indicate what the Committee feels is an aggressive development, there does not appear to be an extensive expansion of the development footprint.

The Committee's concern from an environmental perspective is the zip line and the canopy structure. This could be viewed as an overly intrusive use of the facility, particularly that area that would impact the Edith G. Read Wildlife Sanctuary which is a passive park. Questions remain about the visible impacts of proposed attractions on the community, particularly residential and beach areas. The Committee also questions what the amusement park space would be used for and what would be the proposed effect, if any, on the beach and pool.

The proposed use of the sports facility would not necessarily have a negative effect other than during a potential construction phase.

ENTERTAINMENT

The proposal would increase the amount of sports, corporate and special event activities at Playland. While this proposal does allow for multiple uses, the demographic is different than for the current use.

There are open questions as to the future space including the beach, pool and current non-historic amusement rides. The focus on Kiddyland, event space and sports-related facilities could be well received and is consistent with the Playland mission.

EXPERIENCE

The Committee suggests the County exercise its due diligence regarding the proposer's background, particularly with respect to their experience at SoNo Field House.

The proposer appears to have the requisite experience. However, operating experience is limited to the SoNo facility, which is just two years old. The proposer does not seem to have experience outside of their scope, accordingly management of Kiddyland and other amusement rides and the pool would be outsourced.

EXPECTATIONS

The Committee feels that the proposer has relevant experience for the sporting facilities.

The Committee's concerns include the ability of the proposer to obtain the necessary debt for the project. It is not clear what payments the County will receive from this proposal to address existing debt service. Further, the proposal is not for a comprehensive use of the park and there are overall environmental concerns. Whether the community will accept certain uses is also a question. Should elements of this proposal fit within the scope of other proposals, the County may want to consider further review.

STATE FAIR GROUP

GENERAL

The Committee feels that this proposal is submitted from what can be categorized as a well-qualified, experienced "special events marketing firm." It assumes a longer

operating season with minor changes and minimal outside investment.

The Committee is concerned that the proposal assumes management, but not responsibility for losses as well as other financial issues discussed further in the “Economics” section of this review.

The proposal is strong on event programming but lacks clarity on management and facility experience and does not sufficiently relieve the County of much financial responsibility. Reference and background check are recommended.

ECONOMICS

NOTE: State Fair Group requested that the sections of their proposal titled “Qualified Personnel” and “Balance Sheet” be marked as “Proprietary and Confidential” and accordingly were not provided to the Committee for review. Based on this, the Committee feels that it did not have sufficient information to evaluate the “Economics” of this proposal and advises the County Executive that our comments should be viewed with that understanding. The Committee asks the County Executive and his team to undertake an extensive review of the financial terms and conditions presented by the proposer.

Specific economic comments and concerns the Committee advises the County to review:

The main concern is of capital or infrastructure commitment, specifically a limited capital investment of \$3.3 million in the first three years with a total of \$6.4 million over five years. The proposal suggests that investments will be made in future years from available cash flow. It remains unclear as to how minimum reinvestments are funded. Are these the responsibility of State Fair or the County? The proposal indicates that County debt will be paid off in four years with profit sharing at \$2 million per year including rent to the County of 15% to 29% of gross revenues. The Committee expresses concern that assumptions, including cutting payroll expenses significantly are not realistic. In addition, there is no clear understanding of how they will raise revenue numbers.

ENVIRONMENT

The Committee notes that there is no real change to current use indicated and the proposed use remains consistent with the existing park. This model is based upon increased visitors over a longer season. Accordingly, more customers impact parking and traffic and should this model be pursued the environmental impact of these increases should be carefully studied. However, Playland has in recent years, reported attendance of upwards of one million visitors; accordingly this benchmark is within the current footprint and capability.

ENTERTAINMENT

This is predominantly the same as the current use and there is a concern that not enough is being done to bring in new attractions. The proposal does not offer specific rides or attractions.

EXPERIENCE

As noted, the proposer identified certain aspects of the proposal as “Proprietary and Confidential,” including the section titled “Qualified Personnel.” Accordingly, we are unclear on the experience since individual biographies have been redacted.

It does appear that the group has managed one fair, of limited annual duration, and corporate outings. However, they do not appear to have larger amusement park experience or management. Letters of reference provided indicate a good track record at running major amusement events and fairs such as at the Meadowlands.

EXPECTATIONS

The proposer does not propose a dramatic physical improvement, and it is not clear that they have experience to undertake the overall management of the park.

The proposal does not recommend extensive changes or new directions for the park. The Committee notes this proposal suggests something similar to the current operation, but with different management.

The Committee notes that the proposer relies heavily upon corporate and other sponsorships and is concerned that that projected revenue increases are not viable without major enhancements. The Committee notes that the proposal relies on fairly dramatic cost reductions in payroll. It is not clear how to accomplish this with existing union contracts.

Category III: Proposals that we believe are not responsive to the RFP and do not merit further review or are not feasible.

AIR STRUCTURES AMERICAN TECHNOLOGY INC, (ASATI)

The Committee notes this was not a proposal in response to the RFP. The proposer states in their opening paragraph that they apologize for not submitting a response in RFP form and if a proposal is of interest they will fill out the appropriate forms. The proposer indicated that they only became aware of the RFP shortly before the submission deadline. The Committee notes that the County first advertised the RFP in August of 2010 and had multiple public sessions, media reports and public events regarding the RFP.

While the submission may contain interesting concepts, it is merely a compilation brochure of the proposer's previous projects and firm qualifications.

The Committee notes that the RFP is a legal process with specific deadlines and requirements. As no development or business plan was submitted, this is not a proposal.

BOARDWALK ARTS

The Committee notes that this submission is not responsive to the RFP as would be required under legal requirements. There is no development or financial plan submitted.

The submission does contain a number of community-oriented suggestions that the County could review and that may be entered into without the need for an RFP process. The Committee encourages the County to review the submission for these ideas.

Note: County Parks' staff did advise that some of the suggestions made had been implemented in the form of an Arts Fair on the boardwalk.

JMC MARKETING - VILLAGE OF WESTCHESTER

The Committee notes that this submission is not responsive to the RFP.

The Committee notes that this submission seems to be a planning exercise or marketing proposal of an "idea" or a "concept". It also notes this is a request by the submitting party to be hired as marketing/management consultant to the County and is not a proposal.

PLAYLANDWATCH.ORG

The Committee notes that is not a response to the RFP but a combination of concepts and ideas in presentation form. There is no business, financial or development plan, team or even contact information identified.

The Committee notes that the submission states “...*the County will not require the services of PlaylandWatch.org after reviewing this proposal. It is intended that the County will carry out the recommendations described in this proposal.*”

TPC RYE LLC

The Committee notes the submission proposes an extensive development of the park property with creative recreational attractions but it does not present a business and development plan. As such the submission is non-responsive to the RFP. Further the Committee notes that the extent and investment required along with physical space requirements do not appear to be attainable. The scope proposed would focus on education and conservation themes and would include reconstructing to have only one park entrance featuring sculptures and a amphitheater, transforming Kiddyland into a science area, adding a mythology and world cultures zone with the Dragon Coaster as the center piece, feature activities in an extreme environment area, add a nature and wildlife area connecting to the existing Sanctuary, enhance the “historic” boardwalk and create a museum complex.

It is noted that the inclusion of The Paidia Company as part of TPC Rye, LLC does lend credibility to the concept. While the proposed continued use of some existing historic rides moved to the boardwalk could be a positive attribute, the Committee suggests that the construction proposed would be strongly resisted by the community as it relates to the feasibility of “Expectations.” Accordingly the submission does not warrant further review.

VALENTINE CREATIVE MARKETING

The Committee notes that this submission is not responsive to the RFP. There is no business or development plan, financial plan or team proposed. It also notes that this is only a marketing presentation of “ideas and inspiration” for Playland. The County may choose to review the submission for attractive ideas.

Note: Staff from the County Parks Department did advise that many of the suggestions made were either reviewed or have been undertaken in previous years.

COMMITTEE CONCLUSION

We thank the County Executive for the opportunity to be a part of Westchester County's Request for Proposals (RFP) "Reinventing Playland Park for the 21st Century" review process. The Committee has spent considerable time and conducted serious deliberations in carrying out its task of evaluating the feasibility of the proposals according to the criteria of the "5 E's" - Economic, Environmental, Entertainment, Experience and Expectations as Phase Two of the review process. Each Committee member has unique and varied experience with diverse perspectives and opinions and we believe this Report presents a balanced overview of all members' views. As the review process enters Phase Three, the Committee wishes to convey several comments for consideration:

- "Economics" remained the most difficult of the "5 E's" to evaluate, given the redaction of the information marked "Proprietary and Confidential" by the proposers. The Committee recognizes that redaction is as an acceptable practice for proposers to request for ownership and competitive purposes. The Committee recommends that the following be taken into consideration as the County's review goes forward:
 1. The County should pay careful attention to the structure of the proposals, including the creation of 501 (c) (3)'s, utilization of hedge funds as partners and partnering with Limited Liability Corporations.
 2. Proposal revenues must take into account the costs that may be incurred up front by the County (i.e. defeasement of outstanding tax-free bonds).
 3. Any economic analysis should include Playland's significant ongoing capital investment requirements and the risks and liabilities of continuing to operate an amusement park.
 4. The County must examine the experience and depth of proposed management and conduct financial due diligence in order to assess proposers' ability to carry out a long-term agreement.

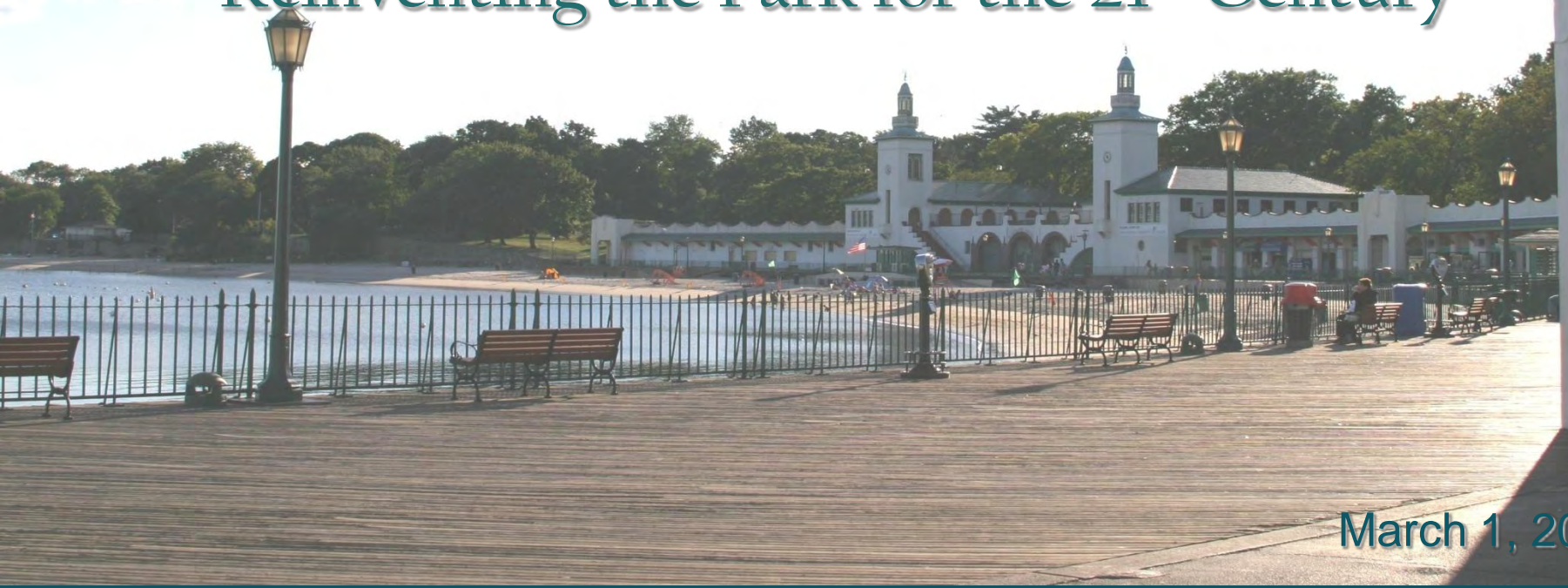
- We have been charged with evaluating the 12 proposals before us and have separated the proposals into three categories. However, the County may choose to review elements from different proposals with a view towards a "hybrid" approach. We believe it is important for the County Executive to evaluate the totality of the circumstances surrounding Playland Park and how these proposals or other concepts may fit together into this property and the multitude of the opportunities that we believe exist at Playland.

- The Committee believes that while the concerns of local residents should be taken into consideration, such concerns also need to be balanced against the interests of all County residents as Playland is a County Park.
- The Committee strongly believes that further analysis of the proposals must be considered with an examination of where the County wants Playland to be in 10 to 15 years. For example, does it want to continue operating an amusement park or move to another model? As noted, the Committee itself had a variety of opinions on this topic. However, the Committee agreed that any such determination should include market research to establish market demand for various options. The Committee has been advised that there have been many past studies commissioned by the County or other sources which should provide a valuable resource moving forward.

Exhibit A

Playland RFP

Reinventing the Park for the 21st Century



March 1, 2011

Westchester
gov.com

The Problem to Be Solved



Playland is one of the crown jewels in Westchester's parks system



But the park's multi-million dollar annual losses can no longer be sustained

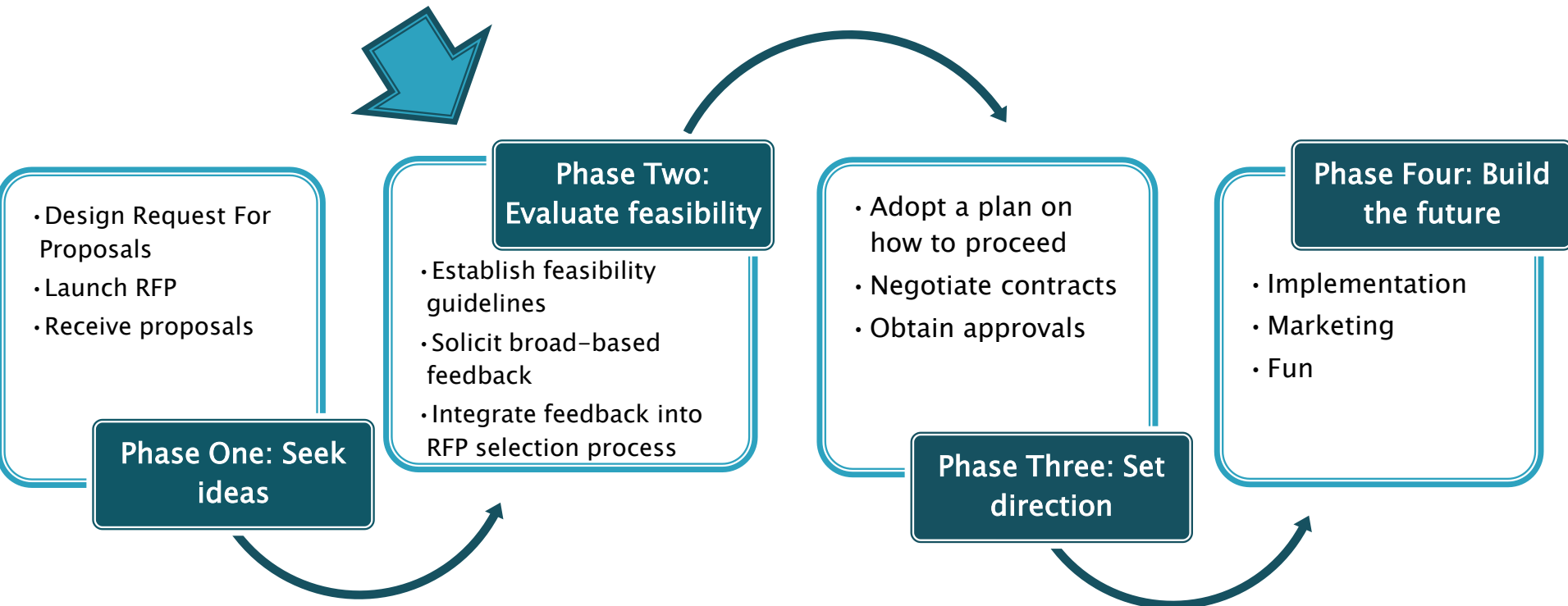


The challenge ahead is to find a new model that ensures the park's long-term viability

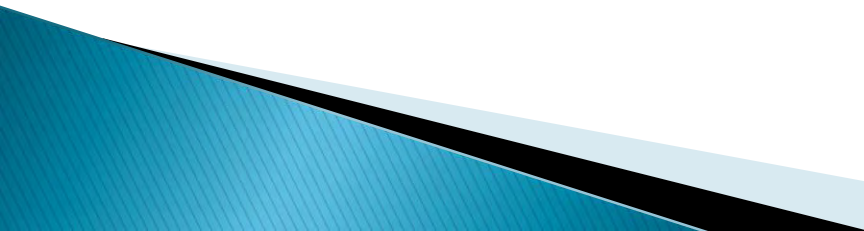
Course of Action

Four-phase, 12-step, multi-year process

Where we are now



Phase One: Seek Ideas

- 1. Design Request for Proposals – wide range of ideas encouraged; a “blank slate”**
 - 2. Launch RFP – submissions sought on Aug. 27, 2010**
 - 3. Receive proposals – deadline for submissions is March 10, 2011**
- 

Phase Two: Evaluate Feasibility

4. Establish feasibility guidelines
5. Solicit views from stakeholders
6. Integrate the feedback into RFP selection process



Feasibility Guidelines

Based on 5 E's

- ▶ **Economics** – financially viable long-term business model
- ▶ **Environment** – appropriate to local surroundings
- ▶ **Entertainment** – consistent with mission of a park
- ▶ **Experience** – confidence in proposer's track record
- ▶ **Expectations** – realistic chance of completion



View of stakeholders

Set up citizens committee

- ▶ **19 members representing a full range of stakeholders**
 - Mission to evaluate each proposal against the 5 E's
- ▶ **Appoint staff to support committee**
 - William Mooney, senior assistant to County Executive
 - Peter Tartaglia, deputy commissioner of Parks
- ▶ **Capture findings in a feasibility assessment**
 - Written report due in 90 days (June 25)



List of Committee Members

Rye:

Doug French, Mayor of Rye City

Joe Carvin, Rye Town Supervisor

Charles Dorn, Chairman of the Playland Strategic Planning Committee for Rye

Board of Legislators:

Bill Ryan, Chairman of Public Works, Labor, Transportation and Parks

Judy Myers, Legislator

Sheila Marcotte, Legislator

Parks Community:

Jim Chisholm, Parks Board Chairman who will chair the Citizens Committee

David Swope, Chairman of Jacob Burns Film Center; Teatown Reservation Trustee

Liz Bracken-Thompson, Chairman of Friends of Parks

Business Community:

Richard French, President of Regional News Network; Representative from Westchester County Association

Ellen Lynch, Representative from the Business Council of Westchester

John Peckham, President of Peckham Industries; Arts Westchester, Chairman of the Board of Trustees

Business/Amusement/ Entertainment

Scott Bernstein, former Amusement/Entertainment Executive, Bedford resident

Jim Dannhauser, former Six Flags CFO, Bronxville resident

Natasha Caputo, Entertainment/Tourism Consultant, Mt. Kisco resident

Business/Real Estate:

Jim Houlihan, Houlihan-Parnes Realtors, LLC; former Board Member of Friends of Parks

Other:

Caleb Gilligan-Evans, Junior at Stepinac High School, Yonkers resident

Father Richard Alejunas, S.D.B., Chairman of the Westchester Youth Advisory Board, Don Bosco Community Center of Port Chester

Law

Evan Inlaw, Attorney, Yonkers resident

Integrate feedback into RFP

County staff develops list of options that:

- Incorporate community feedback
- Adhere to legal requirements of the RFP process
- Balance all interests fairly and objectively

List of options to CE by Sept. 25, 2011



Phase Three: Set Direction

7. Adopt a plan on how to proceed

Choose among potential options

- Accept a single proposal / multiple proposals
- Combine aspects of different proposals
- Ask for improvements/refinements of proposals
- Reject all proposals and go back to drawing board

Make determination

- Expectation is to adopt a course of action within 60 days of receipt of options (Sept. 26 to Nov. 25)



Phase Three: Set Direction

8. Negotiate necessary contracts

(Steps 8 and 9 are tied together)

9. Obtain all necessary approvals

- Legal
- Legislative
- Environmental/ Local
- Financial

*Time frames will depend on proposals –
minimum of six months to a year*

Phase Four: Build the Future

10. Implementation

11. Marketing

12. FUN

Time frames will depend on progress in Phase Three



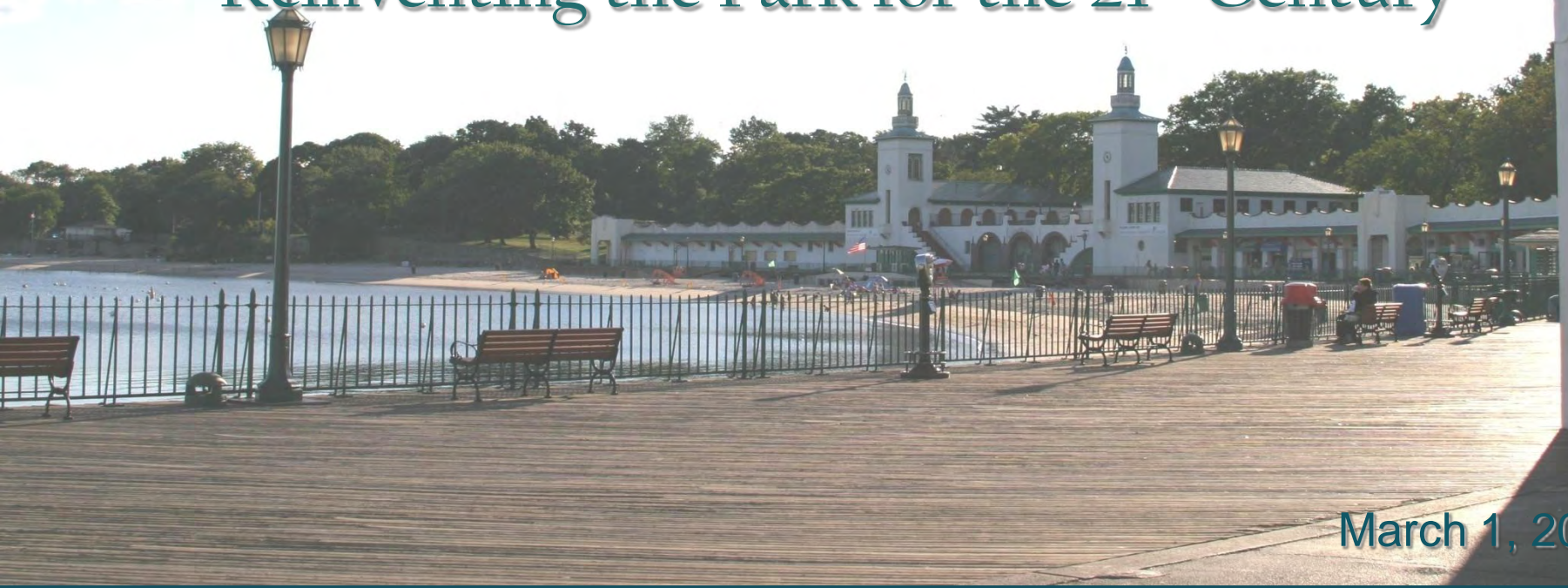
Next Steps

- ▶ **Await RFP submissions on March 10**
- ▶ **The Web site has all information available (westchestergov.com/rfp)**
- ▶ **Playland will be open this summer**
- ▶ **Questions**



Playland RFP

Reinventing the Park for the 21st Century



March 1, 2011

Westchester
gov.com

Exhibit B

Playland

REINVENTING PLAYLAND PARK FOR THE 21st CENTURY



Request for Proposal to Develop,
Manage, Operate, Maintain and/or Other Options

Playland

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY

SOLID UNDERSTANDING OF PLAYLAND'S PAST AND PRESENT.

- Memories and emotional connections since 1928.
- National Historic Landmark
- Attendance Downturn: weather, consumer tastes, unfortunate accidents, aging facility.
- One of handful of governments in amusement business.
- Cost taxpayers millions each year.
- County not necessarily looking for profit.



Playland

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY

CREATIVE PROPOSALS SOUGHT.

- Different or hybrid uses
- Utilize all, some or none of current uses.
- Contemplate development of property.
- Public access to boardwalk and beach a must.
- NOT included – Read Sanctuary (except lake), Pier Restaurant.
- NO proposals for residential uses accepted.





Playland

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY

AERIAL OF AMUSEMENT PARK





Playland

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY

AERIAL OF PIER AND RESTAURANT



Playland

REINVENTING PLAYLAND PARK FOR THE 21ST CENTURY



AERIAL OF
BOARDWALK
AND BATH HOUSES





Playland

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY

AERIAL OF LAKE



Playland

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY

ICE CASINO





REINVENTING PLAYLAND PARK FOR THE 21ST CENTURY

OTHER CONSIDERATIONS



- Parkland Alienation
- Outstanding County Bonds
- Outstanding License Agreements
- Union Contracts
- Children's Museum
- National Historic Landmark

Playland

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY

QUESTIONS

Specific questions must be received
in writing by October 27 at
RFP-Playland@westchestergov.com

Formal written responses available
November 17 at
www.westchestergov.com/rfp.



Playland

REINVENTING PLAYLAND PARK FOR THE 21st CENTURY



Request for Proposal to Develop,
Manager, Operate, Maintain and/or Other Options

Exhibit C

Legal Considerations

Playland RFP Phase II

Citizens Committee Feasibility Study

WHY CERTAIN PORTIONS OF THE RFP ARE NOT IN YOUR MATERIALS

- Respondents can mark pages that may contain technical, financial background or other data, which if publicly disclosed could cause substantial injury to their competitive position.
- To avoid liability, the County must make good faith efforts to protect proprietary and confidential data that proposers have marked.
- Therefore, disclosure of such information must be limited.

Committee's Role In RFP Process

- Because of the uniqueness of this RFP, the County has created a special review process.
- This Committee will provide public input between proposal receipt and the legally required formal evaluation.

Legal Considerations

Subject To Applicable Laws

- **Proposals must comply with all applicable laws, rules, regulations, ordinances and codes.**
- **See, e.g., § 712.311 *et seq.* and §765.351 *et seq.* of the Laws of Westchester County governing the preservation of trees, shrubs and grass on County property and in County parks, including Playland.**

(Link to Laws of Westchester online is on page 14 of RFP)

Legal Considerations

Parkland Alienation

- **Once a park is created, it is imbued with a “public trust.”**
- **The sale of a park or the discontinuance of park use can only be accomplished with the permission of the State Legislature.**
- **The procedure is called “alienation of parkland.”**
- **Case law governs.**

Legal Considerations

Parkland Alienation cont'd

NYS Office of Parks, Recreation and Historic Preservation has interpreted case law as follows:

- “A public park and recreational facility need not be operated by a public entity, but may be a facility operated by a private, profit-making concern on behalf of a municipality under a lease or license agreement. To remain a public facility, the agreement must serve a public purpose, and must not result in exclusively private use. Also, the use must be one that is compatible and appropriate for the park or recreational area in question.”
(emphasis added)

(See NYS OPRHP Handbook on the Alienation and Conversion of Municipal Parkland, 2005 ed., pages 11-12. See link to Handbook on p.12 of the RFP.)

Legal Considerations

Parkland Alienation – The Cost

If the County determines that a transaction requires parkland alienation, the State Legislature generally requires:

- Either the purchase of replacement parkland or capital improvements to existing parkland of equal value to the appraised fair market value of the parkland to be alienated.

(See NYS OPRHP Handbook on the Alienation and Conversion of Municipal Parkland, 2005 ed., p. 21.)

Legal Considerations

Bonds

- **Private activity with tax-free bonds is not legal.**
- **At the time the RFP was issued, there were \$30 million of tax-free bonds outstanding for capital projects at Playland and another \$6 million to be issued.**
- **If there is private activity at Playland, bond counsel has advised that \$11.5 million of the outstanding bonds must be defeased (paid down).**

Legal Considerations

Bonds cont'd

- **According to County bond counsel, leases to private businesses are generally construed as private activity.**
- **A proposer could conceivably agree to replace County tax-free bonds with taxable bonds.**
- **Bond counsel would review proposal details during Phase III.**

Legal Considerations

Union Contracts

- **Transfer of work from County employees to a private vendor may be a violation of Section 209-a.1(d) of the Taylor Law.**

(Art. 14 of the NYS Civil Service Law adopted in 1967 which governs all collective bargaining with public employees in New York).

- **New York State Public Employment Relations Board (PERB) in Niagara Frontier Transportation Authority, 18 PERB 3083 (1985), created a framework to analyze the above issue which includes:**

Legal Considerations

Union Contracts cont'd

- (1) whether the work had been performed by unit employees exclusively; and (2) whether the reassigned tasks are substantially similar to the those previously performed by unit employees.
- In addition, under NYS law an amendment to the Taylor Law known as the Triborough Amendment states that the terms of an expired collective bargaining agreement must remain in effect until a new agreement is negotiated.

(See NYS Civil Service Law §209-a.1(e))

RFP Process – Phase III

The County's Role

- **Professional Staff Evaluation:**

County staff, including Parks professionals, attorneys, financial professionals and others will evaluate proposals based on RFP selection criteria. This Committee's report will be integrated into this review.

RFP Process – Phase IV

- Assuming a decision had been made to move forward with one or more proposals, the County would begin the next phase. This phase would include contract negotiations and obtaining necessary legal, financial, environmental, local and other approvals.

SEQRA – occurs before contract award.

- **Under the NYS Environmental Quality Review Act, before the County can fund, approve or carry out a contract, it has to determine if it could have an impact on the environment.**
- **If the County determines that there may be an environmental impact, then it is necessary to determine the required level of environmental review.**

SEQRA cont'd

- The SEQRA regulations define “environment” as “the physical conditions that will be affected by a proposed action, including land, air, water, minerals, flora, fauna, noise, resources of agricultural, archeological, historic or aesthetic significance, existing patterns of population concentration, distribution or growth, existing community or neighborhood character, and human health.”
- Large scale projects usually require a Full Environmental Impact Statement, with public comment on the Draft EIS.

Contract Award

- The contract must be approved by the Board of Acquisition & Contract.
- Note: Certain transactions, such as long-term leases, require approval of the Board of Legislators, as well.

Exhibit D



At a regular meeting of the City Council held on March 2, 2011, Councilwoman Keith made a motion, seconded by Councilwoman Gamache, to adopt the following resolution:

**RYE CITY COUNCIL RESOLUTION REGARDING THE CITY'S
PRIMARY PRINCIPLES AND VALUES TO BE APPLIED DURING
WESTCHESTER COUNTY'S REVIEW OF PROPOSALS SUBMITTED
IN RESPONSE TO THE REQUEST FOR PROPOSAL ENTITLED
"REINVENTING PLAYLAND PARK FOR THE 21ST CENTURY"**

WHEREAS, in anticipation of Westchester County issuing a "Request for Proposal" (RFP) about Playland, the Rye City Council (the "City Council") appointed a Playland Strategic Planning Working Group in 2010. Soon thereafter, Westchester County issued the RFP entitled "Reinventing Playland Park for the 21st Century. "

WHEREAS, through the fall of 2010 and the beginning of 2011, the Playland Strategic Planning Working Group met on a regular basis to educate themselves on the issues concerning Rye, our residents and Westchester County. These public meetings plus community forums, a tour of the park and a significant amount of formal and informal input from our residents have allowed us to present the following findings.

WHEREAS, the County's RFP is unusual because it does not reflect any particular vision for Playland and invites responses to supply such a vision. Therefore, widely differing responses reflecting many visions can be expected. In light of this, the Rye Playland Strategic Planning Working Group has not focused on defining a "Rye vision" for Playland. Instead it has sought to identify principles and values it believes should be applied to evaluate responses to the request for proposal.

NOW, THEREFORE, BE IT RESOLVED, that based on the Playland Strategic Planning Working Group's findings, the City Council adopts the following principles:

1. Playland is first and foremost a public resource for the use and enjoyment of all residents of Rye and Westchester County. Any proposed use of the Playland site should be consistent with insuring public use of and access to open space, Long Island Sound and facilities.

There is wide scope for enhancing existing facilities and open space and increasing access to them, while ensuring pedestrian safety. These opportunities range from such simple measures as ensuring walks are open more frequently to more substantial but not new undertakings such as enhancing the aquatic facilities

New uses such as augmented concert, sports or other facilities may also be proposed and, if so, should also be assessed in the same light. While private enterprise may have a role in any proposed use of Playland, the role should nevertheless be consistent with preserving and enhancing open space available to all.

Rye supports the establishment of the Westchester Children's Museum in the North Bath House.

2. Any use of the Playland site must be sensitive to environmental considerations and sustainability, including the integrity of the Edith Read Sanctuary, Playland Lake and the waters of Long Island Sound. Playland's fragile natural site requires any proposed use be carefully examined for adverse impact. Sewage, solid waste, noise and visual pollution intrusive to neighbors are vital considerations as are congestion and energy efficiency. Any future use of Playland should emphasize the improvement of the environmental impact to the site.
3. A substantial portion of Playland has been designated a National Historic Landmark. This is the highest level of national historic designation and reflects Playland's unique historical importance. While adaptive uses of existing facilities or changes, removal or replacement of structures which are not national historic landmarks could be considered, any of these should be consistent with the historic heart of Playland.
4. Any proposal affecting the Playland site must be examined to insure it is both financially responsible and sustainable. Demonstrated financial viability over the long term is an essential criterion in evaluating any proposal. However, public parks rarely are profitable in a commercial sense, and an appropriate proposed use could well contemplate a sustainable level of public expenditure to maintain the existing or a re-envisioned Playland and supporting infrastructure. Proposed uses consistent with the principles set forth above that present opportunities to reduce these costs or the portion of them borne by the public should be given careful consideration.
5. Rye has a long established designated zoning policy which reflects a careful balancing of many considerations. This policy is reflected in the Master Plan, the Zoning Code, the Local Waterfront Revitalization Plan

and other chapters within the Rye City Code concerning environmental and other health and safety issues (e.g., wetlands, stormwater runoff). These laws and regulations protect the interests of affected neighborhoods and the community at large.

Any proposal affecting Playland should comply with existing Rye ordinances. New structures or uses should be on a scale including height and mass and in a style consistent with, or complimentary of, Playland's site, neighborhood and access.

ROLL CALL:

AYES: Mayor French, Councilmembers Filippi, Gamache, Jovanovich, Keith and Parker

NAYS: None

ABSTAIN: Councilman Sack

The Resolution was adopted by a vote of 6 in favor and 1 abstention.

STATE OF NEW YORK)
COUNTY OF WESTCHESTER)
CITY OF RYE)

THIS IS TO CERTIFY that I have compared the foregoing resolution with the original thereof, duly passed and adopted at a regular meeting of the Council of the City of Rye held on the 2nd of March, 2011 by the affirmative vote of at least a majority of all members of said Council then in office, present and voting thereon, the vote upon passage thereof having been taken by recording the ayes and nays and duly entered in the minutes of said meeting of said Council and on file in this office, and **I DO HEREBY CERTIFY** said resolution to be a correct transcript thereof and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the official seal of the City of Rye this 20th day of September, 2011.



DAWN F. NODARSE
CITY CLERK

S E A L