

REPORT OF GENERAL MANAGER

APPROVED

NO. 06-66

DATE March 15, 2006

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BOARD OF RECREATION
and PARK COMMISSIONERS

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SUBJECT: GRIFFITH OBSERVATORY - SALE AND SERVICE OF ALCOHOLIC BEVERAGES

J. Combs _____	J. Kolb _____
H. Fujita _____	*F. Mok <u>Am.</u>
S. Huntley _____	K. Regan _____
R. Jensen _____	M. Shull _____

Robert Jensen (R)
General Manager

Approved

Disapproved

Withdrawn

RECOMMENDATION:

That the Board:

1. Approve the sale and service of alcoholic beverages at the Griffith Observatory as described hereinbelow; and,
2. Determine that the sale and service of alcoholic beverages at the Griffith Observatory is a park use.

SUMMARY:

The Griffith Observatory is undergoing a major multi-year renovation and expansion project, and is expected to reopen in Fall 2006. One of the new services that will be offered to the public upon reopening is a café, cart, and catering concession, which was awarded to Wolfgang Puck Catering and Events ("Puck") on February 16, 2005 (Board Report No. 05-47). Puck will be the exclusive provider of food and beverages at the Griffith Observatory premises, the parking lot, terraces, and walkways, for pre-opening events and activities, daily public consumption, special events, and catered activities. In accordance with the terms of the contract approved for this concession, Puck will have the right and privilege of providing service of alcohol even if donated or supplied by others. To provide the City with the option of having Puck sell or dispense alcoholic beverages as requested and desired for catered events, special activities, or exclusive circumstances, the concessionaire must apply for and be issued permission from the California State Alcoholic Beverage Control (ABC) Board. Because events are expected to occur regularly over the ten-year term of the contract with Puck, and in order to have flexibility to meet management and customer demand, the cost effective and practical alternative is for Puck obtain a permanent license for the Observatory premises from the ABC and an associated variance from the City Planning Department

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as required. For purposes of precedent and comparison with existing similar situations within the Department, there are a number of facilities at which the Board has approved the sale or dispensing of alcohol, and determined it to be a park use, including: Friendship Auditorium, all golf course restaurants and snack stands, Greek Theatre, Los Angeles Zoo, and Autry National Center. Alcohol was served at catered events and special activities at the Observatory during the prior years of operation.

The sale and service of alcohol was a required element in the Request for Proposals seeking an exclusive concessionaire for catering and other food services. Although regular daily sales of alcohol in the café or from carts is not under consideration, catering revenue estimates were based on inclusion of alcoholic beverage services. The unexpected inability to obtain a liquor license would likely have significant implications for the Department, up to possible withdrawal of the contactor.

Prior to issuing a permanent license to a facility, the ABC requires that the Board approve the sale and service of alcoholic beverages at the subject site and determine that such activity is a park use.

FISCAL IMPACT STATEMENT:

Failure to approve this action will have an unknown but potentially significant impact on revenue for catered events and special services by the concessionaire, and a commensurate negative revenue impact on the Department. Because operations are not underway at this time, the full scope of the potential loss of funding, which is slated to be part of a proposed offset in the first year for expenses of the Visitor Access Management program, is not known.

Report prepared by Heather Tarumoto and Linda Barth, Griffith Observatory.