

**CITY OF SAN ANTONIO
DEPARTMENT OF ASSET MANAGEMENT
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management

THROUGH: Terry M. Brechtel, City Manager

COPIES: Erik J. Walsh, Andrew Martin

SUBJECT: Ordinance approving revisions to the Official City Store Ticket Consignment Policy and Official City Store Ticket Consignment Agreement for the consignment of local attraction tickets at the Official City Store and authorizing the Director of Asset Management to negotiate and execute agreements for the resale of the tickets

DATE: February 27, 2003

SUMMARY AND RECOMMENDATIONS

This ordinance approves revisions to the Official City Store Ticket Consignment Policy originally adopted pursuant to Ordinance No. 95365, passed and approved on February 28, 2002 and approves a revised Official City Store Ticket Consignment Agreement for the consignment and resale of local attraction tickets at the Official City Store, located at 317 Alamo Plaza, to include tickets for other attractions (natural) such as show caves or caverns or zoos or wildlife parks, in addition to theme and water park tickets which have previously been sold, as well as allow the sale of tickets for attractions in both Bexar and contiguous counties, and re-authorizes the Director of Asset Management to negotiate and execute each agreement upon consultation with the City Attorney.

Staff recommends approval.

BACKGROUND INFORMATION

The City of San Antonio operates a retail location called The Official City Store ("City Store"), located within the Visitor Information Center at 317 Alamo Plaza. The City Store promotes the City of San Antonio and its many attractions in order to help the City achieve its goal of becoming the premier visitors' and convention destination.

On February 28, 2002, the current Official City Store Ticket Consignment Policy and Official City Store Ticket Consignment Agreement were adopted and approved by City Council. This policy provided for the sale of tickets on a consignment basis for theme and water park attractions in Bexar County. The Director of Asset Management was authorized to negotiate and execute these Agreements, upon consultation with the City Attorney's Office.

This action was to address the frequent inquiries received at The City Store and Visitor Information Center from visitors regarding the purchase of such tickets, many of which were not then being sold in the downtown area. The sale of such tickets provides a convenience and public service to citizens and visitors. In addition, this has helped to promote local attractions and to generate revenue for the City Store. Subsequent to the approval by City Council, The City Store entered into Agreements with Fiesta Texas and Splashtown and sold tickets for these attractions during the spring and summer of 2002.

The proposed Official City Store Ticket Consignment Policy has been modified to expand the scope of attractions to also include other attractions (natural) such as show caves or show caverns or zoos or wildlife parks tickets located in counties contiguous to Bexar County. With the expansion of the scope of the Policy, the City Store projects to generate additional revenue and increase the level of customer service.

As the revised Official City Store Ticket Consignment Policy outlines, each individual attraction desiring to consign their tickets at the City Store must be willing to enter into a Ticket Consignment Agreement with the City of San Antonio. The Agreement can be terminated by either party without cause upon (30) thirty days written notice. Each Agreement specifies the rate the City will pay for the tickets, which will remain the same for the term of the contract. Payment for the tickets is not made by the City until the tickets are sold. Any unsold tickets are returnable to the attractions at no cost to the City. The City has the ability to specify a higher price for the resale of the tickets than the consignment price, thus generating a profit for the City. Specific reporting requirements are outlined in the agreement for both the City and the attractions. In addition, the agreement requires the attractions to indemnify the City and carry appropriate insurance coverage as specified by the City's Risk Manager.

POLICY ANALYSIS

The approval of these policies is consistent with the policy of establishing guidelines for the use of City-owned property, promoting San Antonio's attractions, and maximizing the revenue potential of such said property.

FISCAL IMPACT

During Fiscal Year 2001/2002, the City Store generated about \$3,300 in revenue and it is estimated that the City Store could generate between \$5,000 and \$10,000 annually in additional revenue. This range is based upon the revision of the policy allowing the inclusion of the additional attractions.

There is a positive financial impact in authorizing the revised City Store Ticket Consignment Policy and Ticket Consignment Agreement. The tickets will be offered to the City Store on a consignment basis, therefore payment for the tickets is not made until the tickets are sold. Unsold tickets are returnable to the attractions at no cost to the City. The resale price of the tickets will be set higher than the price at which the City Store purchases them, thereby generating additional revenue for the City.

COORDINATION


This item has been coordinated with the following: City Attorney's Office, the Department of Asset Management, Contract Services Division and the Convention & Visitors Bureau.

SUPPLEMENTARY COMMENTS

The Ethics Ordinance Required Disclosure form and Litigation Disclosure Form is not required for this action, however, it will be obtained for every agreement executed under the approved policy.



Rebecca Waldman, Director
Department of Asset Management



Erik J. Walsh
Assistant to City Manager



The Official City Store
Department of Asset Management, City of San Antonio
Official City Store Ticket Consignment Policy

I. Introduction

A. The City of San Antonio operates a retail location called The Official City Store ("City Store"), located within the Visitor Information Center at 317 Alamo Plaza. The mission of the City Store is to sell merchandise representing the spirit, cultural heritage, and history of San Antonio.

B. City Store promotes the City of San Antonio and its many attractions in order to help the City achieve its goal of becoming the premier visitors' and convention destination. As part of its primary purpose to promote San Antonio and its attractions, the City Store may sell tickets from theme parks, water parks or other attractions (natural) such as show caves, show caverns, zoos, and wildlife parks on a consignment basis. The City Store has had frequent inquiries from visitors as to where in the downtown area they may purchase tickets to various theme parks, water parks, show caves and show caverns. These tickets are offered to our visitors as a convenience and public service in the spirit of exceeding their customer service expectations.

C. The City of San Antonio's Department of Asset Management is responsible for managing the Official City Store, which includes the purchase and resale of merchandise, including tickets. Approvals regarding the consignment of tickets for the Official City Store will be made by the Director of the Department of Asset Management or her designee (hereinafter referred to as "City Store Representative"). The City Store Representative or her designee also has the authority to enter into and modify the Official City Store Ticket Consignment Agreement, upon consultation with the City Attorney, including, but not limited to, determining ticket prices and adding future City Store locations for selling tickets, without future City Council approval.

II. Regulations

A. Eligibility

1. For the purposes of this policy, theme parks shall be defined as those which primarily offer hard or "iron" rides, games, and live entertainment within a themed environment that is carried through in its attractions, food, merchandise, games, etc. The theme parks shall have a controlled entrance to an outdoor facility and charge an admission fee that typically includes access to all attractions. The attractions shall appeal to the entire family. For the purposes of this policy, water parks shall be defined as those which primarily offer water-related rides and shall typically charge an all-inclusive admission fee to a facility with a controlled entrance. For the purposes of this policy, other attractions (natural) are those attractions which typically have a controlled entrance to an outdoor facility and charge an admission fee. The attractions appeal to the entire family and offer food and merchandise outlets within the themed environment. Specific other attractions (natural) such as show caves and show caverns shall be defined as caves developed for public visitation. All are natural caves or caverns beneath the surface of the earth. These show caves or caverns are presented to the visitor with good taste, courtesy and hospitality during tours at regularly scheduled times. Other specific attractions (natural) such as a zoo or a wildlife park shall be defined as a themed outdoor environment which offers an array of animal and habitat displays for visitors to learn and enjoy. The definitions set forth in this policy for theme parks and water parks are based upon information provided by IAAPA (International Association for Amusement Parks & Attractions), for show caves and show caverns by the National Caves Association and for zoos and wildlife parks by the American Zoo and Aquarium Association.

2. Theme parks, water parks, or other attractions (natural) such as show caves, show caverns, zoos, and wildlife parks located within Bexar County and contiguous counties shall be eligible to consign tickets to the City of San Antonio for subsequent sale.

3. Tickets shall be provided to the City of San Antonio's City Store on a consignment basis. Tickets will be sold by the City of San Antonio's City Store, located at 317 Alamo Plaza, San

Antonio, Texas, in accordance with the terms and conditions of the Official City Store Ticket Consignment Agreement. Tickets shall not be date or time specific, but may be "season" specific.

B. Conflict of Interest/Discretionary Contracts Disclosure/Litigation Disclosure

1. Seller must complete a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.
2. Seller must complete a Litigation Disclosure Form.