CITY OF SAN ANTONIO INTERDEPARTMENTAL MEMORANDUM PARKS AND RECREATION DEPARTMENT

TO: Mayor and City Council

FROM: Malcolm Matthews, Director, Parks and Recreation Department

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa B. Vossmer; Finance; Management and Budget; Legal; File

SUBJECT: Ordinance Approving Ticket Price Increases as Requested by Yanaguana

Cruises, Inc.

DATE: April 3, 2003

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes Yanaguana Cruises, Inc. to increase ticket prices and establish new rates in a two-phase plan, with Phase I effective April 15, 2003 and Phase II automatically effective March 1, 2004.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

As per the authority granted in its Downtown San Antonio River Boats and Barges Concession Contract with the City of San Antonio, Yanaguana Cruises, Inc. (YCI) operates a barge concession on the River Walk. The owner has requested to increase ticket prices and this requires City Council approval.

Ordinance 81821, passed and approved on March 9, 1995, authorized the Downtown San Antonio River Boats and Barges Concession Contract with Yanaguana Cruises, Inc. for boats and barges concessions on the downtown San Antonio River. Subsequently, Amendment 1 (Ordinance 86611), passed and approved on September 11, 1997, amended this original agreement. It increased the minimum payment to the City to \$1,700,000.00 per year, required that ticket stations and taxi stops be approved by the City Council and established the current ticket rates. Amendment 2 (Ordinance 92913), passed and approved on November 9, 2000, was the result of litigation and the settlement agreement between YCI and the City. In that settlement agreement, the City and YCI clarified ticket accounting procedures, established photography services procedures and increased payment amounts to the City. The ordinance approving the settlement stipulated that the City and YCI agreed to evaluate cost adjustments.

New ownership of the business occurred in October 2002. Since that time, the Parks and Recreation Department has observed a positive change in the owner's approach to employee issues, as evidenced by the provision of additional employee health insurance at a reduced cost, lower uniform cost for employees, increased salaries and an opportunity for employee input. The company has invested in a new computer system and in fifteen new barge engines. In addition, the concession has been operating smoothly and with few customer complaints.

The current ticket rates have not changed since October 1, 1997. YCI is requesting this increase as the result of over five years of inflation, especially the past two years' significant fuel rate increases. YCI has proposed a two-phase implementation schedule. The first increase would become effective on April 15, 2003 and a second increase would become effective March 1, 2004. Exhibit 1 provides a summary of the proposed rate changes. Column A shows the current rates. The proposed new rates are shown in Column B (April 15, 2003) and in Column C (March 1, 2004). It must be noted that the Local Resident Rate would go from \$3.65 to \$4.25 and then to \$4.50. Staff feels this will remain very affordable for local residents. Local residents are defined as residents of Bexar County and YCI accepts identification cards (driver license, military, school, etc.) for this rate. The owner has agreed to prominently display this rate on their price board. No rate changes are recommended for tour or dining charters.

POLICY ANALYSIS

This action is consistent with prior City Council authorizations established through Ordinance 82821, Ordinance 86611 and Ordinance 92913, as noted above.

FISCAL IMPACT

Under the terms of the agreement, the City receives 51% of boat ride ticket sales revenue. The increase in ticket prices will result in an increase of approximately \$181,838.00 additional revenue to the City General Fund in FY02/03 and approximately \$491,380.00 additional revenue in FY03/04. The estimated additional revenue calculation is shown in Exhibit 2. The actual revenue collected in FY01/02 was \$2,951,539.00.

COORDINATION

This ordinance was coordinated with the City Attorney's Office, the Office of Management and Budget and was reviewed by the City Council Quality of Life Committee on March 27, 2003.

SUPPLEMENTARY COMMENTS

A Discretionary Contracts Disclosure Form from Yanaguana Cruises, Inc. is attached.

Malcolm Matthews,

Director of Parks and Recreation

Melissa B. Vosemer

Assistant City Manager

Approved:

Terry M. Brechtel

City Manager

Exhibit 1
Proposed Yanaguana Schedule of Rates

	Α	В	С						
		Proposed	Proposed						
Service	Current	Rate	Rate						
•	Rate	04/15/03	03/01/04						
	(All rates include sales tax)								
Individual Fares	`		•						
Adult	\$5.25	\$6.00	\$6.50						
Local Resident	\$3.65	\$4.25	\$4.50						
Child	\$1.00	\$1.25	\$1.50						
Military	\$3.65	\$4.25	\$4.50						
Senior Citizen	\$3.65	\$4.25	\$4.50						
Matinee Tickets	\$3.25	\$3.75	\$4.00						
Shuttle - One Way	\$3.50	no ch	ange						
Shuttle - All Day Pass	\$10.00	no ch	•						
Shuttle - Three Day Pass	\$25.00	no ch	-						
Incentive Tickets			Ü						
(Sold in Blocks of 25)									
Adult	\$118.25	\$135.00	\$146.25						
Local Resident	\$82.25	\$95.75	\$101.75						
Child	\$22.50	\$28.25	\$33.75						
Military	\$82.25	\$95.75	\$101.25						
Senior Citizen	\$82.25	\$95.75	\$101.25						
Shuttle - One Way	\$78.75	no ch							
Shuttle - All Day Pass	\$225.00	no ch	=						
Shuttle - Three Day Pass	\$562.50 no change								
Non-Prime Time Charters	4-3-11	110 0.1	90						
(from opening to no later than 5:30 p.m.)									
First hour or part thereof	\$90.00	no ch	ange						
Extra Half Hour (each)	\$45.00	no ch	-						
Children/Senior Activity Group	\$45.00	no ch	-						
Prime Charters	*	,,,,	90						
(from 5:30 p.m. to closing)									
First hour or part thereof	\$110.00	no ch	ange						
Extra Half Hour (each)	\$55.00	no ch	•						
Children/Senior Activity Group	\$55.00	no ch	-						
Non-Prime Time Dining Charters	• • • • • •								
(from opening to no later than 5:30 p.m.)									
First two hours or part therof	\$140.00	no ch	ange						
Extra Half Hour (each)	\$35.00	no ch	_						
Time Specific Prime Time Dining Charters			J						
(either at 6:30 p.m. or at 9:00 p.m.)									
First two hours or part therof	\$155.00	no ch	ange						
Extra Half Hour (each)	\$39.00	no ch	-						
Non-Time Specific Prime Time Dining Charters	• •		. .						
(after 5:30 p.m., other than 6:30 p.m. or 9:00 p.m.)									
First two hours or part therof	\$170.00	no ch	ange						
Extra Half Hour (each)	\$45.00	no ch	-						
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Exhibit 2 Proposed Yanaguana Cruises Inc. Rate Increase Additional Revenue Estimates

Two Phase Rate Increase

FY02/03

···								······································						
					April 15, 20	03 Increase								
May - Sept 2003 (5	mont	ths)			· .pe, _e				2001 & 2002	Est.				
, , ,	Р	hase I	Current City	Proposed	Net	increase	Average	Revenue						
	С	urrent	Pr	oposed	Allocation	City	Pe	er Ticket	May-Sept.	Increase to				
		Rate		Rate	as of 1997	Allocation	for Gen. Fund		Ridership	General Fund				
Adult Tickets	\$	5.25	\$	6.00	2.47	2.82	\$	0.35	425,250	148,837.50				
Resident Tickets	\$	3.65	\$	4.25	1.72	2.00 \$ 0.28		29,393	8,230.04					
Child Tickets	\$	1.00	\$	1.25	0.47	0.59	\$	0.12	57,425	6,891.00				
Military Tickets	\$	3.65	\$	4.25	1.72	2.00	\$	0.28	18,745	5,248.60				
Senior Tickets	\$	3.65	\$	4.25	1.72	2.00	\$	0.28	35,244	9,868.32				
Matinee Tickets	\$	3.25	\$	3.75	1.53	1.76	\$	0.23	12,012	2,762.76				
							F	/02/03 Esti	mated Increase	181,838.22				
					F1/0	0.10.4								
					FY0	3/04								
Oct 2003 - Feb 200	Oct 2003 - Feb 2004 (5 months) 2001 & 2002													
			Р	hase I	Current City	Proposed	Net	increase	Average	Revenue				
	С	urrent	Pr	oposed	Allocation	City	Pe	er Ticket	Oct Feb.	Increase to				
		Rate		Rate	as of 1997	Allocation	for Gen. Fund		Ridership	General Fund				
Adult Tickets	\$	5.25	\$	6.00	2.47	2.82	\$	0.35	343,858	120,350.27				
Resident Tickets	\$	3.65	\$	4.25	1.72	2.00	\$ 0.28		21,721	6,081.95				
Child Tickets	\$	1.00	\$	1.25	0.47	0.59	0.59 \$		40,316	4,837.90				
Military Tickets	\$	3.65	\$	4.25	1.72	2.00	\$	0.28	13,919	3,897.37				
Senior Tickets	\$	3.65	\$	4.25	1.72	2.00	\$	0.28	37,783	10,579.10				
Matinee Tickets	\$	3.25	\$	3.75	1.53	1.76	\$	0.23	9,645	2,218.25				
										147,964.84				
					March 1, 20	NA Increase								
March 2004 - Sep 2	2004	(7 month	s)		Water 1, 20	or morease			2001 & 2002	Est.				
			Р	hase II	Current City	Proposed	Net	increase	Average	Revenue				
	С	urrent	Pr	oposed	Allocation	City	Pe	er Ticket	Mar Sept.	Increase to				
		Rate		Rate	as of 1997	Allocation	for C	en. Fund	Ridership	General Fund				
Adult Tickets	\$	5.25	\$	6.50	2.47	3.06	\$	0.59	481,401	284,026.64				
Resident Tickets	\$	3.65	\$	4.50	1.72	2.12	\$	0.40	30,410	12,163.90				
Child Tickets	\$	1.00	\$	1.50	0.47	0.71 \$		0.24	56,442	13,546.12				
Military Tickets	\$	3.65	\$	4.50	1.72	2.12			19,487	7,794.73				
Senior Tickets	\$	3.65	\$	4.50	1.72	2.12 \$ 0.40			52,896	21,158.20				
Matinee Tickets	\$	3.25	\$	4.00	1.53	1.88		0.35	13,502	4,725.85				
	•	*					•			343,415.44				
							F١	/03/04 Esti	mated Increase	491,380.28				
										L				

City's allocation remains the same of 51% of each ticket, less sales tax or refunds

Total Estimated Increase

673,218.50

City of San Antonio Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D. Sections 1&2
Attenth additional sheets if space provided is not sufficient.
State*Not Applicable* for questions that do not apply.

* Title form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (6) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

None .
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None
Yanaguana Cruises, Inc.
None

COSA Form 1050-33-2. EthicsDiscipsure. 08/01/01

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

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To Whom Made:	Amount:	Date of Contribution:
None	None	None

None Known

Signature:

Title:

President

Date;

Company:

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Yanaguana Cruises, Inc

3/21/03

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" ebout the appropriateness of official action if a disinterposted person would conclude that the facts, if true, require recuest or require careful consideration of whether or not recuest is required.-