

**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**

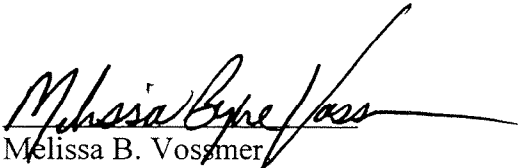
This ordinance was coordinated with the City Attorney's Office, the Office of Management and Budget and was reviewed by the City Council Quality of Life Committee on March 27, 2003.

**SUPPLEMENTARY COMMENTS**

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



Malcolm Matthews,  
Director of Parks and Recreation



Melissa B. Vosmer  
Assistant City Manager

Approved:



Terry M. Brechtel  
City Manager

Exhibit 1  
Proposed Yanaguana Schedule of Rates

Service	A Current Rate	B Proposed Rate 04/15/03	C Proposed Rate 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 change	
Shuttle - All Day Pass	\$10.00	no change	
Shuttle - Three Day Pass	\$25.00	no change	
Incentive Tickets (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 change	
Shuttle - All Day Pass	\$225.00	no change	
Shuttle - Three Day Pass	\$562.50	no change	
Non-Prime Time Charters (from opening to no later than 5:30 p.m.)			
First hour or part thereof	\$90.00	no change	
Extra Half Hour (each)	\$45.00	no change	
Children/Senior Activity Group	\$45.00	no change	
Prime Time Charters (from 5:30 p.m. to closing)			
First hour or part thereof	\$110.00	no change	
Extra Half Hour (each)	\$55.00	no change	
Children/Senior Activity Group	\$55.00	no change	
Non-Prime Time Dining Charters (from opening to no later than 5:30 p.m.)			
First two hours or part thereof	\$140.00	no change	
Extra Half Hour (each)	\$35.00	no change	
Time Specific Prime Time Dining Charters (either at 6:30 p.m. or at 9:00 p.m.)			
First two hours or part thereof	\$155.00	no change	
Extra Half Hour (each)	\$39.00	no change	
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 thereof	\$170.00	no change	
Extra Half Hour (each)	\$45.00	no change	

Exhibit 2  
**Proposed Yanaguana Cruises Inc. Rate Increase**  
**Additional Revenue Estimates**  
Two Phase Rate Increase

**FY02/03**

May - Sept 2003 (5 months)		April 15, 2003 Increase				2001 & 2002 Average May-Sept. Ridership	Est. Revenue Increase to General Fund
		Phase I Current Rate	Phase I Proposed Rate	Current City Allocation as of 1997	Proposed City Allocation	Net increase Per Ticket for Gen. 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
FY02/03 Estimated Increase							181,838.22

**FY03/04**

Oct 2003 - Feb 2004 (5 months)						2001 & 2002 Average Oct. - Feb. Ridership	Est. Revenue Increase to General Fund
		Phase I Current Rate	Phase I Proposed Rate	Current City Allocation as of 1997	Proposed City Allocation	Net increase Per Ticket for Gen. 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	\$ 0.12	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 2004 - Sep 2004 (7 months)		March 1, 2004 Increase				2001 & 2002 Average Mar. - Sept. Ridership	Est. Revenue Increase to General Fund
		Phase II Current Rate	Phase II Proposed Rate	Current City Allocation as of 1997	Proposed City Allocation	Net increase Per Ticket for Gen. 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	\$ 0.40	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
FY03/04 Estimated Increase							491,380.28

Total Estimated Increase 673,218.50

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

**City of San Antonio**  
**Discretionary Contracts Disclosure\***

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

*\* This 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 (5) 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:

(1) The identity of any individual who would be a party to the discretionary contract.

None

(2) The identity of any business entity that would be a party to the discretionary contract and the name of:

(a) Any individual or business entity that would be a subcontractor of the discretionary contract.

None

(b) Any individual or business entity that would be a partner, officer, director, or owner of a business entity or any individual or business entity who would be a party to the discretionary contract.

Yanaguana Cruises, Inc.

(3) The names of any individuals having relations, as described by subsection (b), to the discretionary contract party sought, or any individual or business entity, who would be a party to the discretionary contract.

None

<sup>1</sup> 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.

